

# ANNUAL REPORT 2011-12





# PREMIER & CABINET ANNUAL REPORT 2011-2012

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## Premier & Cabinet

The Hon Barry O'Farrell MP  
Premier, and Minister for  
Western Sydney  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

The Hon Robyn Parker MP  
Minister for the Environment,  
and Minister for Heritage  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

The Hon Donald Page MP  
Minister for Local Government,  
and Minister for the North Coast  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

Dear Premier and Ministers

In accordance with the *Annual Reports (Departments) Act 1985* and NSW Treasury Circular (TC10/09), I am pleased to submit a copy of the 2011-12 Annual Report for the Department of Premier and Cabinet to each of you.

This report includes information pertaining to the Office of Environment and Heritage and the Division of Local Government.

This report also incorporates the 2011-12 Annual Reports of the Environment Protection Authority and the Heritage Council of NSW.

The Premier will present the Department of Premier and Cabinet's Annual Report to Parliament on behalf of all responsible Ministers.

This report was prepared in accordance with the provisions of the *Annual Reports (Departments) Act 1985* and the *Annual Reports (Departments) Regulation 2010*.

Yours sincerely

Chris Eccles  
Director General

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# FROM THE DIRECTOR GENERAL

It has been another year of significant change and reform for the Department of Premier & Cabinet in 2011-12, both internally as an organisation and externally as a central agency leading and delivering major reforms and priorities for the Government.

The Department of Premier and Cabinet's (DPC) purpose is to work for the people of NSW by supporting the Premier and the Cabinet. We drive the Government's objectives, coordinate policy and services across the whole-of-government and enable effective stewardship of the public service.

As an organisation, the DPC undertook significant changes in management and structure during 2011-12, including new appointments to the executive team and a renewed focus on improving our business practices and systems.

The DPC also developed its *Directions Statement 2012-2015*, which sets out our purpose, our values, the capabilities we need in our organisation and people, and our key areas of focus for next year.

There have been a number of major reform initiatives and priorities that the DPC has led during 2011-12.

Following the successful establishment of the Public Service Commission and Infrastructure NSW last year, in 2011-12 the DPC laid the foundations for the roll-out of the first tranche of Service NSW in 2012-13. This is a key government initiative designed to bring together and simplify government services for our customers. This exciting new agency will make services more integrated and accessible, forging an innovative and improved multi-channel customer service experience for our transactional government services.

The DPC also led the development of *NSW 2021: A Plan to Make NSW Number One (NSW 2021)*, and coordinated extensive community consultation meetings between Ministers and communities across NSW, involving over 3,000 people. The DPC has supported Regional Ministers to develop 19 Regional Action Plans aligned to NSW 2021 to localise the state plan.

Another major focus for the DPC in 2011-12 involved coordinating the Government's response to, and implementation of, the Commission of Audit findings to restore and drive Public Sector performance.

The DPC also continued to lead NSW's involvement in intergovernmental relations, including supporting the Premier's participation in the Council of Australian Governments (COAG) and leading national reforms in the areas of competition and regulation reforms, skills reforms and infrastructure funding.

In conclusion, I would like to acknowledge and thank our staff. It was a year of remarkable change and achievement. This would not have been possible without their dedication, diligence and professionalism.

**Chris Eccles**  
**Director General**

## The Strategic Centre Initiative focuses on areas of intersection between the central agencies.

It has involved clarifying function, roles, responsibilities and accountabilities. This will change the way central agencies will work with each other, clusters and external stakeholders.

In 2011-12, the central agency heads of the Department of Premier and Cabinet, The Treasury, and Finance and Services, and the Public Service Commissioner, undertook an analysis of central agency roles and functions. The DPC provided secretariat support for this initiative.

Launched in October 2012, the Strategic Centre Initiatives provides a shared vision, principles and strategies which signify a new way of working by central agencies. It has resulted in the identification and realignment of central agency functions.

The following key areas of responsibility have been identified:

- DPC:** focuses on performance and priorities including policies, initiatives and events
- Treasury:** focuses on effective financial and economic management
- DFS:** focuses on policy reform of and delivers, enabling functions to support clusters
- PSC:** focuses on people management, capability and workforce development.

Central agencies will add value to policy and service outcomes for the residents of NSW by working effectively with each other, cluster, line agencies and external stakeholders.

For more information, visit:

[www.nsw.gov.au/strategic-centre](http://www.nsw.gov.au/strategic-centre)

# ABOUT US

The Department of Premier & Cabinet is the principal department of the Premier & Cabinet Cluster.

The DPC works for the people of NSW by supporting the Premier and Cabinet.

The DPC has an important role in driving the Government's objectives, coordinating policy and services across the whole-of-government and enabling effective stewardship of the public service.

As a central agency, it provides thought leadership across the Public Sector, contributing a unifying intelligence to the system of government.

The DPC has a key role in:

- Providing clear reform leadership
- Setting and monitoring objectives and targets
- Driving the delivery of the *NSW 2021 Plan*
- Improving the performance of the Public Sector
- Contributing to an efficient customer-focused Public Sector
- Facilitating private sector partnerships and investment
- Providing an independent source of advice based on sound evidence
- Leading negotiations on priority COAG agreements
- Advising on governance and machinery of government changes
- Coordinating and managing cross-portfolio issues
- Coordinating legislative and parliamentary processes
- Facilitating decision-making by the Government.

The DPC is a Division of the NSW Public Service under the *Public Sector Employment and Management Act 2002*.

The DPC is primarily responsible to the Premier, and in respect of some of its functions is also responsible to the regional Ministers, the Minister for Local Government, and the Minister for the Environment and Minister for Heritage.



## CENTRAL AGENCY GROUPS

### Office of the Director General

The Office of the Director General supports the leadership role of the Director General in the Department, Cluster and broader Public Sector. The Office has responsibility for facilitating executive communication and decision making processes, including providing secretariat functions to the Senior Executive Board for the Department and the Senior Management Council. The Senior Management Council is the peak leadership group for the NSW Public Sector comprising of all cluster heads. The Office also has a role in championing transformational reforms that build capabilities in the organisation and its people, and provides executive administration support to the Director General.

### Office of General Counsel

The Office of General Counsel is responsible for providing legal, governance and procedural advice and support to the Premier and the DPC, including managing Government Information (Public Access) (GIPA) and giving effect to administrative and machinery of Government changes. It manages and advises on legal policy including the development of Premier's and whole-of-government priority legislation, and manages the passage of the Government's legislative agenda. Litigation and external legal services (other than Industrial Relations/Human Resources) are also managed by the Office of General Counsel.

### Strategic Policy and Coordination Group

The Strategic Policy and Coordination Group are responsible for providing strategic independent advice to the Premier and Cabinet on policy and Cabinet matters. It acts as the DPC's main repository of deep, subject-specific policy expertise. It coordinates policy across government, contributes to ongoing policy development, and leads significant cross-agency initiatives. The Group manages and monitors Cabinet processes, is responsible for COAG and intergovernmental relations, and ensures a strategic approach to setting the Government's legislative agenda.

### Strategic Initiatives and Performance Group

The Strategic Initiatives and Performance Group acts as an agent for change and reform in the Public Sector, focusing on system wide performance improvement. The Group monitors and reports on progress in delivering the Government's key objectives, undertakes strategic reform projects where there is a gap in Government policy and promotes innovative approaches to service delivery.

This includes the identification of system-wide performance improvement strategies, as well as working closely with agencies on difficult policy or service delivery issues that affect more than one agency. The Group also has a focus on minimising the burden of regulation on business and the community through regulatory reform, improving regulator behaviour and the promotion of behavioural economics in NSW.

### Delivery and Implementation Group

Delivery and Implementation Group is responsible for coordinating activities and leading reforms to ensure that the Government's priorities are delivered promptly and efficiently. The focus is on improving delivery of services and priority outcomes with a systematic, targeted and time limited approach. This begins with customer service and addresses systemic barriers identified by regional coordinators and major project facilitators. The Group's coordination brief covers delivery of *NSW 2021* outcomes and organising whole-of-government collaboration across rural and regional NSW. This includes coordination of a rapid response to major unplanned events such as disaster recovery, social disorder or significant economic hardship. The Group also facilitates selected major public and private sector projects contributing to economic growth and employment.

### Government Group

The Government Group is the central hub for the DPC's various corporate, governance and whole-of-government support and coordination functions. It provides HR, IT and finance support to the DPC and, as needed, to Ministers and the Premier and Cabinet Cluster. The Group incorporates the DPC's strategic HR capability, ministerial and parliamentary services, briefings and correspondence and whole-of-government communications and advertising functions. Its responsibilities include the coordination and delivery of major events, the Office of the Governor and the provision of protocol support.

### Parliamentary Counsel's Office

The Parliamentary Counsel's Office (PCO) is a separate office that provides the Government with a comprehensive and integrated range of high quality services for the drafting and development of legislation, the publication of legislation and the giving of advice and information about legislation to Government. It also provides up-to-date public access to legislation through the official NSW legislation website:

[www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au) and other publications.

### OUR DISTINCTIVE CONTRIBUTION

The Department of Premier and Cabinet provides thought leadership across the public sector, contributing a unifying intelligence to the system of government.

**We:**

- know the strategic context;
- sponsor the contest of ideas;
- build shared understanding of government objectives; and
- facilitate effective whole of government outcomes.

**We create value by:**

- providing clear reform leadership;
- setting and monitoring objectives and targets;
- being an independent source of advice based on sound evidence;
- coordinating and managing cross-portfolio issues;
- facilitating decision-making by the government; and
- improving the performance of the public sector.

### AREAS OF FOCUS 2012-2013

The following objectives involve contributions from every Departmental Group:

1. Lead the Government's agenda for change in NSW.
2. Take a lead in national policy.
3. Drive the delivery of the NSW 2021 Plan.
4. Contribute to an efficient customer-focused public sector.
5. Facilitate private sector partnerships and investment.
6. Empower our people to achieve outcomes through clear shared directions, strong internal linkages, high quality technology and career development.

### OUR PURPOSE

The Department works for the people of NSW by supporting the Premier and Cabinet. We drive the Government's objectives, coordinate policy and services across the whole of government and enable effective stewardship of the public service.

### WHAT WE STAND FOR

The Department's work is based on shared values that focus on high performance and achievement, ethics and people. Those values are:

**Professionalism and Excellence** We focus on outcomes, take responsibility for our work, provide consistent and accurate advice, and demonstrate drive, energy and initiative.

**Integrity** We are ethical, impartial and honest.

**Care** We support our people, recognise their value, and invest in their development. Together we are respectful, honest and enthusiastic.

**Service** We are custodians of good public governance providing responsive service to the community and government.

**Respect** We are collaborative and courteous in our dealings with internal and external colleagues and stakeholders.

### DEPARTMENTAL CAPABILITIES

To support the directions and achieve the outcomes for 2015, the Department needs the following capabilities in the organisation and people:

**Capabilities in the Organisation**

- Clear decision making
- Agile people management
- Information and knowledge management
- Smart systems (administrative and technological)
- Transparent resource allocation
- Quality assurance and risk management

**Capabilities in our People**

- Sound understanding of the business of government
- High level judgement
- Political nous
- Deep content knowledge
- Networking
- Coaching and developing others
- Collaboration
- Confidence
- Decisiveness

This Directions Statement applies to those Groups of the Department which undertake the central agency functions and are overseen by the Department's Senior Executive Board. This document will be reviewed in 2015. The Areas of Focus will be updated annually.

## PORTFOLIO DIVISIONS

The Division of Local Government (DLG) and the Office of Environment and Heritage (OEH) form part of the department, but have a high degree of autonomy and are led by a Chief Executive Officer under delegation from the Director General of the DPC. They report primarily to the Minister for Local Government and to the Minister for the Environment and Minister for Heritage respectively.

### Division of Local Government

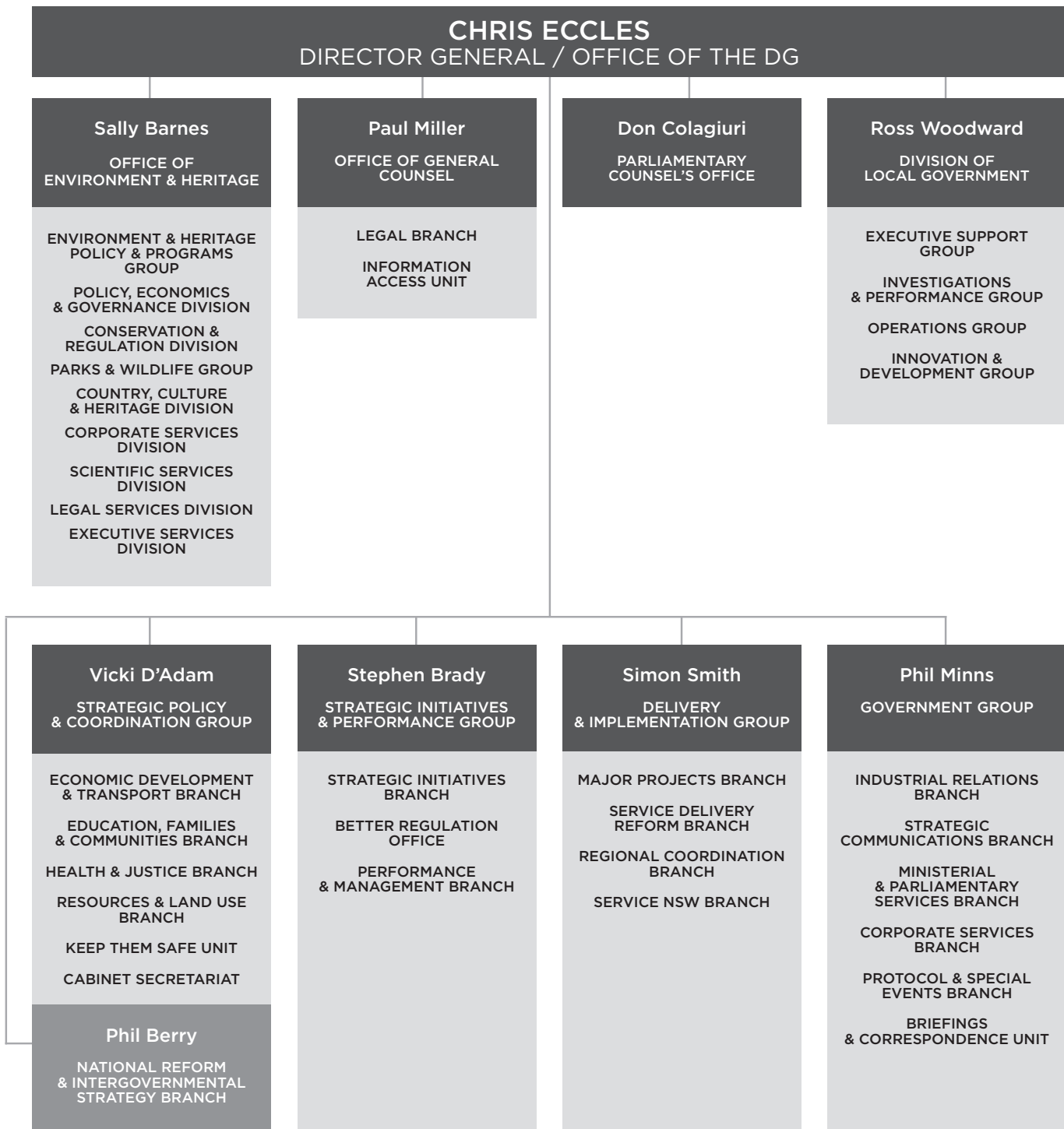
The Division of Local Government (DLG) is responsible for Local Government across NSW. The Division's organisational purpose is, "To strengthen the Local Government Sector" and its organisational outcome is, "Successful councils engaging and supporting their communities". Operating within seven strategic objectives the Division has a policy, legislative, investigative and program focus in matters ranging from local government finance, infrastructure, governance, performance, collaboration and community engagement. The Division

strives to work collaboratively with the local government sector and is the key adviser to the NSW Government on local government matters.

### Office of Environment and Heritage

The Office of Environment and Heritage (OEH) was established in April 2011 as a separate office within the DPC. The OEH cares for and supports the community in protecting and enjoying NSW's environment and heritage and also manages national parks and reserves in NSW.

The OEH supports the Premier, Minister for the Environment and Minister for Heritage in performing their executive and statutory function. The OEH's work covers the key environment and heritage portfolio areas of heritage, tourism and partnerships in parks and reserves, land management, community support and capacity and business reform.



## Senior Management

As at 30 June 2012, the principal officers in DPC's senior management team were:

**Chris Eccles** BA LLB  
Director General

**Stephen Brady** BCom (Hons) LLB (Hons)  
Deputy Director General  
Strategic Initiatives and Performance Group

**Don Colagiuri** SC BA LLB  
Parliamentary Counsel  
Parliamentary Counsel's Office

**Vicki D'Adam** BA (Hons)  
Deputy Director General  
Strategic Policy and Coordination Group

**Paul Miller** BEc LLB (Hons) MBA LLM  
General Counsel  
Office of General Counsel

**Phil Minns** BEc (Hons) MEc  
Deputy Director General  
Government Group

**Simon Smith** BA (Hons)  
Deputy Director General  
Delivery and Implementation Group

**Ross Woodward** BTP MTP  
Chief Executive  
Division of Local Government

**Sally Barnes** BA DipEd GradDip  
Information Sciences (Teacher Librarianship)  
Chief Executive  
Office of Environment and Heritage

# PREMIER & CABINET CLUSTER

The DPC is the Principal Department of the Premier and Cabinet Cluster.

In addition to the DPC, the Premier and Cabinet Cluster also includes the following entities:

## **The Premier's portfolio:**

- Independent Commission Against Corruption, a statutory corporation
- Independent Pricing and Regulatory Tribunal of NSW, a statutory corporation
- NSW Electoral Commission, a statutory corporation
- Election Funding Authority, a statutory corporation
- NSW Ombudsman's Office, a Division of the Government Service responsible to the Ombudsman, a statutory officeholder
- Police Integrity Commission, a statutory corporation
- Inspector of the Independent Commission Against Corruption, a statutory officeholder
- Inspector of the Police Integrity Commission, a statutory officeholder
- Barangaroo Delivery Authority, a statutory corporation
- Infrastructure NSW, a statutory corporation
- Internal Audit Bureau, a statutory corporation
- Jenolan Caves Reserve Trust, a statutory corporation
- Landcom, a State owned corporation (SOC) under the *State Owned Corporations Act 1989*

### **The Planning and Infrastructure portfolio:**

- Department of Planning and Infrastructure, a Division of the NSW Public Service
- Central Coast Regional Development Corporation, a statutory corporation
- Hunter Development Corporation, a statutory corporation
- Sydney Harbour Foreshore Authority, a statutory corporation.

### **The Environment and Heritage portfolio:**

- Centennial Park and Moore Park Trust, a statutory body
- Environment Protection Authority, a statutory body
- Environmental Trust, a statutory body
- Historic Houses Trust, a statutory body
- Lord Howe Island Board, a statutory body
- Parramatta Park Trust, a statutory body
- Royal Botanic Gardens and Domain Trust, a statutory body
- Taronga Conservation Society Australia, a statutory authority
- Western Sydney Parklands Trust, a statutory body
- Heritage Council of NSW, an advisory body.

Those entities above that are required to produce annual reports do so separately from the DPC annual report. However, the annual reports of the Environment Protection Authority and the Heritage Council of NSW have been included as an attachment to the DPC annual report.

# PERFORMANCE HIGHLIGHTS

## **Reform and Renewal of Regional Coordination**

The DPC has directed regional coordination since 1994. A review was undertaken to determine the best support structure for local decision making policies and agencies were reorganised into nine clusters with six regional ministers. This resulted in the establishment of seven regional leadership groups tasked with delivery of *NSW 2021 Regional Action Plans*. These groups comprise the most senior officials from each cluster. Support is also provided by the DPC to regional ministers.

## **New Approach for Working with the Private Sector**

A framework to support increased private sector innovation and contribution to service delivery and infrastructure was developed. New guidelines and systems have been established for Unsolicited Proposals involving a three stage process for professional, prompt assessments and government decisions. The process features a 'single entry door' and strong probity management recognising the need for cost effective delivery and protection of private intellectual property. A range of proposals across transport, health and infrastructure are under assessment, including a proposal for a new toll road tunnel to connect the F3 to the M2 in north west Sydney.

## **Development of a Performance Monitoring and Reporting Framework for *NSW 2021***

The *NSW 2021 Performance Report 2012-13* provided the first annual progress report on the Government's policy and service delivery performance in achieving the 32 goals, 182 targets and 284 measures established in *NSW 2021*. The Report outlined the funded initiatives relating to *NSW 2021* goals and was released with the 2012-13 Budget signifying the intent to align *NSW 2021* priorities and commitments with the Budget process. The release of the *NSW 2021 Baseline Report* (Baseline Report) in December 2011 provided the foundation for future performance measurement, monitoring and public reporting on each *NSW 2021* goal and target.

## Abolition of Registration Labels for Light Vehicles

As part of the Government's commitment to cut red tape, the Better Regulation Office (BRO) and the then Roads and Traffic Authority conducted a joint review into the requirement for registration labels for light vehicles. This review found that abolishing labels for light vehicles would save business \$5 million annually as estimated by the NSW Business Chamber, and save the Government \$575,000 a year. The regulatory burden to NSW motorists will be reduced without adversely affecting rates of compliance and enforcement. The review is also likely to pave the way for further customer-focused innovations to make it easier for motorists to register vehicles and achieve further cost savings. Registration labels for light vehicles will be abolished from 1 January 2013.

## Political Donations Reforms

The DPC developed significant legislative reforms to implement the Government's policy banning political donations from corporations and other entities. These landmark reforms (included in the *Election Funding, Disclosures and Expenditure Amendment Act 2012*) ensure that only enrolled individuals can make political donations to NSW political parties, groups and candidates. The reforms commenced on 9 March 2012.

## Technological Support to the Ministry

In 2011/12, Ministers were provided with the capacity to use mobile enabled devices (iPads and iPhones) to access the Ministers' Network securely. The eCabinet (iCDMS) system was also implemented on the network to allow the Premier and Ministers to securely access classified Cabinet documents electronically, a service that simplifies the process of publishing and updating the Cabinet documents as well as reducing printing requirements.

## Premier's Trade Missions

The NSW Premier, the Hon Barry O'Farrell MP, undertook three significant trade and cultural missions in the year to June 2012: China (July 2011), India (November 2011) and Lebanon and the United Arab Emirates (May 2012). The DPC coordinated the successful missions to these important strategic trade and cultural destinations, in close collaboration with the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS), the Department of Foreign Affairs and Trade, consulates, embassies and other stakeholders.

## Legislation to establish the Central Sydney Traffic and Transport Committee

The Premier announced on 7 March 2012 that the Government would legislate to create a joint State-City of Sydney committee to oversee transport and traffic planning in Sydney's CBD. The Economic Development and Transport Policy Branch worked closely with Transport for NSW to develop a policy proposal for consideration by the Premier and the Cabinet, brief Parliamentary Counsel, and support the passage of the Bill through Parliament.

## Commission of Audit

The DPC prepared the Government's response to the Commission of Audit into Public Sector Management and Government Expenditure. The Government established the Commission of Audit in 2011 to develop a framework for the future of the NSW Public Sector. The Commission reports have recommended wide-ranging reforms to the sector to ensure that the best value of service is delivered to the people of NSW. The DPC is now working with other agencies to ensure the timely information of the reforms.

## eCabinet

The Department administered the operations of nearly 160 Cabinet and Cabinet Standing Committee meetings dealing with more than 1,200 matters and a further 50 Executive Council meetings considering over 1,000 matters. The introduction of the eCabinet application resulted in significant cost and efficiency savings.

## Legislative Projects

The DPC provided advice and support to the Premier and Cabinet on the preparation and passage of legislation. Legislative projects that were led by the DPC included:

- the *Election Funding, Disclosures and Expenditure Amendment Act 2012*, which, among other things, prohibits political donations from entities other than enrolled individuals.
- the *Constitution Amendment (Restoration of Oaths of Allegiance) Act 2011*, which allows Members of Parliament to make an oath or affirmation of allegiance as an alternative to the pledge of loyalty.
- the *Government Advertising Act 2011*, which regulates government advertising.
- the *Parliamentary, Local Council and Public Sector Executives Remuneration Legislation Amendment Act 2011*, which applies the Government wages policy to Parliamentarians, local councillors and mayors and holders of statutory office.

- the *Police Integrity Commission Amendment Act 2012*, which implements the recommendations of the review of the Police Integrity Act.
- the *Public Sector Employment and Management (Ethics and Public Service Commission) Act 2012*, which establishes an ethical framework for the Public Sector and creates the office of Public Service Commissioner.
- *Local Government Amendment (Roadside Vehicle Sales) Act 2011*, which allows certain councils to prohibit the sale of vehicles on roadsides.
- *Local Government Amendment Act 2012*, which made a number of unrelated amendments to the Local Government Act concerning leasing of community land, the voting system for the election of councillors and the pecuniary interests of councillors in relation to the making of principal environmental planning instruments.
- *Local Government Amendment (Elections) Act 2012*, which made a number of minor amendments to the *Local Government Act 1993* in relation to the conduct of elections to civic office.
- *Local Government Amendment (Members of Parliament) Act 2012*, which prevents a member of the NSW Parliament from also holding office as a councillor or mayor.



During the year under review, the DPC's performance was aligned to eight key areas reflecting state and federal priorities:

- Leadership
- DPC delivering better services
- Infrastructure
- Policy development
- *NSW 2021*
- Workforce
- Core business and systems development
- National Reform
- Local Government

These strategic goals were largely derived from the former NSW State Plan, which has since been replaced by the Government's ten year strategic plan *NSW 2021*. Looking forward, new areas of focus for 2012-13 have been defined in the *Directions Statement 2012-2015* in accordance with the *NSW 2021* plan. Areas of focus will be reviewed and updated on an annual basis.

## LEADERSHIP

### 2011-12 GOALS INCLUDED:

- Provide leadership to agencies in relation to red tape reduction
- Refocus and renew regional coordination
- Coordinate development of 'Big Picture' Plans
- Establish a whole-of-sector workplace giving program

The Better Regulation Office (BRO) provided leadership to departments in complying with the Government's red tape target requirements and the 'one on, two off' policy for new regulations. A comprehensive training package, workshops and guidelines were developed and delivered during the year. Departments are better able to identify and quantify savings to business and the community from regulatory and non-regulatory reform initiatives.

In 2011, a Commission of Audit was established to analyse the current operations of the Public Sector, and make recommendations to improve management and governance. The audit into expenditure and management was conducted by an independent Advisory Board chaired by David Gonski AC and a secretariat led by Dr Kerry Schott. The DPC hosted the Commission's secretariat and staff were seconded to assist the Commission with analysis and report development. The interim and final reports of the Expenditure and Management Audit made 184 recommendations in total to improve Public Sector management, governance and service delivery. Recommendations are based on the six key themes:

- Devolution of authority and accountability to a local level
- Further develop partnerships with the private sector
- Creation of a more flexible workforce
- Transparent and evidence based decision making
- Better collaboration and coordination across government
- Budget constraint.

The Government supports these reforms, which set out key principles and directions for expenditure in the context of Government's policies, strategies and priorities. Implementation plans have been developed for the key

recommendations in the reports and the DPC will work closely with agencies to ensure timely and effective execution in accordance with Government decisions.

New regional leadership groups chaired by the DPC have been established in each of the State's seven regions to reflect the local problem solving and decision making policy. Every group comprises senior representatives from each of the eight service delivery clusters of government. The groups work with regional leaders from local and Commonwealth governments and from the private and not-for-profit sectors to develop and drive activities arising from *NSW 2021 Regional Action Plans*.

An independent review of the Regional Coordination Program was undertaken during the year. As a result, the DPC's regional presence has been refocused. Key activities are systematic coordination of NSW Government agencies through Regional Leadership Groups to deliver Government priorities, respond to unplanned events (eg. flood, fire, major economic disruption) and escalation of regional issues requiring support.

In partnership with the Centre for Social Impact, the DPC designed and implemented an online survey of workplace giving. Public Sector employees across each of the nine NSW Public Sector clusters responded to a pre-tax charitable donation program survey. This helped to set the direction of the workplace giving program as one of the largest in the world and to provide baseline data for future measurement of the program's social impact.

### TARGETS FOR 2012-13

- **The regional leadership groups will drive delivery of the State's 19 Regional Action Plans. Partnerships with leaders outside the Public Sector will be developed to advance regional interests with a focus on economic development and job opportunities.**
- **Lead a programme to reduce duplication and cost of website publishing to improve access to and the delivery of Government services and information.**
- **Initiate collaborative partnerships with government agencies and key stakeholders for the efficient and cost effective delivery of major public and community events.**
- **Implement the Strategic Centre Initiative to reduce overlap and duplication between central agencies, reduce internal red tape and add value to the work of line agencies.**

## DEPARTMENTS DELIVERING BETTER SERVICES

### 2011-12 GOALS INCLUDED:

- *Simpler Government Services Plan* business case development
- Finalisation of State Statistical Plan and framework
- Implementation and evaluation of Keep Them Safe
- Targeted Regulation Reviews
- Enhancing communications management and correspondence handling
- Revision of Advertising Approval System

The commitment to a 'customer-centric' one stop government service model for NSW resulted in the commissioning of research and the development of a business case by the DPC in conjunction with key service delivery agencies. The business case establishing Service NSW was approved by Government in June 2012, with Mr Mike Pratt appointed as the inaugural Customer Service Commissioner. Service NSW operations will commence in 2012-13 with 18 'one-stop' shops, a single 24/7 telephone number and a customer friendly web portal for the delivery of over 200 transactional and information services.

The NSW Statistical Council was established and provides advice to the Public Sector on the quality, accuracy and validity of NSW 2021 measures, and the underlying data and collection methods. The Council has oversight of the NSW Statistical Framework, which has been developed to improve the statistical capacity of the State's Public Sector.

During the year, the Keep Them Safe (KTS) Evaluation team commissioned the analysis, survey and interview research recommended in the Interim Review Plan developed by the KTS Evaluation Steering Committee. This research was substantially completed by year's end when the role and accountabilities of the KTS Implementation Unit were transferred to the Department of Family and Community Services. The KTS Evaluation Team and ongoing evaluation responsibility remain with the DPC.

The BRO conducts targeted reviews of specific regulatory areas or industries where reducing red tape is likely to generate significant cost savings to business or the community. The most notable example is the review resulting in the abolition of registration labels for light vehicles described on page 15.

With the aim of driving broader economy-wide reforms the BRO has developed terms of reference for the Independent Pricing and Regulatory Tribunal (IPART) to identify opportunities for red tape reform. The first two priority areas for review commissioned by the Premier focus on local government compliance and enforcement and the rationale and design of all licences in NSW.

In response to community concerns, the 'three strikes' disciplinary policy for licensed venues was developed by the DPC together with the Office of Liquor, Gaming and Racing, the Department of Attorney General and Justice, and the NSW Police Force. This policy involves a system of escalating license restrictions moving to loss of license and an appeals mechanism.

The Aboriginal Trust Fund Repayment Scheme was established to repay Aboriginal people and their descendants monies put in trust funds by the Aboriginal Protection/Welfare Scheme. All claims were assessed and a total of \$12.9 million has been repaid with the Scheme now closed. A number of Aboriginal Community Information and Assistance days were successfully held in Sydney and regional areas to provide a 'one stop shop of services' from State, Commonwealth and local agencies. These events enabled Aboriginal people to better understand and access services available to them.

A number of initiatives have been undertaken to foster employment growth and economic development in regional areas. The Regional Economic Development and Employment Strategy (REDES) was implemented for the Central Coast resulting in its selection for the early roll out of the National Broadband Network. The Minister for the Central Coast chairs the REDES Executive and the DPC coordinates the Executive's activities.

The Premier receives approximately 70,000 items of correspondence each year, including an increasing number of emails. This has prompted development of streamlined correspondence handling, clear guidelines for correspondence management and better use of technology for document management. An enhanced email portal will be developed for both the Premier and the DPC providing clarity and a streamlined point of entry for communication with the Government via email and other social media.

Since it was launched in September 2011, the 'Have Your Say' website has run 18 separate consultation projects, involving 32 discussion forums, 11 formal submissions, four surveys and one guestbook. As at 30 June 2012, the site had recorded 230,000 visits from 60,000 visitors with 2,100 people registering to 'Have Their Say'.

The *Government Advertising Act 2011* was enacted in September 2011 with the DPC drafting regulations and guidelines in preparation for the commencement of the Act in September 2012. The Act prohibits campaigns designed to benefit a political party and requires the Auditor-General to scrutinise government advertising campaigns. Government advertising campaigns must also be independently certified by the heads of government agencies.

### TARGETS FOR 2012-13

- **Service NSW will be operational as the main interaction point for NSW Government customers, making it simpler to interact and transact with government through improved access to services and effective use of technology.**
- **The Northern Rivers and Mid North Coast Regional Action Plans will be implemented and monitored by the DPC as part of the delivery of *NSW 2021*.**
- **The BRO will continue its program of targeted reviews to drive reforms in specific regulatory areas and industries including a review of brothel regulation, NSW regulatory impact assessment arrangements and quality regulatory services. The Office will also oversight the completion of the IPART reviews into local government compliance and enforcement and licensing in NSW.**
- **A new web portal will be developed providing an online searchable database of all consultations occurring throughout the State. This includes all face-to-face meetings, information sessions, surveys, formal submissions and the 'Have Your Say' website integrated with the new database.**

## INFRASTRUCTURE

### 2011-12 GOALS INCLUDED:

- Provide advice to the Premier, Cabinet and Cabinet Committees on the delivery of government infrastructure and services, including coordination with the Commonwealth regarding nationally significant infrastructure in NSW
- Assist other departments with the delivery of major infrastructure projects at the request of the Premier
- Provide advice to industry on major infrastructure proposals and lead assessment of unsolicited proposals

The Better Value Infrastructure Plan was developed by the DPC in consultation with industry and the support of COAG. The Plan identifies key actions across design and delivery, which enable governments to get the best value out of their infrastructure expenditure.

The DPC's coordination expertise and support for whole-of-government long term plans and strategies focused on the Long Term Transport Masterplan, The Metro Strategy, *NSW 2021* and the State Infrastructure Strategy.

During the year, the DPC published a "Guide for Submission and Assessment of Unsolicited Proposals". This guide aims to provide consistency and certainty to private sector participants on how unsolicited proposals are assessed within a transparent framework. Proposals are evaluated against strategic Government objectives and cost efficiency measures. This streamlined approach facilitates the Government and private sector working together to develop and deliver innovative ideas. Performance measures have been implemented to assess proposals effectively and quickly with 14 unsolicited proposals received under the new guidelines as at year's end.

The DPC chaired the Bays Precinct Taskforce. The Bays Precinct encompasses specific foreshore lands and waterways at Blackwattle Bay, Rozelle, White Bay and Pyrmont. The Taskforce meets to consider strategic land use issues for the precinct and involves a range of government agencies, local council and representatives. The Taskforce report was scheduled to be submitted to the Minister in July 2012.

The Penrith Lakes Scheme is a 30 year partnership between the NSW Government and the Penrith Lakes Development Corporation (PLDC) to manage the Penrith Lakes quarry site and its rehabilitation as regional parkland in 2015-16. The DPC has chaired a Taskforce of government agencies working with PLDC on the final design of the lakes and the range of infrastructure required. The Office of Penrith Lakes has been established under the Department of Sport and Recreation to manage master planning for the regional parkland.

The DPC has assisted departments with advice, review and monitoring of the delivery of infrastructure projects. These include the Sydney International Convention and Entertainment precinct at Darling Harbour, Green Square Town Centre, Sydney Light Rail Program, Moorebank Intermodal Terminal and the National Broadband Network.

### TARGETS FOR 2012-13

- **A priority for the DPC in the coming year is to implement the Better Value Infrastructure Plan, including hosting the first National Infrastructure Delivery Forum. As part of this work the DPC will develop a Productivity Metric to enable governments to identify the productivity benefits associated with individual infrastructure investments.**
- **The DPC has committed to processing stage one assessments of unsolicited private sector proposals within 90 days as a measure of timely and professional performance.**
- **The DPC will continue to deliver analysis and advice to the Premier, Cabinet and Cabinet Committees regarding government infrastructure and services as well as support and coordinate government bodies who are preparing key planning strategies.**

## POLICY DEVELOPMENT

### 2011-12 GOALS INCLUDED:

- Continue development and implementation of the 20 per cent red tape reduction target and 'one on, two off' policy
- Develop national reform of directors' liability
- Work towards finalisation of the National Health Reform Agreement
- Reform of the state's electricity distribution businesses
- Further development of a biofuels policy
- Establishment of Dharawal National Park

The DPC prepared the Draft NSW Renewable Energy Action Plan with the guidance of the joint Industry-Government Taskforce chaired by the NSW Chief Scientist and Engineer and based on input from the NSW Solar and Renewable Energy Summit held in 2011. The final plan will be developed by the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) based on public consultation in 2012 with the objective of achieving the national target of 20 per cent renewable energy by 2020 with least cost to the consumer and maximum benefit to NSW.

During the year, the BRO developed a policy framework to implement the red tape reduction policy, converting the 20 per cent reduction target to a dollar value target of \$750 million in annual terms by June 2015. Responsibility for achieving the target was allocated across departmental clusters following high-level negotiations and individual targets were included in Directors General performance agreements.

The DPC led an inter-jurisdictional working group in developing national guidelines for the imposition of directors' liability as part of the COAG Seamless National Economy National Partnership Agreement. The DPC also conducted an audit on all NSW legislation against the guidelines, recommending reforms that will see the number of offences to which directors' liability provisions apply being reduced from over one thousand to less than one hundred and fifty.

The DPC worked closely with the Ministry of Health and The Treasury to finalise the National Health Reform Agreement in August 2011. This Agreement is intended to improve the financial stability of the health care system, create incentives to take pressure off public hospitals, improve access to efficient quality health care in public hospitals and enhance the integration of care across the health system. Pursuant to the Agreement, the DPC also led the negotiation of common provisions to form the basis of legislation in all jurisdictions to establish a National Health Funding Pool to receive Commonwealth and State funding for public hospitals. Legislation to establish these arrangements in NSW commenced in June 2012.

The DPC was tasked with leading the policy development for a joint State-City of Sydney committee to control transport and traffic planning in the Sydney CBD. The DPC worked closely with Transport for NSW, and Roads and Maritime Services. The new Central Sydney Traffic and Transport Committee will be chaired by the Director General of Transport for NSW with three State Government members and three Council representatives. The Committee will coordinate traffic and transport policies, plans and projects and promote the safety and efficiency of the public transport network. It is also responsible for reviewing and approving all development proposals that have a significant impact on roads or transport and assessing the impact of decisions about traffic and transport management on the efficiency of the transport network.

The NSW Government made an election commitment to reform the State's three electricity distribution businesses, Ausgrid, Endeavour Energy and Essential Energy. The DPC is part of the Government's Transition Working Group established to deliver this election commitment. The reform is budgeted to generate more than \$400 million in savings over four years. These savings will fund energy rebates to relieve cost pressures for consumers through the Family Energy Rebate and Low Income Household Rebate.

The Government is committed to promoting biofuels as part of the long term transport fuel mix in NSW. The DPC commissioned the delivery of a report by IPART on Ethanol Supply and Demand in NSW. The report provides evidence about the market conditions for ethanol in NSW to support the further development of biofuels policy. The DPC also worked with the DTIRIS to finalise policy to allow the continued sale of regular unleaded petrol across NSW from 1 July 2012, while retaining the 6 per cent ethanol mandate - a requirement that 6 per cent of all petrol sold by major retailers and wholesalers be ethanol blended petrol. The increase in the minimum biodiesel requirement has been retained at 2 per cent, taking into account that

locally produced biodiesel is in short supply and feedstock prices have been high. This policy mix provides choice for consumers in their purchases of petrol and promotes ethanol as part of the long term fuel mix in NSW.

A key commitment under the Government's environment election policy was to establish Dharawal National Park. A national park cannot be gazetted over land that is the subject of an existing lease, licence or permit, so a range of existing mining and petroleum interests within the proposed national park had to be extinguished. The DPC worked closely agencies and a Government-appointed negotiator to lead discussions and engagement with key stakeholders, such as mining companies with interests in the former State Conservation Area. A successful outcome was reached in March 2012 with the creation of Dharawal National Park, following development and evaluation of policy options that met the Government's commitment to establish the national park at minimal cost and risk. This new iconic conservation area provides 6,500 hectares for recreation in Sydney's south west and the Illawarra, protects significant environmental and Aboriginal cultural heritage values, and supports local jobs through improved tourism opportunities.

The DPC played a key role in developing the Government's Strategic Regional Land Use Policy. The Policy is multifaceted and includes the introduction of a Gateway process, Strategic Regional Land Use Plans for the Upper Hunter and New England North West, an Aquifer Interference Policy, and a raft of coal seam gas (CSG) regulatory reforms. The Gateway process will be an independent, scientific, upfront assessment of how mining or CSG production proposals will impact the State's most strategic agricultural land. Over 2 million hectares of strategic agricultural land has been mapped in the Upper Hunter and New England North West, with mapping to continue across the State. The Aquifer Interference Policy will form the basis of the Minister for Primary Industries' advice at the Gateway stage and also as part of the development application process. New CSG reforms will ensure NSW has a best practice regulatory framework.

The DPC worked closely with a number of lead agencies to ensure a consistent whole-of-government approach to all aspects of the Policy, ultimately delivering a balance between the need to protect valuable agricultural land and water resources, and the continued safe, sustainable development of the mining and CSG industries.

## TARGETS FOR 2012-13

- **The BRO will continue to monitor the DPC's performance against the red tape reduction policy and targets.**
- **A priority is to establish a sector wide evaluation framework for agency programs and progress inter-jurisdictional information and data sharing initiatives.**
- **The DPC will develop a program of Strategic Initiative projects to frame a forward agenda for policy reform.**

## NSW 2021

### 2011-12 GOALS INCLUDED:

- Launch and lead implementation of *NSW 2021*
- Develop Regional Action Plans aligned to *NSW 2021* and conduct ongoing monitoring of government agency performance against *NSW 2021* goals, targets and actions

The DPC coordinated the development of *NSW 2021*, the ten year strategic plan across all government agencies, which sets priorities for action and guides resource allocation. The plan contains 32 goals and 182 targets to rebuild the economy, return quality services, renovate infrastructure, strengthen the local environment and restore accountability to Government. *NSW 2021* has put in place an accountability mechanism for delivery of goals and targets, including a framework to measure and publicly report on progress towards achieving the targets.

The *NSW 2021 Baseline Report* was released by the DPC in December 2011 to establish a benchmark for future performance measurement and public reporting. For each *NSW 2021* goal it identifies how each target is measured, the source and frequency of data, a baseline against which progress is measured, whether each measure is nationally comparable or can be measured at a regional level, and other key demographic categories. The DPC also established the framework for the ongoing monitoring of Government performance against the goals, targets and actions of *NSW 2021* in collaboration with other Government agencies and Ministerial Offices. The first annual *NSW 2021 Performance Report* was released with the 2012-13 Budget, and provides an annual progress report to Parliament and the community about the Government's policy and service delivery performance in achieving *NSW 2021* goals.

The DPC coordinated extensive community consultation meetings between Government Ministers and communities across urban, regional and rural NSW to work with these communities to localise *NSW 2021*. More than 3,000 people attended the meetings and additional feedback on issues important to specific regions was gathered from online forums. Regional Ministers supported by the DPC are developing 19 Regional Action Plans aligned to *NSW 2021*. These plans respond to the issues raised by the community and identify the actions Government will take to improve outcomes in each region and locality.

### TARGETS FOR 2012-13

- **Final Regional Action Plans are due for release in 2012. Regional Ministers will monitor progress against the actions identified for each region.**
- **The DPC will provide regular monitoring of performance status against the measures in *NSW 2021* and the *NSW 2021 Baseline Report*, and will work with agencies to identify and address opportunities to improve the availability and quality of data. The next annual *NSW 2021 Performance Report* for 2013-14 will be prepared for release with the NSW 2013-14 Budget.**



## WORKFORCE

### 2011-12 GOALS INCLUDED:

- Establish the Public Service Commission
- Implementation of Wages Policy
- Transfer of the Industrial Relations Branch (IRB) to the Department of Finance and Services (DFS)

As part of its *100 Day Action Plan*, the NSW Government announced the establishment of the Public Service Commission (the Commission). It was intended that the Commission would be headed by an independent Public Service Commissioner and supported by a Public Service Commission Advisory Board.

In April 2011, the Premier appointed Professor Peter Shergold AC as the inaugural Chairman of the Public Service Commission Advisory Board. Mr Brendan O'Reilly AM (a former Director General) was engaged to lead a Departmental working group to establish the Public Service Commission by late 2011.

The DPC successfully established the Commission and the Public Service Commission Advisory Board through amendments to the *Public Sector Employment and Management Act 2002*. The Commission has been established to:

- promote and maintain the highest levels of integrity, impartiality, accountability and leadership across the Public Sector
- improve the capability of the Public Sector to provide strategic and innovative policy advice, implement the decisions of the Government and meet public expectations
- attract and retain a high calibre professional Public Sector workforce
- ensure that Public Sector recruitment and selection processes comply with the merit principle and adhere to professional standards
- foster a public service culture in which customer service, initiative, individual responsibility and the achievement of results are strongly valued

- build public confidence in the Public Sector
- support the Government in achieving positive budget outcomes through strengthening the capability of the Public Sector workforce.

The Commission commenced on 1 November 2011, under the leadership of the inaugural Public Service Commissioner, Mr Graeme Head.

Since the Commission's inception, the Public Service Commissioner has overseen a range of organisational 'start-up' activities and initiated key reform projects. Reporting on these activities and other matters is included in the Public Service Commission Annual Report 2011-12.

On behalf of Sydney Ferries, the DPC negotiated new enterprise agreements within the bargaining parameters set by the Government and assisted in the resolution of industrial relations matters leading up to the transition to the new ferries operator on 28 July 2012. Working closely with Transport NSW, the DPC led discussions with unions in relation to development of an employment protection package for employees who transferred to the private sector.

Since the introduction of the Government's Wages Policy in late June 2011, industrial instruments for 54 employee groups covering over 240,000 employees have received a 2.5 per cent per annum increase. Consistent with the NSW Government Wages Policy, some 4,500 employees have received increases greater than 2.5 per cent per annum.

### TARGETS FOR 2012-13

- **Develop a Career and Talent management system to identify capabilities and gaps, and facilitate development programs aligned with the strategies of the PSC.**
- **Implement an online induction program to streamline and modernise the way new staff are introduced into the organisation.**

## CORE BUSINESS AND SYSTEMS IMPROVEMENT

### 2011-12 GOALS INCLUDED:

- Provide support for the continuing integration of departments into the nine new clusters, monitoring departmental industrial relations impact statements and updates
- Reduce the regulatory burden by enforcing compliance with the Government's 'Guide to Better Regulation'
- Coordination of the Premier's Statute Law Revision Bills
- Continued support for Cabinet
- Coordination of NSW State protocol services

The DPC has led the establishment of a draft Governance Framework to improve transparency, integrity and accountability. The Framework provides guidance on the principles of governance, ministerial and entity classification, accountabilities and reporting. It also assists with the management and control of Public Sector entities as they relate to portfolio ministers and principal departments.

Under its directive of reducing the regulatory burden on business and community, the BRO assessed 137 Cabinet Minutes and 200 Executive Council proposals. The Office also conducted training to assist agencies to improve their regulatory impact assessments of proposals and supported agencies in complying with the Government's red tape reduction requirements.

The DPC led the preparation of the *Statute Law Revision Bills*, acting as gatekeeper by analysing departmental proposals for inclusion in the Bills to determine whether they were appropriate for the Statute Law Revision program. The Bills were assented to on 16 November 2011 and 21 June 2012.

The Department administered the operations of nearly 160 Cabinet and Cabinet Standing Committee meetings dealing with more than 1,200 matters and a further 50 Executive Council meetings considering over 1,000 matters. The introduction of the eCabinet application resulted in significant cost and efficiency savings.

Community Cabinet visits provide Government with an insight into local communities to assist them in working with local areas to better deliver state government services. The visits provide an opportunity for community groups and individuals to raise important issues directly with the Government's decision makers. The DPC coordinated ten Community Cabinet visits for the Premier at Sutherland, Port Macquarie, Illawarra, Greater Western Sydney, Queanbeyan, Central Coast, Parramatta, Blue Mountains, Bathurst and Albury.

NSW State protocol services coordinated by the DPC included nine ceremonial occasions including state funerals and memorial services, 27 state hospitality events, 39 courtesy calls for the Premier and Deputy Premier and 589 conferences and functions in the state reception rooms of Governor Macquarie Tower. In addition, there were 28 guests of government and official visits including Crown Prince Frederik and Crown Princess Mary of Denmark, the Presidents of Gabon, Lebanon and Portugal, and the Prime Ministers of Norway and Thailand. The DPC also provided support for the Premier's overseas trade and cultural missions to China, India, Lebanon and the United Arab Emirates.

Her Excellency Professor Marie Bashir, the Governor of NSW, hosted 110 events at Government House in support of a range of cultural, academic, service and community organisations as well as a reception in honour of the Queen's Diamond Jubilee. She also presided over ten investiture ceremonies for awards under the Order of Australia and received numerous state, national and international visitors, including the Secretary-General of the United Nations, the President of the European Commission, and the Presidents of Gabon, Lebanon and Portugal. The Office of the Governor has established a website to improve community understanding of the role and responsibilities of the Governor.

The DPC coordinated other NSW Government agencies to support major events including New Year's Eve, World Rally Australian Stage, City2Surf, Sydney Running Festival, Sydney Festival and Anzac Day. New or one-off events included the Davis Cup World Group Play-off, Australian Open of Surfing and Handa Opera on Sydney Harbour. Following the establishment of Destination NSW, the DPC's role has shifted focus towards leveraging benefits and opportunities for NSW arising from the investment in major events. The AFC Asian Cup 2015 has involved the engagement of partner agencies and key stakeholders in joint planning exercises for the development of tourism, cultural and community activities to maximise ticket sales and increase event awareness. The Rotary International Convention for 20,000 delegates was scheduled to be

held in Sydney 2014, but the redevelopment of the Darling Harbour precinct meant NSW risked losing the convention and its anticipated \$60 million economic benefit. Working with partners Business Events Sydney, Transport for NSW and Sydney Olympic Park, the DPC headed a successful initiative to move the convention to Sydney Olympic Park.

## **TARGETS FOR 2012-13**

- **The DPC will support reviews of the governance arrangements for each of the nine departmental clusters with regard to the implementation of the Governance Framework.**
- **The BRO will continue its role of ensuring compliance with the government's Guide to Better Regulation by providing high quality analysis, training, and the promotion of a business friendly regulatory environment to government departments.**
- **The DPC is implementing changes to the NSW Cabinet process to improve the provision of expert administrative knowledge and support for system users.**
- **Create IT-based provision of integrated, efficient systems and consistent decision making on systems and prioritisation of funding.**
- **Implement social networking based intranet tool to foster collaboration and sharing of information.**

## NATIONAL REFORM

### 2011-12 GOALS INCLUDED:

- Progress towards a seamless national economy
- Advancing national reforms

The DPC leads NSW involvement in national policy reform processes, particularly through meetings of the COAG and COAG Senior Officials. The BRO advances national and NSW interests by working with the COAG and/or other States and Territories where regulatory reform requires cross State cooperation or sharing of best practice.

The COAG and the Council for the Australian Federation (CAF) met twice during the year to consider a national disability insurance scheme, the development of a further skills agenda, competition and regulatory reform, and the Better Value Infrastructure Plan. The DPC provided briefings and support for the Premier in preparation for these meetings.

The DPC supports NSW departments in negotiating service and policy reforms with the Commonwealth and other States and Territories in line with the *Intergovernmental Agreement on Federal Financial Relations*. Key agreements that NSW has entered into include the *National Partnership Agreement on Skills Reform* and the *National Partnership Agreement on Supporting Mental Health Reform*.

Each year, the COAG Reform Council assesses the performance of governments in delivering outcomes under National Agreements and National Partnerships under the *Intergovernmental Agreement on Federal Financial Relations*. The DPC managed NSW's engagement with the COAG Reform Council and responses to its assessments, and coordinated NSW participation in reviews of the National Agreement performance frameworks. The BRO coordinated NSW efforts under the *National Partnership Agreement to Deliver a Seamless National Economy*. Following the COAG Reform Council's 2010-11 assessment of this National Partnership, the Commonwealth Government paid NSW its full entitlement of \$64.2 million in the 2011-12 year.

In consultation with the Office of Fair Trading and The Treasury, the DPC has led NSW negotiations relating to the COAG National Occupational Licensing System reform process. The reforms will result in a streamlined licensing approach for electrical trades, plumbing and gas fitting, property, and refrigeration and air-conditioning.

The DPC led NSW in entering into new agreements on cooperation with bordering jurisdictions. In December, NSW and Victorian Premiers entered into an Interstate Reform Partnership with agreement to collaborate on key areas for reform. NSW also signed Memorandums of Understanding with Queensland and the Australian Capital Territory to strengthen collaboration in cross-border regions. The NSW-ACT Memorandum of Understanding for Regional Collaboration covers shared strategic regional directions and priorities, complementary approaches to land use planning, and infrastructure and integrated service planning. Integration of service planning will initially focus on health and education, with significant benefits and savings anticipated through cross servicing and avoidance of duplication.

### TARGETS FOR 2012-13

- **The DPC will support the Premier to identify, negotiate and implement policy reforms through the COAG and the Business Advisory Forum.**
- **The DPC will negotiate work programs under the agreements with Victoria, Queensland and the ACT, and coordinate implementation of priority actions.**
- **The DPC, in consultation with NSW Fair Trading and The Treasury, will lead ongoing negotiations regarding the National Occupational Licensing Scheme.**
- **The BRO will monitor departments and coordinate efforts to ensure that NSW meets all reform milestones under the National Partnership Agreement to Deliver a Seamless National Economy. It will also represent NSW on the Lifting Regulatory Performance Sub-Committee, which is developing reforms for COAG's consideration at the end of 2012.**

## LOCAL GOVERNMENT

### 2011-12 GOALS INCLUDED:

- Conduct sector wide planning for change
- Support investment in critical infrastructure
- Develop framework for managing local council code of conduct
- Support successful local government elections
- Implement the Integrated Planning and Reporting Framework
- Review the *Swimming Pools Act 1992*

The Division of Local Government (DLG) conducted the *Destination 2036* workshop in partnership with the Local Government and Shires Associations of NSW and Local Government Managers Australia (NSW). This initiative aims to establish a long-term 25 year strategy to enable local government to meet the current and future service delivery and infrastructure needs of local communities and is the first of its kind. *Destination 2036* was attended by a representative from every council, county council and regional organisation of councils in NSW. The workshop resulted in the *Destination 2036 Action Plan* to be implemented with the local government sector.

One of the first initiatives of the *Destination 2036 Action Plan* was the establishment of the Independent Local Government Review Panel to review the governance, structural arrangements and boundaries of local government. The DLG is providing information, data and administrative support to the Panel and the Panel's final report to Government is scheduled for July 2013.

The DLG established the Local Infrastructure Renewal Scheme to help accelerate investment in local infrastructure. In the first round of the Scheme, 84 projects in 64 councils were approved subject to a satisfactory financial assessment by the NSW Treasury Corporation. The DLG also continued an audit of local infrastructure of individual councils to determine where future investment is needed.

The DLG reviewed the Model Code of Conduct for Local Councils in NSW in order to design a system that supports the highest standards of behaviour in local government. The review process involved extensive consultation with councils and other stakeholders, with a discussion paper, consultation draft and a series of workshops. The Model Code of Conduct will be implemented following the September 2012 ordinary elections.

The Division worked closely with councils, the Election Funding Authority and the Electoral Commission to support the elections held throughout the State in September 2012 as part of the Candidate Diversity Strategy. This included developing resources to encourage diverse representation of candidates and participating in candidate information seminars across NSW. Support and monitoring was also provided to the fourteen councils choosing to run their own elections.

The Integrated Planning and Reporting (IP&R) framework supports improvement of councils long term strategic, financial and asset management planning and reporting to their local community. To support implementation of the IP&R framework, the DLG conducted a series of regional workshops and provided assistance to the final group of 93 councils. Community Strategic Plans are informing Regional Action Plans, which are aligned to *NSW 2021*.

The amendment of the *Local Government Act 1993* to prohibit councillors concurrently serving as NSW Members of Parliament (dual roles) was facilitated by the Division. This followed a public consultation process with submissions coordinated by the DLG. The Division also commenced a comprehensive review of the *Swimming Pools Act 1992* with the release of a public discussion paper and public submissions process to support the provision of advice to Government.

Finally, the DLG processed a range of general correspondence in accordance with its Guarantee of Service; Ministerial correspondence; and compulsory land acquisitions from councils.

### TARGETS FOR 2012-13

- **Implementation of *Destination 2036 Action Plan*, including supporting the Independent Local Government Review Panel.**
- **Tackle the infrastructure backlog by rolling out the second round of funding under the Local Infrastructure Renewal Scheme while continuing the audit of infrastructure backlog and conducting financial assessment and benchmarking of local councils.**
- **Review of *Local Government Act 1993* and *City of Sydney Act 1988* with the objective of streamlining Acts to reduce red tape and bureaucracy while still enabling local councils to deliver quality services and infrastructure.**

## **Key Achievements**

Key achievements for the year included:

- meeting the demands of the Government's legislative program by completing a high volume of complex items of draft legislation including workers compensation reforms
- maintaining prompt turnaround times for finalising statutory instruments, including environmental planning instruments
- improving public access to legislation by delivering the initial components of the four-year Online Legislation Project to enhance online access to NSW legislation, including Legislation Tables and Bills Online.

## Resources

The Parliamentary Counsel's Office (PCO) net cost of services was budgeted at \$8.417 million. Full-time equivalent (FTE) staffing levels were the lowest for five years with an average FTE of 44.1 over the year.

## Legislative Drafting Services

### Bills

Where practicable, Bill drafting work was done on a collegiate basis using small drafting teams. Draft Bills continued to be scrutinised by a group of the most senior drafters and all Bills received comprehensive editorial, legal, and quality assurance checks.

The PCO, as a service to Parliament, publishes and prints Bills for all stages of the Parliamentary process. Bulk copies of printed Bills are provided for introduction into Parliament and republished prints are provided for all Bills amended during the Parliamentary process (together with vellums for assent by the Governor).

### Government Bills and Amendments In Committee

This year, a total of 99 Government Bills were introduced. For reasons of confidentiality only those Bills introduced into Parliament or formally exposed are reported. However, at 30 June 2012 a number of Bills were completed but not proceeded with or were in the course of preparation.

Bills and amendments in committee required by the Government were drafted in accordance with the Government's parliamentary program.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
Bills introduced	138	113	127	98	99
Pages	3,897	3,395	3,417	2,800	2,945
Bills exposed	5	5	6	3	2
Pages	252	278	340	139	86
Amendments in committee	91	69	121	96	59

### Cabinet Standing Committee on Legislation

The Cabinet Standing Committee on Legislation streamlines the process of finalising and programming the introduction of Government Bills. The Parliamentary Counsel attended meetings of the Committee and briefed it on the status of draft Bills.

### Non-Government Bills and Amendments In Committee

The PCO continued to provide a complete drafting service for non-Government Members of Parliament.

The PCO drafts non-Government Bills and amendments in committee as requested, subject to the Government's legislative priorities and the availability of resources, and in accordance with arrangements approved by the Government.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
Non-Government Bills introduced	21	15	22	18	17
Pages	237	187	190	229	185
Non-Government amendments in committee	171	193	141	180	384

Details of the non-Government drafting service can be found in the Manual for the Drafting of Non-Government Legislation published on the PCO website:

[www.pco.nsw.gov.au](http://www.pco.nsw.gov.au)

### Statute Law Revision Program

The Statute Law Revision Program has been in place for over 20 years and has been an effective and economical means of making minor amendments and removing unnecessary laws. The program has three aspects:

- making minor, non-controversial amendments, sponsored by ministers
- making amendments of a purely statute law revision nature, sponsored by the PCO
- repealing Acts and instruments that are redundant or of no practical utility.

Two Statute Law Bills were introduced and passed. These Bills amended 237 Acts and instruments and repealed 90 Acts and instruments.

### Australasian Parliamentary Counsel's Committee

The Australasian Parliamentary Counsel's Committee consists of the heads of the legislative drafting offices of all Australian jurisdictions and also of New Zealand. The NSW Parliamentary Counsel is the current secretary. The Committee provides a forum for the preparation of uniform or complementary legislation, the promotion of consistent styles of legislation in Australia and New Zealand, and the exchange of ideas. In 2011-12, the Committee met three times, with the electronic exchange of documents increasingly used to deal with the growing demand for uniform or complementary legislation.

The NSW PCO maintains a website relating to the work of the Committee, including the protocol for the drafting of uniform legislation [www.pcc.gov.au](http://www.pcc.gov.au)

### Statutory Instruments (excluding staged repeal program and EPIs)

The PCO aims to draft and provide legal opinions on at least 70 per cent of statutory instruments within 20 working days. In 2011-12, 82 per cent were completed within this target.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
Number completed by PCO	671	714	656	761	639
Percentage within 10 days or less	58	58	56	57	61
Percentage within 11-20 days	25	23	19	21	21
Percentage within 21-40 days	10	10	14	14	15
Percentage after 40 days	7	9	11	9	4

The statutory instruments drafted by the PCO include the Uniform Civil Procedure Rules and specific rules of court for the Supreme Court and other courts and tribunals. This year most of the PCO's work in this area related to the Uniform Civil Procedure Rules.

The PCO continued to operate the centralised scheme for notifying Parliament of regulations and other statutory instruments that require tabling. Under the scheme, the PCO identifies and provides to Parliament those instruments that are required to be tabled in Parliament and which either House of Parliament may disallow.

### Staged Repeal of Subordinate Legislation Program

The *Subordinate Legislation Act 1989* provides for the staged repeal of statutory rules following the fifth anniversary of their date of publication. The PCO manages this program including drafting new instruments made under the program. Stage 21 of the program was completed on 1 September 2011.

#### INSTRUMENTS DEALT WITH BY STAGE 21

Total instruments dealt with under this stage	117
Instruments dealt with that were granted postponements of repeal in previous stages	69

#### OUTCOME OF STAGE 21

Instruments granted postponement of repeal in this stage by section 11 order	71
Instruments that had their staged repeal date extended by other amending legislation	9
Instruments repealed under the Act by a replacement instrument or under another Act	37
Number of new instruments drafted and made under this stage	31

#### OUTCOME OF ALL STAGES SINCE 1990

Number of instruments as at 1.7.1990	976
Number of instruments as at 1.9.2011	346
Number of pages as at 1.7.1990	15,000
Number of pages as at 1.9.2011	7,450



## Environmental Planning Instruments (EPIs)

The PCO drafts and provides legal opinions on environmental planning instruments (EPIs) before they are made under the Environmental Planning and Assessment Act 1979. The instruments consist of state environmental planning policies and local environmental plans.

The PCO aims to draft and provide legal opinions on at least 70 per cent of EPIs within 20 working days. The PCO continues to achieve turnaround times well above the established target, with 95 per cent of EPIs completed within 20 working days in 2011-12.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
Number completed by PCO	375	336	446	565	606
Percentage within 10 days or less	65	56	64	72	83
Percentage within 11-20 days	27	32	32	25	12
Percentage within 21-40 days	7	11	3	2	4
After 40 days	1	1	1	1	1

This year the rollout of new standard instrument local EPIs for each local government area continued at an increased pace.

	2008 -09	2009 -10	2010 -11	2011 -12
Number of principal standard instrument local EPIs officially made under section 33A	3	10	17	34
Number of other principal local EPIs officially made that reflect current standard instrument template	4	8	0	2

The PCO provides a specialist service for the checking and publishing of maps, which include details of land zonings, building heights, heritage areas and lot sizes on the NSW legislation website. New standard instrument local EPIs and many state environmental planning policies now use maps to provide most of the development controls for the land concerned. This provides the public and those engaged in planning with high quality, zoomable PDFs of current maps and point-in-time maps as development controls are changed. In 2011-12, the PCO processed 316 sets of maps, with an average of 25 maps per set.

## Legal and administrative advice

The PCO provides advice to ministers and departments in the course of drafting legislation, including in connection with legislative proposals.

## Public Access to Law Services

### Legislation Website

The PCO provides free access to an authoritative, up-to-date collection of NSW legislation through its legislation website [www.legislation.nsw.gov.au](http://www.legislation.nsw.gov.au)

The PCO undertakes an ongoing review of the website and makes improvements as resources allow. This year, interactive legislation tables were developed to replace static subscription-based paper tables, the Bills online research facility was launched, and internal PCO tools to improve website updating were implemented. The PCO is currently working on the provision of an RSS (Really Simple Syndication) service to improve the ability of users to monitor changes in legislation.

The legislation website now delivers the following features:

- dynamic up-to-date collection of NSW Acts and subordinate legislation, including EPIs. This collection in HTML is authorised under the *Interpretation Act 1987* as correct
- PDF collection of In Force legislation to complement the HTML versions and provide improved print versions of legislation
- official online notification of the making of new statutory instruments, including EPIs
- high-quality zoomable maps (published as PDFs) for many EPIs and for a number of Acts and statutory instruments that adopt maps
- superseded and repealed versions of legislation to provide point-in-time access and searches (also authorised in HTML)
- static archival collection of Acts dating back to 1824 and items of subordinate legislation
- consultation drafts of Bills and copies of Bills (including Explanatory notes) at all stages of the Parliamentary process and amendments in committee
- interactive information tables about legislation
- advanced searching and linking facilities.

## Legislation Database

The NSW legislation website is underpinned by the NSW legislation database, which is compiled in conjunction with the PCO's publishing activities. NSW Acts and principal statutory instruments, including EPIs, are captured on a systematic basis, updated when amended and stored in SGML (standard generalised markup language) format. All superseded versions are preserved to provide a point-in-time repository.

During 2011-12, the provision of this SGML database involved the maintenance of the following current, historical and repealed versions:

- over 11,500 versions of Acts
- over 5,900 versions of statutory instruments (excluding EPIs)
- over 3,600 versions of EPIs.

This collection of structured legislative data is directly accessible free of charge online via the legislation website. The PCO continued to make source data from the database available to government departments and commercial publishers in XML (extensible markup language) format. The PCO also provided a copy to the Australasian Legal Information Institute (AustLII) for use on its free, cross-jurisdictional online service, and to the Judicial Commission, for use by judicial officers.

The PCO aims to capture all new Acts and instruments in SGML, and update Acts and instruments when amended, within three working days. In 2011-12, 99 per cent of updates were completed within this turnaround time, with the exceptions falling during periods where the target was impracticable due to the very large volume of legislation updated.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
New Acts captured	119	146	127	101	99
New principal statutory instruments and EPIs captured	87	89	86	118	78
Amendments incorporated (creating a new version)	1,167	1,777	1,997	1,313	1,325
Other updates made	2,657	2,381	2,650	2,224	2,236

The SGML collection (including In Force PDFs) represents 17.8 gigabytes of data.

## Official Online Notification of Statutory Instruments

Official notification of the making of new statutory instruments has been provided on the NSW legislation website by the PCO since 2009. Previously, these instruments were published in the printed NSW Government Gazette. The volume of legislation officially notified by the PCO is shown below, combined with comparative figures showing the volume of instruments notified in the gazette in previous years.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
Statutory instruments (excluding EPIs)					
Number officially made	481	520	384	506	436
Pages	4,696	3,944	2,693	4,582	3,301
EPIs					
Number officially made	139	147	184	220	235
Pages	1,557	2,018	2,906	3,037	5,383

In 2011-12, the PCO continued to notify online a greater variety of miscellaneous statutory instruments not drafted by PCO to make them more readily accessible to the public. The PCO is working with departments to incrementally increase the miscellaneous statutory instruments that are to be notified online.

## Weekly Email Service

In association with the online publication of instruments, the PCO provides a weekly email service that lists and links instruments officially notified on the website and other legislation events (such as Bills introduced and passed).

This service is popular with users of legislation and has 3,718 subscribers. This service is expected to change when the development of RSS feeds is completed.

## Legislation Information Service

The PCO provides a telephone and email service to respond to public inquiries about the status of NSW legislation and related matters.

	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12
Phone inquiries	1,277	1,240	1,807	1,661	1,858
Email inquiries	486	510	546	786	547

### **Printed Publication Subscription Services**

Availability of printed publications of legislation and information about legislation through the Government's paid subscription service has ceased with the development of free up-to-date and authoritative online services provided by the PCO on the NSW Legislation website (including PDF versions of In Force legislation and user-generated and interactive legislation tables).

The PCO has provided material for the bound annual volumes of Acts that continue to be available on subscription.

## **Staff development**

### **Changing Priorities and Programs**

The PCO aims to provide all drafting and publishing staff with skills and experience across all program areas to meet the varying peak periods for each drafting and publishing program. This requires a broad training program for staff, which includes specialist areas such as planning instrument drafting, database management and map checking. Work groups were reorganised to clarify responsibilities and supervision arrangements and to provide a better mechanism for responding to changes in service delivery. This also resulted in a better balance of operational needs and changing employee needs, such as access to flexible work practices, parental leave and other career breaks.

### **Professional Development**

The PCO runs a continuing professional development program for drafting staff who are barristers or solicitors. The program has been approved by the NSW Bar Association and the Law Society of NSW and involves drafting circulars and other relevant materials and attendance at a range of in-house presentations and training sessions. In addition, individual drafters prepare and present papers at seminars and conferences.

The PCO is also active in developing the legislative drafting profession internationally through ongoing involvement in the Commonwealth Association of Legislative Counsel (CALC), hosting visits from other jurisdictions, and training drafters from other jurisdictions through AusAid and other programs. This year PCO hosted two lawyers from Rwanda for two weeks.

## CHIEF EXECUTIVE'S MESSAGE

### **A year of transition and opportunity**

2011-12 was an important year for the Office of Environment and Heritage (OEH). We not only continued to drive real results for NSW by delivering on our *NSW 2021* commitments and fulfilling our statutory responsibilities, we also began laying the foundation for the way we will do business and interact with our customers into the future.

In 2011-12 we commenced the first stage of a strategic realignment of OEH that will reposition our agency to deliver on its new strategic direction – supporting people and communities, particularly regional communities, to better protect and enjoy their environment and heritage. The Executive and I will continue to lead the implementation of this realignment so that it is fully operational by 1 July 2013.

During the year, the Government re-established the Environment Protection Authority (EPA) as an independent and modern environmental regulator in NSW and this had obvious impacts for OEH and the work we do. Further details of the re-establishment can be found in the EPA Annual Report.

## New Strategic Focus

At OEH we are shifting the way we organise our business to deliver on the NSW Government's priorities, including: being more regionally focused to meet the needs of our customers, being more accountable to local communities, demonstrating a clear return on investment in environment and heritage in NSW, reducing red tape and the cost of doing business in NSW, and meeting savings targets.

*NSW 2021: A Plan to Make NSW Number One* is the impetus for change and it provides the strategic framework for the delivery of our services to the people, businesses and communities of NSW.

Our aim is to deliver the services that our customers require, to the standards they expect, in a manner that is cost effective and in all other ways sustainable and socially responsible. An important focus for us throughout 2012-13 we will be creating a regionally focused agency with clear accountability for delivery of services and programs to local communities.

We are also working on innovative approaches to improve community access to parks, make better use of public assets and generate increased revenue while continuing to protect and enhance our precious environment.

Going forward our science efforts will continue to be aligned with our corporate priorities and we have commenced initiatives to make information about the environment useful and easy to access. One of our key innovations for 2012 and 2013 will be implementing our Open OEH project, which will change the way we deliver data, information and services so that the community can access the right information, in the right format and at the right time to make informed decisions about their local environment.

## Interim Corporate Plan 2012-13

In 2012-13 OEH will have a new Interim Corporate Plan to provide focus up to 31 December 2013 while the strategic realignment is being implemented. The plan sets out a strategic framework that outlines OEH's *NSW 2021* goals, key result areas, success measures, strategies and priorities.

The plan also sets a vision for our organisation, outlines the core values and principles that guide our actions, highlights areas of influence across the environment and heritage sphere and identifies the tools that will be used by OEH to achieve our outcomes.

In 2013 we will also commence a structured consultation process with our customers, stakeholders and staff to inform the development of a new OEH Corporate Plan (2013-2017).

## Our Achievements 2011-12

As the Interim Corporate Plan 2012-13 was being developed during the financial year we have chosen to structure the reporting of our achievements according to the three strategic goals OEH operated under during the majority of the financial year:

- Sustainability and resource recovery
- A healthier and cleaner environment
- Integrated landscape management

Details of our key achievements for 2011-12 have been reported against each of these goals.

## Measuring our Performance

During the year we continued to measure performance through a suite of corporate key performance indicators and *NSW 2021* targets.

We now have the opportunity to review agency-wide measures in line with our new strategic direction. This review will take place throughout 2012-13 and take into consideration our mandate under *NSW 2021*, the strategic realignment of our agency, the expectations of our customers and our new strategic framework.

Further details regarding the performance of the environment and heritage portfolio, including OEH, in implementing *NSW 2021* priorities can be found in the *NSW 2021* Performance Report, which was released on budget day (12 June 2012).

## Looking to the Future

As we look to the future the Executive and I would like to thank and congratulate staff for remaining focused on the task at hand – driving real results for NSW, its environment, heritage, and communities.

Going forward, what we do as an agency will help empower people in NSW to make critical decisions about, and become more actively involved in, their local environments and communities. Importantly communities across the State will be able to see a clear return for investing in environmental and heritage outcomes in NSW.

**Sally Barnes**  
**Chief Executive**  
**The Office of Environment and Heritage**

## About OEH

The OEH was formed on 4 April 2011 as a separate office within the NSW Department of Premier and Cabinet.

OEH cares for and supports the community in protecting and enjoying NSW's environment and heritage by:

- increasing opportunities for the community to actively look after their local environment and heritage
- enhancing people's access to information so they can make informed choices about their local environment and heritage
- partnering with, and educating the community and organisations to achieve environment and heritage outcomes
- conserving and protecting Aboriginal culture heritage and historic heritage
- providing opportunities for tourism, visitation and recreation
- caring for and managing national parks and reserves in NSW
- supporting the conservation of native wildlife and vegetation on public and private land
- monitoring and assessing the condition of our natural resources and assets
- ensuring environmental waters are appropriately managed and cared for in NSW
- assisting businesses and the community to contain rising costs through efficient energy and water use
- empowering the community to prepare for future environmental challenges and emergencies
- making it easier for business, industry and private landowners to care for the environment and heritage
- providing expert and policy advice on environmental and heritage issues based on rigorous science and the best available social and economic information.

OEH supports the Premier, Minister for the Environment and Minister for Heritage in performing their executive and statutory functions. In doing so, OEH forms part of the environment and heritage portfolio, which also includes the Environment Protection Authority, Environmental Trust, Centennial Park and Moore Park Trust, Historic Houses Trust, Lord Howe Island Board, Parramatta Park Trust, Royal Botanic Gardens and Domain Trust, Western Sydney Parklands Trust, and the Taronga Conservation Society Australia.

## Delivering NSW 2021

OEH will deliver critical outcomes that contribute to the following *NSW 2021* goals and strategies:

- Strategy – Rebuild the economy
- Strategy – Return quality services
- Strategy – Strengthen our local environment and communities
  - **Goal 22:** Protect our natural environment
  - **Goal 23:** Increase opportunities for people to look after their own neighbourhoods and environments
  - **Goal 24:** Make it easier for people to be involved in their communities
  - **Goal 26:** Foster opportunity and partnership with Aboriginal people
  - **Goal 27:** Enhance cultural, creative, sporting and recreation opportunities
  - **Goal 28:** Ensure NSW is ready to deal with major emergencies and natural disasters
- Strategy – Restore accountability to government.

## Executive Leadership

Reporting to the Minister for the Environment and the Minister for Heritage and the Director General of the Department of Premier and Cabinet, the Chief Executive is the head of OEH. The Chief Executive is supported by an Executive team that sets strategic direction and oversees the governance of the OEH. The OEH executive meets regularly to review and discuss the organisation's performance and strategic direction as well as key operational issues.

## Executive Team

As at 30 June 2012, the principal officers of the Office of Environment and Heritage were:

**Sally Barnes, BA, DipEd, GradDip Information Sciences (Teacher Librarianship)**  
Chief Executive

**Tom Grosskopf BSc, M Env Mgt**  
Acting Deputy Chief Executive  
Environment and Heritage Policy and Programs

**Bob Conroy, BA, Grad Dip Env Studies, MMgt**  
Acting Deputy Chief Executive  
Parks and Wildlife

**Stephanie Cross, BSocSc, MBA**  
Executive Director  
Corporate Services

**Norman Laing, LLB, GradCertLegP**  
Executive Director  
Country, Culture and Heritage

**Kate Wilson, PhD**  
Executive Director  
Scientific Services

**Zoe de Saram, BAgEc**  
Executive Director  
Policy, Economics and Governance

**Steve Garrett, BEc, LLB**  
Executive Director  
Legal Services

**Mick O'Flynn, BCivil Eng, MSc, MEnv Studies**  
Acting Executive Director  
Park Management

**Monica Collins, BApp.Sc**  
Acting Director  
Conservation and Regulation

**Beth Overton, BSc (Hons)**  
Acting Director  
Executive Services

## SUSTAINABILITY AND RESOURCE RECOVERY

Programs and incentives to help contain electricity costs through efficient energy use and adoption of sustainable practices

### Home Power Savings Program

The \$63 million Home Power Savings Program is available to 220,000 eligible NSW pensioners and families on a low income, as part of the NSW Government's \$150 million Energy Efficiency Strategy. The program offers eligible households a free home energy assessment, a power savings kit and a tailored power action plan to reduce household power consumption and costs.

A total of 74,560 households participated in 2011-12. An independent analysis of measured electricity bills savings shows that these vulnerable households are saving at least \$6.7 million off power bills and 22,800 tonnes of greenhouse gas emissions each year as a direct result of participating in the program. The total program cost for 2011-12 was \$15,939,248.

Participating councils across NSW have been engaged in promoting this program through mail outs with rates notices, newsletter articles, events and presentations, media releases and advertising on radio and in local newspapers, and information on their websites. This has increased householder education on energy efficiency and provided feedback through council surveys. The Salvation Army and Anglicare are also key partners in promoting the program throughout NSW.

### Home Saver Rebates Program

The \$170 million Home Saver Rebates program was completed on 30 June 2011. It was funded from the NSW Government's Climate Change Fund, and provided rebates for: climate-friendly hot water systems, ceiling insulation; rainwater tanks, water efficient washing machines, dual flush toilets, and hot water circulators.

Under this program, 332,212 Home Saver rebates have been provided to NSW households, saving an estimated 4.8 million litres of water, 378,400 megawatt hours of electricity, 401,000 tonnes of greenhouse gas emissions and \$51.2 million on household water and energy bills each year. One in eight households has taken advantage of NSW Home Saver Rebates to make their home more water and energy efficient.

## **Fridge Buyback Program**

Through the Fridge Buyback Program 33,710 households have recycled their inefficient second fridge, saving 26,600 megawatts of electricity, 28,200 tonnes of greenhouse gas emissions, and \$8.3 million in power bills each year. Fridge Buyback provides regular collection runs to selected areas of metropolitan Sydney, the Illawarra, the Shoalhaven, the Central Coast, Newcastle, Maitland, Lake Macquarie, Port Stephens, Singleton, Cessnock and the Blue Mountains.

## **Solar Bonus Scheme Reimbursement Program**

The Solar Bonus Scheme provides eligible households and small businesses with a premium rate for the electricity they generate from small-scale solar or wind systems. The Solar Bonus Scheme is administered by the Department of Trade and Investment, Regional Infrastructure and Services and funded by the Climate Change Fund. The Scheme will run for seven years from 1 January 2010 to 31 December 2016, and was closed to new applicants on 28 April 2011. No new connections are to be made after 30 June 2012. OEH is responsible for verifying and paying claims for reimbursement from the Climate Change Fund to the Distribution Network Service Providers for Solar Bonus Scheme payments made to energy customers for renewable electricity generation. In 2011-12, \$211,841,253 was expensed under the program.

As at 30 June 2012, there are 144,613 small-scale systems connected to the Scheme. In 2011-12, these systems generated over 400,000 MWh of renewable electricity.

## **Government Building Retrofit Pilot Program**

The \$6.4 million Government Building Retrofit Pilot Program is funded by the NSW Climate Change Fund and facilitates the implementation of energy and water saving projects within government buildings across NSW.

The Program operates in two streams. One stream fully funds the identification, design and implementation of water and energy saving projects for over 100 frontline facilities within the lower Hunter and Illawarra regions, and the Circular Quay precinct. The second stream provides specialist advice and funding for the development of energy efficiency business plans for the government's most energy intensive sites. Identified energy saving opportunities will be financed by the Treasury Loan Fund with this Program set to save almost 30 gigawatt hours of electricity and \$5.8 million off water and energy bills each year.

## **National Australian Built Environment Ratings Scheme (NABERS)**

NABERS is a national performance-based rating system for existing buildings administered by OEH. It measures the environmental performance achieved through the operation of the building – not focusing on technological innovation or design. NABERS rates a building on the basis of its measured operational impacts on the environment, and provides a simple indication of how well these environmental impacts are being managed compared with other buildings.

As Australian buildings are becoming more efficient, the NABERS rating scale was extended from 5 to 6 stars. The extra star acknowledges that the Australian property industry is reaching a standard previously considered beyond world's best practice.

This year, 1,370 NABERS Energy ratings were certified, an increase of 21 per cent over the previous year's ratings. This brings the proportion of buildings rated in NSW to 72 per cent, and nationally to 66 per cent. NABERS Energy ratings were awarded to 29 hotels and 75 shopping centres with 536 NABERS Water ratings, 16 NABERS Waste and 13 NABERS Indoor Environment ratings also awarded this year.

Close to 1,000 businesses are engaging with the NABERS program, either through ratings, being NABERS Accredited Assessors, or through our successful NABERS Commitment Agreement Program. NABERS trained 604 people during 2011-12, with the number of current accredited assessors reaching 765, an increase of 18 per cent.

## **Environmental Upgrade Agreements**

Environmental Upgrade Agreements (EUAs) provide finance for environmental improvements to existing commercial, industrial, strata scheme and large multi-unit residential buildings in NSW. This is done through a low-risk loan repaid through a local council charge on the land. Under an EUA, a finance provider lends funds to a building owner for water, energy and/or other environmental upgrades. It is a partnership approach between the building owner, banks and local councils to drive new investment in energy efficiencies and help building owners and tenants reduce electricity bills.

OEH consulted with a number of major urban councils and the property and banking industries to prepare a template agreement for EUAs. Since the release of this document, OEH has funded 7 major councils to establish implementation processes and facilitate the take up of EUAs in these areas. OEH is also engaging with peak industry bodies to promote EUAs, particularly among the mid tier property sector.



## Sustainability Advantage Program

Sustainability Advantage (SA) helps medium to large organisations identify and implement projects in practical areas such as: resource efficiency, supply chain, staff engagement and carbon management. SA membership has nearly doubled over the last four years to 630 organisations. There is a growing demand from businesses for help in reducing costs, improving environmental performance, adding business value, improving competitiveness and enhancing their reputation. The program has helped members achieve cumulative savings over \$97 million from reductions in energy, water, waste and productivity gains.

SA has a well regarded recognition scheme, with Bronze, Silver, Gold and Platinum awards. Over 25 per cent of members have achieved Bronze, Silver or Gold status to date with two new Gold members in 2011-12, OI Sydney (t/a ACI Glass Packaging Australia Pty Ltd) and TAFE NSW Northern Sydney Institute.

## Energy Saver Service

Energy Saver is a business service that helps medium and larger organisations reduce energy use and costs. The service is part of Sustainability Advantage and provides subsidised energy audits and technical advice to identify and implement cost effective energy efficiency projects. Energy Saver aims to reduce baseline energy usage of participants by 10 per cent. Companies participating in Energy Saver are achieving annual ongoing savings of 227,000 megawatt hours of electricity, 930,000 gigajoules of gas and \$39.98 million over the five year life of the improvements. By June 2012, 370 energy audits had been undertaken under the program, identifying average energy savings of 28 per cent and cost savings of 31 per cent. To date, 500 key business participants (such as facility managers) have attended seminars, workshops and training courses on energy efficient technologies.

## Energy Efficiency for Small Business Program

The \$21.6 million Energy Efficiency for Small Business Program provides eligible small businesses with an energy assessment, a customised Energy Action Plan, support and matched funding (up to \$5,000) to help with the cost of installing equipment. To be eligible for the Program, businesses may have up to ten staff or use up to \$20,000 per annum in electricity. Since 2009, the program has helped 16,500 small businesses who are expected to reduce electricity use by 187,000 megawatt hours and costs by \$48 million, over the 5 year life cycle of the improvements. These businesses have identified average energy savings of 17 per cent or \$1,600 off bills.

Almost 50 per cent of the program participants are based outside Sydney.

## Energy Efficiency Training Program

The Energy Efficiency Training Program is a joint partnership between OEH and the Department of Education and Communities to train tradespeople and professionals in new energy efficient technologies and practices. To date 6,000 engineers, accountants, builders, facilities managers, electricians, plumbers and service providers (IT, retail etc) have benefited from targeted, practical training with 19 new courses available on the OEH website.

Key achievements in 2011-12 include:

- Two GPT-owned commercial properties in the Sydney CBD improving their energy performance such that they achieved a 0.5 increase in their NABERS rating
- University of Wollongong saving almost \$200,000 per year through IT technology and behaviour changes
- Compass Housing education for tenants and staff resulting in energy use in one tenant's home declining from 14 kwh to 8 kwh per day.

OEH is now developing specialised new energy courses on technologies such as HVAC (heating, ventilation and air conditioning), lighting, cogeneration and power optimisation.

## Save Power Program

The Save Power Program is a state-wide awareness and education program that teaches people how to save power at home and work and includes information available in 19 community languages.

During the year:

- More than 110,000 people visited the Save Power website
- Radio and online advertising of energy efficiency tips for hot days was delivered across the State during summer
- Over 3,700 people have signed up for ongoing e-news updates or SMS tips
- Over 9,000 actions have been promised from 819 individuals. This has the potential to save \$966,600 off power bills
- A retail partner program encourages consumers to consider long-term running costs of electrical appliances. Across NSW 142 retail stores are engaged in the program, with 97 per cent of staff aware and 78 per cent trained in the program

- 6,500 residents borrowed one of 851 Save Power kits, available in 263 local libraries throughout NSW
- Participating households in the NSW Energymark program, a partnership with CSIRO achieved an average 12.5 per cent reduction in their energy use and saved about \$250 each on their annual bills.

## Community Education and Engagement Programs

OEH programs provide up to date information and practical assistance to take action locally and use resources efficiently. The programs encourage communities to live sustainably and save money whilst maintaining quality of life. Programs focus on specific issues such as reducing electricity and water use, using fuel and other resources more efficiently, and waste avoidance and reduction. The programs are delivered with partners and work with households, culturally and linguistically diverse communities, community organisations, schools and other formal education channels and with State and local government organisations. National Parks and Wildlife community education programs are detailed under Goal 3: Integrated Landscape Management.

In partnership with the Department of Education and Community (DEC) Sustainable Schools NSW (SSNSW) was delivered during 2011-12. Highlights include:

- Nearly half (1,600) of all NSW schools are part of SSNSW, an increase of 264 per cent since 2009, across primary and secondary, government and private sectors
- Up to date information and resources for NSW school communities is available at:  
**[www.sustainableschools.nsw.edu.au](http://www.sustainableschools.nsw.edu.au)**  
About 72,000 visitors have accessed the site with an average 2,000 visitors per month
- 3,800 teachers, principals, parents and student leaders directly engaged with the program.

Ongoing targeted programs provide training, information and ready-to-use resources on specific issues such as energy, waste, and clean air. Programs have engaged over 70 local councils with initiatives relating to waste, water and energy saving. Training and professional development delivered to over 3,500 council participants. The Let's Clear the Air Kit with education resources and information distributed to councils; resources also freely downloadable from the website:

**[www.cleartheair.nsw.gov.au](http://www.cleartheair.nsw.gov.au)**

## Renewable Energy Precincts

The Renewable Energy Precincts Program (REP) is a community partnership to assist regional communities and industry to maximise the economic and environmental benefits of renewable energy. The program has built the capacity of local stakeholders to develop the following renewable energy projects:

- combined energy efficiency and renewable energy audits for agri-business
- establishing the South-East Region of Renewable Energy Excellence network – working with skill and industry development authorities to maximise local content
- developing a Clean Energy Toolkit for local councils to conduct pre-feasibility assessments into energy efficiency and renewable energy installations.

REP has delivered renewable energy information resources, tools and events including an online NSW Community Wind Map and wind farm tours. Regional workshops were held on small-scale wind turbines (<10 kilowatts) for installation on rural properties and community-owned renewable energy projects. The program is creating a guide for landholders on hosting wind turbines, in partnership with the NSW Farmers Association; and a study of low-frequency noise and infrasound on wind farm noise (in partnership with EPA) both of which are due for completion in 2012-13.

## National Plan for Clean Air

OEH is playing a leading role in developing a National Plan for Clean Air - a new strategic approach to managing air quality.

In 2011 (COAG) nominated air quality as one of five priority environmental issues and agreed to the Standing Council on Environment and Water delivering a National Plan for Clean Air by the end of 2014.

An Air Thematic Oversight Group, chaired by NSW and comprising representatives from each Australian jurisdiction has been established to develop the Plan. The Plan is being undertaken in two stages with the first stage focusing on particles, the pollutant of greatest health concern. This stage is to be completed by mid 2013.

The Plan seeks to maximise the health benefits to the Australian community using least cost measures. It also responds to the review of the National Environment Protection (Ambient Air Quality) Measure released at the end of 2011.

In Stage 1 the Plan is considering:

- revising national air quality standards for particles
- introducing a new approach
- continually reducing population exposure to particle pollution, as well as the amount of pollution emitted. This approach will complement traditional ambient air quality standards
- developing new national actions to reduce particle pollution and improve air quality.

OEH's role in the Plan's development includes:

- chairing the Air Thematic Oversight Group
- chairing a working group, which is developing actions to reduce particles. Actions include introducing national product standards from major but currently unregulated sources of pollution, such as industrial diesel engines, small petrol engines, and woodheaters. These actions have significant emission reduction potential
- leading the exposure reduction project
- managing the economic analysis, which will underpin the Plan.

At the end of Stage 1 the Air Thematic Oversight Group will consider whether to take national action on other priority pollutants, including ozone, nitrogen dioxide and sulphur dioxide.

## A HEALTHIER AND CLEANER ENVIRONMENT

### Extent and condition of native vegetation is improved

#### **Draft Native Vegetation Regulation**

The statutory review of the Native Vegetation Regulation 2005 commenced in September 2011. The focus of the review is on balancing agricultural production opportunities with sustainable natural resource management and environmental protection. To deliver on this challenge the review aims to cut red tape, improve service delivery, increase transparency and simplify the assessment framework.

The review is being undertaken by OEH in partnership with the EPA and the catchment management authorities. The review is examining the Native Vegetation Regulation, related Environmental Outcomes Assessment Methodology and Private Native Forestry Code of Practice.

Milestones achieved during the year include:

- 12 public information sessions for initial consultation held across regional NSW in late 2011. The community was able to ask questions about the review and raise any concerns about the current Regulation
- a native vegetation survey to provide the public with an alternative way of providing input to the review. The survey was completed by 408 people with results being analysed by an independent expert
- a draft *Native Vegetation Regulation 2012* released for public consultation on 29 May 2012. Submissions were invited until 24 August 2012
- a second series of regional public information sessions commenced in June 2012 to explain the proposed changes and provide the community with an opportunity for comment.

Following the close of public consultation a final Regulation will be developed based on the feedback received.

## Native Vegetation Compliance Assurance

The monitoring of native vegetation change using satellite images and aerial photography has been in place since 2008. This has assisted the NSW Government to target programs that promote voluntary compliance, and provided a useful deterrent to the small minority who might consider unauthorised clearing. OEH and the EPA use satellite images and aerial photography, public notification and field reconnaissance to ensure that they have credible knowledge of native vegetation clearing. This monitoring program illustrates that the vast majority of farmers and private native forestry operators are complying with native vegetation guidelines.

By assessing the status of state-wide vegetation clearing, OEH can identify, initiate and organise compliance campaigns. The highest priority regulatory risks are investigated and proactive responses to emerging compliance risks are developed.

Key achievements include:

- Resources sharing with local government to promote compliance with vegetation management requirements
- Use of satellite monitoring data to identify where unauthorised clearing was a threat to the environment and developed targeted compliance campaigns
- Prioritising the investigation of unauthorised clearing events using satellite monitoring intelligence
- Clear, transparent enforcement outcomes including directions to remediate when environmental harm occurred as a result of unauthorised clearing
- Fostering community relationships and increased awareness and capacity to comply with vegetation management requirements.

## Woody Extent Change

Satellite imagery is used to map and monitor the change in extent of woody vegetation and other structural attributes of woody vegetation across NSW. This spatial and temporal information provides a better understanding of where vegetation is distributed in NSW and how it is changing over time in response to natural and anthropogenic change.

Both Landsat and SPOT imagery were used in the state-wide vegetation monitoring during the year. A report on woody vegetation change 2009–2010 based on Landsat imagery was published in November 2011. Analysis of vegetation change in 2009–2010 using higher resolution (5m) SPOT imagery was also completed in June 2012.

OEH is also using Landsat and SPOT imagery to produce maps of the Foliage Projective Cover (FPC) of woody vegetation. FPC is the vertically projected percentage cover of photosynthetic foliage from tree and shrub growth forms. A map of the extent of woody vegetation across NSW in 2008 based on a time series of these Landsat FPC images was completed in mid 2011. Similar methods are being developed to enable the production of high resolution vegetation extent maps using SPOT imagery.

## Rivers, wetlands and coastal environments are protected

### Effective Management of Environmental Flow

OEH is developing annual environmental watering plans for specific valleys in cooperation with regional stakeholders through environmental water advisory groups.

Environmental water deliveries reached 1.1 million megalitres in 2010–11 and this year almost 940,000 megalitres were delivered with ecological responses observed at a broad scale. OEH has supplied large volumes of environmental water in 2011–12 to priority rivers and wetlands which will assist in building resilience for these systems.

Achievements include:

- using satellite imagery to map flooding in the Gwydir Wetlands, Macquarie Marshes, Lower Lachlan Wetlands and Lower Murrumbidgee Wetlands
- partnered with scientists from Charles Sturt University to document the recovery of vegetation in the mid-Murrumbidgee wetlands
- the largest successful colonial water bird breeding event in the Gwydir wetlands since 1998
- extensive watering of the Macquarie Marshes
- successful watering of targeted Lachlan valley wetlands
- successive large scale in-channel flows for the Murrumbidgee River
- the filling of Paika Lake on the Lowbidgee floodplain for the first time in decades with the implementation of small scale works
- extensive watering of the Millewa redgum forest
- extensive flows down the Edward/Wakool to benefit native fish and maintain good water quality.

With most of NSW riverine and wetland assets having received a large amount of water over the past two years, the coming year will focus on building ecological resilience in these systems and planning for the longer term in anticipation of drier climatic conditions.

### **Murray-Darling Basin Plan**

The Murray-Darling Basin Authority (MDBA) is developing the Basin Plan for the integrated sustainable management of water resources of the Murray-Darling Basin. A key challenge is to determine the level of water extraction that can be sustained while maintaining a healthy working river system and the health of the water-dependent ecosystems that it supports.

The draft Plan was released for public consultation and during that period OEH participated in a number of consultation forums chaired by the MDBA as well as contributing to the development of the formal NSW Government submission. A revised draft Plan was released by the MDBA in May 2012 for review by the Murray-Darling Basin Ministerial Council. OEH continues to provide advice to the Minister for Primary Industries in negotiations to finalise the Basin Plan.

### **River Red Gums**

OEH continued to develop an adaptive management strategy for the 100,000 hectares of river red gum parks established in the Riverina. The scientific work is being led by OEH, in collaboration with Parks Victoria. In December 2011, the Scientific Advisory Committee approved an experimental design and monitoring plan for the ecological thinning trial developed in collaboration with the University of Melbourne. The ecological thinning trial will affect the Millewa reserve group in NSW and the Barmah National Park in Victoria. The trial aims to address conservation concerns associated with high stem density stands and canopy dieback in river red gum forests, in particular habitat features including paucity of hollow bearing trees into the future. Threatened species and cultural heritage assessments for the broader trial are near completion and pre-thinning monitoring has commenced. Ecological thinning operations are expected to commence in late 2012, depending on the recession rate of current flood levels. The ecological thinning experimental design is scientifically rigorous and relevant to on-ground decision-making for conservation outcomes in river red gum forests.

### **Thirlmere Lakes Inquiry**

Thirlmere Lakes National Park is part of the Greater Blue Mountains World Heritage Area and contains a system of five 'perched lakes'. Over many years the water level in these lakes has been gradually declining, consistent with ongoing drought conditions. There is community concern that the low water level in the lakes may be related to nearby mining activity.

In October 2011 the Government approved the Thirlmere Lakes Inquiry as an independent scientific inquiry into variations in these water levels. The Inquiry involved experts in the fields of hydrology, geology, geomorphology, climatology, paleogeography, freshwater ecology and mining. The committee is to make recommendations on management and research actions to protect the natural and cultural heritage values of Thirlmere Lakes.

The committee met with community members and organisations and prepared the Thirlmere Lakes Inquiry draft report. A number of public meetings will be held to present the report's findings to the community, before a final report is presented to the Minister.

### **Estuary Management – Wyong Council (Tuggerah Lakes report card)**

OEH led a team to investigate the ecology of Tuggerah Lakes that included representatives from Newcastle Innovation, BMT WBM, Griffith University, Department of Primary Industries and University of Technology, Sydney. The report to Wyong Shire Council recommended ways to reduce the nutrient and sediment loads in the lakes and to monitor them in the future. The Council will use the report to update their Estuary Management Plan and guide management of the catchment and lakes.

The team found that the Tuggerah Lakes food web is dominated by algae and the lakes are highly enriched with nitrogen, indicating that the lakes are mildly eutrophied. Land-use scenarios were modelled to show the likely impacts of development and the effectiveness of water-sensitive urban design on nutrient and sediment loads in the lakes. To better understand the health and function of the ecosystem, the team assessed the factors that drive seagrass growth, assessed links in the trophic levels of the food web in Tuggerah Lakes and developed several ecoassays. In late 2011 OEH focused its research on the formation and options for management of black ooze around the shores of the lake.

## Beachwatch Programs

OEH's Beachwatch Programs monitor water quality at 127 swimming sites in Sydney, the lower Hunter and the Illawarra, with a further 133 swimming sites monitored in partnership with 12 coastal councils from Byron to Bega Valley. Summer 2011-12 was the ninth wettest summer on record, with high levels of rainfall causing flooding along many parts of the coast. The stormwater and wastewater discharges triggered by the intense rainfall caused a decline in water quality at many coastal lagoons, estuarine and freshwater swimming sites. As a result, there was a small drop in the percentage of sites meeting the Beachwatch indicators during 2011-12. Despite the high rainfall, overall results are still excellent, with 82 per cent of swimming sites assigned Microbial Assessment Categories of "A" or "B", indicating generally low levels of faecal contamination and 81 per cent of swimming sites graded as 'Very Good' or 'Good'.

Ensure NSW has appropriate arrangements in place to respond to and recover from natural disasters.

## Floodplain Management Program and Grants Scheme

OEH manages the Floodplain Management Program which aims to reduce the impacts of flooding and flood liability on communities and reduce private and public losses resulting from flooding.

The Floodplain Management Program provides financial support to councils and eligible public land managers to:

- make informed decisions on managing flood risk by preparing floodplain risk management plans and studies
- implement floodplain risk management plans to reduce flood risk to both existing and future development, and reduce losses through a range of property, flood and response modification measures as outlined in the NSW Government's Floodplain Development Manual
- provide essential information to the State Emergency Service to enable the effective preparation and implementation of local flood plans to deal with flood emergency response.

Assistance under the program is normally offered by the State Government providing \$2 for every \$1 provided by local councils.

During the year the Floodplain Management Program provided \$8.4 million for 109 projects across NSW. The program is moving to a project-based framework in 2012-13 with applicants able to apply for the entire funding for a stage of a project, rather than an annual amount, to enable more efficient delivery of works. Under this round 297 applications seeking \$84.7 million have been received. Assessment of these applications is underway and funding outcomes are expected to be announced in August 2012.

## NSW Flood Studies Database

The NSW Flood Database project is a joint partnership between OEH and the State Emergency Service (SES).

The database is a multi-stage project funded by both the State and Commonwealth government through the Natural Disaster Mitigation Program and Natural Disaster Resilience Grants Scheme and managed by the Ministry of Police and Emergency Services in NSW. The project is overseen by an external working group involving a range of State and Local government representatives.

The project aims to:

- improve the strategic understanding of flood risk by aggregating information from flood investigations, generally undertaken by local government with State (and some Commonwealth) financial assistance. A key source of funding is the State Floodplain Management Program, managed by OEH
- build knowledge of the location and scale of flood risk within NSW and how it is managed
- assist State and Local government with monitoring the implementation of the NSW Government's Flood Prone Land Policy
- improve the availability of flood risk information within government.

Stage 2 of the project involved the development of a trial spatial database and the collection of information for a range of trial catchments. Data from more than 100 studies in more than 50 catchments was entered from differing areas across the State. The final report for Stage 2 is expected to be completed early in the 2012-13 financial year.

Stage 3 of the project involves further refinement of the Stage 2 trial spatial database with SES flood information to assist with the development of a state-wide flood risk assessment. Stage 3 of the project is progressing with around 200 studies added to the database by June 2012. This project continues throughout 2012-13.

## Coastal zone and Estuary Management Programs

OEH administers the Coastal Zone and Estuary Management Programs to support local councils in: managing the risks from coastal hazards such as erosion; degraded coastal habitats; the health of NSW estuaries; and potential risks from climate change.

Under the programs councils receive funding up to fifty percent of project cost to:

- prepare coastal zone management plans and supporting studies
- carry out projects to reduce risks associated with coastal hazards, improve coastal environments and estuary health.

In 2011-12 the Coastal Management Program provided \$1.56 million in grant offers for 33 new projects. The Estuary Management Program provided \$1.88 million for 39 new projects. For the 2012-13 funding round 31 applications under the Coastal Management Program (seeking \$2.99 million) and 53 applications under the Estuary Management Program (seeking \$3.28 million) were received. The assessment of these applications has been completed and announcement of successful funding will occur in the 2012-13 financial year.

## Coastal Reforms

A Ministerial Taskforce has been established to improve arrangements for managing risks to communities from coastal hazards such as erosion. The Taskforce is chaired by the Minister for the Environment and supported by an expert panel.

The Taskforce was established in response to community concerns, particularly with the 2009 sea level rise planning benchmarks, and section 149 certificates record of projected impacts from future risks.

The Government's objective is to have improved plans, legislation and policies in place to better manage risks from coastal hazards. A key aspect of this is improved integration with the land use planning system.

In particular, the Taskforce will review the 2010 amendments to the *Coastal Protection Act 1979* and the 2009 Sea Level Rise Policy Statement. The Taskforce has asked the NSW Chief Scientist, Professor Mary O'Kane, to review the adequacy of the science informing these benchmarks. The Taskforce's stage one reforms were announced in September 2012.

Targeted, up-to-date scientific services to support environmental decision making and emergency response.

## Air quality Monitoring Network

OEH maintains one of the largest air quality monitoring networks in Australia. The network information is fed continuously to the public via hourly updates to the regional air quality index (RAQI) on the OEH website. The website generates SMS/email alerts to subscribers when air quality is poor. Where poor air-quality is forecast for the next day, an air quality Health Alert can be issued (SMS/email) with the approval of the Department of Health.

In January 2012 OEH completed the Upper Hunter Air Quality Monitoring Network (UHAQMN), which was developed in response to community concerns about the cumulative health effects of particle emissions from coal mining and power generation. Each station reports on particles, wind speed and wind direction, which is available on the OEH website. In addition to the 14 stations in the Upper Hunter, there are 24 stations throughout NSW and more than 300 instruments continuously collecting data on air quality and meteorology.

## Public Availability of Vegetation Information System

Ongoing development of the NSW Vegetation Information System (VIS) continues to improve access to consistent and reliable information about vegetation, with an upgraded version coming on line in December 2011. The VIS now includes a new Plant Community Type classification, which establishes a definitive, community-level classification, which can be used in vegetation mapping and site-based assessments. The database is being updated to support online data entry, analysis and export.

Consultants and industry are the largest consumers of vegetation data. From 1 July 2011 to 30 June 2012 a total of 2,734 vegetation maps were download, including 279 different vegetation datasets. As at 30 June 2012 there are 146 registered users of the VIS Classification database with strong uptake continuing.

## Redevelopment of Atlas for NSW Wildlife

The new Atlas of NSW Wildlife, OEH's corporate database of flora and fauna sightings is now a web-accessible system incorporating OEH's fauna and flora systematic survey databases (Fauna Survey and VIS Flora Survey) as well as the OEH Threatened Species Profiles database. Integrating the databases streamlines many aspects of biodiversity data management and creates an active interface between the Atlas and other OEH systems. The new Atlas system delivers improved search, mapping and data download capabilities, via the BioNet-Atlas website: [www.bionet.nsw.gov.au](http://www.bionet.nsw.gov.au)

The Atlas has been endorsed as a whole-of-government information system for the delivery of flora and fauna information in NSW, by the cross-agency Biodiversity Information Working Group. The integrated system facilitates data-sharing with national and international biodiversity information systems, such as the Terrestrial Ecosystem Research Network (TERN), the Atlas of Living Australia and the Global Biodiversity Information Facility (GBIF).

## Strategic Regional Land Use Planning

OEH has worked in partnership with the Department of Planning and Infrastructure and the Department of Primary Industries to develop the Strategic Regional Landuse Planning process. The process aims to balance the competing demands of mining, agriculture and biodiversity.

OEH has produced draft Land and Soil Capability and Soil Fertility mapping for the Strategic Landuse plans. These datasets are the foundation for the Biophysical Strategic Agricultural Land maps which identify high quality farmland meriting greater levels of protection from development. The baseline information is derived from the best available soil maps across the State, coupled with thousands of individual soil profiles held within the Soil and Land Information System (SALIS) managed by OEH. Land and Soil Capability and Soil Fertility maps have been produced for four priority areas with work continuing on other areas of the State over the next 12 months.

## INTEGRATED LANDSCAPE MANAGEMENT

### More land is managed for conservation outcomes

#### Establishment of New Parks

The NSW Government establishes national parks and reserves to conserve and protect natural and cultural heritage and increase the number and range of parks for the public to access and enjoy. As at 30 June 2012, 8.83 per cent per cent of NSW, or 7,079,706 hectares, was reserved under the *National Parks and Wildlife Act 1974*.

Dharawal National Park was established in March 2012. It involved the re-categorisation of the bulk of the existing Dharawal State Conservation Area to national park, to protect it in perpetuity from mining. It was commemorated with an official opening on 25 March 2012 and a community celebration day. The new park will ensure the protection of internationally significant upland swamps, extraordinary or threatened biodiversity and significant Aboriginal cultural heritage, including unique rock art sites.

Community consultation on proposed amendments to the Plan of Management for the park allowed for an expansion of walking, viewing and picnicking opportunities. A new Plan of Management under development in 2012 will consider other aspects of park management and recreation.

Wianamatta Nature Reserve, which was previously part of Wianamatta Regional Park, was created in October 2011. The land at Cranebrook, in Sydney's western suburbs, contains significant threatened plant and animal species and 10 per cent of the remaining area of the endangered Castlereagh Swamp Woodland. It also has significant Aboriginal heritage values, including known archaeological sites. In addition to upgrading protection for the reserve, the Government committed \$1 million for remediation and land management actions that will improve the site to a nature reserve standard.

The local community lobbied over many years to have the site protected and there will be opportunities for the local community to participate in bushland restoration. The reserve still permits low-impact recreation that is sympathetic to the protection of the natural and cultural heritage of the site, such as bushwalking.



## Land Acquisition Program

The OEH land acquisition program aims to diversify existing reserves, enable improved management and strengthen the habitat connections between reserves and across the landscape. This will improve the capacity of the reserve system to protect habitats into the future. This year \$15 million, including funding from the Australian Government, enabled the acquisition of ten properties covering 25,000 hectares making a significant contribution to the Government's Green Corridors Program.

Two acquisitions merit particular mention:

- Properties in the Gwydir Wetland north west of Moree, encompassing part of the Gingham Watercourse wetland corridor. They are an important addition to the Gwydir State Conservation Area and provide a continuous conservation reserve from the Gwydir River in the south through to the Gingham Watercourse in the north. The land is recognised internationally for the unique wetland and floodplain plant communities and critical breeding and feeding habitat for migratory waterbird listed under international migratory bird treaties.
- A property north west of Hay, purchased for its strategic landscape connection between two existing parks and the habitat it provides for endangered plant and animal species that typify the Riverina bioregion.

## Eastern Suburbs Banksia Scrub

OEH is working with a range of stakeholders to establish diverse and resilient remnants of Eastern Suburbs Banksia Scrub (ESBS), an endangered ecological community that is effectively managed by a network of land managers and community groups. To facilitate best-practice management of ESBS on golf courses, which have over 20 per cent of the remaining ESBS, a workshop was held with a network of stakeholders from the golf industry, Sydney Metropolitan CMA, State and local government, councils and ecological consultants.

During 2011-12 there was an increase in:

- the number of remnants of ESBS being managed for conservation
- the number of volunteers and the area of ESBS that is being actively managed
- external funds for on-ground work
- ESBS that is included in the National Parks Estate
- the remnants of ESBS that are zoned Environmental Conservation (E2), from zero to seven
- partnerships with external stakeholders that are actively managing ESBS on their land.

## Cumberland Plain Recovery Program

The Cumberland Plain Recovery Program provides for the long-term protection and management of 20 threatened entities, including nine Endangered or Critically Endangered Ecological Communities, found in western Sydney. Program partners include Local Governments, Catchment Management Authorities, and other state government agencies.

The Recovery Plan has provided a tool for local government and volunteer groups to enhance their participation in implementing recovery actions in western Sydney. Outcomes from 2011-2012 include:

- Biodiversity planning by local governments; providing technical input to management forums relating to threatened species and communities; working with landholders to improve synergy of education and management of threatened species and communities; and increasing public awareness of the Plan
- An increase in the area covered by the Plan and managed for weed control and threatened species and communities
- The continuation of biobanking and other conservation measures in the Priority Conservation Lands areas identified in the Plan.

## Conservation Planning Seminars for Local Government

OEH has delivered a series of conservation planning seminars to 13 north coast local Councils. The seminars provided Councils with current information and advice on biodiversity and Aboriginal cultural heritage matters to simplify and streamline planning processes.

The seminars covered a range of issues including:

- Incorporation of biodiversity and natural resource considerations into comprehensive local environmental plans, regional conservation plans and biodiversity management plans
- Benefits and use of biodiversity certification
- Operation of native vegetation legislation
- Changes to legislation affecting Aboriginal cultural heritage.

The seminars increased Councils' understanding of the requirements and tools for biodiversity and Aboriginal heritage regulation, and presented opportunities to reduce red tape and streamline strategic planning and the development assessment process.

## Private Land Conservation Working Group

The Private Land Conservation Working Group was established to investigate how government can better support private land conservation efforts of individual landholders and non-government organisations. The Working Group reviewed existing private land conservation mechanisms and programs in NSW, other state jurisdictions, national and selected international cases. It also considered the operating environment and emerging trends in private land conservation. The Group identified and scoped seven key issues in relation to private land conservation in NSW. A report has been provided to the Minister for the Environment.

## OEH Conservation Partners Program

OEH establishes, monitors and supports long term partnerships for the formal protection and conservation of significant natural and cultural heritage. The Conservation Partners Program operates under the, *National Parks and Wildlife Act 1974*, through Conservation Agreements or Wildlife Refuges on private and other public lands.

**Conservation Agreements** protect and conserve significant natural and cultural heritage on private and other non-reserved public lands in-perpetuity. These agreements are voluntarily entered into, registered on the land title and are legally binding on current and successive landowners.

At 30 June 2012, there were 344 Conservation Agreements protecting a total area of 135,854.9 hectares. During the year, 34 new Conservation Agreements were established over a total area of 5,807.98 hectares.

**Wildlife Refuges** protect and conserve significant wildlife and its habitats on private and other non-reserved public lands on a long term basis. They are noted on the land title and remain in place unless formally revoked. Wildlife Refuges represent the longest running private land conservation mechanism in Australia.

At year end, there were 670 Wildlife Refuges over a total area of 1,936,198 hectares. About 80 per cent of this land is managed for conservation of wildlife and its habitats integrated with other compatible land uses, and about 10 per cent solely for conservation. In 2011-12, nine new Wildlife Refuges were proclaimed over a total area of 1,148.97 hectares, with one formal revocation.

**The Private Land Conservation Grants Program** received \$2.3m over six years from the Environmental Trust to provide grant funding to landholders with ongoing conservation commitments. Funds are provided to landholders to undertake practical on ground conservation management. Over the year, 31 landholders with in-perpetuity agreements have been funded a total of \$270,232 over three years for conservation projects on their land. A further 33 landholders with Wildlife Refuges or a Property Vegetation Plan were funded a total of \$70,201 over three years to undertake conservation works on their land, and eight applicants were funded a total of \$31,950 to provide training and education to landholders involved in property registration schemes.

## Great Eastern Ranges Initiative

The Great Eastern Ranges (GER) Initiative is a community led program that aims to maintain and enhance the connectivity of wildlife habitats in eastern Australia. It covers an area extending more than 3,600km from central Victoria, through the Australian Capital Territory, NSW, and into northern Queensland. The region comprises the most biologically diverse landscapes on the continent, and includes the most extensive network of protected areas. The area comprises both private and public lands in a variety of tenures, and all landholders and local community groups and organisations are encouraged to participate in the initiative.

The GER Initiative is led by a partnership group of four non-government environment organisations, OzGreen, National Parks Association, Nature Conservation Trust, Greening Australia, and OEH. Inter-state partnerships have also been initiated with government and non-government sectors in Victoria, the ACT and Queensland to extend the GER Initiative. Through the Environmental Trust, the GER Initiative has been provided with \$4.4 million in funding through to 2015. A project plan has been approved for delivery over the next four years, which includes activities in six priority regions and across the whole of GER.

The GER Initiative achievements to date are:

- Over 150 voluntary agreements established with landholders to improve the protection and management of 16,195 hectares of habitat in priority conservation areas
- Projects successfully completed with partners, delivering \$3.555 million to grantees
- \$15.861 million leveraged from partners contributions
- New partnerships and broad involvement by a diverse range of local, regional, state and national organisations, with over 120 organisations now recognised as voluntary 'partners'

- Being positively received by all communities and organisations approached
- Influencing emerging national wildlife corridors planning initiatives
- Demonstrated capacity to reach a broad audience and deliver on-ground outcomes.

## Protect and restore biodiversity and native vegetation

### BioBanking Scheme

The Biodiversity Banking and Offsets Scheme (BioBanking) is a voluntary market based initiative designed to increase the use of offsets to counterbalance the impacts of development on biodiversity. A BioBanking Agreement enables biodiversity credits to be generated by landowners who commit to enhancing and protecting biodiversity on their land. These credits can then be sold, generating funds to manage the site for conservation into the future. Developers can buy these credits to offset the impacts on biodiversity from their activities. The scheme is underpinned by a transparent, rules-based approach for measuring biodiversity impacts and improvements.

During the year a number of significant achievements have been realised:

- Eleven BioBanking Agreements have been approved conserving almost 2000 hectares of native vegetation and threatened species in perpetuity
- Biodiversity values being managed and protected include important grasslands, woodlands and forests and habitat for species such as koalas, wallabies, owls, parrots, bats, lizards and frogs
- One BioBank site near Oberon is also rich in Aboriginal cultural heritage
- Funding in the BioBanking Trust fund rose to \$6 million following further credit sales. This investment supports the management of BioBank sites into the future
- Over 33,000 hectares have been nominated for BioBanking Agreements through the Expression of Interest (EOI) public register
- More than 100 BioBanking assessors have been trained and accredited to use the BioBanking Assessment Methodology
- The Wonnarua Nation Aboriginal Corporation (WNAC) signed a BioBanking agreement on its "Valley Arm" property in the Singleton area. This marked the first BioBank site in the Hunter Region and the first owned by an Aboriginal group.

A statutory review of the BioBanking Scheme to identify the strengths of the scheme and evaluate improvements has commenced, ensuring it achieves credible environmental outcomes and is practical to use. The review is expected to conclude in late 2012.

### The Growth Centres Biodiversity Offset Program

The Growth Centres Biodiversity Offset Program aims to protect some of the best remaining bushland in western Sydney and surrounding regions. To offset impacts on biodiversity that will be caused by the development of Growth Centres in western Sydney, the NSW Government has created a \$530 million conservation fund. Three quarters of the conservation fund (\$397.5 million) is being used to implement the Growth Centres Biodiversity Offset Program.

In 2012, the Commonwealth Government approved the Growth Centres as a strategic assessment program under the *Environment Protection and Biodiversity Conservation Act 1999*. The approval aligns State and Commonwealth environmental approvals for the Growth Centres and gives the Commonwealth oversight of the Offset Program to ensure conservation of subjects of national environmental significance. A key conservation outcome achieved through the program last year was the establishment of a BioBanking Agreement to protect and restore the threatened woodlands at a property near Cobbitty, owned by the Sisters of the Good Samaritan.

## Linking Landscapes through Local Action Project

The NSW Government has committed \$40 million over four years to protect strategic green corridors of native vegetation. The 'Linking Landscapes through Local Action' project commenced in November 2011 and, as a component of a broader Green Corridors program, is focusing on the Sydney Basin. The project works with stakeholders to identify 'green corridors' and target project funds to secure better management of bushland within these corridors, particularly on public land. The project will assist councils and other public land managers in establishing BioBank sites on their land. As part of this, ongoing annual payments will be provided through the BioBanking Trust Fund for land managers to manage weeds, feral animals and other threats on their land so that areas of public bushland will be maintained for current and future generations to enjoy. The project will also establish a Conservation Commitments spatial layer which will provide a map of land subject to conservation mechanisms across the State. The layer will allow public agencies to track the land that has been secured for conservation through this and other programs across the State.

## Rehabilitation Works in Kosciuszko National Park

Through the Former Snowy Scheme Sites Rehabilitation Program, 400 former construction related sites transferred to Kosciuszko National Park were rehabilitated. These sites were transferred to OEH as part of the corporatisation process for the Snowy Mountains Hydro Electric Authority (2002). The program was funded by the Snowy Hydro Corporation and managed and implemented by OEH.

Rehabilitation work within Kosciuszko National Park included:

- Landform stabilisation earthworks works
- Major ecological rehabilitation (planting) projects
- General maintenance works including weed control, supplemental planting and mulching at over 60 sites
- Site geotechnical and hydrological investigation, contamination investigation and ecological investigation at numerous sites
- Completion of five year program to remove all exotic trees from Guthega Road.

In 2011 the Program received two prestigious Australian Institute of Engineers Awards for Engineering Excellence, the Sydney Division Excellence Award for the category Engineering for Regional Communities, and the National Environmental Engineering Project of the Year.

## Review of the Threatened Species Priorities Action Statement

The NSW Threatened Species Priorities Action Statement (PAS) lists all the actions required to manage threatened species, ecological communities, endangered populations and key threatening processes in NSW. The PAS program was established under the *Threatened Species Conservation Act 1995* and has been operating since 2007.

OEH completed a review of the performance of PAS for the period 2007-2010. The review found that a large amount of worthwhile conservation activity had commenced and there is potential for improvements. OEH is developing a new threatened species initiative based on the findings of the PAS review and discussions with experts, CMAs, local government and other agencies. The new PAS program will establish a transparent, cost-effective and co-ordinated approach to threatened species management in NSW and is expected to include:

- species projects that detail the management actions required at specific, mapped sites to secure the species for 100 years
- a priority list of species projects to encourage effective investment
- a database to co-ordinate actions and track progress.

As part of the PAS program, OEH will continue to implement actions to secure the iconic koala. Funding is available to landholders to manage and protect priority koala habitats, and for work with councils and the community to protect and manage threats to important koala habitats.

## Flying Fox Conservation

The \$5 million flying fox netting subsidy program for the Sydney Basin and Central Coast regions commenced on 1 July 2011. Eligible orchardists can apply for funds to cover 50 per cent of the cost of installing netting, capped at \$20,000 per hectare. The netting subsidy program is scheduled to be funded until July 2014, in conjunction with a phase out of shooting licences to improve animal welfare.

The Minister for the Environment initiated the Flying Fox Senior Officers Working Group comprising representatives from the NSW, Victoria, Queensland, South Australian and Commonwealth Governments. The purpose is to undertake cross-jurisdictional review of policy and legislation. The Group is putting forward recommendations for camp management, including the negotiation of conservation agreements between the Commonwealth Government and States.

Achievements in flying fox conservation include:

- approved subsidies totalling \$238,519 to seven orchardists to net a total area of 18.72 ha
- initiating discussions for a national Grey-Headed Flying Fox census program over five years, commencing in 2012
- production of a brochure to provide the community with advice on living with flying foxes
- commencement of inter-agency consultation on a draft recovery plan for Grey-Headed Flying Foxes.

### Recovering the Warrumbungle Brush-tailed Rock-wallabies

Brush-tailed Rock-wallaby colonies have collapsed across south-eastern Australia, with the population in Warrumbungle National Park losing over half its colonies in the past decade. Goat and fox control in the Park has slowed but not stopped this decline. A project to supplement Warrumbungle colony numbers by translocation to establish a large, self sustaining population so that greater reproduction offsets mortality rates.

Milestones include:

- Monitoring conducted via radio tracking, remote cameras, direct observation and genetic enumeration
- Volunteers have contributed over \$80,000 in skilled labour
- Long-term population increase is being assessed with new residents successfully raising young.

The technique shows promise as a cost-effective approach to stabilise other important colonies across NSW, where low intensity threat abatement can be maintained to facilitate gradual expansion and recovery.

### Threatened Species Management in National Parks

Threatened species related programs in National Parks included:

- **Monitoring of quolls in Kosciuszko National Park** has indicated that quolls are widely distributed across the southern half of the Park, and persist in catchments with and without recent histories of 1080 aerial baiting for wild dogs and foxes. This monitoring work will continue to ensure that pest control programs do not impact negatively upon quolls.
- **Monitoring of Eastern Bent-wing Bats** in Wee Jasper Nature Reserve and Bungonia State Conservation Area trialled thermal infra-red video tracking. The adult female Bent-wing bat population at Church

Cave appears to be relatively stable over a period of three years with numbers varying between 16,000 and 18,000. More work is required at Drum Cave, with the adult female population estimated to be between 15,000 and 20,000. Surveys at both sites have also monitored the effects of public visitation.

- **Giant Fern seedlings** have been found following a recent field inspection of the immediate habitat of the one Giant Fern (*Angiopteris evecta*) known to still exist in the wild in NSW. The individual plant and its immediate habitat have been the subject of recovery actions since October 2001. Each seedling plant was then mapped including the distance of each juvenile from the main plant. Following this discovery, investigation has begun into the practicality and suitability of securing ex-situ stock and genetics of the species at the Tweed and Coffs Harbour Botanic Gardens.
- **Flora and fauna surveys** were undertaken in newly acquired reserves in the Crookwell, Gundaroo, Yass and Goulburn regions of the Southern Tablelands of NSW.

Major findings of the surveys were:

- 186 fauna species were recorded from 17 reserves
- 2,985 bird observations were made
- 1 vertebrate species listed as “Endangered” was found (Booroolong Frog)
- 15 vertebrate species listed as “Vulnerable” were found.

Surveys were also conducted in four new reserves previously managed by State Forests. Major findings of these surveys were:

- Six species of birds listed as “Vulnerable” were recorded
- 1,004 bird observations were made (95 species)
- 12 terrestrial mammal species were recorded, 3 frog species and 7 reptile species
- At least 8 micro-bat species were recorded.

### Northern Rivers Fire and Biodiversity Consortium

OEH had a key role in establishing the Northern Rivers Fire and Biodiversity Consortium in 2011. The Consortium has a membership of over 20 community, non-government and government organisations with a common interest in the role of ecological fire. The Consortium promotes collaborative and practical approaches to sustainable fire management for healthy ecological and social communities, whilst recognising the importance of protecting life and property.

On-ground projects initiated by the Consortium include:

- working with private and public landholders to control lantana and prevent Bell Miner Associated Dieback with the use of fire
- partnerships with 3 Local Aboriginal Land Councils, University, TAFE and local high school to improve endangered coastal emu habitat through fire management
- restoring endangered eastern bristlebird and Koala habitat on public and private land through fire management
- identifying opportunities for streamlining policy and regulation around ecological burning on private land.

## Hazard reduction across NSW is increased

### Enhanced Bushfire Management Program

The Enhanced Bushfire Management Program is a new initiative to strengthen fire management through increasing hazard reduction operations, and improving bushfire response capabilities. OEH has been allocated \$62.5 million over five years for the Program.

### Hazard reduction

During the year, OEH completed 204 prescribed burns over 47,200 hectares, in line with the ten year average. This is a strong result given record wet conditions. In addition to prescribed burns, 1,472 mechanical hazard mitigation works were completed, treating more than 2,150 hectares of parks and reserves adjacent to high priority assets. Dedicated fire crews have been established around NSW to deliver strategic hazard reduction works above current levels, and ninety field based fire-fighters have been recruited.

OEH has developed a three year burn program prioritising hazard reduction burning across parks and reserves. NSW risk management zoning is used to implement hazard reduction activities in targeted areas with highest priority given to Asset Protection and Strategic Fire Advantage Zones.

### Rapid response

Through the Enhanced Bushfire Management Program six dedicated OEH rapid response fire fighting teams and two additional helicopters are on standby at pre-determined heli-bases. These crews are available for immediate fire suppression operations in national parks in the most fire-prone parts of NSW during the bushfire danger period.

## Pest animals and weeds are managed

### Pest Strategy

Pest and weed control in NSW National Parks aims to minimise impacts on biodiversity and neighbours. During 2011-12 OEH developed 14 region-specific strategies, which outline specific local pest management priorities. During the year high priority pest and weed actions from these strategies were implemented. Key areas included a focus on new and emerging weeds, wild dog control and cooperative feral animal programs in conjunction with Livestock Health and Pest Authorities.

### Cane toads

OEH continued to survey and control cane toads in high priority areas. Priorities for cane toad control were guided by the 'NSW Management Plan for Cane Toads on National Parks and Reserves Estate', published in July 2011. In the Sutherland Shire, the OEH continues to work closely with Sutherland Shire Council (SSC) on a collaborative management program to eradicate cane toads in the Taren Point area.

### Rodent Control at Muttonbird Island

Muttonbird Island Nature Reserve in Coffs Harbour has been the focus of a rodent control program that aims to maintain the breeding population of wedge-tailed shearwaters. The baiting program follows extensive research, conducted in partnership with the University of New England, local bird-banders and Aboriginal 'Repair to Country' trainees, into the island's shearwater colony and rodent populations. The program has substantially reduced the numbers of the introduced black rat and the house mouse. Follow-up monitoring of the shearwater colony revealed an increased rate of burrow occupancy and an improvement of 42 per cent in breeding success to fledgling stage. OEH will work with local bird-banders to continue to monitor the shearwater colony and rat numbers, and undertake rodent baiting as required.

## Experiences, events, facilities and services to attract visitors and tourists

### Improved Digital Services

OEH is implementing a suite of digital initiatives designed to assist in delivering a new customer focus for OEH. Highlights include delivery of phase one of a new visitor focused website; the acquisition of a corporate wide customer relationship management system and a corporate web content management system. Phase one of the new visitor focused website was launched by the Minister for the Environment on 31 May 2012. It features more than 70 parks, 850 pages of inspirational content and over 1,500 new images and short videos. The website features Google maps and the integration of social media including You Tube and Facebook. The website has easy links to popular campaign websites, Wild About Whales and Wild Wild World, and WilderQuest. The Outback campaign was successfully launched on the website in June with links to the Destination NSW website and showcasing popular parks, tours and accommodation in western NSW. The visitor website incorporates a new online booking system for accommodation, launching with 10 properties including the Byron Bay cottages, East Kunderang Homestead and Broughton Island. Over the next 6-12 months further implementation of this system is planned to feature more camping and short-term accommodation properties across the state. As part of this program, the new Naturescapes Collection App has been launched, featuring some of the best on park accommodation options.

OEH also created a Customer Experience Team to manage all phone channel enquiries; event, tours and accommodation bookings; as well as servicing social media channels. It commenced operation 7 days per week from May 2012.

### NSW River Red Gums Nature Tourism Action Plan

In March 2012 the Minister for the Environment launched the NSW River Red Gums Nature Tourism Action Plan. The plan, developed with extensive consultation, identifies opportunities for communities and visitors to the regions to access, experience and enjoy the magnificent forests, rivers and wetlands. A further funding commitment in 2012-2013 will underpin the implementation of the plan.

Projects completed include:

- Site establishment and visitor facilities provided for day use and camping at Quicks Beach, Edwards River and Barooga
- Visitor profiling and research
- Interpretation of research and development
- Access and car parking for Reed Bed Bird hide.

A copy of the NSW River Red Gum Nature Tourism Action Plan and further information on developments in the Riverina Forests can be found at:  
[www.riverredgums.nsw.gov.au](http://www.riverredgums.nsw.gov.au)

### Audio Tours

A new downloadable self guided audio tour has been developed for the section of the Harbour Scenic Walk from Taronga Zoo to Chowder Bay. The tour includes stories related to the natural and cultural history of this part of the track.

A self guided audio tour was also released for Goat Island with a regular ferry service established in January 2012. The tour is based on the rich heritage stories of the island. The tour is available in both child and adult versions and is supported with archival photographs and a map to aid navigation. These digital products are now available from the new National Parks visitor website.

### Improved Education and Learning

During 2011-12 NPWS Discovery Program continued to provide formal curriculum linked guided experiences for primary, secondary and tertiary students. The program also supports learning with online resources and teacher's kits. Informal education is delivered through the Discovery Walks, Talks and Tours Program during school holidays, regular tours, and community events. Over 90,000 school children participated in Discovery for Schools during 2011-12.

In April 2012, the WilderQuest project was launched by the Minister for the Environment. WilderQuest targets 5-8 year olds, their families and classrooms with a fun interactive website, iPad App and activities developed by NPWS Discovery and partner agencies within the OEH Cluster. Since its launch, the app has been named iTunes app of the week, received a Gold Award for the Kids World stand at the Royal Easter Show, 13,000 downloads of the app and over 5,150 visits to the website with over 1000 registrations. WilderQuest was introduced to nine schools and 367 Stage 1 students and teachers, through the Learning for Sustainability Video Conference Festival.

## Increasing Tourism in National Parks

OEH has developed increased tourism within National Parks through targeted regional marketing campaigns and visitor experience development. Key campaigns during the year were:

### Outback Campaign

Conducted in partnership with Destination NSW and Inland Tourism, the Outback Campaign's objective was to create awareness and promote nature experiences in the Outback region of NSW. Campaign achievements include:

- 24 per cent increase in website visits (outback section) compared to the same period in 2010
- 28,000 leads generated
- 1,632 itineraries downloaded during the campaign period.

### Wild about Whales Campaign

This was the second year of the Wild About Whales campaign, which ran from June–November. Campaign achievements include:

- 400 individual stories in the media, valued at \$14.5 million in advertising value
- 384 per cent increase in Facebook 'likes'
- 169 per cent increase in the number of twitter followers
- 62,788 visits to the Wild about Whales website.

### International Year of the Forest Campaign

The campaign focused on 8 key regional centres and ran from September to December 2011. Campaign achievements include:

- All 'Yoga in the Rainforest' events were booked; and remained a permanent activity in Sea Acres National Park
- 52 per cent increase in Facebook 'likes'
- New Forest themed products from 6 NPWS licensed operators
- 5,634 visits to the 'Forests' page during the campaign period.

### National Landscapes

A Tourism Australia marketing campaign, showcasing places of great cultural, natural and spiritual significance. Key achievements include:

- Australia's Coastal Wilderness won the 2011 Australia National Landscapes Tourism Achievement Award. The primary reason for the award surrounded the development of new and improved walking experiences, including the Great Coastal Walk and Light to Light Walk

- Sydney Harbour National Landscapes nomination for the program accepted.

## Mountain Biking Strategy

In late 2011, the Minister for the Environment released the OEH Sustainable Mountain Biking Strategy, following extensive community consultation. During October 2011 OEH delivered community biking events within 13 parks and reserves across the state and opened a single track for mountain bikes in Glenrock State Conservation Area.

## Upgrading Visitor Facilities in National Parks and Reserves

Major upgrades included:

- **Campground upgrade at Broughton Island in Myall Lakes National Park**  
Three timber camping platforms and two grassed camping sites were constructed to provide safe, sustainable and equitable camping on the island. The timber camping platforms limit disturbance to breeding seabirds, provide a flat surface for camping, and minimise maintenance requirements
- **\$600,000 upgrade of Sea Acres Rainforest Centre**  
These upgrade works were the first major works in a national park to trial new Sustainability Assessment Criteria Guidelines, with the project resulting in improved efficiencies in energy and water use
- **Development of a new group camping area at Illaroo Yuraygir National Park**  
Illaroo campground was expanded to create a new node that allows families, school groups or commercial tours to relax in an area that is exclusive to their group
- **Upgrade to visitor facilities in Cape Byron State Conservation Area**  
Visitor facilities at The Pass, Wategos Beach, Tallow Beach and Captain Cook car park within Cape Byron State Conservation Area have been upgraded to help make them more environmentally sustainable and user friendly
- **Upgrade to cabins in Mount Kaputar National Park**  
The historic cabins at Dawsons Spring at the top of Mount Kaputar National Park have been upgraded to increase their functionality and improving the visitor experience
- **Visitor facilities in Terry Hie Hie, Deriah and Boonalla Aboriginal Areas**  
The newly constructed facilities have been located and designed in cooperation with the co-management committees for the reserves and provide a focal point for the local Aboriginal community and other visitors.



Each site is unique with the Terry Hie Hie facilities featuring a bush tucker garden, the Deriah facilities containing a lookout over the Nandewar Range, and the Boonalla facilities providing a gateway to the Boonalla cave and walking track.

## Volunteer participation and community support for the environment

### Volunteering in National Parks

The NPWS Volunteer Program provides quality volunteering opportunities including bush regeneration, flora and fauna surveys, threatened species management, culture and heritage conservation, information centre support, campground hosting, guided tours, and assisting in the rescue and rehabilitation of wildlife. OEH has also developed innovative volunteering models such as campground hosts and corporate volunteer initiatives.

Achievements in 2011-12 included:

- The NPWS Volunteer Grants program that led to the engagement of approximately 480 new volunteers who contributed over 4,850 hours
- The Friends of Yanga, who received an Australia Day Award for 'Services to the Community' from the local Balranald Australia Day Committee
- NPWS Volunteer Programs, Historic Roto House, Cape Byron Friends Volunteers, Innes Ruins Volunteer Guides, and Arakoon Bush Care Volunteers, were honoured as 'Heritage Heroes' at the 2011 NSW Heritage Awards
- Recruitment of over 30 new Campground Host volunteers over the Summer 2011-12 and 2012 Easter holidays
- Development of a Volunteer Program Management System (VPMS) that will streamline reporting for state wide volunteering
- Development of state wide corporate volunteering program in partnership with the Foundation for National Parks in Sydney Harbour and Lane Cove National Park
- Increased engagement with mountain biking and 4 wheel-drive club volunteers
- 62 volunteers worked 2,160 hours to remove the invasive Orange Hawkweed as part of the Hunting for Hawkweed Program in Kosciuszko National Park
- Trained 17 volunteers who can now offer guided tours to visitors at the historic Mountain Maid Gold Mine in Copeland Tops State Conservation Area.

## Historic heritage in parks and gardens is conserved for cultural values

### Heritage Asset Revitalisation Program

This was the second year of the successful Heritage Asset Revitalisation Program (HARP), which administers approximately \$4.2 million in funding for the revitalisation of historic heritage assets.

Nineteen high profile projects were undertaken through the HARP program in 2011-12 and include restoration and adaptive reuse projects as well as several interpretation projects. The revitalisation of the Audley Dancehall in Royal National Park into a successful café, function centre and NPWS Visitor Centre, is a highlight of the program. The project included the landscaping of the Dancehall Precinct and has made substantial gains in the use, amenity and enjoyment of the Audley Precinct and Royal National Park generally.

Other projects undertaken with the assistance of HARP include:

- the adaptive reuse of the Yarrangobilly Caves House in Kosciuszko National Park
- completing adaptive reuse works at Smoky Cape Lighthouse
- upgrading the Grand Canyon Walking Track in the Blue Mountains National Park.

HARP also funded a number of interpretation projects such as:

- Old Great North Road
- Davidsons Whaling Station
- Coastal Branch Lighthouses
- Trial Bay Gaol.

Assist the community to identify and look after important heritage places and objects.

## Aboriginal Cultural Heritage Values recorded on the Aboriginal Heritage Information Management System

The Aboriginal Heritage Information Management System (AHIMS) is a statutory database of known Aboriginal sites and places in NSW and a library of associated archaeological reports. It includes an extensive digital library of archaeological reports, site cards, information about Aboriginal Places, Aboriginal Heritage Impact Permits, Aboriginal heritage conservation projects, and Aboriginal site assessments. AHIMS is used by OEH, land management agencies, developers, archaeologists, Aboriginal communities and the general public for a range of heritage, regulation, park estate, and natural resource management functions, including repatriation of ancestral remains and objects and conservation of sites. OEH is committed to ensuring AHIMS is a good quality service, which also enables persons to exercise due diligence under the *National Parks and Wildlife Act 1974*.

Development of AHIMS web services Version 3 was completed and will be implemented next year. Users will be able to automatically produce improved maps while conducting a basic search; pay online; and receive extensive online search results faster. Work has also commenced on a Smartphone App to improve site recording. The application will be implemented in the forthcoming year.

## Increase in public lands that Aboriginal people are actively involved in managing

### Joint Management of Parks

The joint management of parks and reserves involves OEH and Aboriginal people sharing management responsibility, and recognises the special link that communities have to their traditional lands. A memorandum of understanding for the Joint Management of Toorale, between the Kurnu Baakandji-Paakandji people and OEH, was officially signed on 12 May 2012 during a ceremony held in the park. Toorale National Park and State Conservation Area has become the 25th national park in NSW to be managed under a joint management agreement with the local Aboriginal community. An advisory committee is being established, with representatives from traditional owners, their families and the NPWS.

## Provide appropriate protection for more culturally significant Aboriginal places, objects and information

### Aboriginal Places

Declaring Aboriginal Places recognises and legally protects Aboriginal cultural heritage over any public or private land in NSW. They are protected under the *National Parks and Wildlife Act 1974*. OEH's ongoing Aboriginal Places program assesses and recommends declaration and gazettal of Aboriginal Places throughout NSW and works with local Aboriginal communities to nominate and develop proposals for Aboriginal Places.

To date, 82 Aboriginal Places have been declared across NSW. The following 11 new Aboriginal Places were declared by the Minister during 2011-12:

1. Brungle Cemetery at Brungle - 8 July 2011
2. Bridge Reserve at Narromine - 29 July 2011
3. Mack Reserve at Narromine - 12 August 2011
4. Lake Macquarie Resting Place near Morisset - 2 September 2011
5. Tuggerah Lake Resting Place near Wyong - 16 September 2011
6. Kings Tableland near Wentworth Falls - 4 November 2011
7. Bomen Axe Quarry near Wagga Wagga - 23 March 2012
8. The Murie near Condobolin - 4 May 2012
9. Bellambi Point near Wollongong - 1 June 2012
10. Wollundry Lagoon and Tony Ireland Park near Wagga Wagga - 8 June 2012
11. Nap Nap Burial Ground near Maude - 22 June 2012.

Further Aboriginal Place assessments were also undertaken and finalised at Bulahdelah Mountain, East Ballina, Wiradjuri Reserve, Gobba Beach and Toogimbie Burial Ground.

## NSW Atlas of Aboriginal Places

OEH has finalised the web-based Atlas of Aboriginal Places. The purpose of the Atlas is to provide the public with basic and readily accessible information on all declared Aboriginal Places in NSW, with particular focus on their significance to Aboriginal people. The Atlas will be updated as new Aboriginal Places are gazetted. The Atlas of Aboriginal Places is available at:

[www.environment.nsw.gov.au/aboriginalplaces/index.htm](http://www.environment.nsw.gov.au/aboriginalplaces/index.htm)

## Repatriations

OEH is responsible for the protection of Aboriginal objects, including Aboriginal remains, in NSW. The *National Parks and Wildlife Act 1974* allows OEH to return Aboriginal object(s) to an Aboriginal owner(s) entitled to, and willing to accept possession, custody or control or the Aboriginal object(s) in accordance with Aboriginal tradition. With relevant Aboriginal community support, OEH seeks to repatriate Aboriginal cultural material in accordance with policy and guidelines.

In 2011-12, OEH conducted 24 repatriation events during which 115 sets of remains and/or objects were returned to Country in partnership with Aboriginal communities.

## Legislative Reforms

In September 2011, approval was given to develop options for the reform of Aboriginal heritage legislation in NSW.

The goals of the reform are to:

- Recognise and delineate the role of Aboriginal people in the management of their culture and heritage as understood and culturally determined by them
- Protect and manage NSW Aboriginal culture and heritage through a streamlined and flexible regulatory system
- Link Aboriginal culture and heritage protection with NSW natural resource management and planning processes
- Ensure effective mechanisms for the protection of Aboriginal culture and heritage with clearly defined roles and responsibilities for all parties
- Promote greater awareness and understanding of Aboriginal culture and heritage.

Following the release of an Issues and Milestones Paper, 26 Aboriginal community consultation workshops were held throughout NSW. Consultation sessions were also conducted with peak industry groups, local government, Catchment Management Authorities, archaeologists and Government agencies. An expert advisory Working

Party of Aboriginal and non Aboriginal stakeholders was established by the Minister for the Environment and the Minister for Aboriginal Affairs. The Working Party of eight members and two ex-officio members are due to provide options and recommendations to the Government by the end of September 2012.

## Major Aboriginal Assessment Projects (Cultural values, Oral histories, Rock art conservation)

OEH staff work in partnership with local Aboriginal communities and conservation specialists to protect, conserve and manage Aboriginal cultural sites and objects, such as rock art, traditional burials, scarred trees.

During 2011-12, OEH undertook the following projects:

- Conservation works within Royal National Park to protect a midden area
- Published three oral histories highlighting Aboriginal history and heritage
- Delivered Traditional Smoking Ceremony Protocol Training to a number of stakeholders which enhanced their cultural identity and provided for transfer of cultural knowledge from Aboriginal Elders to the younger generation
- Delivered Aboriginal Site Awareness Training Workshops to a number of stakeholders to educate and increase the capacity of both Aboriginal and non Aboriginal people to better understand how to protect Aboriginal cultural heritage throughout NSW
- Rock art and conservation remedial works and strategies developed and implemented throughout NSW
- Identification and protection of a scarred Kurrajong Tree in Northern NSW.

## Strengthening Aboriginal Wellbeing Toolkit

The Strengthening Aboriginal Community Wellbeing Toolkit is a software based system to support community governance by assessing a broad range of important issues for Aboriginal community wellbeing. It can also be used for developing goals that communities can achieve with support from government and non-government partners. The Toolkit was developed by OEH working closely with Aboriginal Affairs NSW staff and with the assistance of the Wellington and La Perouse Aboriginal Partnership communities.

## Heritage Seminars for Local Government

### Local Government Heritage Network Seminar 2011

The Local Government Heritage Network Seminar was held in August to provide an annual meeting and networking opportunity for local government heritage managers and officers, and heritage professionals engaged as heritage advisors. The all-day seminar included a short address by the Minister for Heritage, updates on current issues and projects from the Heritage Branch staff and presentations from a number of guest speakers from local government, state government and private heritage practitioners.

### Heritage Advisor Training and Refresher Workshop 2011

The Heritage Branch hosted its annual one-day Heritage Advisor Training and Refresher workshop for 50 heritage professionals in August. Facilitated by David Scobie, a long-serving and experienced heritage advisor, the workshop provided training for heritage consultants, heritage advisors, heritage planners and officers interested in, or currently working in local government heritage management.

The workshop concentrated on design in context and covered Parramatta CBD case studies and topics necessary for engagement, leadership and best practice in local government heritage management.

### 'Thursday @ 6 heritage talks' 2011-2012

Throughout the year, the Heritage Branch has hosted a series of four evening seminars, 'Thursday @ 6 heritage talks'. The talks offered a networking opportunity for heritage consultants and local government heritage officers. The talks have covered a range of topics including:

- Current built heritage and landscape projects
- Cemeteries
- Women and Heritage
- Recognition and celebrating Aboriginal heritage in NAIDOC week.

## HERITAGE COUNCIL OF NSW ANNUAL REPORT 2011-12

The Heritage Council of NSW is a statutory body established to administer the *Heritage Act 1977* and is required by the Act to produce an annual report.

It is an advisory body that includes members of the community, the NSW Government, the conservation profession, and representatives from various organisations.

The Heritage Council makes decisions about the care and protection of places and items that have been identified as being of heritage significance to the people of NSW. It also advises the Minister for Heritage on heritage matters. The Heritage Council is supported by the Heritage Branch in OEH, which provides professional advice and administrative support to help promote the identification, conservation, adaptive reuse and celebration of heritage places across NSW. More information can be found at: [www.heritage.nsw.gov.au](http://www.heritage.nsw.gov.au)

### Heritage Council Members

The Heritage Council met 10 times during 2011-12 and comprises 9 members: Professor Lawrence Nield (Chair), Ms Sharon Sullivan AO (Deputy Chair), Mr Giovanni Cirrillo (representing the Director General, Department of Planning and Infrastructure), Ms Julie Bindon, Mr David Logan, Mr Colin Rockcliff and Mr Jason Ardler (representing Aboriginal heritage management). There are currently two vacant positions on the Heritage Council (historian representative and representative of the National Trust of Australia (NSW)), which are expected to be filled in 2012-13.

### Implementing Election Commitments

In 2011-12, the NSW Government amended the *Heritage Act 1977* to fulfil a number of its election commitments. The *Heritage Amendment Act 2011* made the following changes to heritage management in NSW:

- reduction in the number of appointees to the Heritage Council from 11 to 9 members
- abolition of Ministerial Review Panels to ensure only the Heritage Council makes recommendations to the Minister for Heritage on proposed additions to the State's Heritage Register.
- introduction of time lines for the heritage assessment process, including for the production of recommendations from the Heritage Council and decisions by the Minister for Heritage

- requirement for the Minister for Heritage to publish reasons for her decisions about Heritage Council recommendations
- ensuring the Heritage Council makes public any of its recommendations as to the heritage conservation priority of any item that may be subject to development proposals.

## State Heritage Register

This year 24 items were added to the State Heritage Register. The State Heritage Register, which lists places and items of particular heritage significance in NSW, contains over 1,600 items. Around 50 per cent of these are owned by the NSW Government and the rest are owned by individuals, local councils, the Commonwealth Government and industry.

ITEM	FULL ADDRESS	GOVERNMENT AREA	LISTING DATE
Cathedral of Saints Michael and John	107 William St, Bathurst	Bathurst Regional	05 Jun 12
Royal National Park Coastal Cabin Communities	Royal National Park , Royal National Park	Wollongong City	27 Apr 12
Cathedral of the Annunciation of Our Lady	242 Cleveland Street, Redfern	Sydney	17 Apr 12
Lake Parramatta Dam	30 Darcy Street, North Parramatta	Parramatta	23 Mar 12
St. Patrick's Roman Catholic Cemetery	Pennant Hills Road, North Parramatta	Parramatta	23 Mar 12
Bomaderry Aboriginal Children's Home	59 Beinda Street, Bomaderry	Shoalhaven	17 Feb 12
Kinchela Aboriginal Boys' Training Home	2054 South West Rocks Road, Kinchela	Kempsey	17 Feb 12
Cootamundra Aboriginal Girls' Training Home	39 Rinkin Street, Cootamundra	Cootamundra	17 Feb 12
Colebee and Nurragingy Land Grant	Richmond Road, Colebee	Blacktown	10 Feb 12
Homewood - Childhood Home of 'Slim Dusty'	1279 Nulla Nulla Creek Road, Nulla Nulla Creek	Kempsey	27 Jan 12
Government House, Moveable Heritage Collection and Gardens	Macquarie Street, Bennelong Point, Sydney	Sydney	13 Dec 11
Strand Arcade	195 - 197 Pitt Street, Sydney	Sydney	13 Dec 11
Hyde Park	Elizabeth, Park, Liverpool, College Streets, Sydney	Sydney	13 Dec 11
Air Defence Headquarters Ruin Sydney (former)	Condell Park	Bankstown	18 Nov 11
Blacktown Native Institution	Richmond Road, Oakhurst	Blacktown	18 Nov 11
John Fowler 7nhp Steam Road Locomotive	7 Nanima Crescent, Wellington	Wellington	18 Nov 11
CWA Rest House	Yapunyah Street, Barellan	Narrandera	18 Nov 11
Mclver Women's Baths	Grant Reserve, Coogee	Randwick	18 Nov 11
Blacks Camp	University Road, Wellington	Wellington	18 Nov 11
Wilberforce Park	47 George Road, Wilberforce	Hawkesbury	18 Nov 11
Lithgow Heavy Anti Aircraft Gun Stations and Dummy Station	Kirkley Street (via), Bowenfels	Lithgow	05 Aug 11
Sydney Cove West Archaeological Precinct	112-156 George Street, The Rocks	Sydney	05 Aug 11
Glenbrook Railway and World War Two Mustard Gas Storage Tunnel	Great Western Highway, Glenbrook	Blue Mountains	05 Aug 11
Ancient Aboriginal and Early Colonial Landscape	Robin Thomas Reserve , Harris Park	Parramatta	08 Jul 11

## Removals from State Heritage Registers

In 2011-12 the following items were removed from the State Heritage Register due to administrative reasons under section 38 of the *NSW Heritage Act 1977*:

- Joanna Walker Memorial Children's Hospital, Concord West, Canada Bay LGA
- Muswellbrook District Hospital - Brentwood, Muswellbrook, Muswellbrook LGA
- Underbridges: Sydney Terminal and Central Railway Stations, Sydney, Sydney LGA
- Railway Chief Mechanical Engineers Office, Chippendale, Sydney LGA
- Ultimo Street Railway Signal Box, Ultimo, Sydney LGA.

## NSW Heritage Grants and Hunter Region Heritage Grants Programs

The NSW Heritage Grants and Hunter Region Grants programs aim to improve the physical condition of NSW heritage items, assist communities to care for their heritage and support local government in its role as manager of the majority of heritage items in NSW.

During 2010-11, a total of 323 project applications were approved with funding totalling \$9,902,480 for implementation in 2011-13. In 2011-12 a further \$605,500 was approved for 49 projects under the NSW Heritage Grants program. The NSW Government has allocated more than \$7 million funding over two years, with the 2013-15 NSW Heritage Grants program funding expected to be announced in the 2012-13 financial year.

Further details about the programs can be found at:  
[www.heritage.nsw.gov.au](http://www.heritage.nsw.gov.au)

## Heritage Branch Conservation Team

OEH continued to provide expertise and advice on planning issues and environmental planning instruments across NSW, which predominantly involved working with local councils and the Department of Planning and Infrastructure. This involved processing approximately 972 statutory approvals from across NSW totalling \$1,064,451,138 in development dollars and providing comment on 139 Major Projects under the *Environmental Planning and Assessment Act*.

Based on the increasing number in statutory Approvals over the last year, Approval applications managed by the Conservation Team are predicted to grow in the 2012-2013 financial year by approximately 100-200 applications.

## Statutory planning tools

PLANNING REFERRALS	2008-09	2009-10	2010-11	2011-12
Local Environmental Plans*	62	96	125	83
State Environmental Planning Policies	2	5	5	0
Development Control Plans	0	5	3	2
Strategic Studies	4	5	16**	33
<b>Total</b>	<b>54</b>	<b>111</b>	<b>149</b>	<b>118</b>

\* Includes comprehensive and site specific local environmental plans

\*\* Includes heritage studies, local environmental studies, strategy and policy reports

## Statutory applications

TYPE OF APPLICATION	2008-09	2009-10	2010-11	2011-12
Applications for changes to State Heritage Register items (s 60s)	181	119*	117	144
Total value of cost of works+	\$1,476,771,116	\$2,134,187,402	\$1,304,691,072	\$1,064,451,138.71
Applications for excavation permit (s 140s)	28	24	18	25
Integrated development applications (IDA)	76	50*	76	90
Exemptions (s 57(2))	281	318	455	489
Exceptions (s 139(4))	53	65	68	65
Variations to (s 60 Approvals) (s 65A)	23	30	26	32
Variations to s 140 Excavation Permits (s 144)	14	11	11	10
Variations to IDA Approvals (s 96)	12	14	28	27
Development application referrals under Part 3 of the EPandA Act	49	72	98	90
<b>Total</b>	<b>641</b>	<b>703*</b>	<b>897</b>	<b>972</b>

+ Figure lower than expected, reflects change over to Objective tracking system during financial year.

\* Sum of all listed application types, excluding applications where cost of works was unspecified

## Managing the Midget Submarine

The archaeological site of M24, one of the three midget submarines deployed in the attack on Sydney is managed by OEH and lies 54 metres off Newport. To commemorate the 70th Anniversary of the Japanese midget submarine attack, the Minister for Heritage unveiled a plaque on North Mona Vale Headland Reserve, in company with the Consul General of Japan, Dr Masahiro Kohara and 100 guests. The commemoration event included a low level flypast by an original World War Two Catalina aircraft to recall the air and sea searches for the submarine attack force following the raid. The ceremony attracted considerable media attention.

Minister Parker announced the Government's intention to trial a two-day pilot diver access program at the wreck site, to take place later in 2012. The public access program has been supported by the Japanese Government and the Japanese relatives of its crew lost in the submarine, Ban and Ashibe. Strict controls will be in place to ensure there is no interference with the remains, whilst allowing divers a unique opportunity to see a World War Two Type A Japanese midget submarine in its original 1942 battle context.

The M24 wreck site is protected by a real-time surveillance system including video monitoring. 2011-2012 saw a major upgrade to the system including the replacement of an in-water buoy, upgrades to the CCTV camera and software.

## Summary of other recommendations, advice and opinions made by the Heritage Council under the *Heritage Act 1977*

In 2011-12 the Heritage Council also:

- Made one interim heritage order (7 McRae Place, North Turramurra) for item of State and local heritage significance under Section 24 of the Act
- Made one heritage agreement (900 Camden Valley Way, Catherine Field) under Section 39 of the Act.

No advice on historic shipwreck protection orders was made under Section 50 of the Act.

## CORPORATE GOVERNANCE (OEH)

OEH is committed to operating as a credible, efficient and effective organisation.

This section briefly outlines OEH's key corporate services and governance functions, and related statutory reporting requirements. This information also covers the Environmental Trust as the Trust's support staff are employed within OEH.

Information on industrial relations policies and practices, personnel policies and practices, the Disability Action Plan and the Equal Employment Opportunity statement also covers the Royal Botanic Gardens and Domain Trust.

It should also be noted that in re-establishing a modern and independent Environment Protection Authority (EPA) it was determined by the NSW Government that OEH would provide corporate and other essential services to the EPA. During 2011-12, OEH and the EPA commenced development of a service agreement to articulate the provision of corporate and other essential services by OEH to the EPA in a manner that would meet the EPA's business needs efficiently and effectively while upholding the EPA's independence.

Although the service agreement formally commenced on 1 August 2012, OEH provided a number of corporate and other essential services to the EPA during the 2011-12 financial year. As such, references to OEH within this section also cover the EPA unless otherwise stated. More specifically, the following statutory reporting requirements included in this section cover both OEH and the EPA:

- Equal Employment Opportunity
- Work Health and Safety
- Personnel policies and practices
- Industrial relations policies and practices
- Disability Action Plan
- Multicultural Policies and Services Program
- Agreements with the Community Relations Commission
- Waste Reduction and Purchasing Policy.



## Governance

### Business Continuity

OEH's Business Continuity Plan (BCP) and Pandemic Response Plan (PRP), together with regional response plans and disaster recovery plans, form the basis of OEH's crisis management response. These plans are designed to minimise the disruption of services to the public should a catastrophic event or pandemic occur.

Training and testing of the BCP was conducted in November 2011. Recommendations arising from the exercise form the basis of the ongoing refinement of the plans to maintain their effectiveness. The BCP has been updated following the formation of EPA and transition of staff from OEH.

### Asset Management Systems

OEH's Asset Management Systems (AMS) project is a three year project aimed at reducing maintenance costs and increasing utilisation rates for its \$3 billion worth of infrastructure and buildings. In the first year of the project the organisation's processes and systems have been shifted from efficient asset maintenance to strategic total asset management and meaningful integration with other corporate systems.

During the year, the rollout to OEH's Scientific Services Division commenced, the proof of concept for Geo.e spatial and data integration was developed, and configuration of AMS for capital works was completed. The rollout will continue to appropriate OEH divisions and portfolio agencies.

### Corporate and Shared Services Reform/Benchmarking

OEH continues to participate in the whole-of-government corporate and shared service reform strategy. OEH completed the transition of the Heritage Branch and the Centennial Park and Moore Park Trust from their former providers of corporate and shared services to OEH. In each case, detailed analysis was conducted and significant financial and service efficiencies were identified in making the transition. Both transitions were completed on time and on budget.

Additionally, OEH worked in partnership with the Department of Finance and Services Corporate and Shared Service Reform Division and ServiceFirst on a number of projects and activities to progress the strategy. A sector wide benchmarking program conducted by the Hackett Group, analysed OEH's HR, Finance, Procurement and IT performance. The results indicated that OEH is generally performing to peer/industry levels, however, opportunities have been identified for further improvement. OEH also participated in a number of workshops and meetings as part of the ServiceFirst Reform Program.

## Ways that we engage with our customers and stakeholders

### Improving OEH's customer service<sup>1</sup>

During 2011-12, OEH responded to the NSW Government mandate to better understand the needs of NSW citizens and businesses, and to demonstrate that we are responding to those needs with innovative and customer focused services.

OEH has obtained independent customer analysis to give us a clearer understanding of the expectations of our customers and their assessment of our services. The overall assessment of service was positive, with 76 per cent of OEH customers reporting that they were very satisfied or satisfied with OEH services.

Some particular areas for improvement included: offering more online self-service; and clearer and more accountable customer contact points within the organisation. As a consequence, our environment and heritage priorities are being realigned through our corporate planning process to redesign service delivery and ensure we can genuinely respond to local needs.

OEH's triennial social research, Who Cares about the Environment? is being conducted in 2012 with the report scheduled for release in 2012-13. This work tracks measures of the environmental knowledge, attitudes and behaviour of the people of NSW, including a ranking of the environment and heritage issues that are of greatest importance to NSW citizens. It provides a 'big picture' view of citizens' interests and concerns. The research has also regularly assessed (1994, 2003 and 2009) levels of community trust in different sources of environmental information.

OEH has also completed research into national parks visitor needs, including customer assessment of our public-facing visitor services. Again, service quality was rated very high, with our contact centres rating above 90 per cent customer satisfaction for agent performance.

In 2011-12, work commenced on the OEH Interim Corporate Plan 2012-13 to clearly position OEH customers at the forefront of what we do and how we deliver services. Our corporate reporting approach will be adjusted to reflect this and will accommodate continuous assessment and regular reporting of how well we are delivering customer needs.

<sup>1</sup> This information only covers OEH. Information related to the EPA can be found in the EPA Annual Report.

## Reducing Red Tape

OEH is giving a high priority to implementing this NSW Government initiative across the Environment and Heritage portfolio. In particular, we are working in partnership with the Environment Protection Authority to raise staff awareness of red tape reduction opportunities, develop internal processes to support identification of these opportunities, and to realise, and monitor resulting savings to the community and business.

Achievements to date include:

- Coal Mine Pollution Reduction Program guidelines published to assist identification of best practice measures to reduce dust. Total estimated one-off saving to participating coal mines of \$650,000 (savings confirmed by Better Regulation Office audit)
- Introduction of online registration for the Energy Efficiency for Small Business Program, potentially saving businesses in the vicinity of \$20,000 per year
- Converting individual registration for every item of radiation apparatus in a company to a single organisation-based management licence covering multiple apparatus, saving approximately \$70,000 per year across all NSW businesses with such apparatus
- Consolidating and streamlining landfill guidelines to make it simpler and easier to comply with requirements such as leachate and gas management, and general and restricted solid waste management. Total potential saving across all NSW landfill sites may be up to \$300,000 per year.

## Environment Line

OEH's Information Centre is the major environment and heritage public inquiry service in NSW. Environment Line is a dedicated pollution reporting service, and records and refers pollution reports to OEH or the EPA for investigation and resolution. Information Centre staff also respond to inquiries about water and energy savings, native plants and animals, heritage protection and other environment protection issues. The OEH Information Centre supports the National Parks call centre with annual pass sales and event inquiries, and responded to over 32,000 requests for information about NSW National Parks during the year. Overall in 2011-12, the OEH Information Centre received 113,217 information calls, an increase of over 6 per cent compared to the previous year once the cessation of the Climate Change Rebates Scheme has been accounted for. Waste-related queries and national parks enquiries account for nearly 50 per cent of the information requests received. Email requests to the OEH Information Centre averaged around 1,500 per month, compared to 1,200 per month in 2010-11.

Environment Line takes pollution reports on behalf of OEH and the EPA and in 2011-12 received 16,863 pollution reports, including 8,321 reports of vehicle-based pollution. Air (including odour) and noise complaints continue to outweigh other environmental concerns, accounting for nearly 39 per cent of reports in 2011-12.

The table opposite shows a detailed breakdown of inquiries to the Office of Environment and Heritage (OEH) Information Centre and former services over the past five years. It includes calls taken by the Environment Line telephone service.

### Information inquiries to OEH's Information Centre by subject area

SUBJECT	2007-08		2008-09		2009-10		2010-11		2011-12	
	%	Count	%	Count	%	Count	%	Count	%	Count
Air	3	4,100	3	4,361	1.8	3,165	2.7	3,400	3.5	3,998
Chemicals	4	4,980	3	5,172	2	3,573	4.5	5,472	8.2	9,239
Land	3	4,101	3	4,985	1.8	3,164	2.5	3,073	2.9	3,253
Noise	4	4,686	3	4,735	1.8	3,215	3	3,687	3.4	3,808
Waste	16	20,503	15	23,927	9.8	17,507	16	19,688	21.2	24,013
Water	3	3,808	2	3,552	1.6	2,809	3	3,646	3	3,467
Flora/Fauna	13	16,504	9	14,352	9.5	16,950	12	14,665	12.2	13,796
National parks	16	20,630	19	30,884	17.3	30,841	20.5	25,196	23.4	26,451
National parks passes	12	15,128	7	12,170	9.1	16,313	7.6	9,368	5.3	6,010
Climate change fund	13	16,506	26	43,433	35.5	63,340	17.8	21,801	4.8	5,528
Other	13	16,402	10	15,577	9.9	17,610	10.4	12,786	12.1	13,654
<b>Total Information Contacts</b>	<b>100</b>	<b>127,348</b>	<b>100</b>	<b>163,148</b>	<b>100</b>	<b>178,487</b>	<b>100</b>	<b>122,782</b>	<b>100</b>	<b>113,217</b>
Other inquiries at reception		37,330		36,782		41,809		33,903		30,603
Switchboard inquiries		63,907		71,030		69,664		58,275		41,193

### Calls to Environment Line reporting pollution incidents by type

SUBJECT	2007-08		2008-09		2009-10		2010-11		2011-12	
	%	Count	%	Count	%	Count	%	Count	%	Count
Air	10	695	8	572	9.3	695	9.6	772	9.7	832
Air - odour	32	2,215	32	2,262	32.4	2,422	25	1,897	27	2,300
Chemicals - waste	5	360	5	341	4.3	324	5.4	407	6.1	525
Chemicals - hazardous waste	2	115	1.5	105	1.6	121	1.6	123	1.6	139
Chemicals - illegal dumping	1	74	2	146	3.1	229	3	199	2.6	220
Chemicals - toxic spills	0.2	15	0.2	13	0.2	16	0.3	22	0.3	25
Contaminated land	0.4	25	0.4	31	0.4	18	0.2	17	0.3	22
Cultural heritage	0.1	7	0.2	10	0.2	16	0.2	16	0.4	29
Noise	5	354	5	344	4.6	346	5	390	2.7	237
Noise - scheduled premises	12	800	16	1,136	13.2	988	16.2	1,210	18.3	1,566
Native vegetation	5.5	378	7	485	7.3	546	6	417	4.4	377
Pesticides	4.5	310	4	293	3.9	293	4	302	4.3	369
Radiation	0.1	7	0.1	7	<0.1	2	<0.1	2	<0.1	3
Threatened species	2	120	1	91	2	151	2.5	188	1.8	158
Water	8	530	7.3	517	7.9	589	11	820	10.5	898
Water - algae	0.2	15	0.3	18	0.2	17	0.4	33	0.3	19
Water - fish kills	0.7	50	1	62	0.9	64	1	47	0.4	32
Water - oil spills	2.3	165	2	140	1.9	140	2	140	1.5	131
Water - stormwater	9	600	7	512	6.5	488	6.5	486	7.7	660
<b>Total</b>	<b>100</b>	<b>6,835</b>	<b>100</b>	<b>7,085</b>	<b>100</b>	<b>7,475</b>	<b>100</b>	<b>7,488</b>	<b>100</b>	<b>8,542</b>

### Calls to Environment Line and reports to the OEH website on vehicle related pollution incidents

INCIDENT TYPE	2007-08	2008-09	2009-10	2010-11	2011-12
Smoky vehicles	2,830	2,451	3,211	4,130	1,841
Noisy vehicles	1,063	1,411	1,226	1,035	840
Littering from vehicles	4,429	5,096	5,070	3,704	5,640
<b>Total</b>	<b>8,322</b>	<b>8,958</b>	<b>9,507</b>	<b>8,869</b>	<b>8,321</b>

## **OEH Website<sup>2</sup>**

With over 5,350,000 visits in 2011-12, the OEH website ([www.environment.nsw.gov.au](http://www.environment.nsw.gov.au)) is the predominant customer channel for accessing OEH services and information. Community engagement and consultation are an integral part of the way that we operate and the Beachwatch Twitter account and associated RSS feed to surf clubs, coastal councils, beach event organisers and marine organisations demonstrates how OEH reaches out to customers.

OEH introduced a general web survey on the OEH website in 2011-12, with early results indicating that 71 per cent of users would recommend the OEH website to colleagues, family and friends who were looking for environmental information or services. Site usage increased almost 45 per cent compared to the previous year, with a high percentage of repeat visits – another indicator that OEH website is a well-regarded source of environment and heritage information.

Our sustainability campaign sites Save Power, Love Food Hate Waste and Clear the Air, and national parks campaign sites Wild Wild World and Wild about Whales also continue to attract online users, with over 426,734 combined visits to the websites in 2011-12, as well as enthusiastic and active Facebook and Twitter communities.

In late May 2012, the first stage of the visitor-focused National Parks website was launched. This highly visual website is designed around a theme of 'Explore, See & Do, Stay' for 72 parks across NSW. Work continues on the site and more parks and online accommodation bookings will be incorporated in the second half of 2012.

## **Online consultation with OEH Customers**

An online Community Engagement Portal was established at [www.engage.environment.nsw.gov.au](http://www.engage.environment.nsw.gov.au). This consultation mechanism was used for internal and external consultations, including OEH's Aboriginal cultural heritage legislative reform process, resulting in over 170 comments and contributions. OEH's BioBanking program also used this consultation portal to give businesses and the general public a user-friendly means of contributing to the review of this program.

The OEH engagement forum has also been used to source OEH staff contributions to program development and for staff development, including the OEH Young Professionals Network. The National Australian Built Environment Rating System program, which OEH manages on behalf of the Australian Government and other state governments, is building a knowledge base using the OEH engagement portal by sourcing improvements and additional information through their online community.

## **Consumer response**

OEH is committed to handling public feedback and complaints courteously, efficiently and equitably. More information is available on the OEH website.

During 2011-12 OEH received 22 significant complaints. These included allegations of unethical conduct, corrupt conduct, and other complaints referred by the NSW Ombudsman's office. Twelve of these complaints were finalised during the year. Evidence of improper conduct was found in a number of cases and appropriate action was taken. In dealing with probity complaints, changes to some management systems, procedures, and programs were implemented.

<sup>2</sup> This information only covers OEH. Information related to the EPA can be found in the EPA Annual Report.

## Being a leader in sustainability and environmental performance

### Vehicle fleet

OEH's Fleet Improvement Plan guides its progress towards the performance targets set out in the Cleaner NSW Government Fleet Program. Progress is measured by calculating an average environmental performance score, which measures greenhouse gas emissions (as CO<sub>2</sub>) and air quality impacts (as noxious emissions). The current targets are 13.5 (out of 20) for passenger vehicles and 9.0 for light commercial vehicles.

As at 30 June 2012, OEH operated 680 vehicles that are subject to environmental performance reporting. The OEH fleet of 341 passenger vehicles and 339 light commercial vehicles recorded environmental performance scores of 13.6 and 8.8 respectively. The EPA fleet of 90 passenger vehicles and 30 light commercial vehicles recorded environmental performance scores of 14 and 9.2 respectively. In addition, 65.3 per cent of all unleaded fuel purchased across the OEH fleet was E10, exceeding the NSW Government target of 20 per cent. The EPA purchased 62.5 per cent E10 fuel.

To further reduce greenhouse gas emissions, OEH increased the number of hybrid vehicles in its fleet from 45 to 52 during the reporting period. The EPA uses 27 of these 52 Hybrid vehicles. OEH has also incorporated three Mitsubishi iMiEV all-electric, zero-emission technology vehicles in the fleet, which are used predominantly in the Sydney metropolitan area. The electric vehicles have now travelled a total of 16,500 kilometres saving approximately 13,000 litres of unleaded fuel when compared to a small 4 cylinder vehicle.

To further reduce OEH's carbon footprint, staff in the Sydney metropolitan area are strongly encouraged to use public transport for movement between the major sites. Staff are also encouraged to cycle to work. OEH provides secure bicycle storage space and change facilities in its metropolitan offices in Sydney, Hurstville and Parramatta.

### Video conferencing and other collaboration technologies

OEH has deployed new communication technology eConnect which delivers a set of integrated applications allowing OEH staff to communicate and collaborate more effectively in or out of the office. eConnect comprises instant messaging, presence, audio/video conferencing, enterprise telephony (VoIP) and desktop sharing capabilities. 2011-12 was the first year of a two year program deploying eConnect across OEH offices.

### Sustainable data centre

OEH has consolidated and improved its existing data centre environment. The OEH Hurstville data centre has been decommissioned as a production facility, with large associated savings in energy and cooling costs. Production facilities at the Lidcombe data centre site use efficient heat exchange cooling systems, removing the need to power traditional air conditioning units. Highly efficient power and cooling options, controlled air flow and efficient uninterrupted power supply technologies are also in place. Systems target cooling and air flow directly where it is needed, lowering the overall energy expended to maintain a correct operating environment. Virtualised server platforms are in place for production, test and development systems. These continue to be expanded, removing legacy physical hardware and systems and reducing server operating costs and the associated data centre expenditure.

### Waste Reduction and Purchasing Policy

OEH implements the principles of WRAPP within the organisation, and coordinates the Policy across the NSW Government. Under the Policy, the next OEH WRAPP report is due on 30 August, 2013.

OEH's achievements for this year include:

#### Reducing the generation of waste

- Reusing a significant proportion of virgin natural material taken from excavation sites used for fire trail maintenance works and some walking tracks (Parks)
- Queanbeyan depot (Parks) are using recycled concrete for road works in place of quarried material
- Reducing the amount of paper waste produced
- Continuing a food waste collection system in the Goulburn St office.

#### Enabling resource recovery

- Paper, cardboard, commingled and toner recycling systems are in place at all large offices and many regional offices
- 92 per cent of vegetation waste and timber, and 91 per cent of bricks and glass were recycled
- 300 tonnes of commingled recyclable material was collected from public recycling bins in Parks.

#### Ensuring the use of recycled material

- The OEH Publications Section requires every quote received to specify recycled content
- 100 per cent of A4 copy paper purchased contained recycled content.

## Healthy Staff and Productive Workplaces

### Health and safety strategy and performance

The implementation of the OEH Health and Safety Strategy 2011-2013 has strengthened key performance areas through the elements of:

- Executive and senior management safety leadership
- Planning, accountability and governance
- Risk management of high consequence risks
- Creating a learning and innovative organisation.

Specific programs to support the strategy included:

- Safety leadership and safety interaction learning and development programs for senior management
- Setting and reporting on specific indicators to drive the strategy
- Internal, third party and self auditing program
- Development of specific risk programs and life saving rules
- Safety incident investigation training.

Performance has significantly improved in both lead and lag indicators. Overall injury rates, including lost time injuries, have decreased over the period, and near miss reporting rates and investigation rates have improved.

### Number of incidents, accidents and injuries reported

	2008-09	2009-10	2010-11	2011-12
OEH	620	762	931	1107
EPA*	N/A	N/A	N/A	17

\* From 29 February 2012 to 30 June 2012

### Number of workers' compensation claims made

	2008-09	2009-10	2010-11	2011-12
OEH	263	308	271	215
EPA*	N/A	N/A	N/A	0

\* From 29 February 2012 to 30 June 2012

### Value of workers' compensations claims

	2008-09	2009-10	2010-11	2011-12
OEH	\$1,958,824	\$2,542,414	\$2,044,153	\$1,347,784
EPA*	N/A	N/A	N/A	0

\* From 29 February 2012 to 30 June 2012

## Leadership and Management Development Initiatives

The Leadership and Management Development Framework, for OEH's current and future managers and leaders, was introduced this year. The Framework is an intranet portal which provides a single, comprehensive reference source for career development resources within the Environment and Heritage Portfolio. The Framework identifies courses to develop specific management capabilities, programs that holistically develop individuals as leaders, and provides links to information, tools and contacts to enable individuals to drive their own development.

## Knowledge Continuity Programs

OEH built upon its Knowledge Continuity Programs to capture information from individuals leaving the organisation and transfer this to those who remain. Knowledge Continuity Management Guidelines were developed and made available via the intranet. These Guidelines ensure managers have access to a comprehensive range of options and strategies to enable knowledge continuity to be embedded into organisation-wide business practices. Two Knowledge Exchange Programs received positive feedback from participants leading to further development of capacity to facilitate these programs.

## Industrial Relations

OEH reached agreements with the Australian Workers Union (AWU) and the Public Service Association in relation to the Enhanced Bushfire Management Program (EBMP). Field staff employed under the EBMP work Monday to Friday and can be deployed where and when they are needed most, to help reduce the risk of fire. During the year, several OEH awards under section 19 of the *Industrial Relations Act 1996* were reviewed. OEH also assisted in the review of awards pertaining to Lord Howe Island and the Centennial Park and Moore Park Trust.

In 2011-2012, OEH and the AWU agreed to the making of two industrial instruments, the Crown Employees (Office of Environment and Heritage - Parks and Wildlife Group) Field Officers and Skilled Trades Salaries and Conditions Award 2011 and the Flight Officers Enterprise Agreement 2011. The making of these industrial instruments by the Industrial Relations Commission signalled the 2.5 per cent increase in wages allowed under the NSW Government Wages Policy.

OEH's Respectful Workplace Policy was reviewed in 2011, seeking staff and union comment and feedback. Following the consultation phase, the OEH Executive endorsed the revised policy in early 2012. Early benefits of the policy continued throughout 2011-2012, where the number of formal grievances fell in response to the increasing empowerment and confidence of staff and managers to deal directly with workplace issues.

### **Graduate Programs**

Eighteen graduates commenced a two year program in February 2010, which included structured work rotations and training. On completion of the program in February 2012, twelve graduates were successful in gaining further employment with OEH, and a further two have gained employment with the Environment Protection Authority.

### **Aboriginal Cadetship Program and Traineeships**

In 2011-12, OEH employed nine Aboriginal Cadet Rangers, one Aboriginal Cadet Organisational Development Officer, one Aboriginal Cadet Business Development Officer, one Aboriginal Cadet Policy Officer and one Aboriginal Cadet Researcher. Cadets participated in structured work placements and were provided with a workplace mentor, and paid a weekly study allowance while undertaking tertiary studies. In the same period, five cadets successfully completed their cadetships and four have been appointed to permanent positions.

Six Aboriginal Trainee Field Officers, one Trainee Field Officer and one Aboriginal Trainee Interpretive Assistant were employed by OEH in 2012 in various locations across NSW. Formal training is conducted with TAFE NSW - Western Institute and combines enrolment in a Certificate II in Conservation and Land Management with on-and-off-the-job training for 12 months. In 2011, nine Aboriginal Trainee Field Officers and one Aboriginal Trainee Interpretive Assistant completed the traineeship program.

### **Equal Employment Opportunity**

Each year, OEH develops strategies to eliminate and ensure the absence of discrimination in employment and promote equal employment opportunity in the organisation, including Aboriginal cultural awareness training, employment programs, the Spokeswomen's program and policies on ethical behaviour and conduct.

### **Mentoring Program**

The Learning and Development Section successfully introduced the inaugural Mentoring Program in June 2012. This one-year pilot included staff from OEH, EPA and the Royal Botanic Gardens and Domain Trust. A total of 26 formal mentoring relationships were established under this program.

### **Learning and Development**

Whilst continuing to offer a range of training and development programs during the year, the Learning and Development team also commenced a significant review of all programs to ensure alignment to the NSW Capability Framework. A key focus for 2011-12 was the Incident Management Program, which trained more than 120 staff in functions relating to the management of emergency incidents and hazard reduction burns. Other high interest programs were Working Safely Around Aircrafts and Winch, Hover, Exit.

### **Disability Action Plan**

OEH demonstrates its commitment to ensuring that people with a disability, their family and carers are afforded the same opportunities as the rest of the community through its Disability Action Plan 2011-12, which also includes the Royal Botanic Gardens and Domains Trust. Structured on the Guidelines for disability action planning by NSW Government agencies, the plan outlines actions to be undertaken to improve and make more accessible OEH services, employment practices, workplace conditions, and consultation.

Achievements this year included:

- Walking tracks and facilities upgraded to improve accessibility and tourism in parks, including Mount Kaputar National Park, Hill End Historic Site, Sydney Harbour National Park and Mutton Bird Island Nature Reserve
- Assistance to ageing and disability providers registered with OEH's Sustainability Advantage and Energy Saver programs to improve their environmental performance, lower costs, improve productivity and enhance reputation
- Completion of an accessibility audit of the OEH corporate website, with planned updates progressing to ensure W3C 2.0 standards are met. Accessibility was an important consideration in developing the new national parks visitor website
- Replacement of TTY phone with National Relay Service access, providing an improved service for people with hearing or speech impairments
- An Auslan video that provides deaf community members with information about the management and disposal of any asbestos that may be found around their homes. This video is available via the OEH website
- The Ready Willing and Able program was actively promoted throughout OEH and Two positions were filled permanently under the Program. OEH continues to review vacant positions for suitability under the Ready, Willing and Able program.

### **Multicultural Policies and Services Program**

OEH continues to pursue strategies and actions that assist in achieving government's policies and principles of multiculturalism, as set out in the *NSW Community Relations Commission and Principles of Multiculturalism Act 2000*. Actions are aligned towards the outcomes defined in the NSW Government-wide Multicultural Policies and Services Program.

OEH continues to work in partnership with the Ethnic Communities Council of NSW to deliver the Ethnic Communities Sustainable Living Project. The project assists organisations to engage culturally and linguistically diverse communities with learning programs that support sustainable living. During 2011-12 a team of 17 bilingual educators delivered 182 workshops to 3,375 participants and 26 field trips to more than 600 participants from culturally and linguistically diverse backgrounds. The educator team also promoted the project and sustainable living at festivals reaching a multicultural audience of more than 4,000 community members. The program enabled CALD communities to access up-to-date resources and information on the dedicated ECC Sustainable Living Project website [www.ecslp.org.au](http://www.ecslp.org.au)

The Home Power Savings Program aims to help 220,000 lower income households across NSW to reduce their energy usage and help manage their power bills. To ensure that this program reaches the broad NSW community, OEH aims to deliver 10 per cent of these assessments to non-English speaking households, and provides translated program material and booking services and assessments in Vietnamese, Chinese and Arabic to help achieve this goal. OEH is engaging with culturally and linguistically diverse households through a range of community groups including the Ethnic Communities Council of Australia, Migrant Resource Centres, Centrelink Multicultural Services Offices, and English language schools. The program has also been broadly promoted in appropriate media, and over the past 12 months 70 presentations have been made within CALD communities. To date, more than 14,000 non-English speaking households have joined the program.

Multicultural community engagement in volunteer activities have been organised through the NPWS Volunteer Grants and corporate volunteering programs. The corporate programs, such as the Nielsen Park Bottles and Glass Native Garden, and Bring the Bush to Life at Sydney Harbour and Lane Cove National Parks showcase parks to people who are not regular visitors and demonstrate the recreational opportunities as well as environmental values parks have to offer.

Proposed actions in 2012-13 to foster greater multicultural engagement include:

- The Sustainable Living Project increasing its focus on energy efficiency in identified culturally and linguistically diverse (CALD) households and working with local governments and organisations to increase their capacity to engage CALD communities in sustainable living activities and programs
- Expanding the Home Power Savings Program throughout the NSW community, OEH will offer support in more languages
- The 2012-13 Volunteer Grants program applications include criteria for innovative programs that engage CALD communities and encourage their participation in park activities
- Confirming a Multicultural Policies and Services Plan by the end of 2012
- Continuing to provide translated materials for key programs and services, access to accredited translator services on the Environment Line and the Information Centre, and implementation and promotion of the Community Language Allowance Scheme throughout OEH
- Working with the Ethnic Communities' Council of NSW to deliver the Ethnic Communities Sustainable Living Project.

### **Agreements with Community Relations Commission**

OEH did not enter into any agreements with the Community Relations Commission during 2011-12.



## OEH is a safe and healthy workplace that values staff and encourages innovation

### **'We do sustainability' - pilot campaign**

Ongoing staff initiatives at some of OEH's top consuming sites have helped to reduce energy consumption. This demonstrates the need to continually engage with staff to achieve more savings. Sustainability communication materials were developed by the OEH Sustainability Team as part of the Sustainability Communications Strategy.

The 'We Do Sustainability' (WDS) campaign is a series of posters and other communication resources designed to encourage local sustainable behaviour and actions in workplaces. The resources include action icons that clearly show the encouraged behaviour and carry the tagline 'We Do Sustainability' to promote sustainability as a social norm. The materials were trialled within several OEH premises in May-June 2012. Simple guidelines have been developed based on practical application and feedback from these trials for use in the remaining OEH offices. The objective of the campaign was to brand the OEH Sustainability Program and to develop communication materials for whole-of-government use. Early interest from several government agencies has indicated a positive response to the materials.

## Good knowledge, information and systems inform OEH decision making

### **Ministerial Councils**

Ministerial Councils are established by the Council of Australian Governments (COAG) as a means of coordination across jurisdictions and to obtain agreement on approaches to priority issues of national significance. OEH supports the Minister for the Environment in two Ministerial Councils: the Standing Council on Environment and Water; and the Select Council on Climate Change.

From 30 June 2011, a comprehensive reform plan for a new system of Ministerial Councils took effect. This reform focuses Councils on national strategic priorities and sees new ways for COAG and its Councils to identify and address issues of national significance.

The purpose of the Standing Council on Environment and Water is to promote the protection of the environment and sustainable water management in order to enhance social health, human health and economic and environmental outcomes in a sustainable manner for current and future generations.

OEH is leading the development of the National Plan for Clean Air, a new strategic national approach to air quality. Developing and implementing a National Plan for Clean Air is one of the priority issues for the Standing Council. The Plan will integrate air quality standard setting with available and feasible actions to reduce pollution (and exposure to it), to maximise the net health benefits to the Australian community using least cost measures.

The Select Council on Climate Change provides leadership and oversight in relation to specific climate change policy issues with national implications.

OEH is liaising with the Department of Trade and Investment, Regional Infrastructure and Services, the Treasury NSW, and the Department of Premier and Cabinet to develop whole-of-government approaches to the Select Council's work plan.

### **Policy and Evaluation Capacity Building Strategy**

In 2011-12, OEH began implementation of its new Policy and Evaluation Capacity Building Strategy. The Strategy sets out four objectives aimed at improving the ability of OEH staff to develop and implement policy development and evaluation activities. These objectives cover the areas of capability, culture, governance and support.

Key achievements include:

- Establishing a Policy and Evaluation Reference Group and Evaluations Steering Committee to guide and support the key activities under the Strategy
- Developing the Policy Guidelines and Toolkit, and Evaluation Guidelines and Toolkit to assist OEH staff undertaking policy development and evaluation projects and to support policy and evaluation-related training
- Running five policy and evaluation seminars attended by over 200 staff
- Establishing databases capturing all OEH policies and evaluations
- Establishing a Policy and Evaluation Community of Practice for OEH staff to help share information and knowledge
- Providing expert policy and evaluation advice and support to all areas of OEH on a project-by-project basis.

### **Business Intelligence Strategy**

OEH has implemented a three year Business Intelligence strategy which has delivered key performance information through dashboards and analytical reporting to the OEH Executive, senior managers and operational staff in a simple and timely manner. This information is available 24 hours a day via automated dashboard views or analytical reports which allow managers to focus on key performance issues earlier than with manual reporting.

During 2011-12, work on the strategy included:

- Program structure refined and reporting commenced
- Report automation including executive reports and financial statements
- Mobile technology for dashboards
- Implementation, migration and initial training.

### **Workforce Planning**

In 2011-12, OEH supported various divisions and portfolio entities through significant structural change and the creation of the EPA. Revamping the workforce planning webpage and the streamlining of processes has simplified the client interface, achieving a quicker response time for workforce planning activities. Preliminary work has commenced on the development of the workforce strategy, which provides key data used to inform decision making on targeted workforce development strategies.

### **Employee Self Service**

OEH's Human Resources Information Section has worked in partnership on a number of cross agency activities throughout the reporting year, including:

- Implementation of the online Work and Development Plan (WDP), which enables staff to record their WDP and undertake reviews electronically. Enhancements to the online WDP are scheduled for 2012-13
- Implementation and introduction of online training applications
- Introduction of Electronic ATO Annual Payment Summaries
- Commencement of a project to record work rosters for Parks and Wildlife Group field staff, thereby recording their actual and true work pattern. This will enhance the online leave application process
- Supporting the continued increase in staff uptake of My HR Self Service
- Successful roll-out and acceptance of My HR Self Service to new staff and clients, such as Heritage Office and the Centennial Park and Moore Park Trust.

### **Development of Project Management System**

OEH has commenced the development of a framework of business rules to enhance uniformity of project management across the organisation and to improve the support systems required to manage the efficiency and effectiveness of projects. In 2011-12, OEH worked on the development of a SAP project system blueprint that will facilitate and enable compliance with the project management framework and help staff to improve management of projects. This tool is due for rollout in 2012-13.

# CORPORATE GOVERNANCE (DPC)

The Department of  
Premier and Cabinet  
is committed to providing  
services of the  
highest quality.

## Human Resources and Organisation Development

The DPC is committed to compliance with legislative requirements and NSW Public Sector policies and procedures. The DPC regularly reviews, updates and develops new policies. All departmental policies and procedures are available on the DPC Intranet. During the year these new corporate policies and procedures were developed and implemented:

- First Aid Policy and Procedures
- Unsatisfactory Performance Policy
- Managing Employees Affected by Restructures
- Online Gift Register
- Work Health and Safety Reporting and Investigations
- DLG Project Management Policy and Framework.

The following policies were updated to align with changes in legislation and the new the DPC structure. Policies with an additional risk management element were also approved:

- Public Interest Disclosures Policy and Procedures
- Healthy Workforce Strategy
- Work, Health and Safety Policy Statement
- Work, Health and Safety Responsibilities Policy
- Workplace Injury Management and Return to Work Policy and Procedures
- Grievance Resolution Policy and Procedures
- Working from Home Policy and Procedures
- Working from Home Agreement
- Harassment Resolution Policy and Procedures
- Equity and Diversity Policy
- Managing Sick Leave Policy and Procedures
- Statement of Commitment to Environmental Sustainability
- Mobile Communication Device Policy
- Internet Usage
- Risk Management Framework
- Risk Management Policy.

The DPC is planning a gap analysis of its policies and development of a policy delivery model integrated with social media and the Intranet. The DPC will develop a new Purchasing Card Policy and an Out of Hours Attendance Security Policy. Relevant Work Health and Safety policies will be updated to align with changes to NSW workers compensation legislation.

The DLG will implement a new Correspondence Management Policy and Correspondence and Briefing Guide to support a new approach to communicating with its key clients. The DLG will also release a revised complaints handling policy and procedure.

## Learning and Development

The DPC aims to develop the capability and talent of its workforce to ensure the DPC's strategic priorities and objectives are met. Staff were able to access a range of learning activities including courses in project management, communications and influencing, finance for non-finance managers, merit selection, first aid, and training in specific information technology applications and targeted policy areas such as work health and safety.

The DPC introduced an eLearning Induction Program for new employees to provide an overview of the DPC's role, functions, and policies. The Program includes information on the DPC Code of Conduct, staff benefits and entitlements, fraud and corruption, and the electronic document and records management system (EDRMS). As part of this Induction Program a new eLearning module 'Safety First' relating to work health and safety was also developed.

Students enrolled in accredited tertiary courses continued to develop their skills and understanding of government functions through work experience and temporary placements with the DPC. Two staff commenced the Australian and New Zealand School of Government (ANZSOG) Executive Fellows Program, one commenced the ANZSOG Masters in Public Administration and one commenced the Executive Development Program (EDP). One new cadet was recruited under the NSW JumpSTART Cadetship Program in the DPC. Eight Graduate Policy Officers were also recruited. The DPC also continued to provide financial assistance to several staff undertaking further tertiary studies.

During 2011-12 the DLG management team participated in the "Evolving Leadership" development program. A job application and interview skills training session was provided to support staff during the transition to the new DLG organisational structure.

The DPC Young Professionals Committee (YPC) provides opportunities for proactive professional development for staff within the DPC. The YPC hosted a number of professional development activities for under-35s including: an informal mentoring program for young professionals to network and seek advice from senior executives; facilitated networking events within the DPC and across the NSW Public Sector, and coordinated a number of informal social networking activities.

Eight female the DPC staff participated in the sector wide *Drive Your Career* Program. This is a mentoring program that targets high potential female staff at grade 5/6 to 7/8 (or equivalent) to plan and develop career strategies. It also aims to create a talent pipeline of high potential female staff to redress the gender imbalance in senior positions.

The DPC will develop an integrated Talent and Career Management Process and a new Learning and Development Framework to ensure that the DPC continues to have a workforce capable of achieving its strategic aims and objectives. Other priorities are to update the DPC Induction Program, a new Induction Policy and new eLearning modules on risk management, facilities, sustainability, business continuity planning, and procurement management. The DPC will also develop and trial a 'Working with Ministers' awareness and skills development program for all the DPC staff.

## Staff benefits

The DPC and DLG provide a range of benefits to staff, including salary sacrifice for personal contributions to superannuation, novated leases, professional and personal education, employer-sponsored child care and cash advances for annual travel tickets.

The Employee Assistance Program offers confidential professional counselling services by an external provider to staff and their immediate families to assist with work, health and personal challenges. The programs are covered in the induction information for new staff and related information is available on the DPC and DLG Intranets.

## Human Resource Initiatives

The DPC reviewed its operational structures and reporting arrangements to better align it to the priorities and directions of the new government and the DPC's evolving role as the lead agency in the Premier and Cabinet Cluster. Following this review, The DPC's high level structure changed during the year from five divisions and three offices to four functional groups, one division and three offices. A review of each group to align their functions and operations with the intended overarching the DPC direction has been underway since October 2011. The DPC also revised the titles and grading of its positions to ensure consistency across the groups and branches. This included the creation of various generic position descriptions.

To align the DPC with its new priorities and objectives, the DPC launched its Directions Statement 2012-2015. This statement refers to its organisation and staff capability requirements, its values and major Areas of Focus for 2012-2013. An inaugural Staff Pulse Survey was conducted in May 2012 to gauge how the DPC staff feel about their work, their workplace, the organisation and access to development opportunities. The DPC also rolled out its ongoing training program of the Coaching and Performance System (CaPS) including the CaPS eLearning module.

In line with the Government's Simpler Service Plan initiative, the DPC implemented a NSW Government service offering model in October 2011, Service NSW. A project team has been established to develop and implement human resources and industrial relations strategies to support Service NSW. These include:

- compliance with industrial and legislative requirements
- development and implementation of a consultation framework
- implementation of a staff management plan
- organisational and job design processes
- development and implementation of a recruitment strategy
- development of a policy framework that will align with the new organisation's 'customer centric' operating model and business objectives.

The Service NSW HR project team will continue engaging with NSW Government agencies through the implementation stage of the Service NSW project and will provide advice and assistance with workforce management issues.

The DLG also completed an organisational restructure during the year. The Division's strategic direction was redefined to align with new government priorities and a new structure was developed to better enable the Division to achieve its corporate goals. This structure focuses on innovation, collaboration and teamwork. It draws a clearer distinction between the Division's role in supporting the sector and its role as a regulator.

To support the consolidation of corporate and shared services in December 2011, the DLG entered into a new client partnership agreement with ServiceFirst for the delivery of financial management and payroll services. The DPC Corporate Services Branch provides human resource services to the DLG. The DLG also adopted a range of revised policies and procedures to support the move to ServiceFirst.

The DLG will release a revised performance appraisal system in the year ahead. This framework will support individual development and organisational success through collaborative planning, review and recognition of individual contribution to corporate goals in the DLG Strategic and Operational Plans. By the end of 2012-2013 the reorganisation of the DPC's structures and reporting lines within each group will be completed. The DPC will develop a Workforce Plan and strategy to meet future organisational capability requirements. This will include: strategies which are linked to the learning and development framework; the development of a mentoring program; development of a career and talent management program; and a leadership development program.

In the coming year, the DPC will further analyse the results of the Staff Pulse Survey and put in place strategies and initiatives to address the key findings. Processes and systems will be developed to enhance operational performance of recruitment practices and systems. The DPC will also review and update its CaPS to align it with the DPC strategies and Directions Statement 2012-2015. During 2012-2013, the DPC will also transition all the DPC position descriptions into the NSW Government Capability Framework to ensure employee mobility across the DPC.

## Equal Employment Opportunity

The DPC is committed to the principles and the promotion of Equal Employment Opportunity (EEO) and the elimination of discrimination in employment. The DPC's EEO statistical data for 2011-12 (including DLG) indicated:

- the percentage of women (59.9 per cent) employed by the DPC continues to exceed the benchmark minimum
- the percentage of people with a disability Requiring Work-Related Adjustment (2.5 per cent) exceeded the benchmark
- the percentage of people with a disability increased to 6.2 per cent compared to 4.3 per cent during 2010/2011
- the percentage of people from Aboriginal and Torres Strait Islander backgrounds (1.8 per cent) and people whose first language spoken as a child was not English (15.9 per cent) was below the benchmark, however the DPC continues to drive initiatives such as the rollout of the Government's Indigenous Cadetship Program and improving recruitment strategies to increase the representation of these groups.

The Equity and Diversity Committee supports and guides the implementation of relevant strategies, including those in the *Equal Employment Opportunity Management Plan 2010-2013*, the *Disability Action Plan 2010-2013*,

the *Aboriginal Employment Strategy 2010-2013*, and the *Multicultural Policies and Services Plan 2010-2013*. Elections were held in 2011 and six new employees joined the Committee in December 2011 for a two year term. The Committee met four times during the year.

Merit selection training was provided for those in equity groups to ensure greater representation on recruitment and selection panels. The Committee developed resources and tools for the Equity and Diversity section of the DPC Intranet to assist staff to interact with people in equity groups. Policies relating to flexible working hours and equity and diversity were included in the new online Induction Program.

International Women's Day was celebrated by an event featuring guest speaker Dannielle Miller, author, educator and a parenting expert. Ms Miller gave an engaging talk on parenting and empowerment of teenage girls.

In the year ahead the DPC will develop a new three year Equal Employment Opportunity Management Plan. There are also plans to review EEO qualitative data collection strategies and continued exploration of initiatives to improve employment access and participation by equity groups, including EEO networks.

## Disability Action Plan

In line with its Disability Action Plan 2010-2013, the DPC strives to ensure people with disabilities are included in all aspects of its operations and service delivery. In addition to providing workplace adjustment and flexible working arrangements for employees with a disability, any workplace refurbishments within the DPC are carried out in accordance with the Building Codes of Australia.

Under the NSW Government's Ready, Willing and Able Program the DPC commenced recruitment of a person with a disability into a clerical position. The DPC conducted a physical Accessibility Audit of its Bligh House premises. The DPC also provided tools on the DPC Intranet to enhance employee awareness of options available to assist people with a disability. The DPC conducted two successful Disability Awareness training sessions for the DPC staff throughout the year.

In December 2011 International Day of People with a Disability was marked by an event with guest speaker, Dr Mark Bagshaw, an Australian businessman and a NSW Don't DIS my ABILITY campaign ambassador. Dr Bagshaw delivered an inspiring speech on the 2011 theme of *Together for a better world for all: Including persons with disabilities in development*.

In 2012-2013 the DPC will develop a new three year Disability Action Plan and hold further Disability Awareness training. The results of the Disability Access Audit will be reviewed and approved recommendations will be implemented. The DPC also aims to increase the employment of people with a disability in the DPC under the Ready, Willing and Able Program and EmployABILITY Program.

The DPC is providing input to the NSW Implementation Plan (2012-14) for the National Disability Strategy (NDS). The Plan is being prepared by the Department of Family and Community Services to outline strategies for making mainstream services and community facilities accessible to people with a disability in NSW. The NDS is a ten year plan agreed by COAG for improving life for Australians with a disability, their families and carers. It focuses on mainstream, rather than specialist, disability services. Further NDS information is available at:  
[www.fahcsia.gov.au/sa/disability/progserv/govtint/Pages/nds.aspx](http://www.fahcsia.gov.au/sa/disability/progserv/govtint/Pages/nds.aspx)

DLG implemented a Candidate Diversity Strategy to encourage people from under-represented groups, including people with a disability, to stand for the 2012 local government elections. The Strategy included a booklet providing information for people with a disability and a series of brochures. The Disability Council provided input to the development of the Strategy and promoted these resources to people with a disability.

In the coming year, the DLG will conduct a survey on the characteristics of candidates and councillors, including those with a disability, so that local communities can see how well their elected representatives reflect the demographic characteristics of their communities. The survey will also allow the DLG to assess the effectiveness of its Candidate Diversity Strategy in increasing the diversity of those standing for election.

## Multicultural Policies and Services Program

The DPC aims to support the principles of multiculturalism as outlined in the *Community Relations Commission Principles of Multiculturalism Act 2000* and the DPC's *Multicultural Policies and Services Plan 2010-2013*. Following the Equity and Diversity Awareness survey in 2011, the DPC developed Intranet resources, including Interpreting and Translation Services to assist staff to interact with clients from culturally and linguistically diverse backgrounds. The DPC also held an event to celebrate and raise awareness of Harmony Day in March 2012.

In the year ahead the DPC will develop its new three year Multicultural Policies and Services Plan.

The DPC will also further review and improve its Intranet and web-based resources to ensure they meet the needs of people from culturally and linguistically diverse backgrounds.

As part of the Candidate Diversity Strategy, the DLG developed a booklet providing information for people from culturally and linguistically diverse backgrounds and a series of brochures, including one translated into several community languages. The Community Relations Commission provided input to the development of the Strategy and was asked to promote Strategy resources to people from diverse backgrounds to encourage them to stand for the 2012 local government elections.

To evaluate the effectiveness of the Candidate Diversity Strategy mentioned above, the DLG will also survey the level of representation of candidates and councillors from culturally and linguistically diverse backgrounds.

## Aboriginal Employment

In accordance with the *Aboriginal Employment Strategy 2010-2013*, the DPC aims to improve employment access and workforce participation for Aboriginal people, both within the DPC and across the Public Sector. In response to the DPC Equity and Diversity survey of 2011, the DPC delivered two successful Aboriginal and Torres Strait Islander cultural awareness training sessions across the DPC.

The DPC recruited a permanent Aboriginal Office Administration Cadet under the JumpSTART Cadetship Program and also held an event to celebrate NAIDOC Week. The guest speaker was Larissa Behrendt, Professor of Law and Director of Research at the Jumbunna Indigenous House of Learning at University of Technology and 2009 NAIDOC Person of the Year. Ms Behrendt delivered a speech in line with the 2011 NAIDOC Week theme of: *Change: the next step is ours*. The DPC also led the development of the first forum for Aboriginal Public Sector staff in the western Sydney region. The forum focused on professional development and career planning and was attended by nearly 200 Aboriginal staff.

Over the next year the DPC will develop its new three year Aboriginal Employment Strategy. Two Indigenous cadets will be recruited as part of the Government's Indigenous Cadetship program. Further Aboriginal and Torres Strait Islander cultural awareness training is planned across the DPC.

The DLG implemented a Candidate Diversity Strategy to encourage candidates from under-represented groups to stand for the 2012 local government elections. A series of information brochures for culturally and linguistically diverse groups was developed with input and promotion from the Community Relations Commission. As part of the Strategy, the DLG also participated in candidate information seminars held by the Election Funding Authority. The effectiveness of the Strategy will be assessed by a survey of candidates and councillors in the coming year.

## Work Health and Safety

The DPC is committed to the health and safety of workers and others affected by the work of the DPC. The Health and Safety Committee (HSC) reviews the measures taken to ensure work health and safety and to investigate any matter that may be a risk to work health and safety. The HSC reports regularly to all staff, the DPC Executive and the Director General. Membership comprises employee representatives from all of the DPC's groups and two representatives from management. The Committee also reports quarterly to the DPC's Audit and Risk Management Committee (ARMC).

The DPC's HSC met five times during the year and reported to the ARMC its progress against the DPC's Work Health and Safety (WHS) Action Plan. Seven new members were elected to the HSC and were appointed in January 2012 for a two year period. The workplace assessments undertaken by the Committee members had favourable outcomes, with only a small number of issues requiring rectification.

The DLG is regionally based and has a separate Committee. To reflect its new organisational structure, DLG adopted a new Work Health and Safety constitution and consultative processes. The Committee continues to meet on a quarterly basis and conducts regular workplace inspections.

The new *WHS Act and Regulations 2011* came into effect on 1 January 2012. This required analysis of current systems, processes and policies to ensure compliance with the new legislation and to identify changes required. As a result, all WHS policies were reviewed and updated. A new policy was also finalised on first aid in line with the new legislation.

The DPC developed its new WHS Safety First elearning module as part of the DPC Induction Program, to be completed by all new starters. Existing staff were required to complete the module to familiarise themselves with the new WHS legislation. Training on changes brought about by the legislation was provided to managers, HSC members, First Aid officers and the Senior Executive

Board. The DPC also implemented the online version of its WHS form notification system. WHS management reports were reviewed and adapted to track incidents and help identify risks and hazards. These reports have provided the DPC management and the HR Team with information and data to assist them in taking action to prevent similar incidents. The DPC completed its OHS self assessment against the NSW Government's *Occupational Health and Safety and Injury Management Improvement Standards*.

As part of the Healthy Workforce Strategy, the DPC continued to provide staff with influenza vaccinations, promoted its corporate gym memberships and sponsored participation in the JP Morgan Chase Corporate Challenge, the "City to Surf", "the Gong to Sydney Bike Ride", "Lunch Time Soccer in the Domain" and FIFA World Cup promotion.

There were 17 new workers compensation claims during 2011-2012, which represented a reduction of 15 per cent on the previous year. There were no specific trends in terms of the causation type. The highest incidence rate was for slips, trips, and falls, on the journey to or from work. Deloitte Touche Tohmatsu Risk Services were commissioned to undertake an audit of workers compensation and injury management as part of the DPC's audit program for 2011-12. The outcome of this audit provided valuable feedback on the DPC systems and improvements were implemented internally and by our corporate partners, ServiceFirst and Employers Mutual. There was a marginal increase of 1 per cent in the DPC's annual premium for workers compensation in 2011-2012.

During 2012-2013 the DPC HSC will undertake a complete review of all the DPC worksites and carry out risk assessments. The HSC will also review and update policies in line with the new *Workers Compensation Act 2012*. An electronic system to collate, monitor and report on workers compensation claims will be developed and implemented. The DPC plans to further educate managers and employees on accident prevention and training to assist with reducing the identified areas of our significant claims.

A new Out of Hours Attendance Security Policy will be rolled out across the DPC's work locations. The DPC will report on the completed OHS self-assessment against the NSW Government's *Occupational Health and Safety and Injury Management Improvement Standards*.

The DLG's focus for the 2012-2013 year will be implementing the new Health and Safety Committee, training new committee members in workplace consultation and online and face-to-face training for all staff in WHS legislation, working safely and preventing workplace injuries.



## Compensation claims as at 30 June 2012

FINANCIAL YEAR	PREMIUMS PAID (excl GST)	CLAIMS LODGED	OPEN CLAIMS
2006-07	\$360,404	30	0
2007-08	\$374,957	15	1
2008-09	\$374,803	7	0
2009-10	\$454,110	23	5
2010-11	\$487,700	17	3
2011-12	\$491,930	17	11

This table does not include data from the OEH.

## Open claims

FINANCIAL YEAR	NETT	OUTSTANDING
	Incurred \$	estimate \$
2006-07	122,559	0
2007-08	207,424	0
2008-09	29,491	0
2009-10	383,297	-9,747
2010-11	311,896	82,638
2011-12	229,115	126,257
<b>Total</b>	<b>\$1,283,782</b>	<b>\$199,148</b>

This table does not include data from the OEH.

## Accidents and incidents reported

Accidents and Incidents reported during 2011-12, as at 30 June 2012.

CAUSE TYPE	COUNT
Slip/trip/fall (at work)	6
Slip/trip/fall (on the journey)	14
Lifting/carrying/ hitting/ pulling/other	5
Cuts/burns	0
Driving/car related	3
Psychological	0
Other	7
<b>Total</b>	<b>35</b>

This table does not include data from the OEH.

## Industrial Relations

Joint workplace consultation is maintained through the Joint Consultative Committee (JCC) between the DPC and the Public Service Association (PSA). The overall purpose of the JCC is to facilitate communication between staff, unions and management on matters affecting the workplace. The JCC is committed to ensuring any matters that arise relating to changes to structures, processes or workplace issues are discussed and resolved efficiently and effectively. The JCC also serves as a consultative body for the revision or development of policies and training for staff.

Eight JCC meetings were held to discuss the following issues: the reorganisation of the various the DPC Branches; creation of the Public Service Commission; the review and transfer of the Industrial Relations Branch to the Department of Finance and Services in July 2012; changes to the excess officers redeployment program; the new work health and safety legislative changes; information technology; and several new policies and learning and development eLearning tools relating to the DPC online Induction Program.

## Sustainability

The DPC's *Statement of Commitment to Environmental Sustainability* was updated and endorsed by the Director General and the *Sustainability Action Plan 2011-13* was updated to reflect *NSW 2021* goals. The goals of the Action Plan are to reduce greenhouse gas emissions, contain electricity costs through efficient energy use, reduce waste, increase recycling and improve the efficiency of our vehicle fleet.

The Sustainability Steering Committee is the primary consultative forum to develop and action strategies to promote environmental sustainability, minimise energy and water use within the work environment and improve the environmental performance of the buildings the DPC occupies.

The Committee aims for sustainability initiatives across operational performance, management systems, supply chains, stakeholder engagement and workplace conditions to reduce energy and water use, greenhouse gas emissions and waste.

Regular meetings, workshops and training for members continued in consultation with the Office of Environment and Heritage. Committee members completed the *Resource Efficiency* and the *Sustainable Supply Chain* modules of the Sustainability Advantage Program administered by OEH. Two members of the Committee also attended the OEH *Engaging your Executive on Sustainability* workshop.

Sustainability issues have been included as a standing agenda item in the Nowra office tenant meetings with the DLG, the State Property Authority (SPA) and other tenants. The tenant group explores strategies to promote awareness of environmental sustainability issues and explores measures to reduce energy use, water use and waste.

### **Sustainability Advantage Program Bronze Partner**

In June 2012 the DPC was awarded Bronze Partner status under the Sustainability Advantage Program administered by the OEH. To achieve this status the DPC was required to demonstrate its commitment and work towards improving the DPC's environmental performance, cost reduction and the value added to its business. In July 2012, The Hon Robyn Parker MP, Minister for the Environment and Minister for Heritage presented the award to the Committee's Executive Champion, Ms Virginia Tinson.

### **Energy**

In consultation with the OEH and State Property Authority (SPA) (DPC's landlord at Bligh House), a number of resource efficiency prioritisation meetings were held during the year. These meetings resulted in the implementation of energy efficiency measures including installation of lighting movement sensors to offices and meeting rooms and sub metering on each floor to provide interval metering data for individual floor electricity consumption.

The Government Office Building in Nowra which accommodates the DLG, conducted a National Australian Built Environment Rating System (NABERS) audit this year and achieved NABERS ratings of Energy - four star and Water - five star. Building Management has commenced a review of after-hours equipment usage and lighting to eliminate unnecessary energy consumption. Lighting sensors have been installed in all office spaces within the DLG and in the Government Office parking area. External building lighting has been upgraded to include lighting sensors. Meeting and conference rooms have isolated lighting and air-conditioning systems with automated cut off to further reduce energy consumption.

### **Fleet Management**

Reductions were achieved in the number of the DPC (excluding DLG) vehicles leased, total kilometres travelled and litres of fuel used, compared with 2010-11. Vehicle numbers were reduced from 98 vehicles last year to 84 vehicles in 2011-12, a reduction of 14.25 per cent. Total kilometres travelled were reduced almost 10 per cent from 2,624,450 km to 2,365,884 km in 2011-12. Part of this reduction can be attributed to 529 video conferences being held by the DPC during 2011-12 totalling over 420 hours.

The DLG's fleet consisted of nine vehicles; an increase of one vehicle from the previous year. The total number of kilometres travelled in 2011-2012 by DLG staff was 254,446. This was an increase of 71,347 kilometres from the previous year. The average green fleet score was 13. The DLG is undertaking a review of its fleet with a view to achieving the target score of 13.5 by December 2012. The DLG maintained one hybrid vehicle and encourages the use of E10 biofuel.

DPC fuel consumption was reduced from 277,675 litres to 249,134 litres in 2011-12, a reduction of 10.25 per cent. The use of biofuels by the DPC dropped from 70 per cent of all fuel purchased to 64 per cent of all fuel purchased in 2011-12. Strategies to improve the clean fleet rating of the DPC fleet were not as successful as in previous years, the overall green score fell from 12.75 to 12.51 in 2011-12 and the use of biofuels also fell by 6 per cent.

### **Waste Reduction and Purchasing Policy (WRAPP)**

The DPC continues to implement the NSW Government's WRAPP to reduce waste and increase the purchase of recycled content materials for paper products and office consumables. WRAPP forms part of the NSW Government Sustainability Policy, which sets new targets for sustainable resource use, disposal, and procurement across energy, green house gas emissions reduction, water, fleet, and waste. The DPC WRAPP Report 2011 was completed and returned to the OEH for incorporation into the whole-of-government WRAPP Report 2011.

### **Reducing Waste Generation**

The DPC engaged in a significant IT hardware refresh program in 2011-12. Approximately 260 desktop computers and peripherals were replaced. Redundant items were disposed of via HiPoint (ACER) for recycling. Other redundant IT equipment items were disposed of via Work Ventures for recycling.

The DLG uses document scanning and electronic workflows in its EDRMS to reduce paper consumption. The Division is reviewing its filing systems to eliminate paper based files wherever possible. The EDRMS supports full electronic workflows and approvals reducing the need for printed copies of documents. Staff are encouraged to minimise printing, to use double-sided printing and to utilise electronic publishing as much as possible.

The DPC limited general office rubbish disposal to kitchen areas to encourage use of recyclable and non-recyclable bins. Waste recyclable stations were maintained on every the DPC floor in Bligh House and dedicated disposal protocols have been maintained on all the DPC floors in Governor Macquarie Tower. The DLG also maintains waste recycling in all kitchens and throughout all DLG office accommodation to capture recyclable material.

### Enabling Resource Recovery

The DPC utilises electronic procurement tools with access to Smartbuy through its procurement service provider ServiceFirst. The DPC works with ServiceFirst to develop procurement guidelines for the purchase of recycled content items and to ensure accommodation projects prioritise the re-use and recycling of building and workstation components when possible.

### Enabling the use of Recycled Material

The total amount of copy paper purchased by the DPC in 2011-12 was equivalent to 15,874 A4 reams with 66 per cent containing recycled content. This increase on 2010-11 copy paper purchased is attributed to the additional business activity for the DPC following NSW Government restructure and additional functions for the DPC. All paper purchased by the DLG contains at least 80 per cent recycled content. 1,100 A4 reams of paper were consumed – an increase of 41 per cent.

## Information & Communications Technology

The DPC implemented new applications to streamline the planning and delivery of official visits, functions and events by the Protocol and Special Events teams. These systems greatly reduce the time, effort and cost of staging official events. For example, the new Protocol and Hospitality application automatically sends invitations and electronically tracks RSVP notifications in a database. Other applications were implemented to administer the *Premier's Miscellaneous Grants Program*, which enables the Premier to provide financial assistance to community projects, which may not attract funding from other sources. The *Rural and Regional Grants Program* enables modest grants to support initiatives in communities across rural and regional NSW. The new applications have improved the reporting capability and efficiency in

delivering funding to communities. A new application has also been implemented to deliver the annual *Australia Day Ambassador Program*. It streamlines the Program's operations to ensure the continued success of the Program and strengthened communication between state and local governments.

The DPC commenced a project to track the status of legislative proposals, from the time that they are first identified as possible legislative proposals by Ministers to the time that they become an Act of Parliament having been passed by Parliament and assented to by the Governor. This application allows the Office of General Counsel to determine when milestones must be met in order for a Bill to be passed by a certain critical date.

The eCabinet initiative was implemented to securely provide Ministers with Cabinet documents from the Cabinet Document Management System electronically to their iPads. This new iPad application replaces hard copy document distribution and will assist in reducing paper usage and waste.

In 2011-12 a large proportion of the DPC desktop computing fleet was refreshed, providing staff with the latest model machines to run their business applications and a powerful new enterprise search utility was implemented to better service GIPA applications.

The DPC has continued to rollout its EDM system, based on the Objective application, to branches within the DPC. The EDRMS integrates the DPC's electronic and paper record and information practices, providing the following benefits:

- compliance with state records policies
- ability to store data securely
- information can be easily and quickly retrieved, including remote access and on a 24/7 basis
- use of workflows to streamline business processes
- integration with other systems such as the Correspondence Management System.

The pace of the rollout of the EDRMS has increased as branches embrace the business benefits provided by the system. It is expected that all of the DPC will be using the EDRMS system by early 2013.

The existing Correspondence Management System allows for Premier's correspondence, both electronic and paper, to be digitised and processed in an automated manner. Through direct integration with the EDM system, digital records of incoming correspondence and the DPC's responses are maintained without the need to print.

Future IT priorities include developing a whole-of-government policy supporting the use of social media for enhanced public engagement and service delivery. The team will also implement a social networking tool for the DPC to increase interaction between staff and enable more effective communication throughout the DPC.

The EDRMS team will complete the rollout of the EDRM system to all Branches within the DPC. The team will also introduce further streamlining to the Director General's and Premier's briefing and correspondence processes, building on the capability offered by the transition to the EDRMS.

## Consumer Response

The DPC is committed to providing services of the highest quality. Key to meeting this commitment is using feedback from those who use the DPC's services as opportunities to improve the quality of the services provided. Feedback can be in the form of a complaint, a compliment or a suggestion. Employees have been issued with the DPC's Complaint Handling Policy and Guidelines for Handling Complaints to assist in the processing of complaints.

Throughout the year, the DLG processed 1,175 complaints about councils and received 53 informal allegations of breaches of the pecuniary interest provisions of the *Local Government Act 1993*. Six of these complaints met the requirements set out for a formal pecuniary interest complaint (but no pecuniary interest investigations were commenced). The DLG commenced four misbehaviour investigations.

## DLG Guarantee of Service

The DLG continues to receive a high volume of correspondence due to community interest in local government issues.

During 2011-12, the DLG processed 4,720 items of departmental correspondence (up from 4,603 in 2010-11), and 3,953 items of ministerial correspondence (up from 2,898 in 2010-11).

SERVICE QUALITY MEASURE	2011/12 ACTUAL	2012/13 TARGET
Departmental correspondence answered within 4 weeks	54.1%	70%
Land acquisition notices progressed within 90 days*	100%	100%
Leases and licenses for community land progressed within 60 days*	100%	100%
Annual accounts extension progressed within 21 days	93.5%	100%

## Correspondence Received by Premier & Director General

PREMIER AND DIRECTOR GENERAL CORRESPONDENCE			
Source	Recipient		
	Premier	DG	Total
Government Ministers	603	81	684
Government Department / Agency	381	978	1,359
Members of Parliament	637	13	650
Organisations / General Public *	75,818	577	76,395
<b>TOTAL</b>	<b>77,439</b>	<b>1,649</b>	<b>79,088</b>

\* includes approx 40,200 campaign items





Premier  
& Cabinet

**Statement by the Director General of the Department of Premier and Cabinet**

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state to the best of my knowledge and belief that:

- a) The accompanying financial statements in respect of the year ended 30 June 2012 have been prepared in accordance with applicable Australian Accounting Standards, the provisions of the *Public Finance and Audit Act 1983*, applicable clauses of the Public Finance and Audit Regulation 2010 and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies;
- b) The statements exhibit a true and fair view of the financial position of the Department of Premier and Cabinet as at 30 June 2012, and transactions for the year then ended; and
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Chris Eccles  
Director General



## INDEPENDENT AUDITOR'S REPORT

Department of Premier and Cabinet

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Department of Premier and Cabinet (the Department), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and a summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2010*

My opinion should be read in conjunction with the rest of this report.

### The Director-General's Responsibility for the Financial Statements

The Director-General is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Director-General determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Department
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Peter Achterstraat  
Auditor-General

27 September 2012  
SYDNEY

Statement of Comprehensive income for the year ended 30 June 2012

		ACTUAL	BUDGET	ACTUAL
		2012	2012	2011
	Notes	\$'000	\$'000	\$'000
<b>EXPENSES EXCLUDING LOSSES</b>				
Operating expenses				
Employee related expenses	2 (a)	524,918	533,515	221,377
Other operating expenses	2 (b)	302,101	284,685	183,017
Depreciation and amortisation	2 (c)	78,124	90,601	24,464
Grants and subsidies	2 (d)	406,188	536,920	334,844
Finance costs	2 (e)	4,747	9,655	748
<b>Total expenses excluding losses</b>		<b>1,316,078</b>	<b>1,455,376</b>	<b>764,450</b>
<b>Revenue</b>				
Recurrent appropriations	3 (a)	640,326	695,110	406,597
Capital appropriations	3 (a)	36,996	38,292	18,800
Sale of goods and services	3 (b)	51,932	112,164	11,433
Investment revenue	3 (c)	34,710	7,336	7,970
Retained taxes, fees and fines	3 (d)	35,211	9,385	6,816
Grants and contributions	3 (e)	259,847	225,146	77,750
Personnel services	3 (f)	80,025	55,908	12,305
Acceptance by the Crown Entity of employee benefits and other liabilities	3 (g)	39,082	37,545	8,105
Other revenue	3 (h)	10,850	15,475	3,340
<b>Total Revenue</b>		<b>1,188,979</b>	<b>1,196,361</b>	<b>553,116</b>
Gain / (loss) on disposal	4	(2,332)	(840)	(357)
Other gains/(losses)		-	(100)	-
Net result		(129,431)	(259,955)	(211,691)
<b>Other comprehensive income</b>				
Net increase / (decrease) in property, plant and equipment asset revaluation reserve		369,430	-	14,904
<b>Total other comprehensive income</b>		<b>369,430</b>	<b>-</b>	<b>14,904</b>
<b>Total Comprehensive Income</b>		<b>239,999</b>	<b>(259,955)</b>	<b>(196,787)</b>

The accompanying notes form part of these financial statements



Statement of Financial position as at the 30 June 2012

		ACTUAL	BUDGET	ACTUAL
		2012	2012	2011
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	8	233,020	142,407	278,910
Receivables	9	48,446	61,006	45,996
Inventories	10	667	737	688
Financial assets at fair value	11	-	-	30
Other financial assets	12	16	45	16
Non Current assets held for sale	13	277	658	1,798
<b>Total current assets</b>		<b>282,426</b>	<b>204,853</b>	<b>327,438</b>
<b>Non-Current Assets</b>				
Receivables	9	-	-	675
Property plant and equipment	14			
Land and Buildings	14	2,226,782	2,150,266	2,185,038
Plant and Equipment	14	78,339	98,055	77,523
Infrastructure Systems	14	1,371,315	1,033,343	1,059,604
Intangible assets	15	186,185	187,271	181,247
Other		-	61	-
<b>Total Non-Current Assets</b>		<b>3,862,621</b>	<b>3,468,996</b>	<b>3,504,087</b>
<b>Total Assets</b>		<b>4,145,047</b>	<b>3,673,849</b>	<b>3,831,525</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	17	142,559	54,507	193,455
Provisions	19	58,675	74,201	52,760
Other	20	10,580	1,854	2,797
<b>Total Current Liabilities</b>		<b>211,814</b>	<b>130,562</b>	<b>249,012</b>
<b>Non-Current Liabilities</b>				
Borrowings	18	192,292	289,037	76,539
Provisions	19	12,744	17,269	11,628
Other	20		5,094	
<b>Total Non-Current Liabilities</b>		<b>205,036</b>	<b>311,400</b>	<b>88,167</b>
<b>Total Liabilities</b>		<b>416,850</b>	<b>441,962</b>	<b>337,179</b>
<b>Net Assets</b>		<b>3,728,197</b>	<b>3,231,887</b>	<b>3,494,346</b>
<b>EQUITY</b>				
Reserves		384,334	1,543,178	14,904
Accumulated funds		3,343,863	1,688,709	3,479,442
<b>Total Equity</b>		<b>3,728,197</b>	<b>3,231,887</b>	<b>3,494,346</b>

The accompanying notes form part of these financial statements

Statement of changes in Equity for the year ended 30 June 2012

		ACCUMULATED FUNDS	ASSETS REVALUATION RESERVE	TOTAL
	Notes	\$'000	\$'000	\$'000
<b>Balance at 1 July 2011</b>		<b>3,479,442</b>	<b>14,904</b>	<b>3,494,346</b>
Correction of errors		-	-	-
Restated total equity at 1 July 2011		3,479,442	14,904	3,494,346
Net result for the year		(129,431)	-	(129,431)
<b>Other comprehensive income:</b>				
Net increase/(decrease) in property, plant and equipment		-	369,430	369,430
<b>Total other comprehensive income</b>		<b>-</b>	<b>369,430</b>	<b>369,430</b>
<b>Total comprehensive income for the year</b>		<b>(129,431)</b>	<b>369,430</b>	<b>239,999</b>
Transaction with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	21	(6,148)	-	(6,148)
<b>Balance at 30 June 2012</b>		<b>3,343,863</b>	<b>384,334</b>	<b>3,728,197</b>

		ACCUMULATED FUNDS	ASSETS REVALUATION RESERVE	TOTAL
	Notes	\$'000	\$'000	\$'000
<b>Balance at 1 July 2010</b>		<b>24,890</b>	<b>-</b>	<b>24,890</b>
Restated total equity at 1 July 2010		24,890	-	24,890
Net result for the year		(211,691)	-	(211,691)
<b>Other comprehensive income:</b>				
Net increase/(decrease) in property, plant and equipment		-	14,904	14,904
<b>Total other comprehensive income</b>		<b>-</b>	<b>14,904</b>	<b>14,904</b>
<b>Total comprehensive income for the year</b>		<b>(211,691)</b>	<b>14,904</b>	<b>(196,787)</b>
Transaction with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	21	3,666,243	-	3,666,243
<b>Balance at 30 June 2011</b>		<b>3,479,442</b>	<b>14,904</b>	<b>3,494,346</b>

The accompanying notes form part of these financial statements

Statement of Cash flows for the year ended 30 June 2012

		ACTUAL	BUDGET	ACTUAL
		2012	2012	2011
	Notes	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		(488,308)	(472,383)	(213,658)
Grants and subsidies		(457,236)	(764,836)	(204,636)
Finance costs		-	(2,980)	-
Other		(335,068)	(430,535)	(255,924)
<b>Total Payments</b>		<b>(1,280,612)</b>	<b>(1,670,734)</b>	<b>(674,218)</b>
<b>Receipts</b>				
Recurrent appropriation		640,648	922,868	454,301
Capital appropriation (excluding equity appropriation)		36,996	37,437	18,650
Sale of goods and services		50,649	87,988	27,524
Interest received		15,822	9,217	2,597
Retained taxes, fees and fines		35,212	(1,007)	6,861
Grants and contributions		244,213	-	-
Cash reimbursements from the Crown Entity		8,218	-	-
Cash transfers to the Consolidated Fund		-	-	1,092
Personnel Services		80,383	-	-
Other		66,594	343,462	115,801
<b>Total Receipts</b>		<b>1,178,735</b>	<b>1,399,965</b>	<b>626,826</b>
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>(101,877)</b>	<b>(270,769)</b>	<b>(47,392)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems		2,530	996	247
Purchases of land and buildings, plant and equipment and infrastructure systems		(52,694)	(48,437)	(21,159)
Purchase of intangibles		(15,469)	(25,946)	(12,754)
<b>Net cash flows from investing activities</b>		<b>(65,633)</b>	<b>(73,387)</b>	<b>(33,666)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and advances		126,960	217,207	29,579
Repayment of borrowings and advances		-	(624)	-
<b>Net cash flows from financing activities</b>		<b>126,960</b>	<b>216,583</b>	<b>29,579</b>
<b>Net increase (decrease) in cash</b>		<b>(40,550)</b>	<b>(127,573)</b>	<b>(51,479)</b>
Opening cash and cash equivalents	21	278,910	269,980	34,801
Cash transferred in (out) as a result of administrative restructuring		(5,340)	-	295,588
<b>Closing cash and cash equivalents</b>	<b>8</b>	<b>233,020</b>	<b>142,407</b>	<b>278,910</b>

The accompanying notes form part of these financial statements

Service group statements for the year ended 30 June 2012

Consolidated	SERVICE GROUP 1		SERVICE GROUP 2		SERVICE GROUP 3		SERVICE GROUP 4	
	NSW 2021 Plan Leadership and Support*		Economic and Regional Coordination*		Services and Capabilities Improvement*		Policy Support*	
	2012	2011	2012	2011	2012	2011	2012	2011
EXPENSES AND INCOME	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>								
Operating expenses								
• Employee related expenses	3,257	2,732	12,689	12,847	2,339	12,836	19,821	18,666
• Other operating expenses	1,196	1,009	11,764	7,144	1,328	24,929	7,075	7,838
Depreciation and amortisation	35	9	208	331	-	36	1,106	1,609
Grants and subsidies	-	10,704	5,900	6,062	260	-	1,480	5,089
Finance costs	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
<b>Total Expenses excluding losses</b>	<b>4,488</b>	<b>14,454</b>	<b>30,561</b>	<b>26,384</b>	<b>3,927</b>	<b>37,801</b>	<b>29,482</b>	<b>33,202</b>
<b>Revenue</b>								
Recurrent appropriations	-	-	-	-	-	-	-	-
Capital appropriations	-	-	-	-	-	-	-	-
Retained fees and fines	-	-	-	-	-	-	-	-
Sale of goods and services	-	36	349	101	-	906	292	505
Investment revenue	-	-	-	-	-	-	-	-
Personnel services	-	-	-	-	-	-	-	-
Grants and contributions	-	-	286	905	-	205	-	16
Acceptance by the Crown Entity of employee benefits and other liabilities	187	-	715	-	156	-	1,127	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>187</b>	<b>36</b>	<b>1,350</b>	<b>1,006</b>	<b>156</b>	<b>1,111</b>	<b>1,419</b>	<b>521</b>
Gain / (loss) on disposal	-	-	(1)	-	-	-	-	-
Net Cost of Services	4,301	14,418	29,212	25,378	3,771	36,690	28,063	32,681
<b>Surplus / (deficit) for the year</b>	<b>(4,301)</b>	<b>(14,418)</b>	<b>(29,212)</b>	<b>(25,378)</b>	<b>(3,771)</b>	<b>(36,690)</b>	<b>(28,063)</b>	<b>(32,681)</b>
<b>Other Comprehensive Income</b>								
Increase / (decrease) in assets revaluation reserve	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(4,301)</b>	<b>(14,418)</b>	<b>(29,212)</b>	<b>(25,378)</b>	<b>(3,771)</b>	<b>(36,690)</b>	<b>(28,063)</b>	<b>(32,681)</b>

## Service group statements for the year ended 30 June 2012

Consolidated	SERVICE GROUP 5		SERVICE GROUP 6		SERVICE GROUP 7		SERVICE GROUP 8	
	Administrative Support for Government*		Capacity Building, Oversight and Provision of Advice for Local Government*		Pensioner Rebate Scheme*		Companion Animals Program*	
	2012	2011	2012	2011	2012	2011	2012	2011
EXPENSES AND INCOME	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses								
Operating expenses								
• Employee related expenses	58,853	63,871	8,979	6,483	-	-	429	577
• Other operating expenses	50,496	51,354	3,724	2,361	-	-	7,586	5,977
Depreciation and amortisation	2,321	1,708	313	182	-	-	-	-
Grants and subsidies	2,070	18,375	18	-	79,523	73,898	442	-
Finance costs	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
<b>Total Expenses excluding losses</b>	<b>113,740</b>	<b>135,308</b>	<b>13,034</b>	<b>9,026</b>	<b>79,523</b>	<b>73,898</b>	<b>8,457</b>	<b>6,554</b>
<b>Revenue</b>								
Recurrent appropriations	-	-	-	-	-	-	-	-
Capital appropriations	-	-	-	-	-	-	-	-
Retained fees and fines	-	-	-	-	-	-	6,156	6,070
Sale of goods and services	1,858	1,469	23	-	-	-	-	-
Investment revenue	-	1,063	1,690	255	-	-	489	100
Personnel services	-	-	-	-	-	-	-	-
Grants and contributions	2,332	3,208	-	-	-	-	-	-
Acceptance by the Crown Entity of employee benefits and other liabilities	2,040	-	638	-	-	-	18	-
Other revenue	-	188	-	61	-	-	-	-
<b>Total Revenue</b>	<b>6,230</b>	<b>5,928</b>	<b>2,351</b>	<b>316</b>	<b>-</b>	<b>-</b>	<b>6,663</b>	<b>6,170</b>
Gain / (loss) on disposal	(56)	(13)	-	-	-	-	-	-
Net Cost of Services	107,566	129,393	10,683	8,710	79,523	73,898	(1,794)	384
<b>Surplus / (deficit) for the year</b>	<b>(107,566)</b>	<b>(129,393)</b>	<b>(10,683)</b>	<b>(8,710)</b>	<b>(79,523)</b>	<b>(73,898)</b>	<b>1,794</b>	<b>(384)</b>
<b>Other Comprehensive Income</b>								
Increase / (decrease) in assets revaluation reserve	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(107,566)</b>	<b>(129,393)</b>	<b>(10,683)</b>	<b>(8,710)</b>	<b>(79,523)</b>	<b>(73,898)</b>	<b>(1,794)</b>	<b>(384)</b>

Service group statements for the year ended 30 June 2012

Consolidated	SERVICE GROUP 9		SERVICE GROUP 10		SERVICE GROUP 11		SERVICE GROUP 12	
	Environment and Heritage Policy and Programs*		Environment Protection and Regulation*		Parks and Wildlife*		Culture and Heritage*	
	2012	2011	2012	2011	2012	2011	2012	2011
EXPENSES AND INCOME	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>								
<b>Operating expenses</b>								
• Employee related expenses	75,569	16,302	-	15,422	210,619	47,139	10,945	2,626
• Other operating expenses	64,085	26,362	-	5,848	133,855	44,942	2,440	959
Depreciation and amortisation	4,031	1,463	-	870	61,448	15,602	650	215
Grants and subsidies	302,927	217,707	-	1,322	12,325	492	34	10
Finance costs	1,449	14	-	10	3,251	716	11	2
Other expenses	-	-	-	-	-	-	-	-
<b>Total Expenses excluding losses</b>	<b>448,061</b>	<b>261,848</b>	<b>-</b>	<b>23,472</b>	<b>421,498</b>	<b>108,891</b>	<b>14,080</b>	<b>3,812</b>
<b>Revenue</b>								
Recurrent appropriations	-	-	-	-	-	-	-	-
Capital appropriations	2,067	-	-	-	27,228	-	363	-
Retained fees and fines	9,261	47	-	186	12,306	488	586	-
Sale of goods and services	4,017	1,261	-	70	37,033	6,010	234	33
Investment revenue	7,794	2,118	-	197	23,884	4,088	210	37
Personnel services	-	-	-	-	-	-	-	-
Grants and contributions	203,934	54,607	-	1,995	44,444	13,703	2	8
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	-	-	-	-
Other revenue	2,904	653	-	32	7,418	2,324	94	7
<b>Total Revenue</b>	<b>229,977</b>	<b>58,686</b>	<b>-</b>	<b>2,480</b>	<b>152,313</b>	<b>26,613</b>	<b>1,489</b>	<b>85</b>
Gain / (loss) on disposal	(108)	-	-	-	(2,070)	(337)	(1)	-
Net Cost of Services	218,192	203,162	-	20,992	271,255	82,615	12,592	3,727
<b>Surplus / (deficit) for the year</b>	<b>(218,192)</b>	<b>(203,162)</b>	<b>-</b>	<b>(20,992)</b>	<b>(271,255)</b>	<b>(82,615)</b>	<b>(12,592)</b>	<b>(3,727)</b>
<b>Other Comprehensive Income</b>								
Increase / (decrease) in assets revaluation reserve	-	-	-	-	369,430	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369,430</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(218,192)</b>	<b>(203,162)</b>	<b>-</b>	<b>(20,992)</b>	<b>98,175</b>	<b>(82,615)</b>	<b>(12,592)</b>	<b>(3,727)</b>

## Service group statements for the year ended 30 June 2012

	SERVICE GROUP 13		SERVICE GROUP 14		NOT ATTRIBUTABLE		TOTAL	
Consolidated	Scientific Services*		Communications and Advertising*					
	2012	2011	2012	2011	2012	2011	2012	2011
EXPENSES AND INCOME	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>								
<b>Operating expenses</b>								
• Employee related expenses	37,122	8,887	2,831	684	81,465	-	524,918	221,377
• Other operating expenses	10,441	3,448	8,111	846	-	-	302,101	183,017
Depreciation and amortisation	7,977	2,435	35	3	-	-	78,124	24,463
Grants and subsidies	1,209	1,185	-	-	-	-	406,188	334,844
Finance costs	36	6	-	-	-	-	4,747	748
Other expenses	-	-	-	-	-	-	-	-
<b>Total Expenses excluding losses</b>	<b>56,785</b>	<b>15,961</b>	<b>10,977</b>	<b>1,533</b>	<b>81,465</b>	<b>-</b>	<b>1,316,078</b>	<b>764,449</b>
<b>Revenue</b>								
Recurrent appropriations	-	-	-	-	640,326	406,597	640,326	406,597
Capital appropriations	5,222	-	-	-	2,116	18,800	36,996	18,800
Retained fees and fines	6,902	25	-	-	-	-	35,211	6,816
Sale of goods and services	96	18	8,030	1,024	-	-	51,932	11,433
Investment revenue	643	112	-	-	-	-	34,710	7,970
Personnel services	-	-	-	-	80,025	-	80,025	12,305
Grants and contributions	8,849	3,103	-	-	-	-	259,847	77,750
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	167	-	34,034	8,105	39,082	8,105
Other revenue	434	75	-	-	-	-	10,850	3,340
<b>Total Revenue</b>	<b>22,146</b>	<b>3,333</b>	<b>8,197</b>	<b>1,024</b>	<b>756,501</b>	<b>433,502</b>	<b>1,188,979</b>	<b>553,116</b>
Gain / (loss) on disposal	(96)	(7)	-	-	-	-	(2,332)	(357)
Net Cost of Services	34,735	12,636	2,780	509	(675,036)	(433,502)	129,431	211,690
<b>Surplus / (deficit) for the year</b>	<b>(34,735)</b>	<b>(12,636)</b>	<b>(2,780)</b>	<b>(509)</b>	<b>675,036</b>	<b>433,502</b>	<b>(129,431)</b>	<b>(211,690)</b>
<b>Other Comprehensive Income</b>								
Increase / (decrease) in assets revaluation reserve	-	-	-	-	-	14,904	369,430	14,904
Other	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,904</b>	<b>369,430</b>	<b>14,904</b>
<b>Total comprehensive income</b>	<b>(34,735)</b>	<b>(12,636)</b>	<b>(2,780)</b>	<b>(509)</b>	<b>675,036</b>	<b>448,406</b>	<b>239,999</b>	<b>(196,786)</b>

Service group statements for the year ended 30 June 2012

Consolidated	SERVICE GROUP 1		SERVICE GROUP 2		SERVICE GROUP 3		SERVICE GROUP 4	
	NSW 2021 Plan Leadership and Support*		Economic and Regional Coordination*		Services and Capabilities Improvement*		Policy Support*	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS &amp; LIABILITIES</b>								
<b>Current Assets</b>								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	170	-	776	765	86	1,092	929	538
Inventories	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>170</b>	<b>-</b>	<b>776</b>	<b>765</b>	<b>86</b>	<b>1,092</b>	<b>929</b>	<b>538</b>
<b>Non-current Assets</b>								
Receivables	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Property plant and equipment	22	4	682	656	79	98	1,861	2,944
Intangible assets	-	-	-	-	-	-	580	827
Investments accounted for under the equity method	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>22</b>	<b>4</b>	<b>682</b>	<b>656</b>	<b>79</b>	<b>98</b>	<b>2,441</b>	<b>3,771</b>
<b>Total Assets</b>	<b>192</b>	<b>4</b>	<b>1,458</b>	<b>1,421</b>	<b>165</b>	<b>1,190</b>	<b>3,370</b>	<b>4,309</b>
<b>Current liabilities</b>								
Payables	264	781	4,457	3,742	315	3,590	1,600	19
Provisions	-	-	-	-	-	-	-	-
Other provisions	349	55	1,163	451	720	412	1,877	641
Other	21	-	86	-	14	-	129	-
<b>Total current liabilities</b>	<b>634</b>	<b>836</b>	<b>5,706</b>	<b>4,193</b>	<b>1,049</b>	<b>4,002</b>	<b>3,606</b>	<b>660</b>
<b>Non-current liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-
Other provisions	176	123	719	1,047	135	925	1,074	1,418
<b>Total non-current liabilities</b>	<b>176</b>	<b>123</b>	<b>719</b>	<b>1,047</b>	<b>135</b>	<b>925</b>	<b>1,074</b>	<b>1,418</b>
<b>Total Liabilities</b>	<b>810</b>	<b>959</b>	<b>6,425</b>	<b>5,240</b>	<b>1,184</b>	<b>4,927</b>	<b>4,680</b>	<b>2,078</b>
<b>Net Assets</b>	<b>(618)</b>	<b>(955)</b>	<b>(4,967)</b>	<b>(3,819)</b>	<b>(1,019)</b>	<b>(3,737)</b>	<b>(1,310)</b>	<b>2,231</b>
<b>Administered Expenses And Income **</b>								
<b>Administered Expenses</b>								
Transfer payments	-	-	-	-	-	-	-	-
<b>Total Administered Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income</b>								
Transfer receipts	-	-	-	-	-	-	-	-
Consolidated Fund	-	-	-	-	-	-	-	-
Taxes, fees and fines	-	-	-	-	-	-	-	-
<b>Total Administered Incomes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income less Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The names and purposes of each service group are summarised in Note 7.

\*\* Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.



## Service group statements for the year ended 30 June 2012

Consolidated	SERVICE GROUP 5		SERVICE GROUP 6		SERVICE GROUP 7		SERVICE GROUP 8	
	Administrative Support for Government*		Capacity Building, Oversight and Provision of Advice for Local Government*		Pensioner Rebate Scheme *		Companion Animals Program *	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS &amp; LIABILITIES</b>								
<b>Current Assets</b>								
Cash and cash equivalents	-	23	-	5,568	-	-	-	2,260
Receivables	2,760	1,307	511	406	-	-	2,329	776
Inventories	-	-	-	-	-	-	-	-
Other financial assets	-	30	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>2,760</b>	<b>1,360</b>	<b>511</b>	<b>5,974</b>	<b>-</b>	<b>-</b>	<b>2,329</b>	<b>3,036</b>
<b>Non-current Assets</b>								
Receivables	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Property plant and equipment	5,994	5,598	448	242	-	-	-	-
Intangible assets	1,608	1,926	53	126	-	-	-	-
Investments accounted for under the equity method	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>7,602</b>	<b>7,524</b>	<b>501</b>	<b>368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>10,362</b>	<b>8,884</b>	<b>1,012</b>	<b>6,342</b>	<b>-</b>	<b>-</b>	<b>2,329</b>	<b>3,036</b>
<b>Current liabilities</b>								
Payables	5,169	3,169	926	997	-	-	4,466	1,344
Provisions	-	-	-	-	-	-	-	-
Other provisions	5,411	6,943	966	850	-	-	-	18
Other	423	-	57	-	-	-	-	-
<b>Total current liabilities</b>	<b>11,003</b>	<b>10,112</b>	<b>1,949</b>	<b>1,847</b>	<b>-</b>	<b>-</b>	<b>4,466</b>	<b>1,362</b>
<b>Non-current liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-
Other provisions	3,180	1,664	466	10	-	-	-	-
<b>Total non-current liabilities</b>	<b>3,180</b>	<b>1,664</b>	<b>466</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>14,183</b>	<b>11,776</b>	<b>2,415</b>	<b>1,857</b>	<b>-</b>	<b>-</b>	<b>4,466</b>	<b>1,362</b>
<b>Net Assets</b>	<b>(3,821)</b>	<b>(2,892)</b>	<b>(1,403)</b>	<b>4,485</b>	<b>-</b>	<b>-</b>	<b>(2,137)</b>	<b>1,674</b>
<b>Administered Expenses And Income **</b>								
<b>Administered Expenses</b>								
Transfer payments	-	47,704	-	-	-	-	-	-
<b>Total Administered Expenses</b>	<b>-</b>	<b>47,704</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income</b>								
Transfer receipts	-	-	-	-	-	-	-	-
Consolidated Fund	-	-	-	-	-	-	-	-
Taxes, fees and fines	-	-	-	-	-	-	-	-
<b>Total Administered Incomes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income less Expenses</b>	<b>-</b>	<b>(47,704)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The names and purposes of each service group are summarised in Note 7.

\*\* Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.

Service group statements for the year ended 30 June 2012

Consolidated	SERVICE GROUP 9		SERVICE GROUP 10		SERVICE GROUP 11		SERVICE GROUP 12	
	Environment and Heritage Policy and Programs*		Environment Protection and Regulation*		Parks and Wildlife*		Culture and Heritage*	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS &amp; LIABILITIES</b>								
<b>Current Assets</b>								
Cash and cash equivalents	97,622	172,958	-	8,350	83,827	51,393	71	1,493
Receivables	10,371	14,288	-	1,574	19,339	18,534	129	751
Inventories	57	61	-	-	610	627	-	-
Other financial assets	-	-	-	-	16	16	-	-
Assets held for sale	-	-	-	-	277	1,798	-	-
<b>Total current assets</b>	<b>108,050</b>	<b>187,307</b>	<b>-</b>	<b>9,924</b>	<b>104,069</b>	<b>72,368</b>	<b>200</b>	<b>2,244</b>
<b>Non-current Assets</b>								
Receivables	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Property plant and equipment	5,250	5,650	-	2,638	3,618,738	3,261,682	340	376
Intangible assets	152,858	146,169	-	17,041	20,196	3,834	1,066	1,004
Investments accounted for under the equity method	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>158,108</b>	<b>151,819</b>	<b>-</b>	<b>19,679</b>	<b>3,638,934</b>	<b>3,265,516</b>	<b>1,406</b>	<b>1,380</b>
<b>Total Assets</b>	<b>266,158</b>	<b>339,126</b>	<b>-</b>	<b>29,603</b>	<b>3,743,003</b>	<b>3,337,884</b>	<b>1,606</b>	<b>3,624</b>
<b>Current liabilities</b>								
Payables	99,351	161,309	-	2,486	22,200	13,523	355	424
Provisions	-	-	-	-	-	-	-	-
Other provisions	10,746	6,490	-	6,577	23,263	21,977	1,360	916
Other	322	25	-	22	63	1,660	-	4
<b>Total current liabilities</b>	<b>110,419</b>	<b>167,824</b>	<b>-</b>	<b>9,085</b>	<b>45,526</b>	<b>37,160</b>	<b>1,715</b>	<b>1,344</b>
<b>Non-current liabilities</b>								
Borrowings	136,143	23,436	-	-	56,149	53,103	-	-
Provisions	-	-	-	-	-	-	-	-
Other provisions	1,552	1,218	-	1,001	4,164	3,012	183	123
<b>Total non-current liabilities</b>	<b>137,695</b>	<b>24,654</b>	<b>-</b>	<b>1,001</b>	<b>60,313</b>	<b>56,115</b>	<b>183</b>	<b>123</b>
<b>TOTAL LIABILITIES</b>	<b>248,114</b>	<b>192,478</b>	<b>-</b>	<b>10,086</b>	<b>105,839</b>	<b>93,275</b>	<b>1,898</b>	<b>1,467</b>
<b>Net Assets</b>	<b>18,044</b>	<b>(192,478)</b>	<b>-</b>	<b>19,517</b>	<b>3,637,164</b>	<b>3,244,609</b>	<b>(292)</b>	<b>2,157</b>
<b>Administered Expenses And Income **</b>								
<b>Administered Expenses</b>								
Transfer payments	-	-	-	-	-	-	-	-
<b>Total Administered Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income</b>								
Transfer receipts	-	-	-	-	-	-	-	-
Consolidated Fund	-	-	-	-	-	-	-	-
Taxes, fees and fines	-	-	-	-	-	-	-	-
<b>Total Administered Incomes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income less Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The names and purposes of each service group are summarised in Note 7.

\*\* Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.

\*\*\* With the creation of modernised and independent EPA in 2011/12, the Environment Protection and Regulation Division (Service Group 10) within OEI was abolished in the year.

## Service group statements for the year ended 30 June 2012

	SERVICE GROUP 13		SERVICE GROUP 14		NOT ATTRIBUTABLE		TOTAL	
Consolidated	Scientific Services *		Communications and Advertising *					
	2012	2011	2012	2011	2012	2011	2012	2011
ASSETS & LIABILITIES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>								
Cash and cash equivalents	3,678	4,742	-	-	47,822	32,123	233,020	278,910
Receivables	1,021	1,466	2,070	1,743	7,955	2,756	48,446	45,996
Inventories	-	-	-	-	-	-	667	688
Other financial assets	-	-	-	-	-	-	16	46
Assets held for sale	-	-	-	-	-	-	277	1,798
<b>Total current assets</b>	<b>4,699</b>	<b>6,208</b>	<b>2,070</b>	<b>1,743</b>	<b>55,777</b>	<b>34,879</b>	<b>282,426</b>	<b>327,438</b>
<b>Non-current Assets</b>								
Receivables	-	-	-	675	-	-	-	675
Other financial assets	-	-	-	-	-	-	-	-
Property plant and equipment	42,993	42,258	29	19	-	-	3,676,436	3,322,165
Intangible assets	9,824	10,320	-	-	-	-	186,185	181,247
Investments accounted for under the equity method	-	-	-	-	-	-	-	-
<b>Total Non-current assets</b>	<b>52,817</b>	<b>52,578</b>	<b>29</b>	<b>694</b>	<b>-</b>	<b>-</b>	<b>3,862,621</b>	<b>3,504,087</b>
<b>Total Assets</b>	<b>57,516</b>	<b>58,786</b>	<b>2,099</b>	<b>2,437</b>	<b>55,777</b>	<b>34,879</b>	<b>4,145,047</b>	<b>3,831,525</b>
<b>Current liabilities</b>								
Payables	1,916	1,605	403	1,155	1,137	385	142,559	194,529
Provisions	-	-	-	-	-	-	-	-
Other provisions	6,731	4,704	343	380	5,746	2,345	58,675	52,759
Other	-	13	57	-	9,408	-	10,580	1,724
<b>Total current liabilities</b>	<b>8,647</b>	<b>6,322</b>	<b>803</b>	<b>1,535</b>	<b>16,291</b>	<b>2,730</b>	<b>211,814</b>	<b>249,012</b>
<b>Non-current liabilities</b>								
Borrowings	-	-	-	-	-	-	192,292	76,539
Provisions	-	-	-	-	-	-	-	-
Other provisions	772	386	175	675	148	26	12,744	11,628
<b>Total non-current liabilities</b>	<b>772</b>	<b>386</b>	<b>175</b>	<b>675</b>	<b>148</b>	<b>26</b>	<b>205,036</b>	<b>88,167</b>
<b>TOTAL LIABILITIES</b>	<b>9,419</b>	<b>6,708</b>	<b>978</b>	<b>2,210</b>	<b>16,439</b>	<b>2,756</b>	<b>416,850</b>	<b>337,179</b>
<b>Net Assets</b>	<b>48,097</b>	<b>52,078</b>	<b>1,121</b>	<b>227</b>	<b>39,338</b>	<b>32,123</b>	<b>3,728,197</b>	<b>3,494,346</b>
<b>Administered Expenses And Income **</b>								
<b>Administered Expenses</b>								
Transfer payments	-	-	-	-	156,896	48,429	156,896	96,133
<b>Total Administered Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,896</b>	<b>48,429</b>	<b>156,896</b>	<b>96,133</b>
<b>Administered Income</b>								
Transfer receipts	-	-	-	-	-	-	-	-
Consolidated Fund	-	-	-	-	-	-	-	-
Taxes, fees and fines	-	-	-	-	-	-	-	-
<b>Total Administered Incomes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered Income less Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156,896)</b>	<b>(48,429)</b>	<b>(156,896)</b>	<b>(96,133)</b>

\* The names and purposes of each service group are summarised in Note 7.

\*\* Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.

Summary of Compliance with financial directives for the year ended 30 June 2012

Consolidated	2012				2011			
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000
<b>ORIGINAL BUDGET APPROPRIATION / EXPENDITURE</b>								
Appropriation Act	922,868	922,868	37,437	37,437	395,533	383,903	4,534	7,488
Additional Appropriations	-	-	-	-	(100)	(100)	-	-
s 24 PF&AA - transfers of functions into departments	158	158	391	391	113,229	95,682	14,191	14,191
s 24 PF&AA - transfers of functions out of departments	-	-	-	-	(23,727)	(23,727)	-	(79)
S 33 Appropriations Act - transfers from another agency	17,517	15,375	-	-	-	-	-	-
	<b>940,543</b>	<b>938,401</b>	<b>37,828</b>	<b>37,828</b>	<b>484,935</b>	<b>455,758</b>	<b>18,725</b>	<b>21,600</b>
<b>Other Appropriations / Expenditure</b>								
Treasurer's Advance	400	400	-	-	15,911	15,871	5,867	-
Transfers in under s45 (3) of the Appropriation Act	-	-	-	-	75,600	75,600	-	-
Transfers out under s45 (3) of the Appropriation Act	-	-	-	-	(40,000)	(40,000)	-	-
Treasurer's approved adjustment	(31,962)	(40,286)	(832)	(832)	-	-	75	75
Transfers to / from another agency (s28 of the Appropriation Act)	-	-	-	-	-	-	-	-
Treasurer's approved adjustment	(31,562)	(39,886)	(832)	(832)	51,511	51,471	5,942	75
<b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	<b>908,981</b>	<b>898,515</b>	<b>36,996</b>	<b>36,996</b>	<b>536,446</b>	<b>507,229</b>	<b>24,667</b>	<b>21,675</b>
<b>Amount draw down against Appropriation</b>		<b>908,946</b>		<b>36,996</b>		<b>502,730</b>		<b>18,800</b>
<b>Liability to Consolidated Fund*</b>		<b>10,431</b>		<b>-</b>		<b>4,499</b>		<b>2,875</b>

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).  
\*The Liability to Consolidated Fund represents the difference between the "Amount drawn against appropriation" and the "Total expenditure/Net claim on Consolidated Fund" for the year. The Liability to Consolidated Fund relates to the appropriation made to the Premier.

## Notes to the Financial statements for the year ended 30 June 2012

**1 Summary of Significant Accounting Policies****(a) Reporting entity**

The Department of Premier and Cabinet (DPC) is a NSW government entity. The DPC is a not-for-profit entity (as profit is not its principal objective). The DPC is consolidated as part of the NSW Total State Sector Accounts.

In the process of preparing the consolidated financial statements for the economic entity all inter entity transactions and balances have been eliminated.

Under the Public Sector Employment and Management (Public Service Commission and Other Matters) Order 2011, staff of the Public Sector Workforce Branch except those principally involved in the exercise of industrial relations were removed from the DPC and added to the Public Service Commission. The effective date of the transfer was 1 November 2011.

On 29 February 2012 the Public Sector Employment and Management (Office of the Environment Protection Authority) Order 2012 established the Office of the Environment Protection Authority as a Division of the Government Service responsible to the Minister for the Environment. Under the Administrative Order, staff of the Office of Environment and Heritage in the DPC, who were employed to enable the EPA to exercise its functions were removed from the DPC and added to the Office of the EPA.

In the 2010/11 financial year, activities of the EPA were fully integrated within the DPC. As a statutory body, the EPA was always required to produce separate audited financial statements. The fair value of the expenditure of EPA was derived through an assessment by management of the resources consumed by the DPC to enable the EPA to discharge its obligations. A notional grant by the DPC was recognised as an offset.

The 2011/12 financial statements for the DPC do not include financial transactions of the modernised and independent the EPA from 1 July 2011.

The DPC includes employee related expenses and provisions for the Royal Botanic Gardens and Domains Trust, Lord Howe Island Board, Western Sydney Parklands Trust, Historic Houses Trust, Centennial Park and Moore Park Trust and Parramatta Park Trust. These are offset by income and receivables.

These financial statements for the year ended 30 June 2012 have been authorised for issue by the Director General on 27th September, 2012.

**(b) Basis of preparation**

The DPC's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Notes to the Financial statements for the year ended 30 June 2012

**(c) Statement of compliance**

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**(d) Administered activities**

The DPC administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities, but does not have the discretion, for example, to deploy the resources for the achievement of the DPC's own objectives.

Transactions and balances relating to the administered activities are not recognised as the DPC's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Income", "Administered Expenses", "Administered Assets" and "Administered Liabilities".

The accrual basis of accounting and all applicable accounting standards have been adopted.

**(e) Borrowing costs**

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with the Treasury's Mandate to not-for-profit general government sector agencies.

**(f) Insurance**

The DPC's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

**(g) Accounting for the Goods and Services Tax (GST)**

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

- the amount of GST incurred by the DPC as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

**(h) Income recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

**(i) Parliamentary appropriations and contributions**

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the DPC obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash. Appropriations are not recognised as income in the following circumstances:

- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in Note 20 as part of 'Current liabilities - Other'. The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note "Administered assets and liabilities".

**(ii) Sale of goods**

Revenue from the sale of goods is recognised as revenue when the DPC transfers the significant risks and rewards of ownership of the assets.

Notes to the Financial statements for the year ended 30 June 2012

**(iii) Rendering of services**

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

**(iv) Investment revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. Rental revenue is recognised in accordance with AASB 117 Leases on a straight line basis over the lease term.

**(v) Taxes, fines, regulatory fees and contributions**

Taxes, fines, regulatory fees and contributions collected by the DPC on behalf of the Crown are not recognised as revenues and are disclosed in the financial statements by way of a note only. Waste related levies and fees are shown net of rebates (refer note 30).

**(vi) Companion Animals**

Under the Guidelines sent out to Councils with Division of Local Government Circular 00/09, there is a requirement that councils pay to the Division monthly the total amount of Registration fees for transactions that have been successfully entered on the Companion Animals Register. Collections recorded in the Register by Councils at year end totalled \$5.6m (2011: \$6.0m), which is recorded as retained taxes, fees and fines.

A quarterly reimbursement is made to councils based on Register Reports for the quarter. A total of \$2.3 m (2011: \$5.9m) in expenses are recorded as other operating expenses and employee related expenses in the Statement of Comprehensive Income.

**(i) Assets**

**(i) Acquisitions of assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the DPC. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer – Note 1 (I)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset specific rate.

**(ii) Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

**(iii) Revaluation of property, plant and equipment**

Physical Non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07 1). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

**Notes to the Financial statements for the year ended 30 June 2012**

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

The DPC revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

<b>Asset category</b>	<b>Date of valuation</b>	<b>By whom</b>
Land - dedicated	30 June 2010	Land and Information, Valuation Services(i)
Land - non dedicated	30 June 2010	Land and Information, Valuation Services(i)
Buildings	30 June 2012	Land and Information, Valuation Services
Other amenities and facilities	30 June 2010	Sheldon Consulting Pty Ltd
Roads	30 June 2009	Sheldon Consulting Pty Ltd
Wharves	30 June 2009	Sheldon Consulting Pty Ltd
Utilities and other Infrastructure	30 June 2012	Sheldon Consulting Pty Ltd(ii)
Aircraft	30 June 2012	Rodney Hyman Asset Services Pty Ltd
Historical furniture and fittings	30 June 2012	Jonathan Alford Pty Ltd

(i) Land dedicated and non dedicated valuations are in accordance with the Guidelines for the valuation of physical non-current assets at fair value (TPP 07-01) and AASB 116 Property, Plant and Equipment.

(ii) Utilities and other Infrastructure valuations are based on state wide standard costs derived by OEH engineers.

**(iv) Impairment of property, plant and equipment**

As a not-for-profit entity, the DPC is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

**(v) Assets not able to be reliably measured**

The DPC holds certain assets that have not been recognised in the statement of financial position because the value of these assets cannot be measured reliably. These assets include a range of cultural artefacts and historic infrastructure.

**(vi) Depreciation of property, plant and equipment**

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the DPC.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. The decision not to recognise depreciation for these assets is reviewed annually.



**Notes to the Financial statements for the year ended 30 June 2012**

The following depreciation rates have been adopted:

*Buildings and improvements:*

The construction type of DPC buildings is used to determine the asset's useful life (from which a depreciation rate is derived). For example, historic buildings in use are deemed to have useful lives of between 40 and 100 years; visitors centres and staff residences 40 to 80 years, etc.

<b>Depreciation Rates</b>	<b>2012</b>
Plant and equipment	
Office furniture and fittings	10%
Computer equipment excluding the Division of Local Government	25%
General plant and equipment	14%
Leasehold improvements over the period of the lease	Various
Plant and equipment held by the Office of Environment and Heritage	6.67% to 25%
Roads and other access; utilities and other infrastructure	
Roads; car parks, fire trails, management trails and walking tracks:	
earthworks	0%
pavement	5%
Bridges	2%
Boat ramps and wharves, utilities and other infrastructure	5%

Except where bridges, boat ramps, wharves and utilities have been independently valued, an assessment of the useful life of each asset was carried out and the depreciation rate was derived accordingly.

*Amortisation of intangible assets*

The following amortisation rates have been adopted:

Software	10% to 33%
Water licences	0%

**(vii) Major inspection costs**

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

**(viii) Restoration costs**

The estimated cost of dismantling and removing an asset and restoring the site to the original condition is included in the cost of an asset, to the extent it is recognised as a liability.

**(ix) Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

**(x) Leased assets**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Under certain leases granted by the DPC, the lessee will maintain or improve the leased property, which, at the expiry of the lease, reverts to the ownership of the DPC. Alternatively, where land is leased, property may be built on the land by the lessee and at the expiry of the lease, ownership of the property transfers to the DPC.

Assets and improvements are brought to account by the DPC upon expiry of the lease, when actual ownership and control reverts to the DPC. Upon assumption of ownership, the asset will be included in the DPC asset register. Examples of such prospective assets include commercial buildings and infrastructure such as marinas and ski lifts (excluding associated plant and machinery) built by lessees on DPC property.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

Notes to the Financial statements for the year ended 30 June 2012

**(xi) Investment properties**

The DPC owns properties held to earn rentals and / or for capital appreciation. Investment properties are stated at fair value supported by market evidence at the statement of financial position date. Gains or losses arising from changes in fair value are included in the surplus / (deficit) for the year in the period in which they arise. No depreciation is charged on investment properties.

**(xii) Intangible assets**

The DPC recognises intangible assets only if it is probable that future economic benefits will flow to the DPC and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the DPC's intangible assets, the assets are carried at cost less any accumulated amortisation.

The DPC's intangible assets consist of software and water licences. Software is amortised using the straight line method over a period between 3 and 10 years. Water licences are issued under the *Water Management Act 2000* and the *Water Act 1912*. Licences purchased are reported at cost which equates to fair value.

Intangible water licence assets are not amortised.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

**(xiii) Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus / (deficit) for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(xiv) Inventories**

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or "first in first out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the DPC would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Shop stocks held for 12 months or more and considered to be unsaleable are regarded as obsolete and are expensed.

Generally, the quantum of inventory held is small. The DPC relies on end-of-year stock takes to identify shop stocks and inventory held for distribution for reporting purposes.

Notes to the Financial statements for the year ended 30 June 2012

(xv) **Investments**

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The DPC determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- **Fair value through profit or loss** – The DPC subsequently measures investments classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the DPC’s key management personnel.

Designation at fair value through profit or loss is consistent with the DPC’s Financial Arrangements and Investment Risk Policy.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item ‘investment revenue’.

The DPC has a T-Corp Hour-Glass facility which is considered to be level 2 as per AASB 7 Financial Instruments: Disclosures. Refer to fair value hierarchy under the financial instruments note to the financial statements (refer Note 26).

- **Held-to-maturity investments** – Non derivative financial assets with fixed or determinable payments and fixed maturity that the DPC has the positive intention and ability to hold to maturity are classified as “held to maturity”. These investments are measured at amortised cost using the effective interest method. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.
- **Available-for-sale investments** – Any residual investments that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in surplus / (deficit) for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the entity commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the statement of financial position date.

(xvi) **Impairment of financial assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as “available for sale” must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Notes to the Financial statements for the year ended 30 June 2012

**(xvii) De-recognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the DPC transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the DPC has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the DPC has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the DPC's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

**(xviii) Non-current assets (or disposal group) held for sale**

The DPC has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

**(xix) Trust funds**

The DPC receives monies in a trustee capacity for various trusts as set out in Note 6 as Transfer Payments. As the DPC performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the DPC's own objectives, these funds are not recognised in the financial statements.

**(xx) Other assets**

Other assets are recognised on a cost basis.

**(j) Liabilities**

**(i) Payables**

These amounts represent liabilities for goods and services provided to the DPC. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(ii) Borrowings**

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest method. Gains or losses are recognised in the surplus/(deficit) for the year on derecognition.

The finance lease liability is determined in accordance with AASB 117 Leases.

**(iii) Financial Guarantees**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised, less accumulated amortisation, where appropriate.

The DPC has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2012 and at 30 June 2011. However, refer Note 23 regarding disclosures on contingent liabilities.

Notes to the Financial statements for the year ended 30 June 2012

**(iv) Employee benefits and other provisions**

**(a) Salaries and wages, annual leave, sick leave and on costs**

Liabilities for salaries and wages (including non monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

**(b) Long service leave and superannuation**

The DPC's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The DPC accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

**(c) Other provisions**

Other provisions exist when: the DPC has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the DPC has a detailed formal plan and the DPC has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at an average of 2.6 per cent, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

**(k) Equity and reserves**

**(i) Revaluation Surplus**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the DPC's policy on the revaluation of property, plant and equipment as discussed in 1 (i) (iii).

**(ii) Accumulated funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.

**(iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. asset revaluation reserve).**

**Notes to the Financial statements for the year ended 30 June 2012**

**(l) Equity transfers**

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/ functions and parts thereof between NSW Public Sector agencies and 'equity appropriations' (refer Note 1 (h) (i)) are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit entities and for profit government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor government department immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the DPC recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the DPC does not recognise that asset.

**(m) Budgeted amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

**(n) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

As a result of the administrative restructure that occurred at 1 April 2011, 2012 figures are not directly comparable to 2011 figures.

**(o) New Australian Accounting Standards issued but not effective**

In the current year, the DPC has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policies notes in the financial statements.

June 2012 reporting period in accordance with the NSW Treasury mandate (TC 12/04), the DPC did not early adopt any of these accounting standards and interpretations that are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-8 regarding deferred tax
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans Tasman Convergence - RDR
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- AASB 2011-4 removing individual KMP disclosure requirements.

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that there will be no material impact.

Notes to the Financial statements for the year ended 30 June 2012

**2 Expenses Excluding Losses**

	2012 \$'000	2011 \$'000
<b>(a) Employee related expenses</b>		
Salaries and wages (including recreation leave)	408,392	177,017
Superannuation – defined benefit plans	10,804	4,376
Superannuation – defined contribution plans	30,197	11,881
Long service leave	32,117	2,947
Workers' compensation insurance	7,719	2,234
Payroll tax and fringe benefit tax	29,784	13,428
Redundancy payments	4,947	7,006
Other	958	2,488
	<b>524,918</b>	<b>221,377</b>
<b>(b) Other operating expenses include the following:</b>		
Auditor's remuneration – audit of financial statements	458	339
Bad and doubtful debts	49	-
Community events	2,675	6,695
Committee fees and expenses	437	512
Consultancy costs	4,733	5,772
Corporate services	9,353	10,479
Contractor – projects	70,050	36,108
Cost of sales	7,719	237
Expenses capitalised	(650)	(838)
Fees for services rendered	24,868	19,408
Insurance	16,041	4,539
Payments to NSW Government agencies	14,406	7,108
Legal costs	1,959	467
Motor vehicle expenses	1,633	1,835
Operating lease rental expense – minimum lease payments	33,039	24,512
Printing	-	115
Telephone and communication costs	5,083	3,032
Rental expense relating to operating leases	-	21
Stores and minor assets	13,506	6,978
Training (staff development)	4,597	2,398
Travel costs	7,484	4,373
Other expenses	5,794	6,944
Purchase of water licenses under the control of OEH	-	46
Other occupancy costs	11,454	5,991
Energy costs	3,226	814
Fleet costs	16,388	4,039
Information dissemination	8,867	6,012
Companion Animals Payment	5,797	5,965
Impairment of assets and bad debts	1,029	19
Water Licence – non capital purchase	115	3,934
Penalty charge	950	-
Maintenance expenses*	31,041	15,163
	<b>302,101</b>	<b>183,017</b>
* Reconciliation Total maintenance		
Maintenance expense – contracted labour and other (non employee related), as above	31,041	15,163
Employee related maintenance expense included in Note 2 (a)	53,325	6,617
Total maintenance expenses included in Note 2 (a) + 2 (b)	<b>84,366</b>	<b>21,780</b>

Notes to the Financial statements for the year ended 30 June 2012

	2012 \$'000	2011 \$'000
<b>(c) Depreciation and amortisation expense</b>		
Depreciation		
Buildings and improvements	12,303	3,172
Furniture and fittings	3,736	650
Plant and Equipment	13,357	4,241
Roads and other access	27,009	8,784
Utilities and other infrastructure	9,435	2,518
Total Depreciation	65,840	19,365
Amortisation		
Leasehold improvements	1,407	1,412
Intangible assets	10,877	3,687
Total depreciation and amortisation	78,124	24,464
<b>(d) Grants and subsidies</b>		
Federal Government	9,273	2,084
NSW Government*	270,030	199,046
Local government	14,496	14,766
Waste performance improvement payments	-	1,153
Energy Savings Fund	5,262	3,340
Water Savings Fund	1,636	2,356
Non-government organisations	18,722	8,052
Aboriginal Trust Fund Repayment Scheme	5,491	5,126
Grants to external organisations	2,734	10,512
Miscellaneous grants approved by the Premier	1,509	13,819
Other	5	20
Pensioner Rebates	76,362	73,898
Regional and Rural Miscellaneous grants	668	672
*The above includes \$211,892,057 (2011: \$138,253,239) expenditure relating to Solar Bonus Reimbursement Scheme	406,188	334,844
<b>(e) Finance costs</b>		
Interest expense from financial liabilities not at fair value through profit or loss	4,747	748
	4,747	748



Notes to the Financial statements for the year ended 30 June 2012

**3 Revenue**

	2012 \$'000	2011 \$'000
<b>(a) Appropriations</b>		
<b>Recurrent appropriations</b>		
Total recurrent drawdowns from the NSW Treasury (per Summary of compliance)	908,946	502,730
Less: Appropriation transferred to EPA	(101,291)	-
Less: Liability to Consolidated Fund (per Summary of compliance)	(10,431)	-
	<b>797,224</b>	502,730
Comprising:		
Recurrent appropriations (per Statement of comprehensive income)	640,326	406,597
Transfer payments	156,898	96,133
	<b>797,224</b>	502,730
<b>Capital appropriations</b>		
Total capital drawdowns from the NSW Treasury (per Summary of compliance)	38,292	18,800
Less: Appropriation paid to EPA	(1,296)	-
	<b>36,996</b>	18,800
Comprising:		
Capital appropriations (per Statement of comprehensive income)	36,996	18,800
	<b>36,996</b>	18,800
<b>(b) Sale of goods and services</b>		
Annual and day entry	16,392	2,603
Camping fees	9,612	2,044
Sale of assets under \$5,000	55	6
Sale of publications and stock	2,457	545
Community service	3,477	98
Hire of facilities	1,443	202
Miscellaneous park service	3,302	716
Minor user charges	4,654	1,309
Training / seminars	217	939
Functions & Events	342	508
Other	2,106	2,016
Advertising	7,875	447
	<b>51,932</b>	11,433
<b>(c) Investment revenue</b>		
Interest revenue from financial assets at fair value through profit or loss	14,417	4,228
Lease and rental of premises	18,515	3,237
TCorp Hour-Glass Investment Facilities designated at fair value through profit or loss	1,778	505
	<b>34,710</b>	7,970

Notes to the Financial statements for the year ended 30 June 2012

	2012 \$'000	2011 \$'000
<b>(d) Retained taxes, fees and fines</b>		
Licence and permits	994	253
Kangaroo and other royalties	1,143	210
Companion Animals registration fees	6,156	6,071
Fees Water Use Management	3,646	-
EPA Corporate support	21,278	-
Parking, court and other	1,994	282
	<b>35,211</b>	<b>6,816</b>
<b>(e) Grants and contributions</b>		
Commonwealth government	24,014	8,608
NSW Government	220,218	64,050
Local Government	1,683	1,063
Contributed assets	387	112
Other state governments	529	594
Private sector	7,510	3,043
Public trading entities	-	280
Asset recognised first time	5,506	-
	<b>259,847</b>	<b>77,750</b>
<b>(f) Personnel services</b>		
Personnel services income	80,025	12,305
	<b>80,025</b>	<b>12,305</b>
<b>(g) Acceptance by the Crown Entity of employee benefits and other liabilities</b>		
Superannuation - defined benefit	9,980	4,344
Long service leave	28,495	3,522
Payroll tax on superannuation	607	239
	<b>39,082</b>	<b>8,105</b>
<b>(h) Other revenue</b>		
Insurance recoveries	5,392	1,989
Motor Services Unit recovery	-	187
Miscellaneous	5,458	1,164
	<b>10,850</b>	<b>3,340</b>
<b>(g) Revenue forgone</b>		
The DPC does not include park use fees which is waived through concessions such as free and discounted park-use permits provided to certain groups, including pensioners, volunteer fire-fighters, etc.		

Notes to the Financial statements for the year ended 30 June 2012

**4 Gain/(Loss) on Disposal**

	2012 \$'000	2011 \$'000
Proceeds from disposal of property, plant and equipment		
Land and buildings	2,127	1
Plant and equipment	403	217
Written down assets disposed	(4,862)	(575)
Net gain / (loss) on disposal of plant and equipment	<b>(2,332)</b>	<b>(357)</b>

**5 Conditions on Contributions**

The DPC received contributions for specific purposes, e.g. restoration works or scientific research projects. The amount received during the year was \$247.395 million. Contributions received during the year include climate change funds of \$192.596 million.

Usually the conditions imposed upon the DPC stipulate that grants provided are required to be spent on the specific project for which the funds are provided. Generally any funds that are not used on the specific project must be refunded to the donor body.

The DPC also conducts research projects on behalf of a wide range of donor bodies. These bodies provide funds that are restricted to use on projects specified by the donor body. Strict terms and conditions can apply to the use of these funds. Any unspent funds can be returned to the donor bodies.

No externally imposed financial restrictions are operable in respect of the DPC's assets (except cash) as a result of such contributions. In the case of research grants, assets of an intangible nature (e.g. intellectual property) may ensue. Due to the immateriality, all costs incurred are expensed.

The contributions which were unexpended as at 30 June 2012 were \$141.443 million. Contributions which are unexpended at the balance date are considered to be restricted assets (refer note 15).

**6 Transfer Payments**

The funding for the following is included in the annual budget allocation for the DPC. These funds are transferred to these agencies progressively during the year, in accordance with their projected cash requirements.

	2012 \$'000	2011 \$'000
Nature Conservation Trust	905	650
Lord Howe Island Board	1,482	-
Centennial Parklands and Moore Park Trust	4,324	-
Historic Houses Trust	21,358	4,743
Parramatta Park Trust	3,032	-
Western Sydney Parklands Trust	5,000	-
Zoological Parks Board	15,987	42,736
Jenolan Caves Trust	550	300
Events NSW Pty Ltd	-	47,704
Infrastructure NSW	10,900	-
Environmental Trust	58,967	-
Royal Botanic Gardens	29,643	-
Natural Resource Commission	4,750	-
	<b>156,898</b>	<b>96,133</b>

Notes to the Financial statements for the year ended 30 June 2012

## 7 Service Groups of the DPC

**(a) Service Group 1: NSW 2021 Plan Leadership and Support**

This service group covers the provision of leadership and support in implementing the *NSW 2021 Plan*. Services include working with government agencies to support the development of agency action plans and helping develop performance measurement systems to deliver results against targets.

**(b) Service Group 2: Economic and Regional Coordination**

This service group covers the support of major government and non-government initiatives that aid major investment and infrastructure development in New South Wales. This service group seeks to expedite the delivery of key government infrastructure projects, and the strategic management of projects and issues, often involving multiple stakeholders, across regional and metropolitan New South Wales.

**(c) Service Group 3: Services and Capabilities Improvement**

This service group covers the enhancement of Public Sector service delivery performance. It involves undertaking agency, program, functional and major structural reviews of multiple agencies, developing sector-wide management improvement strategies, and helping agencies to resolve complex industrial relations and staff matters.

**(d) Service Group 4: Policy Support**

This service group covers the provision of integrated, sector-wide policy advice, counsel and legislative support services.

**(e) Service Group 5: Administrative Support for Government**

This service group covers a range of administrative and coordination functions to support the Governor, Premier, Executive Government, Cabinet and Remuneration Tribunals, managing State protocol, coordinating special events, providing logistic and information services, supporting special inquiries, and delivering corporate governance and support services.

**(f) Service Group 6: Capacity Building, Oversight and Provision of Advice for Local Government**

This service group covers programs, resources, policy, guidelines and information provided to strengthen the capacity of local government to meet community needs.

**(g) Service Group 7: Pensioner Rebate Scheme**

This service group covers the Pensioner Rebate Scheme, which provides rebates to local councils of up to 55 per cent of eligible pensioner council rates.

**(h) Service Group 8: Companion Animals Program**

This service group covers the Companion Animals Program. This program regulates the ownership, care and management of companion animals by maintaining a record of registered cats and dogs, and promoting the appropriate care and management of companion animals.

**(i) Service Group 9: Environment and Heritage Policy and Programs**

This service group leads the State's delivery of policy and programs for water and energy efficiency, waste and sustainability, native vegetation, biodiversity and landscape conservation, environment protection, environmental water management, floodplain management and coastal protection. It develops and manages private land conservation programs, such as the Biobanking Scheme, as well as Riverbank and other environmental water recovery programs. The service group also identifies and assesses heritage items in New South Wales.

**(j) Service Group 10: Environment Protection and Regulation**

This service group is responsible for managing land within the protected area reserve system to conserve native plants, animals, ecosystems and significant cultural values. It provides opportunities for people to access and enjoy a wide variety of landscapes and unique visitor experiences across the State. The service group controls pests and weeds, suppresses and manages fires, and manages Aboriginal and historic heritage sites. It partners with Aboriginal communities and other members of the broader community in delivering conservation outcomes. It also protects and manages native wildlife, by providing information, education and a regulatory system that includes licensing. This function was transferred out of the DPC and added to the Office of the EPA. Refer note 21.

Notes to the Financial statements for the year ended 30 June 2012

**(k) Service Group 11: Parks and Wildlife**

This service group acquires land and manages land and water as parks and protected areas. Within the reserve system, the service group conserves and manages natural and cultural heritage, provides opportunities and experiences for visitors to enjoy parks and other protected areas, controls pests and weeds, suppresses and manages fires, and manages Aboriginal and historic heritage sites, including buildings of significance. The service group also partners with Aboriginal communities and private landholders for conservation outcomes. It also protects and manages native wildlife across New South Wales, including through licensing.

**(l) Service Group 12: Culture and Heritage**

This service group works with government, Aboriginal communities and private and public landholders to manage and conserve Aboriginal cultural heritage. It develops policies, strategies, programs and systems that support Aboriginal participation in the management of their traditional lands, waters and natural resources. The service group also provides technical services for the conservation of cultural heritage within parks, reserves and botanic gardens and administers the statutory Aboriginal Cultural Heritage Advisory Committee and the Aboriginal Heritage Information Management System.

**(m) Service Group 13: Scientific Services**

This service group provides scientific advice, research, monitoring, analysis, and reporting on a range of climate change, natural resource, and environmental and pollution matters. It manages, interprets and communicates environmental information to underpin regulatory and planning processes, and to inform internal and external decision making. It also provides laboratory and analytical services to support environment protection, conservation and natural resource programs, and emergency services.

**(n) Service Group 14: Communications and Advertising**

This service group is responsible for the setting and administration of government advertising policy. It saves money for agencies in media buying and placement by managing whole-of-government contracts. This service group is also responsible for managing the approval process for proposed government advertising activity and publishing the central website portal and the Government Gazette.

**8 Current Assets – Cash and Cash Equivalents**

	2012 \$'000	2011 \$'000
Cash at bank and on hand	197,993	242,502
Cash at the Treasury Corporation	35,027	36,408
Closing cash and cash equivalents (as per statement of cash flows)	<b>233,020</b>	278,910

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	<b>233,020</b>	278,910
Closing cash and cash equivalents (per statement of cash flows)	<b>233,020</b>	278,910

Refer Note 26 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Notes to the Financial statements for the year ended 30 June 2012

**9 Current Assets – Receivables**

	2012 \$'000	2011 \$'000
Current Receivables		
Sale of goods and services	22,792	22,143
Less: Allowance for impairment	(3,217)	(2,247)
Goods and Services Tax recoverable from ATO	9,099	9,935
Prepayments	2,287	1,907
Accrued income	15,441	12,907
Other receivables	1,009	664
Retained taxes, fees and fines	830	776
	<b>48,446</b>	45,996
Movement in the allowance for impairment		
Balance at 1 July	2,247	196
Debts written off during the year	(70)	(259)
Amounts recovered during the year	11	(60)
Amount transferred in due to administrative restructure	-	2,291
Increase / (decrease) in allowance recognised in profit or loss	1,029	79
	-	-
	<b>3,217</b>	2,247

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 26.

**10 Current Assets – Inventories**

Held for resale		
Finished goods		
Finished goods – shop stocks at cost	667	688
	<b>667</b>	688

**11 Current Assets – Financial Assets at Fair Value**

TCorp Hour Glass investment facilities	-	30
	-	30

Refer to Note 26 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

**12 Current Assets – Other Financial Assets**

Other loans and deposits	16	16
	<b>16</b>	16

Refer to Note 26 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Notes to the Financial statements for the year ended 30 June 2012

**13 Non-Current Assets Held for Sale**

	2012 \$'000	2011 \$'000
Land and buildings	277	1,798
	<b>277</b>	<b>1,798</b>

**14 Non-Current Assets – Property, Plant and Equipment**

	Land and Buildings	Plant and Equipment	Infra- structure Systems	Total
<b>At 1 July 2011 – fair value</b>				
Gross carrying amount	2,420,073	199,506	1,537,170	4,156,749
Accumulated depreciation and impairment	(235,035)	(121,983)	(477,566)	(834,584)
Net carrying amount	2,185,038	77,523	1,059,604	3,322,165
<b>At 30 June 2012 – fair value</b>				
Gross carrying amount	2,477,482	208,974	1,997,859	4,684,315
Accumulated depreciation and impairment	(250,700)	(130,635)	(626,544)	(1,007,879)
Net carrying amount	2,226,782	78,339	1,371,315	3,676,436

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

**Year ended 30 June 2012**

Net carrying amount at start of year	2,185,038	77,523	1,059,604	3,322,165
Additions	24,385	18,882	10,870	54,137
Disposals	(2,051)	(446)	(773)	(3,270)
Acquisitions through administrative restructures	(3,774)	(684)	(127)	(4,585)
Net revaluation increment less revaluation decrements	28,631	1,536	339,259	369,426
Transfers in/(out)	978	(11)	(1,074)	(107)
Assets recognised first time	5,491	15	-	5,506
Depreciation expense	(12,303)	(18,499)	(36,444)	(67,246)
Other movements	387	23	-	410
Net carrying amount at end of year	2,226,782	78,339	1,371,315	3,676,436
<b>At 1 July 2010 – fair value</b>				
Gross carrying amount	-	12,437	-	12,437
Accumulated depreciation and impairment	-	(9,248)	-	9,248
Net carrying amount	-	3,189	-	21,685
<b>At 30 June 2011 – fair value</b>				
Gross carrying amount	2,420,073	199,506	1,537,170	4,156,749
Accumulated depreciation and impairment	(235,035)	(121,983)	(477,566)	(834,584)
Net carrying amount	2,185,038	77,523	1,059,604	3,322,165

Notes to the Financial statements for the year ended 30 June 2012

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below.

	<b>Land and Buildings</b>	<b>Plant and Equipment</b>	<b>Infra- structure Systems</b>	<b>Total</b>
<b>Year ended 30 June 2011</b>				
Net carrying amount at start of year	-	10,850	-	10,850
Additions	7,926	8,613	5,076	21,615
Disposals	(173)	(273)	(218)	(664)
Acquisitions through administrative restructures	2,183,491	66,025	1,049,608	3,299,124
Net revaluation increment less revaluation decrements	(1,584)	-	16,488	14,904
Admin restructure?	108	-	-	108
Depreciation expense	(3,172)	(6,304)	(11,301)	(20,777)
Transfers in/(out)	128	(1,388)	(49)	(1,309)
Transfers to current assets	(1,798)	-	-	(1,798)
Other movements - free of cost	112	-	-	112
Net carrying amount at end of year	2,185,038	77,523	1,059,604	3,322,165

The DPC also continues to derive service potential and economic benefit from some fully depreciated assets that have not been revalued this financial year. The impact of valuation is likely to be minimal as most fully depreciated assets are likely to be in poor condition and therefore may or may not have zero value.



## Notes to the Financial statements for the year ended 30 June 2012

**15 Intangible Assets**

	Software at Fair value	Software at cost	Water licence at Fair Value	Total
<b>At 1 July 2011</b>				
Intangibles	66,251	9,904	155,729	231,884
Accumulated amortisation and impairment	(43,612)	(7,025)	-	(50,637)
Net carrying amount	22,639	2,879	155,729	181,247
<b>At 30 June 2012</b>				
Intangibles	75,684	9,630	161,285	246,599
Accumulated amortisation and impairment	(53,025)	(7,389)	-	(60,414)
Net carrying amount	22,659	2,241	161,285	186,185
<b>Year ended 30 June 2012</b>				
Net carrying amount at start of year	22,639	2,879	155,729	181,247
Additions	9,930	919	5,624	16,473
Transfers in/out	16	(749)	-	(733)
Net revaluation decrement	-	-	(68)	(68)
Acquisitions through administrative restructures	(185)	-	-	(185)
Amortisation (recognised in "Depreciation and amortisation")	(9,741)	(1,136)	-	(10,877)
Other	-	328	-	328
Net carrying amount at end of year	22,659	2,241	161,285	186,185
<b>At 1 July 2011</b>				
Intangibles	-	7,336	-	7,336
Accumulated amortisation and impairment	-	(4,623)	-	(4,623)
Net carrying amount	-	2,713	-	2,713
<b>At 30 June 2011</b>				
Intangibles	66,251	9,904	155,729	231,884
Accumulated amortisation and impairment	(43,612)	(7,025)	-	(50,637)
Net carrying amount	22,639	2,879	155,729	181,247
<b>Year ended 30 June 2011</b>				
Net carrying amount at start of year	-	2,713	-	2,713
Additions	6,216	5,046	1,210	12,472
Acquisition through Administrative Restructure	18,604	359	154,519	173,482
Amortisation (recognised in "Depreciation and amortisation")	(2,540)	(1,147)	-	(3,687)
Other movements due to administrative restructure	359	(4,092)	-	(3,733)
Net carrying amount at end of year	22,639	2,879	155,729	181,247

The DPC also continues to derive service potential and economic benefit from some fully amortised assets that have not been revalued this financial year. The impact of valuation is likely to be minimal as most fully depreciated assets are likely to be obsolete and therefore may or may not have zero value.

Notes to the Financial statements for the year ended 30 June 2012

**16 Restricted Assets**

	2012 \$'000	2011 \$'000
<b>Current</b>		
Cash at TCorp	23,616	25,529
Climate Change Fund - existing commitments	49,683	18,722
Climate Change Fund - solar bonus schemes	36,594	106,000
Other contributions	31,550	36,562
	141,443	186,813

The above amounts are recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.

Cash as TCorp represents unspent funds provided by Snowy Hydro Ltd to assist with the remediation of sites formerly occupied by that organisation.

The DPC has a wide range of assets under its control, such as historic buildings, dedicated land and specified sites, which are subject to restrictions on their use by virtue of the *National Parks and Wildlife Act 1974*. These restrictions include disposal of the asset or, under certain circumstances, exploitation for financial or economic gain. Additional restrictions may be brought to bear by the DPC's stakeholders as well as other legislation governing the use of historic sites and buildings.

**17 Current Liabilities - Payables**

	2012 \$'000	2011 \$'000
<b>Payables</b>		
Accrued salaries, wages and on-costs	10,189	10,549
Creditors	128,987	177,996
Unearned revenue	1,674	4,910
Redundancies	1,709	-
	142,559	193,455

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 26.

## Notes to the Financial statements for the year ended 30 June 2012

**18 Current/Non-Current Liabilities – Borrowings**

	2012 \$'000	2011 \$'000
<b>Non-current</b>		
The Treasury advances repayable – interest bearing	56,149	53,103
The Treasury advances repayable – non-interest bearing – Solar Bonus Reimbursement Scheme	136,143	23,436
	<b>192,292</b>	<b>76,539</b>

The Solar Bonus Reimbursement Scheme is a scheme to promote small scale renewable energy infrastructure across NSW. The scheme is administered by DTIRIS and delivered by electricity Distribution Network Services Providers (DNPSs) under the *Electricity Supply Act 1995*. The DNPSs (through electricity retailers) are responsible for the metering and payments to the owners of the small scale renewable energy infrastructure. The bulk of this is in the form of small scale (up to 10 kilowatts) solar panel systems on residential dwellings. Government decision during 2011 has seen the Climate Change Fund (which is administered by OEH under the *Energy and Utilities Administration Act 1987*) as the mechanism for reimbursing the DNPSs costs incurred under the Solar Bonus Scheme (SBSRP). In order to meet the cost reimbursement requirements, the Treasury loan has been provided by the NSW Crown. This was in the form of an interest free advance for funding requirements from 2010/11 to 2013/14. The advance will then be fully repaid from additional CCF contributions levied on utility bills by 30 June 2017.

The Treasury advance repayable (non-interest bearing) is recognised at fair value, which is present value of future repayments, discounted by using the 10 year government bond rate. Additional amount borrowed, i.e. difference between the amount borrowed and the present value, is recognised as grant revenue. Unwinding of discount will be recognised as finance cost.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 26.

The repayable schedule of the interest bearing the Treasury repayable advances has been determined in the context of the State Infrastructure Strategy. No repayments are scheduled to commence within the next 12 months.

Although OEH did not have the power to borrow funds (i.e. loans) under the *Public Authorities (Financial Arrangements) Act 1987*, specific approval was given by the NSW Treasurer for these advances.

Notes to the Financial statements for the year ended 30 June 2012

**19 Current/Non-Current Liabilities – Provisions**

	2012 \$'000	2011 \$'000
<b>Current</b>		
Recreation leave	40,164	38,297
Long service leave on-costs	14,259	10,466
Payroll tax	1,300	1,178
Recreation leave on-costs	2,952	2,819
	<b>58,675</b>	52,760
<b>Non-current</b>		
Long service leave on-costs	813	1,264
Payroll tax	46	49
Restoration costs	11,885	10,315
	<b>12,744</b>	11,628
<b>Aggregate employee benefits and related on-costs</b>		
Provisions – current	58,675	52,759
Provisions – non-current	859	1,313
Accrued salaries, wages and on-costs (Note 17)	10,189	10,549
	<b>69,723</b>	64,621

The above includes employee benefits and related on-costs for The Royal Botanic Gardens and Domain Trust, Lord Howe Island Board, Western Sydney Parklands Trust, Historic Houses Trust, Centennial Park and Moore Park trust and Parramatta Park (refer to Note 1 (a)).

The value of employee benefits and related on-costs expected to be paid after 12 months is \$1,174,088.

The DPC's liabilities for long service leave are assumed by the Crown Entity. However the DPC has an obligation to meet the long service related on-costs.

**Movements in provisions (other than employee benefits)**

Movements in each class of provision during the financial year, other than employee benefits are set out below:

<b>Carrying amount at the beginning of financial year</b>		
Carrying amount at the beginning of financial year	10,315	5,094
Unwinding /change in discount rate	321	59
Amount transferred in due to administrative restructure	-	5,162
Unused amount reversed	(735)	-
Additional provisions recognised	1,984	-
<b>Carrying amount at end of financial year</b>	<b>11,885</b>	10,315

**20 Current / Non-Current Liabilities – Other**

	2012 \$'000	2011 \$'000
<b>Other – current</b>		
Liability to consolidated fund	10,431	-
Unamortised discount	-	134
Security deposits	63	1,590
Unearned revenue	73	1,073
Payable to the Crown	13	-
	<b>10,580</b>	2,797

Notes to the Financial statements for the year ended 30 June 2012

**21 Increase / Decrease in Net Assets From Equity Transfers**

Under the Public Sector Employment and Management (Public Service Commission and Other Matters) Order 2011, staff of the Public Sector Workforce Branch except those principally involved in the exercise of industrial relations were removed from the DPC and added to the Public Service Commission. The effective date of the transfer was 1 November 2011.

	<b>\$'000</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	1,357
Receivables	91
<b>Total current assets</b>	<b>1,448</b>
<b>Non-current assets</b>	
Property, plant and equipment	
– Plant and equipment	92
Total property, plant and equipment	92
Intangible assets	750
<b>Total non-current assets</b>	<b>842</b>
<b>Total assets</b>	<b>2,290</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Payables	784
Provision	890
<b>Total current liabilities</b>	<b>1,674</b>
<b>Non-current liabilities</b>	
Borrowings	-
Provision	-
Other	-
<b>Total non-current liabilities</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,674</b>
<b>Net assets</b>	<b>616</b>

On 29 February 2012 the Public Sector Employment and Management (Office of the Environment Protection Authority) Order 2012 established the Office of the Environment Protection Authority (EPA) as a Division of the Government Service responsible to the Minister for the Environment. This resulted in the formal creation of the Office of the EPA as a separate entity. Under the Administrative Order, staff in the Office of Environment and Heritage Division of the DPC who were employed to enable the EPA to exercise its functions were removed from the DPC and added to the Office of the EPA.

Assets and liabilities assigned to EPA by the Office of Environment and Heritage (OEH) were transferred to EPA as at 1 July 2011.

Notes to the Financial statements for the year ended 30 June 2012

\$'000

**ASSETS**

**Current assets**

Cash and cash equivalents

3,637

Receivables

12

**Total current assets**

**3,649**

Property, plant and equipment

- Land and building

4,138

- Plant and equipment

636

Total property, plant and equipment

4,774

Intangible assets

84

**Total non-current assets**

**4,858**

**Total assets**

**8,507**

**LIABILITIES**

**Current liabilities**

Provision

3,356

**Total current liabilities**

**3,356**

**Total liabilities**

**3,356**

**Net assets**

**5,151**

**Other administrative restructures**

Transfers of land and associated infrastructure(to)/from other agencies, which were treated as "administrative restructures" are detailed below (refer Note 1):

**ASSETS**

**Department / Agency**

Asset transferred to DTIRIS - L&B

93

Asset transferred to DTIRIS - INFR

127

Asset transferred to DTIRIS - PP&E

48

Asset transferred to DTIRIS - Software

101

Land transferred from LPI

(156)

Land transferred from Roads and Maritime

(194)

Land transferred from Forests NSW

(107)

**Total assets**

**(88)**

**Equity transfers (other than land and associated infrastructure)**

Liabilities/Provision transferred to CMA (ex-NRMI) at 1.7.11

348

Net Asset/Liabilities transferred to DTIRIS (ex-MPA) at 1.7.11

(310)

Asset transferred to DTIRIS - Cash

88

124

**Total equity transfers (other than land and associated infrastructure)**

**124**

**Net assets**

**36**

**Other transfers**

Cash to the value of \$345,000 received in prior years relating the Tackling Violence Program was transferred out to the Department of Education and Communities.

Notes to the Financial statements for the year ended 30 June 2012

\$'000

**ASSETS**

**Current assets**

Cash and cash equivalents

345

**Total current assets**

**345**

**Net assets**

**345**

**22 Commitments for Expenditure**

2012  
\$'000

2011  
\$'000

**(a) Capital Commitments\***

Aggregate capital expenditure contracted for at balance date and not provided for:

Not later than one year

**520** 1,419

Total (including GST)

**520** 1,419

The expenditure above includes input tax credits of \$0.047 million (2011: \$0.129 million) that are expected to be recoverable from the ATO.

**(b) Operating Lease\*\* Commitments\***

Future non cancellable operating lease rentals not provided for and payable

Not later than one year

**46,738** 46,988

Later than one year and not later than five years

**75,881** 79,942

Later than five years

**2,423** 608

Total (including GST)

**125,042** 127,538

\*\* The operating lease commitments relate to leasing of office space and motor vehicles.  
The expenditure above includes input tax credits of \$11.367 million (2011: \$11.594 million) that are expected to be recoverable from the ATO.

**23 Contingent Liabilities and Contingent Assets**

**Contingent Liabilities**

**(a) Claims on the Treasury Managed Fund**

The DPC is a member of the NSW Treasury Managed Fund (TMF) self insurance scheme. The Fund manages a number of civil claims against the DPC in relation to negligence and public liability. As at 30 June 2012 these included: a civil law suit before Court of Appeal against judicial review in respect of suspected a Pesticides Act offence; a civil law suit claiming damage due to rezoning and development of land not approved; civil law suits arising in relation to the January 2003 bushfires in Canberra; civil law suits by individuals that have sustained injuries and/or damage to their personal property; and civil law suits involving claims for incidents that occurred within National Parks. It is not practical to estimate the financial effect of these claims. The DPC's insurable risk should adequately cover these claims.

**(b) Other claims**

There are a number of matters where litigation claims have been made against the DPC. The claims comprise of matters primarily relating to local government and the Minister for Local Government. The total contingent liabilities are estimated at \$169,000 (2011: \$139,000).

Other than the above, the DPC is not aware of any significant or material contingent liability in existence at 30 June 2012 or which has emerged subsequent to this date, which may materially impact on the financial position of the DPC as shown in the financial statements.

Notes to the Financial statements for the year ended 30 June 2012

## 23 Contingent Liabilities and Contingent Assets (cont.)

### Contingent assets

Apart from the civil claims managed by TMF disclosed above and reimbursement to the DPC from the NSW Fire Fighting Fund of its estimated liability for superannuation guarantee contribution (SGC) on incident payments, there are no other known contingent assets at balance date.

## 24 Budget Review

### Net Result

The actual net result of (\$129.4) million was higher than the budget of (\$259.9) million by \$130 million.

The variance was primarily due to lower actual expenditure than budgeted for the following:

1. Solar Bonus Reimbursement Scheme by \$82 million. The reduced expenditure was mainly due to lower than expected household connections and a reduction of \$22.9 million with change in accounting estimate (refer note 27).
2. Other projects under the climate change program by \$49.9 million. These projects include solar flagship program (deferred to future years) and recycling stormwater harvesting (deferred to future years).

### Assets and Liabilities

The actual net assets were \$3,728 million, higher than budget primarily due to revaluation increment of \$369 million for two classes of non current assets 'Land and buildings' and 'Infrastructure systems'.

### Cash flows

The actual cash balance of \$233 million was \$91 million higher than budgeted cash balance of \$142.4 million. The variance was primarily due to higher than budgeted accrual for Solar Bonus Reimbursement Scheme and lower than budgeted receivables.

## 25 Reconciliation of Cash Flows From Operating Activities to Net Cost of Services

	2012 \$'000	2011 \$'000
Net cash used on operating activities	(101,877)	(47,392)
Cash flows from Government / Appropriations	-	(474,043)
Acceptance by the Crown Entity of employee benefits and other liabilities	-	(8,105)
Net adjustments for equity transfer	(3,356)	23,016
Depreciation	(78,124)	(24,464)
Contributed assets	387	-
Decrease / (increase) in provisions	(6,314)	(46,070)
Increase / (decrease) in receivables	1,746	38,135
(Increase) / decrease in creditors	50,899	(179,698)
Net gain / (loss) on sale of plant and equipment	(2,332)	(357)
Decrease / (increase) in other liabilities	(6,834)	(2,754)
Increase/decrease in borrowings	10,888	76,539
Asset recognised for the first time	5,506	-
Decrease / (Increase) inventories	(20)	-
<b>Net result</b>	<b>(129,431)</b>	<b>(645,193)</b>



Notes to the Financial statements for the year ended 30 June 2012

## 26 Financial Instruments

The DPC's principal financial instruments are outlined below. These financial instruments arise directly from the DPC's operations or are required to finance the DPC's operations. The DPC does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The DPC's main risks arising from financial instruments are outlined below, together with the DPC's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the DPC, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Management Committee on a periodic basis.

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
<b>Class:</b>				
Cash and cash equivalents	8	Cash and cash equivalents	233,020	278,910
Receivables	9	Loans and receivables (at amortised cost)	37,060	34,287
Financial assets at fair value	11	At fair value through profit or loss - classified at held for trading	-	30
Other financial assets	12	Loans and receivables (at amortised cost)	16	16
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount 2012 \$'000</b>	<b>Carrying Amount 2011 \$'000</b>
<b>Class:</b>				
Payables	17	Financial liabilities measured at amortised cost	129,130	188,635
Borrowings	18	Financial liabilities measured at amortised cost	192,292	76,539

### (b) Credit Risk

Credit risk arises when there is the possibility of the DPC's debtors defaulting on their contractual obligations, resulting in a financial loss to the DPC. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the DPC, including cash, receivables and authority deposits. No collateral is held by the DPC. The DPC has not granted any financial guarantees.

Credit risk associated with the DPC's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average the NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour-Glass cash facility is discussed in paragraph (d) below.

Notes to the Financial statements for the year ended 30 June 2012

**26 Financial Instruments (cont.)**

**Receivables – trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer’s Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due.

This evidence includes past experience, current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 14 or 30 day terms.

The DPC is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are “sales of goods and services” in the “receivables” category of the Statement of Financial Position.

	<b>Total</b>	<b>\$'000 Past due but not impaired</b>	<b>Considered impaired</b>
<b>2012</b>			
< 3 months overdue	5,783	5,716	67
3 months – 6 months overdue	2,199	550	1,649
> 6 months overdue	2,406	905	1,501
<b>2011</b>			
< 3 months overdue	1,780	1,638	142
3 months – 6 months overdue	854	849	5
> 6 months overdue	4,104	2,005	2,099

**(c) Liquidity risk**

Liquidity risk is the risk that the DPC will be unable to meet its payment obligations when they fall due. The DPC continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The DPC’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer’s Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer’s Direction 219.01 allows the Minister to award interest for late payment. There were no late payment penalties paid by the DPC.

During current and prior years there were no defaults or breaches of any loans payable.

## Notes to the Financial statements for the year ended 30 June 2012

**26 Financial Instruments (cont.)**

The table below summarises the maturity profile of the DPC's financial liabilities, together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup>	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1 5 yrs	> 5 yrs
<b>2012</b>								
Accrued salaries, wages and on-costs	-	10,160	-	-	10,160	10,160	-	-
Creditors	-	118,970	-	-	118,970	118,970	-	-
Borrowings:								
Advances repayable	0.05	192,292	56,149	-	136,143	-	-	192,292
Total		321,422	56,149	-	265,273	129,130	-	192,292
<b>2011</b>								
Payables:								
Accrued salaries, wages and on-costs	-	10,549	-	-	10,549	10,549	-	-
Creditors	-	177,997	-	-	177,997	177,997	-	-
Advances repayable	7.00	76,539	53,103	-	23,436	-	-	76,539
Total		265,085	53,103	-	211,982	188,546	-	76,539

**(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The DPC's exposures to market risk are primarily through interest rate risk on the DPC's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The DPC has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the DPC operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2011. The analysis assumes that all other variables remain constant.

**(i) Interest rate risk**

Exposure to interest rate risk arises primarily through the DPC's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp.

The DPC does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

Notes to the Financial statements for the year ended 30 June 2012

**26 Financial Instruments (cont.)**

The DPC's exposure to interest rate risk is set out below.

Consolidated	Carrying Amount	Impact of 1% Increase		Impact of 1% Decrease	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2012</b>					
Financial assets					
Cash and cash equivalents	233,020	(2,330)	(2,330)	2,330	2,330
Receivables	37,060	(371)	(371)	371	371
Other financial assets	16	-	-	-	-
<b>Total</b>	<b>270,096</b>	<b>(2,701)</b>	<b>(2,701)</b>	<b>2,701</b>	<b>2,701</b>
Financial liabilities					
Payables	129,130	1,291	1,291	(1,291)	(1,291)
Borrowings	(192,292)	1,923	1,923	(1,923)	(1,923)
<b>Total</b>	<b>206,934</b>	<b>513</b>	<b>513</b>	<b>(513)</b>	<b>(513)</b>
<b>2011</b>					
Financial assets					
Cash and cash equivalents	278,910	(2,789)	(2,789)	2,789	2,789
Receivables	34,287	(343)	(343)	343	343
Financial assets at fair value	30	-	-	-	-
Other financial assets	16	-	-	-	-
<b>Total</b>	<b>313,243</b>	<b>(3,132)</b>	<b>(3,132)</b>	<b>3,132</b>	<b>3,132</b>
Financial liabilities					
Payables	188,635	-	-	-	-
Borrowings	76,539	-	-	-	-
<b>Total</b>	<b>578,417</b>	<b>(3,132)</b>	<b>(3,132)</b>	<b>3,132</b>	<b>3,132</b>

**(ii) Other price risk - TCorp Hour-Glass facilities**

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment facilities, which are held for strategic rather than trading purposes. The DPC has no direct equity investments. The DPC holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2012 \$'000	2011 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	<b>35,027</b>	36,438

Investment in the Hour-Glass facilities limits the DPC's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95 per cent probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

Notes to the Financial statements for the year ended 30 June 2012

**26 Financial Instruments (cont.)**

	Impact on profit/loss Change in unit price	2012 \$'000	2011 \$'000
Hour-Glass Investment - Cash facility	+/- 3.96%	10,748	8,129

**(e) Fair value compared to carrying amount**

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the DPC's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

Except where specified below, the amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments. The following table details the financial instruments where the fair value differs from the carrying amount:

**(f) Fair value recognised in the statement of financial position**

The DPC uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2012 Total \$'000
<b>Financial assets at fair value</b>				
TCorp Hour-Glass Invt. Facility	-	35,027	-	35,027
	-	35,027	-	35,027

The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

**Hour Glass Investment Facilities**

The DPC has investments in TCorp's Hour-Glass Investment facilities. The DPC's investments are represented by a number of units in managed investments within the facilities. Each facility has different investment horizons and comprises a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

The DPC's investments are:

	2012 \$'000	2011 \$'000
TCorp Hour-Glass Investment Facility	35,027	36,438
	35,027	36,438

Notes to the Financial statements for the year ended 30 June 2012

**27 Revision of accounting estimates**

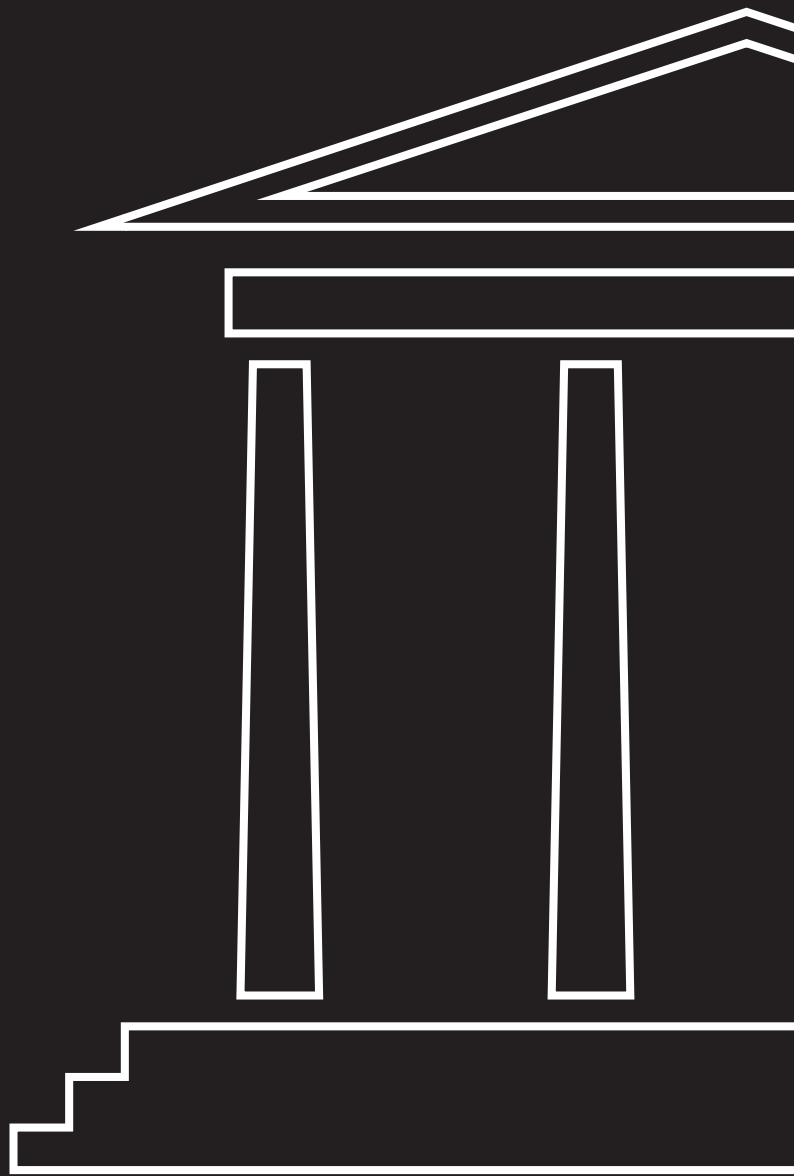
- (i) The DPC has adjusted the amount it over accrued in the 2010-11 financial year relating to the Solar Bonus Reimbursement Scheme. The accrual in 2010-11 was based on the available information to the DPC at the time. This change in estimate as a result of new information has reduced grant expenditure (note 2 (d)) by \$22.9 million in 2011-12. Change in this estimate will not have an impact on the expenditure in future years.
- (ii) The DPC has adjusted fair value of its asset class 'utilities' as at 30 June 2012. This asset class is included in the asset category 'infrastructure systems'. Increment in fair value represents change in accounting estimates and is largely attributable to better details and break-down of assets in this class, including their conditions, made available from the newly created data in the Asset Management System. The impact in the 2011/12 financial year from this change in the accounting estimate was an increase of \$279.7 million in the fair value of assets with a corresponding increase in the asset revaluation reserve. The DPC has also adjusted useful life estimates for this class of assets, which along with the fair value increment will have an impact on the depreciation expense in future years. This future impact is estimated at \$28.4m per annum.

**28 Events After the Reporting Period**

The DPC is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

In the 2012-13 year there will be a significant shift in the way the Office of Environment and Heritage will be organised to deliver the NSW Government's priorities. The new structure will establish a solid basis for the DPC to deliver policies and programs that support the community to protect and also enjoy our environment and heritage. It sets in place the ground work for the DPC to achieve budget saving strategies for coming years. These changes in the 2012/13 year do not have any impact on the 2011-12 financial statements.

**End of Department of Premier and Cabinet audited financial statements**



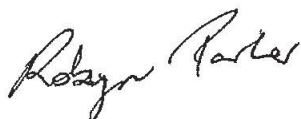
**Corporation Sole**  
**"Minister Administering the *Heritage Act 1977*"**

**STATEMENT BY THE MINISTER**

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, and in my capacity as Corporation Sole, titled "Minister Administering the *Heritage Act 1977*", I declare that in my opinion:

- a) the accompanying financial statements exhibit a true and fair view of the financial position of the Corporation Sole, "Minister Administering the *Heritage Act 1977*", as at 30 June 2012 and transactions for the year 1 July 2011 to 30 June 2012;
- b) the statements have been prepared in accordance with
  - Applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
  - the requirements of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**The Hon. Robyn Parker MP**





## INDEPENDENT AUDITOR'S REPORT

### Corporation Sole for the Minister Administering the Heritage Act

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Corporation Sole for the Minister Administering the Heritage Act (the Corporation), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

#### The Minister's Responsibility for the Financial Statements

The Minister is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Minister determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Minister, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Corporation
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

#### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

A handwritten signature in black ink, appearing to read 'Steven Martin'.

Steven Martin  
Director, Financial Audit Services

9 October 2012  
SYDNEY

Statement of Comprehensive Income for the year ended 30 June 2012

		ACTUAL	ACTUAL
	Notes	2012	2011
		\$'000	\$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Other operating expenses	2 (a)	390	280
Depreciation	2 (b)	69	69
Grants and subsidies	2 (c)	574	113
Other expenses	2 (d)	98	-
<b>Total expenses excluding losses</b>		<b>1,131</b>	<b>462</b>
<b>Revenue</b>			
Investment revenue	3 (a)	257	362
Retained fees	3 (b)	416	409
Other revenue	3 (c)	-	12
<b>Total revenue</b>		<b>673</b>	<b>783</b>
<b>Net Result</b>		<b>(458)</b>	<b>321</b>
<b>Other comprehensive income</b>			
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		-	(37)
<b>Total comprehensive income</b>		<b>(458)</b>	<b>284</b>

The accompanying notes form part of these financial statements

Statement of Financial Position for the year ended 30 June 2012

		ACTUAL	ACTUAL
		2012	2011*
	Notes	\$'000	\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,716	3,976
Receivables	5	117	135
Financial assets at fair value	6	1,957	1,995
<b>Total current assets</b>		<b>5,790</b>	<b>6,106</b>
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Land and buildings	7	3,989	4,058
<b>Total Property, plant and equipment</b>		<b>3,989</b>	<b>4,058</b>
<b>Total non-current assets</b>		<b>3,989</b>	<b>4,058</b>
<b>TOTAL ASSETS</b>		<b>9,779</b>	<b>10,164</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	9	80	57
<b>Total current liabilities</b>		<b>80</b>	<b>57</b>
<b>Non-current liabilities</b>			
Other	10	50	-
<b>Total non-current liabilities</b>		<b>50</b>	
<b>TOTAL LIABILITIES</b>		<b>130</b>	<b>57</b>
<b>NET ASSETS</b>		<b>9,649</b>	<b>10,107</b>
<b>EQUITY</b>			
Asset revaluation reserve		3,025	3,025
Accumulated funds		6,624	7,082
<b>Total Equity</b>		<b>9,649</b>	<b>10,107</b>

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the year ended 30 June 2012

	ACCUMULATED FUNDS	ASSET REVALUATION RESERVE	TOTAL
	\$'000	\$'000	\$'000
<b>Balance at 1 July 2011</b>	7,082	3,025	10,107
<b>Net result</b>	(458)		(458)
<b>Other comprehensive income:</b>			
Decrease in property, plant and equipment	-	-	-
<b>Total other comprehensive income</b>	-	-	-
<b>Total comprehensive income for the year</b>	(458)	-	(458)
<b>Transactions with owners in their capacity as owners</b>	-	-	-
<b>Balance at 30 June 2012</b>	6,624	3,025	9,649
<b>Balance at 1 July 2010</b>	6,761	3,062	9,823
<b>Net result</b>	321		321
<b>Other comprehensive income:</b>			
Decrease in property, plant and equipment	-	(37)	(37)
<b>Total other comprehensive income</b>	-	(37)	(37)
<b>Total comprehensive income for the year</b>	321	(37)	284
<b>Transactions with owners in their capacity as owners</b>	-	-	-
<b>Balance as at 30 June 2011</b>	7,082	3,025	10,107

The accompanying notes form part of these financial statements

Statement of Cash Flows for the year ended 30 June 2012

		ACTUAL	ACTUAL
		2012	2011
	Notes	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(17)	(21)
Grants and subsidies		(574)	(113)
Other		(509)	(550)
<b>Total Payments</b>		<b>(1,100)</b>	<b>(684)</b>
<b>Receipts</b>			
Interest received		267	315
Other		537	455
<b>Total Receipts</b>		<b>803</b>	<b>770</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>13</b>	<b>(297)</b>	<b>86</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of investments		-	(178)
Proceeds from sale of investments		37	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>37</b>	<b>(178)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(260)</b>	<b>(92)</b>
Opening cash and cash equivalents		3,976	4,068
<b>Closing cash and cash equivalents</b>	<b>4</b>	<b>3,716</b>	<b>3,976</b>

The accompanying notes form part of these financial statements

## 1 Summary of Significant Accounting Policies

### (a) Reporting entity

The Corporation Sole "Minister Administering the *Heritage Act 1977*" (the Corporation) was constituted under the *Heritage Act 1977*. The main activity is the administration of finance operations of the *Heritage Act 1977*. The Corporation is a not-for-profit entity with no cash generating units.

The financial statements have been authorised for issue by the Minister on the 9th October 2012.

### (b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The following is a summary of the material accounting policies adopted by the Corporation in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

### (c) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured, and control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Contributions from other bodies (including grants and donations) are generally recognised as revenue when the agency obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

### (d) Insurance

A full comprehensive range of insurances covering areas such as Workers Compensation, Motor Vehicles, Fidelity Guarantee, Public Liability, and Industrial Special Risk is carried by the Office of Environment and Heritage with the NSW Treasury Managed Fund. This coverage extends to the operations of the Corporation. These insurance covers are reviewed periodically to ensure they are adequate.

### (e) Conservation Grants, Loans and Guarantees

Section 106 of the *Heritage Act 1977* allows the payment of Conservation Grants and Loans to private individuals and organisations. The loans are repayable and may be interest bearing or interest free. The Act also allows the Corporation to guarantee bank loans that have been made for certain conservation purposes. No current guarantees are in place (2011: Nil).

### (f) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is the amount of cash or cash equivalents paid, or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

**(g) Capitalisation Thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually are capitalised.

**(h) Revaluation of Property, Plant and Equipment**

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The agency revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation of buildings was completed on 30 June 2010 and the last revaluation of land was completed on 30 June 2011. Both revaluations were based on independent assessments.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

**(i) Impairment of Property, Plant and Equipment**

As a not-for-profit entity with no cash generating units, the Corporation is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

**(j) Depreciation of Property, Plant and Equipment**

Except for certain heritage assets depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Corporation.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Depreciation rates for plant and equipment range from 10 per cent to 20 per cent. Depreciation rate for property is 2.5 per cent.

**(k) Restoration cost**

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent that it is recognised as a liability.

**(l) Maintenance**

The costs of day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

**(m) Trust Funds**

The Corporation receives monies in a trustee capacity for the Old Government House archaeological site at Port Macquarie as set out in Note 14. As the Corporation performs only a custodial role in respect of these monies and because the monies cannot be used for the achievement of the Corporation's own objectives, these funds are not recognised in the financial statements.

**(n) Equity transfers**

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/ functions and parts thereof between NSW Public Sector agencies is designated as a contribution by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

**(o) Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST, except where:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- 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.

**(p) Payables**

These amounts represent liabilities for goods and services provided to the agency and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(q) Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost at face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for impairment of receivables. Any changes are accounted for in the surplus/(deficit) for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial.



**(r) New Australian Accounting Standards issued but not effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period in accordance with the NSW Treasury mandate (TC 12/04). The Corporation did not early adopt any of these accounting standards and interpretations that are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-8 regarding deferred tax
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans Tasman Convergence - RDR
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- AASB 2011-4 removing individual KMP disclosure requirements

The Corporation does not anticipate any material impact of these accounting standards on the financial statements of the Corporation.

**(s) Financial Instruments**

Financial instruments give rise to positions that are both a financial asset of one entity and a financial liability (or equity instrument) of another entity.

In accordance with AASB 132 *Financial Instruments: Disclosure and Presentation*, the Corporation's financial assets include cash, accounts receivable and financial assets at fair value and its financial liabilities include accounts payable.

In accordance with AASB 139 *Financial Instruments: Recognition and Measurement*, the Corporation's financial assets and financial liabilities are disclosed at fair value through profit or loss. Detailed information is disclosed in Note 15.

## 2 Expenses Excluding Losses

### (a) Other operating expenses

	2012 \$'000	2011 \$'000
Contractor - projects	91	-
Maintenance	-	9
Board fees	118	156
Consultancy fees	-	15
Information dissemination	67	-
Travel costs	7	1
Auditor's remuneration (audit or review of the financial statements)	9	15
General administration	98	84
	<b>390</b>	<b>280</b>

### (b) Depreciation expense

	2012 \$'000	2011 \$'000
Depreciation:		
Buildings and improvements	69	69
	<b>69</b>	<b>69</b>

### (c) Grants and subsidies

	2012 \$'000	2011 \$'000
Local government	102	-
Non-government organisations	472	113
	<b>574</b>	<b>113</b>

### (d) Other expenses

	2012 \$'000	2011 \$'000
Bank charges	1	-
Miscellaneous	97	-
	<b>98</b>	<b>-</b>

## 3 Revenue

### (a) Investment revenue

	2012 \$'000	2011 \$'000
Interest revenue from financial assets not at fair value through profit or loss	141	147
Tcorp Hour-Glass Investment Facilities designated at fair value through profit or loss	116	215
	<b>257</b>	<b>362</b>

### (b) Retained fees

	2012 \$'000	2011 \$'000
Fees:		
Statutory fees and other charges	416	409
	<b>416</b>	<b>409</b>

(c) **Other revenue**

	2012 \$'000	2011 \$'000
Miscellaneous revenue	-	12
	-	12

**4 Current Assets - Cash and Cash Equivalents**

	2012 \$'000	2011 \$'000
Cash at bank	2,948	3,244
Cash at Tcorp	768	732
	3,716	3,976

Refer note 8 for details on restricted cash balances.

Refer note 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**5 Current Assets - Receivables**

	2012 \$'000	2011 \$'000
Sale of goods and services	19	39
Accrued income	85	92
GST	13	4
	117	135

No allowance for impairment has been made as all amounts are considered to be collectable.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 15.

**6. Current Assets - Financial Assets at Fair Value**

	2012 \$'000	2011 \$'000
The Treasury Corporation (Hour-Glass) medium term growth investments	1,957	1,995
	1,957	1,995

The Treasury Corporation (Hour-Glass) investments are classified at fair value through profit and loss (Note 15).

The Treasury Corporation (Hour-Glass) investments do not include Trust Funds of \$826,160 invested with the Treasury Corporation (Note 14). Details regarding credit risk, liquidity risk and market risk are disclosed in Note 15.

## 7. Non-current assets – property, plant and equipment

	Land and buildings \$'000	Plant and equipment \$'000	Infrastructure systems \$'000	Total \$'000
<b>At 30 June 2012 – fair value</b>				
Gross carrying amount	4,200	-	-	4,200
Accumulated depreciation and impairment	(211)	-	-	(211)
<b>Net carrying amount</b>	<b>3,989</b>	<b>-</b>	<b>-</b>	<b>3,989</b>
<b>At 30 June 2011 – fair value</b>				
Gross carrying amount	4,200	-	-	4,200
Accumulated depreciation and impairment	(142)	-	-	(142)
<b>Net carrying amount</b>	<b>4,058</b>	<b>-</b>	<b>-</b>	<b>4,058</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Land and buildings \$'000	Plant and equipment \$'000	Infrastructure systems \$'000	Total \$'000
<b>Year ended 30 June 2012</b>				
Net carrying amount at start of year	4,058	-	-	4,058
Depreciation expense	(69)	-	-	(69)
<b>Net carrying amount at end of year</b>	<b>3,989</b>	<b>-</b>	<b>-</b>	<b>3,989</b>
<b>Year ended 30 June 2011</b>				
Net carrying amount at start of year	4,164	-	-	4,164
Net revaluation increment less revaluation decrements	(37)	-	-	(37)
Depreciation expense	(69)	-	-	(69)
<b>Net carrying amount at end of year</b>	<b>4,058</b>	<b>-</b>	<b>-</b>	<b>4,058</b>

## 8. Restricted Assets

### Parramatta Road Project

The Corporation holds \$66,000 in cash and cash equivalents (Note 4) for the payments of grants to Heritage owners to carry out restoration works and improve the look of Parramatta Road.

	2012 \$'000	2011 \$'000
Opening balance	66	66
<b>Cash balance at end of year</b>	<b>66</b>	<b>66</b>

### Parramatta Heritage Precinct Project

The Corporation holds \$249,500 in cash and cash equivalents (Note 4) for the preparation of a Parramatta precinct National Heritage List nomination and comprehensive interpretation and tourism plan for the Parramatta precinct.

	2012 \$'000	2011 \$'000
Opening balance	250	250
<b>Cash balance at end of year</b>	<b>250</b>	<b>250</b>

### 9. Current Liabilities - Payables

	2012 \$'000	2011 \$'000
Creditors	80	57
	<b>80</b>	<b>57</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in note 15.

### 10. Non-Current Liabilities - Other

	2012 \$'000	2011 \$'000
Non-current Security Deposits	50	-
<b>Total other liabilities</b>	<b>50</b>	<b>-</b>

### 11. Commitments for expenditure

There were no commitments as at 30 June 2012 (2011 - nil).

### 12. Contingent liabilities

The Corporation is not currently involved in any legal cases where costs may be awarded against it.

### 13. Reconciliation of cash flows from operating activities to net result

	2012 \$'000	2011 \$'000
Net cash provided by (used on) operating activities	(297)	86
Depreciation	(69)	(69)
Increase/(decrease) in receivables	(18)	66
(Decrease)/increase in payables	(74)	238
<b>Net result</b>	<b>(458)</b>	<b>321</b>

## 14. Trust Funds

The following funds are excluded from the financial statements as the Corporation must use them for the conservation purposes as detailed in agreements with the State and Commonwealth Governments.

### Former Old Government House at Port Macquarie

The Corporation holds \$826,160 (2011: \$675,364) in trust for the conservation of the Old Government House archaeological site at Port Macquarie.

	2012 \$'000	2011 \$'000
Investment balance at the beginning of the year	675	675
Add: Receipts	151	-
<b>Investment balance at the end of the financial year</b>	<b>826</b>	<b>675</b>

Trust Fund receipts have been included for the first time in 2011-12 (2012: \$33,898; 2008-2011: \$116,371).

## 15. Financial Instruments

The Corporation's principal financial instruments are outlined below. These financial instruments arise directly from the Corporation's operations or are required to finance the Corporation's operations. The Corporation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
<b>Class:</b>				
Cash and cash equivalents	4	N/A	3,716	3,976
Receivables	5	Loans and receivables (at amortised cost)	104	131
Financial assets at fair value	6	At fair value through profit or loss—classified as held for trading	1,957	1,995
<b>Financial Liabilities</b>				
	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
<b>Class:</b>				
Payables	9	Financial liabilities measured at amortised cost	80	39

**Note:**

<sup>1</sup> Excludes statutory receivables of \$13k (2011: \$4k) and statutory payables of \$Nil (2011: \$18k).

### (b) Credit risk

Credit risk arises when there is the possibility of the Corporation's debtors defaulting on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Corporation, including cash, receivables and authority deposits. No collateral is held by the Corporation. The Corporation has not granted any financial guarantees.

Credit risk associated with the Corporation's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with the NSW Treasury Corporation are guaranteed by the State.

## 15. Financial Instruments (cont.)

### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average the NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour-Glass cash facility is discussed in paragraph (d) below.

### Receivables – trade debtors

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. An allowance for impairment is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are generally made on 30 day terms.

The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2012 \$Nil; 2011: \$19,800) and not less than three months past due (2012: \$19,403; 2011: \$19,403) are not considered impaired and together these represent 100 per cent of the total trade debtors.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

	Total <sup>1,2</sup> \$'000	Past due but not impaired <sup>1,2</sup> \$'000	Considered impaired <sup>1,2</sup>
<b>2012</b>			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	19	19	-
<b>2011</b>			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	19	19	-

#### Note:

<sup>1</sup> Each column in the table reports 'gross receivables'.

<sup>2</sup> The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

### Authority deposits

The Corporation has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. The deposits at balance date were earning an interest rate of 4.9 per cent (2011 – 5.37 per cent) while over the year the weighted average interest rate was 4.9 per cent (2011 – 5.37 per cent) on a weighted average balance during the year of \$759K (2011 – \$732K). None of these assets are past due or impaired.

### (c) Liquidity risk

Liquidity risk is the risk the Corporation will be unable to meet its payment obligations when they fall due. The Corporation continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

## 15. Financial Instruments (cont.)

### Maturity analysis and interest rate exposure of financial liabilities

	Nominal amount	Interest rate exposure \$'000			Maturity dates		
		Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
<b>2012</b>							
Payables	80	-	-	80	80	-	-
	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>80</b>	<b>-</b>	<b>-</b>
<b>2011</b>							
Payables	39	-	-	39	39	-	-
	<b>39</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>39</b>	<b>-</b>	<b>-</b>

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received.

#### (d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposures to market risk are primarily through interest rate risk on the Corporation's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass investment facilities. The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the balance date. The analysis is performed on the same basis for 2011. The analysis assumes that all other variables remain constant.

#### Interest Rate Risk

The Corporation does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

	Carrying Amount	\$'000			
		-1 per cent Profit	Equity	1 per cent Profit	Equity
<b>2012</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,716	(37)	(37)	37	37
Receivables	104	-	-	-	-
Financial assets at fair value	1,957	(20)	(20)	20	20
<b>Financial liabilities</b>					
Payables	80	-	-	-	-



## 15. Financial Instruments (cont.)

		\$'000			
	Carrying Amount	-1 per cent Profit	Equity	1 per cent Profit	Equity
<b>2011</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,976	(40)	(40)	40	40
Receivables	131	-	-	-	-
Financial assets at fair value	1,995	(20)	(20)	20	20
<b>Financial liabilities</b>					
Payables	39	-	-	-	-

### Other price risk - TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass investment facilities, which are held for strategic rather than trading purposes. The Corporation has no direct equity investments. The Corporation holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2012	2011
			\$'000	\$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	768	732
Medium term growth facility	Cash, money market instruments, Australian and International bonds, listed property, Australian shares	3 years to 7 years	1,957	1,995

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Corporation's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95 per cent probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Impact on profit/loss		
	Change in Unit price	2012 \$'000	2011 \$'000
Hour Glass Investment - Cash facility	-1 per cent	(8)	(7)
Hour Glass Investment - Medium-term growth facility	-6 per cent	(117)	(120)

## 15. Financial Instruments (cont.)

### (e) Fair value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. The value of the Hour-Glass Investments is based on the Corporation Sole's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments

### (f) Fair value recognised in the statement of financial position

The Corporation uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 - Derived from quoted prices in active markets for identical assets/liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2012 Total \$'000
<b>Financial Asset at fair value</b>				
TCorp Hour-Glass Investment Facility	-	1,957	-	1,957
	<b>-</b>	<b>1,957</b>	<b>-</b>	<b>1,957</b>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2011 Total \$'000
<b>Financial Asset at fair value</b>				
TCorp Hour-Glass Investment Facility	-	1,995	-	1,995
	<b>-</b>	<b>1,995</b>	<b>-</b>	<b>1,995</b>

(The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position).

There were no transfers between level 1 and 2 during the year ended 30 June 2012.

## 16. After balance date events

The Corporation is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.



## ACCOUNT PAYMENT PERFORMANCE

### Aged Analysis at the end of each quarter

Tables cover Dept of Premier and Cabinet including Division of Local Government and excluding Office of Environment and Heritage

#### Aged analysis at the end of each quarter

QUARTER	CURRENT (WITHIN DUE DATE)	< 30 DAYS OVERDUE	30 - 60 DAYS OVERDUE	61-90 DAYS OVERDUE	90+ DAYS OVERDUE
<b>All Suppliers</b>					
September	(72,523,296)	-	2,070	-	(34,271)
December	(4,842,951)	-	(10,000)	(477)	(5,822)
March	(663,336)	-	119,265	-	3,956
June	(1,099,761)	-	(3,017)	-	(6,227)
<b>Small Business Suppliers</b>					
September	-	-	-	-	-
December	(513)	-	-	-	-
March	-	-	-	-	-
June	(5,734)	-	-	-	-

#### Accounts due or paid within each quarter

MEASURE	SEPT	DEC	MARCH	JUNE
<b>All Suppliers</b>				
Number of accounts due for payment	4,700	4,620	4,680	4,545
Number of accounts paid on time	4,695	4,602	4,619	4,508
Actual percentage of accounts paid on time (based on number of accounts)	99.89%	99.61%	98.70%	99.19%
Dollar amount of accounts due for payment	(421,100,254)	(226,116,313)	(134,930,454)	(131,386,457)
Dollar amount of accounts paid on time	(421,125,998)	(226,100,439)	(134,950,122)	(131,766,987)
Actual percentage of accounts paid on time (based on \$)	100.01%	99.99%	100.01%	100.29%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-
<b>Small Business Suppliers</b>				
Number of accounts due for payment	17	16	17	10
Number of accounts paid on time	17	16	17	10
Actual percentage of accounts paid on time (based on number of accounts)	100.00%	100.00%	100.00%	100.00%
Dollar amount of accounts due for payment	(25,945)	(13,392)	(16,862)	(19,679)
Dollar amount of accounts paid on time	(25,945)	(13,392)	(16,862)	(19,679)
Actual percentage of accounts paid on time (based on \$)	100.00%	100.00%	100.00%	100.00%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

## Account payment performance

The following account payment performance tables cover both OEH and the EPA.

### Aged analysis at the end of each quarter\*

QUARTER	CURRENT (IE. WITHIN DUE DATE)	LESS THAN 30 DAYS OVERDUE	BETWEEN 30 AND 60 DAYS OVERDUE	BETWEEN 61 AND 90 DAYS OVERDUE	MORE THAN 90 DAYS OVERDUE
<b>All suppliers</b>					
September	3,983,761	173,752	5,496	40,419	-
December	3,182,297	99,061	-	13	-
March	5,158,238	2,313,629	41,488	11,578	23,153
June	12,586,223	719,271	4,062	11,950	15,174
<b>Small business suppliers</b>					
September	-	-	-	-	-
December	-	-	-	-	-
March	631,574	23,367	3,548	6,226	-
June	1,975,852	5,963	-	-	-

### Accounts due or paid within each quarter\*

MEASURE	SEP 2011	DEC 2011	MAR 2012	JUN 2012
<b>All suppliers</b>				
Invoices due for payment received in qtr (#)	20,349	21,760	22,015	25,730
Invoices paid on time (#)	14,342	17,160	18,949	25,581
Actual percentage of invoices paid on time (based on number of invoices)	70%	79%	86%	99%
Amount due for payment (\$)	156,697,778	81,669,464	128,137,788	280,573,587
Amount paid on time (\$)	84,703,844	56,506,467	112,273,696	230,112,368
Actual percentage of Invoices paid on time (based on \$)	54%	69%	87%	82%
Number of payments for interest on overdue accounts (#)	-	-	5	32
Interest paid on late accounts (\$)	-	-	207	1,517

MEASURE	SEP 2011	DEC 2011	MAR 2012	JUN 2012
<b>Small business suppliers</b>				
Invoices due for payment received in qtr (#)	-	-	1,299	2,333
Invoices paid on time (#)	-	-	1,110	2,008
Actual percentage of invoices paid on time (based on number of invoices)	-	-	85%	86%
Amount due for payment (\$)	-	-	3,105,043	8,214,335
Amount paid on time (\$)	-	-	2,631,738	6,093,992
Actual percentage of Invoices paid on time (based on \$)	-	-	85%	74%
Number of payments to small business for interest on overdue accounts (#)	-	-	5	32
Interest paid to small businesses on late accounts (\$)	-	-	207	1,517

\* Under the transitional requirements penalty interest payments to small businesses apply from the 1st of January 2012. From the 14th July 2011 suppliers had to identify themselves as small business. The new payment of accounts policy from the NSW Treasury Circular 11/12 was fully operational for the March 2012 quarter. It is not practical to estimate payment of accounts to small business prior to the 1st of January 2012.

## Audit and Risk Statement from Director General

In accordance with the Treasury Circular TC 09/08, the Director General is required to provide an annual Statement attesting to compliance with the core requirements of the Treasury Policy TPP 09/05 Internal Audit and Risk Management Policy for the NSW Public Sector.

**Internal Audit and Risk Management Statement  
for the  
2011-2012 Financial Year for the Department of Premier and Cabinet**

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I, Chris Eccles, Director General of the Department of Premier and Cabinet am of the opinion that the Department, which includes the Office of Environment and Heritage (OEH) and the Environment Trust (ET) has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Chris Eccles am of the opinion that the Audit and Risk Management Committee (ARMC) for the Department of Premier and Cabinet and the ARMC for the OEH and the ET are constituted and operate in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-08.

The Chair and Members of the Department's ARMC are:

- Bruce Turner, independent chair (Jan. 2010 – Dec. 2012)
- Arthur Butler, independent member (Jan. 2012 – Dec. 2015)
- Bonnie Boezeman, independent member (Mar. 2012 – Mar. 2014)
- Simon Smith, non-independent member (Nov. 2011 – Nov. 2013)
- Phil Minns, non-independent member (Mar. 2012 – Mar. 2014)

Please note, Ms Boezeman replaced Ms Joanne Rees (who resigned in February 2012) as an independent Committee member; Mr Smith replaced Mr Peter Duncan in November 2011; and Mr Minns replaced Ms Jo Grissard in March 2012 as non-independent members.

These processes provide a level of assurance that enables the senior management of the Department of Premier and Cabinet to understand, manage and satisfactorily control risk exposures.

  
Chris Eccles  
Director General

Date: 27/8/12

## Audit, Risk Management and Insurance

### DPC

Risk management continued to be embedded into the DPC's management practices by:

- reviewing and updating the Risk Management Policy and Risk Management Framework
- developing an e-learning module for employees to improve their understanding of the DPC's Risk Management Framework
- reviewing the DPC's risk profile by undertaking an enterprise wide corporate risk assessment
- completing and issuing the annual report on legislative compliance
- conducting internal audits as per the DPC's Internal Audit Charter
- issuing audit recommendations to managers to improve operations
- operating the Audit and Risk Management Committee as set out in the Internal Audit and Risk Management Committee Charter
- updating policies and procedures following the introduction of the *Work Health and Safety (WHS) Act 2011*
- issuing to all managers a checklist to allow managers to check their operations against applicable legislation
- issuing an Internal Control Self Assessment Checklist to all employees to increase awareness of controls and procedures
- issuing to all employees the DPC's policy and procedures for dealing with public interest disclosures
- including an e-learning module on fraud and corruption control in the Induction Program.

The DPC and the Division of Local Government follow internal corporate risk management policies and guidelines that help ensure risk is managed systematically, efficiently and effectively. Risk is also addressed through insurance arrangements.

Corporate risk management procedures incorporate risk identification, analysis, evaluation and treatment, as well as management and employee accountabilities. The policy and guidelines are supplemented by WHS procedures.

The DPC's Audit and Risk Management Committee ensures adherence to the Treasury's Internal Audit and Risk Management Policy and oversees the DPC's internal audit processes conducted by Deloitte Touche Tohmatsu.

The Committee also reviews the DPC's:

- financial management and reporting practices and activities
- accounting practices and policies
- payroll and leave management
- development and maintenance of internal controls
- risks and risk mitigation strategies and framework.

All internal audits conducted by Deloitte within the DPC were assessed as having a rating level of 'satisfactory'. These consisted of the following audits:

- Workers Compensation and Injury Management
- Purchasing, Tendering, Delegations and SAP Controls
- Use of Consultants
- GIPA and Website Management
- Follow-up of agreed actions from previous audits including a health check of the Service Level Agreement with ServiceFirst.

Audits that were commenced but still in progress at year's end were:

- Recruitment of Temporary and Permanent Employees and Workforce Planning
- IT Security.

### OEH

The OEH's comprehensive internal audit program helps to ensure its programs and processes comply with legislation and management best practice.

The OEH has an Audit and Risk Committee (ARC) which reports to the Chief Executive and complies with the requirements of the NSW Treasury Policy TPP09-05. The committee oversees the OEH's environment protection, finance and administration, risk management and fraud and corruption controls. Conservation compliance is overseen by the separate Conservation Audit and Compliance Committee (CACC), established under the *National Parks and Wildlife Act 1974*. The work of the CACC is coordinated by the ARC, and at least one independent member of the ARC is a member of both Committees. Both the ARC and the CACC meet quarterly, and officers from the Audit Office of NSW regularly attend meetings as observers.

The OEH's internal audit function is managed by the Chief Audit Executive (CAE) with the provision of internal audit services outsourced. Internal audit reports are submitted through the CAE to the appropriate audit committee, and report recommendations are monitored to ensure they are fully implemented. The OEH's internal auditor for 2011-12 was IAB Services.

The OEH completed the following audit reports during 2011-12 and presented them to the OEH's Audit and Risk Committee:

- Tendering and Procurement
- Grant Funding under Coastal, Estuary and Floodplain Management Programs
- RTA DRIVES
- World Heritage
- Waste and Environment Levy
- Business Continuity Plan
- Parks and Wildlife Group (PWG) Land Purchase program
- Revenue Collection (Park Lessee Rent and Licence Fees)
- Procurement (Travel Management)
- Accounts Receivable – Debtor Management

The OEH also completed the following audit report and presented them to the CACC:

- Management of Aboriginal Heritage Information and Records (AHIMS)

The CACC receives regular updates on the progress of the three-year Plan of Management Program for national parks and reserves that commenced in 2009-10 to ensure statutory plans of management are being implemented.

The above audits of the OEH activities found that operational and administrative systems were largely sound. There were no areas identified with "extreme" risk ratings. Some areas identified as having "high risk" ratings were controlled by the acceptance and implementation of a range of recommendations.

### Significant Matters in Audit Reports and External Reviews

No significant matters were raised in the ongoing audit reports or external reviews for 2011-12 for the whole of the DPC, including the DLG and the OEH.

### Insurance

The DPC has insurance cover for all major assets and significant risks. This insurance is through the NSW Government self insurance scheme (the Treasury Managed Fund) and includes full workers compensation, motor vehicle accident, property, liability and miscellaneous insurance cover.

### Department of Premier & Cabinet (excluding DLG and OEH)

AREA OF RISK	INSURER	2010-11 (\$'000)	2011-12 (\$'000)
Workers compensation	Allianz	421	492
Public liability	GIO	63	66
Property	GIO	52	58
Motor vehicles	GIO	118	122
Miscellaneous (other)	GIO	3	4
<b>Total</b>		<b>657</b>	<b>742</b>

### Division of Local Government

AREA OF RISK	INSURER	2010-11 (\$'000)	2011-12 (\$'000)
Workers compensation	Allianz	37	38.7
Public liability	GIO	2	1.5
Property	GIO	14	13.7
Motor vehicles	GIO	5	4.8
Miscellaneous (other)	GIO	0.2	.3
<b>Total</b>		<b>58.2</b>	<b>59</b>

### OEH

AREAS OF RISK AND RELATED INSURANCE COSTS	2010-11 (\$'000)	2011-12 (\$'000)
Workers compensation*	4,182	5,381
Public liability	3,679	3,796
Property	2,148	2,419
Motor vehicles*	1,368	1,357
Miscellaneous (Fire Funding Fund)	10,000	8,000
Miscellaneous (Other)	49	64
<b>Total</b>	<b>21,426</b>	<b>21,017</b>

\*Includes hindsight adjustments relating to prior year premiums

The OEH has insurance cover through the NSW Treasury Managed Fund, which used Allianz Australia Pty Ltd for workers' compensation and GIO General Ltd for other risk areas.

Premiums are based on claims history and reflect the OEH's risk management approach to managing claims. Premiums in the 2010-11 year include areas of risks relating to the activities of the EPA since its operations were fully integrated within the OEH's in the year.



## Consultants

### DPC

CATEGORY	COUNT	COST
Finance & Accounting	2	21,126
Legal	2	9,800
Environmental	2	63,562
Organisational Review	5	49,093
Information Technology	5	111,046
Management Services	15	242,792
Training	1	15,273
<b>Total</b>	<b>32</b>	<b>512,692</b>

### Consultancies of \$50,000 or more

CATEGORY	CONSULTANT	TITLE/NATURE	COST
Finance and Accounting	PriceWaterhouse Coopers	Preparation of Code of Accounting Practice and Financial Reporting for Councils	\$50,000
Legal	Gilbert & Tobin	Advice relating to the Asbestos Injuries Compensation Fund	\$133,931
	Allens	COAG Directors Liability Reform Audit	\$80,511
Organisational Review	Boston Consulting Group	Review of Regional Coordination Program	\$148,500
	Boston Consulting Group	Commission of Audit - Engagement in Devolved Organisations	\$132,000
	Kerry Schott P/L	Commission of Audit Report	\$262,317
	Elton Consulting	Prepare and conduct Destination 2036 workshop and outcomes reporting	\$110,283
	ARTD P/L	Family Case Management Final Report	\$95,382
	Deloitte Access Economics	Interim Review Spatial Analysis	\$88,699
	KPMG	Interim Review Workplace Survey	\$82,788
Information Technology	KPMG	Interim Review Location Based Evaluation	\$186,529
	Deloitte Touche Tohmatsu	Implementation Plan and Technical Service Specification for NSW 2027	\$75,000
	Business Software Consultants	CDMS support	\$170,906
Management Services	Accenture	Assist with Development of Business Case for Service NSW	\$757,487
	Boston Consulting Group	Service NSW	\$268,590
	PWC Securities	Preparation of final report and tool to assist regulators in assessing licence thresholds and duration	\$57,000
	Deloitte Touche Tohmatsu	The DPC IMIT Review	\$92,950
	Talent Partners	Executive search and recruitment services	\$75,780
	KPMG	Evaluate and advise on system optimisation for e-Recruitment system	\$287,166
	Pinpoint	Niche Taleo consultancy providing expert advice, guidance and implementation of the Taleo system	\$344,976
<b>Total</b>			<b>\$3,500,795</b>

## OEH

A consultant is an organisation or individual engaged for a defined period of time solely to provide an expert opinion or recommendation to the OEH on a specific issue.

CONSULTANCIES OF \$50,000 OR MORE			2011-12
CONSULTANT	CATEGORY	PRODUCT DESCRIPTION	COST (\$)
KPMG Australia	Environmental	Waste Levy Review	139,341
RSM Bird Cameron	Management Services	Strategic and performance review of the National Trust of Australia (NSW)	132,000
Freeman Ryan Design	Management Services	Mungo Exhibition	73,614
KPMG	Organisational Review	Strategic Realignment Review	148,350
The Customer Experience Company	Management Services	Customer Analysis	134,000
Nous Group	Organisational Review	Environment Protection Authority (EPA) transition	73,079
Centre for International Economics	Environmental	Financial analysis of the impact of waste levy	76,625
<b>Subtotal - Consultancies of \$50,000 or more</b>			<b>777,010</b>

CONSULTANCIES LESS THAN \$50,000		2011-12
CATEGORY	NUMBER	COST (\$)
Finance and Accounting		-
Information Technology		-
Legal		-
Management Services	9	95,150
Environmental	8	77,060
Engineering	9	29,975
Organisational Review		-
Training		-
Subtotal - Consultancies less than \$50,000		202,185
Subtotal - Consultancies of \$50,000 or more		777,010
<b>Total consultancies</b>		<b>33 979,195</b>

## Controlled Entities

The DPC is a separate reporting entity with no other entities under its control. The OEH and Heritage has no entities under its control.

## Credit Card Use - Statement of Responsibility

This statement covers the DPC including the DLG and the OEH.

The DPC's credit card policies and procedures outline conditions for the eligibility, usage and management of corporate cards. These are consistent with NSW Government policy as outlined in relevant the Treasury Circulars and Treasurer's Directions.

The Director General certifies that credit card use in the DPC has been in accordance with NSW Government requirements.

## Exceptional Movements in Remuneration

### DPC

A salary increase of 2.5 per cent effective from the first full pay period after 1 July 2011 was paid to clerical officers and senior officers in accordance with the Crown Employees (Public Sector - Salaries) Award 2008. This also resulted in an increase in the payment of the First Aid Allowance and Community Language Allowance Scheme (CLAS).

The Statutory and Other Offices Remuneration Tribunal determined a performance-based increase of 2.5 per cent for SES officers, effective from 1 October 2011. All increases were subject to satisfactory assessment of performance. No adjustments were made to the recruitment and retention allowances.

### OEH

In 2011-12 there were no exceptional movements in wages, salaries or allowances.

## Government Information (Public Access)

### DPC

This table covers the DPC (including the Division of Local Government and excluding the Office of Environment and Heritage).

Obligations under the *Government Information (Public Access) Act 2009* (GIPA Act)

#### 1. Review of proactive release program - Clause 7 (a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The DPC's program for the proactive release of information involves reviewing the information sought and released pursuant to GIPA applications received over the financial year, considering the kinds of government information held by the DPC that may be suitable for proactive release, and asking Groups and Branches of the DPC to submit information that is suitable for proactive release to the DPC's Information Access Unit (IAU). Following this review, the IAU considers whether there are any public interest considerations against disclosure of the information, whether consultation is required, and whether this would impose unreasonable additional costs to the agency.

During the reporting period, the DPC reviewed this program by issuing a Memorandum to Groups and Branches requiring them to report to the IAU on any information which they hold which may be suitable for authorized proactive release.

As a result of this review, the DPC is investigating publishing a range of additional information proactively.

#### 2. Number of access applications received - Clause 7 (b)

During the reporting period, the DPC and the DLG received a total of 85 formal access applications (including withdrawn applications but not invalid applications).

#### 3. Number of refused applications for Schedule 1 information - Clause 7 (c)

During the reporting period, the DPC and the DLG refused a total of 18 formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, 6 were refused in full, and 12 were refused in part.

**TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	15	5	5	3	2	4	-	3
Members of Parliament	4	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not for profit Organizations or community groups	2	-	-	-	-	-	-	-
Members of the public (application by legal representative)	2	1	1	-	-	-	-	-
Members of the public (other)	5	10	1	4	-	4	-	-
<b>Total</b>	<b>28</b>	<b>16</b>	<b>7</b>	<b>7</b>	<b>2</b>	<b>8</b>	<b>-</b>	<b>3</b>

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	-	-	-	1	-	-	-	-
Access applications (other than personal information applications)	28	13	7	6	2	8	0	3
Access applications that are partly personal information applications and partly other	-	3	-	-	-	-	-	-

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.

TABLE C: INVALID APPLICATIONS	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	6
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	6
Invalid applications that subsequently became valid applications	1

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF THE ACT	
	Number of times consideration used*
Overriding secrecy laws	-
Cabinet information	11
Executive Council information	-
Contempt	3
Legal professional privilege	5
Excluded information	5
Documents affecting law enforcement and public safety	1
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT**

	Number of occasions when application not successful
Responsible and effective government	7
Law enforcement and security	2
Individual rights, judicial processes and natural justice	9
Business interests of agencies and other persons	7
Environment, culture, economy and general matters	-
Secrecy provisions	-
Exempt documents under interstate Freedom of Information legislation	-

**TABLE F: TIMELINESS**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	55
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	14*
<b>Total</b>	<b>69</b>

\*For each application not decided within time, a late decision was made under section 63(2) of the Act.

**TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)**

	Decision varied	Decision upheld	Total
Internal review	-	2	2
Review by Information Commissioner*	1	4	4
Internal review following recommendation under section 93 of Act	-	-	-
Review by ADT	1	-	1
<b>Total</b>	<b>2</b>	<b>6</b>	<b>7</b>

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)**

	Number of applications for review
Applications by access applicants	5
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	-

## OEH

The OEH is committed to transparent and accountable decision making. The OEH continues to pursue strategies and actions that assist in achieving the agency's obligations under the GIPA Act. Members of the public can access many documents held by the OEH through its website, through the Information Centre, on request or by purchasing them.

During the year the OEH received a total of 72 formal access applications for information under the *Government Information (Public Access) Act 2009*. The OEH refused a total of 36 formal access applications because the information requested was information referred to in Schedule 1 of the Act. Of those applications, two were refused in full, and 34 were refused in part.

The following tables cover the Office of Environment and Heritage from 1 July 2011 – 30 June 2012.

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	5	8	-	-	-	-	-	-
Members of Parliament	3	2	-	2	-	-	-	2
Private sector business	8	1	0	0	0	1	0	-
Not for profit organisations or community groups	9	4	0	0	0	0	0	1
Members of the public (application by legal representative)	7	9	0	1	0	0	0	0
Members of the public (other)	3	10	2	1	0	2	0	1

\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	35	34	2	4	0	3	0	4
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	

\*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.

**Table C: Invalid applications**

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**Table D: Conclusive presumption of overriding public interest against disclosure matters listed in Schedule 1 of the Act**

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Overriding secrecy laws	0
Cabinet information	3
Executive Council information	0
Contempt	0
Legal professional privilege	12
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest considerations against disclosure matters listed in table to section 14 of the Act**

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Responsible and effective government	3
Law enforcement and security	5
Individual rights, judicial processes and natural justice	15
Business interests of agencies and other persons	7
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Decided within the statutory timeframe (20 days plus any extensions)	79
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	3
<b>Total</b>	<b>82</b>

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	DECISION VARIED	DECISION UPHELD	TOTAL
Internal review	2	6	0
Review by Information Commissioner*	1	1	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	NUMBER OF APPLICATIONS FOR REVIEW
Applications by access applicants	11
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	4

## Grants (includes OEH)

SERVICE GROUP 2		
Economic & Regional Coordination		Amount
Recipient	Purpose	\$
Aboriginal Affairs NSW	Contribution to Illawarra Aboriginal Community-based Working Group	\$5,000.00
Balranald Local Aboriginal Land Council	Contribution to Purchase of Flag Poles	\$2,171.00
Department of Finance and Services	Sponsorship contribution to Aboriginal Art Competition	\$3,000.00
Goondiwindi Regional Council	Contribution to Needs Assessment for a Regional Health and Wellness Centre	\$15,000.00
Mungo Festival Inc.	Contribution to Mungo youth Project 2011	\$10,000.00
<b>Total</b>		<b>\$35,171.00</b>

SERVICE GROUP 4		
Policy Support		Amount
Recipient	Purpose	\$
IEEDB Office of Financial Management	Solar Bonus Scheme Modelling	\$10,977.00
COAG - NSW Office for Water	Contribution towards Murray Darling Basin Socio-economic Study	\$190,000.00
<b>Total</b>		<b>\$200,977.00</b>

SERVICE GROUP 5		
Administrative Support for Government		Amount
Recipient	Purpose	\$
All Hallows Parish School	Donation to the school to assist Vinnies with night patrol program	\$1,000
Artnet Art & Craft Co-Operative Limited	Funding to assist with relocation costs	\$5,000
Asbestos Diseases Foundation of Australia (ADFA)	Donation to 2011 Gala Race Day	\$5,000
Aussie Helpers Ltd	Donation towards fundraiser to support Aussie Helpers	\$2,500
Australian Council of Social Service (ACOSS)	Funding Support for the ACOSS 2012 Conference	\$25,000
Australian Lebanese Film Festival	Funding for Short Film Festival	\$2,500
Australian Pacific & Maori Community Services Incorporated	Funding for the purchase of tools, topsoil and plants	\$2,500
Australian Red Cross	Donation to Calling Appeal 2012	\$200,000
Australian South Sea Islanders (Port Jackson)	Funding assistance for the first Australian South Sea Islander National Congress	\$5,000
Autism Advisory and Support Service	Donation to support the new Autism Awareness song and video	\$5,000
Baptist Emergency Accommodation Ministry (Beam)	Funding for Whitegoods	\$4,000
Barnardos	Support for Australia's Mother of the Year 2012	\$16,000
Bathurst Observatory Research Facility	Funding to purchase a new mount and auto guider	\$2,199
Battle for Australia Commemoration Committee NSW Inc	Funding request for support for the Committee	\$5,000
Bellambi Community Centre	Funding to assist the Bellambi Community Festival	\$5,000
Bravehearts	To fund a trial of the 'Ditto' Program in NSW schools	\$90,910
Brunswick Heads/Billinudgel RSL Women's Auxiliary	Funding for laptop	\$600
Byron Bay Winter Whales Club	Byron Bay Winter Whales Ocean Swim Classic 2012	\$5,000
Cabarita Youth Service	Cabarita Youth Service Outreach Program	\$6,000
Campbell Page Indigenous Services	Wallaga Lake Aboriginal Community - Funding for flagpoles and installation	\$7,200
Can Assist - Cancer Patients Assistance Society Of New South Wales	Donation to 2012 Tremendous Trek to support Can Assist	\$10,000
Can Assist - Cancer Patients Assistance Society Of New South Wales	Donation to Society	\$50,000
Central Coast Family Support	Funding to support the Grandparents Raising Grandchildren Program	\$7,500



SERVICE GROUP 5		
Adminstrative Support for Government		Amount
Recipient	Purpose	\$
Central Tablelands Woodcraft	Funding assistance for "Craft on Show 2011"	\$3,000
Central Tablelands Woodcraft	Funding assistance to promote the annual "Craft on Show 2012"	\$3,000
Clunes Public School	Defibrillator for the Clunes Community	\$3,185
Cookamidgera Community Landcare Inc	Flood mitigation work at Cookamidgera	\$15,000
Cure For Life Foundation	Donation to Gala Ball	\$5,000
Daniel and Narelle Koskinen	Funding to cover family funeral costs	\$4,600
David Rixon Memorial Fund	Donation to Memorial Fund	\$10,000
Dharriwaa Elders Group Inc	Funding for elders to attend the Jimmy Little State Funeral and Concert	\$2,223
Easts YCW Soccer Club	East Armidale Football Club - 50th Anniversary Celebrations	\$250
Engadine High School	Funding for REA F1 Schools Project National Titles in Adelaide	\$2,000
Epping and District Probus Club	Funding to purchase "Powerpoint" projector	\$1,500
Father Atanasio Gonelli Charitable Fund	Donation to fund	\$5,000
Fight Against Cancer Macarthur Inc	Donation to Organisation	\$5,000
Fling Physical Theatre Inc.	Funding to send students to Singapore Youth Festival 2012	\$7,500
General Sir John Monash Foundation	NSW Premier's John Monash Scholarships	\$60,000
George Naim Khattar Foundation	Donation to Foundation	\$5,000
Girl Guides Australia North West Slopes and Plains Division	Funding for Leaders and Guides to attend International Jamboree	\$1,500
Grafton High School	Support for centenary commemorative activities	\$2,000
Greek Orthodox Community of NSW	Funding towards the Greek Festival of Sydney	\$50,000
Griffith RSL Sub Branch	Cenotaph Griffith Memorial Gardens	\$5,980
Harmony Walk	Walk to commemorate the 10th Anniversary of the Bali bombings	\$20,000
National Heart Foundation (NSW)	Donation to Doorknock Appeal	\$5,000
Homebush Boys High School	Funding to assist with updating computers for upcoming International Robotics Competition	\$2,000
Hunter Region Business Enterprise Centre	Funding to run a session in the community to grow Kurri Kurri post Hydro	\$5,000
Hurstville Seniors Computer Club Incorporated	Funding to purchase an ipad and computer	\$1,000

SERVICE GROUP 5		
Adminstrative Support for Government		Amount
Recipient	Purpose Purpose	\$
Italian National Day Celebration Committee Sydney	Donation towards National Celebration	\$15,000
Juvenile Arthritis Fundraiser	Donation towards Fundraising Dinner Dance	\$5,000
Kiama Jazz Club	Funding for the Kiama Jazz and Blues Festival, March 2012	\$10,000
Kids of Macarthur Health Foundation	Donation towards Sensory Garden at Campbelltown Hospital	\$5,000
Kidzwish Foundation Inc	Christmas party for Special Children 2011	\$10,000
Korea War Veterans Association (NSW) School Sponsorship Program	Funding assistance for school program	\$2,000
Lachlan Wicks	Assisting with airfares to 2011 International Showjumping Classique in South Africa	\$1,500
Leichhardt & Annandale Business Chamber Inc	Donation at dinner dance to support Handital and Verso La Luca	\$500
Lions Club - Oatley	Seniors Christmas Lunch	\$4,000
Lithgow District Kennel Club	Funding to assist with building of storage shed	\$2,500
Lithgow Lions District 201 N4	Funding for Drug Awareness program	\$1,500
Louis Ballangarry Memorial Committee	Funding assistance towards the Louis Ballangarry Memorial Charity Day	\$5,000
Lurnea High School	Funding for 3 day camp to Teen Ranch at Cobbitty	\$5,000
Macarthur Collegians Cycling Club	Funding to assist The Goulburn to Sydney Cycle Classic 2011	\$20,000
Macarthur Collegians Cycling Club	Funding to assist The Goulburn to Sydney Cycle Classic 2012	\$30,000
Manly Sea Eagles	Live NRL Grand Final event at Brookvale	\$20,000
Maronite Catholic Parish Of Our Lady Of Lebanon Harris Park	Furnishing and equipping multipurpose rooms in the community and youth centre	\$69,450
Maronite Church of Australia	Funding for Maronite Heritage Centre	\$31,000
Medals Gone Missing	Kuttabal Commemoration Project - Funding to commemorate 70th Anniversary of the Sydney Harbour Attack	\$2,320
Miracle Babies Foundation Ltd	Donation to Annual Ball	\$5,000
Mr James Roumanos	Funding to represent NSW in softball	\$500
Mr Samuel Cartledge	To attend the 7th Asia Pacific Deaf Basketball Games	\$500

SERVICE GROUP 5		
Adminstrative Support for Government		Amount
Recipient	Purpose	\$
Parliament of NSW	Funding to host a wake for Ms Barbara Holborow OAM at Parliament House	\$4,154
Ms Jaleesa Donovan	Funding to attend the National Indigenous Youth Parliament in May 2012	\$200
Ms Maddison Lenard	Funding to attend Baseball World Cup in Edmonton in August 2012	\$1,500
Nathanael Stewart	Funding for his selection in the Australian Schoolboys Hockey Team to tour Europe	\$1,500
Naval Association of Australia - Parramatta Memorial Subsection	Funding support for the 70th Anniversary of the Loss of the HMAS Parramatta II	\$2,500
New England Volunteer Air Transport Inc (NEVAT)	Funding to assist with maintenance and insurance	\$15,000
North West Disability Services Incorporated	Financial assistance towards the running of The Secret Garden and Nursery	\$10,000
North West Sydney Multiple Birth Association	Donation to Association	\$1,000
Northside Community Forum Inc	Funding to support the biennial	\$1,500
NSW Cricket Association	Funding to assist the Sydney Sixers compete at the Champions' League in India	\$50,000
NSW Transport Authority Retired Employees Association of Taree	Funding for 100th Anniversary celebrations of rail services in Taree, May 2013	\$10,000
NSW Women's Refuge Movement	World Conference of Women's Shelters' 2012	\$12,000
Office Of Veterans Affairs (NSW)	Anzac Community Grants - youth component	\$50,000
Oz Fest	Sponsorship of OZ Fest (India)	\$50,000
Penrith City Council	Penrith C3 West Project	\$13,000
Penrith Suicide Prevention and Support Network	Funding to produce more Suicide Prevention support packs	\$5,000
Ponting Foundation	Donation to Foundation	\$5,000
Rainbow Club Aust Inc	Funding to assist with operating costs	\$5,000
Reserve Forces Day Council Inc	Funding for Reserve Forces Day Parade 2012	\$20,000
Ricky Stuart Foundation	Donation to Foundation	\$10,000
Rotary Club of Berry Gerringong Inc	Funding for Celtic Festival	\$5,000
Rotary Club of Bowral Mittagong Incorporated	Funding for National Youth Science Forum (NYSF)	\$6,500
Rotary Club of Kurrajong North Richmond Inc	Purchase of a spray unit to assist in graffiti removal	\$3,000
Royal Humane Society of NSW	Funding to assist with Annual Bravery Awards	\$5,000
RSL Australia (NSW Branch)	Annual contribution for Anzac Day 2011 & 2012	\$100,000

SERVICE GROUP 5		
Adminstrative Support for Government		Amount
Recipient	Purpose	\$
Sailability Callala	To enable disabled sailors to compete in the Access World Class Championships in April 2012	\$9,091
Senior Students' Leadership Conference Planning Committee (Gilmore Youth Leadership Forum Incorporated)	Funding assistance for South Coast Senior Student Leadership Conference	\$5,000
Serenity NSW	Purchase of Australian Flag lapel badges to support Mental Health Month	\$500
Sheetmetal Industry Association	To assist students attending Apprentice of the Year & Sculpture Awards	\$5,000
Shellharbour City Council	Funding of plaques for trees to commemorate the Queen's Diamond Jubilee	\$3,000
Slim And Joy Statue Appeal Committee	Donation towards the Slim and Joy Bronze Statue Appeal	\$30,000
Southern Highlands International Piano Competition Inc	Funding for Competition	\$3,500
Special Children's Big Day Out	Funding for 2011 Special Children's Big Day Out - Christmas Party	\$10,000
St Charbel's Church and Monastery	Funding to complete the St Charbel's Maronite Centre for Research and Strategic Studies' Parish Census	\$30,000
St Marys Indoor Sports and Recreation	To support free of charge facility usage by schools and community groups	\$5,000
St Swithuns Anglican Church Pymble	Funding of items to be sent to troops in Afghanistan	\$1,178
Sussex Inlet Annual Family Fishing Carnival Incorporated	Funding to help promote the event	\$2,500
Swansea Soccer Club Inc	Funding assistance for a security system for their new clubhouse	\$6,238
Sydney Children's Hospital Foundation Limited	Gold Week Telethon donation	\$25,000
Sydney Then India Sanmarga Ikya (Tisi) Sangam	Funding towards the T.I.S.I. World Sports Carnival	\$7,500
Terrance Plowright	Funding for New Statue of Governor Macquarie	\$150,000
Thai Australian Association NSW	Funding to support the Thai Loy Krathong Festival	\$5,000
The Association Of Independent Schools of NSW Ltd	To support the delivery of an international education conference in India	\$65,000
The Australian Children's Music Foundation	Donation towards the Foundation	\$20,000
The Headquarters 1st Australian Task Force Association	Funding to subsidise meal costs at the reunion's official dinner	\$2,250
The No-Way Campaign Foundation Limited	Support for the Foundation	\$10,000

SERVICE GROUP 5		
Adminstrative Support for Government		Amount
Recipient	Purpose	\$
The NSW Olympic Council Incorporated	Donation to fundraising committee	\$5,000
The Primary Club of Australia	Funding for "Marathon Cricket" Event at the SCG in Feb 2012	\$25,000
The Salvation Army	Donation to Red Shield Appeal 2012	\$200,000
The Scout Association of Australia - NSW Branch	Funding to complete building project at Camden Haven Sea Scout Hall	\$6,000
The Slim Dusty Heritage Centre - Kempsey - NSW	Funding to assist with roadwork's leading to the centre	\$100,000
Toronto Chamber of Commerce	Funding to assist Toronto Carols By the Lake 2011	\$7,500
United Nations Association of Australia NSW Incorporated	Funding support to hire a marquee	\$1,170
Wallsend Baptist Church	Funding support for the Wallsend Community Christmas Carols and Fireworks	\$1,000
Western Sydney Community Forum	ZEST Awards	\$5,000
Western Sydney Community Forum	Western Sydney Carpool Launch	\$1,000
Wheelchair Sports NSW	Donation to continue vital sporting programs	\$5,000
William Chan	Represent Australia at One Young World Summit 2011	\$2,000
Woolworths - Fresh Food Kids Hospital Appeal	Sponsorship and Donation to Gala Ball 2012	\$20,000
Yenda Preschool Kindergarten Inc	Donation towards fundraising efforts due to major flooding	\$50,000
Enough is Enough	Contribution to accommodation costs and victims support programs	\$367,000
<b>Total</b>		<b>\$2,511,698</b>

SERVICE GROUP 7	
Pensioner Rebate Scheme	Amount
Provides rebates to local councils of up to 55% of eligible pensioner council rates.	
Albury	\$773,281.25
Armidale Dumaresq	\$319,600.30
Ashfield	\$286,038.34
Auburn	\$463,063.94
Ballina	\$786,364.59
Balranald	\$36,349.51
Bankstown	\$1,778,843.00
Bathurst Regional	\$534,914.71
Bega Valley	\$744,060.00
Bellingen	\$277,177.58
Berrigan	\$217,380.87
Blacktown	\$1,850,071.43
Bland	\$90,801.53
Blue Mountains	\$831,866.70
Bogan	\$46,207.72
Bombala	\$57,436.78
Boorowa	\$51,507.04
Botany Bay	\$341,969.27
Bourke	\$27,694.94
Brewarrina	\$10,230.01
Broken Hill	\$399,959.45
Burwood	\$248,934.22
Byron	\$445,485.77
Cabonne	\$179,379.97
Camden	\$318,709.63
Campbelltown	\$951,607.34
Canada Bay	\$544,203.13
Canterbury	\$1,334,726.54
Carrathool	\$38,305.03
Central Darling	\$19,522.37
Central Tablelands County	\$56,543.82
Cessnock	\$646,855.35
Clarence Valley	\$1,267,973.86
Cobar	\$56,717.48
Coffs Harbour	\$1,320,446.84
Coolamon	\$71,584.73
Cooma-Monaro	\$185,738.89
Coonamble	\$67,818.45
Cootamundra	\$171,293.83
Corowa	\$303,575.33
Cowra	\$294,896.13
Deniliquin	\$185,965.67
Dubbo	\$498,080.93
Dungog	\$97,989.00
Eurobodalla	\$1,030,703.87
Fairfield	\$1,708,477.70

<b>SERVICE GROUP 7</b>	
<b>Pensioner Rebate Scheme</b>	<b>Amount</b>
<b>Provides rebates to local councils of up to 55% of eligible pensioner council rates.</b>	
Forbes	\$180,307.91
Gilgandra	\$76,019.91
Glen Innes Severn	\$189,744.83
Gloucester	\$106,280.64
Goldenfields Water County	\$98,099.16
Gosford	\$2,948,414.03
Goulburn Mulwaree	\$492,078.82
Great Lakes	\$742,906.31
Greater Hume	\$159,369.55
Greater Taree	\$801,341.68
Griffith	\$329,611.06
Gundagai	\$62,735.63
Gunnedah	\$209,987.61
Guyra	\$85,827.23
Gwydir	\$131,546.58
Harden	\$96,330.68
Hawkesbury	\$460,746.00
Hay	\$61,615.48
Hills	\$916,135.78
Holroyd	\$836,479.82
Hornsby	\$961,618.46
Hunters Hill	\$53,441.55
Hurstville	\$713,512.14
Inverell	\$355,985.21
Jerilderie	\$23,104.58
Junee	\$85,003.33
Kempsey	\$743,319.23
Kiama	\$227,728.74
Kogarah	\$425,448.38
Ku-ring-gai	\$471,080.17
Kyogle	\$194,962.87
Lachlan	\$108,455.80
Lake Macquarie	\$2,428,773.71
Lane Cove	\$133,623.37
Leeton	\$179,188.69
Leichhardt	\$262,309.80
Lismore	\$727,006.94
Lithgow	\$468,106.95
Liverpool	\$985,780.21
Liverpool Plains	\$152,290.99
Lockhart	\$47,096.17
Maitland	\$673,244.29
Manly	\$193,206.80
Marrickville	\$519,926.26
Mid-Western Regional	\$399,899.17
MidCoast County	\$866,029.05

<b>SERVICE GROUP 7</b>	
<b>Pensioner Rebate Scheme</b>	<b>Amount</b>
<b>Provides rebates to local councils of up to 55% of eligible pensioner council rates.</b>	
Moree Plains	\$124,039.82
Mosman	\$89,046.31
Murray	\$143,283.33
Muswellbrook	\$171,516.21
Narrabri	\$194,947.94
Narrandera	\$123,498.46
Narromine	\$103,963.02
Newcastle	\$1,662,848.46
North Sydney	\$193,631.72
Oberon	\$63,142.66
Orange	\$615,069.61
Palerang	\$109,043.81
Parkes	\$280,969.64
Parramatta	\$1,068,111.04
Penrith	\$1,285,249.58
Pittwater	\$372,612.67
Port Macquarie-Hastings	\$1,820,827.51
Port Stephens	\$772,725.83
Queanbeyan	\$395,552.03
Randwick	\$736,373.08
Richmond Valley	\$476,291.42
Riverina Water County	\$195,214.04
Rockdale	\$991,440.61
Rous Water	\$9,797.12
Ryde	\$745,315.06
Shellharbour	\$735,325.49
Shoalhaven	\$2,561,313.15
Singleton	\$210,305.93
Snowy River	\$68,481.40
Strathfield	\$184,087.32
Sutherland	\$1,824,844.33
Sydney	\$347,836.75
Tamworth Regional	\$1,053,803.04
Temora	\$113,514.33
Tenterfield	\$146,670.31
Tumbarumba	\$58,636.68
Tumut	\$220,703.73
Tweed	\$1,948,500.88
Upper Hunter	\$222,113.85
Upper Lachlan	\$112,212.00
Uralla	\$106,179.97
Urana	\$17,287.51
Wagga Wagga	\$627,428.55
Wakool	\$81,051.92
Walcha	\$48,774.51
Walgett	\$90,244.81

<b>SERVICE GROUP 7</b>	
<b>Pensioner Rebate Scheme</b>	<b>Amount</b>
<b>Provides rebates to local councils of up to 55% of eligible pensioner council rates.</b>	
Warren	\$45,878.19
Warringah	\$1,015,628.84
Warrumbungle	\$217,360.32
Waverley	\$323,812.49
Weddin	\$78,734.75
Wellington	\$165,512.41
Wentworth	\$96,243.15
Willoughby	\$287,283.03
Wingecarribee	\$829,414.52
Wollondilly	\$308,710.05
Wollongong	\$2,232,840.33
Woollahra	\$142,543.25
Wyong	\$3,360,748.32
Yass Valley	\$133,473.90
Young	\$244,183.29
<b>Total</b>	<b>\$76,362,270.69</b>

<b>SERVICE GROUP 9</b>		
<b>Environment And Heritage Policy And Programs</b>		<b>Amount</b>
<b>Recipient</b>	<b>Purpose</b>	<b>\$</b>
Ability Options Ltd	Water Efficiency Project	\$2,500.00
Anglican Church of Aust - Holy Trinity Parish Orange	Works Project	\$30,000.00
Anglican Diocese of Sydney	Water and Energy Efficiency Project	\$5,000.00
Anglican Parish of Ulladulla	Works Project	\$35,000.00
Anglican Retirement Villages Diocese of Sydney	Energy Efficiency Project	\$20,000.00
Anglicare Canberra & Goulburn	Water and Energy Efficiency Project	\$190.00
Baptist Community Services	Energy Efficiency Project	\$1,000.00
Baptist Community Services	Water and Energy Efficiency Project	\$7,000.00
Baptist Community Services	Water Efficiency Project	\$72,834.00
Batemans Bay Soldiers Club Ltd	Water Efficiency Project	\$1,000.00
Bega & District Nursing Home Ltd	Energy Efficiency Project	\$2,000.00
Bermagui Country Club	Water and Energy Efficiency Project	\$2,500.00
Best Employment Limited	Water Efficiency Project	\$2,000.00
Birpai Local Aboriginal Land Council	Aboriginal Project	\$6,895.00
Board of Trustees Broken Hill Trade Hall	Works Project	\$8,000.00
Brewarrina Business Coop Ltd	Aboriginal Heritage Project	\$5,000.00
Bundanon Trust	Water and Energy Efficiency Project	\$5,271.40
Calvary Retirement Community Hunter-Manning Ltd	Energy Efficiency Project	\$1,000.00
Catholic Healthcare Ltd	Water Efficiency Project	\$2,500.00
Catholic Parish of Mary Queen of Apostles Goulburn	Works Project	\$32,474.00
Catholic Parish of St Mary of The Presentation Mudgee	Works Project	\$9,275.00
Central Coast Leagues Club	Water Efficiency Project	\$1,000.00
City of Sydney RSL & Community Club Ltd	Energy Efficiency Project	\$475.00
Convict Trail Project	Conservation Management Plan Project	\$30,000.00
Cootamundra Ex-Servicemen's & Citizen's Memorial Club Ltd	Water and Energy Efficiency Project	\$2,000.00
Cowra Showground Trust	Works Project	\$24,881.00
Crows Nest Centre	Energy Efficiency Project	\$2,000.00
Dalwood Auxillary Inc	Community Project	\$2,000.00
Delegate Country Club Ltd	Energy Efficiency Project	\$1,000.00
Dorrigo Memorial RSL Club Cooperative Ltd	Water and Energy Efficiency Project	\$719.22
Dubbo Horse & Pony Club Inc	Energy Efficiency Project	\$500.00
Dungog & District Retirement Living Ltd	Energy Efficiency Project	\$1,000.00
Dural District Baptist Church	Energy Efficiency Project	\$2,000.00
Eastern Zone Gujaga Aboriginal Corporation	Aboriginal Project	\$12,481.00
Ethnic Communities' Council of NSW Inc	Energy Efficiency Project	\$60,000.00
Ethnic Communities' Council of NSW Inc	Environmental Education and Sustainable Living Project	\$150,000.00
Ethnic Communities' Council of NSW Inc	Water Efficiency Project	\$75,000.00
Ethnic Communities' Council of NSW Inc	Water, Energy and Waste Efficiency Project	\$22,000.00
Finley Regional Care Ltd	Water, Energy and Gas Efficiency Project	\$1,000.00
Flagstaff Group Ltd	Water Efficiency Project	\$1,000.00
Frank Whiddon Masonic Homes of NSW	Water, Energy and Gas Efficiency Project	\$4,000.00
Frazer Court Committee Inc	Water and Energy Efficiency Project	\$1,000.00
Goulburn and Districts Art & Craft Inc	Works Project	\$24,986.00

<b>SERVICE GROUP 9</b>		
<b>Environment And Heritage Policy And Programs</b>		<b>Amount</b>
<b>Recipient</b>	<b>Purpose</b>	<b>\$</b>
Goulburn and Districts Art and Craft Inc	Works Project	\$6,017.00
Grafton Pony Club Inc	Water Efficiency Project	\$1,000.00
Gumnut Cottage Incorporated	Water and Energy Efficiency Project	\$970.91
Harbison Memorial Retirement Village	Water Efficiency Project	\$2,000.00
Harris Park Community Centre Inc	Community Gardens works and Education Project	\$4,840.00
Hill End Arts Council Incorporated	Works Project	\$48,404.00
Hillsong Church Ltd	Energy and Gas Efficiency Project	\$2,000.00
Hornsby Heights Sports Club Inc	Water Efficiency Project	\$1,000.00
Hornsby RSL Club	Energy Efficiency Project	\$2,000.00
Hunter Housing Inc & Ethnic Communities Council	Energy Efficiency Project	\$2,000.00
Illawarra Retirement Trust	Energy Efficiency Project	\$3,000.00
Illawarra Retirement Trust	Water and Energy Efficiency Project	\$4,000.00
Kahibah Bowling Club	Water and Energy Efficiency Project	\$500.00
Keep Australia Beautiful NSW	Community Project	\$371,687.80
Kiama Leagues Club Ltd	Water, Energy and Gas Efficiency Project	\$1,500.00
Kurrajong & Dist Hospital Society Inc	Water, Energy and Gas Efficiency Project	\$1,000.00
Kyogle Pre School Assoc Inc	Water and Energy Efficiency Project	\$1,000.00
Linden Observatory Trust	Works Project	\$6,678.00
Macksville District Ex-Servicemen's Club Ltd	Water and Energy Efficiency Project	\$2,500.00
Manly Golf Club Ltd	Energy Efficiency Project	\$1,006.00
Manly Ministry Centre	Water, Energy and Gas Efficiency Project	\$1,776.19
Mccrossins Mill Museum	Works Project	\$9,500.00
Mercy Community Services	Energy Efficiency Project	\$1,000.00
Middle Harbour 16Ft Skiff Sailing Club	Energy and Gas Efficiency Project	\$2,000.00
Moorebank Sports Cluc Ltd	Energy and Carbon Footprint Efficiency Project	\$1,000.00
Mount Sugarloaf Croquet Club	Water Efficiency Project	\$500.00
Murwillumbah Showground Trust	Water, Energy and Carbon Footprint Efficiency Project	\$608.00
National Trust of Australia (NSW)	Community Project	\$124,154.00
National Trust of Australia (NSW)	Community Strategic Project	\$11,346.00
National Trust of Australia (NSW)	Works Project	\$16,324.00
NSW Early Childhood Environment Education Network	Collaborative Project	\$20,465.00
NSW Early Childhood Environment Education Network	Sustainability in Early Childhood Education Project	\$16,372.00
Nigyanni Indigenous Corporation	Water and Energy Efficiency Project	\$1,000.00
Oatley RSL & Community Club Ltd	Water and Energy Efficiency Project	\$322.73
Odyssey House Mcgrath Foundation	Water, Energy and Carbon Footprint Efficiency Project	\$931.87
Padstow Bowling & Recreation Club	Energy Efficiency Project	\$2,448.00
Pambula-Merimbula Golf Club Ltd	Energy and Gas Efficiency Project	\$2,500.00
Parish of Picton & Wilton Anglican	Works Project	\$5,000.00
Penrith Skills for Jobs Ltd	Community & Sustainable Living Project	\$500.00
Pilliga Community Link Inc	Water and Energy Efficiency Project	\$413.83
Pioneer House	Energy Efficiency Project	\$500.00
Quirindi Retirement Homes Ltd	Water and Energy Efficiency Project	\$1,000.00
Raymond Terrace Early Education Centre Inc	Water Efficiency Project	\$1,000.00

<b>SERVICE GROUP 9</b>		
<b>Environment And Heritage Policy And Programs</b>		<b>Amount</b>
<b>Recipient</b>	<b>Purpose</b>	<b>\$</b>
Riverstone-Schofields Memorial Club Ltd	Energy Efficiency Project	\$633.00
Royal Australian Historical Society	Community Project	\$50,000.00
Royal Nsw Lancers Memorial Museum Inc	Works Project	\$28,185.00
RSL Lifecare Ltd	Water and Energy Efficiency Project	\$1,000.00
Rylstone and District Historical Society	Works Project	\$7,500.00
Sawtell Bowling & Recreation Club Ltd	Energy Efficiency Project	\$2,000.00
Seaforth Bowling Club Ltd	Water Efficiency Project	\$2,500.00
Serbian Centre Club	Energy and Gas Efficiency Project	\$1,000.00
St George Antiochian Orthodox Cathedral Parish	Conservation Management Plan Project	\$5,000.00
St Johns Anglican Church Balmain	Works Project	\$22,445.00
St Johns Anglican Church Parramatta	Works Project	\$7,000.00
St Lukes Anglican Church	Works Project	\$18,500.00
St Peters Anglican Church	Works Project	\$15,000.00
St Stephens Anglican Church Newtown	Works Project	\$10,000.00
Strathfield One Stop Child Care Service Inc	Water and Energy Efficiency Project	\$960.00
Sydney Tramway Museum	Works Project	\$29,813.00
Tamworth and District Cricket Association	Water and Energy Efficiency Project	\$2,500.00
The Parish Church of St James	Works Project	\$53,699.00
The Royal Australian Institute of Architects	Community Project	\$17,381.00
The Royal Australian Institute of Architects	Community Strategic Project	\$14,984.00
The Sir Henry Royce Foundation	Works Project	\$5,000.00
The Thomas & Jane Rose Family Society Inc	Works Project	\$4,489.00
Toukley & District Senior Citizens Club Inc	Energy Efficiency Project	\$1,000.00
Trustees Of The Sisters of The Good Samaritan	Growth Centres Biodiversity Offset Program	\$467,875.55
UCA - Lugarno Peakhurst	Water Efficiency Project	\$276.36
Ulladulla Childrens Centre Inc	Water and Energy Efficiency Project	\$617.80
Uniting Church In Australia Windsor	Works Project	\$35,000.00
Uniting Church Of Australia - Armidale	Works Project	\$7,064.00
Valley Industries Ltd	Water Efficiency Project	\$484.26
Wagga Wagga Country Club Ltd	Water Efficiency Project	\$2,000.00
Warilla Bowls & Recreation Club	Energy Efficiency Project	\$2,000.00
Wesley Mission	Energy Efficiency Project	\$1,000.00
Wesley Mission	Water and Energy Efficiency Project	\$2,500.00
Westside Tennis Club Inc	Environmental Educating and Community Project	\$2,000.00
Wilcannia Community Transport	Conservation Management Plan Project	\$3,000.00
Windgap Foundation Ltd	Water Efficiency Project	\$1,000.00
Women's Legal Resources Ltd	Energy Efficiency Project	\$1,000.00
YMCA of Sydney	Energy and Carbon Footprint Efficiency Project	\$2,000.00
Youth Connections	Aboriginal Heritage Project	\$30,390.00
Youth Connections	Aboriginal Project	\$17,337.00
Zig Zag Railway	Works Project	\$21,538.00
<b>Total</b>		<b>\$2,251,918.92</b>



<b>SERVICE GROUP 10</b>		
<b>Parks and Wildlife</b>		<b>Amount</b>
<b>Recipient</b>	<b>Purpose</b>	<b>\$</b>
Australian Seabird Rescue Inc	Support of local wildlife carers groups	\$3,000.00
Coffs Harbour & District Local Aboriginal Land Council	Contribution to Darrunda Wajaarr	\$4,000.00
Coffs Harbour Regional Landcare Inc	Contribution to Landcare Project	\$4,000.00
Corrowong Bushfire Brigade	Bushfire	\$1,500.00
Fawna (NSW) Inc	Support local wildlife carer groups	\$3,000.00
Fawna (NSW) Inc	Support of local wildlife carers groups	\$7,200.00
Friends of the Koala Inc	Support of local wildlife carers groups	\$3,000.00
Gundungurra Aboriginal Heritage Ass Inc	Mt Solitary Project	\$9,771.00
Gundungurra Aboriginal Heritage Ass Inc	Pathway Projects	\$105,000.00
Gundungurra Tribal Council Aboriginal Corp	Cultural Festival	\$25,000.00
Gundungurra Tribal Council Aboriginal Corp	Dictionary & Language Project	\$25,000.00
Gundungurra Tribal Council Aboriginal Corp	Muggadah Tours Project	\$9,771.00
Gundungurra Tribal Council Aboriginal Corp	Tourism Project	\$30,000.00
Gundungurra Tribal Council Aboriginal Corp	Video & Film Project	\$25,000.00
Hunter Koala Preservation Society	Support of local wildlife carers groups	\$2,500.00
Koalas in Care Inc	Support of local wildlife carers groups	\$2,000.00
Looking after our Kosciuszko Orphans Inc	Wildlife Rehabilitation	\$3,000.00
Native Animal Trust Fund	Support local wildlife carer groups	\$2,000.00
Native Animal Trust Fund	Support of local wildlife carers groups	\$9,800.00
Northern Rivers Wildlife Carers	Support of local wildlife carers groups	\$3,000.00
Tweed Valley Wildlife Carers	Wildlife Rehabilitation	\$3,000.00
Wildcare Inc	Wildlife Rehabilitation	\$2,000.00
Wildlife Aid	Support local wildlife carer groups	\$1,000.00
Wildlife Arc	Support local wildlife carer groups	\$3,000.00
WIRES - Central Coast	Support local wildlife carer groups	\$3,000.00
WIRES - Clarence Valley	Support of local wildlife carers groups	\$4,500.00
WIRES - Mid North Coast	Support local wildlife carer groups	\$3,000.00
WIRES - Northern Rivers	Support of local wildlife carers groups	\$3,000.00
Worimi Local Aboriginal Land Council	Payment of Accrued revenue	\$62,109.99
<b>Total</b>		<b>\$362,151.99</b>

<b>SERVICE GROUP 11</b>		
<b>Culture and heritage</b>		<b>Amount</b>
<b>Recipient</b>	<b>Purpose</b>	<b>\$</b>
Green team development unit	Aboriginal communities project	\$34,090.91
<b>Total</b>		<b>\$34,090.91</b>

## Human Resources Statistics

The following tables relate to the DPC including the DLG and excluding the OEH.

### DPC Senior Executive Service

SES OFFICERS AS AT 30 JUNE	2011	2012
Level 8	2	1
Level 7	3	6
Level 6	3	3
Level 5	4	6
Level 4	6	13
Level 3	8	6
Level 2	0	9
Level 1	3	5
<b>Total SES Officers</b>	<b>29</b>	<b>49</b>
<b>Total SES Positions</b>	<b>29</b>	<b>48</b>
<b>Total SES Positions including vacancies</b>	<b>35</b>	<b>56</b>

The increase in SES positions reflects a corresponding decrease in Senior Officer positions of 13, the implementation of recommendations outlined in the Commission of Audit's Interim Report on Public Sector Management and the creation of ServiceNSW.

TOTAL CES/SES POSITIONS FILLED BY WOMEN ON 30 JUNE	2008	2009	2010	2011	2012
	14	11	12	6	15

### DPC Percentage of Staff by Grading - Full time Equivalent

ACTUAL	SUBGROUP AS ESTIMATED PERCENTAGE OF TOTAL STAFF AT EACH LEVEL									
	Remuneration level of substantive position	Total staff count	Respondents	Men	Women	Aboriginal people and Torres Strait Islanders	People from racial, ethnic, ethno-religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring work-related adjustment
	\$0 - \$40,662	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$40,662 - \$53,407	40	45.0%	87.5%	12.5%	5.6%	22.2%	16.7%	22.2%	16.7%
	\$53,407 -w \$59,705	19	73.7%	26.3%	73.7%	14.3%	14.3%	28.6%	7.1%	7.1%
	\$59,705 - \$75,552	86	67.4%	20.9%	79.1%	0.0%	24.1%	29.3%	5.2%	0.0%
	\$75,552 - \$97,702	153	75.8%	29.4%	70.6%	0.9%	23.3%	16.4%	2.6%	0.9%
	\$97,702 - \$122,128	172	73.8%	40.1%	59.9%	2.4%	10.2%	11.8%	4.7%	1.6%
	\$122,128 > (Non SES)	57	78.9%	43.9%	56.1%	0.0%	17.8%	11.1%	11.1%	4.4%
	\$122,128 > (SES)	49	77.6%	69.4%	30.6%	0.0%	5.3%	5.3%	5.3%	0.0%
<b>Total</b>		<b>576</b>	<b>72.2%</b>	<b>40.1%</b>	<b>59.9%</b>	<b>1.8%</b>	<b>17.1%</b>	<b>15.9%</b>	<b>6.2%</b>	<b>2.5%</b>

Source: NSW DPC 2011-12 Workforce Profile

## DPC Staff Profile by Employment Basis

LEVEL	2008-09		2009-10		2010-2011		2011-2012		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Permanent full-time	157	215	199	292	189	244	170	231	401
Permanent part-time	4	33	3	39	6	55	8	49	57
Temporary full-time	9	37	39	69	28	60	17	43	60
Temporary part-time	1	6	2	10	3	6	2	6	8
Contract - SES	20	11	21	12	22	7	34	15	49
Contract - non SES	0	1	0	1	1	1	0	1	1
Training positions	0	0	0	0	0	0	0	0	0
Retained staff	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>191</b>	<b>303</b>	<b>264</b>	<b>423</b>	<b>249</b>	<b>373</b>	<b>231</b>	<b>345</b>	<b>576</b>

Source: NSW DPC 2011-12 Workforce Profile.

## DPC Parliamentary Annual Report Tables

TRENDS IN THE REPRESENTATION OF EEO GROUPS				
EEO GROUP	Benchmark/Target	2010	2011	2012
Women	50%	60.4%	60.0%	59.9%
Aboriginal People and Torres Strait Islanders	2.6%	1.6%	1.0%	1.8%
People whose First Language Spoken as a Child was not English	19.0%	14.6%	22.2%	15.9%
People with a Disability	N/A	4.9%	4.3%	6.2%
People with a Disability Requiring Work-Related Adjustment	1.5%	1.9%	1.4%	2.5%

TRENDS IN THE DISTRIBUTION OF EEO GROUPS				
EEO GROUP	Benchmark/Target	2010	2011	2012
Women	100	93	100	100
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	94	95	90
People with a Disability	100	94	96	91
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Source: NSW DPC 2011-12 Workforce Profile.

\*Note 1: Estimated figures are calculated on the basis of the number of employees that have responded "yes" to the EEO category as a proportion of the total number of employees who have responded to the EEO survey, multiplied by the total amount of employees in the salary band i.e. Estimated People with a Disability from salary band 1 = (Actual number of People with a Disability in salary band 1/Total number of respondents from salary band 1)\* Total number of Staff in salary band 1.

Note 2: Respondents are classified as employees who have provided an answer for any of the EEO questions, whether they have chosen to withdraw their response or not i.e. all employees who do not have "missing" as their response.

Note 3: As EEO reporting is based on headcount, figures are rounded to the nearest whole number after all calculations have been made.

Note 4: Separated employees are excluded in the above table.

The following tables relate to the OEH, which includes the Environmental Trust as the Trust's staff are employed within the OEH:

### OEH Senior Executive Officers

TOTAL SES OFFICERS BY LEVEL	30 JUNE 2011	30 JUNE 2012
8	1	0
7	1	1
6	2	0
5	2	2
4	6	5
3	7	6
2	2	1
1	0	0
<b>Total</b>	<b>21</b>	<b>15</b>

### OEH Female Senior Executive officers

TOTAL SES OFFICERS BY LEVEL	30 JUNE 2011	30 JUNE 2012
Total SES positions filled by women	5	4

### OEH staff by Category

TOTAL STAFF (HEAD COUNT) BY CATEGORY	HEAD COUNT 30 JUNE 2009	HEAD COUNT 30 JUNE 2010*	HEAD COUNT 30 JUNE 2011**	HEAD COUNT 30 JUNE 2012***
Permanent full-time	2918	2860	2906	2379
Permanent part-time	308	301	302	244
Temporary full-time	601	600	537	449
Temporary part-time	140	121	110	91
Casual	508	500	473	449
<b>Total</b>	<b>4475</b>	<b>4382</b>	<b>4328</b>	<b>3612</b>

\* Figures do not include NSW Office of Water who were part of OEH at that time.

\*\* Figures do not include Heritage Branch who were part of OEH at that time, but they do include staff from Royal Botanic Gardens and Domain Trust.

\*\*\* Figures only include OEH staff; they do not include Environment Protection Authority or Royal Botanic Gardens and Domain Trust staff.

### OEH employees by Location

TOTAL STAFF (HEAD COUNT) BY CATEGORY	FTE 30 JUNE 2009	FTE 30 JUNE 2010*	FTE 30 JUNE 2011**	HEAD COUNT 30 JUNE 2012***
Sydney metropolitan area	2027	2245	1993	1671
Regional areas	1671	2076	1609	1941
<b>Total</b>	<b>3698</b>	<b>4321</b>	<b>3602</b>	<b>3612</b>

\* Full Time Equivalent (FTE) numbers include NSW Office of Water who were part of OEH at that time.

\*\* Full Time Equivalent (FTE) numbers do not include Heritage Branch who were part of OEH at that time, but do include staff from Royal Botanic Gardens and Domain Trust.

\*\*\* Methodology amended to Head Count for comparability with 'OEH staff category' table. Head Count numbers only include OEH staff; they do not include Environment Protection Authority or Royal Botanic Gardens and Domain Trust staff.

### Personnel Services to statutory bodies

Personnel services to statutory bodies	Head count as at 30 June 2012
Statutory Body	
Centennial Park and Moore Park Trust	67
Historic Houses Trust	238
Lord Howe Island Board	49
Parramatta Park Trust	10
Royal Botanic Gardens and Domain Trust	371
Western Sydney Parklands	15

Further details on statutory information regarding employees that provide personnel services to these statutory bodies can be found in the annual reports of each agency.

## OEH Parliamentary Annual Report Tables

The following tables cover the Office of Environment and Heritage (which includes the Environmental Trust) and are based on head count. Tables exclude the Environment Protection Authority, Centennial Park & Moore Park Trust and Royal Botanic Gardens & Domain Trust. These figures exclude casual staff and contractors. OEH does not report on staff attached to the Minister's Office or board and committee members.

### Trends in the representation of EEO groups

EEO GROUP	BENCHMARK / TARGET	2010	2011	2012
Women	50%	42.2%	42.4%	40.7%
Aboriginal People and Torres Strait Islanders	2.6%	9.7%	9.5%	11.0%
People whose First Language Spoken as a Child was not English	19.0%	8.3%	7.5%	7.8%
People with a Disability	N/A	3.8%	4.2%	4.0%
People with a Disability Requiring Work-Related Adjustment	1.5%	1.0%	1.4%	1.2%

### Trends in the distribution of EEO groups

EEO GROUP	BENCHMARK / TARGET	2010	2011	2012
Women	100	103	104	107
Aboriginal People and Torres Strait Islanders	100	72	70	71
People whose First Language Spoken as a Child was not English	100	106	106	107
People with a Disability	100	103	105	104
People with a Disability Requiring Work-Related Adjustment	100	111	112	114

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

## Infringements and Prosecutions

OEH also prosecutes offences under parks, wildlife, threatened species, native vegetation and Aboriginal heritage provisions. OEH Legal Services Branch supports the Environment Protection Authority in its prosecution function.

OEH commenced 40 prosecutions in 2011-12. The number of completed prosecutions was 75. The 75 completed prosecutions resulted in:

- 72 convictions
- 1 matter where the offence was proven but a conviction was not recorded
- 2 acquittals

The Environment Protection Authority commenced 100 prosecutions and completed 56 prosecutions in 2011-12. The 56 completed prosecutions resulted in 52 convictions, 1 matter where the offence was proved but a conviction was not recorded and 3 acquittals.

Details of OEH prosecutions completed during 2011-12 are recorded below. Details of prosecutions completed under EPA legislation can be found in the EPA Annual Report Appendices.

LEC = Land and Environment Court

LC = Local Court

s.10 = Under section 10 of the *Crimes (Sentencing Procedure) Act 1999* the Court, although finding the defendant guilty of the offences charged, did not record a conviction or impose a penalty.

Note: Unless otherwise stated, the dollar amount referred to in the Result/ Penalty column is a fine.

## Prosecutions completed under parks, wildlife, threatened species, Aboriginal heritage and related legislation

### NON-TIER OFFENCES

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<i>National Parks and Wildlife Act 1974</i>			
Boardman, Michael Kenneth	Failure to provide name and address to an authorised officer	\$300	Raymond Terrace LC
Bombala Investments Pty Ltd	Damage habitat of a threatened species	\$13,000	LEC
Coffs Harbour Hardwoods Sales Pty Ltd	Pick plant that is part of a threatened species	\$45,000	LEC
		Ordered to undertake remediation works and to publicise details of the offence in the Coffs Harbour Advocate and Bellinger Star	
Coffs Harbour Hardwoods Sales Pty Ltd	Damage reserved land	\$40,000	LEC
		Ordered to undertake remediation works and to publicise details of the offence in the Coffs Harbour Advocate and Bellinger Star	
Cory, Edward James Stephen	Breach licence condition	\$2,000	Moree LC
Evans, Kobie Ellco	Breach licence condition	\$200	Dubbo LC
Evans, Kobie Ellco	Breach licence condition	\$200	Dubbo LC
Evans, Kobie Ellco	Breach licence condition	\$200	Dubbo LC
Fortune Enterprises Pty Ltd	Harm protected fauna	\$8,800	Maclean LC
		Ordered to pay investigation costs of \$113.50	
Fortune Enterprises Pty Ltd	Harm protected fauna	\$8,800	Maclean LC
Gover, Jamie Michael	Breach licence condition	\$400	Glenn Innes LC
Gover, Jamie Michael	Breach licence condition	\$400	Glenn Innes LC
Gover, Jamie Michael	Breach licence condition	\$400	Glenn Innes LC
Gover, Jamie Michael	Import protected fauna	\$400	Glenn Innes LC
Gover, Jamie Michael	Export protected fauna	\$400	Glenn Innes LC
Gover, Jamie Michael	Export protected fauna	\$400	Glenn Innes LC
Haycock, Bradley Thomas	Harm protected fauna	\$200	Orange LC
Kyluk Pty Ltd	Pick plant that is part of an endangered ecological community	Ordered to pay \$127,500 to Campbelltown City Council for environmental project, undertake restoration works and to publicise details of the offence in the Campbelltown-MacArthur Advertiser	LEC
Lampo Pty Ltd	Damage habitat of a threatened species	\$10,000	LEC
		Ordered to retain consultant to prepare and implement remediation plan and to publicise details of the offence in the Great Lakes Advocate	
Lani, Rinaldo	Damage habitat of a threatened species	\$10,000	LEC
		Ordered to retain consultant to prepare and implement remediation plan and to publicise details of the offence in the Great Lakes Advocate	

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>National Parks and Wildlife Act 1974</b>			
Lani, Rinaldo	Damage habitat of a threatened species	\$20,000 Ordered to retain consultant to prepare and implement remediation plan and to publicise details of the offence in the Great Lakes Advocate	LEC
Lawrenson, James Frederick	Use substance to harm protected fauna	\$1,500 Ordered to pay investigation costs of \$819.50	Toronto LC
Lawrenson, James Frederick	Use substance to harm protected fauna	\$1,500 \$7,200	Toronto LC
Lee, John	Harm protected fauna	Ordered to pay investigation costs of \$113.50	LEC
Lee, John	Harm protected fauna	\$5,000	LEC
Lee, Nichole	Be accompanied by dog in nature reserve	\$300	Byron Bay LC
Mitchell, Lance Terence	Breach licence condition	Acquitted	Windsor LC
Vaccount Pty Ltd t/as Tableland Timbers	Damage nature reserve	Ordered to pay \$73,000 to the Northern Rivers Catchment Management Authority for general environmental purposes. Also ordered to pay investigation costs of \$2,900	LEC

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>National Parks and Wildlife Regulation 2009</b>			
Boardman, Michael Kenneth	Park unregistered vehicle in park	\$300	Raymond LC
Carey, Daniel Leo	Hunt animal in a park	\$400	Mudgee LC
Carey, Daniel Leo	Control dog in park with radio tracking equipment	\$200 Ordered tracking collar to be forfeited	Mudgee LC
Childs, Geoffrey David	Park vehicle without valid pass displayed	s.10	Sutherland LC
Choudhary, Ather	Park vehicle without valid pass displayed	\$100	Sutherland LC
Dahoud, Halimeh	Park vehicle without valid pass displayed	\$100	Sutherland LC
Derewlany, Shaun Peter	Hunt animal in park	\$400	Mudgee LC
Derewlany, Shaun Peter	Control animal in park	\$400 Ordered breast plate to be forfeited	Mudgee LC
Derewlany, Shaun Peter	Possess knife in park Ordered knife to be forfeited	\$200	Mudgee LC
Gascoigne, Ryan Glenn	Drive vehicle on access barred track	\$200	Mudgee LC
Gascoigne, Ryan Glenn	Dog in park with breast plate	\$200	Mudgee LC
Haycock, Bradley Thomas	Provide false information in licence application	\$300	Orange LC
Haycock, Bradley Thomas	Provide false information in licence application	\$300	Orange LC
Haycock, Bradley Thomas	Provide false information in licence application	\$300	Orange LC
Hooklyn, Terrence Mark	Use offensive language in park	\$300	Grafton LC

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>National Parks and Wildlife Regulation 2009</b>			
Hooklyn, Terrence Mark	Possess animal in park	\$0	Grafton LC
Leferla, Rick Matthew	Hunt animal in park	\$400	Mudgee LC
Leferla, Rick Matthew	Have control of animal in park	\$200	Mudgee LC
Li, Tingzhan	Drive unregistered vehicle in park	\$481	Raymond LC
Lonsdale, Peta	Permanently reside in park Ordered to vacate park	\$200	Gosford LC
O'Brien, Nathan John	Hunt animal in park	\$400	Mudgee LC
O'Brien, Nathan John	Have control of animal in park	\$200	Mudgee LC
O'Brien, Nathan John	Possess knife in park	\$200	Mudgee LC
O'Meley, Steve Patrick	Possess dog in park with hunting collar Ordered hunting equipment to be forfeited	\$500	Mudgee LC
O'Meley, Steve Patrick	Possess dog in park with breast plate Ordered hunting equipment to be forfeited	\$500	Mudgee LC
O'Meley, Steve Patrick	Possess knife in park Ordered hunting equipment to be forfeited	\$500	Mudgee LC
Parker, Stewart John	Use offensive language in park	\$400	
Patten, Jess Evan	Drive vehicle on access barred track	\$300	Mudgee LC
Patten, Jess Evan	Possess knife in park	\$200	Mudgee LC
Patten, Jess Evan	Possess knife in park Ordered knife and knife pouch to be forfeited	\$300	Mudgee LC
Ridgeway, Arthur	Permanently reside in park Ordered to vacate park	\$200	Gosford LC
Sproule, Mark Colin	Drive vehicle on accessed barred track	\$300	Mudgee LC
Sproule, Mark Colin	Dog in park with breast plate	\$300	Mudgee LC
Sproule, Mark Colin	Possess knife in park Ordered knives, knife pouches and machete to be forfeited	\$300	Mudgee LC
Sproule, Mark Colin	Use offensive language in park	\$300	Mudgee LC
Sproule, Timothy Charles	Drive vehicle on access barred track	\$300	Mudgee LC
Sproule, Timothy Charles	Dog in park with breast plate	\$500	Mudgee LC
Sproule, Timothy Charles	Use offensive language in park	\$300	Mudgee LC
Wood, Josephine	Light fire in park	\$100	Mullumbimby LC

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>Food Act 2003</b>			
Johnson, Michael Geoffrey	Assault an authorised officer	Acquitted	Cooma LC
Stipis, George	Obstruct an authorised officer	\$4,000	Cooma LC

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>Lord Howe Island Regulation 2004</b>			
Owens, Diane	Remove or destroy flora	\$750	Port Macquarie LC

### Total prosecutions under parks wildlife, threatened species, Aboriginal heritage and related legislation

Fines	\$192,431
Other financial penalties	\$200,500
<b>Total fines and other financial penalties</b>	<b>\$392,931</b>



## Prosecutions completed under native vegetation legislation

### NON-TIER OFFENCES

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<i>Native Vegetation Act 2003</i>			
Graymarshall Pty Ltd	Clear native vegetation	\$200,000	LEC
Hughes, William Phillip	Clear native vegetation	\$4,500	Kempsey LC
Powell, Brian Clifford	Clear native vegetation	\$120,000	LEC
Walker Corporation Pty Ltd	Clear native vegetation	\$80,000	LEC
Walker Corporation Pty Ltd	Clear native vegetation	\$200,000	LEC
<b>Total fines under native vegetation legislation:</b>			<b>\$604,500</b>

### Total OEH prosecutions completed

	NUMBER OF COMPLETED PROSECUTIONS	VALUE OF FINES AND FINANCIAL PENALTIES
Total prosecutions under parks, wildlife, threatened species, Aboriginal heritage and related legislation (fines)	70	\$392,931
Total prosecutions under native vegetation legislation (fines)	5	\$604,500
<b>Total OEH prosecutions</b>	<b>75</b>	<b>\$997,431</b>

## Summary of Significant Cases

Prosecutions under threatened species, parks, wildlife, Aboriginal Heritage and native vegetation legislation – administered by the OEH.

### **Coffs Harbour Hardwoods Sales Pty Ltd – damage reserved land**

In March 2012 Coffs Harbour Hardwoods Sales Pty Ltd (CHH) was convicted in the Land and Environment Court for harming threatened species and damaging reserved land, namely the Jaaningga Nature Reserve. A resident of the Coffs Harbour area obtained a private native forestry agreement to fell timber on his land, which borders the Jaaningga Nature Reserve. He contracted CHH, a local timber company, to fell selected trees. CHH cleared vegetation in the nature reserve in order to facilitate the removal of timber from the neighbouring property and continued to do so despite signs clearly showing where the nature reserve was. In doing so, CHH killed or damaged 21 plants of a threatened species and also damaged another 4000 square metres of the reserve. CHH was fined a total of \$85,000 and was ordered to pay prosecutor's costs of \$26,000.

### **Graymarshall Pty Ltd – native vegetation clearing**

In September 2011 Graymarshall Pty Ltd was convicted by the Land and Environment Court for illegally clearing nearly 40 ha of native vegetation on a property it owned situated between Coffs Harbour and Grafton. The Court accepted that the areas cleared were pristine, and that they were deliberately cleared for commercial gain, as sites for either intensive cultivation of, for example, blueberries, or as building envelopes for rural residential development. Graymarshall was fined \$200,000 and ordered to pay the prosecutor's costs.

### **Kyluk Pty Limited – damage plants comprising an endangered ecological community (EEC)**

Kyluk Pty Limited pleaded guilty in the Land and Environment Court to clearing plants that formed part of an endangered ecological community. Kyluk buys and manages commercial and farming properties. Over a 12 hectare area on a property it owns near Appin, Kyluk cleared plants comprising the Shale/Sandstone Transition Forest endangered ecological community, so as to increase the area of land available for grazing. In March 2012, Kyluk was convicted and ordered to pay a penalty of \$127,500 to Campbelltown City Council for use in the Noorumba Reserve Restoration Project. It was also ordered to undertake works to restore and remediate the property, publicise details of the offence in the Campbelltown-Macarthur Advertiser and to pay the prosecutor's costs.

### **Vaccount Pty Ltd trading as Tableland Timbers – damage reserved land**

Vaccount was prosecuted in the Land and Environment Court for illegal logging of trees in the Guy Fawkes National Park near Dorrigo. Between November 2008 and March 2009, Vaccount felled approximately 400 mature trees on the park. The trees were felled during a logging operation on an adjacent private property. Vaccount took the trees to a sawmill and later sold the timber. The trees were habitat for a variety of species including some threatened species. Vaccount pleaded guilty, was convicted and ordered to pay a penalty of \$73,000 to the Northern Rivers Catchment Management Authority for general environmental purposes. It was also ordered to pay prosecutors costs of \$47,100 and investigation costs of \$2,900.

### **Walker Corporation Pty Ltd (No. 1 and No. 2) – native vegetation clearing**

Walker Corporation was prosecuted in the Land and Environment Court for two separate offences of illegally clearing native vegetation, on properties south west of Sydney. In the first prosecution of Walker Corporation, it pleaded not guilty to the offence of clearing native vegetation of about 23 hectares on a property near Wilton. It was subsequently found guilty, and in July 2011 was convicted and fined \$200,000 and ordered to pay the prosecutor's costs. Walker Corporation appealed this conviction to the Court of Criminal Appeal. The appeal was heard in February 2012 and the decision of the Court is still reserved. In the second prosecution, Walker Corporation pleaded not guilty to the offence of clearing native vegetation of about 7 hectares on a property near Appin. It was subsequently found guilty and in April 2012 it was fined \$80,000 and ordered to pay the prosecutor's costs.

## Legislation and Legal Change

### Acts allocated to the Premier (as at 30 June 2012)

- *Anti-Discrimination Act 1977 No 48, Part 9A* (remainder, the Attorney General)
- *Anzac Memorial (Building) Act 1923 No 27*, jointly with the Minister for Citizenship and Communities
- *Australia Acts (Request) Act 1985 No 109*
- *Barangaroo Delivery Authority Act 2009 No 2*
- *Community Relations Commission and Principles of Multiculturalism Act 2000 No 77*, jointly with the Minister for Citizenship and Communities
- *Competition Policy Reform (New South Wales) Act 1995 No 8*
- *Constitution Act 1902 No 32*
- *Constitution Further Amendment (Referendum) Act 1930 No 2*
- *Constitution (Legislative Council Reconstitution) Savings Act 1993 No 19*
- *Election Funding, Expenditure and Disclosures Act 1981 No 78*
- *Essential Services Act 1988 No 41, Parts 1 and 2* (remainder, the Minister for Finance and Services)
- *Government Advertising Act 2011 No 35*
- *Independent Commission Against Corruption Act 1988 No 35*
- *Independent Commission Against Corruption (Commissioner) Act 1994 No 61*
- *Independent Pricing and Regulatory Tribunal Act 1992 No 39*
- *Infrastructure NSW Act 2011 No 23*
- *Internal Audit Bureau Act 1992 No 20*
- *Interpretation Act 1987 No 15*
- *Legislation Review Act 1987 No 165*
- *Licensing and Registration (Uniform Procedures) Act 2002 No 28*
- *Lobbying of Government Officials Act 2011 No 5*
- *Major Events Act 2009 No 73*
- *Mutual Recognition (New South Wales) Act 1992 No 61*
- *Nation Building and Jobs Plan (State Infrastructure Delivery) Act 2009 No 1*
- *Natural Resources Commission Act 2003 No 102*
- *Ombudsman Act 1974 No 68*
- *Parliamentary Electorates and Elections Act 1912 No 41*
- *Parliamentary Evidence Act 1901 No 43*
- *Parliamentary Precincts Act 1997 No 66*
- *Parliamentary Remuneration Act 1989 No 160*
- *Police Integrity Commission Act 1996 No 28*
- *Public Finance and Audit Act 1983 No 152, sections 28, 28A, 29, 30, and Schedule 1* (remainder, the Treasurer)
- *Public Interest Disclosures Act 1994 No 92*
- *Public Sector Employment and Management Act 2002 No 43* (except Chapter 6, jointly with the Minister for Finance and Services, and Chapter 7, the Minister for Finance and Services)
- *Returned and Services League of Australia (New South Wales Branch) Incorporation Act 1935 No 39*, jointly with the Minister for Citizenship and Communities
- *Royal Commission (Police Service) Act 1994 No 60*
- *Royal Commissions Act 1923 No 29*
- *Seat of Government Surrender Act 1909 No 14*
- *Seat of Government Surrender Act 1915 No 9*
- *Senators' Elections Act 1903 No 9*
- *Special Commission of Inquiry (James Hardie Records) Act 2004 No 78*
- *Special Commissions of Inquiry Act 1983 No 90*
- *State Arms, Symbols and Emblems Act 2004 No 1*
- *State Owned Corporations Act 1989 No 134*
- *Statutory and Other Offices Remuneration Act 1975 (No 4)*
- *Subordinate Legislation Act 1989 No 146*
- *Trans-Tasman Mutual Recognition (New South Wales) Act 1996 No 102*
- *Transport Appeal Boards Act 1980 No 104*
- *Visy Mill Facilitation Act 1997 No 139*
- *Water Industry Competition Act 2006 No 104, Part 3* (remainder, the Minister for Finance and Services).

## New and amending legislation in the Premier's Portfolio

**Children Legislation Amendment (Child Death Review Team) Act 2011**, an Act to make a number of changes arising out of the transfer of the Child Death Review Team from the Commission for Children and Young People to the Ombudsman's office.

**Constitution Amendment (Restoration of Oaths of Allegiance) Act 2011**, an Act to amend the Constitution Act to amend the *Constitution Act 1902* to provide that Members of Parliament and Ministers may make an oath or affirmation of allegiance to Her Majesty Queen Elizabeth II, Her heirs and successors as an alternative to the current pledge of loyalty to Australia and the people of NSW.

**Election Funding, Expenditure and Disclosures Amendment Act 2012**, an Act to prohibit the making and acceptance of political donations by entities other than individuals on the electoral roll, and to ensure that the expenditure of political parties and their affiliated organisation is aggregated for the purposes of the applicable expenditure caps.

**Election Funding, Expenditure and Disclosures Amendment (Claims for Payment) Regulation 2012**, a regulation to provide for a further method of vouching for election campaign expenditure for the purposes of claiming payments under the Principal Act.

**Government Advertising Act 2011**, an Act to regulate government advertising.

**Independent Commission Against Corruption Amendment Act 2011**, an Act to amend the *Independent Commission Against Corruption Act 1988* to make further provision with respect to the powers of the Independent Commission Against Corruption, the Commissioner for the Commission and the Inspector of the Commission; and for other purposes.

**Parliamentary Remuneration Amendment Regulation 2011**, a Regulation to specify the percentage of additional salary and expense allowance for Chairs of the various Committees established in the new Parliament.

**Police Integrity Commission Amendment Act 2012**, an Act to implement the recommendations of the Government's review of the *Police Integrity Commission Act 1996*.

**Public Interest Disclosures Amendment Act 2011**, an Act to amend the *Public Interest Disclosures Act 1994* to make further provision with respect to the grounds for public interest disclosures, the obligations and responsibilities of public authorities and for other purposes.

**Public Interest Disclosures Regulation 2011**, a Regulation to prescribe information that must be included in certain reports of public authorities under the *Public Interest Disclosures Act 1994*.

**Public Sector Employment and Management Amendment (Ethics & Public Service Commissioner) Act 2012**, an Act to amend the *Public Sector Employment and Management Act 2002* to establish an ethical framework for the Public Sector and to create the office of Public Service Commissioner.

**Public Sector Employment and Management Amendment Act 2012**, An Act to amend the *Public Sector Employment and Management Act 2002* with respect to excess employees and performance management.

**Redfern-Waterloo Authority Repeal Act 2011**, An Act to repeal the *Redfern-Waterloo Authority Act 2004* to dissolve the Redfern-Waterloo Authority and to transfer the assets, rights, liabilities and certain functions of that Authority to the Sydney Metropolitan Development Authority; and for other purposes.

## Acts administered by OEH 1 July 2011–30 June 2012

The OEH has responsibilities, powers, duties and functions under legislation administered by the Minister for the Environment and the Minister for Heritage.

### OEH administered Acts

- *Brigalow and Nandewar Community Conservation Area Act 2005 No 56*
- *Coastal Protection Act 1979 No 13*
- *Energy and Utilities Administration Act 1987 No 103 Part 6A; section 40 (1A); and section 45 in so far as it relates to Part 6A and to section 40 (1A)*
- *Environmental Trust Act 1998 No 82*
- *Filming Approval Act 2004 No 38*
- *Forestry and National Park Estate Act 1998 No 163*
- *Forestry Restructuring and Nature Conservation Act 1995 No 50*
- *Forestry Revocation and National Park Reservation Act 1996 No 131*
- *Forestry Revocation and National Parks Reservation Act 1983 No 37*
- *Forestry Revocation and National Parks Reservation Act 1984 No 85*
- *Heritage Act 1977 No 136*

- *Lane Cove National Park (Sugarloaf Point Additions) Act 1996 No 71*
- *Local Government Act 1993 No 30, Part 2A of Chapter 6*
- *Lord Howe Island Act 1953 No 39*
- *Lord Howe Island Aerodrome Act 1974 No 25 (Note: this Act is superfluous and will be repealed on 6 July 2012 under the Statute Law (Miscellaneous Provisions) Act 2012 assented on 21 June 2012)*
- *National Environment Protection Council (New South Wales) Act 1995 No 4*
- *National Park Estate (Lower Hunter Region Reservations) Act 2006 No 90*
- *National Park Estate (Reservations) Act 2002 No 137*
- *National Park Estate (Reservations) Act 2003 No 24*
- *National Park Estate (Reservations) Act 2005 No 84*
- *National Park Estate (Riverina Red Gum Reservations) Act 2010 No 22*
- *National Park Estate (South-Western Cypress Reservations) Act 2010 No 112*
- *National Park Estate (Southern Region Reservations) Act 2000 No 103*
- *National Parks and Wildlife Act 1974 No 80*
- *National Parks and Wildlife (Adjustment of Areas) Act 2005 No 27*
- *National Trust of Australia (New South Wales) Act 1990 No 92*
- *Native Vegetation Act 2003 No 103*
- *Nature Conservation Trust Act 2001 No 10*
- *Roads Act 1993 No 33, so far as it relates to Lord Howe Island*
- *Soil Conservation Act 1938 No 10, Parts 2A, 3 and 4, and sections 15 and 30A in so far as they relate to Parts 2A, 3 or 4, jointly with the Department of Primary Industries*
- *Threatened Species Conservation Act 1995 No 101*
- *Wilderness Act 1987 No 196.*

### **New and amending Acts**

The following Acts were assented to in 2011-2012:

- *National Parks and Wildlife Legislation Amendment (Reservations) Act 2011 No 55 (Assented to 25 October 2011)*
- *Heritage Amendment Act 2011 No 71 (Assented to 28 November 2011)*

### **New and amending Regulations**

No Regulations were made or re-made in 2011-2012.

## Major Capital Works

MAJOR CAPITAL WORKS MANAGED BY OEI IN 2011-12		
PROJECT	COST TO DATE	ESTIMATED
	\$'000	Completion
<b>Major new works</b>		
NPWS Website Upgrade	1,175	2013-14
<b>Major works-in-progress</b>		
River Red Gum conservation	7,077	2012-13
ISEMS replacement project	1,613	2011-12
Acquisition of satellite imagery	16,632	2011-12
Riverbank water licences	97,299	2011-12
Radio Network - Parks and Wildlife Group	16,815	2011-12
Brigalow /Nandewar establishment	22,097	2012-13
New park establishment costs	27,916	2011-12
Land purchases - funded by grants and donations	112,170	2013-14
Bushfire management equipment	20,251	2012-13
Perisher Range redevelopment	31,289	2025-26
Kosciuszko Centenary program	5,673	2025-26
<b>Total</b>	<b>360,007</b>	

There were no significant cost overruns in these projects.

## Riverina Area Expenditure

Section 11 of the *Forestry Restructuring and Nature Conservation Act 1995* requires the Directors General of the departments responsible to the Minister for the Environment and the Minister for Primary Industries to prepare joint reports on Riverina area expenditure. These are to be prepared on an annual basis for the four financial years commencing 1 July 2010, and may be included in the annual reports of the departments.

Riverina area expenditure is defined as:

"Expenditure for the purpose of implementing forestry restructure and assistance schemes and programs in the Riverina area (within the meaning of the *National Park Estate (Riverina Red Gum Reservations) Act 2010*), including business exit assistance, timber worker assistance, industry development assistance and departmental administration of funding assistance, shown in the Budget Papers or declared in writing by the Treasurer as expenditure to be recouped from the Fund."

In 2011-12 expenditure for these programs in the Riverina area totalled \$7,909,689.30 comprising the following:

PROGRAM	Expenditure
Business exit assistance	\$ 1,028,871.38
Timber worker assistance	\$ 467,632.92
Industry development assistance	\$ 844,500
Departmental administration funding assistance (Department of Primary Industries)	\$ nil
Riverina Regional Employment and Community Development Fund.	\$ 5,568,685

Of this, \$ 7,909,689.30 is considered "Riverina area expenditure" for the purposes of the *Forestry Restructuring and Nature Conservation Act 1995*. The remainder was funded from other sources.

## Overseas Visits

### Department of Premier & Cabinet (Including OEH)

OVERSEAS VISITS			
NAME OF OFFICER	DESTINATION	PURPOSE	DATES
Dennis Barber	Auckland, New Zealand	Attend and present at the World Heritage Indigeneity Workshop, University of Auckland.	25 Mar 2012 – 29 Mar 2012
Nicholas Carlisle	Phillip Island (Norfolk Island Group)	Retrieve loggers from the globally threatened White-necked Petrel. Conduct research on summer-nesting species including Kermadec Petrels.	13 Jan 2012 – 20 Jan 2012
Nicholas Carlisle	Fiji	Participate in international collaborative program to help recover the Fiji Petrel by using detector dogs to locate Petrel colonies and determine threats and develop recovery actions.	20 Jun 2011 – 27 Jun 2011
John Chapman	Hong Kong	Attend as an international advisory member for the Area of Excellence: Centre for Marine Environmental Research and Innovative Technology, jointly run by City University and The Hong Kong University.	04 Jan 2012 – 07 Jan 2012
Susan Duyker	Paris, France	Attend International Council on Monuments and Sites (ICOMOS) General Assembly 2011.	27 Nov 2011 – 02 Dec 2011
Anthony Evans	Lucerne, Switzerland	Attend Lucerne World Mountains Conference - Invited as the Program Manager of the Australian Alps Liaison Committee.	07 Oct 2011 – 18 Oct 2011
Rebecca Hicks	USA	Complete research of US EPA monetary benefit calculation under John Hennessy Scholarship.	16 Jan 2011 – 29 Jan 2012
Tim Ingleton	Italy	Presentation at Estuarine and Coastal Shelf Association annual conference	31 May 2012 – 7 Jun 2012
Steven James	France, United Kingdom, USA	Study Tour sponsored by the Sir Winston Churchill Memorial Trust to report on emerging technologies, intelligence tools and forensic science used to investigate wildlife crime in the USA, the UK and France.	27 Mar 2012 2 Apr 2012 - 10 Apr 2012 & 23 Apr 2012 - 29 Apr 2012
David Keith	Tour du Valat, France	Attend IUCN Red List Workshop.	18 Sep 2011 – 24 Sep 2011
John Leys	Anchorage, Alaska	Attend International Symposium on Erosion and Landscape Evolution.	17 Sep 2011 – 22 Sep 2011
Russell Madeley	Wellington, New Zealand	Complete Masters of Public Administration Degree.	29 Nov 2011 – 04 Dec 2011
Catherine Mardell	Canada and USA	Undertake studies on bushfire fuels associated with a Churchill Fellowship.	20 Jun 2011 – 4 Aug 2011
Andrew Mattes	Auckland, New Zealand	Attend The 20th International Clean Air and Environment Conference organised by the Clean Air Society of Australia and New Zealand (CASANZ). The conference theme was Air Quality: A Healthy Balance.	29 Jul 2011 – 2 Aug 2011
Glenn Meade	Wellington, New Zealand	Attend ANZSOG – Executive Masters Public Administration	30 Nov 2011 – 02 Dec 2011
Julli Moreno	New Zealand	Assist NZ authorities with the oil spill from the container ship 'Rena.	23 Oct 2011 – 01 Nov 2011
Tony Roper	New Zealand	Data analysis and modelling for estuaries training	15 Apr 2012 – 20 Apr 2012
Neil Saintilan	San Jose, USA	Attend an International Scientific Working Group on Blue Carbon.	18 Mar 2012 – 26 Mar 2012

OVERSEAS VISITS			
NAME OF OFFICER	DESTINATION	PURPOSE	DATES
Peter Scanes	New Zealand	Assist NZ authorities with the oil spill from the container ship 'Rena'.	14 Oct 2011 - 24 Oct 2011
Miriam Stacy	Paris, France	Attend International Council on Monuments and Sites (ICOMOS) General Assembly 2011.	27 Nov 2011 - 02 Dec 2011
Yma ten Hoedt	Kuala Lumpur, Malaysia	Discuss NABERS with Malaysian Government officials and present at the International Green Building conference.	14 Feb 2012 - 17 Feb 2012
Eren Turak	Frascati, Rome, Italy	Establish definitions of Essential Biodiversity Variables to form the basis for monitoring, evaluation and reporting of biodiversity across the globe.	25 Feb 2012 - 02 Mar 2012
Li Wen	China	International workshop on wetlands restoration program, organised by Asia Development Bank	25 Apr 2012 - 29 Apr 2012
Rodney Bruce (Stoner)	USA	To attend BIO 2011 and to honour and reinforce the NSW Government's continuing commitment to growing its relationship with the USA as a key trade and investment partners.	24 June 2011 - 2 July 2011
Paula Fitzpatrick	China	Advancing and then accompanying the Premier on his inaugural trade mission to China	11-23 July 2011
Rochelle Hayes	China	Accompanying the Premier on his inaugural trade mission to China	16-23 July 2011
Jason de Sousa (O'Farrell)	China	Accompanying the Premier on his inaugural trade mission to China.	16-23 July 2011
Brad Scutella (Gallacher)	New Zealand	To attend the Standing Council on Police and Emergency Management.	26-30 July 2011
Stephen Galilee (Baird)	Japan and Republic of Korea	Promotion of greater awareness of economic opportunities in NSW amongst potential institutional investors in Japan and Korea.	30 Oct - 4 Nov 2011
Andrew Humpherson (Hartcher)	China	To promote new exploration and investment opportunities to current and potential investors in the NSW resources and energy sectors	2-8 November 2011
Rochelle Hayes	India	Advancing and then accompanying the Premier on his inaugural trade mission to India	5-19 November 2011
Paula Fitzpatrick	India	Accompanying the Premier on his inaugural trade mission to India	12-19 November 2011
Peter McConnell (O'Farrell)	India	Accompanying the Premier on his inaugural trade mission to India	12-19 November 2011
Noel Campbell, Official Secretary	East Timor	Accompanying HE the Governor to promote commercial, educational and cultural opportunities	19-21 December 2011
Rodney Bruce (Stoner)	USA, Japan and Hong Kong	To notify significant investors of major projects being undertaken in NSW across a variety of sectors, and increase interest in major NSW projects.	9-20 January 2012
Noel Campbell, Official Secretary	Norfolk Island	Accompanying HE the Governor to advance health and community links between NSW and Norfolk	16-19 February
Genevieve McCabe	Thailand	To represent NSW Government at the International Rotary Convention as part of the rebid to secure this event for Sydney. (It has since been announced that Sydney is to be the host city in 2014.)	5-8 May 2012
Paula Fitzpatrick	Lebanon and United Arab Emirates	Advancing and then accompanying the Premier on his inaugural trade mission to Lebanon and the United Arab Emirates	6-19 May 2012
Brad Burden (O'Farrell)	Lebanon and United Arab Emirates	Accompanying the Premier on his inaugural trade mission to Lebanon and the United Arab Emirates	12-19 May 2012
Rodney Bruce (Stoner)	Republic of Korea and China	Demonstrate the NSW Government's renewed commitment to strengthening its trade and investment relationships with the Republic of Korea (South Korea) and China.	24-30 June 2012



## Privacy Management Plan

Clause 6 of the Annual Reports (Departments) Regulation 2010 requires a statement of the action taken by the DPC in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIPA), and statistical details of any review conducted by or on behalf of the DPC under Part 5 of that Act.

In compliance with the provisions of the PPIPA, the DPC has a Privacy Management Plan and has a designated Privacy Contact Officer. Mechanisms have been established to make the DPC staff aware of the PPIPA and other privacy obligations. The DPC's Privacy policy is clearly set out at paragraphs 2.18-2.20 of its Code of Conduct. New staff members are briefed when joining the DPC on their obligations under the Code of Conduct, including in relation to the handling of personal information.

Following the DPC's internal restructure, the Privacy Management Plan was reviewed and amended in 2012. The Privacy Management Plan is published on the DPC's website:

[www.dpc.nsw.gov.au/about/publications/privacy\\_management\\_plan#1PrivacyManagementPlan](http://www.dpc.nsw.gov.au/about/publications/privacy_management_plan#1PrivacyManagementPlan)

The OEH and the DLG maintain separate information systems (separate IT networks and record keeping databases) and operate as separate offices/divisions, and consequently they continue to operate under their own Privacy Management Plans, which are annexed to and form part of the DPC's Privacy Management Plan and they are available on their websites:

[www.environment.nsw.gov.au/resources/whoweare/privacy07292.pdf](http://www.environment.nsw.gov.au/resources/whoweare/privacy07292.pdf)

[www.dlg.nsw.gov.au/DLG/Documents/GIPA/Privacy%20Management%20Plan.pdf](http://www.dlg.nsw.gov.au/DLG/Documents/GIPA/Privacy%20Management%20Plan.pdf)

The DPC's Privacy Contact Officer can be contacted at:

**Privacy Contact Officer**  
**Information Access Unit**  
**Office of General Counsel**  
**Department of Premier and Cabinet**  
**GPO Box 5341**  
**SYDNEY NSW 2001**  
**Phone: (02) 9228 5871**  
**Fax: (02) 9228 5542**

## Internal Reviews

### DPC

No Internal reviews were conducted by or on behalf of the DPC under Part 5 of the PPIPA during 2011-12. One complaint was received under the *Health Records and Information Privacy Act 2002*. The Internal review found no breach of the Act. An application for further review was made to the Administrative Decisions Tribunal.

### OEH

The OEH works to ensure the privacy of staff and clients is protected. OEH's Privacy Management Plan and Guidelines detail the privacy principles OEH follows when dealing with personal information.

During 2011-12, one application for access to personal information was received under the PPIPA. It was refused as the information was not the applicant's personal information. No privacy complaint was received.

## Public Interest Disclosures

The *Public Interest Disclosures Act 1994* (the Act), section 31, requires each public authority to prepare an annual report on the public authority's obligations under the Act. The information to be provided in the annual report is outlined in the *Public Interest Disclosures Regulation 2011*, section 4. In accordance with the regulation, the following information is provided on the DPC's public interest disclosures for the period 1 January 2012 to 30 June 2012:

(a) Number of public officials who made public interest disclosures to the DPC	0
(b) Number of public interest disclosures received by the DPC relating to:	
(i) corrupt conduct	0
(ii) maladministration	0
(iii) serious and substantial waste of public money	0
(iv) government information contraventions	0
(v) local government pecuniary interest contraventions	0
<b>Total number of public interest disclosures received</b>	<b>0</b>
(c) Number of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period	0
(d) The DPC has established an internal reporting policy	

(e) Actions taken by the Director General to ensure staff are aware of the DPC's policy and the protections under the Act are:

- email message sent to all staff on the provisions of the *Public Interest Disclosures Act 1994*
- training provided to new staff as part of the induction program
- the Director General approved the DPC's Public Interest Disclosures Policy and Procedures document and emailed it to all staff, with the email highlighting the main changes affecting employees and the DPC
- links on the DPC's Intranet to the DPC's Public Interest Disclosures Policy and Procedures
- a procedures manual on how to handle public interest disclosures was issued to the DPC's Public Interest Disclosures Coordinators
- staff responsible for administering the Public Interest Disclosures Act attended training conducted by the Ombudsman's Office
- discussions on public interest disclosures held at staff meetings.

Section 6CA of the Act requires each public authority to provide a report for each 6 month period to the Ombudsman on compliance with the obligations under the Act. In accordance with the Ombudsman's reporting system, information as shown above was provided to the Ombudsman within the statutory deadline.

The following information on Public Interests Disclosures covers the OEH and the EPA.

**Statistical information on PIDs\***

JAN 2012 - JUNE 2012	
Number of public officials who made PIDs	1
Number of PIDs received	1
Of PIDs received, number primarily about:	
Corrupt conduct	1
Maladministration	1
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

\* Note: The number of PIDs finalised only refers to PIDs that have been received since 1 January 2012.

The OEH has established an internal reporting policy which is consistent with the *Public Interest Disclosures Act 1994*. The Chief Executive of the OEH has taken action to inform staff of their obligations under the *Public Interests Disclosure Act 1994* by:

- An email message to staff advising them of the revised and updated Public Interest Disclosure Policy
- A link on the intranet page to the Public Interest Disclosure Policy.

Inclusion of a notice within the staff newsletter advising staff that the revised and updated Public Interest Disclosure Policy is available on the intranet

## Senior Executive Performance Statements and Remuneration

This section covers senior executive service officers of level 5 and above from the whole of the DPC (including the Division of Local Government and the Office of Environment and Heritage).

### Mr Christopher Eccles

**Director General,  
Department of Premier and Cabinet  
Appointed: 4 April 2011  
SES Level 8  
Remuneration at 30 June 2012: \$532,490**

The Premier has expressed satisfaction with Mr Eccles' performance through the period of his employment with the DPC.

Specific achievements in 2011-12 include:

- Leading the day-to-day management of the DPC
- Commencing the establishment of Service NSW, a new agency that will provide a one-stop-shop for NSW government services
- Coordinating the response to the Commission of Audit and the development of implementation plans
- *Localising NSW 2021: A Plan to Make NSW No. 1 Again* through an extensive statewide community consultation process and supporting the development of Regional Action Plans aligned to *NSW 2021*
- Commencing reforms to the cabinet process and migrated cabinet papers to electronic format.

### Mr Philip Minns

**Deputy Director General,  
Government Group  
Appointed: 6 February 2012  
SES Level 7  
Remuneration at 30 June 2012: \$417,000**

The Director General has expressed satisfaction with Mr Minns' performance throughout the period of his employment with the DPC.

Mr Minns commenced duties in the position of Deputy Director General, Government Group on 6 February 2012. In the period 6 February to 30 June 2012, Mr Minns:

- oversaw the development of the DPC Directions Statement and Business Plan
- successfully transferred the IRB into the DFS
- managed the reform of the DPC's internal budget, financial reporting framework and financial management systems
- oversaw the review of core organisational systems including event management and briefing and correspondence handling
- represented the DPC at whole-of-government reform committees including the NSW Fleet Board and the Corporate and Shared Services Reform Steering Committee.

### **Mr Ross Woodward**

**Chief Executive,  
Local Government**

**Appointed: 20 November 2009**

**SES Level 7**

**Remuneration at 30 June 2012: \$353,250**

The Director General has expressed satisfaction with Mr Woodward's performance throughout the period of his employment with the DPC. Achievements include:

- working with the local government sector to conduct the Destination 2036 workshop, a major initiative conducted for the first time in Australia to establish a shared long-term strategy for local government
- supporting the establishment of the Independent Local Government Review Panel to review the governance, structural arrangements and boundaries of local government
- tackling the infrastructure backlog (supporting the achievement of *NSW 2021* goals) via the establishment of the \$70 million Local Infrastructure Renewal Scheme and commencing a council-by-council audit of local infrastructure
- supporting the Minister in delivering the legislative program, including facilitating the amendment of the *Local Government Act 1993* to prohibit councillors concurrently serving as NSW Members of Parliament ('dual roles'), following a significant public consultation process
- supporting councils in lead up to the September 2012 local government ordinary elections, including implementing a Candidate Diversity Strategy and supporting the 14 councils that chose to conduct their own elections following an amendment to the *Local Government Act 1993* to enable choice of election provider
- conducting a review of the Model Code of Conduct for Local Councils in NSW, together with extensive consultation with councils and other stakeholders
- commencing a comprehensive review of the *Swimming Pools Act 1992*.

In addition, Mr Woodward worked closely with local government key stakeholders including as Chair of the Destination 2036 Implementation Steering Committee; a panel member of the Local Government Remuneration Tribunal; and a member of a number of Senior Executive Committees and Taskforces.

### **Mr Stephen Brady**

**Deputy Director General,  
Strategic Initiatives and Performance Group**

**Appointed: 27 February 2012**

**SES Level 7**

**Remuneration at 30 June 2012: \$380,000**

The Director General has expressed satisfaction with Mr Brady's performance throughout the period of his employment with the DPC. Mr Brady commenced in the position of Deputy Director General, Strategic Initiatives and Performance Group on 27 February 2012.

Achievements include:

- delivered the inaugural *NSW 2021* Performance Report as a Budget Related Paper in the 2012/13 budget. This puts into practice the Government's commitment to aligning the budget with the achievement of goals and targets within *NSW 2021*
- established the State Statistical Council as a key mechanism for driving robust performance reporting of its progress in delivering against *NSW 2021*. This will be a fundamental part of supporting the Government's accountability framework
- significantly progressed the delivery of the Government's \$750 million red tape reduction target by assigning reduction targets to clusters and establishing the system for measuring and reporting red tape reduction, delivering the removal of light vehicle registration stickers as a reform (in conjunction with the Roads and Maritime Services) and commissioning IPART to undertake major reviews into State licensing and local government regulation.

### **Mr Simon Smith**

**Deputy Director General,  
Delivery and Implementation Group  
Appointed: 21 September 2011  
SES Level 7  
Remuneration at 30 June 2012: \$402,150**

The Director General has expressed satisfaction with Mr Smith's performance throughout the period of his employment with the DPC. Achievements include:

- completed restructure and renewal of the DPC's regional coordination capability so that it can assist all government agencies in the regions to focus on delivery of the Government's top priorities, and support Regional Ministers in representing the interests of their Regions in Cabinet's decision-making
- development of new systems to coordinate the work of the government bodies who are planning for growth and delivering infrastructure, including support for cabinet sub-committees, preparation of major plans and strategies, and development and assessment of very large individual projects
- leadership in the development of the business plans and preparations for *ServiceNSW*, the new customer-centric government body that will deliver transactional services and information through web, a 24/7 phone service and one-stop shops
- assistance with the development of the Government 2-year Regional Action Plans, to link the government regional service delivery initiatives and reforms to priorities expressed by local communities
- developed the systems to encourage, assess and (where approved) negotiate the procurement of unsolicited private sector proposals for innovative or alternative methods of service delivery.

### **Ms Vicki D'Adam**

**Deputy Director General,  
Strategic Policy and Coordination Group  
Appointed: 13 September 2010  
SES Level 7  
Remuneration at 30 June 2012: \$336,950**

The Director General has expressed satisfaction with Ms D'Adam's performance throughout the period of her employment with the DPC. Achievements include:

- introducing eCabinet to support collective decision making by Cabinet
- co-chairing the COAG Health Reform Implementation Group leading to the signing of the National Health Reform Agreement on 2 August 2011. This led to the development of positions within NSW Health and The Treasury. NSW was the only jurisdiction ready to implement the new funding arrangements on 1 July 2012
- facilitating the Government's response to the Special Commission of Inquiry on the Energy Transaction that was announced in November 2011
- leading the handover of the functions, staff and funding of the Keep Them Safe Implementation Unit to the Department of Family and Communities and the Performance and Management Branch of the DPC without compromising the integrity of the program
- representing NSW on COAG National Disability Insurance Scheme working groups and leading development of positions within NSW Family and Community Services and The Treasury
- providing high level strategic policy advice to the Premier and the Director General and supported them in their roles of chairs of Cabinet and the Senior Management Council.

### **Mr Don Colagiuri SC**

**Parliamentary Counsel's Office,  
Parliamentary Counsel**

**Appointed: 28 January 2011**

**SES Level 7**

**Remuneration at 30 June 2012: \$445,150**

The Director General has expressed satisfaction with Mr Colagiuri's performance throughout the period of his employment with the DPC. Achievements include:

- effectively managing the drafting and development of Bills for introduction into Parliament and regulations, environmental planning instruments, and other statutory instruments (and meeting the Government's legislation agenda)
- personally drafting or closely supervising the drafting of a wide range of Bills, including many prepared to very short deadlines
- taking a leading role in developing uniform legislation for the COAG, the Standing Committee of Attorney-General (SCAG), and other Ministerial Councils by coordinating inter-jurisdictional drafting projects as Secretary of the Australasian Parliamentary Counsel's Committee and by an active involvement in the drafting of those projects
- maintained and enhanced public access to NSW legislation by managing the delivery of the NSW legislation website as the authorised online publication of legislation and providing online access to NSW Bills and legislation tables.

### **Mr Paul Miller**

**General Counsel,  
Office of General Counsel**

**Appointed: 26 August 2010**

**SES Level 6**

**Remuneration at 30 June 2012: \$320,650**

The Director General has expressed satisfaction with Mr Miller's performance throughout the period of his employment with the DPC. Achievements include:

- leading policy development, implementation and advice in relation to the Premier's portfolio legislation and managing major legislative projects, which included the Government Advertising Bill, the Independent Commission Against Corruption Amendment Bill, the Election Funding and Disclosures Amendment Bill, the Electricity Generator Assets (Authorised Transactions) Bill, and the Police Integrity Commission Bill
- managing the Government's legislative agenda, including performing the role of secretary of the Cabinet Standing Committee on Legislation
- providing advice in relation to various inquiries, including in relation to the conduct of the Special Commission of Inquiry into the Electricity Transactions, the Independent Liquor and Gaming Authority Inquiry into The Star, and various other internal and external inquiries
- administering the Government's agreements with James Hardie, and representing the NSW Government as a company director on the Board of Asbestos Injuries Compensation Found Limited (AICF), including managing the draw-down of loan funding to AICF and preparing the government response to the Law Reform Commission's report on Compensation to Relatives
- representing NSW on the COAG Business Regulation and Competition Working Group and leading reforms in relation to the deregulation priorities, and especially reforms in the areas of electronic conveyancing and directors' liability.

**Mr John Trevillian**

**Assistant Director General,  
Community Engagement and Events**

**Appointed 4 February 2009**

**SES Level 6**

**Remuneration at 30 June 2012: \$320,650**

The Director General has expressed satisfaction with Mr Trevillian's performance throughout the period of his employment with the DPC. Achievements include:

- ensuring NSW retained the 2014 International Rotary Convention for Sydney Olympic Park; continuing to lead planning for the 2015 AFC Asian Cup and the 2015 ICC Cricket World Cup; continuing to coordinate the delivery of important events for NSW including Opera on the Harbour, Australian Open of Surfing, the ITU Triathlon and regional events such as the World Rally Championship at Coffs Harbour
- overseeing the implementation of the NSW Public Sector Workplace Giving Program and the initiation of the NSW Event Access and Inclusion Project
- continuing to work closely with the Governor's Office including the refurbishment of Government House and a busy year of Protocol activity for the Premier including three successful overseas visits to China, India, Lebanon and the United Arab Emirates; overseeing the Guest of Government visit program including Their Royal Highnesses Crown Prince Frederik and Crown Princess Mary of Denmark
- directly overseeing the delivery of Australia Day statewide including the Australia Day facebook page, Corporate Club Australia and reviewing the strategic direction of Australia Day activities
- directly overseeing the delivery, coordination and event communication for New Year's Eve, Gay and Lesbian Mardi Gras, City to Surf, ANZAC Day, Festival First Night, Lights of Christmas, the International Students Festival, Sydney Running Festival and community cabinets.

**Ms Dianne Leeson**

**Assistant Director General,  
Major Projects**

**Appointed: 1 July 2010**

**SES Level 6**

**Remuneration at 30 June 2012: \$302,500**

The Director General has expressed satisfaction with Ms Leeson's performance throughout the period of her employment with the DPC. Achievements include:

- representing the Director General or the Department on Commonwealth and/or the COAG working groups (Infrastructure Working Group, Aviation Capacity and Major Cities Planning Taskforce) and on high-level steering committees and project control groups (Major Projects Executive Committee, Port Botany, Barangaroo, Green Square, Sydney International Convention, Exhibition and Entertainment Precinct, Sydney Metropolitan Development Authority)
- chaired the Bays Precinct Taskforce on behalf of the Minister for Planning and Infrastructure, a significant cross-government taskforce set up to provide a strategic planning framework and land uses for the precinct
- overseeing the establishment of the Government's unsolicited proposals framework - development of guidelines, chair of Steering Committee, evaluation of proposals, and reporting to Government
- provided strategic advice into the NSW Government Planning Strategies including the Metropolitan Plan, the Long Term Transport Master Plan, the State Infrastructure Strategy and *NSW 2021*.

### **Mr Philip Berry**

**Assistant Director General,  
Strategic Policy and Coordination Group  
Appointed: 20 December 2010  
SES Level 5  
Remuneration at 30 June 2012: \$285,300**

The Director General has expressed satisfaction with Mr Berry's performance throughout the period of his employment with the DPC. Achievements include:

- led NSW preparations and briefing for meetings of the COAG, Council of the Australian Federation (CAF) and related Senior Officials meetings
- represented NSW's interests effectively in intergovernmental forum including COAG Senior Officials working groups on skills reform and mental health and COAG Taskforce on Competition and Regulatory Reform
- led cross-agency work for Cabinet to develop detailed proposals for reform of policy and regulation regarding boarding houses
- contributed to major policy reforms across government including out-of-home-care reform, social benefit bonds, and localised decision making in schools
- as Acting Deputy Director General, Strategic Initiatives and Performance, led development of the DPC cluster presentation and coordinated development of cluster priorities across government for presentation to Premier
- as Acting Deputy Director General, Strategic Initiatives and Performance, managed development of *NSW 2021* Baseline Report and accountability arrangements.

### **Mr Noel Campbell**

**Chief of Staff and Official Secretary,  
Office of the Governor  
Appointed: 26 October 2009  
SES Level 5  
Remuneration at 30 June 2012: \$277,700**

The Director General has expressed satisfaction with Mr Campbell's performance throughout the period of his employment with the DPC. Achievements include:

- expanding a digest of practice on the constitutional responsibilities of the Governor including clarification of procedures in the event of the Governor's absence, filling casual Senate vacancies, appointing the Lieutenant-Governor and updating the Governor's seal
- improving transparency and accountability by reviewing and streamlining administrative practices to align them more closely with those of the DPC; and launching and maintaining the official website of the Governor
- enhancing efficiency and consistency by updating procedures relating to the Governor's ceremonial and community functions including investitures, swearing-in of office holders and high-level visits
- planning and implementing the move of the Governor to the Government House precinct (the Chalet) in close consultation with other stakeholders; and preparation of options for future governance arrangements when the Governor and the Office of the Governor move definitively to Government House.

### **Ms Marion Pascoe**

**Deputy Parliamentary Counsel,  
Parliamentary Counsel's Office  
Appointed: 18 February 2011  
SES Level 5  
Remuneration at 30 June 2012: \$285,300**

The Director General has expressed satisfaction with Ms Pascoe's performance throughout the period of her employment with the DPC. Achievements include:

- personally drafting, or closely supervising, a wide range of Bills and other legislation, some within very tight deadlines
- providing professional advice to many government agencies and officers on the development and implementation of legislation



- in particular, providing legislative drafting and advice in the areas of criminal law, evidence law reform, road transport and traffic law and university governing bodies
- taking a lead role in the Bill Review Group and providing peer review for most Bills required during the year
- effectively overseeing the preparation and signing off on the legality of subordinate legislation in conjunction with the other Deputy Parliamentary Counsel
- assisting the Parliamentary Counsel with the general management of the Parliamentary Counsel's Office, including the management of the main drafting programs and acting as Parliamentary Counsel on a number of occasions.

### **Mr Leigh Glover**

**Deputy Parliamentary Counsel,  
Parliamentary Counsel's Office**

**Appointed: 18 February 2011**

**SES Level 5**

**Remuneration at 30 June 2012: \$285,300**

The Director General has expressed satisfaction with Mr Glover's performance throughout the period of his employment with the DPC. Achievements include:

- personally drafting, or closely supervising, a wide range of Bills and other legislation, some within very tight deadlines
- providing professional advice to many government agencies and officers on the development and implementation of legislation
- in particular, providing legislative drafting and advice in the areas of work health and safety, workers compensation reform and privatisation proposals
- taking a lead role in the Bill Review Group and providing peer review for most Bills required during the year
- effectively overseeing the preparation and signing off on the legality of subordinate legislation in conjunction with the other Deputy Parliamentary Counsel
- assisting the Parliamentary Counsel with the general management of the Parliamentary Counsel's Office, including the management of the main drafting programs and acting as Parliamentary Counsel on a number of occasions.

### **Mr John Clark**

**Assistant Director General,  
Corporate Services**

**Appointed: 30 January 2012**

**SES Level 5**

**Remuneration at 30 June 2012: \$266,301**

The Director General has expressed satisfaction with Mr Clark's performance throughout the period of his employment with the DPC. Achievements include:

- Reviewed the DPC's Human Resources strategic plan and commenced planning for the delivery of key projects such as developing a Workforce Plan and a Career and Talent management system. The continued enhancement of the DPC's people and organisational capability will provide for a more agile and responsive workforce to assist the DPC in delivering on its key objectives
- In order to maintain the DPC's long term financial sustainability, significant improvements have been made to the financial management framework. This includes enhanced management reporting and budget development processes resulting in a more effective allocation of resources across the DPC and a long term financial planning methodology that incorporates whole-of-government savings initiatives
- Conducted a review of the DPC accommodation which resulted in the co-location of Branches and Groups to facilitate a more efficient and effective working environment. The review also provided for the consolidation of offices in Government owned building resulting in reduced lease costs for the DPC
- Provided extensive corporate support to the project for the implementation of the Government's Simpler Government Services Plan in the areas of HR, Finance and Information Technology to assist in the formation of Service NSW.

### **Mr Steven Griffin**

**Project Director,  
Customer Service Commission**

**Appointed: 22 August 2011**

**SES Level 5**

**Remuneration at 30 June 2012: \$274,762**

The Director General has expressed satisfaction with Mr Griffin's performance throughout the period of his employment with the DPC. Achievements include:

- development of a business case and implementation plan for the implementation of the Government's Simpler Government Services Plan
- overseeing the 'customer voice' research required to guide the development of the business case
- establishment of the project implementation team in head office.

### **Ms Sally Barnes**

**Chief Executive,  
Office of Environment and Heritage**

**Appointed 28 May 2012,**

**SES Level 7**

**Remuneration: \$402,150**

The Director General has expressed satisfaction with Ms Barnes' performance.

Specific achievements in 2011-12 included:

- Lead the successful establishment of the Environment Protection Authority and implementation of the Nous Review prior to the appointment of the EPA Chair. Positive relationship established with the new chair and senior management team of the EPA
- Extensive review of the OEHL leading to a series of new directions to match the Government's priorities and a more regionally based structure through realignment/restructure now underway
- Budget savings achieved for 2011-12 and budget on track for 2012-13, including planning and delivery of next phase of savings (\$100 million over four years, 350 positions over three years)
- Working with Business Events NSW to secure the World Parks Congress for Sydney that will bring over 3,000 delegates to Sydney in November 2014

- Positive contribution to major Government reforms including Ministerial Taskforce on Housing, Strategic Regional Land Use Planning processes and Planning Reform
- Dharawal National Park gazetted in March 2012 and \$1 million funding reprioritized to Dharawal to facilitate visitor experiences and infrastructure, as per the Government's commitment
- Green Corridors \$40 million program developed and being implemented
- Upper Hunter, Rutherford and Sydney air monitoring established and operational.

### **Mr Tom Grosskopf**

**Acting Deputy Chief Executive,  
Environment and Heritage Policy and Programs Group  
Office of Environment and Heritage**

**Acting from May 2012,**

**SES Level 6**

**Remuneration: \$285,301**

Mr Simon Smith left the position of Deputy Chief Executive Environment and Heritage Policy and Programs in August 2011. Recruitment for the position was initiated in September 2011 and was then suspended following the decision to realign the structure of the Office of Environment and Heritage in late 2011. Since August 2011 Mr Bernard Carlon and Mr Tom Grosskopf have acted in the position for five months and six months, respectively.

The Chief Executive expressed her satisfaction with Mr Grosskopf's performance over the six months of 2011-12 since he commenced in the acting role on 3 January 2012. Mr Grosskopf has achieved the performance criteria as set out for the position. Mr Grosskopf has maintained the agency's momentum across a number of reform agendas in an environment of significant organisational change.

Specific achievements during 2011-12 included:

- leadership of the statutory review of the NSW Native Vegetation Regulation, 2005 including the design and delivery of reform options for government's consideration and the establishment of a close and collaborative working relationship with Catchment Management Authorities, the Department of Primary Industries and the Department of Planning and Infrastructure

- establishment of operational plans and budgets for the delivery of all relevant government priorities as set out in *NSW 2021* and the Government's election commitments
- design and delivery of the Climate Change Policy Reform process resulting in a \$2.3 million reduction in effort across the agency and reallocation of human resources to identified priorities
- supporting the Minister in the whole-of-government reform of the Crown Lease Perpetual Lease Conversion Policy to address private landholder concerns over land management restrictions placed on the land's title
- substantially improving the opportunities to cut red tape and streamline development assessment processes through participation in negotiations with the Australian government over the review of the Environment Protection and Biodiversity Conservation Act and the negotiation of a bilateral agreement for environmental impact assessment and approvals
- effective management of the Environment and Heritage Policy and Programs Group with strong budget and financial management.
- implementing major operational initiatives in national parks, including the rollout of the Enhanced Bush Fire Management Program and implementing record numbers of hazard reduction activities
- development of a State-wide pest management strategy; and the launch of the state-wide 'Biodiversity priorities for widespread weeds' which was jointly developed with the Department of Primary Industries
- ongoing restoration of parks and reserves through pest animal and weed control programs across NSW and the restoration of damaged landscapes including the award winning rehabilitation works on the former Snowy Scheme sites in Kosciuszko National Park
- progressing a systematic land acquisition program and the establishment of national parks and reserves including the establishment of new reserves such as Yerranderie Regional Park
- finalising the review of state conservation areas and River Red Gum Reserve boundaries in accordance with legislative requirements and completion of the pilot eco-thinning program in the River Red Gum forests
- progressing strong Aboriginal joint management programs and partnerships
- implementing information and education programs such as the rollout of a new Wilderquest application to inspire children to engage with nature
- implementation of a volunteering strategy
- upgrading important visitor facilities such as the reopening of the Giant Stairway walking track in Blue Mountains National Park, further development of the Sculptures in the Scrub exhibition in Dandry Gorge Aboriginal Area and \$2 million renovations to Caves House at Yarrangobilly.

### **Mr Bob Conroy**

**Acting Deputy Chief Executive,  
Parks and Wildlife Group  
Office of Environment and Heritage  
SES Level SES 6  
Remuneration: \$285,301**

Ms Sally Barnes left the position of Deputy Chief Executive Parks and Wildlife in January 2012 when she took up the role of Acting Chief Executive OEH until her appointment on 28 May 2012. Since 21 January 2012 Mr Bob Conroy has been acting in the position.

The Chief Executive has expressed satisfaction with Mr Conroy's performance during 2011-12. Mr Conroy has achieved the performance criteria in his performance agreement. As A/Head of the National Parks and Wildlife Service in the OEH, he has demonstrated a strong commitment to building the protected area system and managing the reserve system to an excellent standard:

Specific achievements in 2011-12 included:

- developing and implementing significant eco-tourism programs, including the Light to Light initiative on the Far South Coast and the launch of the River Red Gum Nature Tourism Action Plan

### **Ms Stephanie Cross**

**Executive Director,  
Corporate Services  
Office of Environment and Heritage  
Appointed 1 September 2008  
SES Level 5  
Remuneration: \$285,300**

The Chief Executive has expressed satisfaction with Ms Cross's performance for 2011-12. Ms Cross has achieved the performance criteria in her performance agreement. She has led the provision of Corporate and Shared Services for the OEH portfolio with a focus on consolidation and efficiencies. This year has seen the provision of services to the Heritage Branch and Centennial Park and Moore Park Trust.

Specific achievements in 2011-12 included:

- Continued the implementation of a corporate and shared service integration and transition strategy for the OEH that included the transition of Heritage Branch and Centennial Park and Moore Park Trusts to the OEH
- Developed service catalogues and service agreements for the delivery of corporate and shared services to portfolio partners
- Continued to strengthen the OEH's financial management and monitoring controls through the development of a refined program management and reporting structure, the delivery of Business Warehouse report automation and the piloting of mobile technology for dashboards
- Delivered ongoing business improvement and efficiency strategies through technology and system upgrades including the implementation of improvement initiatives in the accounts payable function and the development and implementation of an online Work and Development system
- Further strengthened management capacity across the OEH through the development and implementation of a Leadership and Management Development Framework that includes an intranet portal, programs to develop specific management capabilities and information and tools to assist individuals to drive their own development
- Commenced deployment of a suite of unified communication technologies including instant messaging, presence, enterprise telephony (VoIP) and desktop sharing capabilities that allow the OEH staff to communicate and collaborate more effectively in the office or out on assignment
- Strengthened key performance areas in OH&S through the implementation of the OEH Health and Safety Strategy 2011-2013.

### **Dr Kate Wilson**

**Executive Director,  
Scientific Services  
Office of Environment and Heritage  
Appointed 23 November 2009  
SES Level 5  
Remuneration: \$285,300**

The Chief Executive has expressed satisfaction with Dr Wilson's performance for 2011-12.

Specific achievements in 2011-12 included:

- Led full development of a Knowledge Strategy to cover all of the OEH major science and knowledge needs. Strategies and implementation plans were developed for the thematic areas of Biodiversity; Landscape management; water and wetlands; coastal estuarine and marine environments; climate change impacts and adaptation
- Chaired the OEH Science Executive Subcommittee, ensuring a proactive and engaged approach to making cross-departmental decisions about science
- Led the OEH contribution to the Independent Scientific Audit of Marine Parks science
- Delivered on the government's commitment to a 14 station Upper Hunter Air Quality Monitoring Network, providing hourly data on air quality to the community
- Delivered regional scale maps of biophysical strategic agricultural land to support the government's Strategic Regional Land Use Policy
- Supported the EPA through provision of technical services and expert advice
- Effectively managed the Scientific Services Division including ensuring delivery of sophisticated complex scientific services within the OEH and to other clients, and adhering to budgetary and OH&S requirements.

ENVIRONMENT  
PROTECTION  
AUTHORITY



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The Hon. R.M. Parker MP  
Minister for the Environment  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

Dear Minister

In accordance with the *Annual Reports (Statutory Bodies) Act 1984* and Treasury Circular (TC10/09) I am pleased to submit the Annual Report 2011-2012 for the Environment Protection Authority. This will be included as a separate section within the 2011-12 Annual Report for the Department of Premier & Cabinet and will be tabled by the Premier in Parliament.

This Report was prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and *Annual Reports (Statutory Bodies) Regulation 2010*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Buffier', written in a cursive style.

**BARRY BUFFIER**  
Chair and CEO  
Environment Protection Authority

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## MESSAGE FROM THE CHAIR AND CEO

### This is the first Annual Report for the newly established Environment Protection Authority (EPA).

The EPA was established as a Statutory Authority on 29 February 2012. In re-establishing the EPA, the NSW Government made significant legislative changes in order to:

- Re-invigorate the EPA as an independent, modern and accountable regulator
- Strengthen requirements for industry to notify and respond to pollution incidents, including preparation of pollution incident response management plans
- Improve communication with the community
- Ensure agencies involved in responses to pollution incidents are well coordinated
- Increased penalties for non-compliance.

To reflect the Government's reform initiative to modernise the EPA as an independent, strengthened authority, a reconstituted EPA Board was established. The Board members were appointed on 29 February 2012. The members are Mr Alec Brennan, Ms Christine Covington, Mr Chris Knoblanche and Ms Julie Savet Ward. Mr Steve Garrett was appointed as Acting Chair. I was appointed as the Chair and CEO of the EPA on 2 April 2012.

One of the first tasks we have undertaken is the development of a Vision Statement and Strategic Plan. This is to provide clarity to staff as to their priorities and to let stakeholders know what outcomes are important to us. The new vision for the EPA is "Healthy Environment, Healthy Community, Healthy Business". This reflects the objects of the legislation we operate under and gives a clear message about what we are trying to achieve. The EPA's Regulatory Assurance Statement, which can be found in the appendices of this report, includes a summary of our results of our key performance indicators.

The strategic planning process identified that we needed more focus on stakeholder engagement, consequently we have established a new position of Director Stakeholder Engagement and Governance. This will ensure that we are continually improving our stakeholder relationships through better communication and more opportunity for feedback. In the first three months of my appointment I have been meeting with a number of our key stakeholders. Strong and productive relationships with stakeholders are fundamental to the future success of the EPA and our Strategic Plan and the new organisational structure reflect this.

Throughout the first months of establishment in 2012, we have realigned our resources to make sure that we have the front line staff to undertake our regulatory functions and respond to incidents in a timely manner. We have developed a new EPA landing page for our website and have commenced work on a dedicated EPA site. We continue to provide more information to business and the community about the work of the EPA, our environmental obligations and how we are meeting them. We have also established a service level agreement with the Office of Environment and Heritage (OEH).

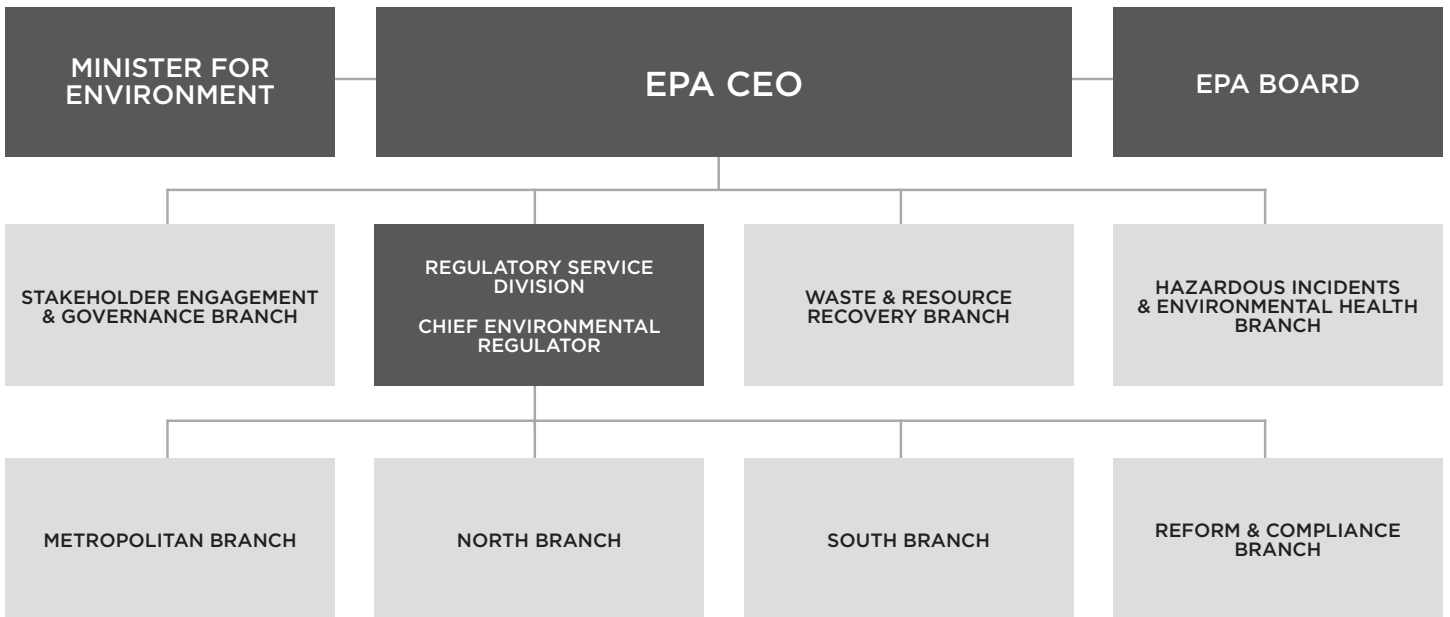
I would like to thank all the EPA staff and our stakeholders for joining us on this journey and look forward to continuing to provide environmental protection and regulation to business and the community of NSW.

**Barry Buffier,  
Chair and CEO**



# OVERVIEW

## Organisation structure



## About Us

The EPA is NSW's principal environmental regulator, and leads the state's response to managing a diverse range of activities that can impact on the health of the NSW environment and its people, using a mix of tools including education, partnerships, licensing and approvals, audit, enforcement and economic mechanisms. Following a major review of the EPA, the organisation is now repositioned as an independent statutory authority.

The EPA performs the following functions:

- Regulates air, water and noise pollution, waste, forestry, contaminated sites, radiation, dangerous goods, hazardous material and pesticides
- Develops, implements and evaluates policies and strategies to mitigate the environmental impacts and community's exposure to risks from air pollution, noise, pesticides, waste and hazardous materials
- Monitors emerging environmental issues and develops appropriate responses for prevention or early intervention of adverse impacts
- Administers the Waste and Environment Levy and load-based licensing which drive environmental improvement and raise substantial Government revenue
- Investigates breaches of legislation and undertakes strategic compliance and enforcement
- Reforms the environment protection regulatory framework to strengthen its effectiveness and minimise red tape and optimise compliance costs
- Responds to reports of incidents or environmental harm received from the public and industry.

## THE EPA BOARD

In late 2011 the *Protection of the Environment Legislation Amendment Act 2011* was passed and came into effect on 29 February 2012. It made significant changes to the governance of the EPA. The Government's reform initiative was to reinvigorate the EPA as a modern, independent, strong and transparent regulator headed by the Chair and guided by a reconstituted, expertise based Board responsible for the oversight and monitoring of the EPA.

### Composition, skills and experience

On 29 February 2012, the Governor, on the recommendation of the Minister, appointed four part-time members to the EPA Board and appointed Barry Buffier as the Chair and CEO of the EPA on 2 April 2012. Mr Steve Garrett was appointed as Acting Chair pending the appointment of Mr Buffier. The current members have expertise in environmental law and science, corporate, financial and risk planning and management, as well as established ties to, and understanding of business and community groups.

### Chair and CEO, Barry Buffier

Barry Buffier is the Chair and CEO of the EPA. Mr Buffier has had significant Senior Executive and Board experience in the public and private sectors. This included roles as Director-General, Department of Primary Industries, Director-General of State and Regional Development and National Manager, Agribusiness at Westpac. He has a Bachelor of Rural Science (Honours), a Master of Economics, he is a Churchill Fellow and also a Fellow of the Australian Institute of Company Directors.

Under Section 19 of the Protection of the Environment Administration Act 1991, the Chair is charged with the responsibility of managing and controlling the affairs of the EPA, in accordance with the policies determined by the Board and any other decisions of the Board but subject to any directions of the Minister under the *Protection of the Environment Administration Act 1991*. The Chair is also the presiding member of the Board.

### Alec Brennan

Mr Brennan brings to the EPA Board 40 years experience in business across a range of industries including more than 20 years as a public company director. He has a Bachelor of Science, Food Technology (Honours), a Master of Business Administration and is a Fellow of the Australian Institute of Company Directors. He is Chair of publicly listed Emeco Holdings Limited and a director of several private companies. Apart from his ongoing involvement

in business, Mr Brennan is a Fellow of Senate, Sydney University and is Chair of two key Senate Committees, the Finance and Audit Committee and the Human Resources Committee. He is also involved in a number of other not for profit activities. He brings to the Board extensive business experience in areas such as strategy, process management, governance, finance and risk management.

### Christine Covington

Ms Covington is a solicitor of the Supreme Court of NSW. She has over 25 years experience in environment, planning and property law. She is currently the National Practice Group Leader of the Planning, Environmental and Local Government Group at law firm Corrs Chambers Westgarth. She has served as a NSW State Government appointee to the Central Sydney Planning Committee. Christine has experience working with local governments and in community engagements. She also has extensive experience in the NSW Land and Environment Court and the Supreme Court in planning appeals and environmental prosecutions.

### Chris Knoblanche

Mr Knoblanche is currently Senior Advisor, Corporate and Investment Banking, Australia and New Zealand for Citigroup. He has been advising local and multinational companies for over 32 years in areas such as corporate strategy, financing, risk control and management. He holds a Bachelor of Commerce (Accounting and Financial Management), is a Member of the Institute of Chartered Accountants and is a Fellow of the Australian Society of Certified Practising Accountants. He has held key Board positions and in 2003 was awarded the Centenary Medal by the Federal Government for service to business and the arts.

### Julie Savet Ward

Ms Savet Ward has a Bachelor of Science (Applied Physical Geography)(Honours), a Master of Landscape Planning and is a Fellow of the Australian Institute of Company Directors. Ms Savet Ward has 25 years experience in science, planning and environment. She has particular expertise in the regulatory environment for sustainability and a deep understanding of the planning, approval, design, construction and delivery of infrastructure, property and natural resource projects. She has particular skills in brokering and managing relationships between government and the community as part of various community communication programs. Ms Savet Ward is the chairperson of a charity and a private consulting company.

## What does the EPA Board do?

The functions of the EPA Board are to:

- determine the policies and long-term strategic plans of the EPA
- oversee the effective, efficient and economical management of the EPA
- develop and make available for public information, guidelines relating to the institution of criminal and related proceedings
- determine whether the EPA should institute proceedings for serious environment protection offences referred to in s17 of the *Protection of the Environment Administration Act 1991* (POEA Act)
- advise the Minister on any matter relating to the protection of the environment.

## Regulatory Assurance Statement

In addition, the Board under s16 of the *Protection of the Environment Administration Act 1991* is required to provide the Minister with a Regulatory Assurance Statement, which addresses the following matters:

- a) an assessment of the success of the EPA in reducing risks to human health and in preventing the degradation of the environment and whether the level of environmental protection achieved by the EPA is satisfactory in comparison with other Australian jurisdictions
- b) an assessment of the performance by those industries regulated by the EPA in reducing risks to human health and in preventing the degradation of the environment, and the impact that those industries have on the environment
- c) recommendations for improving the EPA's performance, and the performance of the industries regulated by the EPA, in relation to the matters referred to in paragraphs (a) and (b)
- d) recommendations for improving the EPA's performance, and the performance of the industries regulated by the EPA.

The Regulatory Assurance Statement can be found in the EPA appendices.

## Independence of the Board

The Board is not subject to the control and direction of the Minister in the exercise of any of its functions.

The Chair is appointed by the Governor and is responsible for managing and controlling the affairs of the EPA in accordance with the policies and decisions of the Board, but is subject to any directions of the Minister.

However, the EPA is not subject to the control and direction of the Minister in relation to any report or recommendation made to the Minister; a state of the environment report; or any decision to institute criminal or related proceedings.

## Board Meetings

The EPA Board meets regularly in Sydney with regional meetings and visits planned. In the first four months of establishment of the EPA, the EPA Board met three times to 30 June 2012 and all members were in attendance.

The quorum for a Board meeting is three members, one of whom must be the Chair. The Chair presides at Board meetings, has a deliberative vote and, in the event of an equality of votes, a second or casting vote.

## EPA GOVERNANCE

The EPA has established the Stakeholder Engagement and Governance Branch inclusive of the position of Director, Stakeholder Engagement and Governance, to take on the responsibility for the EPA's governance framework. The EPA's compliance with statutory requirements, including our corporate, financial and environmental compliance, is featured in the appendices of this report.

### Service Agreement

From 29 February 2012, the EPA has operated under an informal service agreement with OEHL for the following areas:

- Legal
- Financial
- Service Centre
- Information Management and Communication Technology
- Human Resources
- Administration and Facilities
- Policy, Economics and Governance
- Scientific Services.

Even though the service agreement is not based on transactions, the EPA negotiated a retainer based on services that reflect existing business arrangements.

### Policies and Procedures

The EPA Board has endorsed the adoption and adherence to all OEHL corporate policies and procedures. Policies and procedures will be reviewed for relevance to the EPA and amended to address any EPA specific issues.

To assist the EPA Board in carrying out its functions, an EPA Board Handbook has been prepared. The Handbook is a reference tool for Board members, setting out their powers, functions and responsibilities and is also a repository of current guidance material relating to the Board.

## Integrity of the EPA Board

### Disclosure of Pecuniary and other Interests

Clause 7 of Schedule 1 of the Protection of the Environment Administration Act 1991 and the provisions of the Protection of the Environment Administration Act 1991 Regulation contain detailed requirements about disclosure of pecuniary and personal interests by Board members, the keeping of publicly available records of such disclosures and the effect such disclosures have on the Board member's participation in Board business.

A member must disclose:

- if they have a direct or indirect pecuniary interest in a matter being considered or about to be considered at a meeting of the Board, and the interest appears to raise a conflict with the proper performance of the member's duties in relation to the consideration of 8435 the matter
- if they are a member, or are in the employment, of a specified company or other body
- if they are a partner, or are in the employment, of a specified person
- has some other specified interest relating to a specified company or other body or to a specified person
- if a matter being considered or about to be considered at a meeting of the Board relates to the institution of criminal or related proceedings against a person, and member has any personal or financial interest in the matter.

All members of the EPA Board lodged a Primary Return within three months of their appointment. Each member will also lodge an Ordinary Return in October 2013 and members may also need to lodge special disclosures from time to time. Board members are also given the opportunity at the commencement of each meeting to declare any other potential conflicts of interest.

These disclosures are kept by the EPA in a register called the Register of Disclosures by Members of the Board of the Environment Protection Authority.

### Conduct

The Board follows the:

- EPA Board Code of Conduct which outlines the fundamental values and principles that define the standards of behaviour expected of members of the EPA Board
- Conduct Guidelines for Members of NSW Government Boards and Committees (DPC, 2011), which outlines fundamental values and principles that define the standards of behaviour expected of members of NSW Government boards and committees
- Guidelines for Boards of Government Businesses (the NSW Treasury 2009), which outline the key private sector standards of corporate governance which are most appropriate to the practices and procedures for boards of government businesses.

## INTERNAL AUDIT AND RISK MANAGEMENT

### Policy Statement and Insurance Activities

#### EPA Finance, Audit and Risk Committee

The EPA Board may appoint such committees as the Board considers appropriate to assist the Board in the exercise of its functions.

In April 2012 the EPA Board established a Finance, Audit and Risk Committee. The objective of the Committee is to provide independent assistance to the Board of the EPA by overseeing and monitoring the EPA's governance, risk and control frameworks, and its external accountability requirements.

The Committee is directly responsible to the Board and has no executive powers.

The Committee consists of the following three members:

- Mr Chris Knoblanche – independent Chair (4 year term of appointment)
- Mr Alec Brennan – independent Member 1 (3 year term of appointment)
- Mr Owen Walker – non-independent Member 1 (2 year term of appointment).

The Finance, Audit and Risk Committee meets at least four times a year. A quorum consists of two independent members. The EPA Board members, the Chief Audit Executive and external audit representatives are invited to attend meetings by the Chair of the Committee, as appropriate. The Committee may also request the Chief Finance Officer or other employees to attend committee meetings or participate for certain agenda items. The Committee also meets separately with both internal and external auditors.

Members of the Committee are required to understand and observe the legal requirements of the Treasury Circular NSW TC 09/08 August 2009. The Chair of the EPA Board has to complete an attestation statement that indicates all the Treasury requirements are met. The attestation statement is included in this report.

The Committee is responsible for:

- risk management, including financial and business risks
- control framework internally
- external accountability such as review of financial statements
- review and determine compliance with applicable laws and regulations

- internal and external audit – forum for communication, review audit coverage and work plans and audit reports.

The Committee reports regularly to the EPA Board on the following matters:

- summary of the Committee's work
- summary of the EPA's progress in addressing the findings and recommendations made in internal and external audits
- overall assessment of the EPA's risk, control and compliance framework.

The Committee must declare all conflicts of interest. Pecuniary interest declarations have been lodged by all three Committee members for 2012. Members are also given the opportunity at the commencement of each Committee meeting to declare any other potential conflicts of interest.

#### EPA Internal Audit

The EPA recognises that Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

The EPA participates in the OEH Risk Management Framework that includes an internal audit program. The audit and compliance programs typically operate on a three year cycle.

Auditable items have been identified as a result of the risk assessment process as outlined below.

The EPA has developed an Internal Audit Charter, which provides the framework for the conduct of the Internal Audit function in the EPA and has been approved by the EPA Board on the advice of the Finance, Audit and Risk Committee. The purpose of the Charter is to address the role, responsibilities, authorisation, activities and reporting relationships of the Internal Audit function.

The charter will be reviewed on a regular basis to ensure that it is consistent with changes in the financial, risk management and governance arrangements of the EPA and reflects developments in Internal Audit professional practices.

The EPA has also appointed the Director Stakeholder Engagement and Governance to take on the responsibilities of the Chief Audit Executive.

### **EPA Risk Assessment and Risk Register**

The EPA has developed a Risk Assessment specific to the EPA. The assessment reviews:

- physical risk to people and property,
- risks to achieving environmental goals and outcomes,
- financial risks, and
- risks to work systems and workplace culture.

A risk evaluation and a register have been prepared to determine which risks require attention and to allocate priorities for investigation, audit and controls to reduce residual risk.

The Assessment, Register and Internal Audit program have been endorsed by the Finance, Audit and Risk Committee and approved by the EPA Executive. The EPA Executive will review the assessment and the register six monthly and the Finance, Audit and Risk Committee will review it annually.



**Internal Audit and Risk Management Statement for the 2011-2012 Financial Year  
 for Environment Protection Authority**

In preparing this opinion I note that the Environment Protection Authority (EPA) was only established on 29 February 2012 and that I, as Chair and CEO, only commenced duties on 2 April 2012.

I, Barry Buffier Chair and CEO of the Environment Protection Authority (EPA), am of the opinion that the EPA has internal audit and risk management processes in place that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Barry Buffier Chair and CEO of the EPA, am of the opinion that the internal audit and risk management processes for the EPA depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the EPA has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

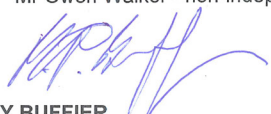
Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<p><b>Core Requirement 3, Clause 3.4.1</b> – the department head or governing board of the statutory body must appoint non-independent members of the Audit and Risk Committee from officers within the department or statutory body.</p>	<p><u>Reason for Departure</u></p> <ul style="list-style-type: none"> <li>there are no senior positions within the EPA which would be suitable for this position as non-independent member on the Finance Audit and Risk Committee; and</li> <li>Office of Environment and Heritage (OEH) provides corporate specialist and support services to the EPA through a Service Agreement and therefore hold suitably qualified and experienced personnel.</li> </ul> <p><u>Description of the Proposed Approach</u></p> <ul style="list-style-type: none"> <li>That OEH's Director of Finance be appointed as non-independent member of the EPA's Finance, Audit and Risk Committee.</li> </ul>

These processes, including the practicable alternative measures being the appointment of OEH's Director of Finance as the non-independent member, provide a level of assurance that enables the senior management of the EPA to understand, manage and satisfactorily control risk exposures.

I, Barry Buffier CEO and Chair of the EPA, am of the opinion that the Audit and Risk Committee for the EPA is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. I note that, as at 30 June 2012, the independent chair and independent member of the Audit and Risk Committee were in the process of being prequalified but were not at that point on the panel of prequalified individuals maintained through the Pre-qualification Scheme: Audit and Risk Committee Independent Chairs and Members. The membership of the independent chair and independent member was determined by the Prequalification Scheme Assessment Committee on 18 July 2012. As such, the membership of the Audit and Risk Committee of the EPA departed from Core Requirement 3.3.2 as at 30 June 2012.

The Chair and Members of the Audit and Risk Committee are:

- Mr Chris Knoblanche - independent Chair (4 year term of appointment)
- Mr Alec Brennan - independent Member 1 (3 year term of appointment).
- Mr Owen Walker - non-independent Member 1 (2 year term of appointment).

 30/8/12  
**BARRY BUFFIER**  
 Chair and CEO  
 Environment Protection Authority

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## EPA INSURANCE

The EPA, and the employees and volunteers of the Office of the EPA, are covered for their legal liability to any third party arising out of their operations, worldwide.

GIO General Limited, act as an Agent for the NSW Treasury Managed Fund for the insurable risk protection, the first four insurances mentioned above.

The EPA has insurance cover through the NSW Treasury Managed Fund, which used Allianz Australia Pty Ltd for workers' compensation and GIO General Ltd for other risk areas.

Areas of risk and related insurance costs

	2010-11 (\$'000)	2011-12 (\$'000)
Workers compensation*	-	285
Public liability	-	3
Property	-	12
Motor vehicles*	-	30
Miscellaneous	-	1
<b>TOTAL</b>	<b>-</b>	<b>331</b>

\* Includes hindsight adjustments relating to prior year premiums

Premiums are based on claims history and reflect the EPA's risk management approach to managing claims.

In 2010-11 activities of the EPA were fully integrated within the Office of Environment and Heritage (OEH) in the Department of Premier and Cabinet. Premiums relating to the EPA's areas of risk for that year were included in OEH's overall premiums.

## OUR CHARTER

### Vision

Healthy Environment, Healthy Community,  
Healthy Business

### Purpose

Leading business and the community to improve their environmental performance and managing waste to deliver a healthy environment.

### Values

- Act with Integrity
- Be Transparent
- Promote Respect
- Work Collaboratively
- Be Innovative
- Communicate Well.



## STRATEGIC APPROACH

Our approach reflects the NSW Government's focus on a reinvigorated independent EPA that meets its key targets under the *NSW 2021* of reducing waste and increasing recycling, reducing the impacts of pollution on the environment and the community, while promoting healthy business through better environmental performance and compliance. Strong and productive relationships with stakeholders are key to our success and improved communication and engagement with our stakeholders are important parts of this strategic approach. Since establishment on 29 February 2012, the EPA has developed a Strategic Plan which is designed to prioritise the work of the EPA to meet this strategic approach and to drive the EPA's performance, measure its success and to improve the environmental performance of the industries it regulates.

### **Key Result Area 1: Improve Planning Decisions**

- Improved environmental and community outcomes through our engagement with the Department of Planning and Infrastructure and other consent authorities, including Councils
- Planning policies that give weight to environmental issues.

#### **Alignment with NSW 2021**

Goal 1: Improve the performance of the NSW Economy

Goal 3: Drive economic growth in regional NSW

Goal 29: Restore confidence and integrity in the planning system.

### **Key Result Area 2: Reduce Environmental Impacts & Improve Environmental Outcomes**

- Reduced harmful emissions and discharges to waterways, groundwater and the atmosphere
- Reduced dust and offensive noise and odour emissions
- Reduced environmental impacts from sources such as contaminated lands
- Reduced impacts from logging on forest values.

#### **Alignment with NSW 2021**

Goal 11: Keep people healthy and out of hospital

Goal 19: Invest in critical infrastructure

Goal 21: Secure potable water supplies

Goal 22: Protect our natural environment

Goal 31: Improve government transparency by increasing access to government information.

### **Key Result Area 3: Responsive Incident Management**

- Community has confidence in the EPA's Incident Response
- Reduced risks from hazardous materials.

#### **Alignment with NSW 2021**

Goal 11: Keep people healthy and out of hospital

Goal 28: Ensure NSW is ready to deal with major emergencies and natural disasters.

### **Key Result Area 4: Reduce Waste & Increase Recycling**

- Increased recycling
- Reduced litter and illegal dumping.

#### **Alignment with NSW 2021**

Goal 22: Protect our natural environment

Goal 23: Increase opportunities for people to look after their own neighbourhoods and environments

Goal 31: Improve government transparency by increasing access to government information.

### **Key Result Area 5: Improve Communication, Stakeholder Engagement & Knowledge Management**

- Improved relationships with stakeholders
- Improved service delivery through exceptional knowledge management
- Improved community satisfaction with the EPA's programs and services.

#### **Alignment with NSW 2021**

Goal 31: Improve government transparency by increasing access to government information

Goal 32: Involve the community in decision making on government policy, services and projects.

### **Key Result Area 6: Exemplar Organisation**

- A world class regulator
- EPA is regarded as an employer of choice
- A healthy and safe workplace
- Sound financial management
- Environmental performance of the EPA exceeds the NSW Government's Sustainability Policy.

#### **Alignment with NSW 2021**

Goal 4: Increase the competitiveness of doing business in NSW

Goal 30: Restore trust in State and Local Government as a service provider.

## OUR CORE PROGRAMS AND PERFORMANCE

There are nine core programs that the EPA has established to support the above Key Result Areas including:

- Environmental regulation
- Clean air
- Noise management
- Water management
- Forestry
- Contaminated sites management
- Radiation
- Waste management
- Stakeholder engagement and governance.

The nine core programs above are the initial programs established for the EPA from 29 February 2012 and will be further refined over the coming financial year. Additional activities across many of these program areas are Incident Response and Emergency Management, and the Environment Line.

### Environmental Regulation

The EPA is the primary authority in NSW for environmental regulation. The EPA regulates activities that can impact on the health of the NSW environment and its people. In 2011-2012 activities included reforms to legislation, improvements in response to pollution incidents, red tape reduction activities, the regulation of chemicals and pesticides and land-use planning activities.

### Regulatory Reform - Reforms to the Protection of the Environment Operations Act

In November 2011 the NSW Government enacted tough new environment protection legislation to strengthen requirements for industry to notify and respond to pollution incidents, improve communication with the community and ensure agencies involved in responses to pollution incidents are well coordinated. The *NSW Protection of the Environment Legislation Amendment Act 2011* (POELA Act) commenced, with all provisions operating by 31 March 2012.

The new pollution laws include:

#### Duty to notify pollution incidents

Pollution incidents that cause or threaten material harm to the environment must now be reported immediately, rather than as soon as practicable. Pollution incidents must be notified to each of the following authorities:

- the appropriate regulatory authority (ARA)
- the Environment Protection Authority (EPA) if they are not the ARA
- the NSW Ministry of Health
- WorkCover NSW
- the local authority, e.g. the local council, if this is not the ARA
- Fire and Rescue NSW.

Fines have been doubled for not complying with these requirements.

The EPA and the Ministry of Health may recover the costs of investigations into the health and environmental risks associated with a pollution incident.

#### Pollution incident response management plans (PIRMPs)

The *Protection of the Environment Operations Act 1997* has been changed to improve the way pollution incidents are reported, managed and communicated to the general community. This Act includes a new requirement for all licensees to prepare, keep, test and implement a pollution incident response management plan. These plans must include information on how licensees will notify the potentially impacted community and relevant response agencies of a pollution incident. The plans will help to ensure comprehensive and timely communication about a pollution incident, including to people outside the facility who may be affected by the impacts of the pollution incident.

#### Publication of monitoring data

The *Protection of the Environment Operations Act 1997* has also been changed to include a new requirement for licensees to make the results of monitoring data required by licences publicly available in a timely manner. This will give the public access to information relating to the environmental emissions from EPA licensed activities. The intention of this new requirement is to improve the general public's access to more information about the environmental performance of licensed facilities, in addition to other information that the EPA includes on its public register.

### **Orica Kooragang Island - Regulatory Action**

Following several serious incidents at Orica's ammonium nitrate production facility on Kooragang Island in Newcastle, the EPA launched a number of investigations over 2011-12. These incidents are the subject of prosecution proceedings before the Land and Environment Court and it is alleged that these incidents involved:

- A corroded pipe at one of the Nitric Acid Plants failed, resulting in the discharge of nitric acid from the premises into waters and into the air.
- A blockage caused a valve in one of the Ammonium Nitrate Plants to stop working, resulting in an emission of ammonium nitrate into the air which spread across Kooragang Island, the Hunter River, and Mayfield East.
- A jackhammer being used to undertake maintenance work in the Ammonia Plant ruptured a pipe causing a release of ammonia gas from the premises.
- An incident on 8 August 2011 resulted in the discharge of steam containing hexavalent chromium from the premises into the atmosphere.

Following the serious pollution incident on 8 August 2011 involving the discharge of hexavalent chromium, the EPA issued prevention notices to Orica requiring the plants to be shut down until environmental issues were adequately addressed.

In addition, the EPA required Orica to undertake a comprehensive mandatory environmental audit. The detailed audit is being conducted in stages. The audit will review and assess the facility and its operations, procedures and practices to ensure the facility is operated in an environmentally satisfactory manner and to provide advice on improvements that can be made to the way the activities are carried on in order to better protect the environment. The audit will be completed in 2013.

The EPA also negotiated a series of environmental investigations and upgrade works, which were formalised as Pollution Reduction Programs as conditions on Orica's licence for its Kooragang Island facility. These Programs relate to ensuring compliant monitoring in respect of various stacks, bunding works, drainage upgrade works, the installation of isolation valves on stormwater pipes that discharge from the premises; and noise reduction works.

### **Red Tape Reduction**

The EPA is committed to reducing regulatory costs for business and the community by reducing red-tape associated with administrative and compliance costs. In November 2011 the Office of Environment and Heritage published guidelines titled *Coal mine particulate matter best practice* which provides information that industry can use when conducting a site-specific review of best practice measures to reduce emissions of particulate matter from coal mining activities, and standardises reporting on initiatives to the EPA.

The EPA has negotiated Pollution Reduction Programs with 60 coal mines aimed at reducing dust emissions. The Guidelines and standardised reporting will reduce the cost to mines of hiring consultants or undertaking work by in-house professionals to undertake work associated with the Pollution Reduction Programs.

The EPA will continue to identify red tape savings initiatives that reduce the burden of meeting existing regulatory requirements and delivering existing services with a lower cost for industry and the community.

### **National Chemicals Management**

The EPA represents NSW on the National Chemicals Environmental Management (NChEM) Framework. NChEM is working to harmonise environmental chemicals management regulation and specifically to implement Productivity Commission recommendations that form part of the Coalition of Australian Government (COAG) Plastics and Chemicals Reforms.

The key reforms relate to: the creation of a body that brings together all jurisdictions to make national risk management decisions to protect the environment against harmful chemicals; assessment of the costs and benefits of introducing environmental labelling of chemicals; and examination of the feasibility of developing a performance measurement framework for monitoring the impact of chemicals in the environment.

Achievements include:

- Development of options for reform implementation and participation in tender process for preparation of a Consultation Regulatory Impact Statement
- Commencement of work on the Consultation Regulatory Impact Statement outlining options for the national harmonisation of chemicals environmental management
- Participation in initial key stakeholder discussions on possible reform options.

### **Hunter Region Annual Pesticide Project**

The Hunter Region contains a major pesticide production facility. The project involved a systematic assessment of the environment protection licence using a risk based approach which resulted in the setting of new more stringent limits for both air and water discharges for revised and up to date pollutant parameters.

### **Investigation of Vegetation die-back in Girraween**

In April 2011 vegetation and trees within one kilometre of an area near Magowar Road Girraween suffered symptoms of dieback. An initial investigation by the EPA found that the dieback was due to a herbicide. The EPA and the NSW Ministry of Health assessed the potential health impacts and advised residents that the herbicide identified was of very low toxicity to humans.

The herbicide was of a type manufactured by Du Pont (Australia) Ltd at its premises in Girraween. After an extensive investigation the EPA commenced a prosecution of Du Pont in the Land and Environment Court. It appears that a number of large trees in the area have died and posed a potential risk to local residents. On 23 November 2011, NSW Minister for the Environment, Robyn Parker, MP, announced that the Government had authorised funding of up to \$200,000 from the Environmental Trust to assist residents in the removal of a number of large and dangerous trees.

In addition to commencing a prosecution of Du Pont, the EPA has required Du Pont to undertake a Herbicide Environment Protection Study. Du Pont is to provide a copy of the report to the EPA. The EPA has made available information regarding the incident and follow up on its website at:

[www.environment.nsw.gov.au/pollution/girraween.htm](http://www.environment.nsw.gov.au/pollution/girraween.htm)

### **Pesticide use in Horticulture**

The EPA undertook a campaign to ensure that the horticultural industry in NSW is using pesticides safely. There are more than 2000 horticulturists in NSW producing most of the perishable vegetables consumed in NSW, including about 90 per cent of the Sydney market.

The campaign aimed at ensuring that growers who use pesticides:

- follow the product label
- prevent off target harm
- are appropriately trained
- keep records of pesticides use.

Prior to commencing the campaign, letters were sent to individual growers advising that they may be inspected.

Letters were also sent to key ethnic growers' associations in order to reach non English speaking growers.

EPA achievements in 2011-2012 include:

- Inspection of 30 growers in the Sydney basin and 14 growers in regional NSW as at 30 June 2012
- Raising awareness of requirements under the Pesticide Act 1999 amongst growers
- Provision of resources to assist growers in complying with record keeping requirements (e.g. spray record templates).

Further inspections in the Sydney basin have been planned in 2012. The campaign will also be extended to target an additional 20 growers in rural areas.

### **Dangerous Goods Transport**

On 10 May 2011 the Auditor General's Performance Audit on the Transport of Dangerous Goods was tabled in Parliament. This report confirmed EPA and WorkCover NSW had active compliance programs and acknowledged the decrease in accidents involving vehicles carrying dangerous goods in recent years.

The report included a number of recommendations:

- To use risk based assessments to target compliance programs
- To improve collaboration between agencies in compliance and enforcement activities
- To establish better mechanisms to gather and share information and data on dangerous goods transport
- To strengthen the training and licensing systems.

The EPA, WorkCover NSW, the Independent Transport Safety Regulator and other agencies have worked together to implement the recommendations within the timeframes set by the Auditor General.

2011-12 achievements include:

- Joint EPA and WorkCover compliance campaigns targeting loading and distribution centres
- Joint EPA and Roads and Maritime Services compliance campaigns targeting the transport of dangerous goods through tunnels and roadside vehicle inspections in the Port Botany area and regional NSW
- Joint EPA and Independent Transport Safety Regulator compliance inspections of dangerous goods rail transport
- A compliance campaign targeting dangerous goods driver training and negotiating a Memorandum of Understanding with the Australian Skills Quality Authority in order for joint compliance programs to be undertaken from 2012-13

- Improving the accessibility of dangerous goods information on the EPA website
- Raising industry awareness of regulatory obligations through sponsorship of the Hazmat 2012 conference, presentations at industry seminars and meetings with the major dangerous goods transport companies.

While compliance levels were generally satisfactory in most areas, some poor performers were identified in these campaigns, resulting in 24 penalty notices and 27 official cautions being issued.

## Land Use Planning

### Googong Township Water Cycle Project

The Googong Township Water Cycle Project involves the construction of a sewage collection and treatment system for a proposed new township of approximately 16,000 people to be established on the southern outskirts of Queanbeyan called Googong Township. The extensive beneficial reuse of treated effluent from the sewage treatment plant forms an integral part of the proposed new township, principally through the irrigation of parks and gardens. The use of potable water for non-potable uses within Googong Township will be minimised while providing for enhanced environmental outcomes through reduced discharge of treated effluent to the Queanbeyan River. The EPA was actively involved in all crucial steps of the planning process to ensure that the proposed sewage treatment plant achieved modern day standards and that water quality in the Queanbeyan River would not be adversely impacted upon by the proposed new township. Development of the township is to take place over 25 years with an estimated capital investment of \$71.5 million and generating an estimated 294 jobs per year during construction. The development of the new Googong Township will also facilitate important residential growth opportunities for the city of Queanbeyan.

### North West Rail Link

The North West Rail Link is a 23 km rail line extending from Epping to Rouse Hill in Northwest Sydney and incorporating eight stations. The project is currently undergoing assessment by the Department of Planning and Infrastructure in two stages. The EPA has successfully negotiated a number of positive environmental outcomes for the project, particularly with regard to groundwater and surface water management and noise impacts through provision of advice and recommendations. The EPA continues to maintain effective relationships with the North West Rail Link team, Transport for NSW and the Department of Planning and Infrastructure through the project Planning Reference Group. The EPA will ensure that the project complies with the highest environmental standards during the planning, construction and operation

of the North West Rail Link through the Environment Protection Licence required for project construction and operation.

### Epping to Thornleigh Third Track

The Epping to Thornleigh Third Track (ETTT) project is a key component of the Northern Sydney Freight Corridor Program, which aims to improve the capacity and reliability for freight trains on the Main North Line between North Strathfield and Broadmeadow, Newcastle. The ETTT project involves the construction of a 6 km length of rail track within the existing rail corridor, as well as a number of associated works, to improve the reliability of both freight and passenger trains in the area. The EPA has successfully negotiated improved assessment of project environmental impacts through provision of advice and recommendations with regard to the project environmental assessment requirements. The EPA will continue to work with the proponent and the Department of Planning and Infrastructure to ensure that environmental impacts are adequately assessed and minimised wherever possible.

### Brooklyn Wastewater Treatment Plant

Sydney Water Corporation sewered the Brooklyn, Dangar Island and Mooney Mooney villages in 2007, replacing the previous on-site septic systems. Sewage from these villages is treated in a wastewater treatment plant at Brooklyn which discharges treated effluent to the Hawkesbury River estuary. The EPA has had ongoing involvement in the planning process since the project's inception in 2003, including the setting of limits for the quality of effluent discharged to the river.

During commissioning of the wastewater treatment plant, Sydney Water found that it was not able to meet the current discharge limits without incurring significantly higher than estimated operating cost for power and treatment chemicals. Sydney Water proposed to increase higher levels of nutrients in the effluent discharged to the river, in order to curtail these costs which would have been passed onto its customers. Sydney Water submitted an application to the Department of Planning and Infrastructure in 2011 to approve the discharge of higher nutrients levels. The EPA's key concern with Sydney Water's proposal was the impact of additional nutrients to the current cumulative nutrient loads in the Hawkesbury Nepean River as a whole. Over the last decade the NSW Government has made great efforts to reduce nutrients to the river system. Sydney Water has made significant reductions in nutrients discharged to the Hawkesbury Nepean River at its other treatment plants. The EPA recommended to the Department of Planning and Infrastructure that Sydney Water should offset any increase in nutrient levels at Brooklyn by minimising nutrients discharged at other treatment plants in the catchment.

After discussions with the EPA and reviewing all the submissions made on its proposal, including the EPA's, Sydney Water withdrew its application to the Department of Planning and Infrastructure. Sydney Water has opted to invest additional funds into the upgrade of the treatment plant to ensure it is able to meet the current nutrient limits. This is a good outcome for the community and the health of the Hawkesbury Nepean River.

### **M5 West Widening Project**

The M5 West Widening Project involves widening the M5 motorway from 2 lanes each way, to 3 lanes between King Georges Road and Camden Valley Way. The project was assessed under Part 3A of the Environment Protection Administration Act 1991 and EPA provided input into the planning process for issues relating to the Protection of *Environment Operations Act 1997*.

Due to the limited corridor width for the project and the crossing of waterways, sediment and erosion control during construction was identified by EPA as a key issue. The Department of Planning and Infrastructure requested EPA provide input on recommended conditions of consent and EPA recommended as part of a construction environment management plan that a soil and water management plan be prepared before construction begins to ensure compliance with s120 of the *Protection of the Environment Operations Act 1997*.

### **Barangaroo**

The EPA has assessed and provided advice to the Department of Planning and Infrastructure on numerous development applications and amendments for the elements of the Barangaroo site remediation and development. This includes co-ordinating the Remediation Review of the Barangaroo site to address concerns regarding public confidence in the process, administering the Environment Protection Licence for the works, including numerous amendments and stringently enforced compliance with the licence conditions. The value of this project is estimated at \$6 billion.

### **Camellia Peninsula**

The EPA has raised the need for high level co-ordination between government and private sector stakeholders for the rejuvenation of the Peninsula with the Department of Planning and Infrastructure. This follows the significant involvement of the EPA with licensing of industrial activities, regulation of contaminated sites and their remediation on the Camellia Peninsula, and the increasing rate of redevelopment. The EPA will be significantly involved with the group of relevant stakeholders currently being identified and convened by the Department of Planning and Infrastructure.

### **Orica Southlands Botany**

The EPA regulated remediation assessment and remedial activities and identified concerns that need to be addressed to enable the site to be redeveloped. Orica is significantly advanced in the planning process to enable the site to be redeveloped.

### **Malabar Headland**

The EPA is actively progressing the appropriate assessment and management of this Commonwealth owned site to address concerns related to landfill and contamination associated with the rifle range. A handover from NPWS to NSW was facilitated, with a portion of the site including planning aspects for an endangered ecological community, the Eastern Suburbs Banksia Scrub. Litigation by the rifle range leasee has stalled a further handover of the eastern headland.

### **Pollution Reduction Programs (PRPs)**

The EPA uses Pollution Reduction Programs (PRPs) to reduce air emissions and address specific air and water pollution issues. PRPs are negotiated with licensees and attached to environment protection licences. PRPs require changes to works or management practices to bring about environmental improvement within a specified timeframe. PRPs may be implemented in stages over a number of years, with specific conditions attached to each stage. In 2011-2012, EPA negotiated 398 new PRPs totalling \$364.9 million. Examples of PRPs negotiated during the year can be found in this report under the relevant program area headings.

### **Clean Air**

Pollution can be from fumes, emissions, smoke, odours and dust particles that impact on air quality. In 2011-2012, the EPA implemented air quality monitoring sites and the Upper Hunter Air Quality Monitoring Network, worked with industry to monitor and resolve issues, and undertook regulatory actions to reduce air pollution.

### **Upper Hunter Air Quality Monitoring Network**

The Upper Hunter Air Quality Monitoring Network commenced full operation in February 2012. The air quality monitors provide continuous real time measurement of particulate matter at 14 strategically located sites throughout the Upper Hunter Valley (PM10 at all 14 locations and PM2.5 at two locations). The results of this monitoring are publically available in real-time on the EPA's web site. This monitoring provides a feed-back mechanism, so that the effectiveness of the EPA's actions to reduce coal mine dust can be measured.

### **Lower Hunter Industry Funded Air Quality Network**

In response to increasing community concerns with environmental impacts in the Lower Hunter/Newcastle area, the Minister for the Environment established the Newcastle Community Consultative Committee on the Environment. The Committee's membership includes community, industry and local government representatives. One of the Committee's roles is to advise the Minister on environmental monitoring requirements.

Given the community's concerns and the views of the Committee, the EPA is investigating the need for an environmental monitoring program in the vicinity of the heavy industry precinct(s) in the Newcastle area. As the first stage of the assessment, the EPA and OEH conducted a review of meteorology and air quality data from 1997 to 2012. The resulting four reports were presented to the Minister and the Committee and are available on the OEH website. The reports recommend three general localities where monitoring stations would be best located.

The investigation's findings will inform further discussions with the community and industry on the development of an industry funded air quality monitoring network. When operational, the network will provide continuous measurement of PM10 and other pollutants at strategically located sites. The results of the monitoring will be publicly available in real-time via the internet. The network is expected to be operational by November 2013.

### **Blast Fume Emissions Open Cut Mines**

With the expansion of open cut mining operations in the Upper Hunter there has been an increase in the frequency of visible yellow/orange fumes from blasting. This has led to an increase in complaints from the community to the EPA. Under unfavourable blast conditions, elevated levels of nitrogen dioxide gas are produced and form part of the blast plume. If the plume is blown offsite due to adverse meteorological circumstances, it can result in eye and nose irritation and other symptoms depending on the level of exposure.

The EPA has responded, noting there is a wide range of factors that cause fume emission. The EPA is encouraging the mining and explosives manufacturing industry to improve blasting technology and design practices as a key practical measure towards reducing fume emissions. The EPA is working closely with the industry and, as a result of this collaboration, the Explosives Industry and Safety Group published a National Code of Practice designed to assist the mining industry to reduce fume emissions.

### **Rail Corridor Dust Monitoring Program**

In response to community concerns that coal trains are a significant source of dust, the EPA required the Australian Rail Track Corporation to undertake a pilot study to measure dust. The study was specifically designed to assess, in real time, dust levels in the rail corridor and was included as a condition of the company's environment protection licence. The continuous monitoring of meteorology and fine particles is occurring at two locations in the Lower Hunter Valley. Information obtained from this study will assist the EPA to determine if further studies or a specific dust mitigation strategy are required.

### **Koppers Mayfield - PRPs**

Koppers Carbon Materials & Chemicals Pty Ltd operates a facility at Mayfield in Newcastle that processes coal tar and naphthalene. There has been a history of odours associated with the materials processed at the premises. As an outcome of negotiations with the licensee the EPA varied Koppers' licence to require the installation of nitrogen blanketing on a number of process tanks within the naphthalene tank farm to mitigate the emission of vapours and odours. The project was completed in March 2012 and has resulted in a reduction of odours being detected from the premises.

### **Cargill Kooragang - PRPs**

Cargill Australia Limited operates an oil seed processing facility at Kooragang in Newcastle. There is a history of odours from the premises. As an outcome of negotiations with the licensee the EPA varied Cargill's licence to require the construction and commissioning of biofilter as a means of scrubbing air captured from the production process prior to being emitted to the atmosphere. The biofilter is required to be constructed and commissioned by the end of 2012 and will result in a significant reduction of odours from the premises.

### **Coal Mine Dust Reduction**

According to the National Pollutant Inventory, coal mines account for 71 per cent of NSW emissions of particulate matter (PM10). Hunter Valley coal mines have 10 000 hectares of disturbed land and emit 62,000 tonnes of PM10 each year. To address concern about dust emissions from coal mines, the EPA, in conjunction with OEH, has implemented a multi-pronged approach:

- Dust Buster - This program involved increased regulatory effort, with 219 coal mine inspections state-wide resulting in 24 legally-binding Pollution Reduction Programs worth over \$40 million and the issuing of 11 penalty notices
- Dust Assessment Handbook - The EPA worked with the mining industry in the Hunter Valley to develop a glove-box sized handbook for mine operators and

regulators. It provides a visual tool for the assessment of dust emissions from various coal mine activities

- Dust Stop – Following a review of international best practice conducted by Katestone Environmental Pty Ltd in 2011, all NSW coal mines have been required to undertake a site-specific comparison of their dust management controls against international best practice. The results of these site-specific studies are being used by the EPA to determine the most feasible ways to reduce dust emissions
- Pollution Reduction Programs were placed on the environment protection licences for all active coal mines in NSW, requiring the mines to report actions to reduce dust emissions to the EPA.

### Coal seam gas

Coal Seam Gas (CSG) is an emerging industry in NSW and is still largely in the exploration phase. There have been concerns from sections of the community over the potential impact of CSG on the environment.

The EPA has a regulatory role when a coal seam gas operation moves into production and has the capacity to produce more than 5 petajoules of gas per annum. Otherwise, the EPA's role is advisory.

To meet the regulatory, environmental and policy demands of this industry, the EPA and OEH formed a CSG project team in 2010. During the 2011 – 2012 reporting year the team was instrumental in a ban on the use of a group of chemicals (referred to as BTEX) in hydraulic fracturing and drove improvements with the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) in environmental assessment procedures for new exploration proposals.

The EPA/OEH team also made significant contributions to a draft aquifer policy and two draft codes of practice being prepared by DTIRIS. The team provided expert advice to DTIRIS on air, noise, water, biodiversity and Aboriginal heritage matters in relation to new CSG exploration proposals and investigations and audits. The team also provided guidance material for EPA staff and undertook research into existing and emerging technologies.

Importantly, the OEH/EPA team is a member of an interagency working group which is liaising with Queensland and the Commonwealth governments to coordinate policy and to harmonise approval and regulatory approaches.

The EPA also conducted a detailed investigation of alleged water pollution incidents in the Pilliga. This investigation resulted in Eastern Star Gas being issued with two penalty notices and SANTOS receiving a formal warning.

## Noise Management

The EPA's policy, programs and regulatory activities are undertaken to manage the impacts from noise on the community.

### Noise Monitoring and Control – Controlling noise from rail transport

The EPA's regulation of rail is primarily focused on reducing noise impacts. The network is managed by RailCorp (metropolitan areas) and Australian Rail Track Corporation and John Holland Rail Pty Ltd (regional areas). The two main ways of reducing noise impacts are through licence limits which set noise criteria for new or substantially modified locomotives being introduced to the network, and Pollution Reduction Programs.

Achievements in 2011-2012 include:

- Licensing John Holland Rail Pty Ltd, which took over the country network in January 2012
- The conclusion of the RailCorp Pollution Reduction Program (PRP U1.2) which oversaw the installation of 30 top-of-rail friction reduction devices across the RailCorp network which has contributed to the mitigation of noise at wheel squeal hot spots
- A draft Rail Infrastructure Noise Guideline was released in February 2012 specifying noise criteria for rail projects and rail traffic-generating developments. Public consultation closed on 30 March 2012. The EPA is reviewing submissions received and will be finalising the Guidelines to replace the Interim Guideline for the Assessment of Noise from Rail Infrastructure Projects, released in 2007.

The EPA is leading a project to improve regulation of the rail industry to better address the impacts caused by rail operators. A set of regulatory models has been developed and public consultation on the most viable options is expected in 2012-2013.

### Motor vehicle noise compliance program

The EPA's motor vehicle compliance program focuses on vehicles that are excessively noisy. Compliance activities include joint operations with NSW Police where vehicles are tested and inspected to ensure that they comply with requirements under the Protection of the Environment Operations Act 1997 and regulations. 15 joint operations were conducted in 2011-12 at various Sydney and regional locations, resulting in the issue of 356 penalty notices to vehicle owners and rectification to 2,129 vehicles.



## Water Management

The EPA regulates discharges from industry to waterways and groundwater to protect water quality. This includes monitoring limit conditions and pollution reduction programs.

### Lithgow Sewage Treatment Plan Upgrade

Through a series of Pollution Reduction Programs the EPA required Lithgow Council to finalise the upgrading of the Lithgow Sewage Treatment Plant in 2011-12. The 2010 Audit of the Sydney Drinking Water Catchment identified that the Lithgow STP was discharging pollution including nutrients phosphorus and nitrogen in the catchment. The discharge from the Sewage Treatment Plant caused water quality problems in Farmers Creek, leading to excess nutrients stimulating excessive plant growth (eutrophication) in Lake Lyell and blue-green algae outbreaks. The upgrade, at a cost of \$23 million of NSW Government and Council funds, will result in improved water quality in Farmers Creek and Lake Lyell within the Sydney drinking water catchment. The upgraded STP will meet the needs of Lithgow for the next 30 years including a reduction by over 80 percent of the phosphorus and nitrogen in the discharge and the removal of bacteria, including *Cryptosporidium* and *Giardia*, to further improve the effluent quality with the modern breakpoint chlorination and ultra-violet disinfection chamber. The EPA continues to monitor Council's performance of the new tighter environment protection licence limit conditions.

### Wilpinjong Coal Reverse Osmosis Plant

Through a Pollution Reduction Program the EPA required Wilpinjong Coal to install a Reverse Osmosis Plant to reduce the salt load on the Goulburn River. The Program was applied following heavy rainfall in late 2010 when Wilpinjong Coal needed to discharge stormwater run-off from its coal mine near Wollar, north of Mudgee. This was the first time Wilpinjong needed to discharge water offsite since it commenced operations in 2006. The water was high in salinity, typically above 2,000 micro-Siemens per centimetre ( $\mu\text{S}/\text{cm}$ ) Electrical Conductivity (EC). The EPA required Wilpinjong Coal to install a Reverse Osmosis Plant and agreed to achieve a discharge quality of less than 500  $\mu\text{S}/\text{cm}$  EC salinity. In the future whenever Wilpinjong needs to discharge offsite accumulated stormwater run-off it will be removing salt from its discharge and lessening the salt load on the Goulburn River, a tributary of the Hunter River system.

### Gunnedah Basin Coal Mines

Flooding in November 2011 and February 2012 caused inundation of two coal mines in the Gunnedah Basin. Boggabri Coal mine was flooded to a level that prevented access to low level benches that contained high quality

coal necessary to provide a blended coal for export. The mine operator undertook an environmental assessment of a proposed discharge of the stormwater from the mine and sought a licence variation from the EPA to cover the discharge.

The EPA, after careful consideration, amended the Environment Protection Licence to allow for the discharge. The licence conditions required stringent monitoring of water discharged from the mine. The EPA is also negotiating an offset for the salt component of the discharged water. The EPA has required the mine operator to undertake a detailed assessment of the circumstances that caused the mine to be inundated and to identify measures to prevent a re-occurrence.

Whitehaven Coal experienced failures from stormwater control structures on its mines. The EPA investigated the incidents and issued a number of penalty notices. In response, Whitehaven undertook a detailed risk assessment of all its mines and implemented a works program to correct identified water management issues on its mines.

### Dyno Nobel (Major Hazard Facility)

The Dyno Nobel facility is located in the Upper Hunter Valley and produces explosive emulsion products for the mining industry. The site had historically significant surface and groundwater contamination issues. The facility was required under a Pollution Reduction Program to construct and line a new process water dam and construct and operate a water treatment plant. Dyno Nobel is continuing works to address historical groundwater contamination. The cost of the program is unknown however it would represent significant capital expenditure from the licensee.

### Birdon Marine Contamination

Tributyl tin is a toxic material that was used as an antifouling agent on ships. It was alleged that this material was stockpiled on the Birdon Pty Ltd slipway site at Port Macquarie and was leaching into the Hastings River. This resulted in environmental harm. In December 2010 and August 2011, the EPA issued Birdon with Clean-Up Notices. These notices require contaminated material to be removed from the river and foreshore area by 21 December 2012. Birdon commenced dredging in September 2011. The EPA has conducted regular announced and unannounced inspections since dredging commenced. During one of the first inspections the EPA identified a number of non-compliances with the notice conditions, including not keeping appropriate river monitoring records. The EPA issued Birdon a Penalty Notice on 6 October 2011 for failing to keep appropriate records and two official cautions for other non-compliances. Since this time EPA inspections have found the clean-up operations progressing in accordance with the strict clean-up conditions.

## Forestry

The *Forestry and National Parks Estate Act 1998* provides for carrying out regional forest assessments and establishing NSW forest agreements. NSW forest agreements set out the principles and strategic framework for logging and management of State forests. Forest agreements contain provisions for promoting ecologically sustainable forest management and sustainable timber supply. The EPA undertakes regulatory activities to reduce impacts on forest values from logging on Crown forestry land and for private land through the Private Native Forest Code.

### Monitoring Forestry operations Compliance in Native Crown forests

Logging activities undertaken in public native forests are monitored under seven Integrated Forestry Operations Approvals covering the majority of the State. The Integrated Forestry Operations Arrangements issued to Forests NSW contain licence conditions aimed at preventing water pollution, and minimising harm to threatened species from logging.

The EPA has an active audit and enforcement program to monitor Forests NSW compliance with licence conditions and other relevant legislative requirements. The audit program ensures Forests NSW is taking the required measures to protect the environment through planning and operational activities. The EPA also investigates complaints made by the community about forestry operations within IFOA areas.

In addition to its regular audit program, the EPA also undertook a number of targeted Crown forestry compliance campaigns. Targeted compliance campaigns provide an opportunity to focus audit effort on a particular issue or compliance trend. During 2011-12 the EPA undertook 'Operation Soundcheck', a compliance campaign aimed at assessing Forests NSW planning for and implementation of site-specific threatened species licence prescriptions.

This campaign was driven by an emerging compliance trend around the interpretation and application of site specific threatened species licence conditions. As part of this campaign, the EPA identified a number of breaches with Threatened Species Licences. For example, it was identified that breaches occurred due to issues with licence interpretation and time lags between planning and commencement of operations. The campaign also found that in some cases interpretation issues had inadvertently resulted in a technical breach of the licence even when the intent of the licence may have been met.

Accordingly, the EPA issued Forests NSW a warning letter in relation to specific threatened species licence breaches and held a workshop with Forests NSW ecologists to ensure consistent interpretation of relevant site specific licence conditions into the future. This campaign will assist in considering any future refinements to the licensing framework.

### Private Native Forestry Regulation and Industry Assistance

Private native forestry is the harvesting of native trees for commercial purposes on private land on a sustainable basis. Private Native Forestry is regulated by the EPA under the *Native Vegetation Act 2003* through the Private Native Forestry Code. The Code sets minimum standards to ensure forests are harvested in an ecologically sustainable way. The Code has four parts, one for each of the four forestry landscapes: Northern NSW, Southern NSW, River Red Gum Forests and Cypress and Western Hardwood Forests. The EPA is responsible for approving forestry operations on private land through a Property Vegetation Plan. Since the Code was introduced in 2007, 2,284 Property Vegetation Plans have been approved, including 473 in 2010-11. The EPA is also responsible for helping to ensure the requirements of the Code are met by undertaking operational inspections, audits and investigations. This is supported by education, training and extension activities.

### Completion of the PNF Training Program

The introduction of the Private Native Forestry (PNF) Code in 2007 was accompanied by a five year funding package to provide assistance to industry to adjust to the new requirements and for accelerated implementation of the Code, including \$4.38 million for developing and delivering training to forest owners/managers, forestry workers and logging operators. The training focused on improving environmental outcomes, harvesting techniques, soil and erosion control, new silvicultural practices and Work Health and Safety. Funding for the training program has now ended.

Achievements include:

- delivery of the TAFE NSW Sustainable Private Native Forestry course to over 350 contractors and operators in the PNF industry
- delivery of the Department of Primary Industry Awareness Day to over 500 Private Native Forestry landowners and contractors
- delivery of Master Tree Growers course to over 90 participants
- production of a series of educational videos, which will be available on the EPA website and on DVD for Private Native Forestry landowners and operators in late 2012.

The training program has improved operating standards amongst Private Native Forestry operators and contractors, thus improving environmental outcomes. It also provides the foundations for a sustainable future for the Private Native Forestry industry.

## Contaminated Sites Management

Under the *Contaminated Land Management Act 1997* and the *Protection of the Environment Operations Act 1997*, the EPA regulates remediation of contaminated sites in NSW. The framework for contaminated land regulates sites with potential risks and the actions for clean-up and preventative programs.

### Management Order issued to Orica Botany

Orica has responsibility for multiple legacy issues at the Botany Industry Park including chlorinated solvent plumes and soil contamination. One of the most problematic is the significant soil and localised groundwater contamination caused by the use of elemental mercury at the former chlor alkali plant. An initial attempt to remediate the mercury contaminated soil using soil washing technology did not perform as expected. A large temporary enclosure was constructed over the most highly contaminated area with emission controls to prevent fugitive emissions. This structure remains in place and is likely to be incorporated in any alternative remedial approach.

The EPA issued a Management Order under the *Contaminated Land Management Act 1997* to Orica, which requires Orica to:

- prepare a detailed written remediation options appraisal report
- engage an independent expert, approved by the EPA, to review the options appraisal report
- submit a final copy of the options appraisal report and the independent expert's comments to the EPA
- identify a preferred remedial approach and provide a clear and comprehensive justification for that approach
- prepare a remediation action plan and submit a copy of the plan to the EPA for approval
- prepare and submit a groundwater monitoring plan to the EPA for approval
- prepare a community consultation plan.

As at 30 June 2012 Orica has complied with the requirements under the notice. The remediation action plan is due for submission to the EPA in 2012-2013. The EPA will review the plan taking into account the outcomes of the community consultation, and will approve the plan if adequate. Once all requirements of the Management Order have been met, the EPA will regulate the implementation

of the remediation action plan under a separate regulatory instrument. The remediation is expected to take about 12 months to complete and will commence following planning approval.

### Barangaroo - Gas works Clean-up

The Premier officially opened construction works at Barangaroo on 26 October 2011. The site includes the footprint and contamination legacies of the former AGL gas works that operated in the 19th and early 20th century. The development of this site provides a timely opportunity to deal with the legacy of tars and other gas works contamination. It is proposed to use innovative in-situ technology to destroy these contaminants in the least disruptive manner. This will be of significant benefit for dealing with the contamination under Hickson Rd, where there is substantial infrastructure. The EPA regulates the remediation under the *Contaminated Land Management Act 1997* and the remediation and development under the *Protection of Environment Operations Act 1997*.

The EPA's progress in 2011-2012 included:

- Determination of remediation criteria for the gas works and details of the methodology
- Planning for staged remediation trials and implementation
- Broader on-site works associated with redevelopment of the site.

### Boolaroo Pasmenco Lead Smelter

Remediation of this former lead smelter involves the excavation and placement of more than one million cubic metres of contaminated material into an on-site capped containment cell. Remediation work was ordered by the EPA under the *Contaminated Land Management Act 1997* and the EPA was also successful in having a lead abatement program for adjacent residential properties included in the clean-up. Abatement of the residential properties commenced in 2011 and continued throughout 2012.

Activities included:

- 2400 property owners being invited to participate;
- Over 1200 owners signing up to have lead levels assessed this year; and
- Based on test results and previously established criteria, abatement activities will be carried out on nearly 300 homes of which 78 properties were completed in 2011-2012.

Abatement on residential properties will be completed in 2013 and site remediation is forecast to be completed in 2014-2015. This will result in creation of 600-700 new 'clean' home sites on the former lead smelter site and creation of 'clean' new industrial and commercial sites. These outcomes are being achieved at a cost estimated to be in excess of \$100 million by the Administrator of Pasmenco and at no cost to the public purse.

## Radiation

The EPA regulates users of radiation apparatus, sealed source devices and radioactive substances including premises where they are kept or used. The EPA ensures compliance with radiation safety principles and practices. This includes regulating solaria under the *Radiation Control Regulation 2003*.

### Solaria Tanning Units

Following advice from medical authorities that UV tanning units are implicated in skin cancer much more strongly than previously believed, the NSW Government moved to ban commercial UV tanning services from 2014. In advance of the ban, the EPA is developing a scheme to facilitate the disposal of unwanted commercial UV tanning units. In the meantime, the EPA maintains an active compliance program in relation to the current Regulation, which restricts access to commercial UV tanning units by age and skin type and regulates the frequency and the amount of exposure.

Achievements in 2011-12 include:

- The EPA carried out 24 compliance inspections at solaria businesses resulting in the issue of 3 penalty notices and 8 official cautions
- The EPA investigated 3 complaints about solaria businesses. As a result, 1 Official Caution was issued.

In 2012-2013, the EPA plans to commence the UV Tanning Unit Disposal Scheme to accelerate the phase-out of UV Tanning Units ahead of the ban and bring in the Regulation giving formal effect to the ban.

## Waste Management

The EPA develops and delivers a range of compliance and support programs to help achieve the NSW 2012 targets to increase recycling, tackle illegal dumping and reduce littering.

### Combating Illegal Dumping

The EPA recognises that illegal dumping imposes unnecessary clean-up costs on land owners, local councils and public land managers, undermines legitimate waste operators and affects community pride in the local environment. Illegal dumping is a top enforcement priority of the EPA's strategic enforcement program with a focus on criminal investigations and asbestos waste. The EPA works in partnership with local councils and public land managers and is a lead agency helping to build the capacity of environmental regulators.

Achievements include:

- The Minister for the Environment launched Operation Hawk Eye II, an aerial surveillance campaign, over Gloucester, Port Stephens, Dungog and Maitland Local Government Areas in July 2011. Eighteen illegal dumping sites were identified and investigated
- Operation Grivet focused on asbestos waste. Twenty waste facilities in the Sydney, Illawarra, Hunter and North Coast regions were audited to check asbestos waste management and handling procedures issuing three Clean Up Notices to remove asbestos waste. The media helped advocate the importance of compliant asbestos handling procedures for protecting the health and safety of our local communities
- Operation Phoenix focused on unlawful transport and dumping of waste and resulted in the EPA issuing thirteen Penalty Infringement Notices and eight Clean Up Notices
- Supporting the Western Sydney Regional Illegal Dumping squad and jointly undertaking four illegal dumping campaigns. From 1 July 2010 to 30 June 2011 the Western Sydney Regional Illegal Dumping Squad investigated 3515 illegal dumping incidents. Investigations resulted in 72 clean-up notices and 339 penalty notices being issued
- The EPA identified a further 27 incidences of illegal dumping potentially liable for regulatory action. Five incidents allegedly contain asbestos waste and all incidents were for waste estimated greater than 200m<sup>3</sup>
- The EPA hosted a series of three discussion forums with over 200 stakeholders representing public land managers and councils to gather input for combating illegal dumping

- The first in a series of training courses for regulators developed by the EPA on Investigating and Preventing Illegal Dumping in May 2012, with support from the Australasian Environmental Law Enforcement and Regulators NeTwork (AELERT).

### Littering from motor vehicles

The EPA undertakes litter compliance and enforcement activities, including where litter has been discarded from motor vehicles. In 2011-12 the EPA issued 763 penalty notices for motor vehicle littering offences. Members of the public can also report littering from vehicles to the EPA. During the reporting period 2473 warning letters were issued to vehicle owners based on community reports.

### Waste Levy

The Waste Levy is a market-based instrument used to drive waste avoidance and resource recovery in NSW. Disposing of waste to landfill has historically been the cheapest waste management option. The Waste Levy works by increasing the cost of waste disposal in order to change the behaviour of waste generators and increase the financial viability of recycling operations across the State. The Waste Levy is one of the key policy tools used by the NSW Government to meet the NSW 2014 Recycling Targets and has driven substantial investment in recycling infrastructure and significant improvements in recycling rates.

In 2011-12 the Waste Levy rates were:

Levy Region	Levy (\$/tonne)
Sydney Metropolitan Area (SMA)	\$82.20
Extended Regulated Area (ERA)	\$78.60
Regional Regulated Area (RRA)	\$31.10
Liquid Waste Levy	\$64.50
Coal Washery Levy	\$15.70

Achievements include:

- Despite increasing population and economic growth (9.5 per cent), the Waste Levy is working to keep disposal rates steady (6.9 per cent) between 2002-2003 and 2008-2009
- In 2011-12 \$34.8 million in Waste and Sustainability Improvement Payments were paid to levy-paying councils for environmental and resource recovery initiatives
- In 2011-12 the Waste Levy also funded the Urban Sustainability Grants Program, Household Chemical Clean Out, Illegal Dumping enforcement, Voluntary Regional Waste Groups, grants under the Environmental Trust, RiverBank Program, River Red Gum Program and other environmental projects.

In January 2012, the Government announced the commencement of an independent review of the NSW Waste Levy. The independent review, undertaken by KPMG, was completed in June 2012 and has provided the Government with a strong evidence base to increase the effectiveness and efficiency of the Waste Levy system to provide improved outcomes for the environment, the community and industry.

### Household Chemical Collection - CleanOut

The Household Chemical CleanOut program has been delivered in partnership with local government since March 2003. CleanOut enables households to dispose of common household hazardous materials in an environmentally acceptable manner and helps to reduce community exposure to chemicals and waste. Through the establishment of well-publicised temporary collection sites, CleanOut has facilitated the collection, treatment, recycling and safe disposal of household hazardous materials throughout NSW.

In 2011-12:

- 44 collections were held throughout Sydney, Hunter and Illawarra regions
- 30,042 households participated in the CleanOut program
- 1,120,269 kilograms of hazardous materials were recycled or safely disposed.

The CleanOut program has historically been the largest household chemical collection program in Australia in terms of the number of local government areas involved, population served, annual number of collections, number of participants and quantities of materials collected. Collection events for 2011-12 have shown that community support and participation rates continue to grow.

Preliminary work is continuing for the development of a network of fixed drop-off facilities for low toxic materials such as paint, oil, gas bottles and batteries. This will further enhance the availability and efficiency of this essential service. Regional Household Chemical collections returned 65,675kgs for recycling or safe disposal in 2011-12, which was supported by Environmental Trust with funding provided from the waste levy of \$300,000.

### **Voluntary Love Food Hate Waste**

NSW households each spend an average of \$1,036 per year on food that is wasted. Across NSW this totals \$2.5 billion. Combined, NSW household and businesses send more than 1.2 million tonnes of food waste to landfill each year.

To tackle food waste the NSW Government has developed the Love Food Hate Waste program. Love Food Hate Waste provides tips and tools for households and businesses to reduce food waste. The program aims to raise awareness about the environmental and financial impacts of food waste in NSW and to reduce the amount of 'good' food being sent to landfill. A website ([www.lovefoodhatewaste.nsw.gov.au](http://www.lovefoodhatewaste.nsw.gov.au)) and supporting resources have been established to promote easy and practical solutions for buying, cooking and storing food.

In 2011-2012 Love Food Hate Waste launched a business extension of the program to support small and medium businesses in the hospitality and retail sectors to avoid food waste and to encourage the donation of surplus, edible food to charity. The number of partners involved in the program has continued to grow. More than 130 strategic partnerships have been forged to promote and extend the reach of the program. More than a third of all NSW councils are program partners, along with community organisations, businesses and other government agencies. Partners involved in the program make a commitment to promote the program to their stakeholders, customers and communities.

In 2011-2012, \$292,050 in grant funding was offered in a second round of education grants for 17 program partners to continue the on-ground, local delivery of the Love Food Hate Waste program. New projects include a Love Food Hate Waste smart phone application, a film competition and supermarket information sessions.

### **New Recycling Infrastructure for Packaging wastes - Glass and Polystyrene**

In 2011-12, the EPA received \$1,077,000 in funding from the Australian Packaging Covenant (APC) to undertake two projects aimed at increasing the recovery of glass fines and expanded polystyrene (EPS) from the waste stream. This funding is being matched by the EPA. As part of the program at least two glass crushing facilities will be installed in regional NSW and 19 EPS recycling units will be installed in Sydney and regional NSW during 2012 and 2013.

In April 2012, the EPA ran an EPS Recycling Equipment Grants Program to enable councils, not-for profits and businesses to apply for funding for EPS infrastructure. Seven local councils, eight businesses and four not-for-profit organisations were awarded grants of up to \$50,000 to purchase and operate EPS recycling equipment. The applicants in total have received \$830,000 and will recycle 1,183 tonnes of EPS annually through this program.

### **Creating markets for Recycled Organics across NSW**

The EPA continued to support the development of markets for recycled organics across NSW. Through EPA programs and support of industry, the market for compost products has seen strong growth, averaging 7 per cent per year for the past ten years. As part of this work a Market and Industry Development officer (MIDO) was employed to help with market development work. The MIDO has worked with the EPA in delivering activities such as field days in vegetables, avocados, bananas, blueberries, soil biology, mine site rehabilitation and viticulture.

### **BinTrim - helping Small Business in NSW to Recycle**

NSW businesses send more than 2.5 million tonnes of business waste to landfill each year. Small to medium business enterprises (SMEs) contribute to 45 per cent of this business waste. The Bin Trim program has been developed to assist SMEs to reduce their waste and increase recycling. Bin Trim is a simple electronic tool and supporting education program that assists a business to measure their waste and gives tailored information to reduce, reuse and recycle.

In 2011-12 the EPA partnered with OEH to pilot the Bin Trim tool and assessment process through the Sustainability Advantage program. The pilot has successfully helped 105 businesses to reduce waste and make major improvements to their recycling programs. Businesses on average have saved about 41 tonnes of recyclables from landfill each year.

### **BusinessRecycling.com.au - Making it easy to find a Recycler**

The Business Recycling online directory ([BusinessRecycling.com.au](http://BusinessRecycling.com.au)) was launched in 2010 by the NSW Government in collaboration with Planet Ark and Pitney Bowes. This online directory offers the opportunity for recycling businesses to register their services on site free of charge. This directory makes recycling easy for the over 670,000 small to medium size businesses in NSW to find recycling and drop off facilities.

In the first eighteen months of operation, 12,735 recycling services were listed on the site and over 460,000 visits and 1.3 million page views have been recorded nationally. Close to 4,000 recycling services and 41 per cent of the visits registered are from NSW.

### **Training for the Waste and Recycling Industry**

The EPA in 2011-12 continued to deliver its successful training program for operators of waste and recycling facilities to improve environmental management, work health and safety and to increase the quality and quantity of materials recycled. The Waste and Resource Recovery Workers manual training is delivered by the Waste Contractors and Recyclers Association of NSW. Seven training workshops were held across NSW for the waste and recycling industry with very positive feedback.

### **Aboriginal Lands Clean UP (ALCUP) Grants Program**

The EPA recognises that illegal dumping on Aboriginal land can have an impact on the health and social wellbeing of Aboriginal communities. The Aboriginal Lands Cleanup Program encourages Local Aboriginal Lands Councils to work in partnership with their local council to collaboratively develop projects that cleanup and prevent illegal dumping on Aboriginal owned land. Preventing illegal dumping is a priority for the EPA and the Aboriginal Lands Cleanup Program seeks to reduce the number of incidents in and around Aboriginal communities, building capacity to improve land management practices, community health, social wellbeing and education.

Achievements include:

- Five new Aboriginal Lands Cleanup Program projects were approved for implementation in 2012-13 (\$220,166)
- Aboriginal Lands Cleanup Program projects completed in 2011-12 cleaned up a total of 855 tonnes of illegally dumped waste.

### **Supporting Regional Networks for Effective Waste Management**

Regional Networks for Effective Waste Management (RENEW) in NSW is the collective name for the eight Voluntary Regional Waste Groups that deliver programs in rural regional NSW to improve resource recovery from waste by tackling the challenges associated with the vast distances; remote townships and lower populations. With support from the EPA and the combined membership of 96 rural regional councils RENEW NSW has been effective in forming council alliances to make collection and recycling more efficient.

Councils partnering in domestic waste and recycling contracts and sharing infrastructure enables recycling services to be delivered efficiently to households in remote areas. Regional contracts for collection of organics waste; scrap metals and other materials are also keeping valuable resources out of landfill. Based on 2010-11 figures, an increase in the domestic resource recovery rate from 27 per cent in 2005 to 42 per cent was achieved.

In 2011-12 regional contracts recycled:

- 65,000 tonnes of scrap metal
- 300,000 cubic metres of garden organics
- 638,000 agricultural chemical drums
- 478,000 litres of used oil.

### **Improving Information for Local Government**

The NSW Local Government Waste and Resource Recovery Data Report amalgamated information provided by individual councils in response to the EPA annual survey of all NSW local government councils to determine the characteristics of waste and resource recovery services available to residents of NSW. In 2010-11, 127 councils provided kerbside dry recycling service to residents, an increase of 14 from 2005-06. As a result the total tonne of dry recycling collected over the same period has increased by 16 per cent to 705,000 tonnes collected in 2010-11.

The average total domestic diversion rate for NSW is 46.5 per cent, up from 37.8 per cent in 2005-06. The survey and report will continue on an annual basis to provide waste and resource recovery information to monitor progress towards meeting the state target and provide input for program delivery.

### **Stakeholder Engagement**

Please note, the EPA's governance arrangements are detailed at the front of this Report.

The EPA Chair and CEO has been actively meeting with Stakeholders to introduce the new EPA and discuss ways of working more effectively together. Between 4 April 2012 and 30 June 2012, Mr Buffier has initiated 32 meetings with local government agencies, state government agencies, industry groups, community groups, environmental groups, lobby groups, business associations, union groups, other Government jurisdictions (including NZ EPA) and internal staff groups.

### **Strategic Plan**

The EPA's Strategic Plan was developed and communicated in June 2012 to all our stakeholders including distribution to over 1,800 Environment Protection Licencees, environment groups, business associations, the Local Government and Shires Association (and local councils), Government agencies, EPA staff and the EPA Board members. The Strategic Plan is also published on the EPA's website at:

**[www.environment.nsw.gov.au/resources/epa/EPAStrategicPlan2012.pdf](http://www.environment.nsw.gov.au/resources/epa/EPAStrategicPlan2012.pdf)**

### **EPA Website**

The EPA developed a new homepage which can be viewed at: [www.epa.nsw.gov.au](http://www.epa.nsw.gov.au)

The homepage provides a consolidated doorway to EPA specific content for our stakeholders and the general public, with clear information about how to report pollution and incidents. It provides information about the EPA Board, EPA Strategic Plan and the POEO Act Public register, as well as direct links to information about our day to day activities and responsibilities.

This is the beginning of the process of looking at how we use online channels to deliver information and services to EPA customers and stakeholders. It is also another step towards meeting our commitment under the new EPA Strategic Plan for better knowledge management and communication with our stakeholders. The homepage clearly highlights the EPA's vision for a "Healthy Environment, Healthy Community, Healthy Business".

### **Minister's Round Table in the Hunter**

Following a series of environmental incidents in the Hunter area in 2011 and a report to Government by Brendan O'Reilly, the Minister for the Environment responded with a series of proposed changes to the environmental legislation and a commitment to establish a new, independent EPA. To introduce these proposed changes to the Newcastle community, the Minister convened for an industry and community round table in October 2011. The round table was attended by over 100 representatives, including representatives from local government. As a result, the Minister announced the establishment of the Newcastle Community Consultative Committee on the Environment and foreshadowed the need for an environmental monitoring network for the Newcastle and Lower Hunter areas. The round table was an important venue to commence community engagement around new environmental requirements and arrangements.

### **Newcastle Community Consultative Committee on the Environment**

The Newcastle Community Consultative Committee on the Environment has been established by the Minister for the Environment. It will enable people living in the Newcastle Local Government Area to identify important environmental and amenity issues associated with nearby industrial activities. It will also help local industry understand the community's concerns. This committee also advises the EPA on establishing the proposed Lower Hunter environmental monitoring network, to be piloted in Newcastle. It will advise the Minister on any other existing, new or emerging environmental issues, including notification of Incidents.

### **Pacific Highway Upgrade**

The EPA's Pacific Highway Upgrade Team delivers environmental planning, management and regulation of the Government's Pacific Highway Upgrade Program. The team provides technical and policy advice throughout the planning and assessment process and regulates the projects during their construction. In recognition of the Government's commitment to complete the highway upgrade the team has been focused on delivering timely services. The EPA has ensured early engagement in the planning and assessment process for several projects, including Woolgoolga to Ballina, Warrell Creek to Urunga and Oxley Highway to Kempsey. Through this approach the EPA has been able to successfully influence critical design processes and reduce the environmental impacts of the projects.

### **Rutherford Clean Air Pilot Program**

In response to a history of odour complaints from residents in the vicinity of the Rutherford Industrial Estate, the Minister for the Environment established the Rutherford Clean Air Pilot program. The program includes the establishment of the Rutherford Clean Air Liaison Committee. The Committee has industry, developer, government agency and community representatives as members. The Committee met on a number of occasions in 2012 and have toured the industrial estate. A number of air experts have also addressed the Committee. In consultation with the Committee, the EPA commissioned a review of potential odour sources in the Rutherford Industrial Estate. The next step in the program is to review the report's recommendations and to call for expressions of interest from suitably qualified contractors to undertake monitoring, sampling and analysis to identify odour sources.

## **Incident Response and Emergency Management**

The EPA responds to pollution incidents to reduce the risks to the community and the environment. The EPA is the Environmental Services Functional Area Coordinator for emergency management in NSW and works collaboratively with Fire and Rescue NSW in response to hazardous materials incidents.

### **Strategic Incident Management**

The EPA is building its capacity to manage significant environmental incidents. Major initiatives for 2011-2012, include:

- The establishment of Hazardous Incidents Section with specialist support skills, familiarity with emergency management plans and protocols, and effective working relationships with other combat agencies



- The revision of a Memorandum of Understanding (MOU) between the EPA and Fire and Rescue NSW
- The establishment of an Interagency Emergency Response Working Group between EPA, Fire and Rescue NSW, NSW Ministry of Health and WorkCover NSW
- Development of an EPA Emergency Incident Management Framework to align with the National Standard.

Throughout 2012-13, the EPA will establish an Incident Management System within its operational practices to improve and refine its capacity for emergency management and incident response.

### Emergency Response

The EPA maintains a 24 hour emergency response and hazardous material advice service. The EPA attends significant incidents and oversees the clean-up or investigation of potential breaches of environmental legislation. Of 204 hazardous material incidents notified to the EPA during the year, 47 hazardous material incidents were attended with telephone advice provided for the remaining incidents.

Significant incidents in 2011-2012 included:

- Orica Ammonium Nitrate Plant, Kooragang Island  
8 August 2011: An incident at Orica, Kooragang Island resulting in the release of a catalyst containing hexavalent chromium
- Mitchell, ACT, 16 September 2011 – A fire and multiple explosions occurred at a factory that treats transformer oil. A large amount of sodium metal used in the treatment of the oils resulted in highly alkaline firewater runoff and there was significant community concern about smoke from the fire. The EPA assisted the ACT Government in responding to the incidents and with advice and assistance with the analysis of environmental samples. The EPA also provided advice to NSW residents and councils in regard to risks, potential impacts and preventative measures
- St Marys North, 23 January 2012 – A fire occurred in a drum recycling premises for the second time in a week resulting in significant contaminated firewater runoff to South Creek. The EPA coordinated the clean-up.

### Pacific Highway Herons Creek – Soil Contamination Issue

In March 2012, workers on the Herons Creek to Stills Road Pacific Highway Upgrade Project were allegedly exposed to contaminated soils and a number required medical attention. Investigations indicate that the contamination seems to have been associated with a truck crash in the 1980s, where various chemicals had been buried onsite.

There was significant media interest in the incident, including unsubstantiated allegations that radioactive waste had also been buried onsite after the accident.

The EPA attended the site to assess the situation and provided technical advice on assessing and managing the contamination. The EPA also conducted a radiation assessment of the area which confirmed that there were no elevated radiation levels. To ensure that the contamination was assessed, managed and remediated in an effective and safe manner, the EPA issued Prevention Notices to both the construction contractor and Roads and Maritime Services. The Notices required the preparation, approval and implementation of assessment programs. The contamination assessments were completed in June 2012. The detailed analysis provided a sound foundation from which remedial strategies have been developed and implemented.

By establishing a strong regulatory presence and providing technical support, the EPA was able to ensure that the contamination issue was managed efficiently and effectively.

### Eraring Power Station – Transformer Fire

In October 2011 the EPA responded to a large transformer explosion and fire at the Eraring Power Station on the western side of Lake Macquarie. There was the potential for up to 8000 litres of transformer oil to have polluted Lake Macquarie. Expert advice from the EPA and quick action by the combat agency Fire and Rescue NSW prevented this with minimal impact on the environment.

### Environment Line

Environment Line is a service for business, industry and the public to seek assistance and advice on pollution and other incidents. Where further investigation is required on EPA matters, the calls or incidents are referred to local EPA staff. In 2011-2012 there were 8,321 calls referred on vehicle related pollution, 4,932 calls related to air, noise and odour incidents, and 1,303 calls referred on chemicals, contaminated, pesticides and radiation. Further detail about Environment Line calls can be found in the Corporate Governance section of the Office of Environment and Heritage Report.

The EPA implemented a workflow management system called the Compliance Incident Reporting and Management system (CIRAM) which was completed in 2011-2012. This system connects EPA's workflow with Environment Line phone calls to enable Environment Line to provide feedback to the community on the status of their enquiries.

## SHARED CORPORATE AND ESSENTIAL SERVICES

In re-establishing a modern and independent Environment Protection Authority (EPA) it was determined by the Government that OEH would provide corporate and other essential services to the EPA. During 2011-12, OEH and the EPA commenced development of a service agreement to articulate the provision of corporate and other essential services by OEH to the EPA in a manner that would meet the EPA's business needs efficiently and effectively while upholding the EPA's independence.

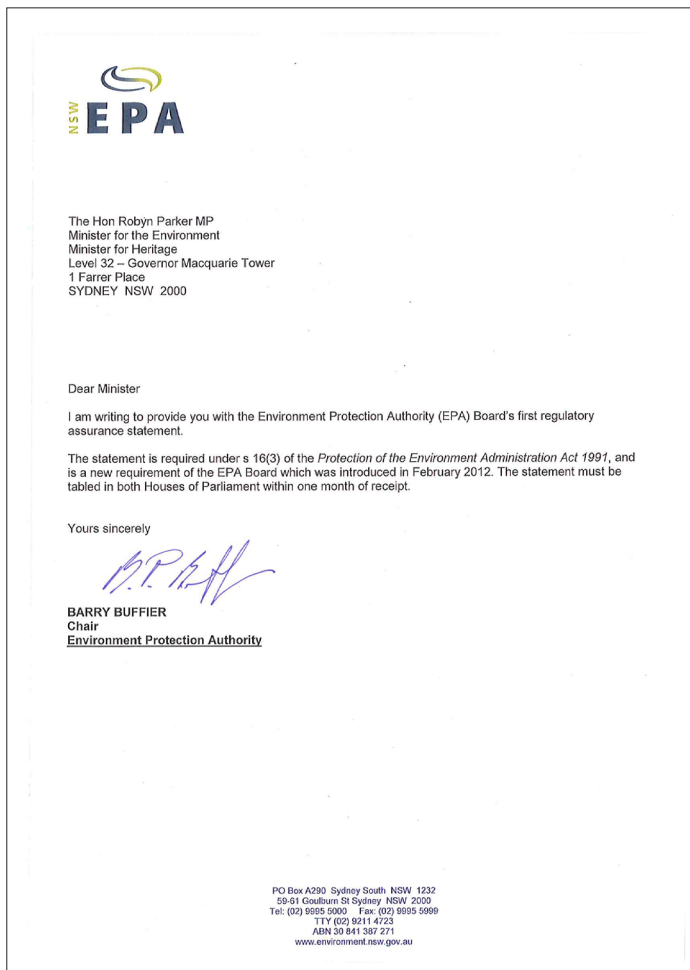
In the lead up to the formal commencement of the service agreement on 1 August 2012, OEH provided corporate and other essential services to the EPA. There are a number of EPA statutory reporting requirements that are covered by the shared service arrangement and have therefore been included in OEH's Governance section. These statutory requirements are:

- Equal Employment Opportunity
- Work health and safety
- Personnel policies and practices
- Industrial relations policies and practices
- Disability Action Plan
- Multicultural Policies and Services Program
- Agreements with the Community Relations Commission
- Waste Reduction and Purchasing Policy

The EPA's specific governance, management and administrative framework, policies and practices are outlined in the EPA Annual Report.

# REGULATORY ASSURANCE STATEMENT

29 February 2012 - 30 June 2012



This Regulatory Assurance Statement is provided to satisfy the requirement of Section 16 (3) of the *Protection of the Environment Administration Act 1991*. This section of the Act requires the EPA Board to provide the Minister for the Environment with a statement about the assessment of the EPA's and industry's performance in reducing risks to human health and the degradation of the environment, recommendations for improvement and comparisons with other jurisdictions. <sup>1</sup>

To provide seamless reporting, the Board is including this statement as part of the EPA's Annual Report. However, as the EPA only came into existence on 29 February, this first statement will cover a partial year only; the 4 month period from 29 February 2012 to 30 June 2012. <sup>2</sup>

This statement covers all areas regulated by the EPA - air, water, and noise pollution, waste, forestry, contaminated sites, radiation, dangerous goods, hazardous material and pesticides.

The Statement contains four sections. The first provides a snapshot of EPA's key achievements and improvements for the period 29 February to 30 June 2012. The second is an assessment of EPA's success, the third is an overview of industry performance, and the fourth contains conclusion and recommendations.

For the period in question, the EPA's success has been assessed by examining the key performance indicators for the work undertaken by the Environment Protection and Regulation Division of the former Office of Environment and Heritage (which conducted the work of the EPA) and progress against the NSW 2021 Plan objectives that are relevant to EPA's core business. The EPA has developed a three year Strategic Plan and improved key performance indicators that will be used to measure EPA's success against the result areas and objectives that the EPA has set in its strategic plan. These measures will be further refined over the next 12 months.

1. Due to this truncated reporting period it is not possible to compare the EPA's success with other jurisdictions. However, discussions with other jurisdictions have commenced with a view to putting systems in place that will enable the EPA to provide this comparison for the next statement. These discussions will also explore how other jurisdictions measure their performance. This will inform how we can improve our own measures of performance to ensure that we are using a practical and progressive approach that genuinely shows where EPA is doing well and where it can improve; and enable a comparison with other jurisdictions where possible.

2. Due to current reporting systems some data is presented for the full year.

## At a Glance

- Air quality in NSW is good by international standards although there are impacts on the health of NSW communities from air emissions
- Regulatory effort has focused on reducing dust from coal mines as they account for 72 per cent of reported dust emissions (National Pollutant Inventory data)
- Emissions to water of key pollutants have remained steady over the last five years even though population and Gross State Product have increased
- Compliance activities included a formal audit program of high environmental risk facilities and increased illegal dumping campaigns
- Campaigns were also conducted to assess compliance with forestry, radiation, pesticides and dangerous goods transport requirements
- Waste recycling in NSW remains high with 94 per cent of households participating in kerbside collection
- Land owners spent \$206.5M on contaminated site remediation in 2011-12 and the EPA took 94 regulatory actions. In February to June alone \$180.9M was spent on site remediation with 40 regulatory actions
- Industry achieved a high rate of compliance with Environment Protection Licence conditions - 99.3 per cent for 2011
- EPA regulatory actions resulted in a significant number of prosecutions (56), associated fines and penalties (\$1.26M)
- 398 Pollution Reduction Programs were commenced (with a total estimated value of \$364.9M) in 2011-12.

## Key achievements since Establishment

Since its establishment on 29 February 2012, the EPA can report key achievements in the areas of stakeholder engagement, pollution incident management and regulatory response. Key achievements and improvements in these areas are summarised below and are discussed in more detail in the following sections.

The EPA's key achievements from 29 February to 30 June 2012 include:

### Enhanced stakeholder engagement

- The Chair and CEO has held 32 meetings to communicate with a broad range of stakeholders including community groups, industry groups, environmental organisations, local and state government agencies, business associations and environmental regulators from other jurisdictions
- EPA provided 29 information sessions for stakeholders (including industry, government and the community)

about significant amendments to the Protection of the Environment Operations Act 1997, including establishment of the EPA and new requirements for licensees regarding pollution incident response management

- EPA used innovative tools to better engage with stakeholders, including a web based consultation portal (uEngage) and an enhanced EPA website to improve access to information and make it easier to provide feedback to the EPA
- EPA implemented legislative amendments to ensure the community is well informed about industry performance; this includes requirements for the EPA to make more information about its regulatory actions available on its Public Register and requirements for licensed facilities to make monitoring data publicly available.

### Improved Pollution Incident Response and Management

- EPA has implemented a new workflow management system that supports online referral of pollution incident calls from the Environment Line to the regional EPA officers who respond to those calls. The system integrates call management and investigation into a single system and provides greater efficiencies and improved reporting and analysis tools
- EPA has implemented legislative changes to improve pollution incident response management. Licensees must minimise the risk of pollution incidents occurring and determine how they will keep the community informed about incidents that do occur by preparing, implementing and testing pollution incident response management plans
- Initiatives have been implemented to ensure EPA can respond to incidents quickly, effectively and in a well coordinated way. This includes a dedicated response coordination team, cooperation with other agencies and comprehensive training.

### Effective regulatory response

- EPA effectively used its regulatory tools to respond to non-compliances, pollution incidents and other environmental issues in ways that were proportionate to the seriousness of the issue and the harm posed to the environment and human health
- During 2011-12 this included issuing 18 clean up notices, 14 prevention notices and 1,663 penalty notices completing 56 prosecutions (resulting in fines of \$971,000 and other financial penalties of \$292,000); and initiating 398 pollution reduction programs, with a total estimated value of \$364.9 million (\$108.8 million from 29 February to 30 June 2012).

### **EPA's management of the Orica Kooragang Island facility**

On 8 August 2011, a serious pollution incident occurred at the Orica Kooragang Island facility involving discharge of Hexavalent Chromium (chromium VI) to the atmosphere.

Since its establishment, the EPA has closely monitored the facility and continues to do so to ensure that the plant operates in a manner that minimises its impact on people and the environment, and to ensure that a similar incident does not reoccur. In response to the incident the EPA has undertaken a number of actions:

- Required a comprehensive independent environmental audit of the plant. A first stage report was submitted to the EPA in June 2012 with the remaining components due to be completed by July 2013
- Commenced prosecutions of Orica for four pollution incidents, including the 8 August 2011 incident. These matters will be heard in the Land and Environment Court in December 2012
- Attached legally binding pollution reduction programs (12 in total since the incident) to Orica's environment protection licence targeting works to improve performance of the facility, at a total cost of more than \$20 million.
- Ensured the community is better informed including via the Newcastle Community Consultative Committee on the Environment, which was established by the Minister for the Environment to provide a regular forum for the community to raise their concerns and receive more information about the actions the EPA and industry in the area are taking to manage potential risks.

### **Assessment of Success**

Results from the 2011-2012 key performance indicators have been used to demonstrate the EPA's success in reducing risks to human health and in preventing the degradation of the environment. The relevant programs and other actions that are in place or being put in place to improve this performance are also discussed.

### **Air Quality**

Maintaining a high level of air quality is instrumental in reducing the risk to human health. The EPA has successfully taken action to improve air quality in Sydney, and to a more limited extent, in regional NSW. Evidence of the EPA's strong performance in this area includes the following achievements.

#### **• Sydney Greater Metropolitan Region**

The number of days when National Environmental Protection Measures goals were exceeded in the Sydney Greater Metropolitan Region was zero. This is an improvement from previous periods.

#### **• Upper Hunter Air Quality Monitoring Network**

OEH and the EPA have established the Upper Hunter Air Quality Monitoring Network in response to community concern about the cumulative effect of coal mining on regional air quality. The first monitoring sites were operational in December 2010, and the Network became fully operational in February 2012. Higher concentrations of particles were reported in 2011-2012 for the 24 hour National Environment Protection Measure benchmark for PM10 (26) and the reporting standard for PM2.5 (2). However, the two major population centres of Singleton and Muswellbrook appear to be on track to meet the relevant benchmarks. More comprehensive analysis will be available in 2013, following 12 months of full operation of the Network. To ensure the community is informed, data from the Upper Hunter Air Quality Monitoring Network is available in real time online. In the last financial year valid air quality data was available online 97 per cent of the time. This exceeded the *NSW 2021* Plan target of 95 per cent. The EPA also communicates with the community through automatic SMS and email alerts to inform local community members when air quality is 'poor'. The EPA is currently progressing amendment to the Protection of the Environment Operations (General) Regulation 2009 to secure funding for the operation of the Upper Hunter Air Quality Monitoring Network in the future.

#### **• Lower Hunter/Newcastle**

As indicated in the Annual Report, the EPA is finalising an environmental monitoring program in the vicinity of the heavy industry precinct(s) in the Newcastle area. The investigation to date indicates that air quality in the Lower Hunter is on a par with the air quality experienced in Sydney and the Illawarra. However, it also found that the establishment of a continuous environmental monitoring network is warranted due to the expected industrial growth in the area, which would inform any additional measures needed to maintain air quality in the future.

#### **• NSW Air Emissions Inventory**

The NSW Air Emissions Inventory includes natural and human-made emissions of air pollutants in the NSW Greater Metropolitan Region (GMR), which covers approximately 75 per cent of the NSW population. While air quality in NSW is good by international standards, it impacts on the health of NSW communities. Between 1992 and 2008, emissions of oxides of nitrogen (NOx), volatile organic carbons (VOC) and fine particles (PM<sub>10</sub>) have steadily decreased in the Sydney region, and VOC has decreased in the GMR. However, in the same period emissions of NOx

has increased in the GMR at a similar rate to energy consumption. Between 2003 and 2008, emissions of PM10 have increased in the GMR, which is largely due to increased coal mining. Data from the National Pollutant Inventory shows similar trends across NSW. Coal mines account for 72 per cent of reported dust emissions, and therefore are a key focus of the EPA's regulatory efforts to reduce dust.

- **The pollutant load indicator (PLI)<sup>3</sup> – air pollution emissions**

Since 2003–04 there has been a long term downward trend in PLI values due to decreasing emissions of sulphur oxides and fine particulates from facilities subject to load-based licensing (LBL). However, as discussed above complementary emissions monitoring data from the National Pollutant Inventory and the NSW Air Emissions Inventory indicates that emissions of fine particles have increased, largely due to increased coal mining which is not included in the LBL scheme.

The EPA will continue to focus its programs and regulatory action on the identification and management of air quality, in particular particle emissions (dust) from coal mines. Measures to address the dust impacts of coal mining are discussed further below, which is reflected in the EPA's Strategic Plan for 2012–2015, including the goal "reduced harmful emissions and discharges to ... the atmosphere".

### **Water Quality**

Water quality is fundamental for river health, and for reducing risks to human health from drinking water, crop irrigation and other on-farm activities. The EPA regulates the emission of pollutants to water sources via environment protection licences, which include conditions relating to pollution prevention and control, monitoring and reporting.

Total NSW emissions of major water pollutants such as total nitrogen, total phosphorous, 'oil and grease', and total suspended solids have remained steady over the last five years. When compared to the annual average increase in the NSW population of 1.3 per cent (2004–2009) and the 1.7 per cent average annual increase of the NSW Gross State Product (1998–9 to 2009–10) this effectively represents a decrease in emissions and a lower impact on the environment per capita and per unit of production.

3. PLI represents the pollutant load emitted by activities subject to load-based licensing for the reporting year, adjusted to reflect the relative harm of the pollutants and the sensitivity of the environment into which they are emitted. A pollutant emitted in very large quantities, for example, can have a lower impact than another pollutant with relatively small emissions because of differing levels of toxicity and the sensitivity of the environment into which it is emitted. Fluorides, for example, have a higher pollutant impact than volatile organic compounds, even though their actual pollutant load is lower. The higher the PLI, the greater the overall environmental harm.

### **Hunter Salinity Trading Scheme**

The Hunter Salinity Trading Scheme has continued to be successful in ensuring that the salinity targets set for various sections of the river have not been exceeded as a consequence of salt discharges from licensed premises. The EPA is currently preparing to review the Regulation that established the Scheme to ensure it continues to achieve its objectives and to improve the operation of the scheme, if required.

### **Pollution and Hazardous Materials Incidents**

Section 1 of this Regulatory Assurance Statement summarises a number of EPA achievements including major improvements to managing and responding to pollution and hazardous materials incidents. A number of these improvements have been implemented by amendments to the *Protection of the Environment Operations Act 1997*, to ensure that pollution incidents and risks are better managed. In addition to the initiatives discussed in Section 1 the EPA has:

- Completed a comprehensive audit program targeting industries that pose a high risk of environmental harm. It focused on the management of potential risks to human health and the environment and the adequacy of emergency response procedures for managing major environmental incidents. The audits were conducted in partnership with local councils, with 34 EPA regulated premises and a further six council regulated premises audited. The audits identified non-compliances – 14 of these were assessed as high risk. Actions were taken against every non-compliance identified and all but two issues have been rectified. The remaining two issues are being addressed by PRPs. The findings of these audits are publicly available on the EPA's website.
- Established an inter-agency response group that meets regularly. Response agencies have implemented an inter-agency Protocol to ensure responses to pollution incidents are well coordinated and communicated effectively.
- Improved the EPA's pollution incident response management framework, with a dedicated team now responsible for coordinating responses to serious pollution incidents, new formal operating procedures and an enhanced training package for staff responsible for responding to incidents.
- Revised the EPA's "Early Alert" system with the EPA Executive and the Minister for the Environment's office now receiving urgent advice about serious pollution incidents.

By ensuring EPA officers and other agencies involved in responding to and managing reported incidents get the information they need as quickly as possible, communication is improved and roles and responsibilities are clear. These measures will assist in reducing the impacts of future pollution incidents.

The EPA Strategic Plan 2012-15 aims to further improve hazardous incidence responses by achieving outcomes that will ensure the community has confidence in the EPA's incident response and there are reduced risks from hazardous materials.

### Waste

The EPA is focusing its regulatory effort on combating illegal waste dumping in response to both community concern, available information and the findings of our own investigations. The number of large scale illegal dumping incidents has reduced due to EPA's waste compliance campaigns and partnership with the Regional Illegal Dumping Squads. In the financial year ending 30 June 2012, the EPA conducted 18 waste compliance campaigns to combat illegal dumping. The EPA conducted 7 of these campaigns in the period 1 March to 30 June 2012. An extensive campaign cracking down on illegal dumping of asbestos waste was conducted in the Illawarra, Hunter, Coffs Harbour and Metropolitan Sydney regions.

OEH/EPA and the Western Sydney Regional Illegal Dumping Squad conducted 70 large-scale illegal dumping (over 200m<sup>3</sup>) investigations in the financial year ending 30 June 2012. <sup>4</sup> 100 per cent of illegal dumping sites identified were investigated and regulatory action was taken. The incidence of large scale illegal dumping has reduced by 9 per cent from the previous year to 2011-12 financial years. During this period, there was a corresponding increase in compliance activity. For example, in the 2010-2011 financial year 16 compliance campaigns were conducted, and in the 2011-2012 financial year this increased to 18. Waste will continue to be an important focus for the EPA. Reducing littering and illegal dumping is a key result area for the EPA Strategic Plan for 2012-2015.

4. Data is for the whole of the financial year ending 30 June 2012 (rather than only for the period 1 March to 30 June 2012). This reflects the fact that illegal dumping investigations are often complex and long-running; and there are frequent spikes in investigations underway, which tend to mirror the roll-out of compliance campaign action. This also reflects the standard reporting periods for illegal dumping investigations for both the EPA and the Western Sydney RID Squad. Data limited to the period 1 March to 30 June 2012 would not be an accurate representation of work to combat illegal dumping.

### Recycling

The percentage of households participating in kerbside recycling has remained steady at 94 per cent. This has been relatively static over the past 4 years, but is a significant increase since the 80 per cent participation level recorded in 2006-2007. The EPA will continue to implement measures to increase recycling rates. This is an objective of the 2012-2015 Strategic Plan.

### Contaminated sites

In 2009 there was a change to the reporting requirements under the *Contaminated Land Management Act 1997*, which increased the number of contaminated sites notified each year from an average of 30 to over 800 in 2009, and over 80 each year after that. This increase has been addressed by the EPA focussing on the first stage of risk assessment (screening) to ensure that there is no immediate risk to human health and the environment, which enables the EPA to identify and focus on the more seriously contaminated sites. There were 4 contaminated sites remediated between 29 February and 30 June 2012 at a cost of around \$180.9 million, and 6 were remediated over the entire financial year. The number of contaminated sites remediated has decreased over this short period, however, this trend should be considered over a longer period because of yearly fluctuations in the number of sites remediated. The long term trend will show an increase in the number of sites remediated as those sites presently being remediated will be completed over time.

Approximately 40 contaminated land regulatory actions were taken in the period 1 March to 30 June 2012. Extrapolated to a full year, this represents a steadily increasing trend in regulatory actions taken for contaminated sites.

While the number of sites remediated has been small, EPA is better managing the risk of impacts from contaminated land by focussing on the remediation of those lands with the highest environmental risk profiles and increasing the number of regulatory actions in this area. This will ultimately lead to an increase in the annual number of sites remediated. Other contaminated sites, largely those with less significant contamination, are remediated without the need for EPA intervention as they are dealt with under the planning process with NSW EPA accredited site auditor oversight.

EPA will continue to focus on those sites with the greatest potential risks. The EPA Strategic Plan for 2012-2015 includes a goal of "reduced environmental impacts from sources such as contaminated lands".

## Assessment of Industry performance

For this period, analysis of key performance indicators demonstrates improved performance by the industries regulated by the EPA in reducing risks to human health and in preventing the degradation of the environment, and the impact that those industries have on the environment.

### Forestry

The number of private landholders undertaking logging in accordance with the Private Native Forestry Codes of Practice continues to increase. During the year, there was an increase of 15,332 Ha in the area regulated under the Code. The Code establishes the regulatory framework for the sustainable management of private native forests by ensuring that logging operations on private lands can only be done in a manner that improves or maintains environmental outcomes. Twenty six compliance activities to assess private land logging against the Code were undertaken.

The EPA also continues to effectively regulate logging activities on public lands. The EPA conducted 15 audits of Forests NSW operations in State forests across NSW, identifying a range of good and poor performances. The EPA issued Forests NSW with 17 warning letters and 10 penalty notices in relation to identified breaches of the Integrated Forestry Operations Approvals.

### Mining

There is significant community concern about dust pollution and its associated health impacts in mining areas, such as the Upper Hunter. The cumulative impacts from mining, dust, air quality and the need for mine site rehabilitation are regularly raised by individuals and community groups within these regions as their primary environmental and health concerns. The EPA has responded with the implementation of a range of measures to require and assist the mining industry to reduce its dust emissions, some of which are outlined below.

### Dust campaign and inspections

In response to community concern about dust from mining, the EPA increased its inspection effort from July 2011 to January 2012. During this time an average of 22 dust inspections were undertaken per month. The results of these inspections have provided useful information that enabled the EPA to better target its regulatory effort (and the development of policy approaches) to better address dust issues. An outcome of these inspections was the Dust Stop Pollution Reduction Program (PRP), which is discussed below.

### Dust Stop PRP

The Dust Stop PRP aims to ensure that the most reasonable and feasible particulate control options are implemented by each coal mine. Under this program, all coal mines in NSW had six months to prepare a report that compares their current operation with international best practice dust management. Mines are also required to report on the practicability of implementing any best practice measure identified. For any measures found to be practicable, each mine is required to provide a timetable for implementation. The Dust Stop program is being implemented through PRPs attached to each coal mine environment protection licence to achieve an overall reduction of dust emissions from coal mines.

Whilst PRPs are a critical tool for the EPA to achieve pollution reduction from specific activities, companies also take the initiative to develop programs and commit investment to environmental improvements to meet targets or conditions that are set through environmental legislation, policies or planning consents. For example Rio Tinto Australia at its Warkworth mine in the Hunter Valley is undertaking a \$60 million noise attenuation project to retro fit its entire earth moving truck fleet and other critical mining equipment. To date more than 40 per cent of the fleet of 84 trucks has been modified. This will reduce the overall noise from the mine site. The project is expected to be completed in 2015.

### Summary of Industry Compliance

All 2500 environment protection licensees must provide an annual compliance statement specifying compliance with licence conditions over the previous reporting period. Annual returns are legally binding statements that are certified at the highest levels, either by the licensee's Chief Executive Officer or an agreed senior officer. For 2011 the compliance rate was 99.3 per cent. A sample of the non-compliances reported shows that around 80 per cent had a low environmental impact or related to administrative type licence conditions.

The EPA also monitors compliance through site inspections, formal audits and targeted campaigns. In the last year 1705 inspections were carried out. In 2011-12 the EPA also undertook 51 site audits as part of its formal environmental audit program. The audits revealed an industry compliance rate of 86 per cent with licence conditions and legislative requirements. Individual site audit reports are publicly available.

The EPA also regulates the transport of controlled wastes in and out of NSW under the Movement of Controlled Waste National Environment Protection Measure (NEPM) between States and Territories. In 2011-12 a total of 75,643 tonnes of controlled waste was transported into NSW.



Virtually all waste movements into NSW are tracked online, resulting in more than 99 per cent of controlled waste movements being compliant with the NEPM requirements.

### Summary of EPA Regulatory Actions

The EPA uses an escalating regulatory response to deal with individual non-compliances, pollution incidents and other environmental issues, depending on the seriousness of the issue and the harm posed to the environment.

Following are details of a variety of mechanisms used by the EPA to respond to issues:

- 18 clean up notices and 14 prevention notices issued under the POEO Act in 2011-12
- 1,663 penalty notices issued in 2011-12, resulting in total fines of \$1,022,465.

This included:

- 85 penalty notices issued to transporters of dangerous goods. Non-compliances were identified during a series of compliance campaigns.
- 25 penalty notices issued for non-compliances under the Pesticides Act, including for the inappropriate use of pesticides
- 4 penalty notices issued for non-compliances under the Radiation Control Act. Compliance activities focused on inspections at solarium businesses, which also resulted in 8 official cautions being issued.
- 56 prosecutions completed in 2011-12, resulting in fines of \$971,000 and other financial penalties of \$292,000 to fund projects to restore, rehabilitate and enhance the environment
- 398 Pollution Reduction Programs (PRP)s, with a total estimated value of \$364.9 million, to be developed and implemented by environment protection licensees in 2011-12 to improve environmental performance and reduce pollution. This is a significant increase on previous years and will result in improved pollution reduction technology being implemented at specific licensed premises to address environmental issues. 122 PRPs, with a total estimated value of \$108.8 million, were initiated from 29 February to 30 June 2012.

These outcomes demonstrate that the EPA is actively working with the regulated community to ensure that it continues to reduce its environmental impact and in particular, reduce risks to human health.

### Conclusion and Recommendations

The information presented in this Regulatory Assurance Statement demonstrates that the EPA is focusing its regulatory efforts on the highest priorities and that this has improved since its establishment on 29 February 2012. The EPA has restructured its senior management team to respond to these priorities and its 2012-2015 Strategic Plan. The Strategic Plan has been developed to drive the EPA's performance, measure its success and to improve the environmental performance of the industries it regulates. Key result areas are identified and the outcomes include:

- reduced harmful emissions and discharges to waterways, groundwater and the atmosphere
- reduced dust and offensive noise and odour emissions
- reduced environmental impacts from sources such as contaminated lands
- reduced impacts from logging on forest values
- reduced risks from hazardous material
- increased recycling
- reduced litter and illegal dumping

Progress in meeting these outcomes will be reported in the next Regulatory Assurance Statement.

Recommendations to further improve the EPA's performance include:

- Continuing the improvements to systems for data collection to better understand and report on industry and EPA performance.
- Better use of information and the Risk Assessment and Risk Register to guide regulatory activity to address potential environmental impacts.

## APPENDICES

### Senior Officers

As at 30 June 2012, the senior officers of the Environment Protection Authority were as follows:

**Barry Buffier** – B Rural Sc (Hons), M Econ, Churchill Fellow Chair and CEO

**Mark Gifford** – B Business (Public Administration)  
Acting Chief Environmental Regulator

**Steve Beaman** – B Sc.  
Acting Director Waste and Resource Recovery

**Craig Bretherton** – Dip App Sc.  
Acting Director South

**Gary Davey** – B Sc (Hons), M Sc.  
Director North

**Giselle Howard** – B Sc Ecology (First class Hons)  
Director Metropolitan

**Craig Lamberton** – B Sc (Hons), M Safety Sc, M.  
Environ Toxicol  
Director Hazardous Incidents and  
Environmental Health

**Lynne Neville**  
Acting Director Reform and Compliance Branch

**Gary Whytcross** – B App Sc. (Chem & Aquat Bio)  
Acting Director Stakeholder Engagement and  
Governance Branch

### SES Performance Statements and Remuneration

This following information includes senior executive service officers of Level 5 and above from the Environment Protection Authority.

#### Mr Barry Buffier Chair and CEO

Appointed: 2 April 2012, SES Level 7

Remuneration at 30 June 2012: \$402,150  
(plus recruitment allowance of \$43,000)

The Director General has expressed satisfaction with Mr Buffier's performance throughout the period of his employment with the authority.

Performance Report:

Specific achievements for three months in 2011-2012 include:

- developing an EPA Strategic Plan aligning with *NSW 2021* priority and targets and overseeing the strategic direction of the EPA to be a strong, independent regulator that connects with industry, local government and the community. The Plan was well received by the Minister for the Environment and EPA Board.
- establishing the independent EPA and related governance arrangements, including the EPA Board, the Finance, Audit and Risk Committee and the Chief Audit Executive.
- bringing a strong focus to improving stakeholder relationships with the EPA, by developing a communications strategy and initiating meetings with stakeholders across government, industry, environmental groups and community groups. Mr Buffier also restructured the EPA with a focus on stakeholder engagement including the establishment of a division for stakeholder engagement and governance.
- taking a risk management approach to the protection of the environment and community by overseeing an environmental audit of all 40 high risk licensed facilities and ensuring the results of the audit are publically available.
- strengthening the EPA's ability to respond to incidents and emergencies by providing extra resources for training staff in incident response and emergency management. Mr Buffier represents the EPA on the Counter Terrorism CEO Group.

#### Mr Mark Gifford Acting Chief Environmental Regulator Appointed: 12 December 2011, SES Level 5

Remuneration at 30 June 2012: \$247,301

The Chair and CEO has expressed satisfaction with Mr Gifford's performance throughout the period of his employment with the authority.

Performance Report:

Specific achievements in 2011-2012 include:

- taking a leadership role in national regulatory harmonisation including the continuous review of the EPA's regulatory approach and significant reforms to ensure effective, efficient and credible regulation, noting the need to balance the time spent on national matters with State initiatives. Strong relationship developed with Victoria and the AELERT network in particular

- leading the implementation of the Government's reforms to the *Protection of the Environment Operations Act 1997* to improve industry performance and public reporting
- leading the Government's response to concerns about environmental impacts from major industrial activities and in particular air quality and emissions from coal mines
- liaising effectively with community and other stakeholders and achieving significant improvements in areas such as complaint management, updating and modernising the Environment Line and reporting of pollution incidents
- Overseeing EPA involvement in current forestry reforms, building on relationships and consolidating the credibility of the EPA's forestry regulation regime.
- providing high level, timely, expert and authoritative advice to the Chair/CEO, EPA Board and Minister on sensitive and controversial issues arising from environmental incidents and issues and their potential impact on human health and the environment, including the identification of relevant trends and emerging issues.

## Staff Statistics

### EPA Senior Executive officers

Total SES officers by level	30 June 2011*	30 June 2012
8	N.A	0
7	N.A	1
6	N.A	0
5	N.A	1
4	N.A	0
3	N.A	0
2	N.A	0
1	N.A	0
<b>Total</b>	<b>N.A</b>	<b>2</b>

1. \* EPA was re-established as an independent statutory body on 29 February 2012. Prior to this time EPA had previously formed part of OEH.

### EPA Female Senior Executive officers

	30 June 2011*	30 June 2012
Total SES positions filled by women	N/A	0

2. \* EPA was re-established as an independent statutory body on 29 February 2012. Prior to this time EPA had previously formed part of OEH.

### EPA staff by category

Total staff (head count) by category	Head Count 30 June 2009*	Head Count 30 June 2010*	Head Count 30 June 2011*	Head Count 30 June 2012
Permanent full-time	N.A	N.A	N.A	337
Permanent part-time	N.A	N.A	N.A	25
Temporary full-time	N.A	N.A	N.A	59
Temporary part-time	N.A	N.A	N.A	10
Casual	N.A	N.A	N.A	1
<b>Total</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>432</b>

3. Notes: Head Count Figures represent all EPA employees by classification.

4. \* EPA was re-established as an independent statutory body on 29 February 2012. Prior to this time EPA had previously formed part of OEH.

### EPA employees by location

Location	FTE 30 June 2009*	FTE 30 June 2010*	FTE 30 June 2011*	Head Count 30 June 2012
Sydney metropolitan area	N.A	N.A	N.A	309
Regional areas	N.A	N.A	N.A	123
<b>Total</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>	<b>432</b>

5. Notes: Head Count numbers includes all EPA employees by classification.

6. \* EPA was re-established as an independent statutory body on 29 February 2012. Prior to this time EPA had previously formed part of OEH.

## Parliamentary Annual Reports Table

The following tables cover staff from the Environment Protection Authority and they are based on head count. These figures exclude casual staff and contractors. EPA does not report on staff attached to the Minister's Office or board and committee members.

### Trends in the Representation of EEO Groups

EEO GROUP	BENCHMARK/TARGET	2010	2011	2012
Women	50 %	N/A	N/A	49.8 %
Aboriginal People and Torres Strait Islanders	2.6 %	N/A	N/A	1.3 %
People whose First Language Spoken as a Child was not English	19.0 %	N/A	N/A	12.0 %
People with a Disability	N/A	N/A	N/A	4.6 %
People with a Disability Requiring Work-Related Adjustment	1.5 %	N/A	N/A	1.6 %

### Trends in the Distribution of EEO Groups

EEO GROUP	BENCHMARK/TARGET	2010	2011	2012
Women	100	N/A	N/A	88
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	N/A	N/A	95
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

## Exceptional Movements in Wages, Salaries or Allowances

In 2011 – 12 there were no exceptional movements in wages, salaries or allowances.

## Controlled Entities

On 29 February 2012 the Public Sector Employment and Management (Office of the Environment Protection Authority) Order 2012 established the Office of the Environment Protection Authority (the Office) as a Division of the Government Service responsible to the Minister for the Environment. Under the Administrative Order, staff in the Office of Environment and Heritage (OEH) in the Department of Premier and Cabinet (DPC), who were employed to enable the Environment Protection Authority (EPA) to exercise its functions were removed from the DPC and added to the Office.

The Office is a controlled entity of EPA. The Office is consolidated with the EPA and as part of the NSW total State Sector Accounts.

The Office is a not for profit entity as profit is not the principal objective.

As the purpose of the Office is to enable the EPA to exercise its functions, the Office's objectives, operations, activities and performance are included the EPA Annual Report.

## Privacy Management Plan

The EPA works to ensure the privacy of staff and clients is protected. The EPA has adopted OEH's Privacy Management Plan and Guidelines, which detail the privacy principles the agency follows when dealing with personal information.

Since its establishment, no application for access to personal information or privacy complaint was received by the EPA under the *Privacy and Personal Information Act 1998*.

## Overseas Visits

Name	Destination	Purpose	Dates
David Bell	Lord Howe Island	Investigate re Breach s118D NPW Act 1974	19 Mar 2012 – 25 Mar 2012

### Government Information (Public Access)

EPA is committed to transparent and accountable decision making. All GIPA services related to the EPA are provided by OEHL as an OEHL/EPA shared service arrangement.

During the year EPA received a total of 22 formal access applications for information under the Government Information (Public Access) Act 2009. OEHL refused a total of four formal access applications because the information requested was information referred to in Schedule 1 of the Act. Of those applications, none were refused in full, and four were refused in part.

The following tables cover the Environment Protection Authority from 29 February 2012 to 30 June 2012.

**Table A: Number of applications by type of applicant and outcome\***

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICATION	REFUSE TO CONFIRM/DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Media	1	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	1	2	0	1	0	1	0	0
Not for profit organisations or community groups	1	1	0	0	0	0	0	0
Members of the public (application by legal representative)	6	1	0	0	0	0	0	0
Members of the public (other)	2	0	0	0	0	0	0	0

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICATION	REFUSE TO CONFIRM/DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	11	4	0	1	0	1	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

**Table C: Invalid applications**

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	1

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act**

	NUMBER OF TIMES CONSIDERATION USED*
Overriding secrecy laws	0
Cabinet information	1
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act**

	NUMBER OF OCCASIONS WHEN APPLICATION NOT SUCCESSFUL
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	1
Secrecy provisions	1
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	NUMBER OF APPLICATIONS
Decided within the statutory timeframe (20 days plus any extensions)	16
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	1
<b>Total</b>	<b>17</b>

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	DECISION VARIED	DECISION UPHELD	TOTAL
Internal review	1	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	NUMBER OF APPLICATIONS FOR REVIEW
Applications by access applicants	3
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

### Public Interest Disclosures

Public Interest Disclosures are reported in the OEH Annual Report as these are managed by OEH under the 'OEH/ EPA shared service' arrangement.

### Statement of Credit Card Use

The EPA has adopted OEH's Credit Card Policy, which outlines conditions for the eligibility, usage and management of corporate cards. In addition, each direct report of the CEO has certified that their Branch's corporate cards are used in accordance with the EPA guidelines.

The policy is consistent with NSW Government policy as outlined in relevant Treasury Circulars and Treasurer's Directions.

The EPA Chair and CEO certifies that credit card use in the EPA has been in accordance with NSW Government requirements.

### Consultants

A consultant is an organisation or individual engaged for a defined period of time solely to provide an expert opinion or recommendation to EPA on a specific issue.

There were no engagements of consultancies of \$50,000 or more were during 2011-12.

CONSULTANCIES LESS THAN \$50,000		2011-12
CATEGORY	NUMBER	COST (\$)
Finance and Accounting		-
Information Technology		-
Legal		-
Management Services		-
Environmental	11	106,612
Engineering		-
Organisational Review		-
Training		-
Subtotal - Consultancies less than \$50,000	11	106,612
Subtotal - Consultancies of \$50,000 or more	0	0
<b>Total Consultancies</b>	<b>11</b>	<b>106,612</b>



## Grants

The following community grants were issued by EPA during the period 1 July 2011 to 30 June 2012.

RECIPIENT	AMOUNT (\$)	NATURE AND PURPOSE OF GRANT
AUSTRALIAN FOUNDATION FOR DISABILITY	30,000	EPA Recycling Equipment Grant Milestone1
MISSION AUSTRALIA	21,655	EPS Recycling Equipment Grant Milestone1
CHALLENGE DISABILITY SERVICES	27,273	EPS Recycling Equipment Grant Milestone1
ACE COMMUNITY COLLEGES LTD	22,500	Love Food Hate Waste (LFHW) Grant Funding (90 per cent) Round 2
<b>Total</b>	<b>101,427</b>	

## Account payment performance

Account payment performance details are reported in the OEH Annual Report as these are managed by OEH under the OEH/EPA shared service arrangement.

## Major capital works

No major capital works were managed by the EPA in 2011-12.

## Legislation and Legal Change

### Acts administered by the EPA

EPA has responsibilities, powers, duties and functions under legislation administered by the Minister for the Environment.

## EPA administered Acts

- *Contaminated Land Management Act 1997 No. 140*
- *Dangerous Goods (Road and Rail Transport) Act 2008 No. 95*, so far as it relates to the on-road and on-rail transport of dangerous goods by road or rail (remainder, the Minister for Finance and Services)
- *National Environment Protection Council (New South Wales) Act 1995*.
- *Environmentally Hazardous Chemicals Act 1985 No. 14*
- *Ozone Protection Act 1989 No. 208*
- *Pesticides Act 1999 No. 80*
- *Protection of the Environment Administration Act 1997 No. 60*
- *Protection of the Environment Operations Act 1997 No. 156*
- *Radiation Control Act 1990 No. 13*
- *Recreation Vehicles Act 1983 No. 136 (except parts, the Minister for Roads and Ports)*
- *Waste Avoidance and Resource Recovery Act 2001 No. 58*

## New and amending Acts

The following Acts were assented to in 2011-2012:

- *Protection of the Environment Legislation Amendment Act 2011 No. 63 (Assented to 16 November 2011)*

## New and amending Regulations

The following Regulations were made or re-made in 2011-2012:

- *Protection of the Environment Operations Amendment (Miscellaneous) Regulation 2011* (published on NSW legislation website 26 October 2011)
- *Protection of the Environment Operations (General) Amendment (Pollution Incident Response Management Plans) Regulation 2012* (published on NSW legislation website 24 February 2012)

## Legislative reviews

There were no legislative reviews commenced in 2011-2012.

## Infringements

Penalty notices issued by the EPA, OEH, state and local government agencies under EPA Handbook

INFRINGEMENT	EPA/OEH AUTHORISED OFFICERS		PWG (OEH) AUTHORISED OFFICERS		OTHER NSW GOVERNMENT AUTHORISED OFFICERS		NSW LOCAL GOVERNMENT AUTHORISED OFFICERS	
	Number of notices issued	Value of fines (\$)	Number of notices issued	Value of fines (\$)	Number of notices issued	Value of fines (\$)	Number of notices issued	Value of fines (\$)
POEO Air: Motor Vehicle - smoky	186	61,600						
POEO Air: Motor Vehicle - other air	65	19,500						
POEO Air & Odour - non Motor Vehicle	6	8,500					57	30,200
POEO Noise: Motor Vehicle	291	77,700					16	2,400
POEO Noise: non Motor Vehicle							20	5,000
POEO Waste: littering Motor Vehicle	763	166,200	1	200			1,912	401,200
POEO Waste: aggravated litter, all offences			1	375			23	8,625
POEO Waste: littering non Motor Vehicle	1	200	5	720	9	1,980	2,294	241,380
POEO Waste: all other offences	40	79,250	1	750			882	897,000
POEO Water: all offences	26	39,000			2	3,000	573	726,000
POEO Other offences eg contravene licence conditions	143	208,750			1	1,000	395	321,500
Dangerous Goods all offences	85	261,770						
Pesticides all offences	25	15,200						
Native Vegetation all offences	15	56,650	4	17,600				
Threatened Species								
Radiation	4	3,500						
Ozone								
Road Transport					8,855	4,990,691	629	449,522
Environmental Hazardous Chemicals	1	5,000						
<b>Total</b>	<b>1,651</b>	<b>1,002,820</b>	<b>12</b>	<b>19,645</b>	<b>8,867</b>	<b>4,996,671</b>	<b>6,801</b>	<b>3,082,827</b>

## Prosecutions

OEH Legal Services Branch supports the EPA as part of the Service Level Agreement in its prosecution function.

Of the 140 prosecutions commenced by OEH in 2011-12, 100 were commenced in the name of the EPA. 131 prosecutions were completed by OEH in 2011-12 of which 56 were for offences prosecuted in the name of the EPA. These 56 prosecutions resulted in:

- 52 convictions
- 1 matter where the offence was proved but a conviction not recorded
- 3 acquittals

Details of prosecutions completed under EPA legislation are recorded below. Details of OEH prosecutions completed during 2011-12 are recorded in the OEH appendices.

LEC = Land and Environment Court

LC = Local Court

s.10 = Under section 10 of the Crimes (Sentencing Procedure) Act 1999 the Court, although finding the defendant guilty of the offences charged, did not record a conviction or impose a penalty.

Note: Unless otherwise stated, the dollar amount referred to in the Result/ Penalty column is a fine.

## Prosecutions completed under EPA legislation

### Tier 1 Offences

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>Protection of the Environment Operations Act 1997</b>			
Barnes, Allan Charles	Negligently dispose of waste in a manner that harms or is likely to harm the environment	\$100,000 Ordered to pay investigation costs of 15,684.50	LEC
BMG Environmental Group Pty Ltd	Negligently dispose of waste in a manner that harms or is likely to harm the environment	\$100,000 Ordered to pay investigation costs of 15,684.50	LEC

### Tier 2 Offences

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>Contempt of Court</b>			
Ramsey Food Processing Pty Ltd	Contempt of Court	\$300,000	LEC
<b>Protection of the Environment Operations Act 1997</b>			
Akid, Lee Paul	Littering	\$200	Nowra LC
Alexandria Landfill Pty Ltd	Breach licence condition	\$3,750	Newtown LC
Austar Coal Mine Pty Ltd	Pollute waters	Ordered to pay \$75,000 to the Hunter-Central Rivers Catchment Management Authority for the Mount View Corridor Threatened Species Habitat Rehabilitation Project. Also ordered to pay investigation costs of \$17,269.13	LEC
Benedict Recycling Pty Ltd	Breach licence condition	\$2,200	Bankstown LC
Bio Torque Fuels Pty Ltd	Pollute waters	\$500 Ordered to pay investigation costs of \$12,000	Dubbo LC
Bio Torque Fuels Pty Ltd	Breach licence condition	\$1,000	Dubbo LC
Bio Torque Fuels Pty Ltd	Breach licence condition	\$500	Dubbo LC
Bourke Shire Council	Unlawfully transport and deposit waste	\$10,000	Camden LC
Burgess, Glenn	Littering	\$200	Parramatta LC
Chiha, John	Littering	Acquitted	Parramatta LC
Dionys, Con	Breach licence condition	\$16,000	Downing Centre LC
Dionys, Con	Breach licence condition	\$5,000	Downing Centre LC
Ed Kelly Constructions Pty Ltd	Pollute waters	\$10,000 Ordered to pay investigation costs of \$1,892.25	Batemans Bay LC
Kinsley Constructions Pty Ltd	Pollute waters	\$5,000	Downing Centre LC
Moawad, Mohsen Hinen	Littering	\$200	Bankstown LC

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
Moolarben Coal Operations Pty Ltd	Pollute waters	\$105,000 Ordered to publicise details of offence in Sydney Morning Herald and Mudgee Guardian. Also, ordered to pay investigation costs of \$8,632	LEC
Moolarben Coal Operations Pty Ltd	Pollute waters	\$112,500 Ordered to publicise details of offence in Sydney Morning Herald and Mudgee Guardian. Also, ordered to pay investigation costs of \$314	LEC
Pipeline Drillers Group Pty Ltd	Pollute waters	\$18,000 Ordered to publicise details of the offence in the Port Macquarie News and Pipeliner. Also ordered to pay investigation costs of \$7,265.50	LEC
Pipeline Drillers Group Pty Ltd	Pollute waters	\$12,000 Ordered to publicise details of the offence in the Port Macquarie News and Pipeliner magazine. Also ordered to pay investigation costs of \$7,265.50	LEC
Port Stephens Council	Occupy scheduled premises without licence	\$40,000 Ordered to publicise details of the offence in the Port Stephens Examiner and Newcastle Herald. Also ordered to pay investigation costs of \$27,000	LEC
Ripepi, Carlo	Littering	\$550	Downing Centre LC
Salim, Hussein	Littering	\$200	Kogarah LC
Sibelco Australia Limited	Pollute waters	Ordered to pay \$78,000 to the Hunter Central Rivers CMA for environmental purposes and ordered to publicise details of the offence in the Singleton Argus, Scone Advocate and Australian Mining Monthly. Also ordered to pay investigation costs of \$9,730	LEC
Snowy River Shire Council	Pollute waters	Ordered to publicise details of the offence in the Canberra Times and the Summit Sun. Also ordered to pay investigation costs of \$975	Cooma LC
Snowy River Shire Council	Pollute waters	Ordered to publicise details of the offence in the Canberra Times and the Summit Sun. Also ordered to pay investigation costs of \$975	Cooma LC
Soares, Miguel Angelo	Littering	\$100	Wollongong LC
Tea Garden Farms Pty Ltd	Pollute waters	Ordered to pay \$40,000 to Great Lakes Council for a bushland rehabilitation project and \$37,000 to the Marine Parks Authority for works at Port Stephens and to publicise details of the offence in the Sydney Morning Herald and Newcastle Herald. Also ordered to pay the investigation costs of \$1,464	LEC
Unomedical Pty Ltd	Carry on activity without such practicable means as necessary to prevent or minimise air pollution	\$90,000 Ordered to publicise details of the offence in the Sydney Morning Herald and Manly Daily	LEC
Wyong Shire Council	Unlawful use of land as a waste facility	Ordered to pay \$42,000 to the Tuggerah Lakes Reserve Trust and to publicise details of the offence in the Sydney Morning Herald and Central Coast Express Advocate (Wyong edition). Also ordered to pay investigation costs of \$1,915	LEC
Wyong Shire Council	Unlawful use of land as a waste facility	Ordered to pay \$20,000 to the Tuggerah Lakes Reserve Trust and to publicise details of the offence in the Sydney Morning Herald and Central Coast Express Advocate (Wyong edition). Also ordered to pay investigation costs of \$1,915	LEC

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>Protection of the Environment Operations (Clean Air) Regulation 2010</b>			
Bankstown City Spare Pty Ltd	Smoky vehicle	s.10	Bankstown LC
Cub Campers Pty Ltd	Smoky vehicle	\$700	Penrith LC
Cub Campers Pty Ltd	Smoky vehicle	\$700	Penrith LC
Fahy, Michael Francis	Smoky vehicle	\$900	Kogarah LC
G.R.N Transport Pty Ltd	Smoky vehicle	\$400	Kogarah LC
Kontrans Logistics Pty Ltd	Smoky vehicle	\$1,500	Kogarah LC
Kontrans Logistics Pty Ltd	Smoky vehicle	\$1,500	Kogarah LC
Kontrans Logistics Pty Ltd	Smoky vehicle	\$1,500	Kogarah LC
Kontrans Logistics Pty Ltd	Smoky vehicle	\$1,500	Kogarah LC
Kontrans Logistics Pty Ltd	Smoky vehicle	\$1,500	Kogarah LC
Minns, Glen Arthur	Smoky vehicle	\$600	Maitland LC
<b>Protection of the Environment Operations (Noise Control) Regulation 2008</b>			
Banovac, Josip	Noisy vehicle	\$100	Downing Centre LC
<b>Protection of the Environment Operations (Clean Air) Regulation 2002</b>			
Fahy, Michael Francis	Smoky vehicle	\$900	Kogarah LC
Tantusk Pty Ltd	Smoky vehicle	Acquitted	Hornsby LC

## NON-TIER OFFENCES

DEFENDANT	CHARGE	RESULT/PENALTY	COURT
<b>Contaminated Land Management Act 1997</b>			
Djura, Peter	Carry out statutory site audit when not accredited	\$3,750	LEC
Djura, Peter	Make representation that prepared to carry out statutory site audit when not accredited	\$3,750	LEC
<b>Dangerous Goods (Road and Rail Transport) Regulation 2009</b>			
Carkeith Pty Ltd	Transport a placard load of dangerous goods without an emergency information holder	\$2,000	Moama LC
Carkeith Pty Ltd	Transport a placard load of dangerous goods without required safety equipment	\$500	Moama LC
Datona Pty Ltd	Transport a placard load of dangerous goods inappropriately placarded	\$1,000	Sutherland LC
Exodas Pty Ltd	Transport a placard load of dangerous goods without required safety equipment	\$300	Tweed Heads LC
<b>Pesticides Act 1999</b>			
Carney, Matthew Craig	Contravene instruction on pesticide label	\$1,000	Wellington LC
Legrand, Pierre Leon	Use pesticide in a manner that damages a property	\$2,000 Ordered to pay investigation costs of \$225	Blacktown LC
Precision Helicopters Pty Ltd	Contravene instruction on pesticide label	Acquitted	Port Macquarie LC

### **Total prosecutions under EPA legislation**

Fines	\$971,000
Other financial penalties	\$292,000
<b>Total fines and other financial penalties</b>	<b>\$1,263,000</b>

### **Case Studies of prosecutions under environment protection legislation administered by the EPA**

#### **BMG Environmental Group Pty Ltd and Mr Allan Barnes - Tier 1 Waste Offences**

In April 2012 BMG Environmental Group Pty Ltd and its managing director, Mr Allan Barnes were both convicted by the Land and Environment Court for Tier 1 offences of negligently disposing of waste in a manner that harmed or was likely to harm the environment. BMG is a waste company based in Bathurst. Between 1 January 2009 and 23 September 2009 it collected over a million litres of untreated sewage, from household septic systems and untreated grease trap waste, from restaurants and fast food outlets. It unlawfully disposed of the waste on a large farm near Bathurst. BMG and Mr Barnes were convicted and fined \$100,000 each and ordered to pay investigation costs of \$15,684.50 each and prosecutor's costs of \$71,815.50 each.

#### **Moolarben Coal Operations Pty Ltd (No 1) - Water Pollution**

In March 2012 Moolarben Coal Operations Pty Ltd was convicted by the Land and Environment Court of polluting waters. Moolarben operates a coal mine at Ulan, near Mudgee. In June 2009, sediment laden water discharged from the mine site to Bora Creek and then downstream to the Goulburn River. The pollution occurred as Moolarben had not installed adequate sediment erosion controls after it cleared about 53 ha of vegetation at the mine site, leaving exposed earth which flowed to Bora Creek when it rained. Moolarben was convicted and fined \$105,000 and ordered to pay investigation costs of \$8,632 and prosecutor's costs of \$53,000.

#### **Moolarben Coal Operations Pty Ltd (No 2) - Water Pollution**

In April 2012 Moolarben Coal Operations Pty Ltd was again convicted by the Land and Environment Court of polluting waters with sediment laden water from its Ulan mine site. During 2009, Moolarben constructed a dam wall across Bora Creek on the premises and was using Bora Creek as a sediment dam. In December 2009, heavy rainfall resulted in a large volume of sediment laden water accumulating in the dam and Moolarben removed part of the dam wall to prevent its collapse. This resulted in about 18.7 million litres of sediment laden water flowing down Bora Creek and into the Goulburn River. Moolarben was convicted and fined \$112,500 and ordered to pay investigation costs of \$314 and prosecutor's costs of \$63,000.

#### **Ramsey Food Processing Pty Ltd - Contempt of Court**

In December 2011 Ramsey Food Processing Pty Ltd was convicted of contempt of court after it failed to comply with orders of the Land and Environment Court made in respect of a previous prosecution of Ramsey for a water pollution incident. Ramsey operated an abattoir in Grafton and to do so it held an environment protection licence. Ramsey had been prosecuted several times in the past in respect of pollution incidents. In September 2010 Ramsey was again convicted of polluting waters and the Land and Environment Court made a publication order, orders requiring Ramsey to conduct an environmental audit of its abattoir and orders that it pay investigation costs and the prosecutor's costs. Ramsey failed to comply with the orders. In December 2011 the Court convicted Ramsey of contempt and fined it \$300,000 and ordered it to pay the prosecutor's costs.

#### **Sibelco Australia Limited - Water Pollution**

In September 2011 Sibelco was convicted by the Land and Environment Court for polluting waters. Sibelco operates an open cut bentonite mine north of Scone in the Hunter Valley. The mine site contains dams used to capture and store water so as to prevent sediment pollution of nearby waterways. A dam wall collapsed and between about 2.8 and 5 megalitres of sediment laden water was released into Middle Brook resulting in environmental harm to macro-invertebrates and the deposition of sediment in Middle Brook for about 2.8km. Sibelco was convicted and ordered to pay a penalty of \$78,000 to the local Catchment Management Authority to be used for general environmental purposes and it was ordered to publish details of the offence in local newspapers and in an industry magazine. It was also ordered to pay the prosecutor's costs of \$25,270 and investigation costs of \$9,730.

#### **Unomedical Pty Ltd - Air Pollution**

In August 2011, Unomedical was convicted by the Land and Environment Court of failing to take all practicable measures to prevent or minimise air pollution. Unomedical operated a medical equipment sterilising facility at Mona Vale. Between 2002 and 2008, the facility operated without adequate pollution control measures, resulting in the release of a carcinogenic gas (ethylene oxide) to the atmosphere. An expert committee set up by the Department of Health found it unlikely that the release of the gas caused any adverse health effects. Unomedical pleaded not guilty but was subsequently found guilty of the offence. It was convicted and fined \$90,000 and ordered to publicise detail of the offence in two newspapers. It was also ordered to pay \$140,000 in prosecutor's costs.

# ENVIRONMENT PROTECTION AUTHORITY

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012



## ENVIRONMENT PROTECTION AUTHORITY

### Financial Report

For the year ended 30 June 2012

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, and clause 11(a) and (b) of the Public Finance and Audit Regulation 2010, we state that:

- a) the accompanying financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010, and the Treasurer's Directions;
- b) the report exhibits a true and fair view of the financial position and transactions of the Environment Protection Authority; and
- c) there are no circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



.....  
**Barry Buffier**

Chair and Chief Executive Officer, EPA

27 September 2012



.....  
**Chris Knoblanche**

EPA Board Member  
Chair, Finance, Audit and Risk Committee  
27 September 2012





## INDEPENDENT AUDITOR'S REPORT

### Environment Protection Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Environment Protection Authority (the Authority), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

#### The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

#### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Steven Martin  
Director, Financial Audit Services

2 October 2012  
SYDNEY

Consolidated Statement of Comprehensive Income for the year ended 30 June 2012

	Notes	CONSOLIDATED			ENVIRONMENT PROTECTION AUTHORITY	
		ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2012*	2012	2011*	2012	2011
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2a	23,440	43,651	-	-	-
Personnel services expenses	2a	27,769	-	-	51,209	-
Other operating expenses	2b	35,935	33,260	92,095	35,935	92,095
Depreciation and amortisation	2c	279	641	-	279	-
Grants and subsidies	2d	38,429	39,662	-	38,429	-
<b>Total expenses excluding losses</b>		<b>125,852</b>	<b>117,214</b>	<b>92,095</b>	<b>125,852</b>	<b>92,095</b>
<b>Revenue</b>						
Sales of goods and services	3a	180	506	-	180	-
Investment revenue	3b	150	150	-	150	-
Retained taxes fees and fines	3c	11	200	-	11	-
Grants and contributions	3d	116,240	113,164	92,095	116,240	92,095
Acceptance by the Crown Entity of employee benefits and other liabilities	3e	4,739	3,860	-	-	-
Personnel services	3e	-	-	-	4,739	-
Other revenue	3f	54	200	-	54	-
<b>Total revenue</b>		<b>121,374</b>	<b>118,080</b>	<b>92,095</b>	<b>121,374</b>	<b>92,095</b>
<b>Net Result</b>		<b>(4,478)</b>	<b>(866)</b>	<b>-</b>	<b>(4,478)</b>	<b>-</b>
Other comprehensive income		906	-	-	906	-
<b>Total comprehensive income</b>		<b>(3,572)</b>	<b>-</b>	<b>-</b>	<b>(3,572)</b>	<b>-</b>

\* The 2012 actual is based on the direct expenditure against EPA functions. The actual for 2011 was based on the assessment of resources consumed by OEHL to enable EPA to discharge its obligations, since activities of EPA were fully integrated within OEHL. In 2011 a notional grant by OEHL was recognised as an offset.

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position for the year ended 30 June 2012

	Notes	CONSOLIDATED		ENVIRONMENT PROTECTION AUTHORITY		
		ACTUAL	BUDGET	ACTUAL	ACTUAL	
		2012*	2012*	2011	2012	2011*
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	4	5,844	5,078		5,844	-
Receivables	5	158	250		158	-
<b>Total current assets</b>		<b>6,002</b>	<b>5,328</b>	-	<b>6,002</b>	-
<b>Property, plant and equipment</b>						
Land and buildings	6	4,931	-		4,931	-
Plant and equipment	6	606	452		606	-
<b>Total property, plant and equipment</b>		<b>5,537</b>	<b>452</b>	-	<b>5,537</b>	-
Intangible assets	7	72	2,494		72	-
<b>Total non-current assets</b>		<b>5,609</b>	<b>2,946</b>	-	<b>5,609</b>	-
<b>Total assets</b>		<b>11,612</b>	<b>8,274</b>	-	<b>11,612</b>	-
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables	9	4,104	50		4,104	-
Provisions	10	5,842	3,481			-
Payable to the Office of EPA	10				5,842	-
<b>Total current liabilities</b>		<b>9,947</b>	<b>3,531</b>	-	<b>9,947</b>	-
<b>Non-current liabilities</b>						
Provisions	10	86	-			-
Payable to the Office of EPA		-			86	-
<b>Total non-current liabilities</b>		<b>86</b>	<b>-</b>	-	<b>86</b>	-
<b>Total liabilities</b>		<b>10,033</b>	<b>3,531</b>	-	<b>10,033</b>	-
<b>Net Assets</b>		<b>1,579</b>	<b>4,743</b>	-	<b>1,579</b>	-
<b>Equity</b>						
Reserves		906	-		906	-
Accumulated funds		673	4,743		673	-
<b>Total equity</b>		<b>1,579</b>	<b>4,743</b>	-	<b>1,579</b>	-

\* The 2012 actual is the fair value of assets and liabilities attributed to EPA and transferred by OEH as at 1 July 2011. In 2011 activities of EPA were fully integrated within OEH and EPA did not have any assets or liabilities.

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 30 June 2012

		ACCUMULATED FUNDS	ASSETS REVALUATION SURPLUS	TOTAL
	Notes	\$'000	\$'000	\$'000
<b>Balance at 1 July 2011*</b>		-	-	-
<b>Net result for the year</b>		(4,478)	-	(4,478)
<b>Other comprehensive income:</b>				
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	6	-	906	906
<b>Total other comprehensive income</b>		-	906	906
<b>Total comprehensive income for the period</b>		(4,478)	906	(3,572)
<b>Transactions with owners in their capacity as owners</b>				
Increase/(decrease) in net assets from equity transfers	11	5,151	-	5,151
<b>Balance at 30 June 2012</b>		<b>673</b>	<b>906</b>	<b>1,579</b>
<b>Balance at 1 July 2010*</b>		-	-	-
<b>Net result for the year</b>		-	-	-
<b>Other comprehensive income:</b>				
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		-	-	-
<b>Total other comprehensive income</b>		-	-	-
<b>Total comprehensive income for the year</b>		-	-	-
<b>Transactions with owners in their capacity as owners</b>				
Increase/(decrease) in net assets from equity transfers		-	-	-
<b>Balance at 30 June 2011*</b>		-	-	-

\* In 2011 activities of EPA were fully integrated within OEH and EPA did not have any assets, liabilities and equity.

Consolidated Statement of Cash Flows for the year ended 30 June 2012

	CONSOLIDATED			ENVIRONMENT PROTECTION AUTHORITY	
	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2012*	2012*	2011*	2012*	2011*
	Notes	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Employee related		(44,668)	(39,666)	-	-
Personnel services expenses		-	-	-	(44,668)
Grants and subsidies		(38,429)	(39,662)	-	(38,429)
Other**		(39,985)	(33,210)	-	(39,985)
<b>Total Payments</b>		<b>(123,082)</b>	<b>(112,538)</b>	<b>-</b>	<b>(123,082)</b>
<b>Receipts</b>					
Grants and Contributions		102,588	101,954	-	102,588
Sale of goods and services		180	506	-	180
Retained taxes, fees and fines		11	-	-	11
Interest received		150	150	-	150
Cash reimbursements from the Crown Entity		774	-	-	774
Other		21,699	11,360	-	21,699
<b>Total Receipts</b>		<b>125,401</b>	<b>113,970</b>	<b>-</b>	<b>125,401</b>
<b>Net cash flows from operating activities</b>	16	<b>2,320</b>	<b>1,432</b>	<b>-</b>	<b>2,320</b>
<b>Cash flows from investing activities</b>					
Purchases of Intangible Assets		(13)	-	-	(13)
Purchase of land and buildings, plant & equipment, infrastructure		(100)	3,646	-	(100)
<b>Net cash flows from investing activities</b>		<b>(113)</b>	<b>3,646</b>	<b>-</b>	<b>(113)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings and advances		-	-	-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash</b>		<b>2,207</b>	<b>5,078</b>	<b>-</b>	<b>2,207</b>
Transferred in as a result of administrative restructure	11	3,637	-	-	3,637
<b>Closing cash and cash equivalents</b>	4	<b>5,844</b>	<b>5,078</b>	<b>-</b>	<b>5,844</b>

\* The 2012 actual is based on the direct expenditure against EPA functions. The actual for 2011 was based on the assessment of resources consumed by OEHL to enable EPA to discharge its obligations, since activities of EPA were fully integrated within OEHL. In 2011 a notional grant by OEHL was recognised as an offset.

\*\* Includes payment to DPC (OEHL) for corporate and other specialist support

## 1 Summary of Significant Accounting Policies

### (a) Reporting entity

The Environment Protection Authority (EPA) is constituted under section 5 of the Protection of the Environment Administration Act 1991 as a statutory body corporate.

The EPA as a reporting entity comprises the Office of the EPA, an entity under its control.

EPA is a not for profit entity as profit is not the principal objective.

EPA is consolidated as part of the NSW total State Sector Accounts.

The Protection of the Environment Legislation Amendment Act 2011 (the Amendment Act) was assented to by the Governor on 16 November 2011. The Amendment Act did not grant any additional functions to EPA, however introduced several changes designed to improve the way pollution incidents are reported and managed.

The modernised and independent EPA is responsible for licensing and regulating air emissions, contaminated sites, hazardous materials, including dangerous goods, noise, pesticides, forestry activities, waste, water quality and state of the environment reporting.

On 29 February 2012 the Public Sector Employment and Management (Office of the Environment Protection Authority) Order 2012 established the Office of the Environment Protection Authority as a Division of the Government Service responsible to the Minister for the Environment. Under the Administrative Order, staff in the Office of Environment and Heritage in the Department of Premier and Cabinet (DPC), who were employed to enable the EPA to exercise its functions were removed from the DPC and added to the Office of the EPA.

Prior to 29 February 2012, activities of EPA were fully integrated within the Office of Environment and Heritage (OEH) in the DPC. As a statutory body, the EPA was however required to produce separate audited financial statements. The fair value of the expenditure of EPA was derived through an assessment by management of the resources consumed by OEH to enable EPA to discharge its obligations. A notional grant by OEH was recognised as an offset.

The 2011/12 financial statements of EPA are based on the direct expenditure against EPA functions.

These consolidated financial statements were authorised for issue by the Chair and Chief Executive Officer, EPA on 27 September 2012.

### (b) Basis of preparation

EPA's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Plant and equipment held for sale and financial assets at 'fair value through profit or loss', and available for sales are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**(d) Administered activities**

The EPA administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of EPA's own objectives.

Transactions and balances relating to the administered activities are not recognised as EPA's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered Income', 'Administered Expenses', 'Administered Assets' and 'Administered Liabilities'.

The accrual basis of accounting and applicable accounting standards have been adopted.

**(e) Insurance**

EPA's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

**(f) Accounting for the Goods and Services Tax (GST)**

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

- the amount of GST incurred by EPA as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- 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 Australian Taxation Office are classified as operating cash flows.

**(g) Income recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

**(i) Sale of goods**

Revenue from the sale of goods is recognised as revenue when EPA transfers the significant risks and rewards of ownership of the assets.

**(ii) Rendering of services**

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

**(iii) Investment revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

**(h) Assets**

**(i) Acquisitions of assets**

The cost method of accounting is used for the initial recording of all acquisition of assets controlled by EPA. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration during the year, are initially recognised as assets and revenues at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1 (i))

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent: i.e. deferred payment amount is effectively discounted at an asset-specific rate.

**(ii) Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

**(iii) Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the "Valuation of physical non-current assets at Fair Value" Policy and guidelines paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment are measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their higher and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

**(iv) Impairment of property, plant and equipment**

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for EPA are regarded as immaterial.

**(v) Depreciation of property, plant and equipment**

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write-off the depreciable amount of each asset as it is consumed over its useful life to EPA.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

<i>Plant and equipment</i>	6.67–50%
<i>Buildings</i>	2.5%

*Amortisation of intangible assets*

The following depreciation rates have been adopted:

Software	25%
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**(vi) Major inspection costs**

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria is satisfied.

**(vii) Restoration costs**

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.



**(viii) Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

**(ix) Leased assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

**(x) Intangible assets**

EPA recognises intangible assets only if it is probable that future economic benefit will flow to EPA and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

*Software*

The useful lives of intangible software assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for EPA's intangible software assets, the assets are carried at cost less any accumulated amortisation.

EPA's intangible software assets are amortised using the straight line method over a period of four years for software.

**(xi) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

**(xii) Impairment of financial assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available-for-sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available for sale' must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

**(xiii) Derecognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or if EPA transfers the financial asset:

- where substantially all the risks and rewards have been transferred, or
- where EPA has not transferred substantially all the risks and rewards, if EPA has not retained control.

Where EPA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of EPA's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expire.

**(xiv) Other assets**

Other assets are recognised on a cost basis

**(i) Liabilities**

**(i) Payables**

These amounts represent liabilities for goods and services provided to EPA and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest are measured at the original invoice amount where the effect of discounting is immaterial.

**(ii) Financial Guarantee**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

EPA has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2012 and at 30 June 2011. However, refer Note 14 regarding disclosures on contingent liabilities.

**(iii) Employee benefits and other provisions**

The Office of the EPA did not employ staff until 29 February 2012 but utilised the personnel services of the Department of Premier and Cabinet (DPC). The costs of personnel services till that period in respect of wages and salaries, superannuation, annual leave, long service leave, and for sick leave are recognised when it is probable that settlement will be required and they are capable of being measured reliably.

**(a) Salaries and wages, annual leave, sick leave and on-costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

**(b) Long service leave and superannuation**

EPA's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. EPA accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12/05) to employees with five or more years of service, using current rates of pay. These factors were determined on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes, (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme) the expense is calculated as a multiple of the employees' superannuation contributions.

**(j) Equity and reserves**

**(i) Accumulated funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.

**(k) Equity transfers**

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/ functions and parts thereof between NSW Public Sector entities and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

**(l) Budgeted amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

**(m) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative Information is disclosed in respect of the previous period for all amounts reported in the financial statements.

**(n) New Australian Accounting Standards issued but not effective**

In the current year EPA has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policies notes in the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period in accordance with the NSW Treasury mandate (TC 12/04); EPA did not early adopt any of these accounting standards and interpretations that are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-8 regarding deferred tax
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans Tasman Convergence - RDR
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- AASB 2011-4 removing individual KMP disclosure requirements

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that there will be no material impact.

**2 Expenses Excluding Losses**

**(a) Employee related expenses and personnel services**

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Salaries and wages (including recreation leave)	14,214	-	-	-
Superannuation - defined benefit plans	382	-	-	-
Superannuation - defined contribution plans	1,246	-	-	-
Long service leave	3,848	-	-	-
Payroll tax on long service leave	706	-	-	-
Workers' compensation insurance	111	-	-	-
Payroll tax and fringe benefits tax	1,412	-	-	-
Other	1,522	-	-	-
Personnel expenses	27,769	-	51,209	-
	<b>51,209</b>	-	<b>51,209</b>	-

Of the total employee related expenses, \$27,768,692 relate to the personnel services provided to the EPA by the DPC through OEHL till 28 February 2012.

Employee related expenses include long service leave expenses and related on-costs of \$5.3 million. Much higher than expected total long service leave expense is due to a substantial increase in the actuarial assessment of the long service leave liability by the Treasury actuaries.

**(b) Other operating expenses**

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Contractor – projects	5,311	-	5,311	-
Consultants	107	-	107	-
Maintenance*	259	-	259	-
Fees and services	1,704	91,756	1,704	91,756
Corporate support from the DPC (OEH)	13,878	-	13,878	-
Other specialist services from the DPC (OEH)	7,400	-	7,400	-
Payments to NSW Government agencies	671	-	671	-
Stores and minor assets	494	-	494	-
Fleet costs	1,335	-	1,335	-
Operating lease rental expenses (minimum lease payments)	1,593	-	1,593	-
Insurance	57	-	57	-
Information dissemination	683	-	683	-
Travel costs	1,045	-	1,045	-
Other occupancy costs	545	-	545	-
Training	423	-	423	-
Communication costs	183	-	183	-
Legal costs	27	-	27	-
Energy costs	145	-	145	-
Auditor's remuneration (audit or review of the financial statements)	35	11	35	11
Impairment of assets and bad debts	12	-	12	-
Other	55	328	55	328
Expenses capitalised	(27)	-	(27)	-
	<b>35,935</b>	<b>92,095</b>	<b>35,935</b>	<b>92,095</b>

**(c) Depreciation and amortisation expense**

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Depreciation:				
Buildings and improvements	113	-	113	-
Plant and equipment	91	-	91	-
Furniture and fittings	49	-	49	-
	253	-	253	-
Amortisation of intangibles	26	-	26	-
	26	-	26	-
	<b>279</b>	<b>-</b>	<b>279</b>	<b>-</b>

(d) Grants and subsidies

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
NSW Government	10	-	10	-
Local Government	2,842	-	2,842	-
Waste performance improvement payments	34,800	-	34,800	-
Non-government organisations	777	-	777	-
	<b>38,429</b>	-	<b>38,429</b>	-

3 Revenue

(a) Sale of goods and services

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Sale of goods:				
Sale of publications and stock	1	-	1	-
	1	-	1	-
Rendering of services:				
Hire of facilities	1	-	1	-
Miscellaneous park service	16	-	16	-
Minor user charges	162	-	162	-
	<b>179</b>	-	<b>179</b>	-
	<b>180</b>	-	<b>180</b>	-

(b) Investment revenue

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Interest revenue from financial assets at fair value through profit or loss	150	-	150	-
	<b>150</b>	-	<b>150</b>	-

(c) Retained taxes, fees and fines

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Fines:				
Parking, court and other	11	-	11	-
	<b>11</b>	-	<b>11</b>	-

(d) Grants and contributions

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Funding was provided by the Commonwealth and State Governments together with private and corporate sponsorship as follows:				
Federal Government	211	-	211	-
NSW Government-externally sourced funding	10,893	-	10,893	-
NSW Government-recurrent and capital funding	102,588	-	-	-
Non-government organisations	2,537	-	2,537	-
Asset recognised first time (refer note 6)	11	-	11	-
Grant from the DPC (OEH)	-	92,095	-	92,095
	<b>116,240</b>	<b>92,095</b>	<b>13,652</b>	<b>92,095</b>

(e) Acceptance by the Crown Entity of employee benefits and other liabilities

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
The following liabilities and/or expenses have been assumed by the Crown Entity:				
Superannuation - defined benefit	1,145	-	-	-
Long service leave	3,532	-	-	-
Payroll tax on superannuation	62	-	-	-
Personnel services revenue	-	-	4,739	-
	<b>4,739</b>	<b>-</b>	<b>4,739</b>	<b>-</b>

(f) Other revenue

	Consolidated		Environment Protection Authority	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Insurance recoveries	31	-	31	-
Miscellaneous revenue	23	-	23	-
	<b>54</b>	<b>-</b>	<b>54</b>	<b>-</b>

#### 4 Current Assets – Cash and Cash Equivalents

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
For the purposes of the statement of cash flows, cash and cash equivalents include all of the following:				
Cash at bank	5,844	-	5,844	-
<b>Closing cash and cash equivalents (as per statement of cash flows)</b>	<b>5,844</b>	<b>-</b>	<b>5,844</b>	<b>-</b>

Refer note 8 for details on restricted cash balances.

Refer note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### 5 Current Assets – Receivables

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Prepayments	130	-	130	-
GST	28	-	28	-
	<b>158</b>	<b>-</b>	<b>158</b>	<b>-</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 17.

#### 6. Non-current assets – property, plant and equipment

Consolidated and Parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2011 – fair value</b>			
Gross carrying amount	-	-	-
Accumulated depreciation and impairment	-	-	-
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2012 – fair value</b>			
Gross carrying amount	5,370	2,396	7,766
Accumulated depreciation and impairment	(439)	(1,790)	(2,229)
<b>Net carrying amount</b>	<b>4,931</b>	<b>606</b>	<b>5,537</b>



## Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

<b>Consolidated and Parent</b>	<b>Buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
<b>Year ended 30 June 2012</b>			
Net carrying amount at start of period (1 July 2011)	-	-	-
Additions	-	99	99
Asset recognised first time	-	11	11
Acquisitions through administrative restructures-trf from OEH	4,138	636	4,774
Net revaluation increment less revaluation decrements	906	-	906
Depreciation expense	(113)	(140)	(253)
<b>Net carrying amount at end of year</b>	<b>4,931</b>	<b>606</b>	<b>5,537</b>

For additional details regarding impairment losses-refer AASB 136.126-137

## 7. Intangible assets

<b>Consolidated and Parent</b>	<b>Software \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2011 - fair value</b>		
Gross carrying amount	-	-
Accumulated amortisation and impairment	-	-
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2012 - fair value</b>		
Gross carrying amount	192	192
Accumulated amortisation and impairment	(120)	(120)
<b>Net carrying amount</b>	<b>72</b>	<b>72</b>
<b>Consolidated and Parent Year ended 30 June 2012</b>		
Net carrying amount at start of period (1 July 2011)	-	-
Additions	14	14
Acquisitions through administrative restructures-trf from OEH	84	84
Amortisation (recognised in 'Depreciation and amortisation')	(26)	(26)
<b>Net carrying amount at end of year</b>	<b>72</b>	<b>72</b>

## 8. Restricted Assets

	<b>2012 \$'000</b>	<b>2011 \$'000</b>
Current Contributions	2,034	-
	<b>2,034</b>	<b>-</b>

The above amounts are recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.

## 9. Current Liabilities - Payables

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Accrued salaries, wages and on-costs	903	-	-	-
Creditors	3,201	-	-	-
Payable to the Office of EPA	-	-	4,104	-
	<b>4,104</b>	<b>-</b>	<b>4,104</b>	<b>-</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in note 17.

## 10. Current/Non-Current Liabilities - Provisions

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<b>Current</b>				
<b>Employee benefits and related oncosts</b>				
Recreation leave <sup>1</sup>	3,835	-	-	-
Recreation leave on-costs <sup>1</sup>	365	-	-	-
Long service leave on-costs <sup>2</sup>	1,642	-	-	-
Payable to the Office of EPA	-	-	5,841	-
	<b>5,842</b>	<b>-</b>	<b>5,841</b>	<b>-</b>
<b>Non-current</b>				
Recreation leave <sup>1</sup>	-	-	-	-
Long service leave on-costs <sup>2</sup>	86	-	-	-
<b>Payable to the Office of EPA</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>-</b>
	<b>86</b>	<b>-</b>	<b>86</b>	<b>-</b>
<b>Other Provisions</b>				
Restoration costs	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Non Current</b>	<b>86</b>	<b>-</b>	<b>86</b>	<b>-</b>
<b>Total provisions</b>	<b>5,928</b>	<b>-</b>	<b>5,927</b>	<b>-</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	5,842	-	-	-
Provisions - non-current	86	-	-	-
Accrued salaries, wages and on-costs (note 9)	903	-	-	-
Payable to the Office of EPA	-	-	6,832	-
	<b>6,831</b>	<b>-</b>	<b>6,832</b>	<b>-</b>

<sup>1</sup> The value of employee benefits and related on-costs expected to be paid after 12 months is \$183,604

<sup>2</sup> EPA's liabilities for long service leave are assumed by the Crown Entity. However EPA has an obligation to meet the long service related on-costs.

## 11. Increase/decrease in net assets from equity transfers

### Administrative restructures

On 29 February 2012 the Public Sector Employment and Management (Office of the Environment Protection Authority) Order 2012 established the Office of the Environment Protection Authority as a Division of the Government Service responsible to the Minister for the Environment. This resulted in the formal creation of the Office of the EPA as a separate entity. Under the Administrative Order, staff in the Office of Environment and Heritage in the Department of Premier and Cabinet (DPC), who are employed to enable the EPA to exercise its functions were removed from the DPC and added to the Office of the EPA.

Assets and liabilities assigned to EPA by the Office of Environment and Heritage (OEH) were transferred to EPA as at 1 July 2011.

	<b>\$'000</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	3,637
Receivables	12
<b>Total current assets</b>	<b>3,649</b>
<b>Non-current assets</b>	
Property, plant and equipment	
Land and buildings	4,138
Plant and equipment	636
Intangible assets	84
<b>Total non-current assets</b>	<b>4,858</b>
<b>Total assets</b>	<b>8,507</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Provisions	3,356
<b>Total current liabilities</b>	<b>3,356</b>
<b>Total liabilities</b>	<b>3,356</b>
<b>Net assets</b>	<b>5,151</b>
<b>EQUITY</b>	
Reserves	-
Accumulated funds	5,151
<b>TOTAL EQUITY</b>	<b>5,151</b>

## 12 (a) Administered assets, liabilities and income

	2012 \$'000	2011 \$'000
<b>Administered assets</b>		
Receivables	4,310	3,303
Allowance for impairment	(275)	(241)
Cash	719	882
Remittance clearing	494,117	-
Accrued income	11,331	7,134
<b>Total administered assets</b>	<b>510,202</b>	11,078
<b>Administered liabilities</b>		
Creditors	-	35
<b>Total administered liabilities</b>	<b>-</b>	<b>35</b>
<b>Administered income</b>		
Pollution licences and approvals	51,036	45,501
Radiation licences	1,395	1,549
Other fees and licences	176	1,862
Waste-related levies and fees	430,752	353,658
Coal wash levy	17,659	15,271
Waste levy rebates	(1,948)	(1,146)
Fines	934	845
<b>Total administered income</b>	<b>500,004</b>	<b>417,540</b>

Above receipts were collected by EPA on behalf of the Consolidated Fund. These are not included in EPA's statement of comprehensive income. They are brought to account as revenue in the Treasurer's Public Accounts.

## 12 (b) Administered income - debts written off

	2012 \$'000	2011 \$'000
Debts written off	34	-

## 13. Commitments for expenditure

As at 30 June 2012, EPA did not have any leasing commitments (operating or finance).

## 14. Contingent liabilities and contingent assets

### Contingent liabilities

#### (a) Claims on the Treasury Managed Fund

EPA is a member of the NSW Treasury Managed Fund (TMF) self insurance scheme. The Fund manages a number of civil claims against EPA in relation to issues such as negligence and public liability. As at 30 June 2012 these included:

- \* A civil law suit for claim that a residence property is contaminated.
- \* A civil law suit for claim seeking damages following cleanup of fire water.

It is not practical to estimate the financial effect of these claims. EPAs insurable risk should adequately cover all these claims.

#### (b) Other claims

There are presently no other unresolved disputes where legal action has been taken against EPA.

Other than the above, EPA is not aware of any significant or material contingent liability in existence at 30 June 2012 or which has emerged subsequent to this date, which may materially impact on the financial position of EPA as shown in the financial statements.

### Contingent assets

#### (a) The Treasury Managed Fund

Apart from the civil claims managed by TMF disclosed above, there are no other known contingent assets at balance date.

## 15. Budget review

**Net Result: Net result of \$(4.48) million against the budget of \$(0.87) million—a variance of \$3.61million.**

Lower than budgeted net result was primarily due to:

- (1) Higher than expected oncost on long service leave assumed by the EPA with increased actuarial assessment of the leave liability- \$1.73m.
- (2) Reimbursement to OEH (\$1.18m) for expenditure incurred in 2011-12 on assets owned by OEH. The 2011-12 budget assumed EPA ownership of these assets and hence provided for consolidated funding and capital expenditure.

The 30 June 2012 net results are consistent with EPA's approved projections and subsequent budget transfer from the Office of Environment and Heritage.

**Net Assets: Net assets of \$1.58 million against the budget of \$4.74million a variance of \$3.16 million.**

Lower than budgeted net assets were primarily due to higher than expected accrued expenses and employee related provisions.

### Net cash

Actual cash: \$5.84 million: variation of \$0.77 million was primarily due to higher than budgeted accruals and lower than budgeted receivables.

## 16. Reconciliation of cash flows from operating activities to net result

	Consolidated		Environment Protection Authority	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Net cash used on operating activities	2,320	-	2,320	-
Depreciation and amortisation	(279)	-	(279)	-
Contributed assets	-	-	-	-
Increase/(decrease) in receivables	146	-	146	-
Asset recognised first time	11	-	11	-
Decrease/(increase) in provisions	(5,928)	-	(5,928)	-
Decrease/(increase) in creditors	(4,104)	-	(4,104)	-
Net (gain)/loss on sale of plant and equipment	-	-	-	-
Net Adjustments from Equity Transfer	3,356	-	3,356	-
<b>Net result</b>	<b>(4,478)</b>	<b>-</b>	<b>(4,478)</b>	<b>-</b>

## 17. Financial Instruments

EPA's principal financial instruments are outlined below. These financial instruments arise directly from the EPA's operations or are required to finance these operations. EPA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

EPA's main risks arising from financial instruments are outlined below, together with EPA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chair and the Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by EPA, to set risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee/Internal auditors on a continuous basis.

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
<b>Class:</b>				
Cash and cash equivalents	4	N/A	5,844	-
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	130	-
Financial Liabilities	Note	Category	Carrying Amount 2012 \$'000	Carrying Amount 2011 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	9	Financial liabilities measured at amortised cost	3,201	-

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

## 17. Financial Instruments (cont.)

### (b) Credit risk

Credit risk arises when there is the possibility of the EPA's debtors defaulting on their contractual obligations, resulting in a financial loss to the EPA. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the EPA, including cash, receivables and authority deposits. No collateral is held by the EPA. The EPA has not granted any financial guarantees.

Credit risk associated with EPA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average the NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to NSW Treasury.

During the current and prior year, there were no defaults of loans payable.

### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The EPA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2012: \$Nil ;2011: \$Nil) and not less than one month past due (2012: \$Nil ;2011: \$Nil) are not considered impaired. Most of the Office's debtors have a good credit rating. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

### (c) Liquidity risk

Liquidity risk is the risk that the EPA will be unable to meet its payment obligations when they fall due. The EPA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. EPA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. There was no penalty interest paid during this financial year.

## 17. Financial Instruments (cont.)

The table below summarises the maturity profile of EPA's financial liabilities, together with the interest rate exposure.

	Weighted average effective int. rate	Nominal amount <sup>1</sup>	\$'000 Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
<b>2012</b>								
Payables		3,201	-	-	3,201	3,201	-	-
		<b>3,201</b>	<b>-</b>	<b>-</b>	<b>3,201</b>	<b>3,201</b>	<b>-</b>	<b>-</b>

	Weighted average effective int. rate	Nominal amount <sup>1</sup>	\$'000 Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
<b>2011</b>								
Payables		-	-	-	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes :**

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the statement of financial position.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. EPA's exposures to market risk are primarily through price risks associated with the movement in the unit price of the Hour-Glass Investment Facilities. EPA has no exposure to foreign currency risk and does not enter into commodity contracts. The EPA has no borrowings.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which EPA operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2011. The analysis assumes that all other variables remain constant.



## 17. Financial Instruments (cont.)

### Interest rate risk

EPA does not account for any fixed-rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. EPA's exposure to interest rate risk is set out below.

		\$'000			
	Carrying Amount	Profit	-1% Equity	Profit	1% Equity
<b>2012</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,844	(58)	-	58	-
Receivables	-	-	-	-	-
<b>Financial liabilities</b>					
Payables	3,201	32	-	(32)	-
<b>2011</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
<b>Financial liabilities</b>					
Payables	-	-	-	-	-

### (e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value.

The amortised cost of financial instruments recognised in the statement of financial position approximates fair value because of the short-term nature of the financial instruments.

## 18. Events after the reporting period

The EPA is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

# OFFICE OF THE ENVIRONMENT PROTECTION AUTHORITY

FINANCIAL STATEMENTS  
FOR THE PERIOD  
29 FEBRUARY 2012 TO 30 JUNE 2012



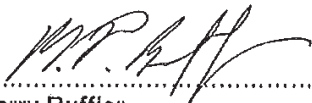
## OFFICE OF THE ENVIRONMENT PROTECTION AUTHORITY

### Financial Report

For the year ended 30 June 2012

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, and clause 11(a) and (b) of the *Public Finance and Audit Regulation 2010*, we state that:

- a) the accompanying financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, and the *Treasurer's Directions*;
- b) the report exhibits a true and fair view of the financial position and transactions of the Office; and
- c) there are no circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



Barry Buffler

Chair and Chief Executive Officer, EPA

27 September 2012



Chris Knoblanche

EPA Board Member  
Chair, Finance, Audit and Risk Committee  
27 September 2012



## INDEPENDENT AUDITOR'S REPORT

### Office of Environment Protection Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Office of Environment Protection Authority (the Office), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

#### The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Office
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

#### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

A handwritten signature in black ink, appearing to read 'S. Martin'.

Steven Martin  
Director, Financial Audit Services

2 October 2012  
SYDNEY

Statement of Comprehensive Income for the period 29 February 2012 to 30 June 2012

ACTUAL		
		2012
	Notes	\$'000
<b>Expenses excluding losses</b>		
Employee related	2	23,440
<b>Total expenses excluding losses</b>		<b>23,440</b>
<b>Revenue</b>		
Personnel services	3	23,440
<b>Total Revenue</b>		<b>23,440</b>
<b>Net result</b>		-
<b>Other comprehensive income</b>		-
<b>Total comprehensive income for the year</b>		<b>-</b>

Statement of Financial Position for the period 29 February 2012 to 30 June 2012

ACTUAL		
		2012
	Notes	\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Receivable from EPA	6	6,832
<b>Total current assets</b>		<b>6,832</b>
<b>Total Assets</b>		<b>6,832</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	4	903
Provisions	5	5,842
<b>Total Current Liabilities</b>		<b>6,745</b>
<b>Non-Current Liabilities</b>		
Provisions	5	87
<b>Total Non-Current Liabilities</b>		<b>87</b>
<b>Total Liabilities</b>		<b>6,832</b>
<b>Net Assets</b>		<b>-</b>
<b>EQUITY</b>		
Accumulated funds		-
<b>TOTAL EQUITY</b>		<b>-</b>

The accompanying notes form part of these financial statements

Statement of Changes in Equity for the period 29 February 2012 to 30 June 2012

	ACCUMULATED FUNDS	ASSET REVALUATION SURPLUS	TOTAL
	\$'000	\$'000	\$'000
Balance at 1 March 2012	-	-	-
Net result for the year	-	-	-
Other comprehensive income:			
Total other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Transactions with owners in their capacity as owners			
Balance at 30 June 2012	-	-	-

Statement of Cash Flows for the period 29 February 2012 to 30 June 2012

	ACTUAL
	2012
	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Payments</b>	
Employee related	-
<b>Total Payments</b>	-
<b>Receipts</b>	
Personnel Services	-
<b>Total Receipts</b>	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	-
<b>NET INCREASE /(DECREASE) IN CASH</b>	-
Opening cash and cash equivalents	-
<b>Closing cash and cash equivalents</b>	-

The accompanying notes form part of these financial statements

## 1 Summary of Significant Accounting Policies

### (a) Reporting entity

On 29 February 2012 the Public Sector Employment and Management (Office of the Environment Protection Authority) Order 2012 established the Office of the Environment Protection Authority (the Office) as a Division of the Government Service responsible to the Minister for the Environment. Under the Administrative Order, staff in the Office of Environment and Heritage (OEH) in the Department of Premier and Cabinet (DPC), who were employed to enable the Environment Protection Authority (EPA) to exercise its functions were removed from the DPC and added to the Office.

The Office is a controlled entity of EPA. The Office is consolidated with the EPA and as part of the NSW total State Sector Accounts.

The Office is a not for profit entity with the sole objective of providing personnel services to the Environment Protection Authority.

Apart from employee related liabilities and provisions and corresponding receivable from the EPA, the Office does not have any other assets or liabilities under its control.

These financial statements were authorised for issue by the Chair and Chief Executive Officer, EPA on 27 September 2012.

### (b) Basis of preparation

The Office's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Generally the historical cost basis of accounting has been adopted and the financial report does not take into account the time value of money or current valuation.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### (i) Personnel services revenue

Revenue from EPA employee benefits and related on-costs is recognised in full when the services are provided.

### (e) Assets

#### (i) Receivables

Receivables are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount since the effect of discounting is immaterial.

**(ii) Impairment of financial assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

**(f) Liabilities**

**(i) Payables**

These amounts represent liabilities for goods and services provided to the Office and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest are measured at the original amount since the effect of discounting is immaterial.

**(ii) Employee benefits and other provisions**

The Office provides personnel services to the EPA.

**(a) Salaries and wages, annual leave, sick leave and on-costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

**(b) Long service leave and superannuation**

The Offices' liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Office accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12/06) to employees with five or more years of service, using current rates of pay. These factors were determined on an actuarial review to approximate present value.

The defined benefit superannuation expense for the financial year is determined using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes, (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme) the expense is calculated as a multiple of the employees' superannuation contributions.

**(g) Equity and reserves**

**(i) Accumulated funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.



**(h) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

**(i) New Australian Accounting Standards issued but not effective**

In the current year the Office has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policies notes in the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting period in accordance with the NSW Treasury mandate (TC 12/O4); The Office did not early adopt any of these accounting standards and interpretations that are not yet effective:

- AASB 9 and AASB 2010-7 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-8 regarding deferred tax
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans Tasman Convergence – RDR
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- AASB 2011-4 removing individual KMP disclosure requirements

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that there will be no material impact.

**2 Expenses Excluding Losses**

**Employee related expenses**

	<b>2012 \$'000</b>
Salaries and wages (including recreation leave)*	14,214
Superannuation – defined benefit plans	382
Superannuation – defined contribution plans	1,246
Long service leave	4,554
Workers' compensation insurance	111
Payroll tax and fringe benefits tax	1,412
Other - Employed related	1,522
	<hr/> <b>23,440</b> <hr/>

### 3. Revenue

#### Personnel Services

	2012 \$'000
Personnel Services to EPA	23,440
	<u>23,440</u>

### 4. Current Liabilities - Payables

	2012 \$'000
Accrued salaries, wages and on-costs	903
	<u>903</u>

### 5. Current/Non-Current Liabilities - Provisions

	2012 \$'000
<b>Current</b>	
<b>Employee benefits and related oncosts</b>	
Recreation leave <sup>1</sup>	3,835
Recreation leave on-costs <sup>1</sup>	365
Long service leave on-costs <sup>2</sup>	1,642
	<u>5,842</u>
<b>Non-current</b>	
Recreation leave <sup>1</sup>	-
Long service leave on-costs <sup>2</sup>	87
	<u>87</u>
<b>Total Non Current</b>	<u>87</u>
<b>Total provisions</b>	<u>5,929</u>
<b>Aggregate employee benefits and related on-costs</b>	
Provisions - current	5,842
Provisions - non-current	87
Accrued salaries, wages and on-costs	903
	<u>6,832</u>

<sup>1</sup> The value of employee benefits and related on-costs expected to be paid after 12 months is \$183,604

<sup>2</sup> EPA's liabilities for long service leave are assumed by the Crown Entity. However EPA has an obligation to meet the long service related on-costs.

### 6. Current Assets - Receivables

	2012 \$'000
Receivable from EPA	-
Accrued salary	903
Employee provisions	5,929
	<u>6,832</u>

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For national parks information, annual passes, residential rebates, publications.

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