



Department of
Infrastructure, Planning and Natural Resources

DIPNR

Annual Report 2004–05



Department of
Infrastructure, Planning
and Natural Resources



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Annual Report 2004–05

The Hon. Frank Sartor MP
Minister for Planning
Level 34
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

31 October 2005

Dear Mr Sartor

I have pleasure in presenting the Department of Infrastructure, Planning and Natural Resources annual report for the year ended 30 June 2005, prepared by the then Director General, Jennifer Westacott.

The report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* and the *Public Finance and Audit Act 1983*, for presentation to Parliament.

I commend the report to you.

Yours sincerely

Sam Haddad

Acting Director General
Department of Planning

The Hon. Ian Macdonald MLC
Minister for Natural Resources
Level 30
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

31 October 2005

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I commend the report to you.

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Richard Sheldrake

Acting Director General
Department of Natural Resources

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foreword

On 3 August 2005 the Governor appointed the Hon. Frank Sartor MP, Minister for Planning, the Hon. Ian Macdonald MLC, Minister for Natural Resources and the Hon. Michael Costa MLC Minister for Infrastructure, and vested administration of the relevant Acts of Parliament with the respective Ministers.

On 29 August 2005 the Government established two new departments, the Department of Planning and the Department of Natural Resources, and abolished the Department of Infrastructure, Planning and Natural Resources as a Department of the Public Service. Staff of the former DIPNR have been transferred to the appropriate departments including the Department of Planning and the Department of Natural Resources as well as the Premier's Department, the Cabinet Office, the Ministry of Transport and the Department of Energy, Utilities and Sustainability.

This 2004-05 annual report of the Department of Infrastructure, Planning and Natural Resources has been written to comprehensively report that Department's activities and performance for the full financial year and describes the Department as it existed as a legal entity at 30 June 2005. It must be recognised that, as a consequence of the above described changes, the future infrastructure, planning and natural resources activities will be managed by different departments and be under the authority of different Ministers. For this reason the outlooks for the following year for these activities have been described only briefly.

table of contents

Director General's review	4
Departmental overview	6
The year in brief	12
Planning system and development assessment	14
Strategic land use and infrastructure planning	26
Landscape management	40
Water management	52
Organisational capability	64
Financial statements:	
DIPNR	79
Corporation Sole	111
Appendices	129
Glossary	158
Indexes	
Compliance	160
General	161
Contacts	164
List of Figures	
Figure 1: Types of Major Infrastructure Assessment Approvals 2004–05	21
Figure 2: Major Development Assessments including modifications by Category	22
List of Tables	
Table 1: Major infrastructure assessment 2001–02 to 2004–05	21
Table 2: Major Development Assessment (Industrial) 2001–02 to 2004–05	22
Table 3: Assessment of Major Hazards & Contaminated Land 2001–02 to 2004–05	23
Table 4: Assessment of Urban & Tourism Applications 2001–02 to 2004–05	24
Table 5: Compliance Enforcement 2001–02 to 2004–05	25
Table 6: Native Vegetation Management Fund Performance 2001–02 to 2004–05	47
Table 7: Soil Landscape Mapping 2001–02 to 2004–05	48
Table 8: Urban Floodplain Management 2001–02 to 2004–05	49
Table 9: Rangelands Assessment 2001–02 to 2004–05	51
Table 10: Development of Water Sharing Rules	57
Table 11: Cap & Pipe the Bores Program 2001–02 to 2004–05	61
Table 12: Comparison of Insurance Claims 2003–04 & 2004–05	69
Table 13: Representation of Women on Catchment Management Authority Boards	70

Director General's review

It has been a year of considerable achievement, with major progress in several areas of planning and natural resources management reform. This has been achieved while the Department was undergoing a major restructure.

The planning system has been comprehensively reformed by simplifying procedures, refocussing on strategic outcomes and fundamentally overhauling the approval process to create a more outcome-based and streamlined system.

The Department has successfully implemented the Government's policy of reducing the State's involvement in the detail of local planning and development and returning most development approvals to local councils. Of the 210 local environmental plans (LEPs) reviewed and gazetted by the Department this year, 121 (61 percent) were processed by councils exercising their Section 69 delegated authority. Over 1,100 concurrences and referrals in LEPs have been removed, the number of Section 117 directions have been halved and the rest have been updated, and 60 percent fewer urban developments now require permits under the Rivers and Foreshores Improvement Act. Councils are required to prepare strategic, whole-of-local government area LEPs to replace a plethora of ad hoc planning instruments. A standard LEP template will cut the number of zones from 3,100 to around 25, and the number of definitions from 1,700 to about 255. We have allocated over \$15.3 million so far, to local government from the Planning Reform Fund to help simplify and improve local planning.

We are now implementing the new Part 3A of the EP&A Act which will streamline the development assessment framework for major projects and which will allow the State to declare strategic areas as State significant sites. Section 94 of the EP&A Act 1979 was amended to extend the means by which local councils and other planning authorities will be able to levy developer contributions and provide a better and more certain legal framework for collecting and spending contributions.

In the last two years, the Department has reduced the time taken to assess major development and infrastructure projects, achieving a 23 percent reduction in assessment times for major manufacturing and rural projects and a 41 percent reduction in the assessment time for coal projects. Over the same period

productivity has improved in the urban and tourism assessments area where the number of assessments handled by each officer has increased by 84 percent, and all this whilst dealing with a 36 percent increase in the total number of assessments.

BASIX was introduced for all new, detached dwellings in the metropolitan area in July 2004. It will extend to regional areas on 1 July 2005 and will apply to multi-unit dwellings from October 2005. The introduction of BASIX will mean a cumulative reduction in water consumption of 287 billion litres over the first 10 years, or 15 percent of the capacity of Warragamba Dam. Over the same period, BASIX will save 9.5 million tonnes of greenhouse gas emissions, equivalent to removing 2.6 million cars from NSW roads.

The last stage in finalising the formal creation of the Building Professionals Board as the single accreditation body for certifiers in NSW occurred in June when the Building Professionals Bill was introduced to Parliament.

Significant progress was made on planning for greater Sydney including the preparation of the Regional Environmental Plan for Sydney Harbour, planning for the redevelopment of Darling Harbour East, Parramatta Road revitalisation and major transport corridors and the Rhodes Peninsula redevelopment.

The Department has rolled out a series of actions and strategies as part of the Metropolitan Strategy designed to ensure that Sydney's growth is sustainable and will conserve the natural environment, support a competitive economy and create better places to live and work. Key elements of the Strategy were announced during 2004 and 2005 including the major South West and North West land releases, the Growth Centres Commission (GCC), the Western Parklands, a major expansion of the rail system and the Metropolitan Water Plan. The land release plan will be managed by the GCC, and will see the development of an estimated \$7.8 billion of infrastructure – including roads, rail, bus networks, educational and health services – linked to the staged release of land for new homes.

Regional strategies are currently being prepared for the high growth areas of the Far North Coast, Lower Hunter, Sydney–Canberra Corridor, Illawarra and South Coast, and Mid North Coast. The purpose of these strategies is to improve the coordination of settlement planning to accommodate growing populations, with

employment needs, transport infrastructure and other human service needs and natural resources planning.

Progress on the natural resource management reform agenda has been equally impressive. All 13 CMAs are well advanced with their catchment action plans (CAPs) and annual implementation programs. Investment strategies totalling \$281 million are now being implemented; eighty percent of funds are being directed to on-ground works; and this year, budgeted grants to CMAs and community groups have doubled.

The *Native Vegetation Act 2003* will be ready for commencement, following the exhibition of the draft Native Vegetation Regulation 2004 and an extensive program of consultation and education involving CMAs, landholders and local government. The new legislation and regulation will provide a clearer and more predictable process for managing vegetation, including clearing applications, using property vegetation plans. The backlog of vegetation clearing applications has been reduced by 50 percent, and the median processing time for vegetation consents was cut to 26 days. The actual area of land approved for clearing in 2004-05 was the lowest in seven years.

The Water Management Act was amended in mid 2004 to establish perpetual licences and a water access licence register, and to ensure NSW complied with key elements of the National Water Initiative (NWI). Further legislation has been prepared to give effect to the NWI's risk management framework, remove barriers to trade from irrigation areas, and implement macro water planning for water sources not yet covered by Water Sharing Plans (WSPs).

In July 2004, 31 WSPs commenced, regulating 80 percent of the State's surface water resources and returning 220 gigalitres to the environment. Approximately 7,000 *Water Act 1912* licences have been converted to Water Access Licences under the *Water Management Act 2000*. Since the new Act commenced on 1 July 2004, over 9,300 licenses, accounting for more than 8,000 gigalitres of water per annum, have been placed on the Land and Property Information (LPI) register, and a fast-track certification system has operated to allow LPI to issue licence holders with a certificate of title.

The Department, together with the CMAs and the Murray Darling Basin Commission, is implementing the Living Murray scheme that will support water efficiency

projects and return 500 gigalitres of environmental flows to the Murray River. The Darling Anabranch Management Plan, a \$39 million scheme to re-introduce natural flow conditions to the Great Darling Anabranch, is just one of these significant Departmental projects.

The Department developed and is now implementing a groundwater structural adjustment scheme for water users in the Namoi Valley and other over-allocated groundwater systems. Under a joint \$110 million State-Commonwealth Government program irrigators are being assisted to use water more efficiently and to make the transition to lower water allocations.

Implementation of the Metropolitan Water Plan is well advanced. The Plan's actions will reduce the amount of water required to meet Sydney's water needs, provide water for river health purposes, increase the yield of the existing dams and provide a safety margin to allow for uncertainty.

Organisationally, the Department has made significant productivity savings by improving systems and cutting red tape. The implementation of the Service Delivery Project and the restructure have yielded improved services and contributed to a Departmental expenditure reduction of \$96 million this year. Consolidation has led to significant savings in fleet management, procurement and accommodation; correspondence processes have improved significantly. We have also improved our service to staff in support and assistance, training and development, scholarship and team building programs and through better and faster ICT services being delivered to almost all offices across the State.

Finally, I want to record my appreciation of the outstanding commitment and performance of the Department's staff who have achieved so much in challenging circumstances. Despite the major restructure and reduction in staff levels, staff have continued to provide excellent service to the Government and to our clients in local government, industry and the community. It has been a year of extraordinary achievement and progress in implementing the Government's ambitious agenda for land use planning and natural resource management reform.

Jennifer Westacott
Director General

departmental overview

Role

The Department of Infrastructure, Planning and Natural Resources (DIPNR) is the State's leading agency for delivering sustainable management of natural resources, effective metropolitan and regional planning, and whole-of-government prioritisation and coordination of infrastructure investment. The Department is also the key Government adviser on the approval of major developments and infrastructure projects.

Functions

DIPNR sets the strategic framework for economic growth, environmental protection and community development in New South Wales (NSW) through its roles in natural resource management and land use, transport and infrastructure planning.

Broadly speaking DIPNR:

- provides leadership on the management of population change, economic growth and environmental sustainability through transport and infrastructure planning and land use control
- enables integrated decision making for significant community infrastructure such as transport, schools and hospitals. It also facilitates the development of major infrastructure
- supports the natural environment by resolving competing claims for water and land use in ways that support economic growth and sustain the environment.

The services and products delivered to Government and the community have been arranged into four lines of business:

- planning system and development assessment
- strategic land use and infrastructure planning
- landscape management
- water management.

In each of these lines of business the services are aimed at achieving the following respective results for the community:

- effective land use planning system and development control
- aligned transport, infrastructure investment and land use
- healthy and productive landscapes
- sustainable allocation, conservation and use of water.

Within DIPNR the corporate functions are aimed at supporting the business and developing the capability of the whole organisation.

Legislative framework

Of the more than 50 Acts of Parliament administered by DIPNR, the key ones are:

- *Environmental Planning and Assessment Act 1979*
- *Growth Centres (Development Corporations) Act 1974*
- *Catchment Management Authorities Act 2003*
- *Native Vegetation Act 2003*
- *Native Vegetation Conservation Act 1997*
- *Plantations and Reafforestation Act 1999*
- *Forestry and National Park Estate Act 1998*
- *Coastal Protection Act 1979*
- *Soil Conservation Act 1938*
- *Western Lands Act 1901*
- *Lake Illawarra Authority Act 1987*
- *Water Management Act 2000*
- *Water Act 1912*
- *Rivers and Foreshores Improvement Act 1948*
- *Murray–Darling Basin Act 1992*
- *NSW–QLD Border Rivers Act 1947.*

DIPNR's GOAL

To improve the economic performance, environmental sustainability and quality of life for the NSW community through balanced land use planning and natural resource management supported by well-timed, quality services, transport and infrastructure.

Beyond its statutory authority, DIPNR has the key responsibility of linking infrastructure planning to the Government's budget processes as conferred by the NSW Premier's Memorandum 2003–17.

The Department reports to the NSW Government through two Ministers:

- the Minister for Infrastructure and Planning, and Minister for Natural Resources
- the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration).

The Corporate Action Plan 2004–05

In September, the Department published the *Corporate Action Plan 2004–05* detailing its challenges, key priority areas, objectives, strategies/projects and targets for the following 12 months. This plan was designed to assist the organisation respond to its challenges and to meet the Government's objectives. It provides a context for staff to carry out their jobs. It also communicates the organisation's priorities and initiatives to the community.

The *Corporate Action Plan* outlines key transformational work we planned to undertake over the 12 month period, along with critical milestones and targets. The milestones and targets are not just aspirations, they are actual outcomes we aimed to deliver.

By reference to the *Corporate Action Plan 2004–05* the reader of this annual report can readily assess the Department's progress and performance during the year.

Key external relationships

Effective consultation and strategic partnerships are fundamental to DIPNR's success.

To achieve DIPNR's goal staff work with individuals, communities, interest groups, industry, local councils and other state government agencies consulting and negotiating on issues that affect the people of NSW.

Some of these key external relationships include:

- Planning Reform Reference Group
- Local Government Planning Reform Implementation Committee
- The Metropolitan Strategy Reference Panel
- Sustainability Commissioners
- Catchment Management Authority Boards
- The Growth Centres Commission
- Natural Resources Commission
- Natural Resources Advisory Council
- Science and Information Board
- Australian Building Codes Board.

Staff

The Department employs staff in a wide variety of roles and professions. They are based in offices throughout NSW in regional and metropolitan areas.

DIPNR is committed to having appropriately skilled and motivated staff through:

- providing targeted learning and development programs
- promoting a balance between work and home
- promoting a rewards and recognition culture throughout the organisation
- promoting a safe, productive and compassionate working environment.

Structure

DIPNR's structure focuses on a place-based approach to land use planning, infrastructure and natural resources priorities. It includes six operational areas:

1. Coastal, Rural and Regional NSW
2. Metropolitan Region
3. Knowledge, Science and Information
4. Sustainable Development Assessments and Approvals
5. Major Projects
6. Office of the Director General.

It has three corporate support functions:

1. Corporate Counsel
2. Corporate Services
3. Finance.

The Office of **Coastal, Rural and Regional NSW** provides the strategic direction and makes decisions on land use and natural resource management in coastal, rural and regional areas of NSW. The office has overall responsibility for the natural resource system and drives key strategic natural resource management policy and projects.

The Office of the **Metropolitan Region** provides the strategic direction and makes decisions on land use and natural resource management in the urban areas of Sydney and the Central Coast. The Office incorporates transport planning and has responsibility for developing and driving key strategic planning projects such as the Metropolitan Strategy.

The Office of **Knowledge, Science and Information** provides science, information management and resource economics advice on land use, environment and resource allocation decisions that impact on communities. It plays a key role in policy development across all parts of the organisation and across the NSW Government.

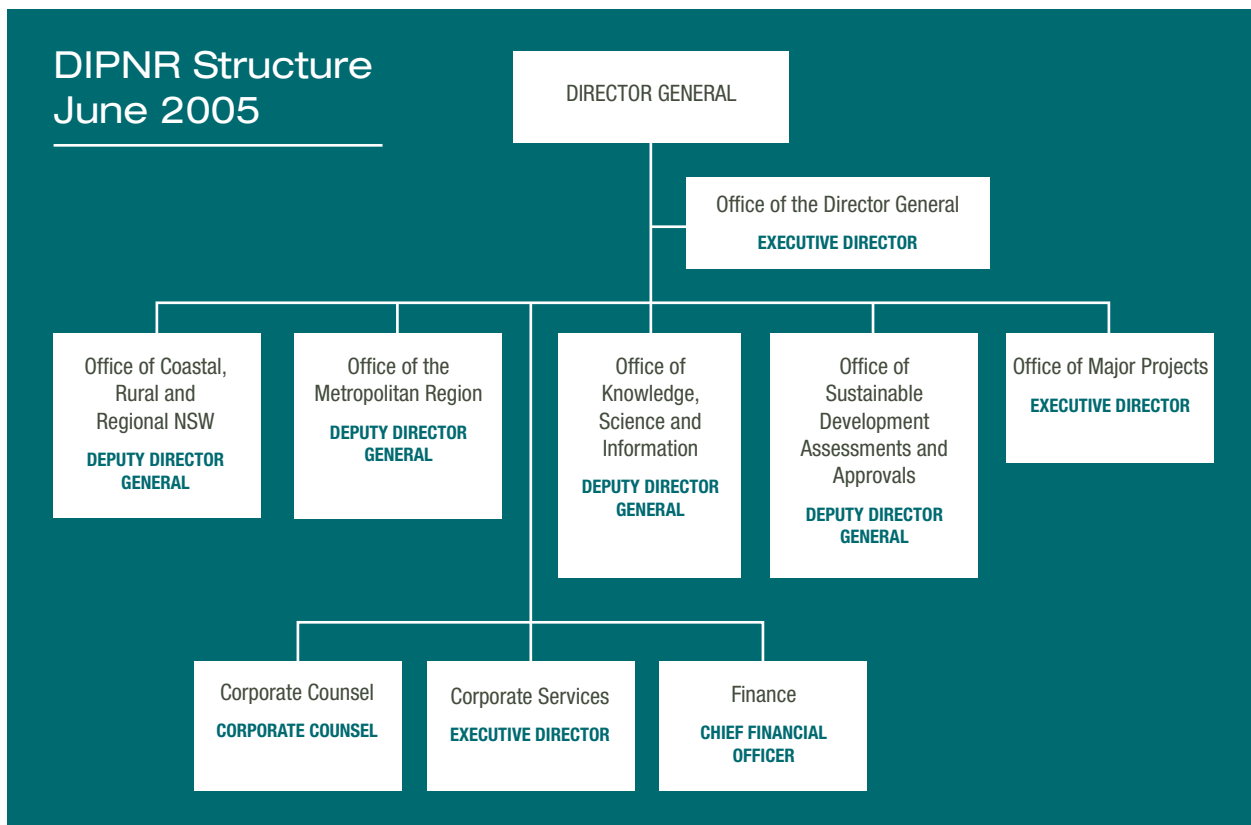
The Office of **Sustainable Development Assessments and Approvals** undertakes integrated environmental assessments and approvals for major infrastructure and development projects. The Office's

main objective is to ensure that key economic and employment-generating activities are environmentally and socially sustainable.

The Office of **Major Projects** is responsible for North West and South West Sydney land release program including the establishment of the Growth Centres Commission. The Office will manage infrastructure projects and has a key role in assessing and reviewing infrastructure proposals for the Infrastructure and Planning Cabinet Committee (IPCC), major projects and land management functions to ensure key priorities are delivered. This includes the Corporation Sole – the legal entity which operates to purchase land needed to implement key public projects and to protect the State’s natural assets through the Sydney Region Development Fund (SRDF).

The Office of the **Director General** coordinates and leads the reform agenda and manages key central functions including corporate governance arrangements. In particular, the office has responsibility for statewide policy and organisational reform, executive governance, corporate planning and reporting, communication and media. This includes the responsibility of the Building Professionals Board, Sustainability Unit (BASIX), Building Systems Unit and Planning Reform Unit.

There are also a number of corporate support functions that report to the Director General, **Corporate Counsel, Finance and Corporate Services.**



Executive

Jennifer Westacott BA (Hons), FAICD, FVIPA

Director General

Jennifer Westacott was appointed Director General of the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR) in May 2003.

Before her appointment as DIPNR's Director General, Jennifer was the Secretary of the Department of Education and Training in Victoria. This organisation has more than 40,000 employees and an annual budget of \$5.7 billion. From March 2001 to December 2002 Jennifer was the Director of Housing in Victoria. The Director of Housing is responsible for assets totalling \$8.9 billion and over 75,000 properties.

Before becoming the Director of Housing, Jennifer had a long career in the NSW public service. Following her 1999 appointment as Executive Director of the NSW Health Council, the Council produced a highly regarded report recommending a major overhaul of the NSW Health System. Jennifer was a member of the team that negotiated a significant funding boost and a long-term funding agreement for NSW Health.

Prior to 1999 Jennifer spent 14 years in the NSW Department of Housing, where she undertook a variety of policy and operational positions. Jennifer was appointed as the Department's Deputy Director General in 1996.

Jennifer is a Chevening Scholar. She holds management qualifications from the Monash Mt Eliza Business School and a BA(Hons) in Political Science from the University of NSW. She is a fellow of the Institute of Company Directors, a Fellow of the Victorian Institute of Public Administration and has held a number of directorships including the Urban and Regional Land Corporation in Victoria. Jennifer is on the Board of Advice for the Economics Faculty at the University of Sydney.

Jennifer was awarded the Centenary Medal in April 2003 for services to the community through public administration.

Sam Haddad BE(Chem), MAppSc(Env), MBA

Deputy Director General

Sam Haddad leads the Office of Sustainable Development Assessments and Approvals.

With extensive professional experience as a practitioner, policy maker and regulator, Sam's responsibilities include: approvals for major development and infrastructure projects throughout the state; urban and coastal assessment; infrastructure and state significant development; planning assessment and approvals systems reform; environmental and planning policies; approval system reforms and innovation. He is the key policy and regulatory driver for infrastructure assessment and approvals in the state.

Sam has national and international experience in the field, including with the United Nations and European Commission.

John Scanlon LLB, LLM (Environmental)

Deputy Director General

John Scanlon was appointed as Deputy Director General, Office of the Metropolitan Region in February 2005. John brought a unique range of experience with natural resource management, environment and sustainable development, governance, law and policy to the position.

John's experience has been gained at the international, national, sub national and local level. He has worked in the private and public sectors, and his experience includes senior roles in government, with intergovernmental organisations, as a professional adviser, a legal practitioner and through senior voluntary positions in the non-government sector. In February 2005, John was appointed to the Steering Committee of the International Union for the Conservation of Nature and Natural Resources (IUCN) Commission of Environmental Law.

John's previously held positions include chief executive of the Department of Environment, Heritage and Aboriginal Affairs for the South Australian Government and advisor to the World Commission on Dams in Cape Town, South Africa. Prior to commencing with the Department he was head of the IUCN Environmental Law Programme located in Bonn, Germany.

Peter Sutherland BA(Hons), BSc **Deputy Director General**

Peter Sutherland commenced in January 2004 as the Deputy Director General, Office of Coastal, Rural and Regional NSW. Since that time, he has been responsible for leading important reforms in water, vegetation management, coastal management authorities (CMAs), and development of the regional strategies.

Peter has over 25 year's experience in natural resource management in NSW, Victoria, the Murray Darling Basin and nationally. He was previously deputy secretary in the Victorian Department of Natural Resources and Environment, where he was responsible for catchment and water programs. He led the formation of Victoria's CMAs and a number of significant water industry and natural resource reform initiatives.

Peter also worked for the Department of Agriculture in Victoria as Executive Director, Sustainable Regional Development and General Manager, Rural Policy and Marketing. He has held senior positions in the Department of Water Resources and the Environment Protection Authority. He has been a deputy commissioner on the Murray Darling Basin Commission, and is a member of the National Land and Water Audit Advisory Council, National Water Initiative Working Group, and a wide range of other national committees dealing with natural resources policy.

Peter Cosier BSc, Dip. URP **Deputy Director General**

Peter Cosier leads the Office of Knowledge, Science and Information, responsible for coordination of coastal, water and landscape science, information management and economic and social assessments. He is a member of the Department's Board of Management and Financial Committee and has overseen the NSW native vegetation reforms and regional planning strategies for coastal NSW. He represents the Director General on the CEO Greenhouse Committee and Government Agencies Sustainability Committee. He is also a member of the CSIRO Water for a Healthy Country Steering Committee.

Peter is a member of the Wentworth Group of Concerned Scientists. He has a background in science, specialising in natural resources management and urban and regional planning and has a strong interest in the long-term health of Australian landscapes.

Peter joined the Department in February 2004 having spent six years as an adviser to the Australian Environment Minister, Senator Robert Hill. In this capacity he was responsible for the \$2.5 billion Natural Heritage Trust, \$1.4 billion National Action Plan for Salinity and Water Quality, native vegetation and water reform, biodiversity conservation programs and international greenhouse policy.

the year in brief

- 2004 July** 31 statutory water sharing plans commenced, as did the new licensing provisions of the *Water Management Act 2000*, including perpetual water access licences, for those areas covered by a water sharing plan.
- Remaining provisions of the EP&A Amendment (Quality of Construction) Act concerning critical stage inspections and signage on development sites commenced.
- August** The first stage of the ground-breaking BASIX program was successfully introduced with over 1,700 BASIX certificates issued and 13,000 website visits.
- September** Comprehensive reforms to the NSW planning system were announced.
- A discussion paper on standard provisions for LEPs was released for comment.
- The Metropolitan Strategy Discussion paper was released.
- Further appointments to CMA Boards were announced.
- \$1 million worth of grants allocated for better access to Sydney Harbour covering 18 projects in and around the foreshore.
- \$1 million in funding was allocated to distribute to Councils along the Parramatta Road Corridor to carry out planning work to help revitalise the corridor.
- October** It was announced that BASIX was being planned for introduction in new apartment blocks and other multi-unit residential developments.
- The Metropolitan Water Plan – providing certainty for Sydney’s water supply – was launched by the Premier.
- November** The draft native vegetation regulations were placed on exhibition.
- The Murray-Darling Basin Ministerial Council agreed to fund an initial four water recovery proposals under the First Step of the Living Murray Initiative.
- BASIX won Gold in the Environment category at the Premier’s Public Sector Awards.
- December** The first stage of the Government’s Ports and Freight Strategy for Sydney was announced.
- Amendment to the EP&A (Development Contributions) Bill was introduced into Parliament.
- Under the Rivers and Foreshores Improvement Act, a simpler approval process for certain development near waterways was implemented.
- It was revealed that the newly created Western Sydney Parklands will this year become home to over 35,500 more trees and shrubs.
- 2005 January** The draft Regulation and Assessment Methodology, as part of the new native vegetation management program, completed its public exhibition period.
- February** The make up of the Freight Infrastructure Advisory Board (FIAB) was announced.
- Grants to assist local councils undertake floodplain management projects, were issued.

March A new funding round offer to local councils was announced to help them prepare new local environmental plans (LEPs) in line with the NSW Government planning reforms.

State wide seminars conducted to introduce new energy efficiency provisions in the Building Code of Australia and the alignment of those provisions in NSW with BASIX.

April \$28.9 million mixed-use waterfront residential development at Homebush Bay West was approved.

BASIX received the Urban Planning Achievement Award and President's Award at the Planning Institute Australia (NSW Division) Awards for Excellence in Planning.

May The EP&A Amendment (Development Contributions) Bill was passed by Parliament.

An overhaul of planning laws was announced by the Government.

\$60 million allocated to the delivery of infrastructure for new communities in the North West and South West of Sydney.

Key infrastructure and natural resource management initiatives as part of the 2005-06 Budget were announced, such as funding grants to Catchment Management Authorities and the Growth Centres Commission.

A new state environmental planning policy was gazetted, which will help deliver the Government's \$34.7 billion infrastructure program, Metropolitan Strategy and other regional strategies.

The Darling Anabranch Management Plan was approved.

The Premier announced major forestry and conservation outcomes for the Brigalow Belt South and Nandewar bioregions.

The Floodplain Development Manual, facilitating the management of flood liable land, was approved and gazetted.

Amendments to the Building Code of Australia were adopted.

June Detailed plans were released on how new land release areas in Sydney's North West and South West will be developed.

The NSW Parliament passed the Planning Reform Bill.

The NSW Legislative Assembly passed the Building Professionals Bill 2005.

The addition of 2 Murrumbidgee CMA Board Members was announced.

Plans were announced to improve the health of the Hawkesbury-Nepean River during the worst drought in the nation's history.

A \$110 million "Achieving Sustainable Groundwater Entitlements" Package was announced.

Draft regulation and regulatory impact statement concerning the design and construction of caravan parks and manufactured home estates went on exhibition.

planning system and development assessment

Objectives

- Increased level of sustainable capital investment and job creation.
- Development aligns with population growth, demographic change and infrastructure investment, and high value natural and cultural assets are protected.
- Increased certainty and reduced transaction costs for developers.
- Local councils implement effective local plans. Less State Government involvement in local development assessment.
- Effective and timely assessment of major projects and infrastructure.
- Local councils have resources and capability to prepare plans and assess development proposals.
- Strong and streamlined planning system and assessment process for major and local development.
- Adequate information available to guide planning decisions.

Challenges

- achieving adequate public participation in the plan making and development approval processes
- managing and streamlining the development control system for NSW that supports local government and state planning. There are 59 SEPPs and 43 regional environmental plans (REPs) and over 150 local councils, each with a multitude of local planning instruments that service differing communities, often with conflicting interests
- consolidating potential approval requirements and streamlining them into a “one assessment – one approval” process
- implementing planning reforms to reduce the number and layers of plans, assessment times and costs of major projects; strengthening enforcement provisions

Major achievements

- amending the *Environmental Planning and Assessment Act 1979* to modernise the planning system and simplifying the development assessment process for major projects, while protecting high value environmental assets
- amending section 94 of the *Environmental Planning and Assessment Act 1979* to extend the means by which local councils and other planning authorities will be able to obtain developer contributions and provide a better and more certain legal framework around options for collecting and spending contributions
- returning to local government the assessment function for 40–60 percent of development previously designated State significant
- removing over 1,100 concurrences from planning instruments

- continuing to: reduce 3,000 concurrences and referrals in LEPs; reduce 59 SEPPs to less than 25 and reduce 5,500 local planning instruments to 152
- allocating \$9.8 million to local government from the Planning Reform Fund to help simplify and improve local planning and development
- exhibiting a discussion paper on standard provisions for LEPs which will cut the number of zones from 3,100 to 25, and the number of definitions from 1,700 to about 255
- making an order under the *Rivers and Foreshores Improvement Act 1948* to reduce the number of permits required for developments by 60 percent
- assessing 384 major development and infrastructure projects (including Urban Assessments), an eight percent increase on the previous year, with a capital value of approximately \$2.9 billion and generating over 5,000 jobs
- achieving a 16 percent reduction in assessment times for major manufacturing and rural projects, a 12 percent reduction in the assessment time for coal projects, and a 9 percent reduction in the average assessment time for major infrastructure projects
- implementing BASIX for new single dwellings in the Sydney area. BASIX requires buildings to use 25 percent less energy and 40 percent less water than the previous industry standard. BASIX won four excellence awards, including the Planning Institute of Australia's National Urban Planning Achievement Award
- implementing major amendments to the Building Code of Australia, significantly improving building standards in NSW, including its referenced documents and associated building control legislation
- significant progress was made to establish the Building Professionals Board as the single accreditation body for certifiers in NSW.

Outlook

- gazetting standard LEP template and completing review of Ministerial Directions
- implementing changes to parts 3 and 4 of the EP&A Act concerning local plan making and local development assessment
- development and implementation of BASIX for alterations and additions across NSW
- finalising the formal creation of the Building Professionals Board as the single accreditation body for certifiers in NSW
- continuing to facilitate responsible investment in NSW by implementing planning reforms governing the assessment and decision-making process for major projects
- strengthening upfront and timely assessment through new assessment regime introduced with Part 3A of the EP&A Act.

PLANNING SYSTEM REFORM

On 30 September 2004, the Minister for Infrastructure and Planning announced a major overhaul of the NSW planning system. The reforms constitute one of the ten flagship projects for the Department and:

- focus on strategic planning for growth areas
- simplify planning controls
- improve development assessment processes
- allow flexibility in the use of developer levies for local facilities and services.

Over 1,100 concurrences and referrals in LEPs have been removed, and 60 percent fewer urban developments now require permits under the Rivers and Foreshores Improvement Act. The Department has successfully implemented the Government's policy of reducing the State's involvement in the detail of local planning and development. That is, the State Government will no longer need to constantly make or amend SEPPs and REPs when responding to key issues.

The planning reforms seek to deliver sustainable development while preserving public participation.

More information on the reforms is available on the Department's website:
http://www.planning.nsw.gov.au/planning_reforms/index.asp

Planning Reform Reference Group

The Planning Reform Reference Group was established to oversee the implementation of the Government's planning reform agenda, including legislative changes, the LEP template, State significant development and regional strategies.

The Group's terms of reference include:

- providing advice on the Planning Reform Package that responds to the Planning Reforms taskforce reviews of the planning system
- providing advice on legislative proposals
- monitoring progress by the Department in implementing the Planning Reform Package.

The group is comprised of planning experts drawn from local government, the development industry, the legal profession, the environmental sector and State government.

Amendments to the EP&A Act

In June the NSW Parliament passed the *Environmental Planning and Assessment Amendment (Infrastructure and Other Planning Reform) Bill*. This contains key elements of the Government's planning system reforms, through changes to both plan making and major development assessment.

A key component of the amendments is the insertion of a new Part 3A (Major Projects) into the EP&A Act. The aim is to facilitate major project and infrastructure delivery and encourage economic development, while strengthening environmental safeguards and community participation.

Part 3A provides a single simplified process for all major projects with the emphasis on outcomes rather than complex processes. It will dramatically change the manner in which major developments are dealt with by having:

- one assessment process for all major projects, with the level of assessment tailored to level of significance and integrated approvals removing the need for separate approvals under nine Acts. Additional opportunities have been made for the community issues to be considered
- concept approvals which will provide for consideration of broad concept earlier and upfront certainty for complex developments. The level of assessment of subsequent stages can be determined in the approval
- strengthened compliance, auditing and enforcement provisions
- the Minister declare infrastructure projects which are essential for social, economic or environmental reasons to be critical infrastructure projects. These projects will be subjected to a risk assessment prior to being declared critical
- strengthened independence and coordination through the use of independent hearing assessment panels (IHAPs). The Chief Executive Officer (CEO) Forum will provide for improved government coordination and will oversee the development of guidelines. These guidelines will be published by the Minister in the Government Gazette.

The new provisions will ensure the appropriate level of community consultation and environmental assessment is undertaken, based on the level of risk or community concern.

Changes were also made to the development contributions system; assented to in May, the *EP&A Amendment (Development Contributions) Act* is scheduled to commence in July 2005. The changes provide a statutory framework for voluntary planning agreements, authorise fixed development consent levies, permit cross boundary levying of contributions, and permit pooling of contributions funds. A series of practice notes has been issued to assist practitioners implement the changes.

LEP Template

To simplify the planning system, the Department is proposing that all mandatory planning controls be included in LEPs. One new LEP will be required for each local government area (LGA) across the State within five years. A standard LEP template will be used containing consistent zones, provisions and definitions; cutting the number of zones from 3,100 to 25, and the number of definitions from 1,700 to about 255.

A working draft template was placed on exhibition at the end of 2004 and workshops held.

State Environmental Planning Policy (State Significant Development) 2005

The State Environmental Planning Policy for State Significant Development (SEPP-SSD) was Gazetted on 25 May after extensive consultation in the development of the SEPP. A protocol for more effective partnership with councils in the assessment of major development was prepared.

Under the new SEPP, the criteria for State significant development have been reviewed and updated with new classes of development defined as State significant in line with policy priorities. Certain classes of development that would previously have required Ministerial approval have been returned to local government for approval.

The new SEPP consolidates the provisions from more than 85 instruments, directions and declarations into the one instrument and nominates classes of State significant development in various sectors, for example agriculture, mining, manufacturing, tourism, waste and construction projects (residential, retail or commercial), as well as government service facilities such as hospitals and schools.

The SEPP also updates and consolidates the provisions in existing place-based SEPPs (eg, Sydney Harbour Foreshores and Tributaries), returning planning controls to councils where the State's

planning objectives have been achieved on the site. The SEPP also makes provision for the Minister to nominate State significant sites, with the Opera House nominated as such a site.

Quality of Construction Act

The final two major components of the EP&A Amendment (Quality of Construction) Act commenced in July 2004.

The first was the requirement for mandatory critical stage inspections for the construction of Building Code of Australia Class 1 and 10 and Class 5–9 buildings. Inspections for Class 1 and 10 buildings will occur at various stages, including at the commencement of building work, and prior to covering water proofing in any wet areas, and for Class 5–9 buildings for example, prior to covering any stormwater drainage connections.

The second was the requirement for principal contractors (the person responsible for the overall coordination and control of carrying out the building work) and principal certifying authorities (consent authority, council or an accredited certifier) to include signage on development sites.

The setting of the mandatory critical stage inspection requirements provides increased assurance to owners and occupiers of quality building outcomes and enables direct contacts for the public regarding work.

The Department also issued a circular in April on occupation certificates and conditions of consent. This provided councils, accredited certifiers, applicants and other stakeholders with information on the responsibilities of principal certifying authorities in issuing occupation certificates. The circular also provides guidance to consent authorities in deciding on the conditions of consent that relate to the issuing of occupation certificates.

Review of Caravan Parks and Manufactured Homes Regulations

The Department is responsible for the day-to-day administration of regulations governing the siting, design and construction of caravan parks, camping grounds, moveable dwellings and manufactured home estates. There are about 960 caravan parks in NSW.

The regulations were reviewed in early 2005 because they were due for staged repeal, and a draft consolidating regulation and regulatory impact statement were exhibited during June and July.

The new regulation relates to the granting of approval to operate caravan parks, manufactured homes and

camping grounds and to standards such as land and site requirements, setbacks, design, construction and installation. The object of the regulation is to provide opportunities for affordable alternatives in short and long term accommodation. A new regulation will come into force on 1 September 2005.

Planning Reform Funds

The Planning Reform Fund is used to fund projects to implement the NSW Planning Reforms.

The funds are being used to assist local government in the delivery of new local plans and to support key strategic projects as part of planning reform, such as the Metropolitan Strategy, coastal regional strategies and BASIX.

This year, funding was provided for:

- councils who need to complete new local plans in the next two–three years
- metropolitan and regional planning projects which will provide State and regional context for local plans
- the development and implementation of BASIX (discussed later in this section).

Types of initiatives proposed for funding in the next round, include proposals to modernise local plans and joint council projects addressing sub-regional issues such as housing supply, management of rural lands and supply of employment lands.

Review & Assessment of Local Government Planning

The Department's local planning teams are the immediate interface with local councils and key regional stakeholders.

The teams have been working very closely with approximately 109 local councils so that planning reform can be achieved at the local level; they will assist in the delivery of a range of critical planning products. There has been a strong commitment to ensure councils are using strategic thinking to underpin the basis of their LEPs. The number of LEPs gazetted is likely to decline in the future as comprehensive LEPs are prepared using the proposed standard template. This year 210 LEPs were gazetted.

Negotiations with local councils start at a very early stage of the local plan preparation process with the local planning teams making sure that State and

regional objectives are being met and supported by local councils. Also, liaison with other State agencies has been paramount to guarantee delivery of an integrated approach to planning in NSW.

The integration of natural resources, infrastructure planning and transport aspects at an early stage of the planning process, has greatly assisted the Department to provide clear advice in the development of local plans. It has also helped to facilitate the development of sound regional planning outcomes. This is particularly evident in the work that has been done on the land release program.

Planning Advisory Line

Two advisory lines are operated to assist practitioners, such as councils, consultants, industry, applicants and the public. Advice is provided on the application of the EP&A Act and Regulation and on the councils' monthly planning reform fee returns to the Department.

Local Government Planning Reform Implementation Committee

The Planning Reform Implementation Committee is a joint DIPNR/local government group which monitors the progress of the implementation of the NSW Government's planning reforms.

The Committee's terms of reference are to:

- give consideration to the practical implementation of the metropolitan and regional strategies through local strategic planning and LEPs
- give consideration to the development of the content of the LEP template and standard provisions by councils and their practical implementation, including transitional arrangements for new LEPs in priority and other areas; also building the hierarchy of centres into the LEP template
- ensure the appropriate distribution of the planning reform fee to local government (including agreeing to the criteria for the allocation of funds to local government and shortlisting of councils and projects) is consistent with the intent of planning reform priorities
- advise on issues around accreditation and certification in the planning system (including the proposal for accreditation of council officers)
- advise on other issues arising from the implementation of the planning reforms generally.

BUILDING STANDARDS AND POLICIES

The Department is responsible for the overall operation of the planning and building system. This means reviewing the way in which plans are prepared, development applications (DAs) are assessed, buildings are constructed, the environment is managed and certificates are issued.

Building Sustainability Index

BASIX, the Building Sustainability Index, is a flagship project for the Department. It was introduced as part of the NSW planning system and is a web-based planning tool that measures the potential performance of new residential dwellings against sustainability indices. It requires buildings to use 25 percent less energy and 40 percent less water than the previous industry standard.

BASIX commenced on 1 July for single and dual occupancy dwellings in the Sydney area. The introduction of BASIX will mean a cumulative reduction in water consumption of 287 billion litres over the first 10 years, or 15 percent of the capacity of Warragamba Dam. Over the same period, BASIX will save 9.5 million tonnes of greenhouse gas emissions, equivalent to removing 2.6 million cars from NSW roads.

Training of council staff, development industry, design professionals and other stakeholders in Sydney and across NSW was successfully implemented. In delivering BASIX to all of NSW, the Department has demonstrated a new capacity to improve the planning and approval systems and contribute to improved sustainable housing. This has been achieved by: establishing consistent criteria for sustainable residential design; cooperating with the development industry and local government to benefit stakeholders; using up-to-date technology to simplify design, assessment and certification of residential development; and communicating new government requirements to stakeholders.

BASIX won four environmental and planning excellence awards, including the Planning Institute of Australia's National Urban Planning Achievement Award in recognition of its outstanding contribution to planning.

More information on BASIX is available on the Department's website:
www.basix.nsw.gov.au/information/index.jsp

Building Code of Australia

The Department is responsible for NSW's contribution to the ongoing development and reform of the Building Code of Australia (BCA), including its referenced documents and associated building control legislation. The Department performs this role to ensure that planning and building issues relevant to this State are encompassed in this process and the outcomes are appropriate and acceptable to the Government, industry and community of NSW.

The value of building approvals in NSW during 2003–04 was approximately \$15.7 billion, which accounts for nearly 30 percent of the national total.

In May, the latest amendments to the BCA (BCA 2005) were implemented in NSW. These amendments included:

- referencing of new and updated Australian Standards
- incorporating energy efficiency provisions for multi-unit residential buildings and aligning those provisions in NSW with BASIX
- an updated protocol for House Energy Rating Software
- introducing technical construction standards for balustrades incorporating wire elements
- aligning certain BCA provisions with aspects of the Occupational Health and Safety Legislation in relation to access for maintenance of lifts
- clarifying the requirements for: sprinklers to buildings and parts of buildings; the use of non-required stairs, escalators and ramps; stretcher facilities in lifts; and fire service controls in passenger lifts.

The Department provides an advisory service on the BCA, which gives advice on the interpretation and application of the Code and its related building control legislation. The service receives around 120 calls per month and is available to government agencies, local government, building practitioners and the general public.

The Department also published a number of Building Regulation Advisory Notes (BRANs) to provide information on various issues related to the BCA and associated matters. These notes were distributed to councils, accreditation bodies, and various government agencies and industry groups.

Building Professionals Board

Significant progress was made to establish the Building Professionals Board as the single accreditation body for certifiers in NSW. The Building Professionals Bill 2005 was introduced into Parliament in June and proposes the formal creation of the Building Professionals Board as an independent statutory body. The Board will accredit private certifiers to issue construction, occupation, subdivision, compliance and complying development certificates under the *Environmental Planning and Assessment (EP&A) Act 1979* and associated legislation.

The Board will also investigate complaints against private certifiers and audit private certifiers and councils in their certification role. It will take over the accreditation and investigation functions of four accreditation bodies for private certifiers and simplify the whole process.

The Department convened working groups with representatives of professional associations, certifiers and local government on the accreditation scheme and on the accreditation of council certification staff. The groups provided the Department with essential expertise for developing new regulatory frameworks for private and council certification services.

The Department's quarterly newsletter, the Building Professionals Board Bulletin, was launched in December 2004. The newsletter provides advice on certification practice and highlights outcomes from complaints investigations. The Bulletin forms an important element of the Department's strategy to improve professionalism in the certification industry and consumer and public awareness of certification issues.

The first Australasian Building Certification Forum was hosted by the Department in February. Eight Australian State and Territory government agencies attended the forum, together with the Australian Building Codes Board and the New Zealand Department of Building and Housing. The forum was an opportunity for government agencies which accredit and investigate certifiers to share information and explore solutions to common problems.

While working on establishing the Board, the Department continued to administer the Building Surveyors and Allied Professions (BSAP) Accreditation Scheme. In this capacity it brought the first successful prosecutions of private accredited certifiers in the NSW Administrative Decisions Tribunal (ADT) for professional misconduct and conflict of interest, in August and October. The Department also brought

the first successful action in the ADT to revoke the accreditation of a private certifier for acting outside their level of accreditation, in June.

STATE AND REGIONALLY SIGNIFICANT DEVELOPMENT ASSESSMENT

The Department's role in development assessment is to provide efficient and credible assessment of major development and infrastructure proposals, establish a state-wide framework for strategic environmental impact assessment, and implement coordinated auditing and compliance systems. The Department has assessed 384 major development and infrastructure projects (including Urban Assessments), an eight percent increase on the previous year, with a capital value of approximately \$2.9 billion and generating over 5,000 jobs. The categories of projects assessed are discussed in the following sections.

Major Infrastructure Assessment

The Department is responsible for assessing infrastructure proposals, including roads, other transport facilities, water, and projects for energy supply, that require the Minister's approval under Part 5 of the *Environmental Planning and Assessment Act 1979*. Many of these projects are NSW Government proposals, and usually require consideration of an environmental impact statement (EIS) as part of the assessment process.

The type of projects assessed are shown in Figure 1. Key projects determined included Moree Bypass, Northern Distributor (Wollongong), Mulgoa/Wallacia Sewerage Treatment Plant and the Darling Anabranch Management Plan (refer Case Study on Mulgoa, Wallacia and Silverdale Sewerage Scheme).

The Department has approved 12 Government projects totalling around \$410 million capital investment in value and reduced the average assessment time by 110 days or by around 10 percent, as indicated in Table 1.

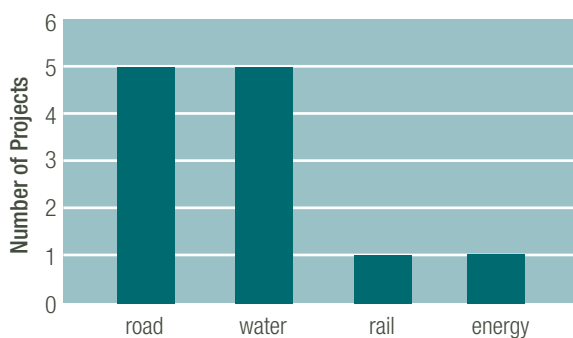
The number of projects assessed was consistent with the average received over the past 10 years. For each project, the Department's key objective has been to focus on key issues and to add value to the assessment and decision-making process.

The previous period, 2003–04 was an exceptional year reflecting many projects that were in the planning stages in the years preceding. The number of major projects for determination in 2005–06 is estimated to be between 10 and 15.

Table 1: Major Infrastructure Assessment 2001–02 to 2004–05

Major Infrastructure Assessment	2001–02	2002–03	2003–04	2004–05
No. of projects approved	17	7	19	12
Average assessment time (in days)	123	95	121	110
No. of construction jobs created	4,338	660	720	700
Capital investment value (\$M)	5,185	1,452	800	410

Figure 1: Types of Major Infrastructure Assessment Approvals 2004–05



case study ▶ development assessment

Mulgoa, Wallacia and Silverdale Sewerage Scheme

Sydney Water’s sewerage scheme for Mulgoa, Wallacia and Silverdale was approved by the Minister for Infrastructure and Planning on 13 September 2004.

The \$26 million project involves the construction of a sewage collection system for the three villages, transfer of sewage from these villages and Warragamba to a new Warragamba Sewage Treatment Plant (STP) and decommissioning of the existing Warragamba STP. The project forms part of the NSW Government’s Priority Sewerage Program which addresses the problems of unsewered areas in Sydney and the Illawarra.

Mulgoa, Wallacia and Silverdale previously relied on various on-site waste management systems. Some of these were operating poorly causing waterlogging, ponding, sewage runoff, and seepage into stormwater drains. As a consequence, the quality of stormwater and watercourses in some areas has deteriorated,

showing increase in pathogenic micro-organisms and nutrient loadings, particularly in wet weather.

In the project assessment, the Department was instrumental in requiring revisions to the project to overcome key environmental concerns. This included the relocation of the Warragamba STP to avoid endangered vegetation, relocation of a sewage pumping station because of flooding concerns, reporting requirements associated with deferral of the effluent re-use scheme, confirmation of effluent quality targets to be achieved following optimisation of the STP process, control of river discharges into the Warragamba River, and system performance and sewage overflow controls to ensure the achievement of the expected benefits.

With the completion of the project, Sydney Water expects to reduce risks to public health and potential for environmental impacts on the Hawkesbury–Nepean River and the Warragamba River catchments while improving the area’s residential amenity.

Major Development Assessment (Industrial)

In accordance with the *Environmental Planning and Assessment Act 1979*, the Department assesses major industrial development – such as major manufacturing and rural industries, resource developments, coal and other mining projects – that are deemed to be of State or regional planning significance.

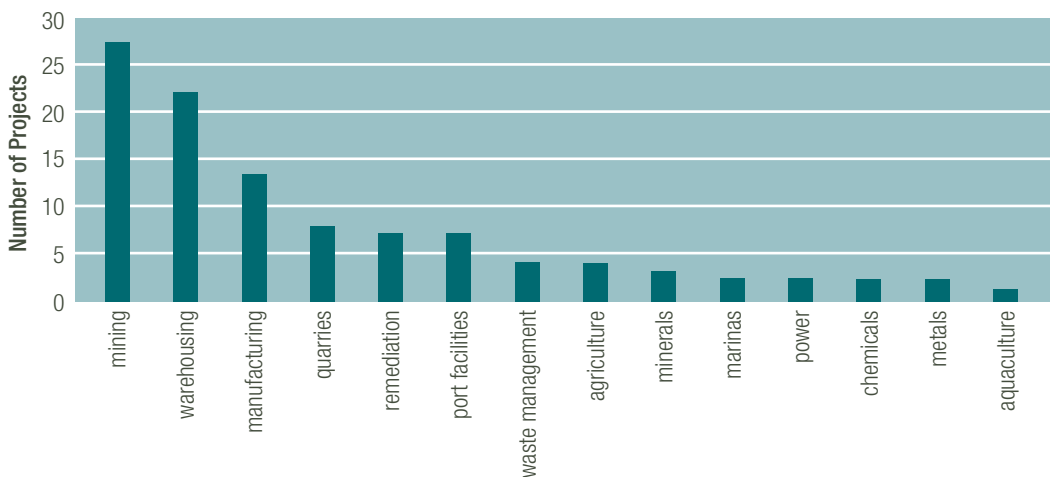
As indicated in Table 2, 44 development applications (DAs) were processed for State significant industrial developments, creating a total of 5,670 permanent jobs and involving capital expenditure in excess of \$1.8 billion. In addition, the Department processed 61 modifications, 25 more than the previous year.

The Department has reduced the time taken to assess major development projects, achieving a 16 percent reduction in assessment times for major manufacturing and rural projects and 12 percent reduction in the assessment time for coal projects (see Table 2).

Table 2: Major Development Assessment (Industrial) 2001–02 to 2004–05

Major Development Assessment (Industrial)	2001–02	2002–03	2003–04	2004–05
No. of DAs determined	30	35	54	44
Average No. of DAs per assessment officer	2.7	3	3.1	5.2
Capital investment (\$M)	1,987	553	1,794	1,802
No. of operational jobs created	2,166	3,421	4,300	5,670
Average DA assessment time (in months) for coal projects	7.3	8.6	5.75	5.06
Average assessment time (in months) for manufacturing and rural industries	7.6	5.6	5.1	4.3

Figure 2: Major Development Assessments including modifications by Category



Major Hazards and Contaminated Land

The Department provides a specialist policy, technical advice and assessment support service for potentially hazardous industrial development and the control of development in surrounding areas. The service is also the focal point for developing and implementing the Department's policy on the assessment and remediation of contaminated land.

The service aims to ensure that risks to land users from industrial accidents and contaminated land are understood and appropriately assessed and managed. The Department is increasingly providing technical advice on other areas of technological hazards such as hazards from electromagnetic fields, dam safety and high pressure gas pipelines.

Significant achievements made by the Department include:

- major hazards assessment advice was provided to Councils and assessment teams on 120 occasions, as indicated in Table 3
- completed consultation and review of SEPP 33 *Hazardous and Offensive Development*, which provides new definitions for 'hazardous industry', 'hazardous storage establishment', 'offensive industry' and 'offensive storage establishment'. Councils have endorsed the ongoing value of the SEPP in controlling risks from potentially hazardous industry
- commenced a review of SEPP 55 *Remediation of Land* in conjunction with the Department of Environment and Conservation
- redrafting of the SEPPs will be completed in the new year

- completing draft land use safety planning guidelines which are currently under review prior to publication. They will assist councils in managing land use conflicts in the vicinity of potentially hazardous industry
- completing a comprehensive review of compliance with hazards-related conditions of consent, including follow up of non compliance. The review of 137 projects found less than five percent non compliance for most conditions. Further, as a result of the follow up, non compliance with hazard audit requirements has more than halved
- prepared assessment guidelines for residential development in the vicinity of AM radio transmission towers in the Homebush Bay area. The guidelines will be used by planners (Department or local government) in the assessment of DAs.

Table 3: Assessment of Major Hazards & Contaminated Land 2001–02 to 2004–05

Major Hazards & Contaminated Land	2001–02	2002–03	2003–04	2004–05
No. of assessment requests processed	n/a	n/a	116	120
No. of officer days per request	n/a	n/a	4.1	4.4
% of time spent on assessment and compliance support	n/a	n/a	31	53

Urban and Tourism Assessment

The assessment of various urban and tourism related development proposals are the Department's responsibility when the Minister has the role of consent authority. The focus is on major tourism developments, strategic sites and environmentally sensitive areas across NSW including:

- the assessment of development in the coastal zone
- development and building assessments in the alpine resorts of Kosciusko National Park
- redevelopment in various metropolitan precincts such as Rhodes Peninsula, Sydney Olympic Park, Honeysuckle (Newcastle), Eastern Creek and strategic sites adjoining Sydney Harbour including the Sydney Opera House.

The Department concluded the assessment of a \$44 million mixed tourist/residential/rental development considered vital for the revitalisation of Tweed Heads Central Business District. The Department, with the assistance of the Government Architect, negotiated a new approach to the design of the project resulting in reduced bulk, less overshadowing of the foreshore reserve and improved public access around and through the site. The proposal achieves a similar development yield for the proponent, satisfies local and State planning objectives and is widely regarded as setting a new design benchmark for building design in Tweed Heads.

Following the introduction of the State Significant SEPP in May, early indications suggest that there will be a reduction in the number of DAs for relatively minor matters in the coastal zone.

The urban and tourism assessment Table 4 shows that there has been a steady increase in the average number of DAs assessed per assessment officer and an increase in the capital investment value of DAs assessed.

The future trend will be a decrease in the number of DAs but with a higher capital value assessed because of the new assessment regime introduced with Part 3A of the EP&A Act.

SEPP 71 has increased the level of environmental scrutiny and this is reflected in the 149 applications lodged in 2004–05; 25 were either refused or withdrawn following assessment.

Crown Projects

In accordance with the *Environmental Planning and Assessment Act 1979*, the Department facilitates the planning approvals process for Crown projects. It works in partnership with Government agencies and local councils to resolve delays by dealing directly with proposals, when necessary, or by chairing negotiation meetings, where proposals have been referred to the Minister in accordance with Part 5A of the Act.

There were 14 Crown DAs referred to the Minister for consideration. Of these, 13 have been the subject of mediation meetings and eight have been determined; one was withdrawn.

Compliance Monitoring and Enforcement

The Department monitors compliance of projects approved by the Minister with the conditions of approval using a range of measures. Proponents of major developments and infrastructure projects are required to report to the Department on their level of compliance as a result of monitoring of outcomes and from audits conducted by independent auditors approved by the Director General. The compliance team reviews these audits and follows up on outstanding issues. In addition, information received from third parties on potential breaches is followed up directly with proponents and enforcement action taken, when necessary. In addition, the Department undertakes audits of major projects selected from key industry or infrastructure sectors.

Table 4: Assessment of Urban & Tourism Applications 2001–02 to 2004–05

Urban & Tourism Assessment	2001–02	2002–03	2003–04	2004–05
No. of DAs determined	154	230	246	267
Average No. of DAs determined per assessment officer	6.8	7.6	9.1	14
Capital Investment Value (\$M)	493	621	559	700

The compliance program provides assurance to government and the community that the Minister’s approvals are properly enforced and non-compliances addressed appropriately.

The target for the compliance program in 2004–05 was to strengthen the compliance process. This was delivered through a compliance auditing program and a review of the enforcement provisions of the EP&A Act.

Compliance auditing

The Department conducts its own compliance audits on selected projects. This year the Department conducted 12 audits (as per Table 5), of major projects manufacturing, infrastructure, waste facilities, coal mines, other extractive industries, rural industries and urban development.

The main findings from the audits were in the following areas:

- chemical and oil storage
- water quality, groundwater and stormwater management
- irrigation management
- noise and air quality
- environmental monitoring and reporting
- non-approved works
- others.

In most cases, proponents’ responses to audit findings have been satisfactory, with documented improvements. The Department will continue to monitor follow-up actions.

The Department will continue to enhance compliance monitoring and enforcement activities including an inspection program targeting higher risk developments, improve guidance for enforcement activities and deliver appropriate training and strengthen communication of compliance activities to government and the community

Strategic Assessment

Strategic assessment to undertake strategic land use and development assessment of sites or localities nominated by the Minister for listing as State Significant Sites in Schedule 3 of State Environmental Planning Policy 2005 (State Significant Development), began in June. These include major government and private sector sites that, through size, location, or function, have implications for the Government’s ability to deliver State and regional planning and economic or social policy.

Strategic assessment will be a key component in efficiently delivering State and regional planning outcomes through putting in place appropriate land use and development controls for sites or precincts identified in the Metropolitan Strategy and in regional and sector-based strategies, including the metropolitan Ports and Freight Strategy.

The Department will also undertake strategic cumulative land use assessment of important industrial areas that will inform regional strategic planning through confirming the suitability of industrial land uses, associated infrastructure and conservation outcomes, where appropriate. The strategic industrial assessments will help to inform proponents and government in preparing and assessing concept plans and project applications for industrial proposals.

Table 5: Compliance Enforcement 2001–02 to 2004–05

Compliance enforcement provisions	2001–02	2002–03	2003–04	2004–05
No. of audits conducted	NA	NA	9	12
No. of investigations and reviews conducted	NA	NA	5	4

strategic land use and infrastructure planning

Objectives

- Development aligns with population growth, demographic change and infrastructure investment, and high value natural and cultural assets are protected.
- Infrastructure and services align with settlement patterns.
- Improved use of existing infrastructure investment.
- Planning instruments and development approvals align with strategies.
- State agency capital budgets align with strategies for priority regions and industry sectors.
- Increased private investment in public infrastructure and reduced requirement for State capital.
- Strong and detailed strategies set settlement patterns, infrastructure and natural resource priorities.
- Transport corridors and other essential land are preserved or acquired.
- Private sector infrastructure proposals assessed and coordinated with State infrastructure needs.
- Adequate information available to guide infrastructure decisions.

Challenges

- in Sydney over the next 25 to 30 years we will need to build over 600,000 more dwellings, provide for around half a million jobs, support the growth of business, and ensure the provision of the infrastructure and services required to maintain a strong economy and a high quality of life
- Sydney and the Central Coast have a population of over 4.1 million people and this is projected to grow to over five million by 2031 and six million by around 2050. These two areas house 63 percent of the NSW population, with the Illawarra and Lower Hunter accommodating another 750,000 people and growing strongly
- Sydney and the Greater Metropolitan Region host 66 percent of the State's jobs with projected employment growth over the next 20 years of around 250,000–300,000 jobs. This equates to demand for around one million square metres of additional commercial floor space
- latest surveys show that 15.5 million car trips are made each weekday resulting in 146.7 million kilometres of travel. The private vehicle is the most common method of travel, on weekdays (70 percent) and weekends (77 percent)
- specialised services, such as retirement villages and health and transport services, will need to be provided to cater for an ageing population. The number of people aged 65 and over is predicted to nearly double in coastal NSW over the next 30 years

- more than 95 percent of the State's import and export container trade goes through Sydney's maritime ports, with an even greater proportion of the State's air freight coming through Kingsford Smith Airport.
- the future challenge will be to align investment by the private sector and governments in a way that anticipates the needs of trade growth according to an overall freight strategy for the Greater Metropolitan Region.

Major Achievements

- release of the Metropolitan Strategy Discussion Paper, convening of community and local government and announcement of the Metropolitan Strategy Plan and Action
- substantial progress was made on specific projects in the Metropolitan Strategy, such as Darling Harbour East, Sydney Harbour, Parramatta Road Revitalisation, major transport corridors (eg. City Airport, Hume Highway), and Rhodes peninsula redevelopment
- approving a new land release plan for South West and North West Sydney to be managed by the Growth Centres Commission (GCC). It will see the development of an estimated \$7.8 billion of infrastructure – including roads, rail, bus networks, educational and health services – linked to the staged release of land for new homes
- announcing the provision of 160,000 lots over the next 25 years, including land releases in North West and South West Sydney
- finalising developer contributions for the delivery of \$7.8 billion in regional infrastructure for land release
- distributing grants to 16 councils for \$5.8 million worth of access and recreational improvements to Sydney Harbour
- releasing the first stage of the Government's Ports and Freight Strategy for Sydney to look at ways of getting more freight onto rail and off Sydney's roads.

Outlook

- releasing Metropolitan Strategy for Sydney as a framework to promote efficient and sustainable growth and to secure Sydney's place in the global economy
- Parramatta Road and Canterbury Road strategies aligned with Metropolitan Strategy and completed
- completing regional strategies for Lower Hunter, mid North Coast, Far North Coast, Central Coast, Sydney–Canberra Corridor, Illawarra and South Coast
- releasing of a draft forestry and timber industry strategy, allowing at least six weeks for public comment.

THE METROPOLITAN STRATEGY

Announced in April, the Metropolitan Strategy is a NSW Government initiative which sets out how growth and change will be managed in the Greater Metropolitan Region (GMR) of Sydney over the next 30 years.

The Metropolitan Strategy is an ongoing series of plans and actions which look at specific issues impacted by Sydney's growth, and respond to and plan for these issues strategically.

More information on the Metropolitan Strategy is available on the Department's website: www.metrostrategy.nsw.gov.au.

The Strategy is a flagship project for the Department and has achieved the following milestones in the past 12 months:

Metropolitan Strategy Discussion Paper

The Metropolitan Strategy Discussion Paper was released by the Minister for Infrastructure and Planning, on 16 September. The document was designed as the platform for discussing Sydney's future with the community. It was the first step in a series of community consultations on the Metropolitan Strategy, culminating in a number of community fora.

The Discussion Paper sets out a vision for Sydney, the challenges the city faces, and the priorities, actions and ideas for managing Sydney's growth over the next 30 years. The general public were invited to provide feedback on the Discussion Paper and the Department received 470 submissions from a range of groups and individuals. This input has been vital in planning the following stages of the Metropolitan Strategy.

Metropolitan Strategy Community Fora

The Discussion Paper created debate about Sydney's future and, in October/November, an opportunity was provided for 700 randomly chosen residents from across the city to discuss key issues.

Twelve community fora were held across the Greater Metropolitan Region. Key feedback from these communities has helped to influence the Metropolitan Strategy, especially in the areas of transport, housing choice, local amenity and access to open spaces and services.

Two Sydney Futures Fora were held; the first in May and the second in December. The later forum

brought together 500 participants and included those who attended the first as well as local government representatives.

In November and December, partnerships with local government were initiated, including meetings with the presidents of Regional Organisations of Councils and council staff. A briefing on the relationship between NSW Planning Reform and the Metropolitan Strategy was provided. In early 2005, discussions continued around housing numbers with Regional Organisations of Councils and individual councils in the Sydney metropolitan area.

Centres Planning Funding

A key element of the Metropolitan Strategy focuses on revitalising existing urban centres and corridors. The Strategy focuses on enhancing the quality of the city's centres by getting the best mix of homes, jobs and services in each. This will increase the use of public transport, maximise the use of existing infrastructure and help generate local jobs.

The NSW Government announced \$2 million in funding to assist councils to carry out planning work to revitalise seven town centres in Western Sydney (Fairfield, Bankstown, Parramatta, Penrith, Blacktown, Campbelltown, and Liverpool) and in four regional centres (Wyong, Gosford, Wollongong and Newcastle). The funds will assist in the development of projects consistent with the Metropolitan Strategy's focus on revitalising centres and corridors.

A second round of funding, to help local councils prepare new LEPs in line with the NSW Government planning reforms, was announced in March. The financial assistance to Councils was two-fold: to support and expedite the centres planning; and to improve and streamline the local council planning process. This year priority was given to councils which need to complete new LEPs in the next three years.

Western Sydney Parklands

The Western Sydney Parklands development was announced by the Premier in December. Stage one includes \$45 million for public open space and recreation facilities over 10 years.

The 5,500 hectare parklands will provide Sydney with a vast conservation and recreation haven – equivalent in size to 25 Centennial Parks – and will be one of the biggest urban, totally publicly owned parklands in the world.

It is the culmination of more than 30 years of planning by the NSW Government for the future infrastructure, recreation and open space needs of Western Sydney.

The lands were first identified in detail in the Sydney Region Outline Plan in 1968.

The Western Sydney Parklands is a key example of the benefits of planning for the future needs of Sydney. It is an integral part of the Metropolitan Strategy, which strives to achieve a balance between housing urban growth, yet continuing to protect the environment and provide a better quality of life for families.

Parramatta Road

The Parramatta Road Taskforce, which plans and manages the revitalisation of Parramatta Road, was announced in May.

The Taskforce is made up of mayors from eight councils, and includes the chief executive officers of the Roads and Traffic Authority, Sydney Olympic Park and NSW Heritage Office, and the Government Architect. The Taskforce has divided the corridor into four sectors: Camperdown to Petersham; Petersham to Croydon; Croydon to Strathfield; and Strathfield to Parramatta. Already, \$2 million has been invested to start revitalisation of the precinct. Plans continue to progress well, with the first sector – from Camperdown to Petersham, and including Leichhardt and Marrickville Councils – being placed on exhibition.

The Taskforce also considers all aspects of planning which are the pillars of the Metropolitan Strategy, such as transport, housing mix, open spaces, infrastructure delivery, protection of heritage buildings, and the provision of commercial premises, schools, and hospitals. With the Metropolitan Strategy, the Taskforce is also investigating innovative funding and governance arrangements to implement the plan.

Managing Sydney's Growth Centres

A key element of the Metropolitan Strategy determines that while 60 to 70 percent of growth will be accommodated in Sydney's existing centres, the remaining 30 to 40 percent will be accommodated in land release areas. Under the Metropolitan Strategy a coordinated long-term approach has been taken to programming future land releases with the announcement of the North West and South West Growth Centres.

Metropolitan Development Program

The Sydney Region Metropolitan Development Program (MDP) manages land and housing supply from both Sydney's existing areas and greenfield sites. Each year the MDP prepares a land and housing supply forecast which is vital for State government decisions on housing policy and infrastructure

planning and investment, councils' strategic planning and for the development industry.

The MDP includes extensive databases which are updated through the annual Housing Forecast Cycle (HFC). An important part of the HFC is consultations with service providers, councils and the development industry to produce the annual housing forecasts. The MDP databases are being expanded to provide increasingly sophisticated tools to assist with the implementation of the Metropolitan Strategy.

The Land Release Plans

In December, a new land release plan for South West and North West Sydney was announced. These draft plans were then put on exhibition in June.

The draft plans provide detail of planned new communities in the South West and North West; 100,000 new homes expected in the South West and 60,000 in the North West. These plans are the equivalent of a new city the size of Parramatta and Canberra combined.

These plans are the first step in the process which will be managed by the Growth Centres Commission, a separate statutory authority. Nearly \$8 billion of infrastructure will be linked to the staged release of land to ensure that parks, shops, roads, public transport, schools, health services, water supply and sewerage are developed in these communities when they are needed. These infrastructure projects include: \$3.66 billion for roads; \$688 million for rail; \$487 million for bus network; \$1.75 billion for education; and \$380 million for health. Seventy five percent of the cost of infrastructure will be covered through a development contribution, with the Government to contribute 25 percent.

The first release areas announced are: Oran Park, Turner Road and Bagdally Road in the South West; and Riverstone, North Kellyville and Alex Avenue in the North West.

A process for the collection of contributions for regional transport infrastructure has been established with the Interim Land Release Contribution and applies to the new release areas of Elderslie and Spring Farm in the South West and Second Ponds Creek and Balmoral Road in the North West.

The draft plans have been exhibited at the Department's offices in the Sydney Central Business District (CBD) and Parramatta, and at the six councils whose constituents are affected by the plans – Camden, Liverpool, Campbelltown, Baulkham Hills, Hawkesbury and Blacktown.

During the exhibition period landowners have raised concerns in relation to the Landscape and Rural Lifestyle Zone. The Department will be assessing the submissions received and will undertake a comprehensive review to address these concerns.

A 1300 help line has been set up to assist those landowners and other relevant stakeholders affected by the plans.

The Growth Centres Commission

The ten member board of the Growth Centres Commission – the body which will manage the land release in Western Sydney – was announced in May.

The Commission's role is to coordinate the orderly rollout of land release and infrastructure in the North West and South West growth centres.

Its key tasks will be to:

- develop land use and infrastructure plans
- manage funding and infrastructure delivery
- recommend to Government the orderly sequencing of land release to coordinate the rollout of infrastructure and to prevent speculation
- achieve coordination between small land holders.

The Board meets monthly, and will be taking over the management of the plans for Managing Sydney's Growth Centres at the end of 2005.

Sydney Harbour Management

Sydney Harbour Sharing project is the NSW Government's vision for Sydney Harbour. Under its Regional Action Plan the Department is:

- finalising the draft Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005
- finalising the draft Sydney Harbour Foreshores and Waterways Area Development Control Plan 2005
- managing the Sharing Sydney Harbour Access Program (SSHAP).

The draft Harbour REP applies to the hydrological catchment of the harbour, with detailed provisions for the waterways and the immediate foreshores of the harbour. The draft REP seeks to consolidate and replace three existing harbour planning instruments: SEPP 56 – Sydney Harbour Foreshores and Tributaries; Sydney Regional Environmental Plan (SREP) 22 – Parramatta River; and SREP 23 – Sydney and Middle Harbours. The draft REP will provide an improved and clearer planning framework and better environmental outcomes for Sydney Harbour and its catchment.

The SSHAP is a strategic blueprint for improving access to and along the harbour foreshores. This capital works grant funding program will build harbour-side assets, including walking tracks and cycle paths linked to foreshore areas and improve water-access facilities, like wharfs, pontoons and boat ramps.

In the first two rounds of SSHAP funding grants over \$2.9 million was allocated to projects in 16 council areas throughout the Sydney Harbour catchment. Combined with matching funds from the grant recipients, this will result in at least \$5.8 million worth of access and recreational improvements.

An example project is the \$57,000 granted to Leichhardt Municipal Council for the Bay Run dual pathway/cycleway at Leichhardt Park, Iron Cove. The project involved construction of a dual pedestrian path and cycleway to part of the Iron Cove Bay Run, between Glover Street and an existing access road off Fraser Street. The result is a safe, separated path system for pedestrians and cyclists in this section of the popular Bay Run walking/jogging track, which enhances this popular recreational resource.

Darling Harbour East

East Darling Harbour is a 22 hectare site on the western side of the central business district of Sydney. In 2006, the stevedoring leases on East Darling Harbour will expire, opening up a unique opportunity to revitalise this part of the city.

In February, the Premier announced an international design competition to identify the highest quality redevelopment proposal for the site. Key parameters for the competition include at least 50 percent of the site being transformed into open space, delivering a waterfront park the size of 16 football fields. The open space will include 1.75 kilometres of foreshore access that will form an important link in the provision of the 14 kilometre walkway that will eventually run continuously from Woolloomooloo to the Anzac Bridge.

Additional parameters for the competition include provision for world-class waterfront commercial premises mainly on the southern end of the site and retention of the overseas passenger terminal. This will maintain East Darling Harbour as part of Sydney's working harbour. There will be opportunities for community input through the design competition process to ensure planning for the site is an open and transparent process and, importantly, to contribute to achieving the best outcome for the site.

METROPOLITAN TRANSPORT STRATEGY

The Metropolitan Transport Strategy, a flagship project of the Department, is being developed as part of the Metropolitan Strategy. It is made up of a series of projects and programs.

Metropolitan Rail Expansion Program

The Department has led the State Government's endorsement of a long term \$8 billion Metropolitan Rail Expansion Program. This Program represents the largest rail expansion project since the 1930s. High quality public transport is to be provided to service the new growth centres of North West and South West Sydney, and also the concentrated arc of jobs between Macquarie, Chatswood, St Leonards/North Sydney, the CBD and the Airport. The Program is to be delivered in stages by 2020. The first stage, the South West Rail Link from Glenfield to Leppington, will be operational by 2012.

The Department has secured funding for corridor preservation for the North West and South West rail links; \$26 million was allocated in the 2005–06 budget for land acquisitions for a South West Rail Link and is being managed through the Sydney Region Development Fund.

These new release areas in the South West and North West will be served by a comprehensive package of transport infrastructure including road upgrades, the South West Rail Link and a network of strategic bus routes, 75 percent funded by developer contributions.

A South West Rail Link Overview Report, released for public comment, complements the Government's land release package 'Managing Sydney's Growth Centres'.

The Department is working closely with other government agencies, including RailCorp, the Ministry of Transport, Roads and Traffic Authority and the Transport Infrastructure Development Corporation, to progress the program.

Ports and Freight Strategy

In 2003, the NSW Government announced the Ports Growth Plan to ensure that ports serving the Greater Metropolitan Region can accommodate the projected growth in imports and exports. Since 1970, growth in the NSW international container trade has averaged seven percent with more than 95 percent of the NSW trade in international containers being handled at Port Botany.

Growth in the number of containers handled at Port Botany has direct implications for key transport infrastructure in the metropolitan area because close to 85 percent of all containers moved through Port Botany are packed or unpacked at locations within 40 kilometres of the Port. Therefore, if the NSW international container trade is growing at a rapid rate (as it is), demand for freight transport services and transport infrastructure in the metropolitan area will also.

The Department's role has been to research the strategic transport and land use issues arising from trade growth and coordinate solutions with industry and relevant Commonwealth and State agencies. The Freight Infrastructure Advisory Board continued work on finalising the recommendations to the Minister on upgrades to road and rail networks, intermodal terminals and the logistics chain necessary to support trade growth. The Board's comprehensive advice results from extensive industry consultation and 31 submissions.

The Department assisted the Legislative Council Inquiry into NSW Port Infrastructure and a Commission of Inquiry separately considering a proposed expansion of Port Botany. The Committee issued an interim report on 28 May with a single recommendation that the Minister for Infrastructure and Planning amend the terms of reference for a commission of inquiry into a Sydney Ports Corporation proposal to expand container terminal facilities at Port Botany to include the identification and rigorous evaluation of all viable alternatives. The Government is scheduled to deliver a response to the Legislative Council Standing Committee's final report in December 2005.

The Department completed a range of supporting studies into engineering, financial and land-use planning for trade growth. The strategic analysis of these studies will guide the program for implementing ports and freight infrastructure and systems upgrades over coming decades.

Inner City Transport Strategy

The continually growing demand for bus services to the Sydney CBD has resulted in the number of services in and out of the area increasing substantially; from 5,400 services (between 7am and 7pm) in 1991 to around 7,400 services in 2003.

The performance of the public transport system has been adversely affected by the growth in general of vehicle traffic, as well as increased demand. Although current scheduled bus travel times from Circular Quay

to Central (via George Street) range between 16 and 20 minutes, over 30 percent of southbound trips in the afternoon and evening exceed 25 minutes and can take up to 35 minutes in the evening peak period.

The Inner Sydney Transport Working Group (ISTWG), jointly chaired by the Director General of the Department and the Lord Mayor of the City of Sydney, was formed to progress transport planning in inner Sydney.

A number of the initiatives identified by the ISTWG were announced by the Premier in June to capitalise on the opening of the Cross-City Tunnel. They include: new bus lanes and extended bus lane hours in the Sydney CBD; introduction of bus lane enforcement cameras; a trial of travel behaviour programs for key trip generators in inner Sydney; and a trial of off-bus only ticket sales at selected locations in the CBD to speed up bus boarding times.

An inter-agency group to oversee implementation of these strategies has been established. It consists of the Department, Ministry of Transport, State Transit Authority, Roads and Traffic Authority and City of Sydney Council.

Potential medium to longer-term transport initiatives are being developed as part of a range of transport actions for consideration within the context of the Metropolitan Strategy.

CORPORATION SOLE

The Minister for Infrastructure and Planning is incorporated as the Corporation Sole, '*Minister Administering the Environmental Planning and Assessment Act, 1979*'. The Corporation's main activities are to acquire land for planning purposes, control and manage its vested lands and dispose of any land no longer required. Particular activities are managed through separate funds established under the Act and other statutes.

The Land Management Branch of the Department administers the functions of the Corporation Sole.

Corridor Preservation

Preservation of corridors for the conservation of land, providing open space for parks and recreational activities and for future transport infrastructure has been a key priority for the Department. This has been implemented through programs to acquire and manage strategic lands, plan for future open space and deliver a range of environmental initiatives. The funds used to acquire regional open space and

transport corridors across Sydney are made available through the Sydney Region Development Fund (SRDF).

Over the past 12 months, the SRDF has acquired properties to the value of \$22.6 million, including those in the Western Sydney Parklands. Of the 28 properties purchased, 25 were required for regional open space and three for future road purposes. All acquisitions are based on the provisions of the *Land Acquisition (Just Term Compensation) Act, 1991*.

The SRDF is also required to dispose of land no longer required for its original planning purpose. Asset disposal is the major source of revenue for the SRDF to help fund acquisition priorities elsewhere. The SRDF is supported by 43 local councils, extending to Wyong, Wollondilly and Blue Mountains.

Coastal Lands Protection Scheme

Acting on behalf of the Corporation Sole, the Department is responsible for the acquisition and transfer of land required for coastal lands protection purposes.

Since 1995, the NSW Government has spent \$19.5 million in acquiring 664 hectares of private land at prime coastal locations. Once acquired, these lands have been transferred to National Parks or local councils to manage. Lands identified under the Coastal Lands Protection Scheme (CLPS) are noted for their scenic quality or are considered sites of regional, State or national significance. Acquisitions of these sites preserve and promote public access to the coastal foreshore, protect against degradation and promote tourism potential.

Two significant land acquisitions were made under the CLPS. Tathra Headland (near Bega), a 1,800 square metre block, is being transferred to Bega Valley Shire Council for management as open space. The property, which cost \$785,000, is a prominent headland site adjoining a crown reserve and features extensive ocean and rocky coastline views.

The remainder of the \$1.5 million allocation was spent in concluding the purchase of a 1,189 square metre parcel of land at Pacific Drive, Port Macquarie. The property was compulsorily acquired in June and is situated on an elevated coastal headland known as Windmill Hill. The property is close to Port Macquarie (1km) and within its existing residential area. It adjoins a crown reserve and enjoys unrestricted 180 degree views of the ocean and coastline.

Conservation and Heritage Programs

Other significant achievements under conservation and heritage programs include:

- funding of over \$1.6 million for the Metropolitan Greenspace Program. The money was spread over 23 new projects, and will enable planning and capital works to be developed to improve Sydney's greenspace in partnership with local councils
- the Greening Western Sydney Program has continued its long-running success in restoration of the urban landscapes along the Western Sydney Parklands and the South and Ropes Creeks corridors. In June, two demonstration sites were launched for best practice in regeneration of Cumberland Plain bushland. The program is a partnership with Greening Australia and has a strong community involvement
- ten projects were approved under the Cooks River Foreshore Improvement Program. A total of \$496,870 was allocated leading to over \$1.7 million in improvements to the greenspaces of the Cooks River
- a Land Policy Review, to streamline acquisition processes and requests for purchase of land required for public purposes and achieve a consistent and transparent approach was coordinated by the Land Management Branch. Other departments involved in acquisition of land for public purposes; Roads and Traffic Authority, Department of Commerce, Department of Environment and Conservation, and Treasury were included
- the heritage portfolio under ownership of the Department includes a diverse portfolio of 35 properties across the Sydney Region. Approximately half of these properties are State significant. The Department has prepared Conservation Management Plans (CMPs) or heritage assessments for the entire portfolio of properties to guide effective management and restoration works. Essential maintenance works have been completed on several properties and staged maintenance or adaptive re-use works across the portfolio is continuing under a managed program to improve assets for future generations and to conserve important heritage assets.

REGIONAL STRATEGIES AND PLANNING

Regional strategies are a flagship project for the Department. They are fundamental to the implementation of the Government's planning reform process to improve certainty for developers and local councils by reducing red tape and simplifying planning instruments, particularly LEPs. All local councils are currently working towards a single LEP under the planning reforms. This is requiring significant local strategic planning and involves intensive input from regional teams.

The Department is currently preparing regional strategies for the Far North Coast, Mid-North Coast, Lower Hunter, Illawarra, South Coast and Central Coast (as part of the Metropolitan Strategy), and the Sydney–Canberra Corridor. They will demonstrate how the Government intends to respond to and manage growth and development in these priority areas over the next three decades.

The core of a regional strategy will be the structure plan backed by plans for settlement patterns, employment and the economy, natural and cultural assets, biodiversity, water and energy. The structure plan will map potential growth areas, transport corridors, a hierarchy of towns and centres and areas of high conservation value.

The strategies will be implemented through councils, local plans, and inform the State Government budget process. Most will go out in draft for public comment in 2005–06 and be finalised early the following year.

Regional strategies will:

- identify the future service and infrastructure requirements for the regions and how to link cost and funding to these for particular growth scenarios and social changes
- identify key drivers of growth and set the benchmark and define future directions for ecologically sustainable planning, job creation, and business investment
- apply the most innovative and up to date triple bottom line planning techniques, including the most desirable local urban design standards and future settlement principles and patterns

- establish a simplified and predictable planning framework to provide certainty in economic investment to best develop regional economies and ensure sufficient job creation for our communities
- ensure that sustainability is the foundation for our future and protect our significant coastal natural systems, which underpin the attraction of living and working on the coast and in regional areas.

Far North Coast Regional Strategy

The Far North Coast is expected to grow at a steady rate from an influx of retirees, people seeking a sea change, and its proximity to south east Queensland. It is the fastest growing region outside of the greater Sydney area.

A strategy which addresses growth pressures – an estimated 34 percent increase in population in Tweed, Byron, Ballina, Richmond Valley, Lismore and Kyogle council areas – is an opportunity to identify areas on the North Coast where this growth may be accommodated.

The Department is working with local government, an advisory panel and other government agencies on key issues in the development of the Far North Coast Strategy. Significant analysis has been undertaken, including the development of mapping of attributes, population and housing models, and identification of the main planning outcomes in consultation with key groups.

Lower Hunter Regional Strategy

With a population of around half a million people, the combined urban area of the Lower Hunter is the sixth largest urban region and the largest non-capital urban area in Australia. Growth of the Lower Hunter is anticipated into the future, principally in the coastal areas of Newcastle, Port Stephens and Lake Macquarie, and Maitland. Port expansion and improved infrastructure will assist in its growth because of the availability of employment lands.

The Department aims to encourage economic development while planning to protect natural assets, such as conservation corridors and rich agricultural lands. In the Lower Hunter it will be necessary to further consolidate the existing urban footprint. Newcastle is the major regional centre, with Cessnock, Maitland, Charlestown and Raymond Terrace evolving as major sub-regional centres.

Targeted growth will also occur in areas which are mainly contiguous with existing urban areas, such as around Morisset. Necessary improvements in transport facilities will be identified as part of strategy development.

Sydney–Canberra Corridor Regional Strategy

This region is comprised of seven local government areas (LGAs) and stretches from the metropolitan area at the south west tip of Sydney, in Wingecarribee and Wollondilly, through Upper Lachlan and Goulburn Mulwaree, to Yass, Palerang and Queanbeyan City in the south on the border with the Australian Capital Territory.

The regional strategy for the Sydney–Canberra Corridor will guide and direct the sustainable development, growth and change of the Corridor and will address environmental, social and economic outcomes.

As a region it is expected to grow mainly in the northern and southern sectors. Future urban growth will predominantly be accommodated in urban areas creating a pattern of compact and consolidated urban areas surrounded by non-urban lands. The major regional centres are Picton–Tahmoor, Thirlmere, Moss Vale, Bowral, Mittagong, Goulburn, Yass and Queanbeyan.

The strategy will provide the seven LGAs in the Corridor with the context and guidance for their own strategic plans and will also assist in developing LEPs which will be tailored to meet the needs of the Corridor and local communities. Work undertaken by the Department has included:

- local and State government workshops on future directions
- community consultation sessions on future directions
- constraints mapping project finalisation.

Illawarra and South Coast Regional Strategies

The Illawarra and South Coast regions are priority areas under the NSW Planning Reform.

The Illawarra Region's LGAs of Wollongong, Shellharbour and Kiama are also within the GMR. Around Wollongong, the major regional centre, higher density living will become more appropriate along with consolidation of suburban areas near transport nodes.

Key environmental assets, such as Lake Illawarra, require careful management as population grows in its catchment. West Dapto is one of the last major land release areas of the region. Nowra–Bomaderry will also be a centre where population and employment growth will be encouraged.

The Illawarra and South Coast Regional Strategies will direct future planning and investment decisions that will manage land use, population growth and coastal values for the Illawarra and South Coast Regions of NSW over the next two or more decades.

The draft Illawarra and South Coast Regional Directions Statement was approved for consultation in April. The feedback and discussion arising from the paper has clarified the framework and outcomes to be achieved by the regional strategies.

The Directions Statement draws together the issues raised by the various regional planning studies and sets a context for a regional planning program. The Directions Statement – based on the main themes of economic development, infrastructure, community, settlement and environmental sustainability – identifies issues, challenges and regional planning outcomes for the Illawarra and South Coast.

Central Coast Regional Strategy

The Central Coast region is strategically located between Sydney and Newcastle and has strong community and economic connections to Sydney with a large number of people commuting daily.

The region embraces two LGAs, Gosford and Wyong and is part of the Sydney Metropolitan Strategy. More employment generation in the region is vital to help restrict commuting to Sydney. There are limits to further population growth outside existing settlements, but there is scope for revitalisation and investment in coastal towns and for protecting conservation corridors on public and private lands.

Water supply is currently seen as a limiting factor on projected growth. There must be a strong focus on urban renewal and consolidation as well as land release at Warnervale to accommodate growth on the Central Coast.

Regional Environmental Plan for the Unincorporated Area of NSW

The Unincorporated Area of NSW is located in the far west of the State and comprises an area of 93,282 square kilometres with a population of 846 people.

Unlike the rest of NSW, the area does not have a comprehensive system of planning, development or building controls.

The Department has proposed an REP as an appropriate mechanism to introduce sensible planning controls in the Unincorporated Area. Investigations have commenced indicating that heritage is a significant resource in the area. To acknowledge this, the Department in association with the NSW Heritage Office, is jointly funding a heritage study, which is due to be finalised later in the year. The study will be an important component of the REP and it can be used as a stand alone document.

Coastal Policy and Planning

Policy development for the NSW coast has been focused on managing coastal growth. Through development of coastal regional strategies, the Department is strategically planning key parts of the coast to respond to increasing development pressures and to protect precious natural assets.

At the NSW Coastal Conference in November, the Minister for Infrastructure and Planning and Minister for Natural Resources, emphasised the need for strategic coastal planning as part of the reform initiatives being undertaken by the Department. These reforms include policy development to ensure integration of improved natural resource management in the coastal regions with the need to plan for future infrastructure and land use to meet the needs of growing populations. This will include the need for provision of services for an ageing population expected to become more predominant along the coast in the future.

A specific initiative announced at November's Coastal Conference was the doubling of funds available for the acquisition of coastal lands under the Coastal Lands Protection Scheme from \$1.5 million to \$3 million for 2005–06. Criteria for the scheme were expanded to include purchase of ecologically sensitive lands.

As part of the planning reforms, work has continued on monitoring and reviewing of content and application of coastal planning policies such as: SEPP 14 – Coastal Wetlands; SEPP 26 – Littoral Rainforests; SEPP 50 – Canal Estates; and SEPP 71 – Coastal Protection.

Negotiations with local councils to finalise mapping to bring the coastal LGAs of the GMR into the coastal zone were completed, as required under the *Coastal Protection Act* (1979).

Comprehensive Coastal Assessment

The Comprehensive Coastal Assessment (CCA) is a four year program announced as part of the NSW Coastal Protection Package in June 2001, and commenced in 2002. The primary objective is to improve the quality of data and information (environmental, social and economic), including electronic decisions tools, for decision making with emphasis on strategic land-use planning at the regional scale and at the LGA-wide scale. Its focus is on the less developed regions of coastal NSW, that is, north of Port Stephens and south of Shellharbour.

Outputs from the CCA will be achieved through using CCA information decision tools (eg. coastal integration framework) in regional and local strategic planning processes. They will include:

- maps, models and databases on various environmental social and economic values
- an integration framework and associated software that will enable these values to be combined to give an assessment of them for planning purposes
- sustainability assessment of eight priority coastal lakes.

A pilot project in the Tweed LGA was completed to demonstrate how environmental, economic and social information could be successfully integrated to make better informed decisions in the strategic land-use planning process. A sustainability assessment for one of Tweed Shire's coastal lakes (Cudgen Lake) and its catchment was also completed. Significant progress has also been made in the assessment of the remaining seven priority coastal lakes of Myall, Wollumboola, Burrill, Narrawallee, Coila, Back and Merimbula.

A draft guidebook has been completed which describes the CCA integration process and how to apply CCA information and methods in assessing coastal values for land-use planning. This guidebook is a valuable planning tool targeted for use by local government planners, but will also be useful for other professionals in planning and management of the State.

Thirty CCA projects are completed or nearing completion. Once these have been peer reviewed, a report finalising the CCA will be compiled. The report will provide recommendations on how the data, tools and assessment will improve coastal planning and management decision making.

CCA information, methods and models are being, and will be used in the preparation of coastal regional strategies. It is also intended that the program provide support to local government in the subsequent development of their LEPs.

NSW Coastline Cycleway Project

In March 2003 the NSW Government announced \$6 million in seed funding for the NSW Coastline Cycleway (NSWCC) Project as part of a larger coastal protection package. The NSWCC Project is now in its third year of operation and its aim is to develop a high quality, regional cycleway running 1400 kilometre along the NSW coast between the Victorian and the Queensland borders. The Project is widely supported by the 23 NSW regional coastal councils along the route and by organisations such as BicycleNSW and local bicycle user groups. The second round of grants was announced on 17 June, for a total of 15 projects worth \$1,276,376.

The NSWCC is an iconic project with wide-ranging social, environmental and health benefits. It is envisaged the NSWCC will become an international tourism drawcard, ranking alongside similar visionary projects in the UK, Europe, Canada and the USA.

Upper Hunter Aboriginal Cultural Heritage Trust

The Upper Hunter Aboriginal Cultural Heritage Trust was established by the Department to improve the consideration of cultural heritage in the assessment and approval of coal mining projects in the Upper Hunter Valley. The Trust was formed by Aboriginal people, coal mining companies and State Government departments. It also aims to identify areas of high cultural importance (unsuited to mining), low or no cultural importance (where mining may proceed without further assessment), and areas where further study is needed.

The ultimate goal is a management plan for cultural heritage in the Upper Hunter and a streamlined assessment process.

A baseline study of existing information, gaps in that information and recommendations for future work was completed in October. The baseline study revealed a great deal of information but also unevenness over the region. The Central and Goulburn River valleys are relatively well studied but higher, peripheral areas are relatively unknown.

case study ► local planning

Result for the community – Hooka Park

Since its establishment 16 years ago, the Lake Illawarra Authority has been working with Wollongong and Shellharbour City Councils to restore and enhance the environment of the lake and foreshore areas and bring about improvements in recreational opportunities.

The Department plays a major role in supporting and assisting the Authority and the local community in carrying out activities to meet these goals. Works undertaken include improvements to water quality, public access, foreshore habitat and conservation areas, as well as provision of new infrastructure works.

An example is Hooka Park – Place of Healing and Wellbeing project which was completed recently and officially opened by the Minister for Infrastructure and Planning, in December. The park provides low key amenities for passive recreational pursuits whilst celebrating, through various artworks and sculptures, the lives of young children suffering serious illnesses such as cancer. Works have included a shared pathway for pedestrians and cyclists, boardwalk, water pavilion, footbridge, handrail carvings, jetty platform carved mosaic, seating and landscaping.

Hooka Park was made possible through a \$40,000 grant from the Department's Living Centres Program as well as contributions from the Authority, Wollongong City Council, Berkeley Development Association, Healthy Cities Illawarra and Illawarra Health.

The project was one of over 20 undertaken in 2004–05 by the Authority, with support provided from the Department's Wollongong office.

SECTOR STRATEGIES

Complementing the planning reforms, work has proceeded on the development of strategies to provide improved information and strengthened policy context for the consideration of infrastructure and industry in the development of plans and strategies and to increase certainty in the assessment of infrastructure or industry projects.

The Department is also developing policies and guidelines to ensure future development is appropriately located in terms of broad environmental, economic and social constraints and to encourage best practice environmental standards. The further development of industry-specific sector strategies will ensure that stakeholders have more certainty at the beginning of a project, in addition to streamlining of the assessment and approvals process.

Construction Materials

The Department is preparing the Sydney Construction Materials Strategy to ensure that Sydney has the sand, aggregate and other construction materials necessary to support its continued growth and to deliver the Government's infrastructure and housing programs. Current key sources of supply will cease in the next 10 years and, unless new quarries are opened, there will be shortfalls, particularly in fine–medium grained sand. The Strategy will provide for the management of construction sand, aggregate, clay and industrial sand resources and address the need to increase the use of substitute materials.

Strategic assessments are being undertaken in the important resource areas at Maroota, Somersby, Newnes Plateau, Southern Highlands, Port Stephens and Shellharbour. Working with local communities, industry and Government, provisions are being developed for each of the resource areas to:

- clarify potential significant sources of construction materials in each area
- identify likely constraints on extraction including groundwater, biodiversity, other land use and transport issues
- develop a framework for managing access to resources, including local performance criteria (local rules) and no go areas.

Other components of the Strategy being developed with industry and agencies include developing:

- a best practice manual to improve the environmental performance of quarries and recycling operators including siting, establishment, operation and rehabilitation

- initiatives to facilitate the use of natural resources for their highest and best use and to increase the use of substitute materials, including encouraging high levels of use of recycled material, ash, slag and other materials as a substitute raw material.

Mining and Petroleum

The Mining and Petroleum Strategy aims to develop a comprehensive policy and strategic framework to better protect mineral and petroleum resources and streamline assessment of their development during the approvals process. The Strategy will improve development opportunities and environmental outcomes and provide increased certainty for nearby communities.

A SEPP for the industries has been drafted and aims to strengthen, consolidate and clarify various state-wide planning provisions. Amendments have been made to the relationships between the mining legislation and the EP&A Act.

A strategic assessment of coal mining potential and constraints in the Upper Hunter Valley was undertaken with the draft report made available for consultation with stakeholders and the community.

The mining industry is currently worth over \$8 billion annually to NSW. It is our largest export industry and also currently provides the State Government with \$400 million annually in mineral royalty income. The industry, especially the coal industry, is very robust at the moment, and a number of additional mines or mine expansions are expected to seek planning approval over the next 12–18 months.

Forestry and Timber Industry

In conjunction with the Department of Primary Industries, the Department is developing a strategy to assist the forestry and timber industry in NSW. The Forestry and Timber Industry Strategy will cover native forests and plantations on public and private lands, and processing and value-adding. It is intended that the Strategy will focus on initiatives that government might take to facilitate investment and growth in the sector.

Work commenced early 2005. Face-to-face interviews have been conducted with stakeholders including industry, conservation groups, local government and other agencies. The Natural Resources Advisory Council (NRAC) and the CMAs are also contributing to the Strategy's development.

Aquaculture

Aquaculture is the production, breeding or rearing of fish (including crustaceans, invertebrates, marine plants) for the purposes of sale, trade or barter. The aquaculture sector has grown nationally by about 10 percent per year over the past 10 years, and has set itself the target to grow to \$2.5 billion production. NSW has the potential to significantly contribute to achieving this target.

The State Environmental Planning Policy No 62 – Aquaculture Strategies, complements the Aquaculture Industry Development Plan which provides best practice for the site and species selection, as well as design and operation of aquaculture projects. This was developed by the Department of Primary Industries in conjunction with agencies, industry, councils and the community.

Based on the Hunter and North Coast model, a Strategy is now being developed to apply to the whole of NSW. This will assist investors prepare and submit development applications, and local councils assessment of aquaculture development proposals.

Agriculture and Related Rural Industries

The Department is working with the Departments of Primary Industries, Environment and Conservation and State and Regional Development to develop a sector strategy to recognise the economic importance of agriculture and its related rural industries in the planning system. The strategy will also ensure that appropriate consideration is given to the continued operation of this industry.

The Agriculture and Related Rural Industries Sector Strategy will complement the regional strategies being developed as part of the planning reforms by providing a state-wide basis for updating and consolidating strategic planning and development control provisions. The strategy will also help create a planning environment conducive to better natural resource management.

In 2001–02, the industry employed approximately 87,000 people, mostly based in rural areas. During that same time period, NSW, as Australia's most productive state in terms of agriculture, produced \$8 billion worth of high quality agricultural products. The industry is one of the State's largest sources of export earnings.

Like the nation generally, NSW has a large area available for agriculture. However, the area with a high productive potential (suited for the production of a range of crop and livestock products) is comparatively small. NSW Agriculture has estimated that of the 60–65 million hectares available to agriculture, only around 3.5–3.7 million has a high productive potential.

INFRASTRUCTURE PLANNING PROCESSES

The Government has implemented significant institutional changes which means the Minister has a central role in relation to major infrastructure.

The Department supports the Minister through the development of strategic directions for urban and regional development and associated infrastructure priorities. It is the single point of integration for all development in NSW and this work ensures that future capital expenditure by agencies is in line with strategic directions for urban and regional development.

To assist the development of future capital works, the Department provides:

- population projections at the state, regional and local levels
- current and predicted transportation patterns based on demand forecasting models
- projections on housing construction in established, greenfield and rural areas of the Sydney region through the Metropolitan Development Program
- strategies involving future plans to manage growth and change in the next 30 years.

These initiatives enable agencies and the private sector to make more informed and timely decisions and more generally develop medium and long-term plans for addressing growth and change in greenfields and established areas. As such, new capital expenditure can then be directed to locations where infrastructure investment and the use of existing physical assets can be more efficient over the long term.

For the first time ever in NSW, these plans for growth and change are listed in the NSW State Budget and capital expenditure is now directly linked to these plans. Some of these significant plans and reforms include the Metropolitan Strategy, Metropolitan Water Plan, North West and South West Growth Centres, Planning Reform, Transport Strategy, Expansion of Sydney's Rail Network and BASIX.

The NSW Government's Plan for Infrastructure

The Department coordinated the NSW Government's Plan for Infrastructure, which aimed at delivering a more transparent infrastructure planning system in NSW.

The Plan outlined how NSW is investing more than ever in infrastructure: \$50 billion has been invested since 1995–96 and a record \$34.7 billion is being invested in infrastructure over the next four years. This budgeted investment is a 30 percent increase on the previous four years and continues an upward trend on prior years.

landscape management

Objectives

- Improved water quality, soil conservation, biodiversity and reduced salinity through integrated land use and natural resource planning, investments and regulation.
- An end to broad-scale clearing of remnant native vegetation, except where it improves or maintains environmental outcomes.
- Natural resource investment decisions are made at the local level through Catchment Management Authorities.
- Independent advice on the setting of natural resource standards and targets.
- More money invested in on-ground, on-farm works.
- Establishment of plantations on essentially cleared land.
- A shift towards integrated catchment management (rather than single issue, single program focus) developed and implemented at the local level.
- Strong, sustainable agricultural production and protection of environmental assets.
- Protection of coastal and estuary ecological assets while accommodating increased population.

Challenges

- water quality in many coastal catchments is degraded, adversely affecting estuarine health
- one third of the terrestrial vertebrate animals in NSW and 15,000 species of terrestrial plants are considered under threat
- 30 percent of native fish species in coastal lowland rivers and over 60 percent in inland waters are threatened or potentially threatened and fish stocks in many estuaries are stressed. Many other aquatic groups, such as mussels and crayfish, are also declining
- 70 percent of NSW is affected by some form of land degradation. The value of lost production from land degradation in NSW is \$90–\$225 million each year, and growing. Acid sulfate soils cost the NSW fishing industry an estimated \$2.2–2.3 million each year
- many urban centres are vulnerable to flooding and damages equate to an average of \$150 million each year, excluding emergency response costs
- urban salinity in the Murray–Darling Basin, Western Sydney and the Lower Hunter catchment is predicted to increase almost four fold by 2050
- NSW population is predominantly situated on the east coast, with two percent occupying 60 percent of land area west of the Newell Highway. It is therefore critical, for the entire population of NSW, that our natural resources in this large, low rainfall area are managed responsibly and sustainably.

Major Achievements

- 12 of the 13 established CMAs are staffed and fully operational, with approved three year rolling investment strategies totalling \$281 million; 80 percent of National Action Plan (NAP) and Natural Heritage Trust (NHT) funds are directed towards on-ground works; and grants from the Department to CMAs and community groups have doubled to 28 percent of total Departmental expenditure
- five CMA Boards have Aboriginal members and five CMA Aboriginal Reference Groups have been established
- exhibiting of the Draft Native Vegetation Regulation 2004, the draft Environmental Outcomes Assessment Methodology and the Regulatory Impact Statement
- release of a discussion paper as part of the review of the *Plantations and Reafforestation Act 1999* and Code
- the *Rivers and Foreshores Improvement Act 1948* amendments have resulted in a simpler approval process for certain developments near waterways. During the first six months of 2005 there was a 64 percent (from 1,260 to 455) reduction in applications across the State compared to the same period in 2004
- gazetting of the 2005 Floodplain Development Manual
- \$7.97 million was expended on grants to assist local councils undertake floodplain management projects; the Lismore Levee was amongst significant mitigation works completed
- conservation of 352,000 hectares of the Brigalow Belt South and Nandewar bioregions forests stretching from Dubbo to the Queensland border and \$80 million provided for conservation management, job creation, and timber industry development
- availability of the first batches of SPOT 5 imagery coverage for the State
- 75 percent of estuaries in the State were covered by estuary management committees and the State had 50 estuary and 18 coastal management plans
- a statewide standard for natural resource management was agreed and a set of core natural resource management targets was approved
- thirty three property agreements worth \$387,588 have protected 1,279 hectares of native vegetation; 20,000 hectares of native vegetation is being protected within travelling stock reserves under the Native Vegetation Management Fund
- the Department has successfully implemented all actions recommended by the *NSW Salinity Strategy* and commenced the five-yearly review of salinity in the Murray–Darling Basin
- the Department reduced the backlog of native vegetation clearing applications by 50 percent and cut the median processing time for applications to 26 days. The area of land approved for clearing in 2004-05 was the lowest in seven years
- under the Forest Industry Structural Adjustment Program, \$6.4 million was approved for industry development projects, and 15 projects were completed
- seven floodplain management plans were drafted; four along the Namoi River and three along the Lachlan, Murrumbidgee and Murray rivers respectively
- over 27,000 hectares of land in the State's far west will revert to native vegetation following cancellation of cultivation permits

Outlook

- Native Vegetation Act and associated Regulation commenced
- finalisation and implementation of the Private Native Forestry Code of Practice
- improved processes for plantation authorisation and a further increase in the plantation estate in NSW
- Sydney Metro CMA staffed and fully operational. It will work closely with local government and local communities to deliver sustainable natural resources outcomes.

NATURAL RESOURCES REFORMS

Implementation of the Native Vegetation Reforms

Implementation of the native vegetation reforms recommended by the Wentworth Group and the Native Vegetation Reform Implementation Group (the Sinclair Report) is a flagship project for the Department. With the implementation now well advanced, the *Native Vegetation Act 2003* will soon be commenced. The Act establishes a legal framework for ending broadscale clearing unless it improves or maintains environmental outcomes, encouraging revegetation and rehabilitation of land with native vegetation and providing landholders with incentives for good land management.

In November, the draft Native Vegetation Regulation 2004, the draft Environmental Outcomes Assessment Methodology and the Regulatory Impact Statement were exhibited. The Regulation and supporting information will guide the implementation of the *Native Vegetation Act 2003*. The new system of native vegetation management will: balance the needs of farmers and the environment; be responsive to local conditions and improvements in knowledge over time; and give greater certainty to the State's landholders.

The draft Native Vegetation Regulation 2004 details how the *Native Vegetation Act 2003* will work on the ground. It covers: the relationship with development consents; the form and content of property vegetation plans and how they will be recorded; a definition of routine agricultural management activities, for which clearing approvals are not required; provisions for clearing associated with maintenance of public utilities; a methodology for assessing whether a clearing proposal passes the 'improve or maintain' test required by the Act; and special provisions for State protected lands.

The draft Environmental Outcomes Assessment Methodology sets out the circumstances for determining the 'improve or maintain' test required by the Act. It details the operation of the Act's key environmental outcomes decision support tool for CMAs, the PVP Developer. The same assessment methodology will be used for all clearing proposals, whether through a PVP or through a development consent process. The PVP Developer will also be used to assess the value of proposals for incentive funding.

The Regulatory Impact Statement sets out the economic and social analysis of the impacts of the draft Native Vegetation Regulation and compares

them to other possible regulatory options that may also achieve the objectives of the Act. The Regulatory Impact Statement concludes that the proposed regulation provides the greatest net economic benefits to farmers and the rest of the community, and enables the objectives of the Act to be achieved in a cost effective way.

More information on the Regulation and supporting information is available at:
www.dipnr.nsw.gov.au/nativeveg/index.shtml.

Natural Resources Ministerial Reference Group

The Ministerial Reference Group was established to oversee the implementation of the Government's natural resources management reforms. The Reference Group's members have natural resource management and governance skills gained in the public and private sectors.

PVP Developer Software

The Property Vegetation Plan (PVP) Developer is the key environmental outcomes decision support tool for CMAs provided for by the *Native Vegetation Act 2003*. It is a laptop computer-based tool that has been developed, trialled and adapted by the Department over the last year.

In addition to repeated practical trials, the tool is based on two decades of scientific research and has been described as 'a world-class decision support tool that codes leading edge environmental science into a form that can assist the preparation of Property Vegetation Plans that comply with the *Native Vegetation Act 2003*' by an independent scientific review panel.

The PVP Developer assesses the benefits of management actions to improve the condition of native vegetation and restore over-cleared land. It measures the impact of proposed clearing on water quality, soils, salinity and biodiversity. It includes a biodiversity assessment tool, which accounts for the requirements under the *Threatened Species Conservation Act 1995* which has been amended to support this streamlined approach.

The PVP Developer also includes a standardised mapping/GIS facility utilising SPOT 5 satellite imagery as the base layer and a capability to populate information, maps and decisions directly into templates to produce legally binding PVP agreements. The PVP Developer is undergoing

continual development to improve its performance and streamline its processes. For example, the Department has recently developed a new Invasive Native Scrub Tool for inclusion in the PVP Developer.

More information on the PVP developer is available at: www.dipnr.nsw.gov.au/nativeveg/fact_sheet_06.shtml.

Private Native Forestry Code of Practice

The Private Native Forestry Code of Practice is a critical element in the Department's flagship Native Vegetation Reforms project. The *Native Vegetation Act 2003* regulates native forestry on private lands, and the Code of Practice, introduced via regulation will enable landholders to undertake Private Native Forestry which improves or maintains environmental outcomes.

The Code of Practice will define the circumstances under which Private Native Forestry is permitted and specify the harvesting methods that are consistent with ecologically sustainable forest management. The Department is conducting an economic impact assessment of this new regulatory environment and developing an education and training package for staff and forest operators to facilitate the effective implementation of the Code of Practice.

Natural Resources Advisory Council

The NRAC is an independent stakeholder advisory forum on natural resources management (NRM) and land use issues. The NRAC's 27 members include representatives from local government, forestry, fishing, environmental, Aboriginal, union and industry sectors.

In September, the Government announced the appointment of Ms Linda Burney MP, as the Minister's independent Convenor of the Council. Under Ms Burney's leadership, the Council has provided advice to the Minister on Landcare partnerships, the Natural Resources Commission's standards and targets for natural resource management, and the Regional Strategies.

The Council's \$2.745 million 2005–06 work plan has identified three priorities: developing Indigenous NRM protocols; exploring future financing options for NRM; and convening a major natural resource conference.

Regional Forest Assessments

Comprehensive assessment of all regional forests is the first step towards negotiating a State/Commonwealth Regional Forest Agreement (RFA) and NSW Forest Agreement. The Department coordinates whole-of-government assessments of the State's major forested areas. The assessments bring together information on natural resources, heritage and social and economic factors which is then used as the basis for the RFAs.

Western Regional Assessments – Brigalow and Nandewar Outcomes

In July 2000, the NSW Government initiated a regional assessment of western NSW to guide future planning and encourage partnerships to protect the environment. The regional assessments have addressed forestry and land management issues in the west where finding the balance between economic needs, environmental protection and social impact was a priority for both the Government and the community.

The first western regional assessment was of the Brigalow Belt South Bioregion. This region extends roughly from Dubbo in the south to Moree in the north, and includes the Pilliga and Goonoo forest areas. It covers an area of 5.2 million hectares, which is 6.2 percent of the area of the State. The Nandewar Bioregion, to the east of Brigalow, was also assessed. It covers an area of about 2.9 million hectares, or 3.5 percent of the State.

In May, the Government announced its decision to permanently conserve 352,000 hectares of the Brigalow Belt South and Nandewar forests. The area includes 328,000 hectares within a new Community Conservation Area, which provides areas for conservation, timber production and a mix of uses. Some additional areas were conserved in other reserves.

The Government's decision provided \$80 million for conservation management and structural adjustment of the timber, coal, gas and apiary industries on forested land. It includes a \$41 million Brigalow Assistance Fund, specifically to support businesses and workers affected by the decision.

The Brigalow Belt South and Nandewar outcome provides for 20-year supply agreements to timber mills remaining in the industry and guarantees a secure future for coal, gas and apiary industries on forested land.

Regional Forest Agreements and NSW Forest Agreements

Following the completion of a forest assessment, negotiations commenced to establish a framework for the ecologically sustainable management of NSW native forest resources. These negotiations resulted in two related documents; RFAs with the Australian Government, and NSW forest agreements made under the *NSW Forestry and National Park Estate Act 1998*.

The State has three RFAs; Eden, Southern, and North East. There are four NSW Agreements covering the Upper North East, Lower North East, Eden and Southern regions.

Once a NSW Forest Agreement is in place, an Integrated Forestry Operations Approval (IFOA) can be granted by the Minister for Natural Resources, Minister for Primary Industries and the Minister for the Environment. The IFOA provides an operational framework for carrying out forestry operations on public forests, including terms of licences for matters such as the protection of water quality, threatened species and threatened fish. The RFAs, NSW forest agreements and IFOAs are in place for a period of 20 years (unless revoked earlier) and are monitored. Progress of the agreements is reported annually, and each document is subject to a review every five years.

Forest Industry Structural Adjustment

The Forest Industry Structural Adjustment Package (FISAP) is a joint \$140 million State and Commonwealth Government-funded grants program, due to cease in December 2005. It assists workers and businesses in the State's native hardwood timber industry adjust to, and take advantage of, the outcomes of the joint State/Commonwealth RFAs. The FISAP recognises that many rural and regional communities are dependent on a viable and long-term industry and so aims to ensure that the State's native hardwood timber industry is not only sustainable but also internationally competitive. During the year, 155 forestry workers were retrained and another 19 displaced timber workers were assisted.

In 2004–05, \$6.4 million was approved for 31 industry development projects, 15 of which were completed. The majority of these projects involved investment in mechanical log harvesting and improved haulage equipment, which delivered significant improvements

in occupational health and safety of workers in this sector and helped to reduce the environmental impact of logging activities. The FISAP funding of \$140 million has now been largely committed.

Plantations and Reafforestation Act 1999

Plantation development provides much needed timber resources, while reafforestation provides environmental benefits, such as mitigation of land and water quality degradation, salinity, habitat loss and much more. The *Plantations and Reafforestation Act 1999* provides an integrated framework for plantation authorisations. The Department is the consent authority for the Act.

The five yearly review of the Act and its Code has commenced. A discussion paper, released in June, invited comments on issues related to the regulation of plantations in NSW. A report on the outcomes of the review will be submitted to Parliament.

The Act promotes plantation establishment for much needed timber resources on essentially cleared land. A total of 19,750 hectares was added to the plantation estate of NSW in 2004–05, more than double the amount for 2003–04.

Native Vegetation Clearing Applications

A priority action for the Department is to eliminate native vegetation clearing application assessment backlogs before transferring the consent role to the CMAs. During the year the backlog of vegetation clearing applications was reduced by 50 percent, and the median processing time for vegetation consents was cut to 26 days.

In relation to the Government's objective of ending broadscale land clearing except where it improves or maintains environmental outcomes, the area of land approved for clearing in 2004–05 was the lowest in seven years.

Rivers and Foreshores Improvement Act 1948

Between 1998 and 2004, approximately 60 percent of all development applications referred to the Department under the Integrated Development Assessment Scheme involved single residential dwellings and ancillary work with potentially minor environmental impacts. The Government is committed to decrease State Government involvement in local

development assessment. Hence, the Department was keen to reduce its involvement in minor applications under the *Rivers and Foreshores Improvement Act 1948* (the RFI Act).

On 23 December, an Order exempting minor developments near waterways from the need for approval under the RFI Act came into effect. Under the Order, minor developments are defined as new dwellings, garages, pools and alterations to existing dwellings. As a result, the Department received 455 RFI applications during the first six months of 2005 compared with 1,260 in the same period in 2004.

The reduction in applications has allowed the Department to redeploy staff onto strategic planning of river corridors, particularly in new residential and commercial developments. Home owners have also benefited from the changes, which provided a simpler, quicker assessment process for minor developments in foreshore areas and saved applicants \$250 in referral fees.

More information on the Order that amended the RFI Act can be found at: www.dipnr.nsw.gov.au/pdf/rfia_questionsandanswers.pdf.

SUPPORT FOR CATCHMENT MANAGEMENT AUTHORITIES AND LANDHOLDERS

By June 2005, 12 of the 13 CMAs were fully operational across the State. Each of these operational CMAs have a minimum of five board members (the quorum required for effective decision making) and there are approximately 400 on-ground staff working with landholders and catchment communities to address catchment health issues.

The remaining CMA, Sydney Metro, has an interim chair, an acting general manager, and staff are being recruited. Once operational, the Sydney Metro CMA will work closely with local government and local communities to deliver sustainable natural resources outcomes for the Sydney metropolitan area. This will involve ensuring effective communication and coordinating investment.

Budgeted grants from the Department to CMAs and community groups have doubled from last year to 28 percent of total Departmental expenditure. The Department provides a number of key support services to the CMAs such as corporate support services, legal services and the provision of technical

and scientific advice. The intention is to achieve administrative efficiencies and ensure the CMAs direct more resources to on-ground projects.

The Department also assists the CMAs to prepare investment strategies, CAPs and annual implementation programs. The three-year investment strategies ensure that programs funded by NAP, NHT, State Sustainability Funding (SSF) and NSW Land and Water Management Plans (LWMPs) funds are implemented effectively and efficiently at the local level. By June, 12 of the 13 investment strategies, totalling \$281 million, had been approved by the State and Federal Governments.

Each CMA is developing its CAP based on accredited catchment blueprints for approval in late 2005. Catchment and management targets listed in the CAPs are implemented through an annual implementation program and are part funded through the CMA's investment strategy. The targets contained in the approved investment strategy are being reviewed as part of the development of the CAP. The Department is providing datasets on social demography, labour force, industry profiles, community infrastructure and social and economic indexes on a catchment-by-catchment basis to the CMAs to assist natural resource investment decision making.

The Department has developed a monitoring and evaluation framework for the CMAs which ensures that CMAs report by outcomes, outputs, milestones and management targets as well as financial performance. Data management and information systems were developed to support the framework, and financial and project management system modules were implemented to assist the CMAs with reporting requirements. The CMAs are required to prepare and submit individual annual reports.

The Department remains committed to finding solutions on how best to incorporate Aboriginal values within the CMAs. There are five CMA Boards with Aboriginal members and five CMAs have Aboriginal Reference Groups. The senior Aboriginal Panel, chaired by Ms Linda Burney MP, will develop draft agreements between the CMAs and Indigenous Nations.

More information on the CMAs and their role is available at the Catchment Management Authorities website: www.cma.nsw.gov.au/index.html.

Property Management Plans

The Department, together with participating CMAs, has developed and trialled a template and training materials for use in the implementation of property management planning by CMAs. The development of property management plans (PMPs) has been a recommended strategy for sustainable NRM in a number of fora for some years. PMPs achieve this through integrating NRM issues with strategic farm planning and best management practices.

The tools developed by the Department and CMAs are collectively called FARMplan (Financial and Resource Management plan) to avoid confusion and association with PVPs (Property Vegetation Plans). Essentially, FARMplans are a management tool for farmers and a means of achieving sustainable NRM for CMAs and are not a statutory requirement. The implementation of FARMplan will assist CMAs in achieving the catchment outcomes in CAPs.

Natural Resources Commission's Standards and Targets

The Department provided advice to the Natural Resources Commission as it developed a statewide standard for NRM and a set of statewide targets that will be adopted to guide the NRM activities of a range of stakeholders.

Ultimately, the aim of the statewide targets is to achieve the State Government's long-term goal for NRM. This goal is to have resilient ecologically sustainable landscapes functioning effectively at all scales and supporting the environmental, economic, social and cultural values of communities.

NRM targets will help to ensure that local, regional and State decision making is aligned and that investment by each of these stakeholders is coordinated to contribute to the Government's goal. The targets also provide a means of measuring the results of investment so progress toward the goal can be tracked.

Natural Resource Atlas

The State's Natural Resource Atlas (NRAtlas) integrates spatial data from all the major natural resource agencies to deliver up-to-date, accurate maps and data to the community, using a unique searchable facility based on the CMA's areas of operation. It provides simple-to-use, web-based maps as well as a data service for community consultation and education. Other communication products offered by NRAtlas include print media, easy to understand on-line demonstrations and telephone support.

The Department has begun publishing discrete sampled water quality information with downloadable graphs and data. This project will lay the ground work for further data publishing to contribute to a national indicator reporting framework for NRM. The Department aims to publish the Government's newly acquired state-wide high resolution satellite imagery on the NRAtlas.

More information on the NRAtlas can be found at: w.nratlas.nsw.gov.au.

SPOT5 Satellite Imagery

The Department initiated the purchase of SPOT5 satellite imagery to cover the whole of the State for the purpose of ensuring compliance with the *Native Vegetation Act 2003*. Each satellite image can be used for vegetation change monitoring, water monitoring, landscape planning and development assessment and compliance. Together with the Department's recent collaboration with the Australian Greenhouse Office to monitor native vegetation change, the new imagery will enable large gains to be made in its ability to detect change in natural resources. For example, satellite monitoring improves compliance which, in turn, allows the Department to prioritise compliance investigation actions using a risk-based approach.

High-resolution digital images will serve many purposes, including:

- individual PVPs will use the imagery as a backdrop layer
- CMAs will use the data in developing CAPs
- before and after images will allow detection and quantification of breaches in relation to native vegetation (illegal clearing) and water (illegal structures, water harvesting and irrigation)
- resource assessment, monitoring change and reporting on progress against targets (eg. vegetation condition, and salinity and land degradation to develop baseline data for environmental change).

More information on SPOT5 can be found at: www.dipnr.nsw.gov.au/mediarel/mo20040702_2735.html.

Customised Socio-Economic Information for CMAs

The Department has assembled sets of background data on social demography, labour force, industry profiles, community infrastructure and social and economic indices on a catchment-by-catchment basis.

This information will support:

- CMA's natural resource investment decisions
- socio-economic assessment of CAPs
- decision making on the development of regional and coastal strategies
- provision of policy advice on socio-economic issues more generally.

The information has been compiled and provided to 10 CMAs including Border Rivers–Gwydir, Central West, Hunter–Central Rivers, Lower Murray Darling, Murray, Murrumbidgee, Namoi, Northern Rivers, Southern Rivers, and Western. Work on profiles of the remaining three CMAs is in progress.

Native Vegetation Scorecard and Accounting Method

The Department and the CMAs have developed a native vegetation scorecard and accounting method. The scorecard identifies the best value native vegetation incentive proposals that: meet government and local priorities effectively; adjusts priorities from year to year; and accounts for, and reports on, the outcomes of public investment in natural resources.

The accounting method can be used to assess the benefits of native vegetation incentives proposals by giving them a score using the NRM tools within the PVP Developer. Environmental outcomes are typically long term and may only be demonstrated after years of monitoring.

The native vegetation incentives scores are based on predicted outcomes, which allow prioritisation of

the proposals to be outcomes not inputs focused. Once incentives proposals can be scored they can be readily compared for value for money, and thus prioritised in the context of a CMA's CAP. CMAs can also adapt the scorecard and accounting method to their specific needs.

More information on the native vegetation scorecard and the accounting method can be found at: www.dipnr.nsw.gov.au/nativeveg/fact_sheet_06.shtml.

Native Vegetation Management Fund

The Native Vegetation Management Fund (NVMF) supports the Property Agreement Program. The Program provides incentives to rural landholders to enter property agreements and management contracts to protect native vegetation on their properties. Grants pay for fencing materials and work, such as weed and feral animal control, to protect and enhance native vegetation. Since 1998, \$11.35 million has been paid to more than 840 landholders to protect more than 81,900 hectares of native vegetation under the Program.

The NVMF also funds voluntary conservation agreements (VCA) to landholders and pays Rural Lands Protection Boards (RLPBs) to protect native vegetation on travelling stock reserves. As at June 2005, cumulatively, 88 landholders were protecting more than 7,800 hectares through VCAs and RLPBs were protecting 20,000 hectares (see Table 6). This makes a total of more than 109,000 hectares of native vegetation, which is being protected by the NVMF.

Table 6: Native Vegetation Management Fund Performance 2001–02 to 2004–05

Native Vegetation Management Fund Performance	2001–02	2002–03	2003–04	2004–05
Value of funds granted (\$)	1,111,749	849,107	732,423	387,588
No. of landholders involved	62	84	70	33
Hectares of Vegetation protected				
DIPNR – Property Agreements and Management Contracts	2,577	1,798	1,145	1,279
– Travelling Stock Reserves	n/a	n/a	n/a	20,000
NPWS – Voluntary Conservation Agreements	0	1,668	2,689	0

SOIL CONSERVATION AND SALINITY

Salinity Management

The Department has successfully implemented all actions recommended by the NSW Salinity Strategy 2000 and is supporting the 2005–07 Salinity Enhancement Program to continue to build on the advances made by the Salinity Strategy. The following initiatives are highlights of the Department's Salinity Strategy achievements:

- provided \$3.3 million over four years to establish six urban and rural salt action teams to build the technical and scientific capacity of front line staff
- committed \$250,000 to undertake and publish salinity audits of the Hunter and North and South Coast catchments
- finalised 119 salinity outbreak maps and 126 land use maps for eastern NSW
- delivered practical decision support tools and models to assist the CMAs, such as the Catchment Scale Salt Balance Model (CATSALT) and the Catchment Scale Multiple Use Atmosphere Soil Water and Solute Model (CLASS)
- purchased over 11,000 hectares of land-use change under the \$2 million Environmental Services Scheme to assist landholders implement sustainable land-use practices to improve biodiversity and land and water quality as well as providing other environmental benefits
- developed effective and practical salinity mitigation programs for the inland CMA investment strategies
- developed the NRM options database, a whole-of-government register of the most viable land-use options suitable for particular climates and landscape conditions

- supported research to develop the land-use options simulator (LUOS), which is the precursor to the PVP Developer tool. LUOS remains a useful tool for CMAs to prioritise investment options.

More information on the salinity strategy can be found at: www.dipnr.nsw.gov.au/salinity/government/govt-nswstrat.htm.

The NRM options database can be accessed at www.nrmoptions.nsw.gov.au.

Soil Landscape Mapping

Soil landscape maps are the major tools in the assessment of soil and land resources in eastern and central NSW. The maps and associated reports provide essential information on distribution, characteristics and capabilities of soils throughout the State and contribute to effective NRM decision making.

The Soil Landscape Mapping program provides soil capability mapping in digital format to support local planning decisions and the work programs of the CMAs (see Table 7). The information contained in soil landscape maps can be used for rational allocation of resources, development and application of state-wide policies on natural resources and scenario modelling to determine best approaches to a wide range of NRM issues including soil erosion, acidification, structure decline and salinity.

The program developed products for the Comprehensive Coastal Assessment, the Lachlan, Murrumbidgee, Murray and Hawkesbury–Nepean catchments, the Rural Fire Service and the Aboriginal Heritage Code.

Table 7: Soil Landscape Mapping 2001–02 to 2004–05

Soil Landscape Mapping	2001–02	2002–03	2003–04	2004–05
No. of soil landscape and other soil mapping projects commenced	n/a	2	3	4
Increase in percentage of NSW with reconnaissance and digital soil landscape map coverage	n/a	0	2	2
Region Derivative Maps Produced	n/a	2	6	7
Area of eastern and central NSW with Reconnaissance or digital soil landscapes (%)	n/a	77	83	83

FLOODPLAIN MANAGEMENT PROGRAMS

Urban Floodplain Management

The Department provides expert technical advice and funding to assist the State's urban and peri-urban local councils preparing and implementing floodplain risk management plans in accordance with the State's Flood-Prone Land Policy and Floodplain Development Manual. The results of this work are shown in Table 8.

Significant progress has been made in implementing the NSW Flood-Prone Land Policy through the State's Floodplain Management Program. This has been facilitated by the 2005 Floodplain Development Manual, gazetted in May.

Table 8: Urban Floodplain Management 2001–02 to 2004–05

Urban Floodplain Management	2001–02	2002–03	2003–04	2004–05
No. of floodplain risk management committees	86	87	88	90
No. of floodplain risk management plans under preparation	n/a	88	92	93
No. of floodplain risk management plans adopted	79	83	85	87

During the year \$7.97 million was expended on grants to assist local councils undertake floodplain management projects.

Major mitigation projects completed include the Richmond River County Council's Lismore Levee, Wollondilly Shire Council's Stonequarry Creek Bank Stabilisation Works, Lake Macquarie City Council's Dora Creek Flood Access Roadway, Campbelltown City Council's Raby Detention Basin and components of Upper and Lower Prospect Creek Mitigation Works in Fairfield City Council.

Other major construction projects to receive significant funding include Deniliquin Council's Deniliquin Levee and Tamworth Regional Council's Taminda Levee. In addition, funding provided by the Floodplain Management Program enabled Fairfield and Wollongong City Councils to purchase properties on flood-prone land.

case study ▶
urban floodplain management

The Lismore Levee

Lismore City is one of the State's worst flood-affected urban centres. The fan-shaped 1,400 square kilometres catchment of the Wilsons River and Leycester Creek allows runoff to be rapidly concentrated at Lismore causing severe and frequent flooding. The City has suffered 25 floods since records began in 1917.

A Floodplain Management Committee was established in 1989, following a series of floods. The Committee is comprised of representatives from Council's elected body, Council staff, Richmond River County Council (the flood mitigation authority for the valley), local community representatives and floodplain management specialists from the Department.

Following a flood study in 1993, and the completion of a floodplain risk management study in 1995, the current Lismore Levee Scheme was adopted by Council in 1996 and an environmental impact statement was published in 1999. The key advantage of the Lismore levee is that it protects approximately 75 houses and CBD businesses

from the more frequent floods and the associated flood damage and hardship.

At a cost of \$19 million funded by the Commonwealth, Lismore City Council and the Department's Floodplain Management Program, the newly completed levee was finalised just prior to a recent flood event that would have otherwise flooded central Lismore. The immediate results of this project demonstrate the value of the vital, technical assistance and financial support that the Department continues to deliver to councils throughout NSW.

Industry experts believe the flood damages averted by the levee during just this one flood exceeded the cost of building the levee. As floods of this severity could occur 10 times over in a 100-year period, the cost saving in dollars and lives is enormous. Levees of this type are currently being built or existing ones rehabilitated, at many regional towns throughout NSW.

The Floodplain Management Program is a continuing program which recognises the severe emotional and economic losses people and communities suffer as a result of floods.

Rural Floodplain Management

The Department has prime responsibility for floodplain risk management for the State's rural areas designated under Part VIII of the *Water Act 1912* or under the regulations of the *Water Management Act 2000*. Floodplain management plans aimed at coordinating existing and future development on the floodplain so as to minimise flood risk to the community and sustain the natural functions of the floodplain environment are developed by the Department and floodplain management committees.

In 2004–05, seven floodplain management plans were drafted; four along the Namoi River and one each along the Lachlan, Murrumbidgee and Murray Rivers. The Department completed a flood study on the Liverpool Plains and made significant progress on three studies of the Macquarie and Lachlan Rivers floodplain areas. The Department also provided strategic direction and ongoing support for the development of floodplain management plans in key floodplain management areas covering approximately 30,000 square kilometres of the Murray–Darling Basin.

COASTAL AND ESTUARY MANAGEMENT PROGRAMS

Local coastal and estuary management plans are key methods for delivery of strategic actions under the NSW Coastal Policy. The management plans are developed by local council sponsored management committees in accordance with the Government's Coastline Management and Estuary Management manuals. The Department supports these committees and the councils by providing expert technical advice and funding assistance.

During 2004–05, \$3.03 million was contributed to major estuary restoration works undertaken at Lake Illawarra, Lake Macquarie and Kooragang Island. This work included environmental restoration, public access improvement and training wall design as well as waterway and environmental improvement.

In addition, under minor works programs, the Department provided a total of \$455,000 of assistance to 31 councils for the delivery of 131 estuarine management projects and \$256,000 to 12 coastal councils for 18 coastal management projects.

By June, 75 percent of estuaries in the State were covered by estuary management committees and most coastal councils had a coastal management committee overseeing coastal planning. Further, the State had 50 estuary and 18 coastal management plans in place ensuring coastal and estuary development and use is planned and managed sustainably.

WESTERN LANDS MANAGEMENT

The Western Division of NSW covers 42 percent (approximately 32.5 million hectares) of the State lying west of a line that runs from the Queensland border at Mungindi to Balranald near the Victorian border. The vast majority of the Western Division, 31 million hectares, is Crown Land, administered by the Department.

The Department assesses and approves a range of applications by leaseholders, develops policy, streamlines procedures and provides advisory services to leaseholders and the public. The Department assessed 240 consents to lease transfer, 95 alterations of lease purpose, 61 consents to cultivate land, 40 renewals of consents to cultivate, 385 title searches, 56 new Western Lands leases (mostly for residence in the Lightning Ridge opal fields) and 47 conversions to freehold. Over 27,000 hectares of cultivation permits were cancelled during the year, allowing this land to revert to native vegetation.

In addition, the Department oversaw the management of 1,200 Crown reserves, carried out 14 noxious weed and feral animal control projects on Crown lands, administered the Unincorporated Area (where there is no local government), and dealt with over 50 compliance matters on Western Lands and Crown lands.

The \$12 million, four year Commonwealth and State funded *West 2000+* program was successfully completed at 30 June. This structural adjustment program aimed to create a viable and self-sustaining Western Division and received a Premier's award for services to Rural NSW.

Western Lands Advisory Council

The Western Lands Advisory Council was appointed in 2004. The Council advises the Minister for Natural Resources on matters concerning the *Western Lands Act 1901* and the Western Division generally. Twelve members have been appointed to represent stakeholder groups and State land management agencies, with Mrs Jenny McLellan as chair.

The Council met three times during the year. It has studied issues around the interaction between the opal mining and grazing industries at Lightning Ridge and the Hudson Pear noxious weed problem in the same area. The Council provided advice and recommendations to the Minister and Western Lands Commissioner on these issues and on Western Lands rentals, freeholding and Departmental priorities.

Rangelands Assessment

The Rangelands Assessment Program (RAP) monitors and assesses the condition of soil and vegetation in the NSW semi-arid rangelands. It aims to increase the understanding of the functional relationships and drivers of change in the rangelands and is a key resource for Western Division landholders. Under the RAP, a network of 300 sites are monitored annually in collaboration with approximately 300 landholders as to the health of soils and vegetation in the State's semi-arid rangelands (see Table 9).

RAP outputs have recently contributed to the Australian Collaborative Rangelands Information System (ACRIS) supported by the National Land and Water Resources Audit, the National Aussie GRASS program and supporting applications for exceptional circumstances drought classifications in western NSW. Through ACRIS, RAP has participated in a nation-wide project to test the capacity of agencies to report on trends in landscape condition across the Australian rangelands. The RAP also provides support to the Western and the Lower Murray Darling CMAs.

Dust Watch

A joint Department and Griffith University project, with information from the Bureau of Meteorology and volunteer DustWatchers, helps to gain data on the sources and impacts of dust across Australia. This information is used by state and federal governments to report on the condition of the environment. CMAs in NSW, Victoria and South Australia also use the data to target investment programs and assess the effectiveness of land-management changes aimed at controlling wind erosion.

Table 9: Rangelands Assessment 2001–02 to 2004–05

Rangelands Assessment Program	2001–02	2002–03	2003–04	2004–05
Sites monitored	n/a	320	310	300
Landholder reports produced	n/a	310	300	300
Publications	n/a	1	3	5
External agency collaboration projects	n/a	1	1	4

water management

Objectives

- Water to be allocated sustainably between users and the environment.
- Regional communities to be involved in water management.
- An increase in water-use efficiency.
- Entitlements to water made more secure.
- Clear health objectives for catchments.
- An open and fair water market that encourages the most valuable economic use of the State's water resources.
- Restore and protect river health while maintaining strong agricultural communities.

Challenges

- the volume of water in inland rivers is falling; there are fewer and shorter high-flow events and reduced flows to tributaries, floodplains and wetlands
- some groundwater resources are being used beyond their sustainable yield or are under threat of over extraction
- 90 percent of water from the 429 open bore drains in the Great Artesian Basin is lost through leakage and evaporation
- Australia's 2002 irrigated agricultural production was valued at \$11.4 billion of which NSW contributed approximately \$2.9 billion. Australian Bureau of Statistics (ABS) figures show that irrigated agriculture uses just 1.5 percent of agricultural land in NSW but accounts for nearly 35 percent of production. Pressures of diminishing water entitlements and maximising productivity means that farming techniques and irrigation technology need to be continually refined to increase efficiency
- the drought, climate change, increasing competition for water between human and environmental needs and between the various types of human uses, means that it is imperative that we allocate and provide sustainable long-term water supplies and use water more efficiently. 2004–05 is the third year of extended drought conditions for much of NSW
- Sydney's 1.5 million households (4.2 million people), the largest consumers of water in the city, used 563,000 megalitres of water in 2003–04 and population estimates show an increase of one million people in the next 24 years; that is, 40 more homes and 110 more people each day.

Major Achievements

- 31 WSPs and the new licensing arrangements commenced covering 80 percent of water extraction in NSW. In total, the WSPs will return an average of 220 gigalitres of water to the environment each year
- 11,000 water access licence holders and 10,000 approval holders issued with new conditions of water extraction
- 9,363 NSW water access licences registered on the Water Access Licence Register
- despite the drought conditions, water dealings continued with some 298,000 megalitres of annual allocation water being traded during the year by 1,745 licence holders
- release of the Metropolitan Water Plan, a \$1.4 billion strategy to ensure a sustainable and secure water system for Sydney's people and rivers over the next 25 years
- allocation of \$63 million by the Murray Darling Basin Ministerial Council for water recovery projects for the Great Darling Anabranch, Bungunyah-Koraleigh water supply pipeline, and the Poon Boon Lakes and \$9 million for the acquisition of innovative water products. These initiatives are intended to yield 71 gigalitres of water to the environment over the next five years
- announcement of measures to improve water quality and riverine health in the Hawkesbury Nepean System
- development and announcement of \$110 million Achieving Sustainable Groundwater Entitlements Package to assist landholders in over-allocated groundwater water sources
- allocation of \$13.4 million to wetland recovery projects in the Macquarie Marshes and Gwydir wetlands
- endorsement by the Border Catchments Standing Committee of the draft Intergovernmental Agreement (IGA) with Queensland for the Border Rivers system allowing trials of interstate water sharing arrangements

- the Department issued the first Aboriginal cultural access licence to the Nari Nari Tribal Council for the inundation of a culturally significant wetland along the Murrumbidgee River.

Outlook

- continued development of WSPs across the State to bring the remaining 20 percent of water extraction within the provisions of the *Water Management Act 2000*
- establishing a socio-economic monitoring regime for implemented WSPs
- formal signing of the NSW–Queensland IGA for the Dumaresq–Barwon Border Rivers following trials of the new water sharing arrangements
- new water resource management charges from 1 July 2006 as part of a water pricing system aimed at encouraging efficient water use
- implementation of a number of water recovery projects in NSW
- finalisation of revised floodplain harvesting policy advice and an agreed audit methodology
- operational commencement of the Water Information Exchange.

NATIONAL WATER INITIATIVE AND WATER REFORMS

National Water Initiative

The National Water Initiative (NWI) is a comprehensive strategy driven by the Australian Government to improve water management across the country. Under the terms of an IGA signed in June 2004, the Department is NSW's lead agency for the majority of actions under the NWI. It has developed an implementation plan that establishes a 10 year work program that includes:

- substantial completion of WSPs to address over allocation in river and groundwater systems
- dealing with cross-border resources, such as the Border Rivers, Upper Murray, Snowy and Goongong Rivers through WSPs
- WSPs to address Indigenous issues
- defining, providing and managing environmental water and water for other public benefit outcomes
- monitoring and reporting on WSPs
- assessing and addressing the significance of major interception activities, such as farm dams and bores and floodplain harvesting
- legislation to implement the new formula for sharing the risk of future changes to water allocations to take effect after 2014
- the introduction of publicly accessible registers of all water access entitlements to facilitate water trading
- legislation to remove barriers to trade in the southern Murray–Darling Basin
- the establishment of exchange rates and other support tools to support interstate water trading
- pricing initiatives for urban water
- achievement of full cost recovery for bulk water services in the majority of the regulated, unregulated river and ground water systems
- consistent approaches to pricing and attributing costs of water planning and management
- the development of an environmental water register
- the development of a national system of water accounting
- actions to better manage demand in urban areas
- the application of national guidelines for recycling of water for urban systems

- the identification of key knowledge and capacity building priorities to support implementation of the NWI.

The full text of the COAG National Water Initiative and the Murray–Darling Basin Agreement can be found at: www.coag.gov.au/meetings/250604/index.htm.

Implementing the *Water Management Act 2000*

Legislative Amendments

The *Water Management Act 2000* was passed in December 2000 and has been progressively implemented since 1 January 2001. To better effect the Act's provisions and also to meet requirements under the National Water Initiative, amendments were required to improve and fine tune the legislation. Towards the end of June 2004, amendments to the Act were assented to and these commenced on 1 July. They included the following key changes:

- providing perpetual tenure for most water access licences. Previously the Act required renewal every 15 years
- appointing the independent body, the Natural Resources Commission, to audit the WSPs
- providing for the rollover or extension of a water sharing plan at the end of the initial 10 year term on the recommendation of the Natural Resources Commission
- enabling limits to be placed on domestic and stock water use
- providing for the CMAs to monitor the achievement of the environmental outcomes of the WSPs in the context of their CAPs, to establish water conservation trusts, and to manage licences for adaptive environmental water
- adopting a broader macro planning approach to finalise WSPs for the State
- providing a guarantee of water title through the Water Access Licence Register
- simplifying water trading provisions
- clarifying procedural arrangements for the WSPs
- recognising water-dependent investment made by licence holders in the entitlement reduction method in over-allocated groundwater systems.

The WSPs, which commenced on 1 July 2004, were also amended to take into account these changes.

Commencement of the Water Sharing Plans

On 1 July 2004, 31 WSPs commenced across the State. These include the major regulated river systems and a number of smaller coastal and inland unregulated river systems and coastal aquifers.

The WSPs introduce rules to allocate environmental water to protect the fundamental health of groundwater and surface water sources and the ecosystems that depend on them. This is important for the survival of unique aquatic ecosystems as well as for the continued prosperity of the industries and communities that rely on these water sources. In total, the WSPs will return an average of 220 gigalitres of water to the environment each year, while providing licence holders with a more secure, valuable and tradeable right to water.

Implementation of the Water Sharing Plans

Under the Act, implementation programs are to be established setting out the means by which the objectives of a water sharing plan are to be implemented. On 17 February 2005, the Minister established implementation programs for 20 (see list below) of the 31 commenced WSPs. Departmental staff worked closely with members of the relevant water management committee to develop the programs.

Copies of the implementation programs are available from the Department's website:
www.dipnr.nsw.gov.au/water/sharing/index.shtml.

Established Water Sharing Plan Implementation Programs include:

- Wandella Creek Water Source
- Kangaroo River Water Source
- Upper Brunswick Water Source
- Toorumbbee Creek Water Source
- Stuarts Point Groundwater Water Source
- Dorrigo Plateau Surface Water Source
- Coopers Creek Water Source
- Commissioners Waters Water Source
- Apsley River Water Source
- Alstonville Plateau Groundwater Source
- Tomago Tomaree Stockton Groundwater Water Source
- Ourimbah Creek Water Source
- Kulnara Mangrove Mountain Groundwater Source
- Wybong Creek Water Source
- Karuah River Water Source
- Jiliby Jiliby Creek Water Source
- Regulated Hunter River and Glennies Creed Water Source
- Phillips Creek, Mooki River, Quirindi Creek and Warrah Creek Water Source
- Upper Namoi and Lower Namoi Regulated River Water Sources
- Rocky Creek, Cobbadah, Upper Horton Water Source.

The start of the WSPs coincided with the third year of severe drought conditions across much of NSW. Most valleys in southern and central NSW were affected by record low water allocations during this period and drought contingency plans were implemented to cater for critical town and domestic water supplies.

Despite the drought conditions across much of inland NSW, the environmental flow rules in the WSPs were implemented in all but one of the seven regulated river systems. The exception was the Lachlan Regulated River which experienced its worst recorded drought. As a result, a severe water shortage order was made and the environmental water rules were suspended to ensure that highest priority requirements such as town water and domestic needs along the river could be supplied.

Similarly, the low levels of water in Menindee Lakes at the commencement of 2004–05 initially threatened the security of Broken Hill's town water supply. However a major inflow resulting from rainfall in northern NSW and southern Queensland in January 2005 was sufficient to secure Broken Hill's water supply requirements for the rest of the year.

The key environmental provisions in the 20 unregulated river WSPs are the cease to pump rules which protect the very low flows on a daily basis. The plans' cease to pump conditions were implemented during the year in all but the following water sources: Coopers Creek; Mandagery Creek; Castlereagh River; Tenterfield Creek; and in the Philips Creek, Quirindi Creek, Warrah Creek, Rocky Creek, Cobbadah, and Upper Horton management zones.

The Coopers Creek water sharing plan is subject to a legal challenge. Gauging stations are yet to be installed in the other water sources.

For groundwater sources the main environmental provisions are the protection from extraction of the long-term storage component and a proportion of the recharge. During the year, as part of the implementation of the five coastal groundwater sharing plans, Departmental staff installed or upgraded monitoring networks to measure water level variations and water quality and reviewed recharge and discharge requirements for selected groundwater dependent ecosystems.

Further information on the *Water Management Act 2000* is available at the Department's website: www.dipnr.nsw.gov.au/water

A New System of Water Access Licences and Water Management Approvals

WSPs and water access licences are intimately linked. WSPs establish overall extraction limits for the water source as well as the rules that govern water extraction and water dealings (or water trading). For this reason the new licensing system can only commence in areas with operational WSPs. Water access licences in areas with operational WSPs account for 80 percent of the State's water extraction.

On 1 July 2004, water licences in the water sources with an operational water sharing plan were converted to water access licences and water management approvals. The water access licences provide greater security to water users because they provide a clearly defined and perpetual right to access water.

All water access licences are being progressively listed on the Water Access Licence Register administered by the Department of Lands - Land and Property Information (LPI) which will also issue the water access licence certificates. By 30 June, there were 9,363 water access licences on the Water Access Licence Register, accounting for over 8,000 gigalitres of water per annum. This amounts to 90 percent of the total number of water access licences converted. The Water Access Licence Register facilitates a range of new water trading and other transactions, known collectively as water dealings.

During the year there were 169 transfers of licence title in the water sharing plan areas and 76 changes to licences, such as subdivisions or leasing arrangements. In addition and despite the drought conditions, some 298,000 megalitres of annual allocation water was traded during the year by 1,745 licence holders.

Under the *Water Management Act 2000*, water management approvals for water supply works and to use water remain tied to the land; they are held separately from a water access licence. By 30 June, 10,100 water management approvals had been issued.

More information on the water access licences, water management approvals, water dealings and the Water Access Licence Register can be found at: www.dipnr.nsw.gov.au/water.

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An Indigenous Cultural Access Water Licence

The Murrumbidgee Water Sharing Plan provided for 2,150 megalitres of water to be granted under licence for Indigenous cultural activities. The Nari Nari Tribal Council holds title to Toogimbie – 11,300 hectares of riverine land along the Murrumbidgee River – 30 kilometres west of Hay in NSW. Toogimbie was established to protect and enhance the local Indigenous culture and history, while encouraging and protecting the natural environment. During the year, the Department issued the first Aboriginal cultural access licence to the Nari Nari Tribal Council for the inundation of a culturally significant wetland on Toogimbie.

Water Assessment Guide

The Department has developed a Water Assessment Guide (WAG) as a decision-support tool for risk-based impact assessment for the *Water Management Act 2000* approval processes for water use, water supply works and water access licence dealings.

The WAG identifies the relevance of a range of environmental and socio-economic impacts and level of assessment required. The greater the risk of an impact, the greater the level of assessment that will be required to make a decision. The WAG provides a framework to establish values and a rating system to evaluate whether the proposed activity is in accordance with the principles and objects of the legislation. The WAG allows full documentation of the decision-making process and provides a consistent, repeatable and transparent process, which can be readily audited.

Completion of Water Sharing Plans

Macro or broad catchment or aquifer water plans are being prepared for the majority of the remaining unregulated river and groundwater systems in the State. Macro plans are WSPs which apply to a number of water sources across catchments or to different types of aquifers. These plans will introduce the benefits of the recent water reforms to catchments with less intensive water use by developing a standard set of water sharing rules for catchments with similar characteristics. In addition, 17 individual plans are being prepared for the areas of more intensive water use or which need to address specific water issues such as the Greater Sydney area and the Barwon-Darling River.

Like the first round of WSPs, the up to 28 surface water and 5 groundwater macro plans, and the individual plans will protect riverine health while ensuring certainty of access for the State's water users. Further, they will link with CMAs and other land use plans. The plans will take into account the environmental health of the river, basic landholders rights such as domestic and stock

water entitlements, town water rights and extractive purposes such as irrigation.

During the year expert panels comprising Departmental staff and staff from the Departments of Primary Industries and Environment and Conservation as well as the CMAs were established. The panels began work on classifying the water sources according to their social, economic and ecological values as a basis for the water sharing rules. Table 10 is a simplified version of the more detailed matrices used to develop water sharing rules. Economic values, such as the importance of irrigation to a community, are shown along the horizontal axis. Ecological values, such as the importance of river water to threatened species of fish, are shown on the vertical axis.

For example, rules for a river with an important irrigation industry and very few ecological values would be applied from the bottom row of the far right column. However, rules for a river with high conservation values and little local irrigation would be applied from the top row of the left column.

Table 10: Development of Water Sharing Rules

How the water sharing rules are developed

	Low socioeconomic value	Medium socioeconomic value	High socioeconomic value
High instream values	<p>Rules to protect instream values.</p> <p>Reduce entitlement via trading.</p>	<p>Rules to encourage extraction to shift from high environmental impact to lower impact.</p> <p>Reduce entitlement via trading.</p>	<p>Rules to encourage extraction to shift from high environmental impact to lower impact (eg. timing of extraction to allow first flush to pass).</p> <p>Reduce entitlement via trading.</p>
Medium instream values	<p>Rule to reduce impacts on important instream values.</p> <p>Encourage development through trading of water entitlements and allocations into management unit up to defined limits.</p>	<p>Rules to encourage extraction to shift from high environmental impact to lower impact.</p> <p>Encourage development through trading of water entitlements and allocations into management unit up to defined limits.</p>	<p>Rules to encourage extraction to shift from high environmental impact to lower impact.</p> <p>Rule to prevent net increase in entitlement via trading.</p>
Low instream values	<p>Stop any further degradation of instream values.</p> <p>Encourage development through trading of water entitlements and allocations into management unit up to defined limits.</p>	<p>Stop any further degradation of instream values.</p> <p>Encourage development through trading of water entitlements and allocations into management unit up to defined limits.</p>	<p>Rules to encourage extraction to shift from high hydrological stress to lower stress (ie. moving extraction to less stressed parts of the flow regime provided there is no increase in environmental impacts).</p> <p>Rule to prevent net increase in entitlement via trading.</p>

The draft macro WSPs are expected to be placed on public exhibition in 2006 for comment and implemented after licence conversion has occurred; most plans will commence by July 2008.

Water Modelling for the Water Sharing Plans

The Department has developed a hydrological modelling tool, the Integrated Quantity and Quality Model (IQQM), for use in investigating the impacts of water resource management policies and policy changes on stakeholders. It can be used to investigate and resolve water sharing issues at the inter-state level as well as water sharing trade offs between competing groups of users, including the environment.

During the year, the IQQM was used to:

- assess the impact of the suspension of the environmental sharing provisions for the Lachlan Regulated Water Source
- investigate measures to secure the health of river redgums in the Macquarie Marshes
- adjust the supplementary sharing formulas in the regulated Gwydir surface water plan
- develop water sharing proposals in the Peel, Barwon–Darling, and Border Rivers systems
- assess a range of proposals for water recovery at Lake Brewster
- model the water savings from new Darling Anabranch and Menindee Lakes structural works
- assist in planning for future water supply options with Rous County Council
- evaluate water sharing options for the Barwon–Darling system, and so contribute to an agreement for managing the Murray–Darling Basin Cap
- contribute to an assessment of rules for expansion of permanent interstate water trade into the Murrumbidgee Valley, NSW Murray and Lower Darling systems
- assess proposals for interception of high salinity groundwater inflows to the State's rivers for their contribution to meeting the Murray–Darling Basin salinity target (at Morgan in South Australia).

Dumaresq–Barwon Border Rivers Agreement

The 1946 Dumaresq–Barwon Border Rivers Agreement and its 1947 supporting legislation provide for the construction and operation of works to share and deliver water to NSW and Queensland. The

environmental requirements of the river system are not addressed.

In June 2000, the NSW and Queensland Premiers signed a Memorandum of Understanding (MoU) to develop an agreed set of flow sharing rules for the Border Rivers. The MoU made provisions for water to be allocated to the community downstream of the Border Rivers catchment and the riverine ecosystem. The MoU lapsed in 2003 and, following wide consultation with community members and non-Government organisations as well as water user groups, the NSW and Queensland Governments instigated an IGA.

A draft IGA was proposed for endorsement in July 2005 by the Border Catchments Standing Committee. The draft IGA's water sharing arrangements will be incorporated into each state's draft water planning processes (a WSP in NSW and a Resource Operations Plan in Queensland) when the draft IGA is approved. It is anticipated that the draft IGA will be formally signed following trials of the new water sharing arrangements.

Water Resource Management Charges

On 1 July 2005, the Independent Pricing and Regulatory Tribunal (IPART) made a determination on the water resources management charges that the Department will charge in 2005–06. These charges recoup the costs of constructing, maintaining and operating water management works as well as collecting data and undertaking research and development in relation to water management. The Department is currently developing a submission that proposes new water resource management charges from 1 July 2006. The charges are part of a water pricing system that is aimed at encouraging efficient water use.

WATER RECOVERY

The Living Murray Initiative

The Living Murray Initiative (TLM initiative) is a major investment by the NSW, Victorian, South Australian, ACT and Commonwealth Governments to improve the environmental health of the Murray River by recovering water for environmental purposes. Under the terms of an IGA signed in 2004, these governments will invest \$500 million over the next five years to recover water to improve the environmental health of six significant ecological sites along the Murray:

- Barmah-Millewa Forests
- Perricoota–Koondrook/Gunbower Forests

- Hattah Lakes Complex
- Chowilla wetlands/floodplain
- Coorong and the Murray Mouth
- the main channel of the Murray River.

TLM initiative is a flagship project for the Department.

In November, the Murray Darling Basin Ministerial Council endorsed a five year business plan for the TLM initiative. The business plan outlines annual investment targets as well as three year water recovery targets. The plan also gives the State responsibility for the Great Darling Anabranch and Bungunyah–Koraleigh pipelines and for the Poon Boon Entitlement Recovery project and the acquisition of innovative water products. It is anticipated that these projects will return 71 gigalitres of water to the River Murray System for an investment of \$72 million.

The Department has completed the following water recovery projects:

- an environmental impact statement for the Great Darling Anabranch Pipeline
- a draft management plan for the Poon Boon Lakes in consultation with the Poon Boon landholders
- a draft business plan for the Koraleigh-Bungunyah Pipeline.

In addition, the Department has initiated studies to identify innovative market based products and investigations into possible wetland water recovery options on the Murray and in the Moira Irrigation District.

The Department has also completed the 2005–06 Living Murray Environmental Watering Plan and draft asset environmental management plans for the Barmah–Millewa Forests, the Perricoota–Koondrook / Gunbower Forests, Chowilla Floodplain and the River Murray Channel.

The Murray–Darling Basin Ministerial Council provides \$150 million for TLM Environmental Works and Measures Program in addition to the \$500 million from the states. The eight year program aims to improve the health of the River Murray by:

- making the best possible use of the water currently available
- optimising the benefits of any water recovered
- considering other priority investments in their own right
- targeting investment towards the best environmental outcomes.

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water recovery

Darling Anabranch Management Plan

On 17 May 2005, the Minister for Natural Resources approved the Darling Anabranch Management Plan, a \$39.5 million scheme to re-introduce natural flow conditions to the Great Darling Anabranch. The Darling Anabranch Management Plan involves:

- the reinstatement of a more natural flow regime using adaptive management methods
- the removal or modification of block banks and other in-stream water regulation structures along the Anabranch which were constructed to create weir pool storages
- the installation of pumps, pipeline and a filtration system, including connections to landholders' existing pipeline systems
- the provision of additional fencing to control stock at points along the Anabranch where weir pools previously acted as barriers to stock movement.

Under the current water management system approximately 50 gigalitres of water is released down the Anabranch every year to supply the stock and domestic requirements of the 41 waterfront landholders. As a consequence, the Anabranch almost always holds water, leading to stagnation and habitat destruction.

The reinstatement of a more natural flow regime will use an adaptive management methodology that will:

- clearly link to the commitments made in the environmental impact statement
- include transparent provisions for the management and financing of a stock and domestic pipeline for the waterfront landholders
- make provisions for regular review and reporting on performance outcomes
- recommend a preferred solution for managing the end of flow releases in the lower Anabranch to ensure saline waters do not enter the Murray River.

Snowy Joint Government Enterprise

The Joint Government Enterprise Limited has been established to implement the findings and recommendations of the Snowy Water Inquiry to achieve significant improvements in environmental flows into the Snowy, Murray and associated river systems. The Commonwealth, NSW and Victorian Governments committed \$375 million over the next eight years to fund and commission water efficiency projects to yield specified water savings targets, which will increase environmental flows to the Snowy River and the River Murray systems. The targets include returning 212 gigalitres to the Snowy River and 70 gigalitres to the River Murray in a staged approach over the next 10 years. The Department is responsible for the Forest Creek alternate water supply project, which to date has returned 11 gigalitres of water to Forest Creek from Rhyola (near Deniliquin) to Moulamein. The Department also commenced investigations into potential wetland savings at Yanco Creek.

Wetland Recovery Plan

The Wetland Recovery Plan is a four year plan to deliver long term and permanent benefits to ecologically significant wetlands through water efficiency projects, water buy back and projects to improve wetland management. The State Government has allocated \$13.4 million, and is seeking a matching contribution from the Commonwealth Government.

The Plan will mirror TLM initiative by focusing on water recovery, water application and research and development. This will guide the development of specific short-, medium- and longer-term measures to achieve healthier wetlands, rivers, and viable human communities, in conjunction with land management practices.

The first stage focuses on developing environmental management plans for the Macquarie Marshes and Gwydir Wetlands, and implementing infrastructure projects to improve water efficiencies in these wetlands. In time it will be expanded to cover other important wetlands throughout the State.

The Plan will increase the resilience and sustainability of wetlands and rivers, and of the associated communities. The program aims to provide: better knowledge and decision making; environmental improvements to rivers and wetlands; more water and improved flow regime for rivers and wetlands; more healthy riverine and wetland systems; and greater direction to CMAs.

Floodplain Harvesting Regulation Project

Floodplain harvesting is the collection, extraction or impoundment of water for commercial purposes flowing across floodplains. It is a significant issue for the cotton growing areas of northern inland NSW which experience heavy summer rains. The harvesting of water from floodplains reduces the amount of water reaching or returning to rivers. Unconstrained floodplain harvesting can seriously affect the connectivity between the local floodplain, wetlands and the river, through the loss of flow volume and redirection of water flows. The Department does not currently regulate floodplain harvesting and so cannot adequately manage the associated impacts.

Floodplain harvesting is required to be licensed under the *Water Management Act 2000*. The Department is, therefore, developing a floodplain harvesting regulation. This will result in two macro WSPs with floodplain harvesting provisions for northern NSW, an audit methodology to be applied to floodplain extraction works across the State and a suite of rules which will govern authorisations for specific floodplain harvesting works.

A key to the success of the project is community engagement. During the project a high level of cooperation and partnership has emerged between the relevant natural resource agencies and the key stakeholders. The Gwydir Valley in northern NSW is being used to test audit methodologies and trial access rules. The revised floodplain harvesting policy advice and an agreed audit methodology will be finalised in the coming year.

Achieving Sustainable Groundwater Entitlements Package

The State Government is committed to reducing licensed entitlements in all over-allocated groundwater systems. On 9 June, the Prime Minister and Premier announced a joint \$110 million State–Commonwealth Government program in partnership with industry, to implement groundwater entitlement reduction and financial assistance in the Upper and Lower Namoi, Lower Gwydir, Lower Macquarie, Lower Lachlan, Lower Murrumbidgee and Lower Murray groundwater sources. To facilitate the structural adjustment process, the Department is deferring the commencement of the groundwater sharing plans for these sources until 1 July 2006.

Cap and Pipe the Bores Program

The Great Artesian Basin, underlying 22 percent of Australia, is one of the largest underground water

resources in the world. Bringing artesian bores under control and replacing open bore drains will reduce the current water wastage and improve management of the Basin.

In 2004–05 the Commonwealth and the State Governments finalised the Great Artesian Basin Sustainability Agreement to jointly fund the \$32 million Cap and Pipe the Bores Program until June 2009. The program provides incentives to landholders to offset the cost of rehabilitating bores and installing efficient piped systems.

Forty artesian bores were rehabilitated and 1,027 kilometres of bore drains decommissioned on 120 properties during 2004–05; an estimated saving of 7,821 megalitres of water per year. Progress under the program is shown in Table 11.

Benefits of the program include improved water use efficiency, the recovery of artesian pressure, re-activation of mound springs, reduced salinity, biodiversity conservation, feral animal control and the adoption of improved land management. In addition, landholders who have capped and piped their bores enjoy greater reliability of stock and domestic water and a strategically placed water supply significantly reduces the impact of the drought.

Metropolitan Water Plan

The Metropolitan Water Plan was released on 19 October. The Plan outlines a \$1.4 billion strategy that ensures a sustainable and secure water system for people and rivers over the next 25 years. It has been developed to ensure the people of the greater Sydney area have sufficient water to meet their needs over the next 25 years. It is also the next step in a program to restore the health of the Hawkesbury–Nepean River

and the other precious rivers surrounding the city. It recognises that Sydney's future growth and economic prosperity needs secure water resources for people, industry and the environment.

The Plan builds on a suite of measures and programs already underway and contains a package of new actions that the Government will take in response to the current drought and give certainty to Sydney's water supplies. When fully implemented the plan will include:

- the provision of access to deep water in the major dams
- increased transfer of water from the Shoalhaven River
- restoration of environmental flows to the Hawkesbury–Nepean Rivers
- a recycling strategy
- efficient water infrastructure for new land release areas
- enhanced BASIX building standards
- the possible construction of a desalination plant.

All actions will reduce the amount of water required to meet Sydney's water needs, provide water for river health purposes, increase the yield of the existing dams and provide a safety margin to allow for uncertainty. In this way, the Plan will deliver the best social, economic and environmental outcomes for the community of the Greater Sydney Region.

More information on the Metropolitan Water Plan can be found at the Department's website: www.metrostrategy.nsw.gov.au/dev/ViewPage.action?siteNodeId=33&languageId=1&contentId=381.

Table 11: Cap & Pipe the Bores Program 2001–02 to 2004–05

Cap & Pipe the Bores Program	2001–02	2002–03	2003–04	2004–05
Free flowing bores yet to be rehabilitated	476	429	401	386
Bores rehabilitated	47	28	15	40
Water savings (megalitres / year)	9,686	6,430	4,939	7,821
Bore drains decommissioned (km)	848	898	871	1,027
Pipeline installed (km)	1,643	1,893	1,229	1,390
Properties involved	123	110	114	120

WATER MONITORING

Environmental Monitoring of Rivers

The Integrated Monitoring of Environmental Flows (IMEF) program is a scientific assessment of the response of rivers and associated wetlands to the effects of environmental flow rules. It improves the Department's understanding of the relationship between hydrology and ecology by assessing indicators such as algal bloom suppression, wetting of terrestrial organic matter, low-flow habitat and wetland replenishment.

Since 1998, the IMEF has developed several ecological models for the regulated Gwydir, Hunter, Lachlan, Macquarie, Murrumbidgee, and Namoi Rivers and the Barwon–Darling River. Positive changes from environmental flows have been measured for wetland plants and animals in the Murrumbidgee, Macquarie and Gwydir Valleys. Further, the Department anticipates that the flow rules on the Barwon–Darling River will reduce the amount of toxic algal blooms.

The IMEF program received a capital enhancement of \$2.2 million in 2004–05. New projects planned include:

- examination of fish larvae responses to flows in the Barwon system
- development of a flow inundation model for the Macquarie Marshes
- assessment of ecosystem responses to carbon delivery by environmental flows in the Hunter and Barwon catchments
- determination of wetted habitat area by environmental flows in the Murrumbidgee River.

Water Quality Monitoring

The Department monitors water quality in two ways: collecting and analysing discrete water samples; and continuous monitoring. A network of river gauges, groundwater bores and water quality sampling sites provide information about the quantity and quality of surface water and groundwater resources. River data collected includes river flow, river height, temperature, turbidity, pH and conductivity.

This information is used by the Department to determine the water available for extraction, provide flood warnings, develop river and groundwater models for assessing the impacts of varying water rules, prepare WSPs and other management strategies, and to audit NSW's compliance with the Murray–Darling Basin cap on water diversions and the NSW Salinity Strategy. Many other external groups and members of the public also access this information.

Socio-economic Monitoring of Water Sharing Plans

The Department will monitor the socio-economic changes arising from the implemented WSPs at farm and regional levels. The project involves developing key impact indicators through community engagement and then establishing a reporting and monitoring regime. Initial scoping interviews with key informants have begun. These will inform the development of the monitoring regime and selection of indicators. The project will provide useful data for the Natural Resources Commission review of WSPs and future natural resource policy decisions.

Water Information Exchange

The Water Information Exchange (WIX) project introduces a major change in the way the Department collects and provides information to better manage the State's water resources. It will provide a consistent, statewide system that also supports implementation of WSPs with more detailed and timely data and information.

The new system will offer water access licence holders a simple and fast way to submit meter readings, water orders, gauge readings and crop statistics directly into the Department's corporate database, making additional and more timely information available. Farmers will also have ready access to more comprehensive, up-to-date information on pumping conditions, account balances, gauging information and their customer profile, such as water access licence and works approvals held, registered works and account details.

The WIX Project is jointly funded by the Department and the Department of Energy, Utilities and Sustainability. It is being developed under the guidance of a project board consisting of representatives from the funding departments, the NSW Farmers' Association and the NSW Irrigators Council. It is anticipated that it will be in operation by the end of 2005.



organisational capability

Objectives

- Strong governance, accountability and financial management.
- Highly capable staff focused on priorities, who support, and are supported by, a client-focused organisation.
- An equitable, safe and healthy workplace.
- Improved service delivery, reduced red tape and systems that support effective, simple decision making.

Challenges

- strong governance arrangements need to be implemented and simple decision-making processes determined
- finalising the restructure of the organisation to streamline management processes whilst building corporate capability
- building organisational capacity and systems in an environment of increasing operational budget savings
- increasing reliance on information technology for communication means systems need to be constantly upgraded.

Major Achievements

- Service Delivery Reforms have been implemented: the transfer of nearly 300 staff to the CMAs is complete; DIPNR's organisational structures have been established in line with the new service delivery model and staff numbers have been reduced by a further 500; the restructure has been achieved with no time lost because of industrial disputes
- governance processes, including comprehensive, corporate and business planning and reporting, have been established allowing the Board of Management to set and drive the achievement of priority initiatives
- DIPNR budgeting is firmly linked with corporate and business planning ensuring that expenditure is targeted to Government and Departmental priorities
- the Department relocated some 400 staff from the Henry Deane Building near Central station to two existing buildings, resulting in significant savings in accommodation costs
- a DIPNR Workforce Capability Plan 2005 to 2010 outlining organisational development and workforce planning strategies was finalised. Key initiatives delivered were: the Management Development Program, *Leading Change*; a series of 25 corporate governance information workshops for all staff covering DIPNR's Code of Ethics and Conduct; and 'DIPNR Moving Forward' team planning and team building workshops attended by more than 1000 staff
- a comprehensive learning and development program was conducted delivering 162 courses for 3,666 participants
- 162 key managers and supervisors have been trained in new OH&S legislation and responsibilities.
- the Science and Information Board developed the Knowledge Strategy which will maintain and build knowledge sets and the capacity to deliver data, information, insight and prediction fit for DIPNR's core business purposes
- re-engineering of Ministerial and Departmental correspondence processes has resulted in vastly improved service such as a 78 percent reduction in overdue Ministerial correspondence
- compliance policy and systems have been significantly improved by using an integrated approach covering training in investigations and evidence taking, intelligence analysis of the central database and using compliance auditing to proactively manage risk of non-compliance
- a new, faster Internet connection has been installed, 90 percent of DIPNR sites have broadband data communication, rationalisation of voice services has significantly reduced call costs; and a single Data Centre with increased server and storage capacity was established to meet staff need to access large GIS files and complex data sets.

Outlook

- further developing the business services group within a shared services environment.

GOVERNANCE AND ACCOUNTABILITY

Service Delivery Reforms

The aim of the Service Delivery Reform Project was to establish a new Departmental service delivery model to improve the reliability, timeliness and simplicity of services to customers, focus the organisation on its key deliverables and significantly reduce the cost of operations. DIPNR is on track with initiatives for streamlining operations, reducing costs and significantly improving service delivery.

Twelve regionally based CMA boards and chairs have been established and the transfer of around 400 permanent and externally funded staff to these CMAs is complete. The Sydney-based, thirteenth CMA has been approved and work has commenced to make it fully operational. Funding of \$436 million has been committed to the CMAs over four years to fund their investment strategies, 80 percent of NAP and NHT payments are directed to on-ground works, and DIPNR's grant payments to community groups and CMAs doubled to 28 percent of total expenditure.

The establishment of structures and the transitioning of staff to the new arrangements in DIPNR is largely complete, including the establishment of an Office of Major Projects and the realignment of the Office of the Metropolitan Region into six operational teams. DIPNR staff numbers have been reduced by a further 500 in accordance with the service delivery recommendations. Consultative processes with unions were established early in the project so that the transition has been achieved with no industrial disputes. There have been savings of \$3 million in Fleet and Procurement and major improvements in reducing red tape.

Corporate and Business Planning

The Department's corporate planning process consists of four integrated planning levels. The Results and Services Plan (RSP) sets out the Department's planned results and services to be delivered for its annual budget allocation. The RSP is required annually by State Treasury and is agreed between the Minister and Treasurer. The Corporate Plan, which sets out the Department's priorities, planned results, major initiatives, flagship projects and key performance indicators over a two year period, is aligned to the RSP.

The Corporate Plan directs business planning within the Department. Each office, division and region (business areas) of DIPNR has prepared a business

plan, which is approved by the Board of Management (BoM). The business plans detail how each business area intends to contribute to the corporate priorities, key actions and flagship projects outlined in the Corporate Plan. Once the business plans have been approved by the BOM, teams and individuals develop work plans that align with the business plans so that every staff member is clear about the work for which they, and their unit, are accountable.

All plans undergo a rigorous review process. The BoM reviews the Department's service delivery and financial performance monthly. Flagship projects and major initiatives identified in the Corporate Plan are reviewed each quarter by the BoM and the flagship steering committee. Each business area is responsible for collecting and recording relevant performance information and ensuring that expenditure is appropriately matched to activities. The BoM evaluates this performance information and audits the achievement of targets and milestones.

Strategic Risk Management

The Department continued to build on the risk management policy, approach and strategic framework initiated in the previous year. Risk management workshops for executives and senior managers within each division and region were conducted to ensure more effective risk identification and management and to increase the veracity of the information obtained through the risk framework. Risk assessments were undertaken on every divisional and regional business plan to ensure that any threats or lost opportunities to the achievement of the objectives in business plans had been identified and mitigation action settled.

This consolidating work enabled DIPNR to commence the next step in establishing a cycle of risk-management monitoring and reporting in accordance with the Australian Standard. As a result the Audit Committee adopted quarterly reporting on DIPNR's highest risk exposures and monthly exception reporting by DIPNR's advisory BoM.

Delegations

The delegations review was completed and a new delegations manual was written reflecting best practice in delegated authority. Lower levels of management can now approve transactions instead of most decisions flowing to the top, resulting in an improvement in timeliness and efficiency. Staff are now given the authority they need to perform their job and make decisions faster.

Management review and response

NSW Audit Office Reviews

The Department responded to an Audit Office follow-up performance audit on the environmental assessment of major projects and participated in two cross-agency performance audits, Managing Air Quality and Planning for Sydney's Water Needs.

In February, as part of its follow up on environmental impact assessment of major projects, The Audit Office found that the Department had 'made satisfactory progress implementing ... [the Audit Office's] recommendations on improving the strategic planning framework, compliance monitoring and stakeholder access to information'. The *Environmental Planning and Assessment Amendment (Infrastructure and other Planning Reform) Act 2005*, passed on 9 June, will further strengthen strategic planning by providing a single assessment and approval regime for all infrastructure and other major projects.

In April, the Audit Office's report, Managing Air Quality, recommended that the Department 'expedite finalisation of the new transport plan to be developed as part of the Metropolitan Strategy, and ensure that the plan includes a monitoring, review and reporting process'. In response, the Department integrated a number of its existing initiatives into a new flagship project, the Metropolitan Transport Plan. As a flagship project, the Metropolitan Transport Plan is sponsored by the BoM and its progress monitored by the flagship steering committee. This brings a high level of scrutiny to the project and ensures that issues potentially impacting the project's delivery are resolved expeditiously.

In May, the Audit Office released its report, Planning for Sydney's Water Needs. Among other things, the report recommended that agencies 'continue to develop and integrate all aspects of planning for Sydney's water in accordance with the principles agreed to by the Coalition of Australian Governments (CoAG) in the National Water Initiative'. The Department has lead-agency responsibility for the State's response to the NWI. To deliver on the State Government's commitments under the NWI, the Department has initiated the Water Innovation flagship project. The project focuses on the recovery and management of water in the key Murray and

Snowy Rivers, as well as the recovery of water for the environment in the State's other water sources, including those in the Sydney Metropolitan Region.

Audit Committee

The Audit Committee's quarterly meetings are chaired by an external chair, Mr William Kirkby-Jones AM. The Audit Committee includes representatives from the Audit Office of NSW and from Deloitte, who provide a strategic partnership service with the in-house audit team.

The Audit Committee provides an independent review of all reporting practices, internal controls, and compliance with laws, regulations and ethics. It actively oversees the internal auditing function by reviewing audit results, requests for audit projects, and ensuring its independence. The Committee reports to the BoM on committee activities and issues, and provides an open avenue of communication between internal audit, the external auditors, and the BoM.

Internal Audit

The DIPNR Internal Audit strategy focussed on:

- the need to maintain information integrity and appropriate levels of control within operational systems during substantial organisational change
- reviewing and enhancing controls within the Department's high risk statutory consent functions
- reviewing the Department's regulatory compliance programs and systems.

The Annual Audit Plan for 2004–05 identified a number of projects that reflected the above strategy, however the extent of organisational restructuring and business process re-engineering occurring within the Department resulted in a number of deferrals of planned audit projects and an increase in ad-hoc advisory projects. Specifically, the Plan consisted of 43 projects of which 19 (44 percent) were completed, five were deleted, five were at draft report stage, six were still in progress, and eight were carried forward. In addition, Internal Audit conducted 12 investigations and assisted a further two investigations conducted by external investigators, and completed 65 action items and worked on a further 26 ongoing action items arising from the Audit Committee.

As a result, a range of governance improvements were implemented including:

- developing policies and registers for Gifts and Benefits, Conflicts of Interest, and professional subscriptions
- Quality Assurance on Hydrometric Best Practice
- a Governance Health Check covering ethics and values, risk management and internal control, decision-making processes and monitoring and review mechanisms
- monthly controls self assessment for Finance Division key controls
- an Audit Committee performance self assessment and response to the Public Accounts Committee Review of the Operations of Audit Committees
- developing and delivering 26 governance workshops for staff across the State, and assistance in developing an induction program
- developing confidentiality protocols, and a Statement of Business Ethics for external parties
- an action plan arising from Auditor-General's performance audit report on *Fraud Control: Current Progress and Future Directions*.

FINANCIAL AND ASSET MANAGEMENT

Financial Planning and Budgeting

The Department continued to improve its budget information-collection processes. This process sought detailed information on the workforce and other financial resources required by individual business or support units within the primary offices and divisions that comprise the Department. The information was required to include details of specific projects being proposed, with the link to the Corporate Action Plan being detailed. On the basis of this information, the Finance Committee was able to more appropriately allocate resources over competing requirements to achieve the objectives of the Department. It is envisaged that these significant improvements will be built on in future years. The budget package was also distributed to the CMAs and formed the basis for development of their operating budget requirements.

The BoM monitored performance against budgets at its regular monthly meetings.

Financial Services

In the early part of the year the Department finalised the consolidation of accounting and financial data from the former PlanningNSW service provider, Central Corporate Services Unit of the Department of Commerce onto its SAP Financial and Human Resources database.

Planning for the migration to a newer version of the SAP Financial and Human Resource module commenced during the year. This work will involve *inter alia*: a review of business processes and work flows, looking to improve the efficiency of the system; replacement of the current servers; a review of the cost centre structures to more appropriately reflect the organisational structure of the Department; a review of the structure of the Chart of Accounts; and a refreshment of the database by archiving older data. This process commenced in the year and will continue into 2005–06.

During the year, the Department worked with its internal clients to develop service level agreements covering the provision of Corporate and Financial Services. Specifically, the Department provided financial services to the 13 CMAs and established the investment management project system module within the SAP financial system for CMAs and the Honeysuckle Development Corporation. SAP training was provided across DIPNR, CMAs and other client agencies. Statutory accounts were produced for 19 entities operating within the DIPNR accounting system.

Accommodation and Land Disposals

The Department relocated some 400 staff from the Henry Deane Building near Central station to two existing buildings resulting in significant savings in accommodation costs. Air conditioning upgrade works continued on the heritage listed 'Lands' Building in Bridge Street.

Two surplus properties, at Murrurundi and Nyngan, were disposed of; they had a total value of \$103,000.

Procurement

The Department operates a centralised procurement function that is fully integrated with the financial management system. Following an external review of the procurement function a project team has been formed to streamline and enhance the current procurement processes. The implementation of these processes will result in a more strategic approach to procurement.

Savings of around \$900,000 per annum continue to be achieved through preferred supplier arrangements for procurement of the Department's personal computer, laptop and server computer requirements. Additionally, the Department has entered into a preferred supplier agreement for printers, stationery and protective personal equipment, which should see considerable savings in these areas.

Fleet Management

The Department's fleet management has continued to be undertaken on an out-sourced basis through Statefleet, whilst the Department continued to provide corporate services management to a number of vehicles that were controlled by other entities, including CMAs.

Significant fleet reductions were achieved through a combination of vehicles being transferred to CMAs and other agencies, as well as a concerted effort to achieve fleet efficiencies within the Department. Effective fleet size gradually reduced from 651 to 457 vehicles during the year, producing an actual saving of \$1.03 million compared to the previous year.

The Department's light fleet of vehicles travelled 10 million kilometres with a total cost of operation of \$4.95 million, comprising \$2.73 million in lease costs, \$1.25 million in fuel and \$0.41 million in maintenance. Fuel consumed consisted of 51 percent unleaded petrol and 49 percent diesel in cost terms.

The Department has commenced the development of a fleet improvement plan to comply with the requirements of the Government's Cleaner NSW Government Fleet Program. The plan aims to reduce greenhouse gas emissions from vehicle use by 20 percent over the next three years.

Risk Management and Insurance Arrangements

The Department participates in the NSW Treasury Managed Fund, a self-insurance scheme which provides workers' compensation, motor vehicles, property, public liability and miscellaneous cover. One of the conditions of this insurance coverage is a requirement to place a high priority on the implementation of sound risk-management practices.

In the past year the Department has sought to strengthen and strategically manage links between risk management, premium measurement and claims management and monitoring to minimise contingent risks and reduce premiums.

Table 12 shows that when compared with the previous year the number of claims has decreased but the estimated cost of those claims has increased only marginally.

Table 12: Comparison of Insurance Claims 2003–04 & 2004–05

Type	Insurance Claims			
	2003–04		2004–05	
	No. of Claims	Est. Total Cost (\$)	No. of Claims	Est. Total Cost (\$)
Workers' compensation	86	645,906	73	687,068
Motor vehicles	142	390,224	108	390,121
Property	22	195,363	16	55,653
Public liability	2	2,692	3	170,252
Miscellaneous	2	4,716	1	515
Total	254	1,238,901	201	1,303,609

STAFF

Personnel Policies and Practices

The Department's human resources policies and practices are designed to develop staff to have the commitment, capacity and responsiveness necessary to effectively deliver the Department's products and services and continually improve personal, professional and organisational performance.

The Department has developed a DIPNR Workforce Capability Plan 2005 to 2010 that identifies and outlines organisational development and workforce planning strategies. The Plan establishes the strategic links between recruitment, workforce development and performance to meet the critical service delivery objectives of Government. The Workforce Capability Plan includes a one year action plan, which specifies actions for the next twelve months.

The Workforce Capability Plan identifies six high priority areas:

1. develop our leadership and management capability
2. plan for our future workforce
3. build a high performance culture
4. develop staff and promote a learning culture
5. behave with integrity
6. provide a safe, healthy and equitable work environment.

The Department developed individual work plan guidelines and associated pro-forma to facilitate discussion and agreement about individual work programs and ensure that all work is aligned to the Corporate Action Plan.

Equal Employment Opportunity

The Department continues to approach Equal Employment Opportunity (EEO) by integrating equity principles into all Departmental activities. This year the Department has strengthened its commitment to EEO through the establishment of a specialist position designed to manage the development of innovative strategies for equity and diversity within the

Department. In addition, the Department continues to lead in this field with strategic EEO initiatives such as the Spokeswomen's program and the Aboriginal Employment and Career Development Strategy, which are described in the following sections. EEO Statistics are shown in Appendix 11.

The Department undertook a major initiative to ensure all staff heard consistent messages about integrity, probity and equity. A series of 25 corporate governance information workshops was conducted across the State, with all staff participating. Providing an ethical framework, the workshops addressed behaving with integrity and ethical decision making and covered DIPNR's Code of Ethics and Conduct published in the DIPNR annual report 2003–04. In addition, there were specific sections on fairness and equity and discrimination and harassment.

SES Performance Plans and Performance Review documentation was developed and implemented; these documents specify equitable, ethical and healthy activities and performance targets.

NSW Government Action Plan for Women

The NSW Government Action Plan for Women provides a mechanism for the coordinated management of strategies to remove obstacles to women's full participation in society across all NSW Government agencies. It covers initiatives such as ensuring fair access to work and good work practices for women and facilitating their participation in decision making and leadership.

This year the Department had 672 women employees of which 85 (13 percent) were from racial, ethnic and ethno-religious minority groups and five were in executive positions.

The 13 independent CMAs, established by the Government in 2004 to ensure the participation of local people in natural resource, planning and investment decisions, strive to reflect the communities they represent. Table 13 indicates the number and percentage of women chairs and board members.

Table 13: Representation of Women on Catchment Management Authority Boards

	All Members	Female Members	% of Women
Chairpersons	13	2	15%
Board Members	66	16	24%

Spokeswomen's Program

The Spokeswomen's Program is a NSW Government strategy designed to improve gender equity in public sector employment. The DIPNR Program has been recognised as a model of best practice by the Premier's Department's Spokeswomen's Program Management Committee because of its success in operating at a strategic level within the organisation and adopting a whole-of-staff approach to gender equity. The Program has been actively supported by participation at the ministerial level and by all members of the BoM.

Twenty elected spokeswomen plan and undertake activities to identify and address equity issues including: information needs; career, training and development needs; flexible work arrangements; and anti-discrimination issues in the workplace. The Program conducted regional and divisional information days, sponsored two women to undertake the Public Sector Management Course and organised and managed two in-house Springboard Development Programs with 46 women participants and one Navigator Program with 20 male participants.

Aboriginal and Torres Strait Islander Employment Strategy

The Aboriginal and Torres Strait Islander Employment and Career Development Strategy 2005–08 was formally approved by the Director General and BoM in 2004. A range of information and promotional material, which includes pamphlets, bookmarks, postcards and posters, supports the Strategy. The Strategy is aimed at enriching the Department's culture and diversity through increasing Aboriginal employment in professional areas across all levels and providing current Aboriginal staff with stronger support mechanisms to assist with retention.

It was developed in collaboration with other Government departments, the Aboriginal and Torres Strait Islander Network and the Department's Aboriginal Support Network. The main objectives of the Strategy are to:

- achieve 3.5 percent representation of Aboriginal staff throughout the Department
- recruit trainees and cadets in various areas throughout the Department
- continue support programs for Aboriginal staff, including the Aboriginal Support Network, Indigenous Mentoring Program and regular monitoring by the Aboriginal Employment Coordinator

- build stronger relationships and networks with other Government agencies and local Aboriginal communities.

Two Aboriginal natural resource cadets continued in the Department during the year, one trainee was employed and three Aboriginal people were placed in temporary positions. The Aboriginal Employment Strategy supported 14 Aboriginal staff to undertake training in Certificate IV in Assessment and Workplace Training. Two temporary staff were permanently appointed.

Aboriginal Cadetship Program

The Aboriginal Cadetship Program is a training and development Strategy for Aboriginal and Torres Strait Islander people interested in undergraduate degree study in the field of natural resource management. While the Department hosts this Program, other agencies such as Sydney Catchment Authority, Chipping Norton Lake Authority, Lake Illawarra Authority and Upper Parramatta River Catchment Trust are involved to provide a wider range of employment opportunities. In addition, the Office of Employment, Equity and Diversity contributes funds. The Program allows cadets to receive a paid salary while undertaking full time study and gives them work experience through a series of work placements in semester break.

Aboriginal Support Network

The Aboriginal Support Network has been operating for many years and receives continued support as part of the Department's commitment to promoting workplace equity. Initiatives from the Aboriginal Support Network include the Indigenous Mentoring Program and the cross cultural awareness package. Aboriginal staff are encouraged to participate in the network and attend regular meetings to gain support from other staff, discuss current issues and identify action to be taken.

The Aboriginal Support Network met at Maclean, Bourke, Mutawintji and Toukley during 2004–05. The Network set aside one of these meetings to provide training on project management to support day to day activities.

Young People's Group

In 2004–05, DIPNR established the Young People's Group Committee to address the specific needs of young people within the Department. The Committee is responsible for input to corporate directions and programs on behalf of young people, in addition to organising activities to facilitate networks for young DIPNR professionals.

The Committee works closely with the DIPNR's Organisational Performance and Development Branch and existing staff programs such as the Spokeswomen's Network and Aboriginal Support Network. The Committee has elected its office bearers, drafted its terms of reference and has developed future projects following the success of its first initiative, the sponsorship of DIPNR involvement in the 2005 IPAA CEO and Young Professionals Breakfast. This year DIPNR hosted 17 young staff and two executives at the IPAA breakfast. Other initiatives being considered include guest speakers, mentoring, social events, national and international exchange programs and job rotations.

While the group is for those under the age of 35 working in DIPNR, many of the activities and programs developed are intended to foster integration across age groups, maximise skill and knowledge sharing, improve career progression options and enhance career opportunities for all staff.

Staff from Non-English Speaking Backgrounds

The major focus this year has been on the development of skills and knowledge of existing staff from non-English speaking backgrounds. This year a conscious decision was made to focus on the development of existing staff to facilitate their transition through the changes taking place in the Department. These activities focused on encouraging staff to develop their skills and knowledge through participation in major corporate learning and development activities. In addition, staff were also encouraged to participate in communication skills courses for people from non-English speaking backgrounds.

The Department continues to be a keen supporter of the Migrant Work Experience Program coordinated by the Office of Employment, Equity and Diversity and has initiated a number of opportunities for the placement of staff in regional locations.

Disability Action Plan

The Department is committed to the ongoing improvement of access for people with a disability to the Department's services and facilities. To facilitate this the Department is implementing the strategies identified in its Disability Action Plan.

The Department continues to review the use of technology as a means of improving communication and access to information for people with a disability. In addition, the Department is implementing initiatives to improve accessibility to services and facilities through a process of progressively reviewing facilities to ensure easy access for people with a disability. In this regard, disabled access for the Department's headquarters building in Bridge Street became available at the start of the year.

'DIPNR Moving Forward' Team Planning Workshops

A major organisational development initiative for the year was a series of team planning and team building workshops conducted across the state for all DIPNR staff. The workshops were called 'DIPNR Moving Forward' and were designed to:

- increase understanding of the Department's new directions
- facilitate the development of business plans and team plans to ensure that staff were clear about how the work of their team linked to the Corporate Action Plan
- promote team building and integration.

An intensive program of 21 workshops commenced in late September and was completed in November 2004. The workshops were either one or one and a half days long and were facilitated by staff from across the Department who were trained in small group facilitation.

A total of 1,091 staff attended a workshop, which represents 81 percent of the participating regions and divisions.

Management Development

The Department identified leadership and effective management as essential elements in DIPNR meeting its key service delivery objectives identified in the Corporate Action Plan. The DIPNR Management Development Program, 'Leading Change' commenced in May 2005 and has been a major training initiative for the Department. The course consists of three, two-day modules and a total of 380

team leaders supervisors and managers are currently participating in the program.

The program is designed to increase skills of managers in people management, team management and leadership. The program also addresses issues of cultural change, change management and performance management.

Learning and Development

The Department conducted a comprehensive Learning and Development Program delivering 162 courses for 3,666 participants (2,329 male and 1,330 female) across all regions. Several major projects include:

- training staff who will administer the new *Native Vegetation Act 2003* in the use of cutting edge technology embodied in the PVP Developer software
- two pilot e-learning projects to prepare staff for the implementation of the new *Water Management Act 2000*
- a comprehensive corporate governance training program in 25 locations to familiarise all staff with the Code of Ethics and Conduct
- corporate governance training for all CMA board members on the special role of a public board
- customised project management training for members of the Aboriginal Support Network.

The Department also delivered a core skills training program for staff, including project management, Microsoft Project, contract management, writing skills, time management, merit selection, Cabinet processes and writing Cabinet minutes.

An accreditation partnership has been developed with Department of Primary Industries, C B Alexander College, to accredit CMA staff in the assessment of applications for clearing native vegetation or proposals for incentive funding for preservation of native vegetation. Staff will receive qualifications in line with nationally endorsed competency standards.

Executive Development Programs

The Department secured scholarships in the executive development programs sponsored by the NSW Premier's Department. The programs were created to identify potential leaders in the public sector and further develop their administrative knowledge and skills. These programs include ANZSOG, Master of Public Administration, University of Sydney Graduate

Diploma in Public Administration and the Premier's Department Executive Development Program.

Job Design

The Department completed a major review of job evaluation tools and developed a consistent model for the whole organisation. An on-line job design system, the Department Position Developer (DPD), has been designed to provide managers with access to information and procedures required to describe positions. The DPD also provides links to additional resources, including competency standards. The DPD framework conforms to the public sector job evaluation standards and incorporates quality checks to ensure consistency, transparency and flexibility.

Orientation and Induction Program

A comprehensive Orientation and Induction Program was developed for existing staff and new staff to ensure they had a clear understanding of the corporate direction of the new Department and the specific role of each individual in achieving key targets.

Occupational Health and Safety

The Department's commitment to the ongoing health and safety of its workforce is demonstrated in its Occupational Health and Safety Strategy 2005–08, Occupational Health & Safety Improvement Plan 2005–08 and Management Plan 2005. The OH&S Improvement Plan 2005 – 2008 focuses the Department's efforts on working together to implement interventions that will improve occupational health and safety (OH&S) performance over the next three years in line with broader public sector reforms.

The Department continued to review and evaluate its OH&S, workers' compensation and injury management activities and instigated strategies to improve performance. Training has been provided to 162 key managers and supervisors to ensure that they are aware of their responsibilities in accordance with the new OH&S legislation. Actions to improve safety included the implementation of a personal protective equipment policy and catalogue to assist staff in determining items of clothing which meet the requirements of NSW Government Contracts and Australian Standards and a workplace inspection and safety audit policy.

The Department's commitment to improving OH&S performance is demonstrated through the development of better reporting systems to provide managers and the executive with timely and accurate information on OH&S and workers' compensation

trends and issues. A total of 73 workers' compensation claims were reported to GIO (compared to 86 last year) and at 30 June there were 90 open workers' compensation claims.

Human Resource Services

Ongoing human resource support for the organisation was provided through participation in major change projects and by providing advice and support for managers and staff of the Department involving:

- answering over 3,000 enquires from management and staff
- conducting over 20 formal information sessions for managers and staff
- permanent placement of over 40 displaced staff
- representing the department on sector-wide initiatives, for example, Award Rationalisation project and 'Taking Safety Seriously'
- conducting over 300 job evaluations
- conducting six formal discipline investigations and managing these processes through to conclusion
- addressing over 40 formal and informal grievances
- conducting over 50 counselling sessions for staff.

Industrial Relations

The Department continues to review all awards applicable to departmental staff and is actively involved as focus group members in the review of public service-wide awards.

Consultation with all staff continues to be a high priority with a collaborative approach being adopted for implementation of the Service Delivery Reforms. This included a review of all functions performed by the approximately 2,500 staff and contractors engaged in the Department. Appropriate staffing levels and gradings were determined for some 1,700 positions required to achieve the Department's goal and the directions of Government in natural resources and planning. The appropriate positions and staff were transferred to the establishments of the CMAs. This was negotiated in a cooperative, inclusive atmosphere with consultation with the unions and staff at all levels. The entire restructure was achieved without any dispute or lost time.

Career Transition Program

DIPNR introduced a service delivery reform strategy, which involved structural changes that reduced the workforce of the Department by more than 25 percent. A voluntary redundancy program was offered and resulted in a reduction of 500 staff. The structural

changes and reduction in staff numbers has resulted in significant savings for Government. As part of the reform process the Department implemented a career transition program to case manage and redeploy displaced staff to internal roles or to positions in other public sector agencies.

BUSINESS SYSTEMS

Knowledge Strategy

Knowledge should be a key element of every departmental business or project plan, strategic initiative, annual budget and personal development plan. For knowledge in DIPNR to make a useful contribution, it needs to be:

- of high quality and accepted as such by scientific peers, policy users and the wider community
- relevant to the question being posed by the policy, regulatory and planning areas of DIPNR
- readily accessible
- timely and up-to-date, so it can influence outcomes over extended periods.

DIPNR has prepared a knowledge strategy which:

- provides a framework for knowledge investment by DIPNR
- identifies the knowledge needed to support the State in its key areas of natural resource management, planning of land use, assessment of major projects of State significance, and infrastructure investment
- recommends how the knowledge is best obtained, synthesised, managed and delivered
- ensures that the most appropriate knowledge is available to inform particular decision makers in a timely manner, and actually used in making decisions.

The Knowledge Strategy provides a set of recommended actions which, when implemented, will maintain and build knowledge sets and the capacity to deliver data, information, insight and prediction fit for the purposes of the core business of the agency.

Science and Information Board

The Science and Information Board provides a scientific peer review forum for the Department and its stakeholders, ensuring DIPNR builds a reputation as an agency backed by world class science and information for natural resource management and planning. It also provides the mechanism for enabling consistency in the science and knowledge needs

across the agency to deliver big picture, landscape scale outcomes.

The Board is chaired by Dr John Williams and membership covers a wide range of scientific, economic and social science skills in natural resources, urban and infrastructure planning. It includes leading experts in the fields of information technology, land use planning, infrastructure development, and social, economic and environmental sciences.

In addition to preparing and overseeing the implementation of the Knowledge Strategy for DIPNR, the Science and Information Board has also successfully managed a number of other issues including:

- leading the development of the Invasive Native Scrub component of the Environmental Assessment Methodology for the Property Vegetation Plans
- advising the Natural Resources Commission and facilitating whole-of-government workshops to provide a framework for NRC standards and targets
- developing a MoU with universities
- technical review and input to the development of the Far North Coast Strategy.

Standardised Information Management Framework

Recognising the strategic need for better coordination and standardisation of information management activities across the Department, a corporate Information Management Standards and Governance Framework has been initiated to provide an efficient and structured way to organise information assets and ensure an effective return on the investments in data and information. The Framework, which is still in its infancy, has already improved the quality control, maintenance and dissemination of data and information products by applying data custodianship principles and quality processes to these assets. Further development and progressive deployment of the Framework will occur as part of the implementation of the Knowledge Strategy.

Data Work Plan

DIPNR's key strategic programs, as well as monitoring and reporting activities, require access to a range of key datasets, many of which are provided from external sources. The key strategic data needs of DIPNR have been identified and prioritised as part of the Knowledge Strategy.

The Data Work Plan translates the needs for data and information into projects and initiatives that ensure the identified data is available and accessible, or will fill identified gaps in our data holdings. Data Work Plan activities will be developed and implemented in response to the identified data needs as part of the implementation of the Department's Knowledge Strategy.

PANRIIE

DIPNR is the lead NSW agency coordinating the whole-of-government acquisition of statewide high-resolution satellite imagery funded by a three year, \$5.7 million capital program, Planning and Natural Resource Information Integration Environment (PANRIIE). The allocation provides for imagery purchase, storage and distribution systems, training and a whole-of-government remote sensing assessment to identify future needs for imagery.

The key use of the satellite imagery in the short term is to support the new native vegetation legislation, specifically PVPs, where it is the main decision-making tool used to visualise vegetation in detail. The statewide extent of the coverage can also make possible monitoring and reporting on other natural resources and landscapes including coasts, soils, vegetation, rivers, urban development and for compliance at the property scale.

The PANRIIE program was also responsible for the substantial upgrading of ground control stations across the central parts of NSW to enable the imagery to be accurately related geographically to other data sets at a property scale.

Project Management

Work has commenced on the establishment of a project management unit (PMU) for business projects. The PMU will develop a project management framework including:

- a standard project management life cycle
- standardised best practice project management processes and templates
- consistent linkages with the project reporting database to achieve more effective reporting
- consistent linkages with other affected units (eg. ICT and Communications).

This initiative will ensure that efficient project management processes and practices become a standard part of day-to-day management of projects, focussing the Departmental culture onto on-time, on-budget delivery. In the next steps the

project management process will be incorporated into the management of the flagship projects and subsequently rolled out to major initiatives.

Ministerial and Departmental Correspondence

DIPNR receives over 10,000 pieces of correspondence each year for Ministers and the Director General. One of the initiatives identified in the Corporate Action Plan was that processing of correspondence would be improved across the Department.

The Department has successfully completed re-engineering of existing business systems. Policies and procedures were reviewed, new templates and protocols developed and training was also undertaken with key staff. This has resulted in:

- a 78 percent reduction in overdue Ministerial correspondence
- a 100 percent improvement in registration times for briefs and correspondence
- 20 percent of all correspondence and briefings being prepared centrally.

Compliance Systems

The Department developed a draft compliance policy, the aim of which is to guide its regulatory activities to ensure that they are consistent with its broader role of promoting planning and natural resource management in the public interest. The draft policy has been widely disseminated to stakeholders and comments have been incorporated into the final draft policy.

The draft policy promotes an integrated compliance approach by addressing:

- community education and engagement to promote voluntary compliance
- monitoring of compliance across the State to identify potential breaches in a timely manner
- investigation of potential breaches
- the appropriate action where a breach has occurred, placing the emphasis on achieving optimum environmental outcomes and equitable use of resources
- reviewing and reporting on compliance outcomes.

The purpose of the draft policy is to:

- inform the community as to how DIPNR will implement the compliance aspects of its regulatory responsibilities in a fair and equitable manner

- guide staff as to appropriate action to take when a breach is identified
- prioritise enforcement action so as to ensure the most effective use of DIPNR resources
- ensure, in the public interest, an appropriate balance is struck between competing objectives in the legislation for which DIPNR has responsibility.

Management of Alleged Breaches

When the Department receives allegations of breaches of legislation they are categorised and prioritised for investigation. Following investigation, the Department determines whether it is satisfied that a breach has or has not occurred. If the Department believes that a breach has occurred, it will determine the appropriate enforcement option based on the culpability of the person, the harm caused by the breach and the public interest.

Investigations Management

The Department reviewed investigation practices and briefs of evidence preparation across the regions. This resulted in the identification of training needs, and specialist courses in interviewing techniques based on the world's best practice, established by the British Home Office, were developed and delivered. Other compliance process improvements have been made including planning and conducting investigations, the giving of evidence, the development of a new brief of evidence format, which was trialled and introduced, field tape recording of suspects and an expert witness training course has been developed and delivered.

Compliance Module

The Compliance Module, which has been in place for natural resource issues since 2003, is a centralised database system used to record alleged breaches and manage investigations. The Compliance Module is constantly being monitored and updated. Staff training in intelligence analysis of the database has enhanced the Department's ability to target education and appropriate enforcement.

Compliance Auditing

As part of the Department's strategy of promoting and enhancing voluntary compliance by holders of statutory consents/approvals/licences issued by DIPNR, it developed and implemented the Corporate Regulatory Compliance Auditing Strategy. The Strategy focuses on proactively managing risk of non-compliance by systematically assessing on-ground compliance with consent conditions, reviewing Departmental compliance delivery systems

and providing targeted information for management decision making and policy improvement.

Pilot audits have been carried out in all regions with initial audit results indicating varying degrees of individual compliance but overall a generally positive approach by holders to compliance with consent conditions. Audit results also provided a number of opportunities for improvements to DIPNR systems and practices.

Information and Communications Technology

Telecommunications

Following a review of telecommunications, the Department commenced rollout of a fully integrated network to 95 Departmental and CMA sites. The majority of sites are now connected, resulting in significant performance improvement of broadband speed, capacity and scalability. The new data network will improve service delivery and support for existing core business functions and will provide opportunities to develop innovative business solutions.

The new fully integrated network also allows greater management and security over remote hardware, including centralised backup. This initiative, together with new high-speed access to the Internet, has significantly reduced the wait time experienced by end users. Further, the consolidation and rationalisation of voice services across the Department and CMAs has also delivered a significant reduction in call costs and creates the opportunity to introduce a range of new single number support services.

Data Centre

The Department established a single data centre at Parramatta and increased server and storage capacity to meet business units' needs to access large GIS files and complex data sets. An upgraded environmental alert system was installed to better protect the consolidated Data Centre. In addition, an enterprise backup solution was implemented to facilitate the remote backup of regional site data and the process of achieving AS/NZS 7799 security certification for the data centre has commenced.

Standard Operating Environment

Standardisation of all major Department and CMA locations commenced, including deployment of new servers, new desktop computers to 1,000 users, new software to all users and Internet-enabled email services. This standardisation initiative will deliver efficient, effective and cost saving support to sites and users, also providing the opportunity to decentralise

support services. Pilot implementation of a document library system also commenced.

Application Development and IT Project Management

Redevelopment of major business applications and process redesign, supporting key Government reform initiatives in native vegetation, water management, planning and corporate services was undertaken. IT Project Management and Project Office structures were established to provide best practice frameworks for the development of effective business solutions.

IM&T Strategic Plan 2005–08

A new Strategic Plan is being developed to consolidate previous tactical plans into three core themes:

1. Robust Foundations
2. Common Applications
3. Specific Toolkits for DIPNR's Business.

The IM&T Governance structure has been implemented with executive representation from all key lines of business within the Department.

Community and customer relations

The Department is committed to engaging the community and its customers as it develops policy and programs. Community perspective and local knowledge add an important dimension to the Department's work.

Communications programs

Communication activities are essential in developing partnerships with the community to facilitate genuine participation in government decision-making and policy implementation.

The primary role of our corporate communications program is to develop communication plans for flagship projects, making use of multiple channels to reach key stakeholders and the general community. This year useful tools developed to help achieve this included a key client database, corporate style templates and new online communications. Significant communications strategies included:

- major announcements for key components of the Sydney Metropolitan Strategy such as the Metropolitan Water Plan and the North West and South West land releases, East Darling Harbour international design competition, and major reforms to the State's planning system, including the Planning Reform Bill, State Significant Development SEPP and funding to councils for new local plans

- public events such as the 2nd Sydney Futures Forum, opening of the Western Sydney Parklands, education and training for the implementation of BASIX statewide, and workshops with industry, community and local government on Planning Reforms and the Metropolitan Strategy.
- publication of the first edition of an electronic newsletter to keep clients updated on major policy initiatives.

Media relations

Throughout the year, the Department continued to liaise closely with major metropolitan, suburban and regional print and electronic media outlets. Communicating through the media provides the Department with an important avenue for responding to community issues and proactively supporting the Department's policies and programs. This year, almost 1,000 media inquiries were responded to, over half of which were generated from regional areas across the state.

Customer service

The Department's corporate web site www.dipnr.nsw.gov.au and Information Centre have continued to develop as gateways to information on natural resources management, land use and infrastructure planning for NSW. A list of publications produced this year is at Appendix 4.

Nearly one million people visited the web site this year. New web site developments to improve service delivery and facilitate consultations included:

- Metropolitan North West Rail Link – www.dipnr.nsw.gov.au/nwrl/
- Metropolitan South West Rail Link – www.planning.nsw.gov.au/plansforaction/swrl.html
- Floodplain development manual – www.dipnr.nsw.gov.au/floodplain.html
- DIPNR Update – www.dipnr.nsw.gov.au/updates/index.shtml – a subscription-based quarterly e-newsletter with over 500 subscriptions
- Planning Reforms – www.dipnr.nsw.gov.au/planningreform.html – providing the latest announcements and resources on the Government's reforms
- Water for Life – www.waterforlife.nsw.gov.au/ – an interagency government initiative to help manage water supply and demand for Sydney

In June 2005, the Information Centre relocated from its previous premises at Central Railway to the Department's head office at 23–33 Bridge Street, Sydney. This significant undertaking was achieved with no disruption to services.

During the year, Departmental information officers attended to 66,670 inquiries of which 30,520 were counter inquiries, 32,766 by phone and 3,384 via email. Over 130 development applications were also lodged through the Centre. The Centre is a venue for exhibiting draft plans and development proposals for community feedback. Projects on display during 2004–05 included: the Sydney Metropolitan Strategy plans for managing Sydney's Growth Centres, draft native vegetation regulation, review of the Plantations and Reafforestation legislation, water sharing plans and licences, the latest on planning reforms, the draft Caravan Parks regulation and draft Sydney Harbour Catchment REP and DCP. In addition, over 200 major proposals and EISs were publicly exhibited.

financial statements – DIPNR

Independent Audit Report	80
<hr/>	
Statement of Director General	82
<hr/>	
Statement of Financial Performance	83
<hr/>	
Statement of Financial Position	84
<hr/>	
Statement of Cash Flows	85
<hr/>	
Summary of Compliance with Financial Directives	86
<hr/>	
Program Statement	87
<hr/>	
Notes to and Forming Part of the Financial Statements	88-109
<hr/>	



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Department of Infrastructure, Planning and Natural Resources

To Members of the New South Wales Parliament

Audit Opinion

In my opinion the financial report of the Department of Infrastructure Planning and Natural Resources:

- presents fairly the Department's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department of Infrastructure Planning and Natural Resources. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the program statement - expenses and revenues, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Director-General in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Director-General had not fulfilled her reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Department of Infrastructure Planning and Natural Resources,
- that the Department of Infrastructure Planning and Natural Resources has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.

P. K. Brown

P K Brown
Director of Audit

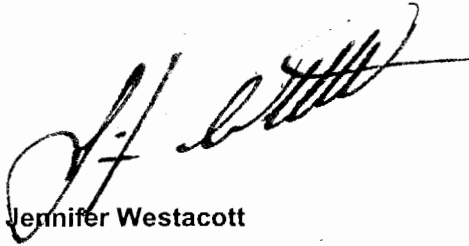
SYDNEY
22 September 2005

DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

**STATEMENT
OF
DIRECTOR-GENERAL**

Pursuant to section 45F of the Public Finance and Audit Act 1983, I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the applicable clauses of the Public Finance and Audit Regulation 2000 and the Treasurer's Directions;
- (b) the statements exhibit a true and fair view of the financial position and transactions of the Department; and
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Jennifer Westacott

**Director-General
Department of Planning**

**Director-General
Former Department of Infrastructure, Planning and Natural Resources**

20 September 2005

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Statement of Financial Performance for the Year Ended 30 June 2005

	Notes	Actual 2005 \$000	Budget 2005 \$000	Actual 2004 \$000
Expenses				
Operating expenses				
Employee related	3	174,652	124,970	242,176
Other operating expenses	4	81,052	53,598	108,026
Maintenance		3,187	3,081	4,125
Depreciation and amortisation	5	6,978	7,400	7,582
Borrowing Costs	6	257	-	887
Grants and subsidies	7	133,024	164,181	193,461
Other expenses	8	69,299	73,852	70,576
Total Expenses		468,449	427,082	626,833
Less:				
Retained Revenue				
Sale of goods and services	9	69,881	35,772	80,183
Investment income	10	1,093	1,144	2,044
Grants and Contributions	11	8,607	30,917	27,380
Other revenue	12	6,212	9,078	3,900
Total Retained Revenue		85,793	76,911	113,507
(Loss)/Gain on disposal of non-current assets	13	(12,030)	(2,000)	1,044
Net Cost of Services	30	394,686	352,171	512,282
Government Contributions				
Recurrent appropriation (net of transfer payments)	14	350,326	321,350	470,862
Capital appropriation	14	21,625	25,175	13,063
Acceptance by the Crown Entity of employee benefits and other liabilities	15	23,903	17,422	25,966
Total Government Contributions		395,854	363,947	509,891
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES	26	1,168	11,776	(2,391)
NON-OWNER TRANSACTION CHANGES IN EQUITY				
Net increase in asset revaluation reserve	26	35,635	-	-
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		35,635	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS.	26	36,803	11,776	(2,391)

The accompanying notes form part of these statements.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Statement of Financial Position as at 30 June 2005

	Notes	Actual 2005 \$000	Budget 2005 \$000	Actual 2004 \$000
ASSETS				
Current Assets				
Cash	18	27,652	61,913	68,989
Receivables	19	49,039	63,889	65,180
Other		-	1,291	-
Total Current Assets		<u>76,691</u>	<u>127,093</u>	<u>134,169</u>
Non-Current Assets				
Receivables	19	29	35	35
Property, Plant and Equipment				
Land and Buildings	20	117,178	88,665	83,939
Plant and Equipment	20	9,056	24,824	15,885
Infrastructure Systems	20	48,265	52,842	50,732
Total Property Plant and Equipment		<u>174,499</u>	<u>166,331</u>	<u>150,556</u>
Total Non-Current Assets		<u>174,528</u>	<u>166,366</u>	<u>150,591</u>
Total Assets		<u>251,219</u>	<u>293,459</u>	<u>284,760</u>
LIABILITIES				
Current Liabilities				
Payables	22	45,588	87,030	65,097
Interest Bearing Liabilities	23	-	1,031	1,031
Provisions	24	22,416	23,267	45,198
Other	25	2,893	9,884	9,884
Total Current Liabilities		<u>70,897</u>	<u>121,212</u>	<u>121,210</u>
Non-Current Liabilities				
Interest Bearing Liabilities	23	-	16,331	16,332
Provisions	24	4,470	4,977	4,977
Total Non-Current Liabilities		<u>4,470</u>	<u>21,308</u>	<u>21,309</u>
Total Liabilities		<u>75,367</u>	<u>142,520</u>	<u>142,519</u>
Net Assets		<u>175,852</u>	<u>150,939</u>	<u>142,241</u>
EQUITY				
Asset Revaluation Reserve	26	35,635	-	-
Accumulated Funds	26	140,217	150,939	142,241
Total Equity		<u>175,852</u>	<u>150,939</u>	<u>142,241</u>

The accompanying notes form part of these statements.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Statement of Cash Flows for the Year Ended 30 June 2005

	Notes	Actual 2005 \$'000	Budget 2005 \$'000	Actual 2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		185,875	111,406	199,453
Grants and subsidies		133,024	166,181	211,231
Borrowing costs		257	-	-
Other		178,973	130,231	224,949
Total Payments		<u>498,129</u>	<u>407,818</u>	<u>635,633</u>
Receipts				
Sale of goods and services		87,803	37,472	68,662
Interest received		1,462	1,144	2,863
GST Received from ATO		13,674	-	17,215
Other		8,182	39,995	33,251
Total Receipts		<u>111,121</u>	<u>78,611</u>	<u>121,991</u>
Cash Flows From Government				
Recurrent appropriation		343,335	321,350	499,216
Capital appropriation		21,625	25,955	13,063
Cash reimbursements from the Crown Entity		6,913	-	8,030
Net Cash Flows From Government		<u>371,873</u>	<u>347,305</u>	<u>520,309</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	30	<u>(15,135)</u>	<u>18,098</u>	<u>6,667</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Land & Buildings, Plant & Equipment and Infrastructure Systems		1,882	2,000	1,724
Purchases of Land & Buildings, Plant & Equipment and Infrastructure Systems		(23,911)	(27,175)	(13,931)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(22,029)</u>	<u>(25,175)</u>	<u>(12,207)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and advances		-	-	2,979
Repayment of borrowings and advances		(4,173)	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(4,173)</u>	<u>-</u>	<u>2,979</u>
NET DECREASE IN CASH		(41,337)	(7,077)	(2,561)
Opening cash and cash equivalents		68,989	68,990	71,550
CLOSING CASH AND CASH EQUIVALENTS	18	<u>27,652</u>	<u>61,913</u>	<u>68,989</u>

The accompanying notes form part of these statements.

DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES
FOR THE PERIOD 1ST JULY 2004 TO 30TH JUNE 2005

	2004/2005			2003/2004				
	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
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
* Appropriation Act	316,021	303,673	25,175	19,908	461,435	429,001	16,096	9,321
* Additional Appropriations								
* S21A PF&AA - special appropriation					(86)		(450)	
* S24 PF&AA - t'fer of function between Departments								
* S26 PF&AA - Commonwealth SPP	16,000	16,000			34,476	16,594		
	332,021	319,673	25,175	19,908	495,825	445,595	15,646	9,321
OTHER APPROPRIATIONS / EXPENDITURE								
* Treasurer's Advance	44,400	38,419	1,362	1,362	43,250	42,824	5,270	3,742
* Sec 22 - exp for certain works, services					913	913		
* S27 Appropriation Act - transfers from another Agency	2,906	2,906	2,684	355				
	47,306	41,325	4,046	1,717	44,163	43,737	5,270	3,742
Total Appropriations	379,327	360,998	29,221	21,625	539,988	489,332	20,916	13,063
Expenditure / Net Claim on Consolidated Fund (including transfer payments)								
Amount drawn down against Appropriation	XXXXXXX	363,891	XXXXXXX	21,625	XXXXXXX	499,216	XXXXXXX	13,063
Liability to Consolidated Fund	XXXXXXX	2,893	XXXXXXX	-	XXXXXXX	9,884	XXXXXXX	-

Notes:

- 1 The summary of compliance is based on the assumption that Consolidated Fund moneys are spent first
- 2 The Liability to Consolidated Fund, where applicable, represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund"
- 3 Variation between "Recurrent Appropriation" and "Recurrent expenditure/net claim on Consolidated Fund" relates to savings in expenditure on Treasury Protected Items and supplementations (\$16.967m) and enforced savings due to capital supplementation (\$1.362m)
- 4 Variation between total "Capital Appropriation" and "Capital expenditure/net claim on Consolidated Fund" relates to variations in expenditure on specific capital projects due to timing of project payments

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

1. REPORTING ENTITY

The Department of Infrastructure, Planning and Natural Resources ("the Department") was established on 1 July 2003.

The Department is responsible for providing integrated advice to Government on decisions affecting land use and natural resource management; development of the regulatory environment for land use and planning; establishing a framework for development control; administering decisions about natural resource allocation and establishing a regulatory environment for natural resource decisions.

The Department's goal is to improve the economic performance, environmental sustainability and the quality of life for the NSW community through balanced land use planning and natural resource management supported by well-timed, quality services, transport and infrastructure.

These financial statements are for the period 1 July 2004 to 30 June 2005 and do not include the results of the Crown Entity transactions administered by the Department, which are reported elsewhere. The Department primarily operates in New South Wales, Australia. The Head Office is located at 23-33 Bridge Street, Sydney, 2000.

The Reporting Entity is consolidated as part of the NSW Total State Sector Accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Department's financial statements are a general-purpose financial report, which has been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

Except for certain investments, land, buildings and infrastructure systems, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

b. Administered Activities

The Department administers, but does not control, certain activities on behalf of the Crown Entity in relation to the Western Division under the Western Lands Act 1901. 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 Department's own objectives. Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in Notes 31 to 34 as "Administered Assets", "Administered Liabilities", "Administered Expenses", and "Administered Revenues".

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Revenue Recognition

Revenue is recognised when the Department has control of the good or right to receive, it is probable that the economic benefits will flow to the Department and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

(i) Parliamentary Appropriations and Contributions from other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as revenues when the Department obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 25 as part of "Current Liabilities Other". The amount will be repaid and the liability will be extinguished next financial year. There was no liability in respect of transfer payments at balance date.

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services i.e. user charges. User charges are recognised as revenue when the Department obtains control of the assets that result from them.

(iii) Investment Income

Interest revenue is recognised as it accrues. Rent revenue is recognised in accordance with AAS 17 "Accounting for Leases". Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Dividend revenue is recognised when the Department's right to receive payment is established.

d. Employee Benefits and other provisions

(i) Salaries and Wages, Annual Leave, Sick Leave and Oncosts

Liabilities for salaries and wages (including non-monetary benefits) annual leave and vesting sick leave are recognised and measured in respect of employees' services up to the reporting date at nominal 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.

(ii) Long Service Leave and Superannuation

The Department's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Department 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 Entitlements and other Liabilities".

Long service leave is measured at present value, based on the application of factors prescribed by TC03/08, to the amounts calculated using the actual remuneration rates for all employees with five or more years of service.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

d. *Employee Benefits and other provisions(continued)*

(ii) Long Service Leave and Superannuation (continued)

Superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Other Provisions

Other provisions exist when the entity has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. These provisions are recognised when it is probable that a future sacrifice of economic benefits will be required and the amount can be measured reliably.

Any provisions for restructuring are recognised either when a detailed formal plan has been developed or will be developed within prescribed time limits and where the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring.

e. *Borrowing costs*

Borrowing costs are recognised as expenses in the period in which they are incurred (except where they are included in the cost of qualifying assets).

f. *Insurance*

The Department'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 experience.

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

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

- the amount of GST incurred by the Department 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.

h. *Acquisition of Assets*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition (see also transferred as a result of an administrative restructure – Note (u).

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the acquisition date. The discount rate used is the incremental borrowing rate being the rate at which a similar borrowing could be obtained.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

i. Plant and equipment

Plant and equipment costing \$5,000 and above individually are capitalised.

j. Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with the “Guidelines for the Valuation of Physical Non-Current Assets at Fair Value (TPP 03-02)”. This policy adopts fair value in accordance with AASB 1041 from the financial years beginning on or after 1 July 2002. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

Where available, fair value is determined having regard to the highest and best use of the asset on the basis of current market selling prices for the same or similar assets. Where market selling price is not available, the asset’s fair value is measured at its market buying price ie the replacement cost of the asset’s remaining future economic benefit. The agency is a not for profit entity with no cash generating operations.

Each class of physical non-current assets is revalued every five years and 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.

Valuations covering all the Department’s land (including land within the Coastal Protection Scheme and under infrastructure) and buildings were carried out by the Certified Practising Valuer of State Valuation Office, Department of Commerce as at 30 June 2005.

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 is separately restated.

Otherwise, any balances of accumulated depreciation existing 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 Statement of Financial Performance, the increment is recognised immediately as revenue in the Statement of Financial Performance.

Revaluation decrements are recognised immediately as expenses in the Statement of Financial Performance, 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.

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 DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

k. Depreciation of Non-Current Physical Assets

Except for a limited number of 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 Department. Normal life expectancies of depreciable assets are as follows:

Asset Class	Number of Years
Buildings and Leasehold Improvements	12-40
Plant and Equipment	4-15
Infrastructure Systems	10-50

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including original artworks and collections and heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

l. Maintenance and Repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

m. 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 leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The Department does not have any finance leases. Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

n. Receivables

Receivables are recognised and carried at cost based on the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

o. Other financial assets

"Other financial assets" are recognised at cost.

p. Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transactions. Exchange gains and losses are brought to account in determining the results for the year.

q. Trust Funds

The Department does not receive any money in a trustee capacity.

r. Other assets

Other assets including prepayments are recognised on a cost basis.

s. Payables

These amounts represent liabilities for goods and services provided to the Department and other amounts, including interest. Interest is accrued over the period it becomes due.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

t . Impact of Adopting Australian Equivalents to IFRS

The Department will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 1 July 2005.

The Department has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the Department's equity and result for the year. The Department does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and / or emerging accepted practice in their interpretation and application. The Department's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in the financial year ended 30 June 2006.

Reconciliation of key aggregates

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS:			
	Notes	30 JUNE 2005 \$'000	1 JULY 2004 \$'000
Total equity under AGAAP		175,852	142,241
Effect of discounting long-term annual leave	i	988	853
Total equity under AEIFRS		176,840	143,094
(*) adjustments as at the date of transition			
(**) cumulative adjustments as at date of transition plus the year ended 30 June 2005			

Reconciliation of surplus under AGAAP to surplus under AEIFRS:

Year ended 30 June 2005

	Notes	\$'000
Surplus under AGAAP		1,168
Long term annual leave	i	135
Surplus under AEIFRS		1,303
Based on the above, if AEIFRS were applied in the financial year, the Net Cost of Services would decrease from \$391.522 million to \$391.387 million.		-

Notes to tables above

- i. AASB 119 requires present value measurement for all long-term employee benefits. Current AGAAP provides that wages, salaries, annual leave and sick leave are measured at nominal value in all circumstances. The Department has long-term annual leave benefits and accordingly will measure these benefits at present value, rather than nominal value, thereby decreasing the employee benefits liability and changing the quantum of the annual leave expense.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

t. Impact of Adopting Australian Equivalents to IFRS

- ii. AASB 116 requires major inspection costs to be capitalised, where these are currently expensed. This would require the fair value and depreciation of the related asset to be re-allocated. The Department believes that maintenance costs of \$3.194 million in the financial year do not include "major inspection costs" as envisaged by the standard.
- iii. AASB 116 requires the cost and fair value of property, plant and equipment to be increased to include the estimated restoration costs, where restoration provisions are recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. These restoration costs must be depreciated and the unwinding of the restoration provision must be recognised as a finance expense. This treatment is not required under current AGAAP. The Department believes that it does not incur restoration costs as envisaged by the standard.
- iv. AASB 138 *Intangible Assets* will result in certain reclassifications from property, plant and equipment to intangible assets in relation to such assets as computer software.
- v. **Financial Instruments**
 In accordance with NSW Treasury's indicative mandates, the Department will apply the exemption provided in AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement* for the financial year ended 30 June 2005. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they may impact on retained earnings (on first adoption) and the amount and volatility of result for the year. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.
- vi. **Grant recognition for not-for profit entities**
 The Department will apply the requirements in AASB 1004 *Contributions* regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 *Financial Reporting by Local Governments*. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either the recipient of the contribution supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue or expense recognition compared with current AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

u. Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfer of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners by NSW Treasury Circular 01/11 and are recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Urgent Issues Group Abstract UIG 38 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

u. Equity transfers (continued)

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.

v. Interest bearing liabilities

All loans are valued at current capital value.

w. Grants and subsidies

Grants and subsidies are recognised in the financial statements when conditions attached to the offers are met by the intended recipient.

x. Reclassification of financial information

When the presentation or classification of items in the financial report is amended, the nature and amount of and reason for the representation or reclassification will be disclosed.

y. Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s24 and or s26 of the Public Finance and Audit Act 1983.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts, that is per the audited financial statements (rather than carried forward estimates).

3. EMPLOYEE RELATED EXPENSES

	2005	2004
	\$'000	\$'000
Salaries & wages (including Recreation Leave)	138,888	181,440
Superannuation	15,615	15,574
Long service leave	7,350	9,458
Workers compensation insurance	1,297	2,087
Payroll tax and fringe benefits tax	9,540	10,127
Redundancies	1,962	23,490
	<u>174,652</u>	<u>242,176</u>

In addition to the \$174.652 million, \$0.981 million (2004 \$2.100 million) was incurred in employee related expenses in respect of : maintenance \$0.643 million (2004 \$0.800 million); grants provided for projects directly undertaken and/or managed by the Department \$ Nil (2004 \$ 0.500 million), and other expenses \$0.338 million (2004 \$0.800 million).

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

4. OTHER OPERATING EXPENSES

	2005	2004
	\$'000	\$'000
Auditor's remuneration-audit of the financial reports	290	347
Bad and doubtful debts	(168)	3,169
Operating lease rental expense-Minimum lease payments	17,037	17,558
Computer costs	5,514	6,685
Computer leasing costs	5,353	5,894
Consultancy costs	4,937	6,921
Fees for services rendered	22,513	30,839
Motor vehicle and plant hire expenses	3,328	4,109
Motor vehicle leasing costs	2,683	3,389
Minor equipment purchases	2,486	1,799
Insurance – public liability	513	708
Printing	516	1,047
Telephones	2,850	2,690
Stores/Stationery/Materials	2,024	2,699
Training	742	635
Contract payments	752	8,459
Equipment maintenance/consumables	1,245	1,120
Travel	4,703	5,345
Other	3,734	4,613
	<u>81,052</u>	<u>108,026</u>

In addition to the \$81.052 million, \$3.309 million (2004 \$7.100 million) was incurred in other operating expenses in respect of : Maintenance \$2.544 million (2004 \$3.300 million); grants provided for projects directly undertaken and/or managed by the Department \$ Nil (2004 \$ 3.000 million) and other expenses \$0.765 million (2004 \$0.800 million)

5. DEPRECIATION AND AMORTISATION EXPENSE

Infrastructure systems	1,108	1,474
Buildings and leasehold improvements	2,316	2,377
Plant and equipment	3,554	3,731
	<u>6,978</u>	<u>7,582</u>

6. BORROWING COSTS

Interest on loans	<u>257</u>	<u>887</u>
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7. GRANTS AND SUBSIDIES

Grants to Catchment Management Authorities	102,600	46,348
Local councils	7,374	19,208
Soil Conservation grants	5,833	8,118
Floodplain Program and National Action Plan Program	5,579	19,687
Planning Reform Fund contribution	3,680	5,895
Rural Assistance Authority Advances	1,460	789
Grants through Urban Improvement and Georges River Foreshore Improvement Program	1,355	3,610
Government Contribution to State Forests	870	13,153
Hunter Valley Flood Mitigation Contributions	821	1,043
Australian Technology Park	-	33,000
Namoi Groundwater Structural Program	-	10,523
Areas Assistance Schemes	-	9,575
Department of Lands	-	7,256
State Forests Capital grant	-	3,000
Other	3,452	12,256
	<u>133,024</u>	<u>193,461</u>

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

8. OTHER EXPENSES

	2005	2004
	\$'000	\$'000
<i>Contributions:</i>		
Murray-Darling Basin Commission	27,641	26,628
Irrigation Areas and Districts Renewal Works	20,353	19,041
Forestry Industry Structural Adjustment Program	14,148	15,941
Cap and Pipe Bores Program	4,575	4,776
West 2000	1,426	1,229
Native Vegetation Fund	356	1,470
Other	800	1,491
	<u>69,299</u>	<u>70,576</u>

9. SALE OF GOODS AND SERVICES

Planning Reform Fund contribution	17,289	14,940
Water Resource Management Charges	12,977	11,286
Fees for Services	8,241	8,286
Parking Space Levy allocation	5,453	5,045
Murray-Darling Basin Commission works and services	5,383	4,146
Catchment Management Authorities reimbursement	3,946	13,005
Drilling Fees	2,244	2,191
Planning Projects such as DA fees etc	2,047	5,288
Demand Management Project reimbursement	1,018	440
River management agreements	929	1,076
Water management charges	708	668
Consulting	622	2,250
Solicitors enquires fees	332	286
Hunter River Salinity Trade Scheme	-	347
Other	8,692	10,929
	<u>69,881</u>	<u>80,183</u>

10. INVESTMENT INCOME

Rents	148	146
Interest	945	1,898
	<u>1,093</u>	<u>2,044</u>

11. GRANTS AND CONTRIBUTIONS

Hunter Central Rivers Catchment Management Authority	2,226	4,305
Contributions received from Federal Agencies	158	565
Tweed River Entrance Sand Bypassing Project	-	3,089
Ministry of Transport – Project Development	-	6,222
Contributions received from Other Entities	6,223	13,199
	<u>8,607</u>	<u>27,380</u>

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

12. OTHER REVENUE

	2005	2004
	\$'000	\$'000
Other revenue	4,544	3,900
Initial recognition of assets not previously recorded	1,668	-
	6,212	3,900

Other revenue comprises River and Foreshore Improvement fees, sand and gravel extraction fees and forfeited security deposits etc.

13. (LOSS)/GAIN ON DISPOSAL OF NON-CURRENT ASSETS

(Loss)/Gain on disposal of land and buildings		
Proceeds from disposal	1,705	421
Carrying value of assets disposed	(5,682)	(436)
Net (loss)/gain on disposal of land and buildings	(3,977)	(15)
(Loss)/Gain on disposal of plant and equipment		
Proceeds from disposal	176	1,303
Carrying value of assets disposed	(3,619)	(244)
Net (loss)/gain on disposal of plant and equipment	(3,443)	1,059
(Loss)/Gain on disposal of Infrastructure systems		
Proceeds from disposal	-	-
Carrying value of assets disposed	(4,610)	-
Net (loss) on disposal of plant and equipment	(4,610)	-
(Loss)/Gain on disposal of Non-Current Assets	(12,030)	1,044

14. APPROPRIATIONS**Recurrent Appropriations**

Total recurrent drawdowns from Treasury (per Summary of Compliance)	363,891	499,216
Less: Liability to Consolidated Fund (per Summary of Compliance)	(2,893)	(9,884)
Total	360,998	489,332

Comprising:

Recurrent appropriations (per Statement of Financial Performance)	350,326	470,862
Plus: Transfer payments (Note 16)	10,672	18,470
Total	360,998	489,332

Capital Appropriations

Total capital drawdowns from Treasury (per Summary of Compliance)	21,625	13,063
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Comprising:

Capital appropriations (per Statement of Financial Performance)	21,625	13,063
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15. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and expenses have been assumed by the Crown Entity.

Superannuation	15,615	15,574
Long service leave	7,350	9,458
Payroll tax on superannuation	938	934
	23,903	25,966

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

16. TRANSFER PAYMENTS

The Department has not recognised in the Statement of Financial Performance and the Cash Flows Statement transfer payments made to the following agencies nor the associated appropriations as the Department does not control the amounts received on behalf of these agencies. The Department's Consolidated Fund status is used to administratively facilitate the transfer payments to these agencies through the Consolidated Fund budgetary process.

	2005	2004
	\$'000	\$'000
Corporation Sole, Minister administering the Environmental Planning and Assessment Act, 1979		
- Sydney Regional Development Fund	5,034	5,034
- Sydney International Regatta Centre	700	1,700
Australian Inland Energy and Water	2,308	2,563
Wild Dog Destruction Board	1,570	1,113
Dams Safety Committee	805	700
South Sydney Development Corporation	180	562
Greening Australia	75	150
Festival Development Corporation	-	6,648
Total Transfer Payments (Note 14)	10,672	18,470

17. PROGRAM INFORMATION

42.1 Environmental Planning

42.1.1 Planning Systems and Policy Development

Program Objective(s): To set the strategic direction for land use management and infrastructure for communities across New South Wales. Provide advice on policy and strategy for key issues at a regional and state-wide level. Co-ordinate the timely delivery of major whole-of-government infrastructure projects including planning for transport for changing communities.

Program Description: Reform, develop and monitor planning and building systems. Whole-of-government co-ordination on all aspects of planning and related environmental, economic and human service issues. Develop State Environmental Planning Policies, Regional Environmental Plans and other planning policies and strategies. Provide a strategic framework for government investment in all modes of passenger and freight transport. Evaluate transport infrastructure and service proposals and projects. Manage demand for transport infrastructure, in participation with public and private sector agencies.

42.1.2 Planning Systems and Policy Delivery

Program Objective(s): To facilitate improved economic performance, environmental sustainability and quality of life for New South Wales through better planning policies, programs and improved land use management.

Program Description: Strategic and project level environmental impact assessment. Implement whole-of-government initiatives for major development and infrastructure projects. Consider selected Local Environmental Plans to ensure consistency with a statewide strategic framework. Implement place-based programs that create quality communities and deliver economic, social and environmental benefits. Develop active partnerships with local government, other State agencies, business and the wider community. Provide best practice specialist services to stakeholders and the community. Manage grants programs that provide financial incentives to create quality communities in urban and regional New South Wales.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

17. PROGRAM INFORMATION (continued)**42.2 Natural Resource Management****42.2.1 Rivers and Groundwater**

Program Objective(s): Effective and sustainable use of the State's water resources.

Program Description: Monitoring of the State's water resources. Negotiations with the community on its range of values for water. Allocation of water between competing interests. Establishment of systems to ensure security of agreed environmental water and access rights.

42.2.2 Catchment, Land and Vegetation

Program Objective(s): Effective, sustainable and integrated management of the State's soil, land and vegetation resources.

Program Description: Monitoring of the State's soil, land and vegetation resources within catchments. Assistance to catchment management groups. Management of vegetation clearing processes. Prevention of land degradation. Consult with the community to develop integrated strategies for soil, land and vegetation ecosystems and forestry plantations. Stimulate the establishment of an efficient, high technology and sustainable native timber industry and to promote the sustainable management of private forests.

42.2.3 Coastal and Floodplain Communities

Program Objective(s): Effective and sustainable management of coastal and floodplain resources.

Program Description: Monitoring of coastal and floodplain resources. Assistance to councils in resource planning and management. Consult with the community to develop integrated strategies to manage land and water resources and to implement natural resource improvement programs.

	2005	2004
	\$000	\$000
18. CURRENT ASSETS - CASH		
Cash at bank and on hand	27,652	68,989

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash at bank and short-term deposits at call.

Cash assets recognised in the Statement of Financial Position and detailed above agrees with cash at the end of the financial year as shown in the Statement of Cash Flows.

19. CURRENT/NON CURRENT ASSETS - RECEIVABLESCurrent Receivables:

Sale of Goods and Services	19,055	23,506
Less: Provision for doubtful debts	(465)	(3,395)
	18,590	20,111
Goods and Services Tax recoverable from ATO	3,428	6,225
Accrued income-Sale of Goods and Services	26,078	37,554
Prepayments	943	1,290
	49,039	65,180

Non-Current Receivables:

Bore Water Trust Debtors	29	35
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THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

	2005	2004
	\$000	\$000
20. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
At Fair Value	117,553	90,372
Less:		
Accumulated Depreciation	<u>(375)</u>	<u>(6,433)</u>
	<u>117,178</u>	<u>83,939</u>
PLANT AND EQUIPMENT		
At Fair Value	15,385	20,836
Less:		
Accumulated Depreciation	<u>(6,329)</u>	<u>(4,951)</u>
	<u>9,056</u>	<u>15,885</u>
INFRASTRUCTURE SYSTEMS		
At Fair Value	73,961	76,574
Less:		
Accumulated Depreciation	<u>(25,696)</u>	<u>(25,842)</u>
	<u>48,265</u>	<u>50,732</u>
Total Property, Plant and Equipment at Net Book Value	<u>174,499</u>	<u>150,556</u>

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Infrastructure systems (i)	Land under Coastal Protection Scheme (ii)	Land - Other	Buildings and Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2005						
Carrying amount at start of year	50,732	17,989	30,976	34,974	15,885	150,556
Additions	21,023	1,112	1,604	503	(331)	23,911
Net revaluation Increment taken to reserve	-	1,871	13,165	20,599	-	35,635
Disposals	(4,610)	-	(1,055)	(4,627)	(3,619)	(13,911)
Depreciation expense	(1,108)	-	-	(2,316)	(3,554)	(6,978)
Disposals through administrative restructure (i)	(16,376)	-	-	-	(6)	(16,382)
Initial recognition of assets not previously recorded	-	-	465	1,203	-	1,668
Reclassifications	(1,396)	-	-	715	681	-
Carrying amount at end of year	<u>48,265</u>	<u>20,972</u>	<u>45,155</u>	<u>51,051</u>	<u>9,056</u>	<u>174,499</u>

(i) Tweed River Entrance Sand Bypassing Project infrastructure systems valued at \$16.376 million and Plant and Equipment valued at \$6,152 was transferred out to Department of Lands (refer to Note 27)

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

	Infrastructure systems	Land under Coastal Protection Scheme (ii)	Land - Other	Buildings and Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2004						
Transferred into Department At Fair Value	47,333	14,528	31,287	29,862	21,878	144,888
Additions	7,043	3,461	-	938	3,544	14,986
Disposals	(821)	-	(311)	(125)	(479)	(1,736)
Depreciation expense	(1,474)	-	-	(2,377)	(3,731)	(7,582)
Re-classifications	(1,349)	-	-	6,676	(5,327)	-
Carrying amount at end of year	50,732	17,989	30,976	34,974	15,885	150,556

(ii) Land acquired under the Coastal Protection Scheme is held by the Department pending transfer to other government bodies

21. RESTRICTED ASSETS

Legislation or Treasury Directions impose restrictions on the use of certain assets of the Department. As such, the following are considered to be restricted assets:

<u>Current Assets:</u>	2005	2004
	\$000	\$000
CASH comprising:		
Water Management Fund	2,322	2,381
Hunter Valley Flood Mitigation Fund	1,131	354
Affordable Housing Contributions	471	5,567
Rhodes Peninsula Development Contributions	333	-
	4,257	8,302

22. CURRENT LIABILITIES – PAYABLES

Accrued salaries, wages and on-costs	992	6,083
Creditors	10,644	6,400
Accruals – Other	27,037	35,963
Fees in Advance	6,915	16,651
	45,588	65,097

23. CURRENT/NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES

Loan from Penrith Lakes Development Corporation Limited	-	3,925
Tweed Sand Bypassing Project	-	13,438
	-	17,363
Repayment of Borrowings		
Not later than 1 year	-	1,031
Between 1 year and 5 years	-	5,134
Later than 5 years	-	11,198
Total Borrowings at face value	-	17,363

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

	2005 \$000	2004 \$000
24. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS		
<u>Employee benefits and related on-costs</u>		
Recreation leave	17,317	20,267
Provision for employee redundancy	3,425	23,000
Oncosts on Employee Benefit liability	6,144	6,908
Total Provisions	26,886	50,175
<u>Aggregate employee benefits and related on-costs</u>		
Provisions - current	22,416	45,198
Provisions - non-current	4,470	4,977
Total provisions per Statement of Financial Position	26,886	50,175
Accrued salaries, wages and on-costs (Note 22)	992	6,083
	27,878	56,258

25. CURRENT LIABILITIES - OTHER

Liability Owing to Consolidated Fund	2,893	9,884
	2,893	9,884

26. CHANGES IN EQUITY

	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity 2005 \$'000	Total Equity 2004 \$'000
Balance at the beginning of financial year	142,241	-	142,241	-
Transactions with owners as owners (Decrease)/Increase in net assets from administrative restructuring (Note 27)	(3,192)		(3,192)	144,632
Total	139,049	-	139,049	144,632
Other than transactions with owners as owners Surplus/(Deficit) for the year	1,168	-	1,168	(2,391)
Increment on revaluation of Land and Buildings		35,635	35,635	-
Balance at the end of financial year	140,217	35,635	175,852	142,241

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

27. DECREASE / INCREASE IN NET ASSETS FROM EQUITY TRANSFERS

	2005 \$'000 (i)	2004 \$'000 (ii)
Cash	(193)	71,550
Current Receivables	-	47,477
Infrastructure Systems	(16,376)	47,333
Plant and Equipment	(6)	21,878
Land and Buildings	-	75,676
Non-Current Receivables	-	40
TOTAL ASSETS	(16,575)	263,954
Other Current Liabilities	193	(100,682)
Interest Bearing Liabilities	13,190	(14,383)
Other Non-Current Liabilities	-	(4,257)
TOTAL LIABILITIES	13,383	(119,322)
NET ASSETS (DISPOSED)/ACQUIRED	(3,192)	144,632

(i) Fair value of net assets transferred to Department of Lands and Department of Community Services

(ii) Fair value of net assets transferred from Department of Sustainable Natural Resources and Department of Urban Transport and Planning.

28. COMMITMENTS FOR EXPENDITURE

	2005 \$'000	2004 \$'000
(a)Capital Commitments		
Not later than 1 year	-	-
Total (including GST)	-	-
(b)Other Expenditure Commitments		
Not later than 1 year	3,443	2,563
Total (including GST)	3,443	2,563
(c)Operating Lease Commitments		
Aggregate operating lease commitments for Office Accommodation, Motor Vehicles and Computer Equipment		
Contracted for at balance date but not provided for:		
Not later than 1 year	11,086	20,444
Later than 1 year but not later than 5 years	5,868	15,507
Later than 5 years	564	1,193
Total (including GST)	17,518	37,144
(d)Grant Commitments		
Not later than 1 year	-	-
Total (including GST)	-	-

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2005	2004
	\$'000	\$'000
Contingent Liabilities	2,293	1,867
	<u>2,293</u>	<u>1,867</u>

The Department may be liable for payment of compensation payments arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are usually covered by the Treasury Managed Fund, and are not expected to exceed \$2.293 million.

Contingent Assets	-	-
	<u>-</u>	<u>-</u>

30. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

Net Cash flow from Operating Activities	15,135	(6,667)
Cash flows from Government	371,873	464,462
Acceptance by the Crown Entity of employee benefits and other liabilities	16,990	17,937
Depreciation	6,978	7,582
(Decrease)/Increase in Employee related provisions	(23,288)	23,715
Initial recognition of assets in the fixed asset register	(1,668)	-
Net (loss)/gain on sale of non-current assets	12,030	(1,044)
Decrease /(Increase) in Accounts receivable	16,146	(17,698)
(Decrease)/Increase in Current liabilities	(19,510)	23,995
Net Cost of Services	<u>394,686</u>	<u>512,282</u>

31. ADMINISTERED ASSETS AND LIABILITIES

Administered Assets		
Cash	56	612
Receivables	250	344
Crown Land under Tenure	43,167	62,863
Total Administered Assets	<u>43,473</u>	<u>63,819</u>
Administered Liabilities		
Unearned revenue	46	107
Accounts payable & Provisions	42	53
Liability owing to Crown	69	69
Total Administered Liabilities	<u>157</u>	<u>229</u>

32. ADMINISTERED REVENUE - DEBTS WRITTEN OFF

Administered debts of \$8,420 were written off during the reporting year.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

33. ADMINISTERED REVENUE - SCHEDULE OF UNCOLLECTED AMOUNTS

	2005 \$'000	2004 \$'000
Analysis of uncollected amounts in respect of Land revenue – Crown Budget Entity:		
Less than 90 days	-	72
Greater than 90 days	206	218
	<u>206</u>	<u>290</u>
Less: Provision for doubtful debts	-	-
Amounts not yet called	44	54
Total	<u>250</u>	<u>344</u>

34. ADMINISTERED REVENUE AND EXPENSES

Revenue	3,932	2,418
Expenses	(1,723)	(3)
Operating surplus	<u>2,209</u>	<u>2,415</u>

Details of Crown revenue collected by the Department and remitted to the Treasury:

Leases, licences and related land receipts	2,408	762
Water related receipts	1,524	2,081
	<u>3,932</u>	<u>2,843</u>

35. BUDGET REVIEW

Net Cost of Services

The net cost of services for 2004-2005 is \$394.686 million, an increase of \$42.515 million (12.07%) on the budget projection of \$352.171 million.

This result reflects the net impact of post-budget supplementation for approved increases in operating and grant expenditures, in-year cash management savings in other expenditures and cost reductions in operating expenses. Relevant comments on the Department's 2004-2005 budgeted expenses and revenues is as follows:

- **Employee related**
Expenses were \$49.682 million (39.76%) above the budget estimate of \$124.970 million. The increase relates to the net impact of lower than anticipated staff turnover, delays in achieving reductions in staff numbers as a result of the implementation of the Service Delivery Model (a project undertaken to more effectively deliver natural resource management and planning services across NSW) and lead times in transfer of staff to the newly created Catchment Management Authorities
- **Other operating expenses**
Expenses were \$27.454 million (51.22%) above the budget estimate of \$53.598 million. The variation was offset by additional supplementary funding of \$34 million provided by Treasury during the year.
- **Maintenance**
Expenses were \$0.106 million (3.44%) above the budget estimate of \$3.081 million. This minor variation was offset by additional funds provided by Treasury post-budget

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

35. BUDGET REVIEW (continued)

Net Cost of Services (continued)

- **Depreciation and Amortisation**
Expenses were \$0.422 million (5.70%) below budget.
- **Grants and Subsidies**
The budget of \$164.181 million includes a negative adjustment of \$5.637 million for transfer payments referred to in note (16) and an increase of \$16 million for a Section 26 adjustment approved by the Treasurer. Expenditure of \$133.024 million is a net \$31.157 million (18.98%) below the revised budget. The major component of the variation relates to grants paid to Catchment Management Authorities under Commonwealth and State funded programs. Actual payments were \$28.720 million under the budget of \$98.402 million.
- **Other Expenses**
Expenses at \$69.299 million were \$4.553 million below the budget estimate of \$73.852 million. The major factor contributing to the net variation was in relation to the Forest Industry Structural Adjustment Program where expenses were \$5.27 million below the budget.
- **Retained Revenues**
In total, retained revenues were \$8.882 million above the overall budget estimate of \$76.911 million.

STATEMENT OF FINANCIAL POSITION

Current Assets

The value of current assets as at balance date varied from the budget by \$50.402 million.

Receivables

- the final balance of receivables was \$14.850 million (23.24%) less than the budgeted closing balance of \$63.889 million. The major factor underlying this result was a decrease in accrued income from sales of goods and services of \$11.475 million. The budget figure of \$63.889 million did not provide for a decrease in this item.

Non Current Assets

- the value of property plant and equipment increased on the budget projection by \$8.168 million. The major factor in the net variation was a revaluation increment of \$35.635 million and a disposal through an administrative restructure of \$16.382 million as well as write off of assets totalling \$12.068 million

Current Liabilities

Decreased by \$50.315 million (41.51%) on the budgeted figure of \$121.212 million. Comment on particular liabilities is as follows:

Payables

- the final balance of payables was \$41.442 million (47.62%) less than the budgeted closing balance of \$87.030 million. Underlying this result was a decrease in accrued salaries and other accrued expenses of \$5.091 and \$8.926 million respectively

Other

- the variation on this item relates to the liquidation of the 2003/2004 Liability to Consolidated Fund of \$9.884 million. The extinguishing of this liability was not included in the initial budgeted movements.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

35. BUDGET REVIEW (continued)

STATEMENT OF FINANCIAL POSITION

Non Current Liabilities – Interest Bearing Liabilities

The decrease in Interest Bearing Liabilities relates to the transfer of the Tweed Sand Bypassing project to the Department of Lands.

STATEMENT OF CASH FLOWS

Net Cash Flows from Operating Activities

The net cash flows from operating activities varied on budget by \$33.233 million. The major factor contributing to this result was expenditure of \$41.325 million against post budget supplementations the budget for which is not included in the 2005 Budget amounts.

Net Cash Flows from Investing Activities

The net cash flows from investing activities varied on budget by \$3.146 million. This variation was due to under-expenditure on various capital funded projects in line with the staged progress of the projects.

Net Cash Flows from Financing Activities

The variation of \$4.173 million on budget relates to a payment of this amount for settlement and termination of funding arrangements for the Penrith Lakes Development Corporation Limited

36. FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11.00 am unofficial cash rate adjusted for a management fee to Treasury.

Receivables

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 uncollectable, are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are generally made on 30 days terms.

Trade Creditors and Accruals

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 not 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. No interest was paid during the period. The carrying amount approximates net fair value.

THE DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES
Notes to and Forming Part of the Financial Statements for the year ended 30 June 2005

36. FINANCIAL INSTRUMENTS (continued)

(a) Interest Rate Risk

			Fixed Interest Rate Maturities			Non Interest Bearing	Total Carrying Amount As per the Statement of Financial Position \$000
	Weighted Average Effective interest rate	Floating Interest Rate	1 year or less	1 to 5 years	More than 5 years		
	%	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2005							
Financial Assets							
Cash	4.33	27,652					27,652
Receivables						49,039	49,039
Total Financial Assets		27,652				49,039	76,691
Financial Liabilities							
Payables						45,588	45,588
Interest Bearing							-
Other						2,893	2,893
Total Financial Liabilities			-	-	-	48,481	48,481
30 June 2004							
Financial Assets							
Cash	4.06	68,989					68,989
Receivables						65,180	65,180
Total Financial Assets		68,989				65,180	134,169
Financial Liabilities							
Payables						65,097	65,097
Interest Bearing	8.81		1,031	5,134	7,273		13,438
	9.50				3,924		3,924
Other						9,884	9,884
Total Financial Liabilities			1,031	5,134	11,197	74,981	92,343

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract/or financial position failing to discharge a financial obligation thereunder. The Department's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

37. SERVICES PROVIDED TO CMA'S AT NO COST

Thirteen Catchment Management Authorities (CMAs) were established on 24 January 2004 under the *Catchment Management Act 2003* and continued their work in the financial year to 30 June 2005. The Department of Infrastructure, Planning and Natural Resources (DIPNR) provides corporate support services including Finance, Human Resources, Fleet Management, Procurement and Information Technology. This corporate support is provided at no cost. This arrangement was and is intended to assist the authorities to focus on their key outcomes, whilst reducing duplication of services and may be reviewed in the future.

38. AFTER BALANCE DATE EVENTS

The Department of Infrastructure, Planning and Natural Resources was abolished on 29 August 2005 in accordance with the *Public Sector Employment and Management (Planning and Natural Resources) Order 2005* under the *Public Sector Employment and Management Act 2002* issued on 26 August 2005.

The major activities of the Department has been transferred to either
Department of Natural Resources
Department of Planning

END OF AUDITED FINANCIAL STATEMENTS

financial statements – Corporation Sole

Independent Audit Report	112
<hr/>	
Statement by Corporation Sole	114
<hr/>	
Statement of Financial Performance	115
<hr/>	
Statement of Financial Position	116
<hr/>	
Statement of Cash Flows	117
<hr/>	
Notes Accompanying and Forming Part of the Financial Statements	118-128
<hr/>	



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Corporation Sole "Minister Administering the Environmental Planning and Assessment Act 1979"

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of Corporation Sole "Minister Administering the Environmental Planning and Assessment Act 1979" (Corporation Sole):

- (a) presents fairly the Corporation Sole's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Minister's Role

The financial report is the responsibility of the Minister. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Minister in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Minister had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Corporation Sole,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.



R J Sendt
Auditor General

SYDNEY
20 October 2005

STATEMENT BY CORPORATION SOLE

**"MINISTER ADMINISTERING THE ENVIRONMENTAL
PLANNING AND ASSESSMENT ACT, 1979"**

**Certificate under Section 41C (1B) and (1C) of the
Public Finance and Audit Act 1983**

Pursuant to the Public Finance and Audit Act, 1983, and in my capacity as Corporation Sole, titled "Minister administering the Environmental Planning and Assessment Act, 1979", 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 Environmental Planning and Assessment Act, 1979" as at 30 June 2005, and transactions for the year then ended.
- (b) The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit (General) Regulation 2005, 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.



Frank Sartor

Dated: 19/10/05

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 \$'000	2004 \$'000
Revenue from ordinary activities			
Council contributions	3	6,012	5,894
State Government contributions	4	5,734	6,734
Rents (gross)	5	8,259	8,204
Investment income	6	2,266	1,861
Proceeds on disposal of properties	7	34,135	22,010
Land transferred in	10	13,185	21,280
Other		1,007	1,489
Total Revenue from ordinary activities		70,598	67,472
Expenses from ordinary activities			
Property maintenance	5	1,169	1,076
Employee Related Expenses	8 (a)	3,219	2,599
Other Expenses from ordinary activities	8 (b)	3,941	5,082
Depreciation	8 (c)	946	947
Borrowing costs		6,547	7,419
Written down value of assets disposed	7	23,253	14,452
Grants & subsidies	9	3,529	7,575
Land transferred to other organisations	10	3,650	23,760
Decrement on Revaluation	11	-	2,126
Total Expenses from ordinary activities		46,254	65,036
PROFIT FROM ORDINARY ACTIVITIES		24,344	2,436
Net Increase in asset revaluation reserve arising on revaluation of non-current assets	24	66,019	21,395
TOTAL REVENUE, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		90,363	23,831
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		90,363	23,831

The accompanying notes form part of these statements

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 \$'000	2004 \$'000
Current Assets			
Cash	12	4,725	12,552
Receivables	14	48,102	16,318
Other Financial Assets	13	24,929	24,818
Total Current Assets		77,756	53,688
Non-Current Assets			
Property Plant & Equipment			
Land - Core Planning	15(a)	562,503	550,142
- Surplus	15(b)	278,397	203,849
Other	15(c)	29,747	30,693
Total Non-Current Assets		870,647	784,684
Total Assets		948,403	838,372
Current Liabilities			
Payables	16	31,174	11,568
Provisions	17	245	233
Interest bearing liabilities	18	21,701	13,087
Total Current Liabilities		53,120	24,888
Non-Current Liabilities			
Provisions	17	64	57
Interest bearing liabilities	18	74,685	83,256
Total Non-Current Liabilities		74,749	83,313
Total Liabilities		127,869	108,201
Net Assets		820,534	730,171
Equity			
Reserves	24	457,140	393,728
Retained profits	24	363,394	336,443
Total Equity		820,534	730,171

The accompanying notes form part of these statements

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING AND
ASSESSMENT ACT, 1979"**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 \$'000 Inflows (Outflows)	2004 \$'000 Inflows (Outflows)
Payments			
Employee related expenses		(3,278)	(2,622)
Other operating expenses		(8,967)	(6,137)
Grants & subsidies		(3,529)	(7,575)
Borrowing Costs		(6,606)	(7,690)
Rental outgoings		(1,170)	(1,076)
		(23,550)	(25,100)
Receipts			
Council contributions		6,012	5,894
State Government contribution		5,734	6,734
Rental income		11,910	9,772
Interest received		2,108	1,909
Other		4,652	662
		30,416	24,971
NET CASH PROVIDED FROM / (USED IN) OPERATING ACTIVITIES	23	6,866	(129)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property		(11,114)	(20,577)
Proceeds from sale property		(3,511)	3,095
Net movement in Investments		(111)	18,111
		(14,736)	629
NET CASH PROVIDED FROM / (USED IN) INVESTING ACTIVITIES		(14,736)	629
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		43	1,125
		43	1,125
NET CASH PROVIDED FROM FINANCING ACTIVITIES		43	1,125
NET INCREASE/(DECREASE) IN CASH HELD		(7,827)	1,625
Cash at the beginning of the financial year		12,552	10,927
CASH AT THE END OF THE FINANCIAL YEAR	12	4,725	12,552

The accompanying notes form part of these statements

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Corporation Sole "Minister Administering the Environmental Planning and Assessment Act, 1979" (the Corporation), incorporating the Sydney Region Development Fund operates under the provisions of the Environmental Planning and Assessment Act 1979 to acquire and develop lands required for planning purposes within the Sydney Region. The Corporation is a separate reporting entity. There are no other entities under its control.

(b) Basis of Accounting

The Corporation's financial report is a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views; and
- the requirements of the *Public Finance and Audit Act* and Regulations.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

The financial report has been prepared in an historical cost basis, except where stated for certain assets.

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

(c) Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2003. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted in the NSW public sector.

Land is valued on an existing use basis, subject to any restrictions or enhancements since acquisition. Land and buildings acquired since 1 April 2001 are shown at original acquisition costs plus major renovation or improvement cost. The value of buildings or structures on land acquired for planning purposes is considered to be not material in amount (Refer Note 16).

Core Planning Land was revalued at 1 April 2001, whilst buildings and infrastructure at the Sydney International Regatta Centre (SIRC) were revalued at 1 July 2002 by the State Valuation Office in accordance with Treasury guidelines.

(d) Value of Non-Current Assets - Surplus Land

The Corporation intends to realise, in an orderly manner, the surplus land holdings in accordance with its 5 year disposal program lodged with Treasury. The nature of these holdings, various planning controls and the state of the general property market can make the identification of surplus land holdings expected to be realised within the next twelve months not reliable. Accordingly, all land determined to be surplus to planning requirements is transferred to non-current assets. Marketable surplus land as per the disposal program is revalued to market value by the Department of Infrastructure Planning & Natural Resources (the Department) valuers working for the Corporation as well as externally appointed valuers annually at year end. The Corporation reviews the valuations and valuations shown in the Financial Statements do not exceed these assessments. Valuation increments or decrements (to the extent that they reverse previous increments) are taken to the Asset Revaluation Reserve. Revaluation decrements that do not reverse previous increments within the Asset Revaluation Reserve are taken to the Statement of Financial Performance.

Non-marketable surplus land (ie land which has not been identified as saleable over the next 5 years) is valued in the same way as core planning land in accordance with Treasury guidelines.

(e) Other Financial Assets

"Other financial assets" are generally recognised at cost, with the exception of New South Wales Treasury Corporation Hour-Glass Facilities and Managed Fund Investments, which are measured at market value.

New South Wales Treasury Corporation Investments are invested in accordance with Part 2, Schedule 1, of the Public Authorities (Financial Arrangements) Act, 1987.

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

**NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

(f) Depreciation of Non-Current Physical Assets

Buildings and other improvements on land acquired for planning purposes (for open space, future roads and service corridors) and not principally for income generation, is not depreciated. Depreciation, if charged, would not be material.

Except for buildings and other improvements on land held for planning purposes, depreciation has been provided on a straight line basis so as to write off the depreciable amount over the useful life of the asset.

Depreciation Rates	% Rate
Sydney International Regatta Centre buildings	2.50%
Sydney International Regatta Centre infrastructure	2.50%
Computers	25.00%
Office equipment	14.00%

(g) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision, where necessary, for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(h) Interest Bearing Liabilities

The Corporation borrows through the NSW Treasury Corporation in the form of liquid and marketable TCorp Stocks. As part of its debt management activities, the Corporation may buy back its debt and refinance with NSW Treasury Corporation debt.

The gains or losses arising from substituting the prepaid debt with new debt are taken up as unamortised discounts or premiums and are subsequently amortised. No debt restructuring was undertaken in the current or previous financial year.

(i) Transfer of Land to and from Other Government Bodies and Councils

Land acquired for road purposes is transferred, as required for construction, to the Roads and Traffic Authority without charge. Open Space land is similarly transferred to councils or placed under the care, control and management of councils by means of trust deeds. Other lands have also been transferred to various government bodies without charge.

On the transfer of or placement under care control and management of land the asset value is deducted from land and buildings and shown as an expenditure in the Statement of Financial Performance.

On the transfer in of land for no consideration the asset is recognised at fair value in the statement of financial position.

(j) Financial Instruments

The Corporation's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are detailed at Note 25.

(k) Revenue Recognition

Revenue arising from the disposal of assets is recognised when the Corporation has passed control of the assets to the purchaser and consideration is expected by the Corporation, whether or not cash has been received.

Revenue from the rendering of services is recognised as and when services have been rendered and there is a valid claim against external parties, whether or not cash has been received.

Revenue from councils receivable under section 143 of the Environmental Planning and Assessment Act 1979 has been recognised as and when contributions are due, whether or not cash has been received.

Investment Income is recognised for the total period of the investment whether or not cash has been received.

Grants and contributions are recorded as and when received.

Rental income is recognised on a basis representative of the services rendered through the provision of rental properties, whether or not cash has been received (Note 5 also refers).

Rental income received in advance is apportioned to income over the accounting periods covered by tenancies or lease terms.

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

**NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

(l) Accounting for the Goods & Services Tax (GST)

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

- * the amount of GST incurred by the Corporation 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 the item expense; or
- * receivables and payables are stated with the amount of GST included.

2. CHANGES IN ACCOUNTING POLICY

Impact of Adopting Australian Equivalents to IFRS

The Corporation will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 1 July 2005.

The Corporation has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the Corporation's equity and result for the year. The Corporation does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and/or emerging accepted practice in their interpretation and application. The Corporation's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in the financial year ended 30 June 2006.

Reconciliation of key aggregates

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS:

		\$'000	\$'000
		30 June	1 July
	Note	2005 **	2004*
Total equity under AGAAP		820,534	730,171
Effect of discounting long-term annual leave	i	9	12
Total equity under AEIFRS		820,543	730,183

* = adjustments as at the date of transition
** = cumulative adjustments as at date of transition plus the year ended 30 June 2005

**Reconciliation of surplus / (deficit) under AGAAP to surplus / (deficit) under AEIFRS:
Year ended 30 June 2005**

	Note	\$'000
Surplus / (deficit) under AGAAP		24,344
Long term annual leave	i	9
Surplus / (deficit) under AEIFRS		24,353

Notes to tables above

- i. AASB 119 requires present value measurement for all long-term employee benefits. Current AGAAP provides that wages, salaries, annual leave and sick leave are measured at nominal value in all circumstances. The Corporation has long-term annual leave benefits and accordingly will measure these benefits at present value, rather than nominal value, thereby decreasing the employee benefits liability and changing the quantum of the annual leave expense.
- ii. AASB 116 requires major inspection costs to be capitalised, where these are currently expensed. This would require the fair value and depreciation of the related asset to be re-allocated. The Corporation believes that maintenance costs of \$1.17 million in the financial year do not include "major inspection costs" as envisaged by the standard.
- iii. AASB 116 requires the cost and fair value of property, plant and equipment to be increased to include the estimated restoration costs, where restoration provisions are recognised under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. These restoration costs must be depreciated and the unwinding of the restoration provision must be recognised as a finance expense. This treatment is not required under current AGAAP. The Corporation believes that it does not incur restoration costs as envisaged by the standard.

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

**NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

- iv. AASB 138 *Intangible Assets* will result in certain reclassifications from property, plant and equipment to intangible assets in relation to such assets as computer software.
- v. Financial Instruments
- In accordance with NSW Treasury's indicative mandates, the Corporation will apply the exemption provided in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards not to apply the requirements of AASB 132 Financial Instruments: Presentation and Disclosures and AASB 139 Financial Instruments: Recognition and Measurement for the financial year ended 30 June 2005. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they may impact on retained earnings (on first adoption) and the amount and volatility of result for the year. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.
- vi. Grant recognition for *not-for profit* entities
- The Corporation will apply the requirements in AASB 1004 Contributions regarding contributions of assets (including grants) and forgiveness of liabilities. There are no differences in the recognition requirements between the new AASB 1004 and the current AASB 1004. However, the new AASB 1004 may be amended by proposals in Exposure Draft (ED) 125 Financial Reporting by Local Governments. If the ED 125 approach is applied, revenue and / or expense recognition will not occur until either the recipient of the contribution supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied. ED 125 may therefore delay revenue or expense recognition compared with current AASB 1004, where grants are recognised when controlled. However, at this stage, the timing and dollar impact of these amendments is uncertain.

3. COUNCIL CONTRIBUTIONS

The Environmental Planning and Assessment Act 1979, provides that the Corporation may levy the amount required for the repayment of principal or for the payment of interest on loans, upon those councils whose areas are included in a development area. Councils in the Sydney Region Development Area were required to contribute \$6.012 million to the Fund during 2004/2005 (2003/2004 \$5.894 million).

4. STATE GOVERNMENT CONTRIBUTION

Government contributions applied to the Corporation were \$5.734 million (2003/2004 \$6.734 million), being \$5.034 million for operational and loan servicing costs and \$0.7m to assist the Sydney International Regatta Centre with its operational requirements.

5. RENTAL INCOME

Rents are derived by leasing properties on an interim basis, prior to being put to their planned use and from the lease of lands for private sector development of commercial and retail centres.

Net Rental Income	2005 \$'000	2004 \$'000
Gross Rental Income	8,259	8,204
Less: Property Maintenance Expenses:		
- rates (council, water)	(349)	(411)
- repairs, insurance, expenses etc.	(820)	(665)
Net Rental Income	7,090	7,128

6. INVESTMENT INCOME

Interest Received	2005 \$'000	2004 \$'000
Interest on Investments	1,761	1,682
Other Interest	505	179
Total	2,266	1,861

7. DISPOSAL OF PROPERTIES

	2005 \$'000	2004 \$'000
Proceeds from Disposal	34,135	22,010
Written Down Value of Properties sold - Surplus Land	(22,699)	(12,428)
- Core Land	(554)	(2,024)
Gain on Disposal	10,882	7,558

CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

8. EXPENSES

	2005 \$'000	2004 \$'000
(a) Employee related expenses		
Salaries & wages (including recreation leave)	2,831	2,325
Superannuation	180	137
Workers compensation insurance	40	9
Payroll tax & fringe benefits tax	168	128
	3,219	2,599
(b) Other expenses from ordinary activities		
Auditors remuneration	87	54
Consultancy Fees	400	142
Insurance	135	118
Office accommodation	211	202
Administrative services	180	404
General administration	2,101	2,893
SIRC Property Management and related maintenance	753	938
Maintenance	53	51
Provision for Doubtful Debts	21	280
	3,941	5,082
(c) Depreciation	946	947
	Note 15(c)	
Total	8,106	8,628

9. GRANTS AND SUBSIDIES

	2005 \$'000	2004 \$'000
Open Space Improvements and Restoration Program	3,529	7,575
Total	3,529	7,575

10. LAND TRANSFERRED TO / FROM OTHER BODIES

		2005 \$'000	2004 \$'000
Land transferred in	Note 15(a),15(b)	13,185	21,280
Land transferred out	Note 15(a),15(b)	3,650	23,760

11. DECREMENT ON REVALUATION

	2005 \$'000	2004 \$'000
Decrement on Revaluation of land transferred out	0	2,126

12. CURRENT ASSETS - CASH

	2005 \$'000	2004 \$'000
Cash at bank and on hand	4,725	12,552

13. CURRENT ASSETS - INVESTMENT

	2005 \$'000	2004 \$'000
TCorp - Hour-Glass investment facilities		
Cash Facility	7,166	8,408
Bond Market Facility	7,440	6,957
Medium Term Growth Facility	10,323	9,453
	24,929	24,818
All TCorp Hour-Glass investments are shown at Market Valuation.		

CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

14. CURRENT ASSETS - RECEIVABLES

	2005	2004
	\$'000	\$'000
Amounts due on Sale of Land	47,370	13,966
Sundry Debtors	638	2,434
Rental Debtors	275	246
	48,283	16,646
Less: Provision for doubtful debts	(181)	(328)
Total	48,102	16,318

Provision for Doubtful Debts	2005	2004
	\$'000	\$'000
Opening Provision - 1 July	328	48
Plus: New Provision	21	280
Less: Bad Debts written off	(168)	0
Closing Provision - 30 June	181	328

15. NON-CURRENT ASSETS - LAND AND PROPERTY, PLANT AND EQUIPMENT

(a) Core Planning Land	2005	2004
	\$'000	\$'000
County Road and Transport Routes		
At Fair Value	32,887	31,253
Open Space Uses		
At Fair Value	494,840	485,345
Historic Buildings & Other Special Uses		
At Fair Value	34,775	33,544
Total Core Planning Land	562,503	550,142

Reconciliation of Core Planning Land	2005	2004
	\$'000	\$'000
Balance at 1 July	550,142	548,385
Plus: Acquisition and Development Works	33,229	25,846
Less: Cost of Land Sold	(554)	(2,024)
Plus: Land transferred in	11,062	2,280
Less: Land transferred out	(3,311)	(23,752)
Net Increment / Decrement on revaluation	0	(461)
Net Transfers from / (to) Core Planning Land	(28,065)	(132)
Closing Balance	562,503	550,142

CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(b) Surplus Land	2005 \$'000	2004 \$'000
Marketable at fair value - Independent Valuers	155,379	0
- Department Valuers	87,784	0
Other Surplus Land at fair Value	35,234	203,849
	<u>278,397</u>	<u>203,849</u>

Marketable surplus land is those parcels identified on the 5 year disposal program agreed with NSW Treasury. Marketable surplus land has been valued at 30 June 2005 by Independent valuers or Department valuers. Other surplus land was valued at 30 June 04 by Department valuers.

Movement of Surplus Land	2005 \$'000	2004 \$'000
Balance at 1 July	203,849	177,379
Plus: Acquisition and Development Works	1,382	44
Less: Cost of Land Sold	(22,699)	(12,428)
Plus: Land transferred in	2,121	19,000
Less: Land transferred out	(339)	(8)
Net Increment / Decrement on revaluation	66,018	19,730
Net Transfers from / (to) Core Planning Land	28,065	132
Closing Balance	<u>278,397</u>	<u>203,849</u>

The net movement on valuation has been brought to account in the Asset Revaluation Reserve (Refer note 24)

(c) Property Plant and Equipment	2005 \$'000	2004 \$'000
Sydney International Regatta Centre Buildings & Infrastructure		
Buildings - At Fair Value	5,086	5,086
Accumulated Depreciation	(381)	(254)
Infrastructure - At Fair Value	26,838	26,838
Accumulated Depreciation	(2,013)	(1,342)
	<u>29,530</u>	<u>30,328</u>
Office Equipment		
at Fair Value	614	614
Accumulated Depreciation	(397)	(249)
	<u>217</u>	<u>365</u>
Total Property Plant and Equipment	<u>29,747</u>	<u>30,693</u>

Reconciliation of Property Plant & Equipment	SIRC Buildings	SIRC Infrastructure	Office Equipment	Total \$'000
Opening Balance - 1 July 2003	4,959	26,167	457	31,583
Additions	0	0	57	57
Depreciation expense	(127)	(671)	(149)	(947)
Closing Balance - 30 June 2004	4,832	25,496	365	30,693
Opening Balance - 1 July 2004	4,832	25,496	365	30,693
Additions	0	0	0	0
Depreciation expense	(127)	(671)	(148)	(946)
Closing Balance - 30 June 2005	4,705	24,825	217	29,747

16. CURRENT LIABILITIES - PAYABLES

	2005 \$'000	2004 \$'000
Accrued salaries, wages and on-costs	22	80
Creditors	28,555	9,875
Interest	1,511	1,570
Security deposits	1,086	43
Total	<u>31,174</u>	<u>11,568</u>

CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

17. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

Employee benefits and related on-costs	2005 \$'000	2004 \$'000
Recreation leave	223	207
Other	86	83
Total	309	290
Aggregate employee benefits and related on-costs		
Provisions - current	245	233
Provisions - non-current	64	57
Accrued salaries, wages and on-costs (note 16)	22	80
	331	370

18. CURRENT / NON-CURRENT LIABILITIES -INTEREST BEARING LIABILITIES

Unsecured Borrowings	2005 \$'000	2004 \$'000
Current	21,701	13,087
Non-current	74,685	83,256
	96,386	96,343

Repayment of Borrowings	2005 \$'000	2004 \$'000
Less than one year	21,701	13,087
Between one and five years	22,057	42,434
Later than five years	52,628	40,822
Total borrowings at current capital value	96,386	96,343

19. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

The Corporation has no operating lease commitments as at 30 June 2005. The lease for office accommodation occupied by the Corporation is held by the Department. The Corporation Sole contributes to lease payments.

20. GRANT COMMITMENTS

As at 30 June 2005 outstanding funding commitments for grant projects amount to \$3.6 million (2003/2004 \$3.066 million)

21. CONTINGENT LIABILITIES

There are future claims against the Corporation Sole "Minister Administering the Environmental Planning and Assessment Act 1979" under the Land Acquisition (Just Terms Compensation) Act 1991, for payment for the compulsory acquisition of land in the Sydney Region. Negotiations and legal proceedings will determine the final cost and timing of payments.

22. CONTINGENT ASSETS

Corporation Sole is the owner of a site known as the Rouse Hill Regional Centre (RHRC). The site is being developed in a partnering arrangement formed between the Government and the private sector (Lend Lease developments and General Property Trust). The Project Development Agreement is currently a conditional contract and will become unconditional on the fulfillment of four commencement conditions. It is expected that all of the commencement conditions will be fulfilled during the next financial year (2005/06). The Corporation (as owner) is partnering with Landcom as the development manager of the RHRC in accordance with the Landcom Participation Agreement. As a result of these agreements, on the fulfillment of all commencement conditions, the Corporation will receive a return of \$50m from the developer, and \$48.3m from Landcom over a ten 10 year period.

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

23. NOTE TO THE STATEMENT OF CASH FLOWS

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position in Note 12.

Reconciliation of profit from ordinary activities to net cash flows from operating activities	2005 \$'000	2004 \$'000
Profit from ordinary activities	24,344	2,436
Depreciation	946	947
Written down Value of Properties Disposed	23,253	14,452
Land transferred in	(13,185)	(21,280)
Land transferred out	3,650	23,760
Revaluation increment/decrement on surplus land	-	2,126
Gross Proceeds from Disposal of Land	(34,135)	(22,010)
(Increase) / Decrease in Receivables	1,619	(1,127)
Increase / (Decrease) in Payables	354	625
Employee Related Provisions	20	(58)
Net cash flows (used in) / from Operating Activities	6,866	(129)

24. CHANGES IN EQUITY

	Accumulated Funds		Asset Revaluation Reserve		TOTAL	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance at the beginning of the financial year	336,443	322,195	393,728	384,145	730,171	706,340
Changes in equity - other than transactions with owners as owners	0	0	0	0	0	0
Increase / decrease in net assets from equity transfers	0	0	0	0	0	0
Surplus / (deficit) for the year	24,344	2,436	0	0	24,344	2,436
Increment / (decrement) on revaluation of Surplus Land (refer to notes 15(a) & 15(b))	0	0	66,019	21,395	66,019	21,395
Transfer on land disposed of during the year	2,607	11,812	(2,607)	(11,812)	0	0
Total of Movements for the Year	26,951	14,248	63,412	9,583	90,363	23,831
Balance at the end of the financial year	363,394	336,443	457,140	393,728	820,534	730,171

25. FINANCIAL INSTRUMENTS**(i) Cash**

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury. The average rate over the year was 4.33% (4.06% in 2004) and at year end the rate was 4.5% (4.25% in 2004).

(ii) Hour-Glass Investment Facilities

The Corporation has investments in TCorp's Hour-Glass Investment facilities. The Corporation's investments are represented by a number of units in managed investment 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 Corporation's investments are:

	2005 \$'000	2004 \$'000
Cash Facility	7,166	8,408
Bond Market Facility	7,440	6,957
Medium Term Growth Facility	10,323	9,453
Total Investments	24,929	24,818

These investments are generally able to be redeemed with up to five business days notice (dependent upon the facility). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value. The value of the above investments represents the Corporation's share of the underlying assets of the facility and is stated at net fair value.

**CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"**

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

(iii) Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on receivables. The carrying amount approximates net fair value.

(iv) Bank Overdraft

The Corporation does not have any bank overdraft facility.

(v) Trade Creditors and Accruals

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. No interest was applied during the year (nil in 2003).

(vi) Interest Rate Risk

	Weighted Average Effective Interest rate	Floating Interest Rate	1 year or less	1 to 5 years	More than 5 years	Non Interest Bearing	Total Carrying Amount as per the Stmt of Financial Position
30 June 2005	%	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
Cash	4.50	4,725					4,725
HourGlass Investments:							
Cash Facility	5.59	7,166					7,166
Bond Market Facility	5.95	7,440					7,440
Medium Term Growth Facility	9.24	10,323					10,323
Receivables						48,102	48,102
Total Financial Assets		29,654				48,102	77,756
Financial Liabilities							
Payables						31,174	31,174
Interest Bearing	7.45		21,701				21,701
Interest Bearing	8.00			22,057			22,057
Interest Bearing	6.19				52,628		52,628
Other						309	309
Total Financial Liabilities			21,701	22,057	52,628	31,483	127,869
30 June 2004	%						
Financial Assets							
Cash	4.06	12,552					12,552
HourGlass Investments:							
Cash Facility	5.25	8,408					8,408
Bond Market Facility	3.31	6,957					6,957
Medium Term Growth Facility	8.59	9,453					9,453
Receivables						16,318	16,318
Total Financial Assets		37,370				16,318	53,688
Financial Liabilities							
Payables						11,568	11,568
Interest Bearing	5.66		13,087				13,087
Interest Bearing	8.03			42,434			42,434
Interest Bearing	5.98				40,822		40,822
Other						290	290
Total Financial Liabilities			13,087	42,434	40,822	11,858	108,201

(vii) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract/or financial position failing to discharge a financial obligation thereunder. The Corporation's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position. The recognised financial assets of the Corporation include amounts receivable from government owned agencies (87%) and other debtors (13%). There was a significant exposure to one counterparty at the 30 June 2005, however this debt was settled after balance date.

(viii) Net fair values of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts. The aggregate net fair value of interest bearing liabilities is \$ 96,386 (\$96,343).

CORPORATION SOLE "MINISTER ADMINISTERING THE ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT, 1979"

NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

26. AFTER BALANCE DATE EVENTS

It is expected that management of the Sydney International Regatta Centre will be transferred to the Department of Tourism, Sport and Recreation in the ensuing financial year. The assets and liabilities of the Regatta Centre will be transferred to the new department upon finalisation of the legislative formalities.

The NSW Parliament Cabinet changes announced on 3rd August 05 will result in the Corporation being under the control of the newly created position of Minister for Planning .

(END OF AUDITED FINANCIAL STATEMENTS)

appendices

1	Senior Executive Service Officers	130
2	Overseas Visits	136
3	Consultants Engaged	136
4	Publications	138
5	Freedom of Information	139
6	Legislation and Significant Judicial Decisions	144
7	Privacy	148
8	Funds Granted	149
9	Payment of Accounts	150
10	Significant Committees	151
11	EEO Statistics	154
12	Ethnic Affairs Priority Statement (EAPS)	155
13	Energy Performance	156
14	Waste Reduction and Purchasing Policy (WRAPP)	156
15	Major Works in Progress	157
16	Major Assets other than Land	157

APPENDIX 1

SENIOR EXECUTIVE SERVICE OFFICERS

Total Numbers

SES Level	June 2003		June 2004		June 2005	
	Male	Female	Male	Female	Male	Female
8	-	1	-	1	-	1
7	1	-	1	-	1	-
6	-	-	1	-	3	-
5	5	1	6	-	5	-
4	-	-	2	-	3	2
3	8	2	5	1	3	-
2	12	1	12	1	11	1
1	3	1	3	1	2	1
Totals	29	6	30	4	28	5

SES Officers Grade 5 and above

Remuneration and Performance

Name:	Jennifer Westacott
Position and Level:	Director General, SES Level 8
Period in position:	1 July 2004 – 30 June 2005
Total Remuneration Package:	\$358,050 plus \$20,000 recruitment allowance

Jennifer Westacott was responsible for the strategic leadership of the Department and provision of infrastructure, planning and natural resource management services to the Government and the NSW community. Jennifer served as a Commissioner of the Murray Darling Basin Commission and a Board Member of the Sydney Harbour Foreshore Authority and the Redfern-Waterloo Authority.

Results:

- provided strong leadership and clear direction for DIPNR and timely and strategic advice to Ministers
- maintained and improved effective stakeholder partnerships by leading active engagement with key interest groups, including local government, environment groups, primary producers and the development industry
- chaired the BoM and directed the implementation of clear corporate priorities and flagship projects
- oversaw the development of a two-year Corporate Plan, business plans and budgets for all divisions
- implemented a rigorous financial management and budgetary system examining operational costs, such as administration, fleet management and consultant usage, so that DIPNR was able to achieve its target of \$75 million savings over two years
- streamlined DIPNR's delivery of corporate services, cut red tape, improved risk management and internal auditing systems and delivered savings in fleet management and procurement costs

- implemented major reforms of the NSW Planning legislation, including a streamlined and consistent process for dealing with around 340 major development and infrastructure projects worth over \$4 billion, more strategic local and regional planning, removal of over 1,100 concurrences from planning instruments, reduction by 60 percent of permits required under the RFIAct, and a more flexible development contributions scheme
- oversaw a 16 percent reduction in assessment times for major manufacturing and rural projects, a 12 percent reduction in the assessment time for coal projects, and a 9 percent reduction in the average assessment time for major infrastructure projects, whilst dealing with an eight percent increase in the number of assessments compared with the previous year
- reduced the time taken to process over 200 LEPs with 61 percent processed by Councils under delegation
- provided strategic leadership in metropolitan planning through the development of the Metropolitan Strategy, including the major land release plans, the Western Sydney Parklands, and the Metropolitan Water Plan
- rezoned 12,600 lots for urban development in Greater Sydney in 2004
- implemented the BASIX building standards that require new dwellings to use 25 percent less energy and 40 percent less water. BASIX has also reduced red tape and streamlined the assessment system
- established the Building Professionals Branch to manage the accreditation and regulation of building certifiers. The creation of the independent statutory body will underpin building standards and the confidence of building industry consumers
- improved water legislation, and commenced 31 water sharing plans, returning 200 gigalitres of water to the environment and providing secure water entitlements to water users
- implemented the NWI and the Living Murray agreement, including approval of the Great Darling Anabranch pipeline project, part of the scheme to re-introduce natural flow conditions to the Great Darling Anabranch
- established a 4-year Wetland Recovery Plan to deliver long term and permanent benefits to ecologically significant wetlands allocating \$13.4 million to recovery projects in the Macquarie Marshes and Gwydir wetlands
- developed and implemented a \$110 million structural adjustment package for groundwater users, in partnership with the Australian Government
- converted 7,000 Water Act 1912 licences to Water Access Licences under the Water Management Act 2000. The Department placed over 9,300 licences on the LPI register, and introduced a fast track certification system to allow LPI to issue licence holders with a Certificate of Title
- streamlined the assessment of vegetation clearing applications despite a 15 percent increase in the volume of applications since 2003. During the year the backlog of vegetation clearing applications was reduced by 50 percent, and the median processing time for vegetation consents was cut to 26 days. The area of land approved for clearing was the lowest in seven years
- established the CMAs and provided them with more than 400 staff, corporate services and natural resources information, and an additional \$148 million funding over four years. The CMAs have access to significantly increased investment funds for on-ground works, budgeted grants from the Department to CMAs and community groups have doubled from last year to 28 percent of total Departmental expenditure.
- chaired the Natural Resources CEOs' Cluster Group and provided direction for whole-of-government issues management and policy development including the MDBMC cap on water diversions in the Barwon–Darling.

Name: Peter Sutherland
Position and Level: Deputy Director General, Office of Coastal, Rural and Regional NSW, SES Level 7
Period in position: 1 July 2004 – 30 June 2005
Total Remuneration Package: \$280,800

Peter Sutherland was responsible for all regional operations of the Department and strategic leadership of policies, planning and regulations relating to natural resource management and land-use planning including water resource management, support to catchment management authorities and intergovernmental programs including NAP, NHT, National Water Initiatives and Murray Darling Basin Commission.

Results:

- led interagency coordination of the development of the Metropolitan Water Plan
- led development of the National Water Initiative Implementation Plan for NSW
- led implementation of 31 water sharing plans and development of a macro water planning process covering the majority of remaining water sources in the State
- led the negotiation for and implementation of a \$110 million Groundwater Structural Adjustment Program
- provided Strategic leadership for the Living Murray Initiative and Wetlands Enhancement Program
- oversaw the development of the 2005-06 IPART submission and implementation of a new Water Licensing Register
- oversaw Departmental support for CMAs including the preparation of 13 Regional investment Strategies
- provided Strategic leadership for commencing the Brigalow Structural Adjustment Program and ongoing delivery of the FISAP program
- provided Strategic leadership for preparation of draft Regional Strategies including the Act/NSW Regional Planning Framework
- led initiatives to develop a Barwon Darling Cap Strategy and to remove barriers to water trade
- chaired committee to develop National Recycled Water Guidelines
- provided strategic leadership for development of a whole-of-government Natural Resources Policy and Investment Framework in response to NRC Standards and Targets
- led support for the operation of NRAC
- provided strategic direction for the development of OCRR Business Plan and implementation of Service Delivery Reforms
- represented the Director General on high level committees including NRM CEO Cluster, Water CEOs, Living Murray Board and NRM Standing Committee

Name: Peter Cosier
Position and Level: Deputy Director General, Office of Knowledge Science and Information, SES Level 6
Period in position: 1 July 2004 – 30 June 2005
Total Remuneration Package: \$239,200

Peter Cosier was responsible for specialist input to and coordination of science and information management priorities across the Department, and for providing specialist supervision of specific whole-of-government projects on native vegetation reform and regional land use planning.

Results:

- development and implementation of the new model for environmental management of farms
- development and implementation of practical triple bottom line regional strategies that can drive LEPs, infrastructure investment and conservation programs to produce demonstrable benefits to people
- Knowledge Strategy for the Department finalised and presented to the Board of Management. Oversaw ongoing implementation and monitoring and review of the Knowledge Strategy
- Information Management Framework developed as part of the Knowledge Strategy to ensure data management resources are directed to corporate priorities
- DIPNR science and information systems have been aligned with corporate priorities
- statewide photo quality imagery has been made available to improve management and monitoring of land, water and vegetation condition
- led the development and implementation of the PVP Developer software (Versions 1.0 and 2.0), new native vegetation regulations and integration with complementary amendments to the Threatened Species Act
- aligned resource condition indicators and monitoring programs to corporate priorities and targeting investment in resource information collection.

Name:	John Scanlon
Position and Level:	Deputy Director General, Office of the Metropolitan Region, SES Level 6
Period in position:	7 February 2005 – 30 June 2005
Total Remuneration Package:	\$257,000 plus \$27,000 recruitment allowance

John Scanlon led an Office that was responsible for integrating infrastructure planning, land use planning, natural resources management and transport planning across the 44 local government authorities within the Sydney Metropolitan Region, including the Central Coast, and for the broader Sydney Water catchment area in relation to water resource management issues.

Results:

- provided strategic direction in achieving the integrated delivery of land use, natural resource planning, including water resources management, and strategic implementation projects across the Sydney Metropolitan region
- commenced the development of the first water sharing plan for the Sydney Metropolitan region
- progressively implemented the Metropolitan Water Plan, including working on the drafting of a recycled water strategy for release in mid-late 2005
- commenced development of the Central Coast Regional Strategy under the Planning Reform framework due for completion in 2006
- commenced work on the CBD–Airport Corridor planning framework to provide direction in managing the future growth and urban renewal of the globally significant corridor between Sydney and its airport and seaport at Port Botany
- amended Sydney Region Environmental Plan No. 17 – Kurnell Peninsula to overcome an anomaly with the application of provisions relating to the Commonwealth’s Australian Noise Exposure Forecast (ANEF) for Sydney Airport
- finalised draft Sydney Harbour REP/DCP and Boat Storage Policy
- delivered the second round of Sharing Sydney Harbour Access Program funding grants with over \$1.6 million allocated to 20 projects in 13 council areas throughout the harbour catchment
- commenced work, together with the NSW Cabinet Office, NSW Heritage Office and the Commonwealth Government, to support the nomination of the Sydney Opera House to the World Heritage List, recognising its significance as a masterpiece of human creative genius
- ensured support was provided to the Freight Infrastructure Advisory Board and Parramatta Road Task Force
- established a senior management team and restructured the Office of the Metropolitan Region to effectively integrate land use, natural resource planning, including water resources management, and strategic implementation projects across the Sydney Metropolitan region
- developed close and effective working relationships with other divisions across DIPNR, and in particular the Office of Major Projects and the Office of the Director General.

Name:	Sam Haddad
Position and Level:	Deputy Director General, Office of Sustainable Development Assessments and Approvals, SES Level 6
Period in position:	1 July 2004 – 30 June 2005
Total Remuneration Package:	\$239,200

Sam Haddad was responsible for leading the development and implementation of the State’s strategies, policies, processes and systems for development approval and assessment of all major development and infrastructure projects of significance to the economic and employment growth of NSW, whilst ensuring outcomes are consistent with the Department’s priorities and support the whole-of-government strategic approach to infrastructure, planning and natural resource management.

Results:

- led the delivery of major reform initiatives, on time and consistent with government policy and reform agenda
- provided ongoing leadership of resources and efficient delivery of major project approvals with significant increases in productivity achieved through the year
- promoted integration with substantial strengthening of various points of the organisation input to the approval process, including structural and cultural changes
- delivered major reform initiatives to approvals system including supporting legislative reform, and the development of associated policy and guidelines to support the reform
- the Office assessed 384 major development and infrastructure projects (including urban assessments) with a capital value of approximately \$2.9 billion and generating over 5,000 jobs
- achieved significant productivity and efficiency improvements: a 16 percent reduction in assessment times for major manufacturing and rural projects, a 12 percent reduction in the assessment time for coal projects, and a 9 percent reduction in the average assessment time for major infrastructure projects, whilst dealing with an eight percent increase in the number of assessments compared with the previous year.

Name: Geoff Fishburn
Position and Level: Executive Director Coastal, Rural and Regional Implementation and CMA Support, SES Level 5
Period in position: 1 July 2004 – 30 June 2005
Total Remuneration Package: \$227,836 plus \$26,000 recruitment allowance

Geoff Fishburn was responsible for providing strategic direction, management and coordination across seven regions and providing ongoing support for the establishment and development of 13 Catchment Management Authorities (CMAs) to ensure the delivery of consistent, comprehensive and integrated natural resource management and land-use planning services to coastal, rural, regional and urban communities.

Results:

- provided high-level management input to the corporate executive from the perspective of the Department's regional and rural customers when making strategic and operational decisions affecting delivery of natural resource management and land use planning services and products
- provided strategic management and support for the implementation of natural resource management reforms, particularly the establishment and ongoing advice to catchment management authorities
- represented the Minister and the Director General, as necessary, to resolve conflicts, communicate policies and priorities and to deal with intractable issues to ensure the best interests of customers and the community of NSW are met
- provided information to the Minister on highly sensitive and complex natural resource management and land use planning issues, how they affect regional and rural communities, ways of resolving those issues and implementing corporate policy decisions
- provided leadership and personal support for the development of the macro water planning process and implementation of the Water Management Act 2000, across the State
- provided leadership to regional directors in consolidating the landscape management approach, regional compliance strategies, integrated resource management and land use planning, and set priorities to ensure that natural resource management and land use planning was delivered in an effective, integrated way
- provided leadership and direction to regions in the successful delivery of key Departmental services and products to rural communities and commercial clients.

Name: Glenn Smith
Position and Level: Executive Director, Corporate Services, SES Level 5
Period in position: 1 July 2004 – 30 June 2005
Total Remuneration Package: \$ 213,408

Glenn Smith was responsible for the management of major service delivery reforms across the Department, and the cultural and change management initiatives to support that reform. Glenn also was responsible for leading the Corporate Services Division encompassing human resources, information and communications technology, office accommodation and facilities management, payroll and conditions management, procurement, records management, library services and fleet management.

Results:

- provided high level advice and support to the Minister, Director General and the executive in organisational reform and change management
- led service delivery reform implementation to its finalisation through partnerships with DIPNR executives, staff and unions
- achieved major strategic re-shaping of the Department through implementation of reforms, including a reduction in staffing levels from approximately 2,500 FTE staff in early 2004 to 1,840 by end 2004 and 1,590 by July 2005
- established and led the successful implementation of a comprehensive targeted voluntary redundancy and temporary staff reduction program
- implementation of the reform program with no industrial disputation or lost time. Assisted the Department in achieving savings in excess of \$70 million per annum
- successful leadership of the major staffing/recruitment program associated with the formation of 13 catchment management authorities. Negotiated the process with relevant unions and again, there were no disputes or time lost through the process
- created the strategic framework for planned relocation of up to 200 staff to regional NSW
- finalised new organisation structures for each branch, region and division in DIPNR and placed 1,500 staff in positions
- assumed responsibility for DIPNR Audit Program in 2004. Following a review of the current program and activities, a more strategic and integrated governance, risk and audit program was established for the Department
- led the Organisation Development Program and Branch which has:
 - a) developed and delivered a team planning program for approx 1,300 staff
 - b) completed DIPNR's first Workforce Capability Plan (2005–10)
 - c) implemented management training for 380 management level staff
 - d) delivered 214 courses to 3,537 participants, many of which relate to native vegetation, PVP Developer, water management legislation and project management
- developed and implemented corporate governance, probity and code of conduct workshops for all Board members and general managers of catchment management authorities
- created new and enhanced support frameworks for the Aboriginal Support Network and the Spokeswomen's Program
- led the creation of a DIPNR Aboriginal Employment Strategy, 2005–08
- created the Business Systems/SAP Reform project in partnership with Department of Commerce. Major processes redesign in progress leading to new financial, business and human resource programs on SAP by 2006
- achieved \$3.7 million savings (from July 2005) through a rationalisation in office accommodation.

Name: Peter Lucas
Position and Level: Chief Financial Officer, SES Level 5
Period in position: 1 July 2004 – 30 June 2005
Total Remuneration Package: \$228,650

Peter Lucas was responsible for the financial support, services, advice and expertise to all areas of the Department, and associated entities including Catchment Management Authorities and the Corporation Sole – Minister Administering the Environmental Planning & Assessment Act 1979.

Results:

- as part of the senior management team, drove structural reform and implementation of the service delivery reforms achieving expenditure reduction of \$96.6 million in 2004–05
- provided significant input to the maintenance and enhancement bid and Results and Services Plan development processes
- hands-on role in the establishment of the catchment management authorities and in the development of service level agreements with them
- coordinated tax (income, GST, payroll, FBT) advice for business areas and projects including the Great Darling Anabranch Project
- involved in the establishment of the Growth Centres Commission
- led Finance Division in understanding and planning for the consequences of the Australian Equivalents of International Financial Reporting Standards
- ensured management at all levels received quantitative and qualitative reports on financial performance, highlighting areas of adverse performance and corrective action required to manage within budget through reports to BOM and Finance Committee
- achieved 'without qualification' audit reports on 2003–04 Statutory Accounts within timeframes agreed for 18 entities serviced by DIPNR
- managed Corporation Sole's borrowing portfolio of approx \$97 million to achieve a reduction of approx \$100,000 in interest costs, and position portfolio for lower ongoing interest costs
- improved the 2005–06 Budget process to ensure linkage of business plans and budgets to the Results and Services Plan and the Corporate Action Plan.

Name: Gary Prattley
Position and Level: Executive Director, Metropolitan Planning / Executive Director, Office of Major Projects, SES Level 5
Period in position: 1 July 2004 – 30 June 2005
Total Remuneration Package: \$219,917 plus \$26,000 recruitment allowance

Gary Prattley was responsible for leading the Office of the Metropolitan Region for the first seven months of the year, and for the duration of the year, his role was to establish the Office of Major Projects and support the establishment of the Growth Centres Commission.

Results:

- led the Office of the Metropolitan Region during its establishment phase, including development of a cohesive team approach across all areas of the Office's operations
- managed the creation of the Office of Major Projects within the Department
- provided strategic direction in achieving integrated delivery of land use, natural resource planning and strategic implementation projects across the metropolitan area
- completed a major review of the supply and demand for open space across the Metropolitan Region and a Management Vision for the Western Parklands
- completed a study to move the 5,500 hectare Western Sydney Parklands from a land acquisition phase to a development phase
- developed a structure plan and vision to guide the delivery of the Western Sydney Parklands
- undertook forward planning to facilitate the preservation of new rail corridors to access the North West and South West Growth Centres
- coordinated the Department's role in relation to major infrastructure proposals and asset strategies under State Infrastructure Strategic Plan requirements. Review and provide advice on proposals prior to Budget consideration
- involved in the establishment of the Growth Centres Commission, including coordination of the Board appointments and progression of the Land Release program
- represented the Department on a large number of Committees and Forums, eg Metropolitan Greenspace Forum, Sharing Sydney Harbour Access Program, Cooks River Foreshore Improvement Program, Heritage Council of NSW, East Darling Harbour Project Control Group, and Joint Management Committee overseeing the development of Rouse Hill.

Name:	Stephen Alchin
Position and Level:	Executive Director, Transport Planning, SES Level 5
Period in position:	1 July 2004 – 30 June 2005
Total Remuneration Package:	\$213,420

Stephen Alchin was responsible for ensuring a strategic planning framework for the development of all modes of transport infrastructure, with the aim of optimising the contribution the transport system makes to the State's economic and environmental well-being. This included the analysis of transport and population data, the promotion of best practice in transport planning and investigation of the feasibility of major transport infrastructure in existing urban and new release areas.

Results:

- managed strategic transport input to the development of the Metropolitan Strategy, including development of transport proposals for inner Sydney
- publication of population projections, the first released by the State in 10 years
- continued collection and publication of transport data
- directed strategic transport advice to the Parramatta Road Taskforce, including the development of innovative models for funding transport infrastructure
- reviewed and advised on transport agency budget proposals for 2005–06
- provided strategic advice and resources to transport planning in country regions, especially the Far North Coast, including the development of the conceptual framework for testing alternative transport scenarios
- managed an innovative TravelSmart pilot project in Ermington and Woy Woy
- led development of advice to Government on means of increasing the proportion of containers moved to/from Port Botany by rail, resulting in adoption of the Ports and Freight Strategy.

APPENDIX 2

OVERSEAS VISITS

Name	Title	Country Visited	Purpose	Funded from
Bruce Thom	Visiting Professor	Japan	Invited speaker at International Symposium on Long-Term Variations in Coastal Environments and Ecosystems	Oceanographic Society of Japan
John Leys	Senior Research Scientist	Japan	To deliver keynote address at conference	Japanese Meteorology Agency
You Zai-Jin	Snr Natural Resource Officer (Coastal)	China	To take up a Scientific Research Scholarship	Chinese Government
David Rissik	Snr Natural Resource Officer (Estuaries)	USA	To present a conference paper on the NSW sustainability assessment process and to attend the International Board Meeting of the Society of Wetland Scientists.	Society of Wetland Scientists and DIPNR
Peter Houghton	Project Manager Service Delivery Implementation	New Zealand	To attend course as part of Executive Masters of Public Administration Scholarship with Australian and New Zealand School of Government	NSW Premiers Department and DIPNR
Amity Durham	Director Strategic Projects & Policy Coordination	New Zealand	To attend course as part of Executive Masters of Public Administration Scholarship with Australian and New Zealand School of Government	NSW Premiers Department and DIPNR
Gary Prattley	Executive Director	Germany, Sweden	To represent the Department at the: <ul style="list-style-type: none"> • Metropolis Conference - Sydney 2008 Bid May 05 • Sustainability Conference May 05 	DIPNR
John Scanlon	Deputy Director General	South Africa	Attend the World Conservation Union Commission on Environmental Law Steering Committee	World Conservation Union

APPENDIX 3

CONSULTANTS ENGAGED

Consultancies \$30,000 or greater

Consultant	Title / Nature	Cost (\$)
Engineering		
Sinclair Knight Merz	Environmental assessment of recycled water in Western Sydney	379,823.14
Kellog Brown & Root	Engineering assessment of recycled water for Central & Northern Sydney	376,383.35
Patterson Britton & Partners	Engineering assessment of recycled water for Illawarra Region	143,158.00
Energetics Pty Ltd	Implement the St George/ Sutherland Investigation Project	173,090.00
Orbis Environmental Pty Ltd	Development and Management of the Demand Management Planning & Policy	152,980.00
Parsons Brinckerhoff	Macarthur Transport Interchange - Access Options	70,685.00

Consultant	Title / Nature	Cost (\$)
Designinc	Macarthur Transport Interchange	43,200.00
Ecologically Sustainable Design	Report on Structure Planning process for North West and South West growth centres	38,940.01
Connell Wagner Pty Ltd	Central Sydney Light Rail	34,864.00
GHD Pty Ltd	Far North Coast and Illawarra South Coast Infrastructure Review	34,836.00
Cox Richardson	Guidance and advice to the Metropolitan Strategy Centres Policy	115,600.00
Environmental		
UTS- Institute of Sustainable futures	Options Evaluation for Metropolitan Water Strategy	127,513.64
Sinclair Knight Merz	Expert Panel Member Advice - Hawkesbury-Nepean Environmental flows	59,260.00
Sinclair Knight Merz	Project Mgt/Water Quality, Attendance at workshops, Infrastructure requirements	49,141.00
URS Pty Ltd	Menindee Lakes Structural Works EIS	230,705.10
Parsons Brinckerhoff	Westlink M7 Motorway Corridor Land Use Strategy and Delivery Framework	100,000.00
Earth Tech Engineering	Darling Anabranch Environmental Impact Statement	61,669.00
Hill PDA	Review of Office based activities locating out of centre	50,600.00
Halcrow	M4 East Corridor Forecasts and Parramatta Road Transit Demand	48,830.00
Connell Wagner	Ropes Creek Interface Land Use Study	38,350.00
URS Australia	Independent Evaluation of WEST 2000 Plus Program	32,383.88
CB Richard Ellis	Metropolitan Sydney Commercial Centres Project	30,000.00
Mark Waugh Pty Ltd	Lower Hunter Transport Plan	125,670.00
KBR Pty Ltd	Lower Hunter Centres Strategy	69,000.00
Finance & Accounting/Tax		
Pricewaterhousecoopers Securities	Establishment of Financial and Accounting Systems - Growth Centres Commission	133,030.31
ACIL Tasman	Economic Assessment of Recycled Water in Sydney	373,531.26
Centre For International Economics	BASIX Cost Benefit Analysis	50,760.00
Information Technology		
Australian Bureau Of Statistics	Splitting DIPNR Statistical local area Population Projections by Age and Gender	44,504.55
Legal		
Mallesons Stephen Jacques	Professional Services - Penrith Lakes Development	204,897.76
Michael Collins & Associates	Professional Services - Penrith Lakes Development	92,160.58
Management Services		
Mclachlan Lister Pty Limited	Assessment of Unsolicited Proposal	125,648.08
Sinclair Knight Merz	Project Management of development of Recycled Water Strategy	150,998.50
Waynell Pty Ltd	Professional services Penrith Lakes REP Amendment	62,351.26
Hay Group Pty Ltd	Human Resources Job Family Project	35,000.00
Don Fox Planning Pty Ltd	Westmead Precinct Plan	30,000.00
Total for consultancies \$30,000 or greater		3,889,564.42

Consultancies less than \$30,000 each

During the year there were 91 other consultancies in the following areas:

Engineering	287,246.89
Environmental	569,191.04
Finance & Accounting/tax	34,374.55
Information Technology	22,325.00
Legal	21,852.12
Management Services	112,355.49
Total for consultancies less than \$30,000 each	1,047,345.09
Total Consultancies	4,936,909.51

APPENDIX 4 PUBLICATIONS

The following items were published and released during the reporting period.

Aboriginal and Torres Strait Islander Employment and Career Development Strategy 2005-2008

Assessment of Flow Releases from Chichester Dam

Assessment of infra-red aerial photography and Daedalus airborne multi-spectral scanner imagery for environmental flow analyses: Bega-Bemboka River, New South Wales

Auckland Western Reclamation Area Transport Risk Study Review

BASIX brochures

BASIX in the development approval process in NSW

BASIX Practice Notes

BASIX Specification

BASIX: Building Sustainability Index Design Guidelines

BASIX: Stormwater, Draft Technical Manual

BASIX: Wastewater recycling in multi-unit dwelling

Benchmarking BASIX

Biodiversity of the Georges River Catchment: Aquatic biodiversity

Biodiversity of the Georges River Catchment: Context for regional biodiversity planning

Biodiversity of the Georges River Catchment: Terrestrial biodiversity

Biological Assessment of Bulk Water Transfers on the Cudgegong River 2002/2003

Biological assessment of the 2004 bulk water transfer on the Cudgegong River

Calculation Methods used in BASIX

Chatswood Transport Interchange: Proposed Modification to the Parramatta Rail Link – Chatswood Transport Interchange

Classification and mapping of woody vegetation from aerial photograph: an automated image analysis approach

Corporate Action Plan 2004-05

Corporation Sole 2003-04 annual report

Cost benefit study of BASIX

Determining daily access rules for the Coxs River

DIPNR Annual Report 2003-04

Draft Environmental Outcomes Assessment Methodology

Draft Lord Howe Island Regional Environmental Plan and Development Control Plan

Draft Native Vegetation Regulation 2004

Draft Structure Plan for the North West and South West Growth Centres (maps)

Extension of the Daily IQQM Model for the Coxs River catchment

Floodplain Development Manual

Flora and Fauna of the "Monkey Scrub", Gulargambone NSW

Georges River Catchment: Built environment and foreshore access study

Georges River Catchment: Guidelines for better practice in foreshore works

Groundwater Flow Systems in the Central West Region, NSW (Stage 1): a technical framework for salinity management

Groundwater Flow Systems in the Central West Region, NSW (Stage 1)

Hollow occurrence in selected tree species of the central west catchment of New South Wales

Improving the NSW planning system

Lachlan Catchment Groundwater Monitoring Project, Year One Status Report for Lake Cargelligo – Tullibigeal Area, Central NSW

Land Release SEPP Map for the North West and South West Growth Centres

Major Industrial Hazards Advisory Papers

Managing Sydney's Growth Centres

Meeting the challenges, Securing Sydney's water future: The Metropolitan Water Plan 2004

Natural Resources study of the Macleay River Catchment – Report 1 Introduction and Methodology

New South Wales Statistical Local Area Population Projections 2001-2031

NSW Government's plan for Managing Sydney's Growth Centres

NSW Governments Response to the recommendations from the Planning Reviews: September 2004

NSW Planning Reforms Fact Sheets

NSW planning reforms: SEPP (Repeal of Concurrence and Referral Provisions) 2004 and related amendment of EP&A Model Provisions

NSW Salinity Strategy Premier's Annual Report 2003-04

Outline of Proposed Regulatory Scheme for BASIX from 1 February 2005

Patterns and effects of licensed surface water diversions: Bega-Bemboka River, New South Wales

Planning for a Better Future. Discussion Paper. Sydney Greater Metropolitan Region

Planning Guidelines for Walking and Cycling

Planning Report for the North West Growth Centre

Planning Report for the South West Growth Centre

Planning Reports - 165 planning reports were published on the DIPNR website under Assessing Development Proposals/Notices of Determination'. <http://www.planning.nsw.gov.au/asp/not.asp>

Plantations and Reafforestation Act 1999 & Plantations and Reafforestation (code) Regulation 2001 Review

Population Change in the New England North West

Precinct Plan for the North West and South West Growth Centres (maps)

Preliminary environmental assessment of low flow options in the Coxs River

Preliminary Infrastructure Report for the North West and South West Growth Centres

Property Vegetation Plans (Video and CD- ROM)

Proposed Bulk Water Resource Management Charges from 1 July 2005

Proposed caravan park regulation June 2005

Proposed Modification to the Five Islands Road Upgrade

Proposed MR 92 Upgrade Nowra to Nerriga

Regulatory Impact Statement

Regulatory Impact Statement Local Government (Manufactured Home

Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005

Rivers and Foreshores Improvement Act exemptions

Scientific and Technical Operating Procedures: Riparian vegetation mapping using remote sensing and geographic information system

Sharing Sydney Harbour Access Program

South West Rail Link Overview Report

Standard provisions for local environmental plans: Discussion Paper

Sydney Region Context Map North West and South West Growth Centres

The effect of a runoff event on the ecology and chemistry of Myall Lakes

The Government's New Rail Lines for Sydney

The Great Darling Anabranch Management Plan

The NSW Government's Native Vegetation Reforms Fact Sheets

TransFigures (June 2005), Commercial Transport Study Summary Results

TransFigures (March 2005), Car Travel in Sydney: Changes in the Last Decade

Understanding Blue Green Algae Blooms in Myall Lakes NSW

Upper Hunter River loss from Oaky Creek to Glenbawn Dam

Water Management Fact Sheets

2002 Household Travel Survey Summary Report

The following web sites were published and maintained by DIPNR during the reporting period

www.basix.nsw.gov.au

www.metrostrategy.nsw.gov.au

www.dipnr.nsw.gov.au

www.waterforlife.nsw.gov.au

www.nratlas.nsw.gov.au

www.cma.nsw.gov.au and all 13 CMA websites.

www.waterforlife.nsw.gov.au

APPENDIX 5

FREEDOM OF INFORMATION

The Department of Infrastructure, Planning and Natural Resources received 137 new Freedom of Information applications – slightly less than the total of 146 applications received during 2003-04. However, with the 22 applications brought forward from the previous year, the total number of applications to be processed was 159, compared to 157 during 2003-04.

The Department re-engineered its business processes in order to improve compliance with the FOI Act and the integrity of data recording processes. Despite the significantly increased volume of documents captured by the scope of the applications, the Department completed 136 applications compared to 116 in the previous year, increased the rigour with which reporting statistics are recorded and improved compliance with statutory time limits by approximately 20 percent.

The majority of the applications were from people seeking access to contact details of water licence holders and documents relating to the Department's planning and development functions. There was a marked increase in the number of developers seeking documents relating to the

commercial affairs of third parties and the statutory planning functions of the Department.

Of the 159 applications to be processed:

- 43 were granted full access
- 38 were granted partial access and
- 55 were refused access - 7 were refused on the grounds that the documents were otherwise available; 13 because processing would have caused an unreasonable diversion of the Department's resources; 16 on the basis that the documents requested were not held; 27 applications were refused because the applicant did not pay the required advance deposit towards the cost of processing the application; and 42 because the documents were held to be exempt. (Note that access to some material requested was refused on multiple grounds)
- 15 applications were carried forward to the next reporting period
- 7 applications were withdrawn at the applicant's request
- 1 application was transferred to another agency

In 2004-05, 14 applications for an internal review were received compared with 5 in the previous year. In 10 cases, the original determination was upheld. In one case, the original determination was varied and additional documents were released. In three cases, a third party objected to release of documents to the FOI applicant. Of these three third party objection cases, in one case the original determination was upheld; in another case, the original determination was varied slightly and information was deleted from the documents determined for release; and in the third case the original determination was varied and access to the documents was refused.

No applications were received for an amendment or notation of personal records and no Ministerial certificates were issued during the period.

No cases were lodged before the Administrative Decisions Tribunal (ADT) in the reporting period.

Of 9 applications for an external review lodged with the Office of the Ombudsman, 7 cases were completed and two applications are ongoing.

In 4 cases, the determinations of the Department were upheld. In one case, the applicant withdrew the application. In another case, the Department made a re-determination under s.52 of the Act and granted the applicant full access to documents previously held to be exempt.

As a result of negotiations with the Office of the Ombudsman, one case was processed outside of the provisions of the Act and the applicant was supplied with a large number of documents which took over 300 hours to finalise. Accordingly, due to this and other very large applications, compliance with the provisions of the FOI Act had a significant impact on the operations of the Department.

Although the total number of applications to be processed did not increase significantly, the reporting period saw a significant increase in the volume of documents requested. The work required to process the applications received took over 1,560 hours, compared with 840 last year. The Department processed 5 applications which took more than 40 hours to process, two of which exceeded 100 hours each.

Section A – Numbers of new FOI requests

FOI requests	Personal		Other		Total	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
New (incl transferred in)	4	1	142	136	146	137
Brought forward	0	0	11	22	11	22
Total to be processed	4	1	153	158	157	159
Completed	4	1	112	135	116	136
Transferred out	0	0	10	1	10	1
Withdrawn	0	0	9	7	9	7
Total Processed	4	1	131	143	135	144
Unfinished (Carried Forward)	0	0	22	15	22	15

Section B – Result of FOI request

Result of FOI request	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
Granted in full	3	0	74	43
Granted in part	1	1	21	37
Refused	0	0	17	55
Deferred	0	0	0	0
Completed	4	1	112	135

Section C - Ministerial certificates

	2003-04	2004-05
Ministerial certificates issued	0	0

Section D - Formal consultations

	Issued		Total	
	2003-04	2004-05	2003-04	2004-05
Number of Requests requiring Formal Consultations	48	65	224	473

Section E - Amendment of personal records

Result of Amendment request	2003-04	2004-05
Result of amendment - agreed	0	0
Result of amendment - refused	0	0
Total	0	0

Section F - Notation of personal records

	2003-04	2004-05
Number of requests for notation	0	0

Section G - FOI requests granted in part or refused - basis of disallowing access

Basis of disallowing or restricting access	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
Section 19 (application incomplete, wrongly directed)	0	0	0	0
Section 22 (deposit not paid)	0	0	4	27
Section 25(1)(a1) (diversion of resources)	0	0	4	13
Section 25(1)(a) (Exempt)	0	1	21	41
Section 25(1)(b),(c),(d) (Otherwise available)	1	0	6	7
Section 28(1)(b) (Documents not held)	0	1	10	15
Deemed refused - 21 day time limit expired	0	0	1	0
Section 31(4) (released to Medical Practitioner)	0	0	0	0
Totals	1	2	46	103

Section H - Costs and fees of requests processed during the period

All completed requests	Assessed Costs (\$)		Fees Received (\$)	
	2003-04	2004-05	2003-04	2004-05
	25,215	46,782	13,099	35,310

Section I - Discounts allowed

Types of discount	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
Public Interest	0	0	5	2
Financial hardship pensioner	0	0	4	5
Financial hardship non profit	0	0	2	1
Totals	0	0	11	8
Significant correction of records	0	0	0	0

Section J - Days to process

Elapsed time to process requests	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
0 - 21 days	4	1	49	76
22 - 35 days	0	0	40	49
Over 35 days	0	0	23	18
Totals	4	1	112	143

Section K - Processing time

Processing hours	Personal		Other	
	2003-04	2004-05	2003-04	2004-05
0 - 10	4	0	98	100
11 - 20	0	0	9	25
21 - 40	0	1	3	13
Over 40	0	0	2	5
Totals	4	1	112	143

Section L - Reviews / Appeals

Reviews/Appeals	2003-04	2004-05
Number of internal reviews finalised	5	14
Number of Ombudsman reviews finalised	1	7
Number of Administrative Decisions Tribunal actions finalised	1	0

Details of internal review results

Bases of internal review	Personal				Other			
	Upheld	Varied	Upheld	Varied	Upheld	Varied	Upheld	Varied
Grounds on which requested	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
Access Refused	0	0	0	0	3	4	1	0
Deferred	0	0	0	0	0	0	0	0
Exempt Matter	0	0	0	0	1	5	0	1
Unreasonable Charges	0	0	0	0	0	1	0	0
Charge Unreasonably Incurred	0	0	0	0	0	0	0	0
Amendment Refused	0	0	0	0	0	0	0	0
Totals	0	0	0	0	4	10	1	1

Statement of Affairs

The Freedom of Information Act 1989 gives the public the legal right to:

- obtain access to documents held by the Department
- request amendments to records of a personal nature that are inaccurate and
- appeal against a decision not to grant access to a document or to amend personal records.

Under the Freedom of Information Act 1989, the Department is required to publish an annual Statement of Affairs. This annual report includes all the requirements of the Department's Statement of Affairs including the structure and functions of the Department; how these functions affect the public; how the public can participate in the Department's policy development; the kinds of documents the Department holds; and how members of the public may access and amend the Department's documents.

Programs and activities

The structure and functions of the Department, how these functions affect the public and how the public can participate in the Department's policy development are detailed elsewhere in this annual report. Information on the Department's programs and activities, publications and its policies can also be accessed on the internet at www.dipnr.nsw.gov.au.

Documents held

The Department holds the following categories of documents:

- policy documents and correspondence;
- documents on internal administration;
- policy, minutes and correspondence to/from boards and committees; and
- policy documents and correspondence concerning grants, agreements and contracts.

Under the Privacy and Personal Information Protection Act 1998 the Department holds certain classes of personal information as shown in Appendix 6.

Accessing the Department's documents

Policies and publications can be accessed in several ways:

- Internet www.dipnr.nsw.gov.au
- Library, 10 Valentine Avenue, Parramatta (by appointment) - Phone 9895 7100 or by inter-library loan procedures.
- Information Centre, 23–33 Bridge Street, Sydney. Unless otherwise indicated, policy documents are free but many publications are available for purchase. Phone 9228 6333 or email information@dipnr.nsw.gov.au. Copies of the Department's publications may also be obtained from the online bookshop at www.bookshop.nsw.gov.au
- FOI Manager (see below)

Accessing and amending the Department's documents

Requests under the FOI Act for access to documents held by the Department are the responsibility of the Department's FOI Manager.

Applications for access to documents under the provisions of the Freedom of Information Act 1989 must be in writing, either on an application form or by letter, accompanied by the \$30 application fee and directed to:

Manager, FOI and Privacy Coordination Unit

DIPNR

GPO Box 39

Sydney NSW 2001

Phone (02) 9228 6116

Fax (02) 9228 6244

FOI application forms may be obtained by contacting the FOI Manager who can also assist with completion of the application or on the Department's website www.dipnr.nsw.gov.au. Copies of documents may be requested, or originals may be made available for examination in certain circumstances.

Processing an FOI request

The FOI Unit will acknowledge the request and provide a determination concerning access, normally within 21 days. If the processing time has to be extended, the FOI Unit will keep the applicant informed as to the progress of their application. The applicant may be required to clarify the request and sometimes a request may be referred to another Department if the request is more closely connected to the functions of that Department.

Access to documents may be refused if a document is held to be exempt under Schedule 1 of the FOI Act. The FOI Unit will provide reasons why the document is exempt in a letter of determination. If a request for access is refused, the applicant has rights of review and appeal, firstly by applying for an internal review of the decision. If required, an external review by the Office of the Ombudsman may be requested and/or an appeal may be lodged with the Administrative Decisions Tribunal (ADT).

Charges for Access

Charges for processing an FOI application are set out in the table below. There is a 50 percent discount for people who can demonstrate financial hardship, or if release of the document is in the public interest.

Amendment to Personal Records

Applicants can request an amendment of documents containing information about their personal affairs where they consider that the information is incomplete, incorrect, out of date or misleading. If the Department refuses to amend the record, the applicant has the right to include with the record a statement outlining why they consider the record to be incorrect and any information they feel is necessary to correct the record, complete it or bring it up to date.

Applications must in writing, identify the information alleged to be incorrect, provide details why the information they want amended is incomplete, incorrect, out of date or misleading, and, if necessary, supply documentation in support of their claim.

Nature of Application	Application Fee	Processing
Access to records by natural persons about their personal affairs, the first 20 hours	\$30	\$30 an hour after the first 20 hours
All other requests	\$30	\$30 per hour
Internal review (all circumstances)	\$40	Nil
Amendment of records	Nil	Nil

APPENDIX 6

LEGISLATION AND SIGNIFICANT JUDICIAL DECISIONS

6.1 ACTS ADMINISTERED

There were changes to the allocation of Acts administered by the Department during 2004–05. As at 30 June 2005 Acts administered either wholly or partly by the Department included the following.

Minister for Infrastructure and Planning

The Minister for Infrastructure and Planning has joint administration of all Acts (except section 8 of the Environmental Planning and Assessment Act 1979 No 203, and section 102 of the *Heritage Act 1977 No 136*) listed for the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration) (which are not listed again below), and the following Acts

Blue Mountains Land Development (Special Provisions) Act 1985 No 55
Botany and Randwick Sites Development Act 1982 No 99
Callan Park (Special Provisions) Act 2002 No 139
Clyde Waste Transfer Terminal (Special Provisions) Act 2003 No 88
Environmental Planning and Assessment Act 1979 No 203 (except section 8, as noted above) (jointly with the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration) as noted above, and also jointly with the Minister for Natural Resources)
Growth Centres (Development Corporations) Act 1974 No 49 (except parts, Minister for the Central Coast)
Heritage Act 1977 No 136 (except section 102, as noted above)
Kooragang Coal Terminal (Special Provisions) Act 1997 No 138
Lake Illawarra Authority Act 1987 No 285
Landcom Corporation Act 2001 No 129
Land Development Contribution Act 1970 No 24
Land Development Contribution Management Act 1970 No 22
National Trust of Australia (New South Wales) Act 1990 No 92
Port Kembla Development (Special Provisions) Act 1997 No 40
 Sir Henry Parkes National (War) Memorial Museum and Library Act 1957 No 47
State Environmental Planning (Permissible Mining) Act 1996 No 27
Walsh Bay Development (Special Provisions) Act 1999 No 3
Warnervale Airport (Restrictions) Act 1996 No 57
Western Sydney Regional Park (Revocation for Western Sydney Orbital) Act 2001 No 60

Minister for Natural Resources

Australian Lubricating Oil Refinery Limited Agreement Ratification Act 1962 No 16
Australian Oil Refining Limited Agreement Ratification Act 1954 No 34
 Australian Oil Refining Pty. Limited Agreement Ratification (Amendment) Act 1961 No 35
Catchment Management Authorities Act 2003 No 104
Coastal Protection Act 1979 No 13
Dams Safety Act 1978 No 96
Environmental Planning and Assessment Act 1979 No 203 (except section 8) (jointly with the Minister for Infrastructure and Planning, and the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration))
Farm Water Supplies Act 1946 No 22
Forestry and National Park Estate Act 1998 No 163 (except parts, Minister for the Environment)
Googong Dam Catchment Area Act 1975 No 4
Hay Irrigation Act 1902 No 57
Hunter Water Act 1991 No 53, Part 5, Division 8, (remainder, Minister for Energy and Utilities)
Irrigation Areas (Reduction of Rents) Act 1974 No 83
Menindee Lakes Storage Agreement Act 1964 No 4
Murray–Darling Basin Act 1992 No 65
Murrumbidgee Irrigation Areas Occupiers Relief Act 1934 No 52
National Parks and Wildlife Act 1974 No 80
Native Vegetation Act 2003 No 103
Native Vegetation Conservation Act 1997 No 133
Natural Resources Commission Act 2003 No 102, Part 3 jointly with Premier (remainder, Premier)
New South Wales—Queensland Border Rivers Act 1947 No 10
Plantations and Reafforestation Act 1999 No 97
Rivers and Foreshores Improvement Act 1948 No 20
Soil Conservation Act 1938 No 10
Water Act 1912 No 44, (except sections 27 (1) (e1) and (e2) jointly with the Minister for Energy and Utilities)
Water Management Act 2000 No 92, (except parts, Minister for Energy and Utilities and other parts jointly with the Minister for Energy and Utilities)
Wentworth Irrigation Act 1890 54 Vic No 7
Western Lands Act 1901 No 70

Minister Assisting the Minister for Infrastructure and Planning (Planning Administration)

The Minister Assisting the Minister for Infrastructure and Planning (Planning Administration) has joint administration of the following Acts with the Minister for Infrastructure and Planning (except section 8 of the Environmental Planning and Assessment Act 1979 No 203 and section 102 of the *Heritage Act 1977 No 136* which are solely administered by the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration))
 Environmental Planning and Assessment Act 1979 No 203
Heritage Act 1977 No 136
 Sydney Harbour Foreshore Authority Act 1998 No 170

6.2 LEGISLATION CHANGE

Environmental Planning and Assessment Act 1979 No. 203

Amended by:	Assented to:	To commence:
State Water Corporation Act 2004 No 40	30.6.2004	Date of commencement of Sch 3.4, 1.7.2004, sec 2 and GG No 110 of 1.7.2004, p 4983
Statue Law (Miscellaneous Provisions) Act (No 2) 2004 No 91		Assented to: 10.12.2004 Date of commencement of Sch 2.28, assent, sec 2(2)
Environmental Planning & Assessment Amendment (Development Contributions) Act 2005 No 19	18.5.2005	Date of commencement 8.7.2005, sec 2 and GG No 86 of 8.7.2005, p 3573
Environmental Planning & Assessment Amendment (Infrastructure & Other Planning Reform) Act 2005 No 43	16.6.2005	Date of commencement of Schs 1 & 4-6, 1.8.2005, sec 2 & GG No 96 of 29.7.2005, p 4031: date of commencement of Schs 2 & 3: not in force.

Environmental Planning and Assessment Regulation 2000

Amended by:	GG No:	Date:
EP&A Amendment (Quality of Construction) Regulation 2004	117	9.7.2004 p 5773
EP&A Amendment (ARTC Rail Infrastructure) Regulation 2004	142	3.9.2004 p 7343
Statue Law (Miscellaneous Provisions) Act (No 2) 2004 No 91		Assented to: 10.12.2004 Date of commencement of Sch 2.28, assent, sec 2(2)
EP&A Amendment (Fishing Activities and Dredging) Regulation 2004	204	24.12.2004 p 9668

Natural Resources Regulations

Amended by:	GG No:	Date:
Catchment Management Authorities (Savings and Transitional) Amendment Regulation 2005	77	24.6.2005
Water Management (General) Regulation 2004	110	1.7.2004
Water Management (General) Amendment (Miscellaneous) Regulation 2005	45	15.4.2005 p 1360 Date of commencement, on gazettal
Water Management (Water Supply Authorities) Regulation 2004	141	1.9.2004 p 7259
Water Management (Water Supply Authorities) Amendment (Fish River) Regulation 2004	204	24.12.2004 p 9687
Water Management (Water Supply Authorities) (Amendment (Country Energy) Regulation 2005	39	1.4.2005 p 1049 Date of commencement, 1.7.2005, cl 2.
Hunter-Central Rivers Catchment Management Authority Regulation 2005	54	13.5.2005 p 1663 Date of commencement, on gazettal

New and amended state environmental planning policies and regional environmental plans published in the Government Gazette 1 July 2004 — 30 June 2005

State Environmental Planning Policies (SEPPs)

New SEPPs	GG No.	Date:
SEPP (ARTC Rail Infrastructure) 2004	142	3.9.2004
SEPP (Repeal of Concurrence and Referral Provisions) 2004	Special Sup. 201	17.12.2004
SEPP (Sydney Metropolitan Water Supply) 2004	204	24.12.2004
SEPP (State Significant Development) 2005	Special Sup. 60	25.5.2005
Amended SEPPs	GG No.	Date:
SEPP 59—Central Western Sydney Economic & Employment Area (Amendment No 6)	112	2.7.2004
SEPP 58—Protecting Sydney's Water Supply (Amendment No 3)	120	16.7.2004
SEPP 55—Remediation of Land (Amendment No 1)	126	30.7.2004
SEPP 56—Sydney Harbour Foreshores & Tributaries (Amendment No 7)	156	8.10.2004
SEPP 4—Development Without Consent and Miscellaneous Exempt and Complying Development (Amendment No 16)	204	24.12.2004
SEPP 62—Sustainable Aquaculture (Amendment No 2)	69	10.6.2005

Sydney Regional Environmental Plans

New SREPs	GG No.	Date:
Nil		
Amended SREPs	GG No.	Date:
SREP 31 (Amendment No 4)		

Regional Environmental Plans

New REP	GG No.	Date:
Nil		
Total number of new and amended EPI gazetted:	SEPPs	10
	SREPs	1
	REPs	Nil

Local Environmental Plans (LEPs) Published in the Government Gazette from: 1 July 2004 to 30 June 2005

Total number of LEPs gazetted:	210
LEPs gazetted without Councils exercising their section 69 Delegation: [this includes 3 Comprehensive LEPs: Central Darling LEP 2004, Shellharbour LEP 2004, Gilgandra LEP 2004]	81
LEPs gazetted with Councils exercising their section 69 Delegation	129

6.3 SIGNIFICANT JUDICIAL DECISIONS

Accredited Certifiers

In August 2004, the Administrative Appeals Tribunal, in *Director-General of DIPNR v Conway*, found Mr Conway, an accredited certifier, guilty of professional misconduct. The Tribunal found that he had issued a construction certificate for a backpacker hostel without proper consideration of fire safety issues.

Planning

In November 2004, the Court of Appeal, in the *Dubler Group Pty Ltd v Minister for Infrastructure, Planning and Natural Resources & Anor*, upheld an appeal, finding that State Environmental Planning Policy (SEPP) 53 Amendment No 10 did not affect rights which had arisen before its commencement.

In April 2005, the Court of Appeal, in *Lane Cove Council v Minister for Urban Affairs and Planning* dismissed an appeal against a decision that SEPP 53 Amendment No 6 was valid. The Court of Appeal confirmed that the Minister has a broad discretion in determining what alterations may be made to an exhibited draft SEPP and whether such an amended SEPP is to be exhibited.

Development Control

In November 2004, in *Patrick Autocare Pty Ltd v Minister for Infrastructure, Planning and Natural Resources*, the Land and Environment Court dismissed a challenge to the validity of the Minister's determination of a development application for an inter-modal container terminal. The Court held that a consent Authority has a wide discretion to decide what part or aspect of the proposed development is to be staged development.

In separate preliminary proceedings, *Patrick Autocare Pty Limited v The Minister for Infrastructure, Planning and Natural Resources*, the Land and Environment found strategic planning issues are relevant considerations for the Court in determining a development application. However the weight to be given to such issues is for the Court to decide.

Water

The Court of Appeal heard two appeals in relation to the validity of water sharing plans. In *Murrumbidgee Groundwater Preservation Association Inc v Minister for Natural Resources*, the Court found that a water sharing plan was valid and confirmed that the Minister has broad discretion in determining how water entitlements should be calculated.

In *Nature Conservation Council of New South Wales Inc v The Minister Administering the Water Management Act 2000*, the Court of Appeal also upheld the validity of a water sharing plan. The Court found that it was acceptable for a plan to give performance indicators in general terms. The Court also held that although the plan did not strictly comply with the legislative requirements for setting out rules for calculating environmental water, it did not consider that the non-compliance invalidated the plan. The Nature Conservation Council is seeking leave to appeal to the High Court.

In *Water Administration Ministerial Corporation v Jones*, the Court of Appeal overturned the decision of the Supreme Court finding that the Water Administration Ministerial Corporation was able to reconsider whether or not it advertised applications for two water licences.

Native Vegetation

There were three appeals heard by the Land and Environment Court relating to notices to carry out remedial work under the *Native Vegetation Conservation Act*. In *Holmes v the Director-General of DIPNR*, the Court found that the notice issued was invalid because rather than requiring specific work to be carried out, the notice prohibited the carrying out of work.

In *Landers v the Director-General of DIPNR and Dalimen Pty Ltd v the Director-General of DIPNR*, the Land Environment Court upheld notices to carry out remedial work. In both cases, land owners argued unsuccessfully that the vegetation which had been cleared was regrowth which did not require development consent to be cleared under the *Native Vegetation Conservation Act*. The decision in *Landers* is being appealed.

In October 2004, the prosecution proceedings, the *Director-General of the Department of Land and Water v Greentree and Prime Grain Pty Ltd*, were dismissed on the grounds that there was insufficient evidence to support the charges.

APPENDIX 7

PRIVACY

In the 2004-05 reporting period, there were no requests for access to documents, no applications for an internal review and no complaints under the Privacy and Personal Information Protection Act 1998.

As required under the Privacy Act, the Department has a Privacy Management Plan governing the collection, retention, accuracy, use and disclosure of personal information, including rights of access and correction.

The Department is committed to ensuring the protection of the right to privacy of its staff and clients.

To ensure the protection of privacy of its clients the Department:

- documents policy as required by sections 14, 15, 53, 57 and 58 of the Privacy Act
- has application forms and guidelines for making privacy applications
- has a privacy site on the intranet, where the Privacy Guidelines are published
- has included privacy notices on all compliance documentation.

The Department holds the following classes of personal information:

Corporate
 Complaint Files – Regional Offices
 Correspondence Files
 Financial Accounting Database
 Personnel Records
 Protected Disclosure Files
 CARMS Database
 Complaints – Call Centre (Communications Branch Complaint Form)
 Questionnaires

Vegetation and Soil

Catchment Management Authority Boards, Regional Vegetation Committees Appointment Records
 Public Register of Clearing Applications under the Native Vegetation Conservation Act 1997
 Lake Illawarra Authority Appointment Records
 Management Contracts – Native Vegetation Incentive Payments
 Registered Property Agreements – Native Vegetation Incentive Payments
 Section 10 Project Agreements
 Public Register of Plantations

Water

Licensing Administration System Database (LAS)
 Permit Under Part 3A Rivers and Foreshores Improvement Act
 Registration of Groundwater Bores Part 5 Water Act
 Water Licences Part 2 Water Act Control of Access to Surface Water
 Water Licences Part 5 Water Act Control of Access to Groundwater
 Water Licences Part 8 Water Act Control of Certain Works on River Banks and Flood Plains
 Register of Approvals for Water Management Amendment Act 2002
 Water Access Licences
 Groundwater Database System
 Drillers Licences

Planning

Acquisition and Disposal Files - Land Management Branch
 Applications for accreditation as a private certifier
 Applications to Modify a Development Consent
 Caravan Park Register
 Complaint files - accredited certifiers
 Complying Development Certificate Applications
 Complying Development Certificates
 Construction Certificate Applications
 Construction Certificates
 Consultants Register
 Contract Files
 Design Quality Program Records (UDAS)
 Development Application Submissions
 Development Applications (Integrated Approvals)
 Development Applications (Non-Integrated Approvals)
 Fire Safety Certificates
 Notice to Commence
 Notifications of appointment of accredited private certifiers
 Occupation Certificate Applications
 Occupation certificates
 Oral History Project (SSDC)
 Photo Library (Communications Branch)
 PlanFIRST Regional Forums Records
 Protected Disclosure Files
 Public Sector Infrastructure Projects records (under Part 5 EP&A Act)
 Registered Ministerial Letters
 SEPP 10 Property Files
 Stakeholder Databases
 Subdivision Certificate Applications
 Subdivision Certificates
 Submissions (From the public, government and business sector regarding the development of draft legislation, practice notes, policies and guidelines)
 Submissions (From the public, government and business sector regarding statutory advertisements as required under the EP&A Act)
 Urban Design Advisory Service Workshop Attendance Lists (UDAS)
 Urban Development Program Submissions
 Worktracking Tool Database

APPENDIX 8 FUNDS GRANTED

The Department granted funds to the following non-government community organisations:

Budget Paper Program Area: Natural Resource Management

Budget Paper Program: Rivers and Groundwater

Cap and Pipe the Bores – Grants to farmers towards the cost of rehabilitating artesian bores and replacing wasteful bore drains with efficient, piped reticulation systems in the Great Artesian Basin.

Recipient Scheme	Location	Amount (\$)
Wirrah	Mungindi	624,000
Neargo	Collarenebri	24,000
Tulloona	Tulloona	644,800
Colymongle	Collarenebri	416,000
Brewon	Carinda	509,600
Pilliga	Pilliga	501,600
Noan	Coonamble	97,200
Nardoo	Coonamble	118,000
McAlpine	Carinda	10,000
Wombalano	Coonamble	111,200
Gilgoin	Carinda	340,800
Polly Brewon	Walgett	10,000
Yerranbah	Lightning Ridge	1,200,000
Bangate	Cumborah	10,000
Gingie	Walgett	10,000
Minramar	Goodooga	10,000
Kilberoo	Yantabulla	55,800
Comeroo	Yantabulla	48,600
Total		4,741,600

Water savings studies

Recipient	Client	Project	Amount (\$)
Pratt Water P/L	NSW/Commonwealth Governments and Murrumbidgee Catchment Management Authority	Murrumbidgee Valley water savings feasibility study	1,750,000

APPENDIX 9

PAYMENT OF ACCOUNTS

Quarterly Schedule of Accounts Payable – 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 60 and 90 days overdue \$	More than 90 days overdue \$
September	893,389	363,196	30,830	84,970	6,827
December	52,656	2,062,510	75,198	19,251	12,749
March	117,973	587,220	48,736	8,799	132,817
June	5,316,277	4,427,629	681,214	31,434	186,956

Accounts paid on time within each quarter

Quarter	Total Accounts Paid on Time			Total Amount Paid
	Target %	Actual %	\$	\$
September	90	88	80,355,006	92,230,007
December	90	78	58,306,657	70,327,096
March	90	74	55,147,875	66,501,790
June	90	82	80,357,077	100,461,926

Note on table above: Percentage of accounts paid on time is based on SAP Payment Analysis Report, which compares vendor masterfile payment terms, invoice document date and payment document date to determine if payment was made on time, and if not, how many days it was late. The dollar value is the actual dollar value of the documents in each column (ie paid on time, not paid on time), so the percentage is based on documents, not dollar value.

Comments

Initiatives to improve payment performance include:

- tightened controls to ensure correct data entry of payment terms and invoice dates in SAP
- prioritise vouchers as they are received in Finance Division so invoices due for payment first get processed first
- use of extra resources, including temporary assistance and overtime, to ensure smooth workflow during peak periods.

Incremental improvement for future financial years is possible with continued monitoring to ensure correct vendor payment terms are applied, as well as improved compliance with the tax system by vendors, and improved compliance with the tax system and Treasurer's Directions by Departmental staff.

Penalty Interest Paid

There was no penalty interest paid during the financial year 2004–05.

Payments by Corporate Card

Subject to meeting Departmental requirements, eligible staff are issued with corporate cards to facilitate travel, accommodation and limited purchases.

The Department's corporate card policies represent best practice in accordance with Treasury and the Auditor General's guidelines. Corporate card expenditures are monitored for compliance with the guidelines on a transaction basis. The Director General has, in accordance with the Treasurer's Directions, reviewed the certification report on corporate card usage by the officers of the Department of Infrastructure, Planning and Natural Resources. Corporate card usage was considered to comply with best practice guidelines.

The Department incurred no late payment fees as a result of Corporate card usage.

APPENDIX 10

SIGNIFICANT COMMITTEES

The following information is provided as at 30 June 2005.

(1) Departmental representation on external committees, boards and statutory bodies

Senior staff represent the Department on a number of committees that help integrate the outcomes and activities of NSW and other Government agencies.

Name of Committee/Board/Body	Function	DIPNR representatives
Growth Centres Commission	Has broad responsibility to deliver best practice planning outcomes, including quality design, integrated transport and land use, environmental stewardship and local employment growth	J Westacott
Central Sydney Planning Committee	Considers major developments and strategic planning for City of Sydney	J Westacott (Director)
Sydney Harbour Foreshore Authority	Responsible for commercial and public management of 400 hectares of significant Sydney lands	J Westacott (Director)
Honeysuckle Development Corporation Board	Coordinates the redevelopment of harbour-front land adjacent to Newcastle's Central Business District	J Westacott (Director) A Spizzo
Redfern Waterloo Authority	Has broad responsibility for managing public infrastructure, land and properties in the Redfern and Waterloo Area	J Westacott (Board member)
Australian Building Codes Board	Responsible for the development and ongoing reform of the Building Code of Australia	A Spizzo
Building Codes Committee	Responsible for providing advice on the technical content of the Building Code of Australia	S Durnford
Development Assessment Forum	Responsible for leading reforms to harmonise Australia's development assessment systems	C Donnellan
Murray–Darling Basin Commission	The primary body responsible for providing policy and direction for implementing the Murray–Darling Basin Initiative	J Westacott (Commissioner) D Harriss (Deputy Commissioner)
Soil Conservation Commission	The Commission is responsible for undertaking various property dealings, principally for the transfer of land that is no longer required for the purposes of the Act.	J Westacott (Commissioner)
Rouse Hill Regional Centre-Joint Management Committee	Responsible for development of new Regional Centre on Corporation Sole Lands in partnership with Landcom, Lend Lease and General Property Trust.	Gary Prattley (Committee Member)
CSIRO <i>Water for a Healthy Country</i> Advisory Committee	To direct a national research program focusing on water, its uses and values	Peter Cosier
Heritage Council of NSW	Provides advice on heritage matters and recommends to the Minister for Planning places and objects for listing on the State Heritage Register	Gary Prattley
Government Asset Management Committee	Brings together NSW Government agencies and asset experts to ensure a whole-of-government approach to asset management and office accommodation planning	Gary Prattley
Western Lands Advisory Council	To provide the Minister for Natural Resources with advice on matters affecting the Western Division, including matters relevant to the objects of the Western Lands Act.	G Wise

(2) Committees with external membership established to advise the Minister and/or Department

These bodies ensure the policy development and operations of the Department include community and stakeholder input.

Name of Committee	Function	DIPNR Member/s
Science and Information Board	Guides the Department in delivering world class knowledge to implement the Government's infrastructure, planning and natural resources management reforms	P Cosier, B Thom
Natural Resources Advisory Council	Advises the NSW Government on natural resource issues. Membership is representative, not expert based.	J Westacott
Natural Resources Ministerial Reference Group	Oversees the implementation of the reforms to natural resource management in NSW	J Westacott
Planning Reform Reference Group	Oversees the NSW Government's planning system reforms	J Westacott (chair), A Spizzo, S Haddad, J Scanlon, P Cosier
Local Government Planning Reform Committee	Oversees the implementation of the NSW Government's planning system reforms.	J Westacott (Chair), A Spizzo, S Haddad, J Scanlon, P Cosier, P Sutherland
Local Government Liaison Committee	Advises on implementation of the EP&A Act in relation to local government.	A Spizzo (Chair), C Donnellan
Major Development CEO Forum	To provide advice to the Minister on assessment protocols, performance criteria and approval conditions under Part 3A of the EP&A Act.	Director General, S Haddad
Building Regulations Advisory Council	Provides advice, comment and feedback on the planning and building system	S Durnford (Chair)
Sydney Metropolitan Strategy Reference Panel	Brings expert advice, international experience and knowledge to inform the development of the Metropolitan Strategy	J Scanlon
Revitalisation of Parramatta Road Taskforce	A partnership of local and State Governments appointed to spearhead the renewal of Parramatta Road.	J Westacott (Chair), S Alchin
East Darling Harbour Taskforce	Oversees the planning for the future use and development of the East Darling Harbour and Glebe Island/White Bay areas	Gary Prattley
Transport Working Group	This will meet on a regular basis to discuss transport issues as they apply to and shape the Metropolitan Strategy.	S Alchin
Inner Sydney Transport Working Group	A joint proposal of the Minister for Infrastructure, Planning and Natural Resources and Lord Mayor of Sydney to coordinate transport planning in the inner Sydney	S Alchin
Forest Industry Structural Adjustment Package (FISAP) Advisory and Officials Committee	To provide advice to the Ministers on the implementation of the FISAP	P Sutherland

(3) Internal Departmental Committees

As well as the Board of Management, sub-committees of the Board of Management have been established to provide comprehensive governance on key issues for the Department.

Name of Committee	Function	DIPNR Member/s
Board of Management (BoM)	The Department's strategic advisory and decision-making forum.	Director General (Chair), Deputy Directors General, Executive Directors & Regional Directors
Audit Committee - a BoM sub committee	Assists the BoM to fulfil its responsibilities for the financial reporting process and internal control including monitoring compliance and financial auditing.	W Kirkby-Jones (Independent Chair), DG, DDG, EDCS, Regional Director.
Finance Committee - a BoM sub committee	Oversees the Department's financial management and ensures that internal budgets are aligned with its priorities	Director General (chair), P Sutherland, G Prattley, P Lucas, G Smith
IM&T Steering Committee – a Board of Management sub committee	Provides oversight for the implementation of initiatives outlined in the IM&T Strategic Management Plan	A Spizzo, P Sutherland, P Cosier G Fishburn, P Lucas, G Smith, W Houston
Flagship Projects Steering Committee - a BoM sub committee	Oversees the management of DIPNR's flagship projects	A Spizzo (chair), DDGs, P Lucas,
Organisational Development Committee - a BoM sub committee	Provides strategic direction and oversight to the Organisational Development Unit.	S Haddad (Chair), K Davis, P Sutherland, A Spizzo, P Lucas, G Smith, A Durham, G Fishburn

(4) Significant committees abolished or transferred to other departments in 2004–05

Nil

APPENDIX 11

EQUAL EMPLOYMENT OPPORTUNITY (EEO) STATISTICS

Representation and recruitment of Aboriginal staff and staff with a disability

EEO group	recruited	2003–04		recruited	2004-05	
		numbers	% of staff		numbers	% of staff
Aboriginal employees	2	55	2.4%	0	28	1.6%
People with a disability	2	176	7.5%	0	108	6.3%
Total number recruited	151			133		

Employment statistics at salary levels

Salary level	June 2003		June 2004		June 2005	
	number	%	number	%	number	%
< \$31,352	8	<1	5	<1	3	<1
\$31,352 – \$41,177	106	4	71	3	68	4
\$41,178 – \$46,035	185	8	153	7	139	8
\$46,036 – \$58,253	507	21	448	19	281	17
\$58,254 – \$75,331	838	34	863	37	708	42
\$75,331 – \$94,165	615	25	619	26	401	23
> \$94,165 (non SES)	134	6	149	6	73	4
> \$94,165(SES)	37	2	33	1	34	2
Total	2,430	100	2,341	100	1,707	100

Note: The salary rates shown on the June 2003 and June 2004 tables were the rates applicable at that time. In December 2004 a salary rate increase was awarded effective from 2 July 2004.

Representation of women and staff from racial, ethnic and ethno-religious minority groups

Salary level	Total staff		Women – number (%)		REERM – number (%)	
	2003–04	2004-05	2003–04	2004-05	2003–04	2004-05
< \$31,352	5	3	2 (40)	1 (33)	-	-
\$31,352 – \$41,177	71	68	19 (27)	26 (38)	7 (10)	6 (9)
\$41,178 – \$46,035	153	139	126 (82)	109 (78)	15 (10)	15 (11)
\$46,036 – \$58,253	448	281	267 (60)	152 (54)	54 (12)	34 (12)
\$58,254 – \$75,331	863	708	331 (38)	260 (37)	118 (14)	106 (15)
\$75,331 – \$94,165	619	401	154 (25)	91 (23)	90 (15)	53 (13)
> \$94,165 (non SES)	149	73	47 (32)	28 (38)	10 (7)	3 (4)
> \$94,165(SES)	33	34	4 (12)	5 (15)	1 (3)	2 (6)
Total	2,341	1,707	950 (41)	672 (39)	295 (13)	219 (13)

APPENDIX 12

ETHNIC AFFAIRS PRIORITY STATEMENT (EAPS)

The Ethnic Affairs Priority Statement (EAPS) demonstrates how the Department applies the NSW Principles of Multiculturalism and adapts its services and products to the needs of the State's culturally and linguistically diverse population. EAPS initiatives are aimed at ensuring that all people, regardless of linguistic, racial, cultural or religious background, have full access to all appropriate services.

Reporting on 2004-05 EAPS Initiatives

In 2004-05, the Department continued transferring on-ground service delivery to local organisations such as local councils and the Catchment Management Authorities (CMAs). However, the Department is responsible for ensuring that the councils and CMAs are provided with the funds, tools and resources necessary to make effective decisions for all the people of NSW. In addition, the Department provided the following services for the culturally and linguistically diverse (CALD) communities of NSW:

- Community Language Skills - The Department employs a number of staff who possess language skills in addition to English who have agreed to use this skill to assist CALD clients. Languages covered include Bengali, Cantonese, French, Hindi, Indonesian, Italian, Russian, Spanish and Tagalog. Under the Community Language Allowance Scheme (CLAS) staff are eligible to receive an allowance for this skill. The Department's Organisational Development Strategic Plan promotes the benefits of the CLAS throughout the organisation.
- Western Lands Leases – The Department overcame the problems associated with landholders of the Lightning Ridge area who cannot speak English by developing a Fact Sheet on Western Lands Lease changes in Serbian.

The EAPS Forward Plan

The Department's EAPS forward plan has been incorporated into the Corporate Plan 2005-07 so that EAPS initiatives are integrated with the Department's core business and major initiatives. Some examples of this approach are:

- The Metropolitan Strategy

The Metropolitan Strategy consists of a series of actions and documents to guide land use and infrastructure investment for the greater metropolitan region for the next 30 years. During 2005-06, the Department will deliver various associated strategies, such as the Parramatta and Canterbury Roads Strategies, the Inner City Transport strategy and the Growth Centres Commission. These strategies will respond to the needs of all communities, including CALD communities, in metropolitan Sydney and will be accompanied by appropriate communication strategies.

- Extending the Building Sustainability Index (BASIX) to all NSW.

BASIX is a NSW Government initiative that ensures new homes are designed and built to use up to 40 percent less potable water and produce 25 percent fewer greenhouse gas emissions. BASIX will be expanded to regional NSW on 1 July 2005, and will apply to multi-dwelling developments on 1 October 2005. A comprehensive communication strategy is a significant component of BASIX, including a website, factsheets in 14 languages, as well as statewide briefing sessions. (www.basix.nsw.gov.au)

APPENDIX 13

ENERGY PERFORMANCE

The Department's reduction of staff and buildings in 2004-05 is reflected in lower energy consumption (down 19 percent), fuel costs (down 13 percent) and greenhouse gas emissions (down 14 percent).

Corporate commitment

DIPNR is committed to minimise its impact on the environment by:

- achieving energy savings
- incorporating sustainable Energy Management practices where cost effective
- using whole of Government energy contracts to achieve cost savings
- purchasing Greenpower to reduce greenhouse gas emissions, and
- undertaking Australian Building Greenhouse Ratings for office buildings.

DIPNR expects to increase its green power consumption in 2005-06 as more sites purchase through the State Contracts Control Board contracts. In 2004-05, 4.5 percent of DIPNR's electricity consumption was green power.

Planning & Implementation

DIPNR has updated its Energy Management Plan. The plan identifies energy consumption reduction targets and strategies and nominates an Energy Manager and Coordinator.

The installation of air-conditioning systems in the Lands Building continued. This project addresses long-standing OH&S issues and enhances building amenity, but will contribute to an increase in electricity consumption. New benchmarks for the building will be established when the project finishes in late 2005.

Performance

The major energy fuels purchased in 2004-05 are shown in the table below:

Future Direction

The revised Energy Management Plan includes the Department's policy directions, monitoring targeting and reporting mechanisms and energy management strategies.

Fuel	Energy Consumed (GJ)	% of Total Energy	Annual Cost (excluding GST) (\$)	Carbon Dioxide (CO ₂) Greenhouse emissions (tonnes)
Electricity (Black Coal)	36,910	43.9	1,171,418	9,803
Electricity (Green Power)	1,722	2.1	68,398	0
Natural Gas	1,873	2.2	23,562	96
Liquefied Petroleum Gas (LPG)	287	0.3	7,958	17
Heating Oil	318	0.4	7,922	22
Automotive Diesel	21,869	26.0	541,873	1,524
Petrol	21,082	25.1	555,568	1,392
TOTAL	84,061	100.0	2,376,699	12,854

APPENDIX 14

WASTE REDUCTION AND PURCHASING POLICY (WRAPP)

DIPNR's support for NSW's Waste Reduction and Purchasing Policy has continued through a number of initiatives including:

- the development of support programs to train staff, which in turn facilitates active participation in waste reduction, reuse and recycling programs
- the recycling of surplus office equipment as a result of recent major staff relocations
- the use of recycled photocopy paper throughout the department
- the introduction of multi-function copiers/fax/printers across the organisation
- improved paper collections arrangements resulting in an increase in paper collected for recycling
- recycling of used toner cartridges to suppliers, and
- raising staff awareness of WRAPP through notice board displays and recycling committees in some offices.

APPENDIX 15 MAJOR WORKS IN PROGRESS

Project Description	Location	Start	Complete	Est. Total Cost \$'000	Exp. to 30 June 2005 \$'000
Implementation of Native Vegetation Reforms	Various	2004	2006	9,300	2,590
Planning and Natural Resources Information Integration Environment (PANRIIE)	Various	2004	2007	5,658	4,545
Water Management Monitoring and Information System	Various	2004	2008	15,604	1,373

APPENDIX 16 MAJOR ASSETS OTHER THAN LAND

Asset	Book Value \$000
Buildings - Head Office Bridge St Sydney	34,927
Buildings - 81 regional and district offices, depots, laboratories and other buildings	14,622
Bores	23,126

GLOSSARY

ABCB	Australian Building Codes Board	EIS	Environmental Impact Statement
ABS	Australian Bureau of Statistics	EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
ACRIS	Australian Collaborative Rangelands Information System	FARM	Financial and Resource Management Plan
ADT	Administrative Decisions Tribunal	FIAB	Freight Infrastructure Advisory Board
ANZSOG	Australian and New Zealand School of Government	FISAP	Forest Industry Structural Adjustment Package
BASIX	Building Sustainability Index	FOI	Freedom of Information
BCA	Building Code of Australia	GCC	Growth Centres Commission
BoM	Board of Management	GIS	Geographic Information Systems
BRAN	Building Regulation Advisory Note	GMR	Greater Metropolitan Region
BSAP	Building Surveyors and Allied Professions	HFC	Housing Forecast Cycle
CALD	Culturally and Linguistically Diverse	IFOA	Integrated Forestry Operations Approval
CAP	Catchment Action Plan	IGA	Intergovernmental Agreement
CAP	Corporate Action Plan	IHAP	Independent Hearing and Assessment Panel
CATSALT	Catchment Scale Salt Balance Model	IMEF	Integrated Monitoring of Environmental Flows
CBD	Central Business District	IPAA	Institute of Public Administration Australia
CCA	Comprehensive Coastal Assessment	IPART	Independent Pricing and Regulatory Tribunal
CEO	Chief Executive Officer	IPCC	Infrastructure and Planning Cabinet Committee
CLAS	Community Language Allowance Scheme	IQQM	Integrated Quantity and Quality Model
CLASS	Catchment Scale Multiple Use Atmosphere Soil Water and Solute Model	ISTWG	Inner Sydney Transport Working Group
CLPS	Coastal Lands Protection Scheme	IUCN	International Union for the Conservation of Nature and Natural Resources
CMA	Catchment Management Authority	LEP	Local Environmental Plan
CMP	Conservation Management Plan	LGA	Local Government Area
CoAG	Council of Australian Governments	LPI	Land and Property Information
CSIRO	Commonwealth Scientific and Industrial Research Organisation	LUOS	Land Use Options Simulator
DA	Development Application	LWMP	Land and Water Management Plan
DIPNR	Department of Infrastructure, Planning and Natural Resources	MDP	Metropolitan Development Program
DPD	Department Position Developer	MoU	Memorandum of Understanding
EAPS	Ethnic Affairs Priority Statement	NAP	National Action Plan
EEO	Equal Employment Opportunity	NHT	Natural Heritage Trust
		NRAC	Natural Resources Advisory Council

NRM	Natural Resources Management
NSW	New South Wales
NSWCC	New South Wales Coastline Cycleway
NVMF	Native Vegetation Management Fund
NWI	National Water Initiative
OH&S	Occupational Health and Safety
PANRIIE	Planning and Natural Resource Information Integration Environment
PMP	Property Management Plan
PMU	Project Management Unit
PVP	Property Vegetation Plan
RAP	Rangelands Assessment Program
REP	Regional Environmental Plan
RFA	Regional Forest Agreement
RFI Act	<i>Rivers and Foreshores Improvement Act 1948</i>
RLPB	Rural Lands Protection Board
RSP	Results and Services Plan
SEPP	State Environmental Planning Policy
SLA	Service Level Agreement
SRDF	Sydney Region Development Fund
SREP	Sydney Regional Environmental Plan
SSD	State Significant Development
SSF	State Sustainability Funding
SSHAP	Sharing Sydney Harbour Access Program
STP	Sewage Treatment Plant
TEUs	Twenty-foot Equivalent Units
TLM initiative	The Living Murray Initiative
VCA	Voluntary Conservation Agreement
WAG	Water Assessment Guide
WIX	Water Information Exchange
WRAPP	Waste Reduction and Purchasing Policy
WSP	Water Sharing Plans

COMPLIANCE INDEX

Access (Contacts)	last page	Land disposal	68
Aims and Objectives	6	Legislation administered and legal change	144
Annual Report publication details (including external costs)	inside front cover	Letter of Submission	inside front cover
Audit	67	Major Assets	157
Charter	6	Major Works in Progress	157
Clientele/community served	6-8	Management and activities	body of report
Code of Ethics and Conduct	70*	Management and Structure	8
Consultants	136	Management and strategy reviews	66
Consumer Response	77	NSW Government Action Plan for Women	70
Credit Card Certification	150	Occupational Health and Safety	73
Disability Plan	72	Organisation chart	9
Electronic Service Delivery	19, 42, 62, 77	Overseas visits	136
Equal Employment Opportunity	70	Payment of Accounts	150
Equal Employment Opportunity (EEO) Table of trends	154	Personnel policies and practices	70
Ethnic Affairs Priority Statement	155	Principal officers	10
Executive Officers – Performance, numbers and remuneration	130	Privacy Management Plan	148
Financial statements	79, 111	Promotion and publications	138
Freedom of Information and statement of affairs	139	Research and Development	19, 42, 51, 56, 62
Funds granted to non-government community organisations	149	Risk Management and Insurance Activities	66
Government Energy Management Policy	156	Significant Committees	151
Human resources (staff)	70	Significant judicial decisions	147
Industrial Relations	74	Staff profile – number of officers and employees by category	154
		Summary review of operations	4-9
		Waste Reduction and Purchasing Policy	156

* No changes have been made to the Code of Ethics and Conduct since previous reporting period.

INDEX

Aboriginal and Torres Strait Islander Employment Strategy	71	Corporation Sole	32
Aboriginal Cadetship Program	71	Corridor Preservation	32
Aboriginal Support Network	71	Crown Projects	24
About this document	Inside front cover	Customer Service	78
Accommodation and land disposals	68	Customised Socio-Economic Information for CMAs	46
Acknowledgments	inside back cover	Darling Harbour East	30
Agriculture and Related Rural Industries	38	Data Centre	77
Amendments to the EP&A Act	16	Data Work Plan	75
Appendices	129	Delegations	66
Application Development and IT Project Management	77	Departmental Overview	6
Aquaculture	38	Development Assessment Case Study: Mulgoa, Wallacia and Silverdale Sewerage Scheme	21
Audit Committee	67	'DIPNR Moving Forward' Team Planning Workshops	72
BASIX (Building Sustainability Index)	19	Director General's review	4
Building Code of Australia	19	Disability Action Plan	72
Building Professionals Board	20	Dumaresq-Barwon Border Rivers Agreement	58
Building Standards and Policies	19	Dust Watch	51
Business Systems	74	Energy Performance	156
Cap and Pipe the Bores Program	60	Equal Employment Opportunity (EEO)	70, 154
Career Transition Program	74	Ethnic affairs priority statement	155
Central Coast Regional Strategy	35	Executive (principal officers)	10
Centres Planning Funding	28	Executive Development Programs	73
Coastal and Estuary Management Programs	50	External relationships	8
Coastal Lands Protection Scheme	32	Far North Coast Regional Strategy	34
Coastal Policy and Planning	35	Financial and Asset Management	68
Code of Ethics and Conduct	70	Financial planning and budgeting	68
Communications Program	77	Financial services	68
Community and Customer Relations	77	Financial statements	79, 111
Compliance Auditing	25, 76	Fleet management	69
Compliance Module	76	Floodplain Harvesting Regulation Project	60
Compliance Monitoring and enforcement	24	Floodplain Management Programs	49
Compliance Systems	76	Forest Industry Structural Adjustment	44
Comprehensive Coastal Assessment	36	Forestry and Timber Industry	38
Conservation and Heritage Programs	33	Freedom of Information	139
Construction Materials	37	Funds granted to non-government community organisations	149
Consultants Engaged	136	Governance and Accountability	66
Corporate Action Plan 2004-2005	7	Growth Centres Commission	30
Corporate and Business Planning	66	Human Resource Services	74

Illawarra and South Coast Regional Strategy	34	National Water Initiative	54
IM&T Strategic Plan 2005-2008	77	National Water Initiative and Water Reforms	54
Independent Audit Report	80, 112	Native Vegetation Clearing Applications	44
Industrial relations	74	Native Vegetation Legislative Reform	42
Information and Communications Technology	77	Native Vegetation Management Fund	47
Infrastructure Planning Processes	39	Native Vegetation Scorecard and Accounting Method	47
Inner City Transport Strategy	31	Natural Resources Advisory Council	43
Internal Audit	67	Natural Resources Atlas	46
Investigations Management	76	Natural Resources Commission's standards and targets	46
Job Design	73	Natural Resources Ministerial Reference Group	42
Key external relationships	8	Natural Resources Policy	42
Knowledge Strategy	74	Natural Resources Reforms	42
Land Release Plans	29	NSW Audit Office Reviews	67
Learning and Development	73	NSW Coastline Cycleway Project	36
Legislation and Significant Judicial Decisions	144	NSW Government Action Plan for Women	70
Legislative Framework	7	NSW Government's Plan for Infrastructure	39
LEP Template	17	Notes to and Forming Part of the Financial Statements	88, 118
Living Murray Initiative	58	Occupational Health and Safety	73
Local Government Planning Reform Implementation Committee	18	Organisation Chart	9
Local Planning Case Study: Hooka Park	37	Orientation and Induction Program	73
Lower Hunter Regional Strategy	34	Overseas visits	136
Major assets other than land	157	PANRIIE	75
Major Development Assessment (Industrial)	22	Parramatta Road	29
Major Hazards and Contaminated Land	23	Payment of accounts	150
Major Infrastructure Assessment	20	Personnel policies and practices	70
Major Works in Progress	157	Planning Advisory Line	18
Management Development	72	Planning Reform Funds	18
Management of Alleged Breaches	76	Planning Reform Reference Group	16
Management Review and response	67	Planning System Reform	16
Managing Sydney's Growth Centres	29	<i>Plantations and Reafforestation Act 1999</i>	44
Media Relations	78	Ports and Freight Strategy	31
Metropolitan Development Program	29	Privacy	148
Metropolitan Rail Expansion Program	31	Private Native Forestry Code of Practice	43
Metropolitan Strategy	28	Procurement	68
Metropolitan Strategy Community Fora	28	Project Management	75
Metropolitan Strategy Discussion Paper	28	Property Management Plans	46
Metropolitan Transport Strategy	31	Publications	138
Metropolitan Water Plan	61	PVP Developer Software	42
Mining and Petroleum	38		
Ministerial and Departmental Correspondence	76		

Quality of Construction Act	17	Strategic Assessment	25
Rangelands Assessment	51	Strategic Risk Management	66
Regional Environmental Plan for the Unincorporated Area of NSW	35	Structure	8
Regional Forest Agreements and NSW Forest Agreements	44	Summary of Compliance with Financial Directives	86
Regional Forest Assessments	43	Support for Catchment Management Authorities and Landholders	45
Regional Strategies and Planning	33	Sustainable Groundwater Entitlements Package	60
Review and Assessment of Local Government Planning	18	Sydney–Canberra Corridor Regional Strategy	34
Review of Caravan Parks and Manufactured Homes Regulations	17	Sydney Harbour Management	30
Risk management and insurance arrangements	69	Telecommunications	77
<i>Rivers and Foreshores Improvement Act 1948</i>	45	Urban and Tourism Assessment	24
Rural Floodplain Management	50	Urban Floodplain Management	49
Salinity Management	48	Urban Floodplain Management Case Study: The Lismore Levee	49
Satellite Imaging (SPOT5)	46	Upper Hunter Aboriginal Cultural Heritage Trust	36
Science and Information Board	74	Waste Reduction and Purchasing Policy (WRAPP)	156
Sector Strategies	37	Water Access Licences and water management approvals	56
Senior executive service (SES) officers, performance and remuneration	130	Water Access Licences Case Study: An indigenous cultural access water licence	56
Service Delivery Reforms	66	Water Assessment Guide	56
Significant Committees	151	Water Information Exchange	62
Snowy Joint Government Enterprise	60	<i>Water Management Act 2000</i> (legislative amendment)	54
Socio-economic monitoring of water sharing plans	62	Water Management Reforms	54
Soil Conservation and Salinity	48	Water Modelling for Water Sharing Plans	58
Soil Landscape Mapping	48	Water Monitoring	62
Spokeswomen's Program	71	Water Recovery	58
SPOT5 Satellite Imagery	46	Water Recovery Case Study: Darling Anabranch Management Plan	59
Staff	8, 70	Water Resource Management Charges	58
Staff from Non-English Speaking Backgrounds	72	Water Quality Monitoring	62
Standardised Information Management Framework	75	Water Sharing Plans (commencement, implementation)	55
Standard Operating Environment	77	Water Sharing Plans (completion)	57
State and Regionally Significant Development Assessment	20	Web sites	139
State Environmental Planning Policy (State Significant Development) 2005	17	Western Lands Advisory Council	50
Statement of Affairs	143	Western Lands Management	50
Statement of Cash Flows	85, 117	Western Regional Assessments – Brigalow and Nandewar Outcomes	43
Statement of Director General	82	Western Sydney Parklands	28
Statement of Financial Performance	83, 115	Wetland Recovery Plan	60
Statement of Financial Position	84, 116	Year in Brief	12
		Young People's Group	72

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