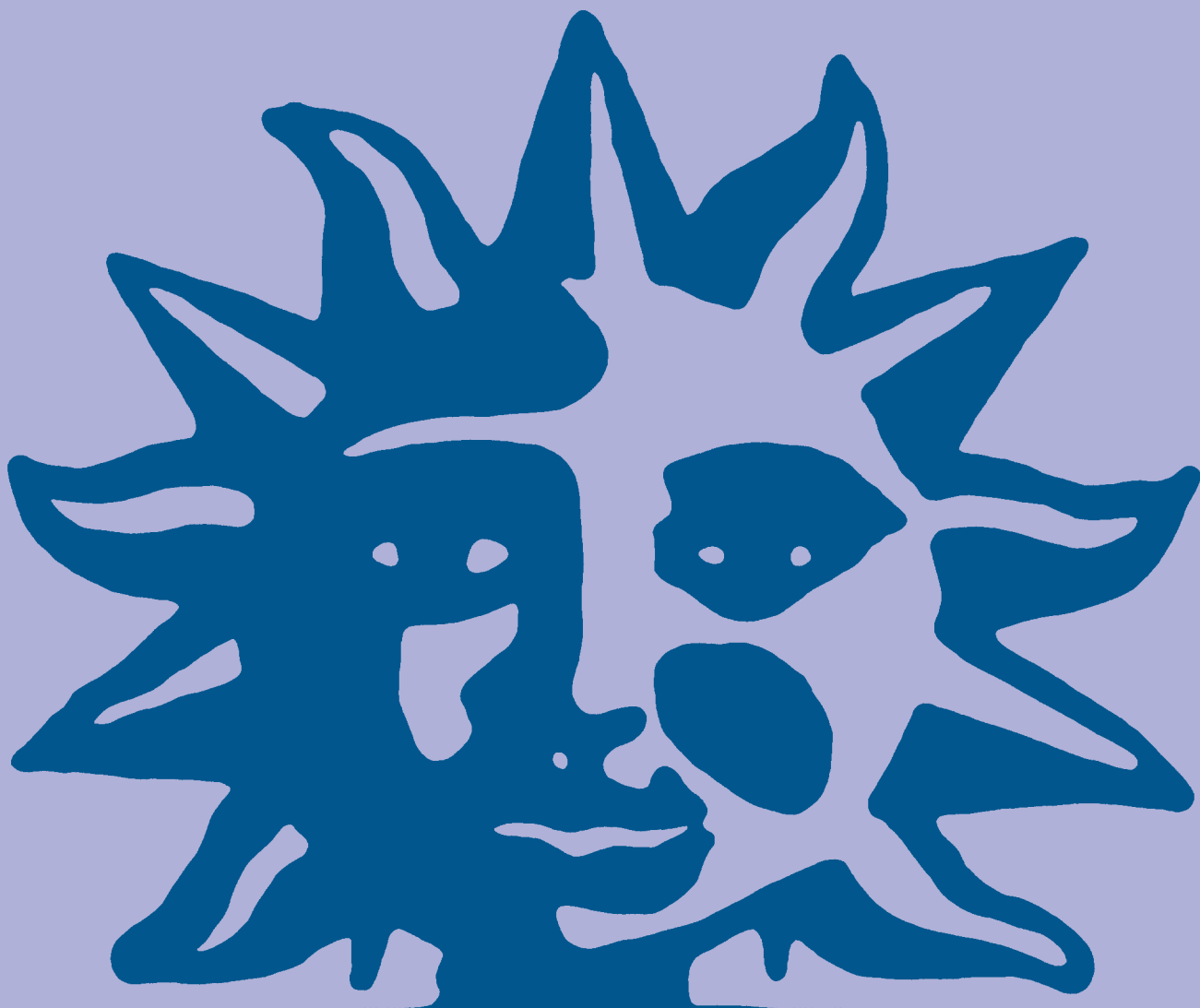




Environmental
TRUST



Environmental Trust

Annual Report 2001-02



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The Honourable Bob Debus, MP
Minister for the Environment
Parliament House
Macquarie Street
SYDNEY

Dear Minister

I have pleasure in presenting to you the 2001–02 annual report for the Environmental Trust.

I provide you with this report as required by the *Public Finance and Audit Act 1983* and the *Annual Reports (Statutory Bodies) Act 1984*.

Yours sincerely

A handwritten signature in blue ink that reads "Lisa Corbyn".

LISA CORBYN
Secretary Environmental Trust

October 2002

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In 1995, the Government passed the Forestry Restructuring and Nature Conservation Act to allow it to access the Trust's funds until the year 2001 to meet costs associated with:

- restructuring the timber industry for the purpose of conserving New South Wales' precious forests
- reserving and conserving new national parks
- implementing a range of high priority environmental projects.

Amendments to this Act during the year approved a further \$20 million of Trust funds towards restructuring the timber industry. They also extended the date by which payments may be made to 30 June 2006.

In order for the Trust to have the necessary funds to meet these high priority conservation strategies, this Act suspended, until the year 2000, certain aspects of the Trust's grants program.

See page 6 for details on the new 2001–02 grants program.

Overview of the Trust

In 1990 the New South Wales Government established the Environmental Trusts as three independent statutory bodies to support exceptional environmental projects which do not receive funds from the usual government sources.

The *Environmental Trust Act 1998* commenced on 9 November 1998. This legislation amalgamated the three former Trusts into a single Environmental Trust. The Trust receives a standing annual appropriation from the Consolidated Fund of \$13.5 million per year, indexed for CPI.

The Trust also accepts gifts and bequests.

The legislation requires the Trust to invest its funds.

Reforms to the Trusts

The *Environmental Trust Act 1998* established a new revenue base and collapsed the three former Trusts into a single body. Minimum annual allocations for community groups are also a feature of the legislation. These are:

- (a) grants to community organisations to encourage and support restoration and rehabilitation projects – \$1 million
- (b) grants to community organisations, universities and research institutes to promote research – \$0.5 million
- (c) grants to community organisations to promote environmental education – \$0.5 million.

This new program began with the 2000 grants cycle and gives the Trust more flexibility to target pressing environmental issues and broaden the grants program to achieve positive environmental outcomes.

Objects and functions of the Trust

The objects of the Trust are:

- to encourage and support restoration and rehabilitation projects; to promote research into environmental problems of any kind; and to promote environmental education; in both the public and private sectors.
- to fund the acquisition of land for the national parks estate.

The Trust makes and supervises the expenditure of grants and defines priority areas for funding.

Structure of the Trust

The Trust consists of three parts: the Trust itself, its technical committees and its administrative support staff.

Unlike other government organisations, the Trust does not have any physical assets which require risk management or associated insurance activities on which to report.

However, the Act allows for the cost incurred in administering the Act to be taken from Trust funds. The Environment Protection Authority (EPA) provides infrastructure support and the EPA's Finance Branch manages the Trust's financial activities.

Day-to-day matters are the responsibility of the grants administrator who works within the EPA's Education and Community Programs Branch. The major administrative tasks are:

- managing grants programs
- coordinating grants assessments by the Trust's technical committees
- servicing technical committee and Trust meetings
- paying grants
- monitoring funded projects
- handling all inquiries about the Trust
- promoting and publicising the Trust and its grants
- coordinating publications
- managing the Emergency Pollution Clean-up Program
- reviewing the Trust's programs and procedures
- coordinating the process of seeking proposals on broad program priorities from government and non-government organisations.

The Trust provides funding for salaries and some administration costs.

The EPA's Code of Conduct applies to all its officers administering the Trust.

Grants administration

All grants have conditions attached to them covering such matters as: the project timetable, grant payments, progress and final project reports, financial reports, project variations and other administrative requirements. Except where a project is of short duration, the Trust pays the grants in instalments.

Designated members of the technical committees review project progress and final reports as a means of keeping the Trust progressively informed about the quality of work and the outcomes of each project. Where warranted, the Trust's staff deposit the final report in the EPA's library so that everybody can have access to information about the project.

Ethnic Affairs Priority Statement

The call for the 2001 applications was advertised through the ethnic media across six language groups.

The Trust will continue to ensure that ethnic communities across New South Wales will have access to information about its grants programs. An Environmental Education grant was awarded this year to the Chinese Australian Services Society Cooperative to undertake a media campaign and hold workshops to raise environmental awareness among the Chinese communities of NSW.

Objects and Membership of the Environmental Trust

The Trust has established several technical committees to assist with the assessment of grant applications.

Objectives

The objects of the Trust are:

- (a) to encourage and support restoration and rehabilitation projects in both the public and the private sectors that will or are likely to prevent or reduce pollution, the waste-stream or environmental degradation, of any kind, within any part of New South Wales
- (b) to promote research in both the public and private sectors into environmental problems of any kind and, in particular, to encourage and support:
 - (i) research into and development of local solutions to environmental problems, and
 - (ii) discovery of new methods of operation for New South Wales industries that are less harmful to the environment, and
 - (iii) research into general environmental problems, and
 - (iv) assessment of environmental degradation
- (c) to promote environmental education and, in particular, to encourage the development of educational programs in both the public and private sectors that will increase public awareness of environmental issues of any kind
- (d) to fund the acquisition of land for national parks and other categories of dedicated and reserved land for the national parks estate.

Trust Members

Hon Bob Debus MP (Chairperson)

Minister for the Environment

Mr John Pierce

Secretary of NSW Treasury

Mr Pierce's delegate

Ms Elizabeth Dewar

Director Natural Resources and Environment Branch, NSW Treasury

Ms Lisa Corbyn (Secretary)

Director General, NSW Environment Protection Authority

Mr John Asquith

Representing the Nature Conservation Council of NSW

Cr Peter Woods

Representing the Local Government and Shires Associations of NSW (now Lgov NSW)

Technical Committee Membership

The Trust has established a technical committee for each program area.

Environmental Restoration and Rehabilitation Program

Mr Joe Woodward (Chairperson)

Assistant Director General (Operations), Environment Protection Authority

Mr Robert Verhey

Strategy Manager – Environment, Local Government and Shires Associations of NSW (now Lgov NSW)

Dr Greg Bowman

Principal Scientist, Centre for Natural Resources, Department of Land and Water Conservation

Dr Lynn Webber

*Manager Education and Community Involvement Unit, Education and Community Programs Directorate,
NSW National Parks and Wildlife Service*

Ms Ellen O'Brien

Principal, Envirostrategy (Representative of the Nature Conservation Council of NSW)

Mr Stuart Swadling

President, Nursery Industry Association of NSW Ltd (Industry representative)

Environmental Education Program

Mr Grahame Collier (Chairperson)

Director Community Education, Environment Protection Authority

Dr Jenny Dibley

*Senior Education Officer, Environment Protection Authority (Australian Association for Environmental
Education representative)*

Ms Maree McCaskill

Chief Executive Officer, Beverage Industry Environment Council (Industry representative)

Dr Lynn Webber

*Manager Education and Community Involvement Unit, Education and Community Programs Directorate, NSW
National Parks and Wildlife Service*

Ms Joanne Scarsbrick

*Total Catchment Management and Funding Specialist, Manly Council (Local Government and Shires Associations
of NSW representative – now Lgov NSW)*

Ms Sue Lennox

Director Australian Programs, Oz Green (Representative of Nature Conservation Council of NSW)

Eco Schools Program

Mr Geoff Young (Chairperson)

Manager Community Education Unit, Environment Protection Authority

Mr Syd Smith

Chief Education Officer, Environmental Education Unit, NSW Department of Education and Training

Ms Sue Moffat

Education Officer: Primary Curriculum, Catholic Education Office

Ms Janelle Hatherly

Community Education Manager, Royal Botanic Gardens, Sydney

Ms Wendy Kinsella

Australian Association of Bush Regenerators

Environmental Research Program

Dr David Leece (Chairperson)

Executive Director Environmental Science, Environment Protection Authority

Dr Judy Henderson, AO

Chair of Australian Ethical Investment Ltd and a Commissioner on the World Commission on Dams

(Community representative)

Dr John Keniry

President of the Australian Chamber of Commerce and Industry and chair of several bodies including

Ridley Corporation Ltd (Industry representative)

Due to the wide spectrum of possible grants under this program, a three-stage assessment process was established. Applications to the research program were sorted into five program areas (atmosphere; waters and catchments; hazardous substances and waste; biodiversity and terrestrial ecology; social and economic research) and peer-reviewed on scientific merit and relevance to the environment portfolio (in addition to the assessment criteria outlined in the *Guidelines for Grant Applications 2002*). The peer reviews were then ranked by relevant program leaders from the EPA and National Parks and Wildlife Service and submitted to the technical committee for consideration and recommendation to the Trust for funding.

Environmental Trust Priorities

The legislative reforms to the Trust enable it to direct a proportion of its funds to programs targeting high priority environmental issues in addition to its statutory obligations towards grants programs.

Under its legislation, the Trust is required to fund annual grants programs in the following areas:

- Environmental Restoration and Rehabilitation Program to community organisations – \$1 million
- Environmental Education Program to community organisations – \$500,000
- Environmental Research Program to community organisations, universities and research institutes – \$500,000.

Process for Setting Trust Priorities

As an independent statutory body, the Trust sets its own priorities in line with its objects under the Act. However, it has established a system for seeking input from government and non-government agencies on high priority environmental issues. These issues are considered by the Trust and may be included in future funding priorities. The Trust follows a four-step process:

1. In July/August seek broad proposals about what the priorities might be in the following year.
2. At the November Trust meeting determine which priorities might be further investigated.
3. Between November and March seek further information or in-depth program proposals.
4. At the March Trust meeting decide on programs for the following year.

This process provides State government, local government and peak environmental organisations with the opportunity to advise the Trust in an equitable and transparent manner about possible needs and priorities for future Trust programs.

Program Priorities in 2001–02

Grants Programs

The Trust provided additional funding to two of its statutory grants programs in 2001–02:

- An additional \$0.25 million for Restoration and Rehabilitation Program grants to community organisations, making \$1.25 million available.
- An additional \$1 million for grants in its Research Program, making \$1 million available. (In 2000–01 the Trust committed \$1.5 million to research grants in one year which was its statutory obligation for the next three years.)

Additional grants programs:

- Restoration and Rehabilitation Program to local government and relevant government agencies – \$1 million. This program's objectives are the same as the community grants program, however the Trust expanded the eligible organisations to include State and local government agencies.
- Eco Schools Program – \$120,000 (the Trust has agreed to ongoing funding of this program).

Land Acquisition

A total amount of \$3.5 million was granted to the National Parks and Wildlife Service (NPWS) towards land acquisition – \$3 million for properties in western NSW and \$500,000 for the Park Boundaries Improvement Program. The Trust has committed \$500,000 per year for three years for the boundaries program.

The nature of land acquisition makes expenditure of all funds within a single financial year difficult. Negotiations for some properties earmarked for a particular year's funds may carry through into the next financial year.

Acquisitions in the last financial year include:

- three new reserves in western NSW: two on the floodplains of inland NSW – Oolambeyan National Park (21,853 ha) in the Riverina bioregion and a property on the Mackintyre River in north-western NSW and a third, Taringa Nature Reserve (600 ha) east of Moree
- six major additions to parks in western NSW: three properties (130,000 ha) to be added to Peery National Park (now to be collectively named Paroo-Darling National Park), 1097 ha added to Coolah Tops National Park, 300 ha to Towarri National Park, and 3583 ha to Mount Kaputar National Park
- fifteen properties were purchased to add poorly forested areas to national parks and other reserves in south-eastern NSW
- Improving the Boundaries of the Reserve System – a total of six properties were purchased to improve the boundary of the Goulburn River National Park in the western Hunter Valley, plus another property to add to Captains Creek National Park in the Tweed region of NSW.

Other High Priority Environmental Programs

Acid Sulfate Soils

The Department of Land and Water Conservation (DLWC) received \$902,000, the 2001–02 component of an agreed \$2.0 million over three years, towards the amelioration of acid sulfate soils. DLWC reports that the program is progressing and management plans are on target for completion by September 2002 for all seven hot spots.

Clean Air Program

The Trust provided \$2.5 million to the NSW Environment Protection Authority (EPA) in 2001–02 for year one of a three-year Clean Air Program. The EPA allocated funds to two major program areas:

- **Air Quality Improvement Program**

Local Air Improvement Projects \$300,000 (a pilot grants program for local government organisations in the greater metropolitan area to undertake local air quality improvement projects).

Workshops with local government were held to determine levels of knowledge and technical expertise around air quality issues. Discussions were also held to identify potential projects that councils and Regional Organisations of Councils were prepared to undertake. Seven projects were funded and are currently under way.

Stage 2 (Petrol) Vapour Recovery Pilot \$1.2 million (a project to trial the cost effectiveness of stage 2 vapour recovery systems to reduce emissions of volatile organic compounds in the greater metropolitan area).

The EPA reports that despite extensive consultation with oil companies, this project did not commence in 2001–02.

- **Domestic Air Quality Management Program**

Woodsmoke Reduction Program \$1 million (a program that encourages the community to shift away from woodheaters that pollute the environment, to cleaner forms of energy, and to educate people on the appropriate use of woodheaters).

It had three components: cleaner heating cash incentives, education initiatives and smoke patrols with follow-up actions.

The program commenced in six council areas in regional NSW and as at June 2002, 538 applications for cleaner heating cash incentives were approved. Educational material was produced and targeted local education campaigns were developed.

Overarching Education Program

The NSW EPA received \$2.5 million as funding for the second year of the whole-of-government environmental education program, *Our Environment – It's a Living Thing*. The Trust has committed a total of \$8.75 million towards this program up to the year 2003–04.

The EPA reported that phases one and two of the advertising campaign, conducted in 2001–02, covered themes such as:

- reducing paper waste in the workplace, reducing energy and conserving water at home
- recycling and reusing things around the house, 'treading softly' when out and about in the natural environment and leaving the car at home for cleaner air.

A specialised press and radio strategy was also implemented for non-English speaking communities. A range of organisations, including State Government agencies, local council and Keep Australia Beautiful, have adopted the *It's a Living Thing* brand which further strengthens the program's ability to reach people at the grass roots level.

Urban Wildlife Renewal Program

NPWS reported on Stage 1 of their Urban Wildlife Renewal Program that was funded by the Trust in 2000–01. This program aimed to make people more aware of what they could do as individuals and communities to protect and conserve wildlife in urban areas of NSW. NPWS reports that they have collaborated with a number of government and non-government agencies and industry representatives to build on partnerships for the delivery of innovative urban biodiversity projects. They have also formed partnerships with six local councils in undertaking pilot projects under the new 'backyard buddies' program. The Trust has agreed to fund \$250,000 in 2002–03 for Stage 2 of this program.

Contaminated Land Management Program

The Contaminated Land Management Program commenced on 1 July 2001, making available up to \$7.5 million over three years to assist with the remediation of contaminated sites owned by "innocent" parties.

Since the 1998 commencement of the *Contaminated Land Management (CLM) Act 1997*, there have been cases where property owners have unwittingly found themselves responsible for the remediation of serious land contamination because the polluter cannot be found or no longer exists, and the current owner had no association with past activities on the land. The program is set up specifically to assist these property owners (known as "innocent owners") to remediate their land.

To be eligible, an owner must be able to produce a letter from the Environment Protection Authority notifying them that the property is affected by land contamination that is considered to pose a significant risk of harm. Grants only cover remediation and are not available to fund investigations of sites for potential contamination.

A Special Purpose Assessment Committee has been established for the Program. It meets throughout the year, as required, to provide expert assessment to the Secretary of the Trust who has delegated approval of grant applications according to separate program-specific guidelines.

See page 17 for grants made under this program.

New Programs to Address Priorities for 2002–03

The Trust met in April 2002 to review in-depth proposals from agencies who were short-listed at the November 2001 meeting and to decide on priorities for 2002–03. Those priorities will provide funding to:

National Parks and Wildlife Service

\$2.5 million for land acquisition in western New South Wales and Park Boundaries Improvement Program

\$0.25 million for Stage 2 of the Urban Wildlife Renewal Program

\$0.2 million for a joint project with the Royal Botanic Gardens Sydney towards a Voluntary Conservation and Biodiversity Inventory Program.

NSW Fisheries

\$0.29 million for a program to address the causes of fish kills in the Macleay, Clarence and Richmond catchments

\$0.25 million towards a program to investigate the impacts of cold water from dams into rivers – known as cold water pollution.

Trust Grants Programs

\$0.35 million to a new program *Protecting our Places* targeting Aboriginal communities in NSW

\$1 million for Restoration and Rehabilitation Program grants to local government organisations.

Grant Decisions 2001

The Environmental Restoration and Rehabilitation technical committee met on 31 October 2001.

The committee for Environmental Education met on 12 October 2001. The Eco Schools Program committee met on 17 October 2001 and the Environmental Research Program technical committee met on 25 October 2001.

After reviewing all applications, the committees made their final assessments using a ten-point rating system. At its meeting on 20 November 2001, the Trust considered all applications along with its technical committees' assessments. Table 1 is a summary of the Trust's decisions.

Table 1
Summary of Trust Decisions 2001

Program	No. of Applicants	No. of Grants	Total
Environmental Restoration & Rehabilitation (community)	74	22	\$1,244,571
Environmental Restoration & Rehabilitation (State and local Government)	62	21	\$1,007,988
Environmental Education	79	12	\$564,517
Environmental Research	24*	7	\$1,099,452
Eco Schools	186	80	\$120,000
Total	425	142	\$4,036,528

* The Trust received 145 Expressions of Interest which were peer-reviewed and short-listed. It invited 24 full applications for consideration by the peer reviewers and technical committee.

Tables 2 to 6 set out in detail the grants approved under each program in 2001, the names of the recipients, their projects and the relevant local government area (LGA).

The Environmental Trust, under subsection 15(4) of the Act, waived the condition requiring a grant to be expended within three years after it is made for the following grants:

- Rylstone District Environment Society Inc. – Roadside vegetation survey
- Cornwallis Wilberforce Riverbank Group Inc. – Restoration of riparian zone: Hawkesbury River

Future Programs

The Trust has determined that it will meet at least twice each year: once to decide on successful grants and once to confirm priorities for the next year's grants and other programs.

The Trust met in April 2002 to confirm program priorities for the 2002 grants program.

The Trust will meet in November 2002 to make its decision on the 2002–03 grants.

All applicants will be notified in December 2002 of the outcome of their applications and details of grant recipients will be provided in the Environmental Trust's Annual Report 2002–03.

Table 2
Environmental Restoration and Rehabilitation Grants 2001
Community Grants Program

Grant recipient	Project title	LGA	Amount
Bellinghen Island Landcare Group	Bank stabilisation, restoration and revegetation, Bellinghen Island	Bellinghen	\$59,030
Combaning–Dirnaseer Landcare Group	Combaning and Dirnaseer – regeneration and revegetation of rural environment	Temora	\$60,674
Craigie Landcare Group	Maintaining good riparian vegetation on the Upper Little Plains River	Bombala	\$19,500
Cudgegong Catchment Committee	Removal and management of willows in the Upper Cudgegong catchment	Various	\$100,000
Dalgety and District Community Association	Demonstration of best practice for restoration of banks of Snowy River	Snowy River	\$18,750
Davidson Park Picnic Area Bush Regeneration Group	Weeding of upper reaches of Babbage Ravine	Warringah	\$5,000
Delegate River Catchment Landcare Group	Upper Delegate River maintenance of riparian vegetation	Bombala	\$26,562
Friends of Lane Cove National Park	Save blue gum high forest – Restore and Educate!	Ku-ring-gai	\$41,490
Ganmain Urban Landcare Inc.	Restoration of forest, wetlands and wildlife corridor at Ganmain	Coolamon	\$95,437
Greening Australia NSW	Seed production areas for the Murray catchment	Murray	\$100,000
Hastings Camden Haven Landcare Co-ordinating Committee Inc.	Littoral rainforest restoration and rehabilitation project	Hastings	\$62,975
Holbrook Landcare Group	Holbrook gullyhead erosion prevention demonstration	Holbrook	\$90,635
Kayuga–Dartbrook Landcare Group Inc.	Implementation of catchment and rivercare plans in the Upper Hunter	Various	\$97,823
Lake Cowal Foundation Limited	Protecting Lake Cowal – regenerating Bland Creek riparian foreshore	Various	\$99,985
Lower Lachlan Landcare Group Inc.	Carp eradication and native fish restoration in Lake Bunumburt	Balranald	\$5,438
Minnehaha Falls Landcare Group	Weed eradication in Grose sub-catchment	Blue Mountains	\$9,800
Nabiac Landcare	Mangrove re-establishment on Wallamba River	Great Lakes	\$9,265
Nari Nari Tribal Council	Conservation in the Riverina: An integrated management framework	Hay	\$90,300
School Communities Recycling All Paper Ltd (SCRAP)	Biodiversity action – Cumberland Plain	Various	\$100,000
Terry's Creek Bushcare	Terry's Creek bush regeneration project	Lane Cove	\$20,000
Upper Snowy Landcare Committee Inc.	Removing seeding willows from the Upper Snowy Catchment – Stage II	Various	\$45,500
World Wide Fund for Nature Australia	Establish Monaro grasslands conservation management network	Various	\$86,407
Total			\$1,244,571

Table 3
Environmental Restoration and Rehabilitation Grants 2001
State and Local Government Grants Program

Grant recipient	Project title	LGA	Amount
Blacktown City Council	Restoring the hidden jewel of Nurragingy – the Lorikeet Marsh	Blacktown	\$33,400
Camden Council	Kings Bush regeneration project, Camden Shire	Camden	\$36,400
Department of Urban Affairs and Planning	Rapid replacement Tradescantia Flumenensis in habitat sensitive sites	Penrith	\$19,460
Fairfield City Council	Wetherill Park bushland rehabilitation and cultural industry initiative	Fairfield	\$36,000
Lord Howe Island Board	Stop the spread of pittosporum on Lord Howe Island	Lord Howe Island	\$71,240
Murray Regional Organisation of Councils (Murray ROC)	Roadside vegetation management	Various	\$95,233
National Parks and Wildlife Service, Sydney North Region	Lion Island little penguin threat abatement	Gosford	\$71,200
NSW National Parks and Wildlife Service	Willow control – Goulburn River National Park	Various	\$75,040
NSW National Parks and Wildlife Service	Private land koala habitat restoration in south east NSW	Various	\$52,000
NSW North Coast Weed Advisory Committee Inc.	Bushland friendly nursery scheme	Various	\$58,000
Parramatta City Council	Bringing people to Moxhams Reserve, Northmead	Parramatta	\$10,000
Parramatta City Council	Restoration of threatened bushland at Galaringi Reserve and Cox Park	Parramatta	\$10,000
Shoalhaven City Council	Shoalhaven rural privet strategy	Shoalhaven	\$99,630
Sutherland Shire Council	Rehabilitation of shale/sandstone transition forest at Menai	Sutherland	\$18,550
Sutherland Shire Council	Restoration of Kurnell dune Forrest, Charlotte Breen Reserve, Kurnell	Sutherland	\$29,750
Tamworth City Council	Regeneration, weed and erosion control in native bushland	Tamworth	\$12,640
Upper Parramatta River Catchment Trust	Problem willow eradication program in the Upper Parramatta River	Various	\$20,000
Wagga Wagga City Council	Restoring core riparian habitat for key threatened species in Wagga	Wagga Wagga	\$63,445
Wakool Shire Council	Roadside landscapes for the future	Wakool	\$100,000
Warringah Council	Manly Warringah War Memorial Park creek restoration and rehabilitation	Warringah	\$66,000
Wollongong City Council	Protection of the threatened green and golden bell frog in Coomaditchy	Wollongong	\$30,000
Total			\$1,007,988

Table 4
Environmental Education Program Grants 2001

Grant recipient	Project title	LGA	Amount
Australian Network for Plant Conservation	Guidelines for best practice plant conservation techniques	State wide	\$74,794
Camden High School Parents and Citizens Association	'The Lorax' ESD education for families	Camden	\$5,000
Chinese Australian Services Society Cooperative Ltd	Environmental education project for the Chinese community in NSW	Canterbury	\$86,240
Coonabarabran Local Aboriginal Land Council	Aboriginal environmental education on Burra Bee Dee Mission	Coonabarabran	\$45,200
Dora Creek Catchment Group Inc.	Education through involvement	Lake Macquarie	\$27,925
Glen Innes Natural Resources Advisory Committee	Education for attainment of strategic objectives	Glen Innes	\$17,830
Goonengerry Land Care Group Inc.	Goonengerry wastewater education project	Byron	\$19,903
The LEAD Group Inc.	Lead management capacity building and web resources for NSW Local Government	State wide	\$80,340
Local Government and Shires Associations of NSW	Biodiversity planning made easier – workshops for Local Government	State wide	\$29,170
Maitland Region Landcare Inc.	Our Sense of Place – improving environmental attitudes and behaviours	Maitland	\$36,950
MIA Council of Horticultural Associations Inc.	Environmental sustainability manual for MIA Horticultural Industries	Various	\$82,300
Wetland Care Australia	North Coast Wetland Action – practical support for landholders	Ballina	\$58,865
Total			\$564,517

Table 5
Environmental Research Program Grants 2001

Grant recipient	Project title	2001	2002	2003	Total Amount
CSIRO Land and Water	Guidelines for the safe re-use of metal-containing wastes on land	\$97,635	\$63,944	\$38,421	\$200,000
Monash University	Sustainability of wetlands with regard to wastewater disposal	\$57,750	\$52,750	N/A	\$110,500
NSW Agriculture	Bioavailability assessment of endocrine disrupters in soil/sediment	\$56,510	\$56,710	\$56,410	\$169,630
NSW National Parks and Wildlife Service	Woodchips and wildlife	\$22,000	\$40,800	\$35,800	\$98,600
Southern Cross University	Causes of de-oxygenation in the Richmond River estuary	\$63,580	\$66,028	\$68,478	\$198,086
University of New South Wales	Expert system for the identification of hazardous substances	\$90,841	\$86,447	N/A	\$177,288
University of Wollongong	Native title, land rights and biodiversity conservation in NSW	\$73,924	\$71,424	N/A	\$145,348
Total		\$462,240	\$438,103	\$199,109	\$1,099,452

Table 6
Eco Schools Program Grants 2001

Grant recipient	Project title	LGA
All Saints Catholic Girls School (Liverpool)	'Bell Garden': creating a multi-purpose garden/regeneration project	Liverpool
Ashfield Public School	Multi purpose outdoor learning and performance space	Ashfield
Austinmer Public School	Austinmer school coastal regeneration project	Wollongong
Bass Hill Public School	Outdoor learning area and garden	Bankstown
Bates Drive SSP	Sensory awareness garden for intellectually disabled students	Sutherland
Bexhill Public School	Camphor Laurel replacement pilot program	Lismore
Blue Haven Public School	Frog hollow learning area	Wyong
Bobs Farm Public School	Operation backyard	Port Stephens
Brungle Public School	Learnscape Project – create a food forest with interpretive material	Tumut
Cardiff High School	Restoration of embankment at school entrance	Lake Macquarie
Cardiff North Public School	Regeneration of native bushland	Lake Macquarie
Clarke Road Special School (Hornsby)	Restoration of turpentine woodland in school grounds	Hornsby
Coledale Public School	Environmental study and mapping/natural outdoor learning area	Wollongong
Colo High School	Improving water management	Hawkesbury
Corinella Public School	'Corinella Kids Care' – construction of environmental education area	Forbes
Corowa Public School	Environmental restoration and walkway construction	Corowa
Cromer Public School	Cromer - an ecologically sustainable school in 2002	Warringah
Currawarna Public School	Currawananna environmental learnscape	Wagga Wagga
Dorrigo High School	Dorrigo High School Forest Envirochallenge	Bellingen
Dorrigo Public School	Establish understorey to prevent erosion and provide fauna habitat	Bellingen
Durrumbul Public School	Regeneration of riparian zone on school grounds	Byron
Eschol Park Public School	Australia's Identity: Our Native Flora	Campbelltown
Eurongilly Public School	'Gilly Native Blitz' – life skills program	Junee
Forster High School	Indigenous cultural 'Learnscape'	Great Lakes
Ghinni Ghinni Primary School	Establish heritage garden around heritage building in school grounds	Port Macquarie
Girraween High School	Establishment of a native bush food garden and bird watching club	Holroyd
Glendale Technology High School	To regenerate an eroded playground area and generate a native garden	Lake Macquarie
Glenreagh Public School	Restoration and regeneration of native bush areas	Pristine Waters
Gol Gol Public School	Establishment of an outdoor environmental education centre	Wentworth

Table 6 Continued
Eco Schools Program Grants 2001

Grant recipient	Project title	LGA
Gundagai Public School	Yarri native garden	Gundagai
Guyra Central School	Revegetation of school farm grounds	Guyra
Havenlee SSP	Linking special students with the natural environment	Shoalhaven
Heathcote East Public School	Rehabilitation of school grounds to reflect our bushland setting	Sutherland
Hurstville Boys' High School	Hurstville Boys' triple R project – a waste reduction program	Hurstville
La Salle Academy (Lithgow)	Linking remnant vegetation in the Farmers Creek catchment	Greater Lithgow
Lennox Head Public School	Lennox Head Primary School environmental management plan	Ballina
Mamre Christian College (Erskine Park)	Self-sustaining vegetable and Aboriginal garden	Penrith
Manilla Central School	Woodland community educational site	Manilla
Maroota Public School	Learning to live sustainably	Baulkham Hills
Martins Gully Public School	Enhancement of the nature area to provide a wetland	Armidale
Metford Public School	Water and energy wise – promoting sustainability	Maitland
Millbank Public School	Learnsapes: bush food/rainforest regeneration and propagation	Kempsey
Millthorpe Public School	Creation of nature garden and quiet learning area	Blayney
Molong Central School	Stabilisation and tree planting on damaged bank area of school oval	Cabonne
Mount Druitt Public School	Grey box grove	Blacktown
Mount Erin High School	Demonstration backyard organic recycling area	Wagga Wagga
Mount Hutton Public School	Creating an environmentally friendly school	Lake Macquarie
Mt St Benedict College (Pennant Hills)	Invertebrate ecological indicators in Sydney blue gum high forest	Hornsby
Mullumbimby Public School	Creation of an educational biodiversity arboretum	Byron
Mumbulla School for Rudolf Steiner Education	Mumbulla school environment club	Bega Valley
Narara Valley High School	Creation of an outdoor education/frog pond and learning space	Gosford
Narooma Public School	Establishment of a native and bush tucker garden	Eurobodalla
Narrabri High School	Narrabri High School/TAFE joint environmental enhancement project	Narrabri
Niagara Park Public School	Propagating shadehouse and school rainforest area	Gosford
Orange High School	Create gardens, seating and treed area in inner quadrangle	Orange
Our Lady of the Nativity School (Lawson)	School oval bush regeneration initiative	Blue Mountains
Petersham Public School	Environmental friendly frog pond with indigenous plants and grasses	Marrickville

Table 6 Continued
Eco Schools Program Grants 2001

Grant recipient	Project title	LGA
Quandialla Central School	Salinity prevention through ecologically sustainable agriculture	Weddin
Queanbeyan West Public School	Propagation of local species to regenerate areas of school grounds	Queanbeyan
Riverina Anglican College (Wagga Wagga)	Soil rehabilitation and wetland and restoration – Enviro Learning Centre	Wagga Wagga
South Coogee Public School	Outdoor environmental education classroom	Randwick
Sussex Inlet Public School	Hands-on environmental education program	Shoalhaven
Sylvania High School	Creation of a rainforest area to meet school curriculum needs	Sutherland
Talbingo Public School	The Snowy Trail – Learnscapes Talbingo	Tumut
Teven-Tintenbar Primary School	Ecologically sustainable agricultural system – school rice farm	Ballina
Thomas Acres Public School	Bringing back the native birds	Campbelltown
Thurgoona Public School	Habitat improvement for the Regent Honeyeater and other woodland birds	Hume
Turvey Park Public School	School grounds regeneration project	Wagga Wagga
Ungarie Central School	Our outdoor classroom	Bland
Urana Central School	Local native plant species education and revegetation project	Urana
Valentine Public School	Regeneration of native habitat	Lake Macquarie
Warrawong Public School	Year 4 waste management and school improvement project	Wollongong
Wauchope Public School	Native garden establishment around new library and technology centre	Hastings
West Bathurst Public School	Growing an outdoor classroom	Bathurst
William Dean Public School	Restoration and rehabilitation of our native bush corner	Blacktown
Windsor Public School	Re-use, Recycle and Rejuvenate our Resources!	Hawkesbury
Wollongong Public School	School playground erosion buster project	Wollongong
Yass High School	Reclamation of overgrown riparian vegetation above Yass River	Yass
Young and Powerful School (Lismore)	The Tucki Tucki Creek wetland sanctuary and outdoor learning centre	Lismore
Total		\$120,000

Contaminated Land Management Program

Grants made under the Contaminated Land Management Program are listed below. See page 8 for more information on this program.

Table 7
Contaminated Land Management Program Grants 2001-02

Applicant	Property	Amount	Detail
Mr and Mrs Flores	60 Lynwen Crescent, Banksia	\$159,628	Fixed price contract for the remediation of this property, including costs to project-manage the works
Mr and Mrs Player	Squeakers Childcare Centre 128 Mortimer Street, Mudgee	\$15,319	Reimbursement of costs incurred for laying synthetic grass and site auditor fees
Total		\$174,947	

Emergency Pollution Clean-up Program

In addition to its annual grants program, the Environmental Trust funds the Emergency Pollution Clean-up Program.

The Trust has delegated authority to nominated officers in the EPA to approve funds for the cleaning up of pollution in emergencies where no other sources of funds are available to do the work. The funds can also be used, in certain circumstances, for the management of orphan waste material incidents. The Trust does not pay for such work where it can identify a person or organisation responsible for and/or required to clean up the pollution.

The *Environmental Trust Act 1998* stipulates that the maximum amount the Trust can spend in any one financial year is \$0.5 million. Prior to the commencement of the new Act, there was no ceiling on the amount of money that could be approved for the Emergency Pollution Clean-up Program.

On 12 July 1998 there was a large chemical fire at the Resolv Liquids factory at Wilberforce. The nature of the pollution at the site is such that until the clean-up is finalised, there remains an immediate and significant risk to the environment. The former Environmental Restoration and Rehabilitation Trust approved an amount of up to \$1.152 million for the emergency clean-up and site rehabilitation.

The current Trust approved a further \$96,000 in 2001–02 to complete the works. The site rehabilitation commenced in 1998–99 and was finalised in June 2002.

Table 8
Emergency Pollution Clean-up Payments 2001–02

Organisation	Incident	Date of Incident	Amount
Collex Pty Ltd	Resolv Liquids, Wilberforce: Removal and transport of liquid waste from site.	12/07/1998	\$2,800.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/07/01–23/08/01.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/08/01–23/09/01.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/09/01–23/10/01.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/10/01–23/11/01.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/11/01–23/12/01.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/12/01–23/1/02.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/1/02–23/2/02.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: fencing of site during rehabilitation – 23/2/02–23/3/02.	12/07/1998	\$174.00
Playsafe Fencing	Resolv Liquids, Wilberforce: final fencing invoice.	12/07/1998	\$125.00
Thiess Services	Resolv Liquids, Wilberforce: final payment for rehabilitation of site.	12/07/1998	\$75,586.07
Sub-total for 2001–02			\$79,903.07

Table 8 Continued
Emergency Pollution Clean-up Payments 2001-02

Organisation	Incident	Date of Incident	Amount
City of Canada Bay Council	Powells Creek, North Strathfield: spill of oil/petrol from dumped car. Removal and disposal of boom to contain spill.	9/12/2001	\$400.00
Cleanaway	Coles Supermarket, Saratoga: Collection and disposal of chemicals left outside supermarket.	22/12/2000	\$630.00
Cleanaway	Tucks Road, Seven Hills: removal and pump out of wastewater from spill into Toongabbie Creek.	30/10/2001	\$3,240.00
Cleanaway Sthn Qld	Whittles Chemist, Main Street, Murwillumbah: collection and disposal of arsenic left at chemist.	27/12/2001	\$255.00
Cleanaway	Garie Beach, Royal National Park: orphan waste incident – removal and disposal of drums washed up on beach.	12/02/2002	\$443.00
Cleanaway	West Portland Rd, East Kurrajong: collection and disposal of orphan waste dumped on road.	28/03/2002	\$1,156.00
Cleanaway	Hume Highway, Blairmount: collection and transportation of fuel spill.	23/04/2002	\$665.00
Cleanaway	Hume Highway, Blairmount: disposal fee resulting from fuel spill.	23/04/2002	\$792.00
Collex	Tucks Road, Seven Hills: spill into Toongabbie Creek, pumpout of wastewater.	25/10/2001	\$1,777.50
Collex Pty Ltd	Intersection of Parramatta Rd and Phillip St, Burwood: removal and cleanup of wastewater – Diesel spill from traffic incident into stormwater.	26/03/2002	\$2,600.00
Collex Pty Ltd	Princes St, Ryde: spill into creek, pump out and removal.	4/04/2002	\$885.00
CWDS	Ryan St, Sth Grafton and Telegraph St, Cowper: unidentified drums washed up during flooding of Clarence River.	27/06/2001	\$814.75
CWDS	Ten-Mile Beach, Bunjalung National Park, Iluka: transport and disposal of waste.	27/06/2001	\$828.69
CWDS	Corumba Nature Reserve, Corumba: transport and disposal of waste material.	18/08/2001	\$1,452.03
Drum Reconditioners	Clearview Place, Brookvale: orphan waste incident – dumping of 12 x 20 litre drums.	26/06/2001	\$90.00
Fairfield City Council	Burns Creek (between Malta and Normandy Sts) Villawood: clean-up of water pollution incident.	18/07/2001	\$2,905.00
Fairfield City Council	Prospect Creek, Wetherill Park: Spill into creek – removal and disposal of dead fish.	8/02/2002	\$5,695.45
Fairfield City Council	Corner Polding St and Prairievale Rd, Prairiewood: spill of acid onto road.	9/05/2002	\$430.00
GM Laboratories	Tucks Road, Seven Hills: spill into Toongabbie Creek, analysis of water samples.	20/12/2001	\$682.50
Marrickville Council	Meeks Lane, Marrickville: orphan waste – dumping of 12 x 60 litre containers of waste solvent	3/07/2001	\$1,300.00

Table 8 Continued
Emergency Pollution Clean-up Payments 2001-02

Organisation	Incident	Date of Incident	Amount
Parramatta City Council	Webb St, Parramatta: orphan waste incident.	18/03/2002	\$260.00
Rockdale City Council	Forest Rd, Bexley: collection and removal of acid spill.	26/02/2002	\$321.23
Rethmann Sydney	Toongabbie Creek, Seven Hills: removal and clean-up of wastewater spill.	12/08/2001	\$3,963.40
RTA	New England Highway, Kootingal: orphan waste incident – collection and disposal of drum.	30/11/2001	\$1,075.00
Strathfield Municipal Council	Cleveland and Madeline Street, Greenacre: disposal of dumped sheets of asbestos cement sheeting rubble and dust.	27/09/2001	\$1,920.31
Strathfield Municipal Council	Wentworth Street, Greenacre: disposal of dumped sheets of asbestos cement.	16/10/2001	\$948.30
Strathfield Municipal Council	Naughton Street, Greenacre: collection and disposal of LPG gas cylinders dumped on nature strip.	6/11/2001	\$147.50
Strathfield Municipal Council	Norfolk Road, Greenacre: collection and disposal of drum of unknown substance dumped on nature strip.	6/11/2001	\$447.10
Tweed Shire Council	Land adjacent to cane farm on Tumbulgum Rd, Condong: dumping of 12 drums of orphan waste	25/07/2000	\$484.00
Tweed Shire Council	Pottsville Public School: collection and disposal of orphan waste from outside school grounds	13/06/2001	\$415.00
Tweed Shire Council	River Street, South Murwillumbah: disposal of mercury found in gutter.	30/11/2001	\$33.50
Waste Sevice	Tucks Road, Seven Hills: disposal of liquid waste from spill into Toongabbie Creek.	25/10/2001	\$846.00
Wingecarribee Shire Council	Donkin Avenue, Mossvale: dumping of 2 x 200 litres of unknown substance behind scout hall – removal and disposal costs.	25/10/2001	\$262.50
Wingecarribee Shire Council	Loop Road, Mt Gibraltar, Mittagong: 4 drums of unknown liquid dumped beside loop road. Transport of material to depot and removal and disposal.	8/11/2001	\$782.50
Zappaway Industrial Cleaning	Tucks Rd, Seven Hills: removal and clean up of spill into stormwater drain.	5/11/2001	\$6,486.00
Sub-total for 2001-02			\$45,434.26
Total			\$125,337.33

INDEPENDENT AUDIT REPORT

ENVIRONMENTAL TRUST

To Members of the New South Wales Parliament

Scope

I have audited the accounts of the Environmental Trust for the year ended 30 June 2002. The Members of the Trust are responsible for the financial report consisting of the accompanying statement of financial position, statement of financial performance and statement of cash flows, program statement – expenses and revenues and summary of compliance with financial directives together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act). My responsibility does not extend to an assessment of the assumptions used in formulating budget figures disclosed in the financial report.

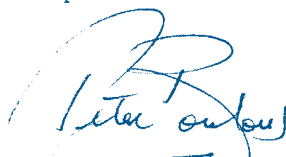
My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Trust's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Environmental Trust complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Trust as at 30 June 2002 and the results of its operations and its cash flows for the year then ended.



P.J. Boulous, CA
Director of Audit

SYDNEY
18 October 2002

Environmental Trust
Statement by Members of the Trust

Pursuant to section 41C (1C) of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the Environmental Trust, we state that:

(a) The accompanying financial statements exhibit a true and fair view of the financial position of the Environmental Trust as at 30 June 2002 and the transactions for the period 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 Regulation 2000, and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



BOB DEBUS MP
Chairperson



LISA CORBYN
Secretary

Start of Audited Financial Statements

Environmental Trust
Statement of Financial Performance
for the year ended 30 June 2002

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
Expenses				
Operating expenses				
Employee related	2(a)	140	115	117
Other operating expenses	2(b)	264	595	296
Grants and subsidies	2(c)	19,840	28,723	23,603
Total Expenses		20,244	29,433	24,016
Less:				
Retained Revenue				
Investment income	3(a)	1,712	1,712	3,091
Other revenue	3(b)	55	-	3
Total Retained Revenue		1,767	1,712	3,094
NET COST OF SERVICES	14	18,477	27,721	20,922
Government Contributions				
Recurrent appropriation	4	14,889	14,889	14,049
Total Government Contributions		14,889	14,889	14,049
SURPLUS/(DEFICIT) FOR THE YEAR		(3,588)	(12,832)	(6,873)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(3,588)	(12,832)	(6,873)

The accompanying notes form part of these statements.

Environmental Trust
Statement of Financial Position as at 30 June 2002

	<i>Notes</i>	<i>Actual 2002 \$'000</i>	<i>Budget 2002 \$'000</i>	<i>Actual 2001 \$'000</i>
ASSETS				
Current Assets				
Cash assets	6	41,166	26,599	44,056
Receivables	7	791	8	100
Total Current Assets		41,957	26,607	44,156
Total Assets		41,957	26,607	44,156
LIABILITIES				
Current Liabilities				
Payables	8	1,823	18	443
Employee entitlements and other provisions	9	47	31	38
Total Current Liabilities		1,870	49	481
Total Liabilities		1,870	49	481
NET ASSETS		40,087	26,558	43,675
EQUITY				
Accumulated funds	10	40,087	26,588	43,675
Total Equity		40,087	26,588	43,675

The accompanying notes form part of these statements.

Environmental Trust
Statement of Cash Flows
for the year ended 30 June 2002

	<i>Notes</i>	<i>Actual 2002 \$'000</i>	<i>Budget 2002 \$'000</i>	<i>Actual 2001 \$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(130)	(115)	(110)
Grants and subsidies		(18,084)	(28,723)	(23,208)
Other		(1,138)	(595)	(469)
Total Payments		(19,352)	(29,433)	(23,787)
Receipts				
Interest received		982	1,712	3,077
Other		591	-	128
Total Receipts		1,573	1,712	3,205
Cash Flows from Government				
Recurrent appropriation		14,889	14,889	14,004
Net Cash Flows from Government		14,889	14,889	14,004
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	(2,890)	(12,832)	(6,578)
NET INCREASE / (DECREASE) IN CASH		(2,890)	(12,832)	(6,578)
Opening cash and cash equivalents		44,056	39,431	50,634
Cash transferred in on creation of the Environmental Trust				
CLOSING CASH AND CASH EQUIVALENTS		41,166	26,599	44,056

The accompanying notes form part of these statements.

Environmental Trust
Summary of Compliance with Financial Directives

	2002				2001			
	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	14,889	14,889			13,993	13,993		
- Additional appropriations								
- s.21A PF&AA (special appropriation)								
- s.24 PF&AA – transfers of functions between departments								
- s.26 PF&AA – Commonwealth specific purpose payments								
	14,889	14,889			13,993	13,993		
OTHER APPROPRIATIONS/ EXPENDITURE								
- Treasurer's Advance					56	56		
- s.22 – expenditure for certain works and services								
- Transfers from another agency – s.26 of the Appropriation Act								
	-	-			56	56		
Total Appropriations/ Expenditure/Net Claim on Consolidated Fund (includes transfer payments)	14,889	14,889 14,889			14,049	14,049 14,004		
Amount drawn down against Appropriation		14,889				14,004		
Liability to Consolidated Fund		-				-		

The summary of compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

Environmental Trust

Notes to and forming part of the Financial Statements

1. Summary of Significant Accounting Policies

(a) The Reporting Entity

The Environmental Trust, as a reporting entity, comprises the normal operating activities of the Environmental Trust, namely, supporting the environment.

(b) Basis of Accounting

The Environmental Trust's financial statements are 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, 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 AAS6 *Accounting Policies* is considered.

Except for certain investments, 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. The accounting policies adopted are consistent with those of the previous year.

(c) Revenue Recognition

Revenue is recognised when: the Environmental Trust has control of the good or right to receive; it is probable that the economic benefits will flow to the Environmental Trust; and the amount of revenue can be measured reliably. All of the Environmental Trust's revenue arises from its operating activities. When the unused part of a grant is returned to the Environmental Trust, it is recognised as other income. 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 generally recognised as revenues when the Environmental Trust obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is 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.

(ii) Investment Income

Interest revenue is recognised as it accrues.

(d) Employee Entitlements

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

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 entitlements 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 entitlements to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

Superannuation liability for the Environmental Trust is being met by the Crown. The expense for the financial year has been reflected in the financial statements of the EPA. Since there are only three full-time employees of the Environmental Trust, reflection of the expense and liability in the financial statements of the Environmental Trust is not considered necessary. Long service leave is measured on a nominal basis. The nominal method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

(e) Investments

Marketable securities and deposits are valued at market valuation or cost. Non-marketable securities are brought to account at cost. Revaluation increments and decrements are recognised in the Statement of Financial Performance.

(f) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the Environmental Trust 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.

2. Expenses

	2002 \$'000	2001 \$'000
a) Employee related expenses comprise the following specific items:		
Salaries and wages (including recreation leave)	135	112
Long service leave	5	5
	<u>140</u>	<u>117</u>
b) Other operating expenses:		
Auditor's remuneration - audit of financial report	11	10
Minor plant, stores and supplies	-	1
Fees and services	200	258
General administration	53	27
	<u>264</u>	<u>296</u>
c) Grants and subsidies:		
Grants provided to state and local governments	11,119	5,920
Grants provided to community/school groups	2,559	4,169
Grants provided to Consolidated Fund for initiatives under the <i>Forestry Restructuring and Nature Conservation Act 1995</i>	6,162	13,514
	<u>19,840</u>	<u>23,603</u>

Included in Grants to the Consolidated Fund is \$6,162,467 for forestry industry restructuring. Before the grants can be made, the Trust, under the *Forestry Restructuring and Nature Conservation Act 1995*, requires the Minister for Land and Water Conservation to certify costs incurred for forest industry restructuring. Following a change in Ministerial portfolios, the responsibility for this certification moved to the Minister for Forestry. The Act has not been amended to reflect this change.

3. Revenues

a) Investment income		
Interest on bank account	1,338	30
Interest on cash facility at TCorp	374	3,061
	<u>1,712</u>	<u>3,091</u>
b) Other revenue		
Grants from Budget Sector Agencies	48	-
Other	7	3
	<u>55</u>	<u>3</u>

4. Appropriations

	2002 \$'000	2001 \$'000
Recurrent appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	14,889	14,004
Less: liability to Consolidated Fund (per Summary of Compliance)	-	-
Total	<u>14,889</u>	<u>14,004</u>
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	14,889	14,049
Less: repayment of liability to Consolidated Fund	-	(45)
Total	<u>14,889</u>	<u>14,004</u>

5. Programs/Activities of the Environmental Trust

The Environmental Trust had only one program in 2001–02.

a) Program 1	Support of the Environment
Objective(s)	To encourage and support environmental restoration and rehabilitation projects. To promote research into environmental problems. To promote environmental education. To fund the acquisition of land for national parks and other categories of dedicated and reserved land for the national parks estate.

6. Current Assets: Cash

Cash at bank and on hand	41,166	205
TCorp - HourGlass cash facility	-	43,851
	<u>41,166</u>	<u>44,056</u>

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash at bank. Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Closing cash and cash equivalents	<u>41,166</u>	<u>44,056</u>
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7. Current Assets: Receivables and Prepayments

	2002 \$'000	2001 \$'000
Interest receivable	752	23
Travel Advances	1	-
GST claimable (net)	38	77
	<u>791</u>	<u>100</u>

No provision for doubtful debts has been made as all amounts are considered to be collectable.

8. Current Liabilities: Payables

Creditors	1,812	433
Accrued expenses	11	10
	<u>1,823</u>	<u>443</u>

9. Current Liabilities: Employee Entitlements and other provisions

Recreation leave	19	15
Long service leave	28	23
Total employee entitlements and other provisions	<u>47</u>	<u>38</u>

10. Changes in Equity

Accumulated Funds

Balance at the beginning of the financial year	43,675	50,548
<u>Changes in equity - other than transactions with owners as owners</u>		
Surplus/(deficit) for the year	(3,588)	(6,873)
Total	<u>(3,588)</u>	<u>(6,873)</u>
Balance at the end of the financial year	<u>40,087</u>	<u>43,675</u>

11. Commitments for Expenditure

a) Capital Commitments

There were no capital commitments as at 30 June 2002 (nil at 30 June 2001).

b) Other Expenditure Commitments

There were no expenditure commitments as at 30 June 2002 (nil at 30 June 2001).

12. Contingent Liabilities

There were no contingent liabilities as at 30 June 2002 (nil at 30 June 2001).

13. Budget Review

Net Cost of Services

The actual net cost of services was \$9.244 million or 33.3% lower than budget. This was primarily due to the issue of grants less than budget estimates.

Assets and Liabilities

Total assets were \$15.350 million higher than budget and total liabilities were \$1.821million higher than budget. These variances were primarily due to the timing of payments associated with the *Forestry Restructuring and Nature Conservation Act 1995*.

Cash Flows

The increase in cash holdings was \$14.567 million higher than budget. This was primarily due to the delay of expected expenditure under the *Forestry Restructuring and Nature Conservation Act 1995*.

14. Reconciliation of Net Cost of Services to Net Cash Flows from Operating Activities

	2002 \$'000	2001 \$'000
Net cost of services	(18,477)	(20,922)
Changes in assets and liabilities:		
Increase/(decrease) in creditors, provisions and accrued expenses:		
Employee entitlements	9	7
Payables	1,380	425
(Increase)/decrease in receivables	(691)	(92)
Cash Flows from Government	14,889	14,004
Total Net Cash Flow from Operating Activities	(2,890)	(6,578)

15. Financial Instruments

a) 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 interest rate during the year was 3.52% and the interest rate at the end of the year was 3.73%.

b) 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 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.

c) HourGlass facilities

The Environmental Trust had investments in TCorp's HourGlass Investment facilities. The Environmental Trust's investment was represented by a number of units in managed investments within the facilities. Each facility has different investment horizons and comprises a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

	2002 \$'000	2001 \$'000
The Environmental Trust's investments are:		
Cash Facility	-	43,851
	-	43,851

These investments are generally able to be redeemed with 24 hours notice. 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 represent the Environmental Trust's share of the underlying assets of the facility and those assets are stated at net fair value.

d) Bank Overdraft

The Environmental Trust does not have any bank overdraft facility.

e) 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 awarded during the year.

————— *End of Audited Financial Statements* —————

Additional Information

Public Access

Members of the public may obtain further information on the Environmental Trust by contacting:
Grants Administrator
PO Box A290
SYDNEY SOUTH NSW 1232
Telephone: (02) 9995 5369
Fax: (02) 9995 5915

Offices

The Trust's offices are located at:
Level 16
59-61 Goulburn Street
SYDNEY NSW

The offices are open from 8.30 am to 5.00 pm, Monday to Friday.

Publications

The following publications are available from the Trust:

1. Guidelines for Grant Applications 2002
2. Environmental Trust Annual Reports 1992-93 to 2000-01.

Four hundred and fifty copies have been produced of the 2001-02 report at an external production cost of approximately \$7.70 per copy.

Freedom of Information

There were no freedom of information requests in the 2001-02 financial year.

Documents held by the Trust fall into three categories:

- publications
- working files
- grant applications.

The publications are freely available. The other documents are available as set out in the *Freedom of Information Act 1999*. Any member of the public who wishes to obtain documents under the Freedom of Information provisions should contact the Grants Administrator.

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