



Environmental
TRUST



Environmental Trust

Annual Report 2002-03



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Environmental Trust
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Design: Coyne & Co. Design Pty Ltd

ISSN 1445-3177
EPA 2003/91
October 2003

Printed on recycled paper

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

Dear Minister

I have pleasure in presenting to you the 2002–03 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 2003

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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* amalgamated the three former Trusts into a single Environmental Trust. The Trust receives a standing annual appropriation from the Consolidated Fund, indexed for consumer price index (CPI). In 2002–03 this appropriation was \$15.225 million.

The Trust also accepts gifts and bequests, and earns interest on its funds.

Objects and Functions of the Trust

The objects of the Trust are:

- 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
- 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; (ii) discovery of new methods of operation for New South Wales industries that are less harmful to the environment; (iii) research into general environmental problems, and (iv) assessment of environmental degradation
- to promote environmental education and, in particular, to encourage the development of educational programs, in both the public and the private sectors, that will increase public awareness of environmental issues of any kind
- to fund the acquisition of land for national parks and other categories of dedicated and reserved land for the national parks estate.

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

The Trust is also required to reimburse NSW Treasury for approved Forestry Restructuring payments until June 2006 under the *Forestry Restructuring and Nature Conservation Act 1995*.

Structure and Management of the Trust

The Trust consists of three parts: the Trust itself, its technical committees (see Appendix 1) and administrative support staff.

The Act allows for the cost incurred in administering the Act to be met from the Trust's funds.

The Environment Protection Authority (EPA) administers the Trust's programs and provides all the support services for the Trust, such as finance, human resources and information technology.

In late September 2003, the newly formed Department of Environment and Conservation (NSW) took over the functions of the EPA, including administration of the Trust.

Day-to-day matters are the responsibility of the Environmental Trust Unit within the EPA's Education and Community Programs Branch. The major administrative tasks are:

- promoting and managing the Trust's annual grants programs
- coordinating grants assessments by the Trust's technical committees
- servicing technical committee and Trust meetings
- paying grants
- promoting and managing the Trust's high priority funding programs
- monitoring funded projects
- handling all inquiries about the Trust
- coordinating publications

- managing the Emergency Pollution Clean-up program
- reviewing the Trust's programs and procedures.

The Trust provides funding for salaries and some administration costs.

In 2002, to meet the needs for administration of the increased programs of the Trust, the Trust expanded its administration unit from two core staff to three. In mid 2002, the Trust also established an Aboriginal Liaison Support Officer position with responsibility for the new Aboriginal Grants program, Protecting Our Places. These staff are assisted during peak workload times by temporary administrative staff typically employed through agencies.

The unit is overseen by the EPA's Director Cleaner Industry and Environmental Trust. Staff are selected on merit and the EPA's equal employment opportunity principles apply.

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

Grants Administration

All grants have conditions attached to them covering such matters as: the project timetable, grants payments, progress and final project reports, financial reports, project variations and other administrative requirements. Except where a project is of a short duration or small amount, the Trust pays the grants in installments. The Trust's 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 appropriate, a copy of the final report is placed in the EPA Library.

Promotional Workshops

The Trust runs workshops for potential applicants on the scope of the grants programs and the application process. These are held across NSW in regional centres and in Sydney. In May and June 2003, the Trust ran workshops for applicants to the 2003 round of grant programs. These included six detailed workshops held for prospective applicants to the Aboriginal Grants 'Protecting Our Places' (POP) programs.

Organisational Performance

Trust administration staff work wholly within the administration of the EPA, and are therefore part of organisational performance programs of the EPA, including occupational health and safety, ethnic affairs priorities, Aboriginal affairs priorities, action plan for women, equal employment opportunity, disability plan and the environmental impact reduction programs that include waste reduction and purchasing, resource recovery, and recycled material. Further information on these issues can be found in the EPA's *Annual Report 2002-03*.

Ethnic Affairs Priority Statement

The call for 2002 grant applications was advertised through the ethnic media across eight language groups (Arabic, Chinese, Greek, Italian, Korean, Macedonian, Spanish and Vietnamese). The Trust will continue to ensure that the ethnic communities across New South Wales will have access to information about its grants programs.

Environmental Education grants were awarded this year to:

- the Australian Chinese Growers Association to undertake environmental education for market gardeners in the Chinese communities of NSW
- the Australian Vietnamese Growers Association NSW Inc. to undertake environmental education for market gardeners in the Vietnamese communities of NSW
- the Greek Welfare Centre to provide community environmental education to the Greek community under a program called Living in NSW.

In addition, the Trust approved a high priority program for 2003–2005 to provide training in pesticide use for non-English speaking market gardeners. Training will be provided in Arabic, Chinese, Vietnamese and Cambodian.

Aboriginal Affairs Priority Statement

In 2002, the Environmental Trust approved a high priority program proposal from the Department of Aboriginal Affairs and implemented the following initiatives:

- The Protecting Our Places program to offer grants specifically to Aboriginal groups for restoration and rehabilitation projects. The amount of \$421,631 was for projects undertaken in 2002–03 and \$500,000 was allocated for each of the financial years, 2003–04 and 2004–05.
- The Trust employed an Aboriginal Liaison Support Officer (an identified Aboriginal position) to encourage and assist Aboriginal groups to apply for all Environmental Trust grant programs.
- Aboriginal representation on all relevant technical committees of the Trust was established from 2003.
- In addition to the Protecting Our Places Program, the Trust awarded the following grant in 2002:
 - Wandoo Aboriginal Corporation – \$50,000 for 'Restore degraded Murray floodplain wetland' (Restoration and Rehabilitation Community program).

Consultancy Services

During 2002–03, the Trust engaged a consultant for a cost of \$200, for an independent specialist technical review of an application to the high priority program. This review required expertise not available within the Trust's technical committees.

Community Response

Feedback is actively sought from workshop attendees (see above) and from the Trust's technical committee members on the application process. Feedback is also received from grant applicants and grant recipients on the application and administration processes. This feedback is noted and actioned immediately or given consideration in ongoing reviews of processes, as appropriate, and as part of the Trust's continuous improvement to grants administration.

Assets

The Trust does not have any physical assets that require risk management or associated insurance activities as it utilises the resources of the EPA.

Risk Management

The Environmental Trust's risk management includes independent grant assessment processes, formal authorisation and payment procedures under explicit delegated authority, written grant agreements with grantees, a clause in the grant agreements to indemnify the Trust, processes for tracking progress of grants and payments of grants, a procedures manual and regular audits of procedures.

Minor Amendments to the Environmental Trust Act 1998

The *Statute Law (Miscellaneous Provisions) Act 2002* amended Sections 8, 15 and 17 of the *Environmental Trust Act 1998*. The provisions commenced on 4 July 2002. Section 15 and 17 amendments clarify that the Environmental Trust has the power to vary a condition on a grant once it has been made. The Section 8 amendment corrected a typographical error.

Annual Grant Programs 2002–03

Under its legislation, the Trust is required to provide minimum annual allocations for grants programs in the following areas:

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

The Trust did not offer new research grants in 2002–03 because it had previously awarded grants in a program with a total value of over \$1.5 million. This utilised the \$0.5 million per year statutory allocation for the years 2000–01, 2001–02 and 2002–03.

In 2002–03, in addition to the statutory programs, the Trust ran three other grants programs:

- Restoration and Rehabilitation Program for local government – \$1 million.
- Eco Schools Program – \$120,000. The Trust has agreed to ongoing funding of this program. The guidelines for this program were revised for the 2002–03 grants.
- Protecting Our Places program – \$421,000. This was a new program, for Aboriginal organisations – see Aboriginal Affairs Priority Statement for further details.

Grant Selection

The technical committees met between August and October 2002 to consider the 2002 applications.

The technical committees were:

- Environmental Restoration and Rehabilitation Committee
- Environmental Education Committee
- Protecting Our Places Committee
- Eco Schools Program Sub-committee

Details of membership are at Appendix 1.

Grants are selected by the Trust, based on recommendations from the Trust's technical committees.

The technical committees assess all eligible applications on merit, following the Trust's published grant guidelines for the program. At its meeting in November 2002, the Trust considered all applications along with the technical committees' assessments. Table 1 is a summary of the Trust's decisions.

Table 1
Summary of Trust Grant Decisions 2002

Program	No. of Applicants	No. of Grants	Total
Environmental Restoration and Rehabilitation (community)	75	23	\$1,028,835
Environmental Restoration and Rehabilitation (Local Government)	67	24	\$1,134,366
Environmental Education	79	13	\$662,084
Protecting Our Places	92	15	\$421,631
Eco Schools	177	80	\$120,000
Total	490	155	\$3,366,916

Tables 2 to 6 set out in detail the grants approved under each program in 2002, the names of the recipients, their projects and the relevant local government area (LGA).

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

- Institute of Freshwater Anglers for Brewarrina Weir – Explore environmental/fisheries rehabilitation options: Brewarrina Weir
- Department of Land and Water Conservation (formerly Hacking River Catchment Management Committee) – Fish ladder construction: Audley Weir
- The Wetlands Centre Australia (formerly Shortland Wetland Centre) – Establish green and golden bell frog habitat and interpretive display.

Table 2
Environmental Restoration and Rehabilitation Grants Awarded in 2002–03
Community Grants Program

Grant Recipient	Project Title	LGA	Amount
Bankstown Bushland Society Inc	Rehabilitation of ironbark remnants in Bankstown	Bankstown	\$30,050
Big Scrub Rainforest Landcare Group	Big Scrub Remnant Rehabilitation – 15 remnant sites	Byron	\$96,400
Blue Mountains Rare and Endangered Species Group	Restoration of <i>Microstrobos fitzgeraldii</i> habitat – Leura Falls	Blue Mountains	\$10,000
Bungawalbin Catchment Management Group	Lower Bungawalbin riparian restoration project	Richmond Valley	\$96,309
Cape Byron Headland Reserve Trust	Cape Byron headland – Clarks Beach restoration project	Byron	\$8,250
Crescent Bushcare Group	Restoration and rehabilitation of Crescent Creek, Woronora	Sutherland	\$13,320
Cudgong Catchment Committee	Willow management/removal on the Cudgong River and Lawsons Creek	Rylstone	\$100,000
Environmental Training and Employment (Northern Rivers) Inc (EnviTE)	Grafton dry rainforest remnant restoration and rehabilitation	Copmanhurst	\$69,985
Friends of Bungan, Inc	Bungan Beach littoral rainforest regeneration project stage 2	Pittwater	\$25,550
Galore Landcare Group	Bullenbung Creek regeneration and salinity investigation project	Wagga Wagga	\$48,875
Karuah Tidy Towns, Parks, Reserves and Wetland Committee	Karuah wetlands rehabilitation and education project – stage 2	Port Stephens	\$9,230
Loftus Bushcare Coalition	Rehabilitation of bushland in Maandowie Creek catchment, Loftus	Sutherland	\$56,230
Mannus Lake Foreshores Management Advisory Committee	Revegetation of degraded stream banks 200m below Hovell Weir	Tumbarumba	\$8,420
Mid Lachlan Landcare Inc	Salinity control and revegetation of key landscapes – Cowra District	Cowra	\$97,760

Table 2 Continued
Environmental Restoration and Rehabilitation Grants Awarded in 2002-03
Community Grants Program

Grant Recipient	Project Title	LGA	Amount
Mighty Duck River Restoration Collective (MDRRC)	Protection of endangered remnants and wetland along the Duck River	Parramatta	\$25,000
Nature Conservation Working Group	'Fencing out foxes' – increasing curlew numbers in the Murray	Various	\$99,996
Pikapene & Cherry Tree Environment Centre	Kunbungy Creek stream habitat restoration project	Kyogle	\$15,800
Upper Lachlan Catchment Coordinating Committee	Restoration of the junction of Crookwell River and Kiama Creek	Crookwell	\$13,080
Upper Popran Creek Landcare Group	Restoration and rehabilitation of Upper Popran Creek	Gosford	\$6,600
Upper Shoalhaven Landcare Council Inc.	Demonstrating the remediation of stream degradation	Tallaganda	\$70,230
Upper Snowy Landcare Committee Incorporated	Wayward willows weep	Snowy River	\$49,000
Wandoo Aboriginal Corporation	Restore degraded Murray floodplain wetland	Albury	\$50,000
World Wide Fund for Nature (WWF)	Case study in environmental restoration via redundant weir removal	Various	\$28,750
Total			\$1,028,835

Table 3
Environmental Restoration and Rehabilitation Grants Awarded in 2002-03
Local Government Grants Program

Grant Recipient	Project Title	LGA	Amount
Cessnock City Council	Revegetation of corridors in the Wallis/Fishery Catchment	Cessnock	\$61,312
Clarence River County Council	Returning the tide to creeks and wetlands on the Clarence floodplain	Maclean	\$76,180
Dubbo City Council	Removal of willows and the restoration of the riparian zone	Dubbo	\$65,684
Gosford City Council	Riparian corridor restoration of Lower Mangrove Creek	Gosford	\$27,553
Greater Taree City Council	Crowdy Head – Harrington littoral rainforest restoration	Greater Taree	\$84,600
Hastings Council	Acid sulfate soil remediation using automatic tide regulators	Hastings	\$15,750
Hastings Council	Lighthouse Gully rainforest creek: erosion control and rehabilitation	Hastings	\$60,600
Hornsby Shire Council	Rehabilitation of upper Scout Creek adjoining Lane Cove National Park	Hornsby	\$38,850

Table 3 Continued
Environmental Restoration and Rehabilitation Grants Awarded in 2002-03
Local Government Grants Program

Grant Recipient	Project Title	LGA	Amount
Hurstville City Council	'Greenhands' Project	Hurstville	\$25,000
Lane Cove Council	Rehabilitate the bushland heritage along Stringybark Creek corridor	Lane Cove	\$53,648
Lismore City Council	Roadside environmental management plan – Lismore LGA	Lismore	\$30,000
Lithgow City Council	Old Lithgow power station rehabilitation and revegetation	Bathurst	\$15,260
Maitland City Council	'From Melaleuca to the Wetlands' Rehabilitation project	Maitland	\$62,684
Marrickville Council	Camperdown Cemetery kangaroo grassland restoration project	Marrickville	\$8,150
Muswellbrook Shire Council	Lower Muscle Creek streambed and streambank rehabilitation project	Muswellbrook	\$37,079
Narrandera Shire Council	Restoration and rehabilitation of the natural wetlands	Narrandera	\$92,000
Parkes Shire Council	Native grasses to restore and rehabilitate remnant vegetation	Parkes	\$68,848
Parramatta City Council	Bringing people to Moxhams Reserve Northmead – Stage 2	Parramatta	\$15,000
Parramatta City Council	Restoration of threatened bushland at Galaringi Reserve	Parramatta	\$15,000
Port Stephens Council	Mambo wetlands 'Revive and Survive' project	Port Stephens	\$34,350
Queanbeyan City Council	Revegetation of the Queanbeyan River corridor	Queanbeyan	\$40,000
Randwick City Council	Little Bay-La Pouse coastal bushland rehabilitation project	Randwick	\$90,000
Tweed Shire Council	Restoration of high conservation coastal vegetation – Tweed Coast	Tweed Pt A	\$89,430
Wollongong City Council	Wetland and threatened species restoration and management	Wollongong	\$27,388
Total			\$1,134,366

Table 4
Protecting Our Places Program Grants Awarded in 2002-03

Grant Recipient	Project Title	LGA	Amount
Arakwal Corporation	Arakwal land restoration project	Byron	\$19,800
Booroongen Djugun Aboriginal Corporation	What's in a Swamp?	Kempsey	\$18,450
Minyumai Land Holding Company	Return to country and land restoration project	Richmond Valley	\$28,950
Muda Aboriginal Corporation	Protecting Our Places	Bourke	\$44,856
Muli Muli Local Aboriginal Land Council	Vegetation restoration of important areas at the Muli Muli community	Kyogle	\$41,720
Nambucca Heads Local Aboriginal Land Council	Gumbaynggirr tribal significant site mapping and reporting – Stage 1	Nambucca	\$44,628
New South Wales Reconciliation Council Inc	Nahantu Karra Kara Goonowigall bush tucker and cultural project	Inverell Pt A	\$18,000
Ngerrie Local Aboriginal Land Council	Ngerrie bush tucker education and regeneration project	Grafton	\$25,200
Red Chief Local Aboriginal Land Council	Restoration of wallaby trap site	Gunnedah	\$20,300
Toomelah Co-operative Limited	Toomelah community environmental renewal	Moree Plains	\$45,000
Wagga Wagga Local Aboriginal Land Council	Connecting with and restoring Wiradjuri country at Bomen Lagoon	Wagga Wagga	\$27,108
Walhallow Local Aboriginal Land Council	Walhallow cemetery restoration project	Quirindi	\$41,000
Worimi Local Aboriginal Lands Council	Birubi Point midden conservation works	Port Stephens	\$12,000
Wunanbiri Aboriginal Preschool	Wunanbiri Aboriginal preschool nature trail	South Sydney	\$6,000
Yamuloong Inc	Yamuloong native property development	Lake Macquarie	\$28,619
Total			\$421,631

Table 5
Environmental Education Program Grants Awarded in 2002-03

Grant Recipient	Project Title	LGA	Amount
Australian Chinese Growers Association	Environmental education for market gardeners	Camden	\$80,000
Australian Vietnamese Growers Association NSW Inc	Community education for better care of market garden environment	Liverpool	\$19,840
Burrendong Arboretum Reserve Trust	Educational signage for plants in Burrendong arboretum	Wellington	\$27,460
Central Coast Community Environment Network Inc	Establishment of land for wildlife program on the Central Coast	Gosford	\$60,000
Dungog Information and Neighbourhood Service Inc	Dungog Community Garden's skills for sustainable living	Dungog	\$17,928
Environmental Training and Employment (Northern Rivers) Inc	Video production: best practice bush regeneration techniques 1, 2 and 3	Lismore	\$47,597
Greek Welfare Centre	Living in NSW, Greek community environmental education project	Marrickville	\$45,000
Lgov NSW	NRM local government education/ liaison officer	State wide	\$93,376
Maitland Environmental Youth Council	Sharing stories and experiences to engage youth in EE and action	Maitland	\$20,000
Nature Conservation Council of NSW Inc	Ecological bush fire management: a community education program	Various	\$96,483
Ocean Watch Australia Ltd	Handling protected marine species manual, workshop and extension program	Various	\$14,150
Southern New England Landcare Ltd	Anaiwan lands education project	Armidale Dumaresq	\$50,250
Wetland Care Australia	Farmers, fish and floodgates extension program	Ballina	\$90,000
Total			\$662,084

Table 6
Eco Schools Program Grants Awarded in 2002-03

Grant Recipient	Project Title	LGA
All Saints Greek Grammar School (Belmore South)	Green house/composting/Clempton Park and weather watch activities	Canterbury
Alstonville High School	Rainforest corridor from front of school to McGuire's Creek	Ballina
Ballina High School	Year 7 to 10 coastal management	Ballina
Ballina Public School	Regeneration sensitive rainforest garden	Ballina
Barker College (Hornsby)	Learning to regenerate bushland at the Grange, Mount Victoria	Blue Mountains
Bega High School	Solid waste audit	Bega Valley
Berridale Public School	Discovering the Monaro at Berridale School	Snowy River
Black Hill Public School	Black Hill Public School Aussie bush tucker garden	Cessnock
Bowral Public School	Bowral Public School eco-learning environment and quiet area	Wingecarribee
Bundarra Central School	Gwydir River project scheme	Uralla
Burnside Public School	Creekscape – an outdoor environmental study and research area	Parramatta
Byabarra Public School	Outdoor learning area and native garden	Hastings
Byron Community Primary School	Establishment of frog breeding site learning resource management plan	Byron
Camden Haven High School	Wetlands regeneration project	Hastings
Camden High School	Camden High School riparian zone	Camden
Casino Public School	Outdoor learning area and native food garden	Richmond Valley
Cessnock Christian School	Regeneration and creation of a native Australian garden	Cessnock
Chatswood Public School	Worm farm	Willoughby
Cherrybrook Technology High School	Restoration of blue gum high forest and Sydney turpentine	Hornsby
Coleambally Central School	Playground erosion control and stabilisation project	Murrumbidgee
Collector Public School	Bring back the Birdsong, Bees, Butterflies and Blue-tongues	Gunning
Colyton Public School	Native bush tucker garden	Blacktown
Crescent Head Public School	Establishment of organic garden, compost heap and worm farm	Kempsey
Crestwood High School	Crestwood wetland	Baulkham Hills
Darlinghurst Public School	Establish bush native garden and a garden waste recycling area	South Sydney
Dubbo School of Distance Education	Hostel haven – creating a multi-purpose garden environment project	Dubbo
Eastlakes Public School	Improvement of school grounds for environmental education	Botany

Table 6 Continued
Eco Schools Program Grants Awarded in 2002-03

Grant Recipient	Project Title	LGA
Emmaville Central School	Environment observation classroom and native planting	Severn
Engadine High School	Native vegetation regeneration and landscaping project	Sutherland
Epping Heights Public School	Closed cycle organic recycling system	Hornsby
Garden Suburb Public School	Growing our own food: establishment of an organic garden	Lake Macquarie
Gib Gate Primary School	Healing the dam	Wingecarribee
Green Hill Public School	Fruit/vegetable gardens and recycling program	Kempsey
GyMEA Technology High School	Establishment of indigenous garden area and learning space	Sutherland
Hanwood Public School	Hanwood library environmental study garden	Griffith
Harbord Public School	Harbord Public School stormwater/rainwater recycling project	Warringah
Highlands School (Mittagong)	Eco life school	Wingecarribee
Holy Family Primary School (Merewether)	Develop a windbreak garden using local littoral rainforest species	Newcastle
Homebush West Public School	Our grounds – the outdoor environmental classroom	Strathfield
Illabo Public School	Bore water to Illabo Public School	Junee
Jervis Bay Christian Community School	Endangered species program	Shoalhaven
Jindera Public School	Photo gallery of locally native indigenous fauna and flora	Hume
John Paul College Coffs Harbour	Restoration of native habitat, construction of outdoor learning space	Coffs Harbour
Kangaroo Valley Public School	Kookaburra Creek bush rehabilitation and education area	Shoalhaven
Kemblawarra Public School	A native shade area beside the outside basketball court	Wollongong
Kitchener Public School	Reforestation of endemic species	Cessnock
Krambach Public School	Krambach environmental resource and training area	Greater Taree
Kyeemagh Public School	Installation of a water harvesting tank	Rockdale
Lilli Pilli Public School	Learning about biodiversity	Sutherland
Lord Howe Island Central School	Create a learning environment and revitalise a neglected wooded area	Lord Howe Island
Marayong Heights Public School	Sandra Gundy bush tucker garden	Blacktown
Matraville Public School	Establishment of native garden	Randwick
Mullion Creek Public School	Learnscape garden incorporating sensory and bush tucker plants	Cabonne Pt A
Mullumbimby Steiner School (Shearwater)	Riparian rainforest regeneration	Byron
Newington Public School	Soil enrichment for student gardens establishment at our new school	Auburn
Nowra High School	Ecologically sustainable school model – redevelop barren land	Shoalhaven

Table 6 Continued
Eco Schools Program Grants Awarded in 2002-03

Grant Recipient	Project Title	LGA
Numeralla Public School	Aboriginal sensory awareness garden	Cooma-Monaro
Our Lady of Good Counsel Catholic School (Forestville)	Kallioola Rescue	Warringah
Parry School	Linking special students with the natural environment	Tamworth
Penrith High School	Cumberland Plains woodland regeneration	Penrith
Rookhurst Public School	Craven Creek rainforest/creekbank regeneration project	Gloucester
Rooty Hill High School	Bush tucker gardens	Blacktown
Rosebank Public School	Environmental investigation – Environmental education	Lismore
Soldiers Point Public School	Operation Across the Road (the OAR Project)	Port Stephens
Springwood Public School	'Magdala' environmental activity area	Blue Mountains
St Columba's High School (Springwood)	<i>Pultenea villifera</i> preservation	Newcastle
St Columban's Primary School (Mayfield)	Multicultural gardens and learning space	Blue Mountains
St Jerome's Primary School (Punchbowl)	Mary MacKillop/Aboriginal Memorial Garden	Canterbury
St John Bosco College (Engadine)	Indigenous local area native forest and bird corridor	Sutherland
St John's Park Public School	'Potatoes, Tomatoes, Beans and Peas' – Look at our patch, come and see	Fairfield
St Joseph the Worker (Auburn South) School	To create an Australian native garden in the grounds of our school	Auburn
St Joseph's Primary School (Narrabeen)	Regenerate coastal vegetation and attract native birds	Warringah
Sutherland North Public School	Our Aboriginal heritage: the useful garden	Sutherland
Telarah Public School	Restoration project at Telarah lagoon	Maitland
Thalgarrah Environmental Education Centre	Converting the dam into an integrated wetland study area	Armidale
Tottenham Central School	Outdoor learning area	Lachlan
Tuggerah Lakes Secondary College (Tumbi Umbi Campus)	Detention basin education site	Wyong
Wee Jasper Public School	Wee Jasper Public School conservation station	Yass
Wellington High School	Wellington High School fieldwork centre	Wellington
Woodburn Public School	Reclamation of unused wet area in playground for a learnscape environment	Richmond River
Total	80 grants at \$1,500 each	\$120,000

Environmental Trust High Priority Programs

Since July 2000, the legislation has enabled the Trust to direct significant funds to programs targeting high priority environmental issues in addition to its established annual grants programs. These programs are called the High Priority Programs.

Following input and expressions of interest from a wide range of State Government, local government and peak environmental organisations, the Trust funded the following High Priority Programs in 2002–03:

Land Acquisition for National Parks

Funding land acquisition programs is an object under the *Environmental Trust Act 1998*. In 2002–03 the Trust allocated \$2 million for Enhancing the Reserve System in Central and Western NSW and \$0.5 million for the Boundaries Improvement Program. Properties purchased in central and western NSW were Norwood (new reserve near Hay), Ninia (addition to Macquarie Marshes), Eland Station (new reserve north of Yetman village), Dananbilla additional land (northeast of Young), Inverary (new reserve adjacent to Bebo State Forest), Colorado (historic site in Northern Tablelands) and Fairview (Coolah Tops National Park addition). The Boundaries Improvement Program made land additions to Wollemi and Goulburn River National Parks, and Bees Nest National Reserve. The Trust also made decisions to continue and expand these programs in 2003–04.

Acid Sulfate Soils

The Trust allocated a further \$1.593 million to this program in 2002–03, bringing total Trust funding to \$2.75 million. The project has been mitigating the impacts of acid sulfate soil on local water quality at the following seven key 'hot spot' sites along the NSW coast: Cudgen Lake (Tweed Catchment); Everlasting Swamp (Clarence); Collombatti–Clybucca (Macleay); Upper Maria River (Hastings); Partridge Creek (Hastings); Lower Lansdowne River and Moto–Ghinni Ghinni Creeks (Manning); and Broughton Creek (Shoalhaven).

Towra Point Erosion Control

This project involves rebuilding of the severely eroded Towra Beach in Botany Bay with sands from downstream deposits. The \$200,000 Trust funding from previous years was used to prepare the Environmental Impact Statement. The Trust expects to fund a further \$800,000 on construction in future years.

Urban Wildlife Renewal Project Stage 2

The Trust approved \$250,000 to the Urban Wildlife Renewal Project Stage 2. Stage 1 of the program developed the 'Backyard Buddies' education program that raised awareness of what people can do to enhance, protect and conserve wildlife in urban areas. Stage 2 focuses on encouraging more councils and other key stakeholders to become more involved in promoting and implementing the Backyard Buddies program in their areas. Some of the specific issues being addressed include management of White Ibis, Brushtail Possums and aggressive birds living in harmony with Bandicoots, responsible cat ownership, native bird diversity enhancement, a program of release of captive-bred Blue-tongue lizards in backyards and native plant gardening.

Clean Air Program

The Trust provided a further \$1.15 million to the EPA for the Clean Air Program in 2002–03.

The following sub-programs were included in the Clean Air Program:

- Local Air Improvement Projects – providing grants to councils for air quality improvement projects
- Stage 2 (Petrol) Vapour Recovery Program
- Local Government Air Quality Toolkit including the Wood Heater Replacement Subsidy
- Woodsmoke Reduction Program – to replace polluting woodheaters with cleaner forms of heating in nine targeted local government areas
- Small to Medium-sized Combustion Tune-up
- Small Engine Project/Emission Labelling.

Cold Water Pollution

In 2002–03 the Trust provided \$250,000 to the NSW Fisheries for the Addressing the Causes of Cold Water Pollution project. Water released from the bottom waters of dammed lakes is much colder than the temperature of the shallower river into which it is released and drives away species that would normally inhabit the warmer river waters. The objectives of the project are to: identify and evaluate options for design modifications to existing selective withdrawal intake structures to enable safer downstream temperature management; workshop operating protocols and other solutions to achieve selective withdrawal of warmer water; determine the feasibility of a surface impeller draft tube system to increase water temperature near the lake bottom intake at Burrendong Dam; and provide a desktop assessment of potential cold water pollution from non-State owned dams. The project outcomes are almost complete, but have been delayed by various factors such as technical reviews.

Voluntary Conservation and Biodiversity Inventory

The Trust provided \$200,000 for the NSW National Parks and Wildlife Service and Royal Botanic Gardens project, Voluntary Conservation and Biodiversity Inventory Program. The program engages private and public landholders who already have wildlife refuges or Voluntary Conservation Agreements to implement capacity building of conservation management. The program is initially focusing on wildlife refuges in the Darling Riverine Plain bioregion in western NSW. The commencement was delayed because of the drought conditions, but is now underway. The project is expected to be completed in 2004.

It's a Living Thing Campaign

The Trust provided a further \$560,000 to the EPA as part of its \$6.25 million commitment to the whole-of-government education campaign, *Our Environment – It's a Living Thing*. The Trust committed a further \$2.5 million towards the continuation of this program in 2003–04.

Fish Kills on Far North Coast

The Trust allocated \$290,000 to NSW Fisheries in 2002–03, for the first year of a two-year program called Fish Kills on Far North Coast (also called North Coast Floodgate Project). The project will open tidal flood gates to reduce fish kills. There are currently nine systems actively managed for improved water quality, salinity levels and fish passage requirements in creeks of the Richmond, Clarence and Macleay River catchments and the results are being monitored.

Former Gasworks Sites Remediation Feasibility Study

In November 2002, the Trust allocated \$30,000 to the EPA for the Research into Former Gasworks Sites Remediation Project. The grant is funding an inventory and risk assessment study and the preparation of an options paper on remediation of council-owned former gasworks sites. The project is being jointly managed with the Local Government Association and Shires Association.

Contaminated Land Innocent Owners Program

The Contaminated Land Innocent Owners 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. These are property owners who 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 only funds remediation of land posing a significant risk of harm.

A Special Purpose Assessment Committee has been established by the Trust 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 program guidelines. Uptake of this program has been slower than expected, but the Trust has agreed to make funds available in the coming year as significant eligible applications are expected in 2003–04.

Table 7
Contaminated Land Management Program Grants Awarded in 2002–03

Applicant	Property	Amount	Detail
Department of Commerce (on behalf of individual residents of affected properties)	Former Mudgee gasworks, Mudgee	\$67,425	Preparation of a Remediation Action Plan
Department of Commerce (on behalf of individual residents of affected properties)	Former Mudgee gasworks, Mudgee	\$51,500	Further investigation of contamination as part of developing the Remediation Action Plan Relocation of the Squeakers childcare centre during remediation works
Mrs Jones	Wilson Street, Newtown	\$18,270	Grant for preparation of a Remediation Action Plan
Total		\$137,195	

New High Priority Programs

At its June 2003 meeting, the Trust committed funds for 2003–04 and 2004–05 for the following proposals:

- EPA (on behalf of the Pesticides Implementation Committee) proposal on pesticides training for people from non-English speaking backgrounds – \$1,549,500 over two years.
- NSW Fisheries proposals:
 1. Impact of weirs on environmental flows, water quality and fish passage – \$596,360 over two years
 2. Reducing the impact of road crossings on environmental flows, water quality and fish passage – \$479,500 over two years
 3. Habitat rehabilitation for endangered eastern freshwater cod in the Richmond River catchment and trout cod in the Murray catchment – \$400,200 over two years.
- The Council on Environmental Education's proposal on the environmental education research conference to a level of \$75,000 in 2003–04, with an agreement to further consider the research component of their proposal, pending the outcomes of the conference.

Emergency Pollution Clean-up 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 on this program in any one financial year is \$0.5 million.

Table 8
Emergency Pollution Clean-up Payments 2002-03

Organisation	Incident	Date of Incident	Amount
Aargus Pty Ltd	Waste Classification – Park Rd Seven Hills	07/09/2002	\$350.00
Aargus Pty Ltd	Waste Classification – Tarlington Place, Prospect	21/01/2003	\$250.00
ABD Demolition, Excavation & Plant	Removal of black bags containing hazardous waste – Anvil Road, Seven Hills	24/04/2003	\$700.00
ABD Demolition, Excavation & Plant	Removal of dumped asbestos – Lyall St, Dean Park	21/11/2002	\$300.00
ABD Demolition, Excavation & Plant	Removal of dumped asbestos – Salvation Army Depot, Minchinbury	08/11/2002	\$200.00
ABD Demolition, Excavation & Plant	Removal of dumped asbestos – Durham St, Mt Druitt	20/01/2003	\$636.36
ABD Demolition, Excavation & Plant	Removal of dumped Hazardous waste – Robert St, Riverstone	03/03/2003	\$2,181.82
ABD Demolition, Excavation & Plant	Removal of hazardous waste containing asbestos – Eskdale St, Minchinbury	07/09/2002	\$1,545.45
ABD Demolition, Excavation & Plant	Removal of fibro sheeting – Edward Street, Riverstone	04/02/2003	\$350.00
ABD Demolition, Excavation & Plant	Removal of asbestos sheeting – Bandon Rd, Vineyard	04/02/2003	\$250.00
ABD Demolition, Excavation & Plant	Removal of trailer with asbestos fibro sheeting – Garling Road, Kingspark	04/02/2003	\$300.00
ABD Demolition, Excavation & Plant	Removal of dumped building waste including asbestos – Park Rd, Seven Hills Rubbish	08/02/2003	\$909.09
ABD Demolition, Excavation & Plant	Removal of building waste – Tarlington Rd, Prospect	21/01/2003	\$750.00
Blacktown City Council	Removal of dumped asbestos – South St, Marsden Park	28/10/2002	\$2,895.45
Bourke Shire Council	Removal of dumped asbestos – ‘Ululara’ property near Wanaaring	Jan–May 2002	\$3,160.00
Bradshaw Waste Industries P/L	Removal of dumped asbestos – various sites in Liverpool LGA	20/12/2002 – 04/02/2003	\$1,048.92

Table 8 Continued
Emergency Pollution Clean-up Payments 2002-03

Organisation	Incident	Date of Incident	Amount
Campbelltown City Council	Removal of dumped waste from Stormwater Channel – cnr Parkway & Akuna Ave Bradbury	01/10/2002	\$1,919.20
Cleanaway Industrial Waste	Disposal of dumped drum containing flammable liquid – Lane Cove National Park	25/07/2002	\$191.00
Cleanaway Industrial Waste	Disposal of dumped fuel – 7 Mile Beach near Booti Booti	24/02/2003	\$235.00
Cleanaway Industrial Waste	Disposal of hazardous waste from footpath – 14 George Street, Clyde	09/01/2003	\$318.00
Cleanaway Industrial Waste	Disposal of dumped container of hazardous waste – One Steel, Kellogg Rd, Rooty Hill	24/01/2003	\$235.00
Cleanaway Industrial Waste	Clean up of spill – Prospect Creek, Long/Britten Sts, Smithfield	04/11/2002	\$1,012.00
Cleanaway Industrial Waste	Clean up of spill – Prospect Creek, Justin St, Smithfield	04/11/2002	\$1,430.00
Coffs Harbour City Council	Clean up contaminated water – Orara River Coramba	26/07/2002	\$4,879.73
Coffs Harbour City Council	Clean up contaminated water – Orara River Coramba	26/07/2002	\$3,861.30
Collex Waste Management P/L	Disposal of hazardous waste – The Boulevard & Princes Hwy, Kirraween	24/03/2003	\$330.00
Elizabeth Perera	Removal of orphan waste – Stephen Street, Blacktown	15/01/2003	\$5,386.47
Envirorent Pty Ltd	Removal of contaminated material – 89 Lachlan St, Forbes	24/04/2003	\$600.00
Fairfield City Council	Collection and disposal of asbestos material – Cow Pasture Rd, Prospect	23/07/2002	\$291.05
Fairfield City Council	Clean up oil spill – Prospect Creek, Smithfield	03/06/2002	\$1,098.18
Fairfield City Council	Clean up oil spill – Burns Creek, Fairfield East	02/04/2002	\$2,753.60
Fairfield City Council	Asbestos and rubbish removal – Seville Street, Fairfield East	13/05/2003	\$1,200.00
Fairfield City Council	Removal and disposal of asbestos dumped on nature strip – Bentley St/Wetherill St	06/12/2002	\$1,280.00
Fairfield City Council	Pump out of oil – Cabramatta Creek	30/10/2002	\$5,318.18
Fairfield City Council	Removal oil drums – Reedy Creek, Horsley Park	06/09/2002	\$2,937.00
Fairfield City Council	Pump out of black odorous liquid from Prospect Creek – Smithfield to Fairfield	04/11/2002	\$34,608.00
Holroyd City Council	Sandbagging and removal to allow pump out of black odorous liquid – Prospect Creek, Smithfield to Fairfield	04/11/2002	\$1,772.73
Kennards Hire Pty Ltd	Hire lighting and generator to enable pump out of black odorous liquid – Prospect Creek, Smithfield to Fairfield	04/11/2002	\$556.54

Table 8 Continued
Emergency Pollution Clean-up Payments 2002-03

Organisation	Incident	Date of Incident	Amount
Liverpool City Council	Disposal Orphan Waste – Council Works Depot	19/09/2002	\$1,470.30
Maitland City Council	Removal dead fish – Rutherford Creek	21/12/2001	\$2,040.70
PJP Consultants P/L	Oil Spill – Purley Place, Cronulla	05/12/2002	\$4,494.00
Randwick City Council	Clean up of oil and paint dump – Malabar Ocean Rock Pool	07/03/2002	\$5,565.00
Roads and Traffic Authority	Removal and disposal of hazardous waste drum from depot	22/10/2002	\$475.00
Singleton Council	Disposal of hazardous liquid waste dumped along Elderslie Road – Elderslie	15/09/1997	\$3,000.00
Strathfield Municipal Council	Removal and disposal of asbestos sheets – Drone Street, Greenacre	22/04/2002	\$962.00
Sutherland Shire Council	Removal of dumped fibreglass roof insulation – Captain Cook Drive	06/03/2003	\$1,796.00
Sutherland Shire Council	Removal of Kerosene from Creek – Caringbah	24/04/2003	\$1,227.60
Tweed Shire Council	Collection and disposal of orphan waste – Keilvale Rd	16/06/2002	\$530.00
Warringah Council	Clean up – Chemical spill onto road and garbage truck	15/10/2002	\$103.50
Warringah Council	Clean up of oil spill – Hawkesbury Ave, Dee Why	12/05/2003	\$1,625.40
Waste Service NSW	Clean up oily discharge into stormwater drainage easement – intersection Blackman Cres & Fairley Rd, South Windsor	28/02/2003	\$1,401.60
Total			\$112,731.17



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

ENVIRONMENTAL TRUST

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Environmental Trust:

- (a) presents fairly the Environmental Trust's financial position as at 30 June 2003 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).

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

The Trustees' Role

The financial report is the responsibility of the Trustees of the Environmental Trust. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, 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 Trustees 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 Trustees had failed in their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Trust,
- 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.



P J Boulous, CA
Director of Audit

SYDNEY
20 October 2003

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 2003 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 2003

	Notes	Actual 2003 \$'000	Budget 2003 \$'000	Actual 2002 \$'000
Expenses				
Operating expenses				
Employee related	2(a)	267	285	140
Other operating expenses	2(b)	130	624	264
Grants and subsidies	2(c)	16,741	24,916	19,840
Total Expenses		17,138	25,825	20,244
Less:				
Retained Revenue				
Investment income	3(a)	1,651	938	1,712
Other revenue	3(b)	66	2	55
Total Retained Revenue		1,717	940	1,767
NET COST OF SERVICES	14	15,421	24,885	18,477
Government Contributions				
Recurrent appropriation	4(a)	15,225	15,225	14,889
Acceptance by the Crown Entity of employee benefits and other liabilities	4(b)	17	-	-
Total Government Contributions		15,242	15,225	14,889
SURPLUS/(DEFICIT) FOR THE YEAR		(179)	(9,660)	(3,588)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(179)	(9,660)	(3,588)

The accompanying notes form part of these statements.

Environmental Trust
Statement of Financial Position as at 30 June 2003

	<i>Notes</i>	<i>Actual 2003 \$'000</i>	<i>Budget 2003 \$'000</i>	<i>Actual 2002 \$'000</i>
ASSETS				
Current Assets				
Cash	6	40,614	31,506	41,166
Receivables	7	884	791	791
Total Current Assets		41,498	32,297	41,957
Total Assets		41,498	32,297	41,957
LIABILITIES				
Current Liabilities				
Payables	8	1,528	1,823	1,823
Provisions	9	26	47	47
Total Current Liabilities		1,554	1,870	1,870
Non-Current Liabilities				
Provisions	9	36	-	-
Total Non-Current Liabilities		36	-	-
Total Liabilities		1,590	1,870	1,870
NET ASSETS		39,908	30,427	40,087
EQUITY				
Accumulated funds	10	39,908	30,427	40,087
Total Equity		39,908	30,427	40,087

The accompanying notes form part of these statements.

Environmental Trust
Statement of Cash Flows
for the year ended 30 June 2003

	<i>Notes</i>	<i>Actual 2003 \$'000</i>	<i>Budget 2003 \$'000</i>	<i>Actual 2002 \$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(246)	(285)	(130)
Grants and subsidies		(17,381)	(24,916)	(18,084)
Other		(155)	(624)	(1,138)
Total Payments		(17,782)	(25,825)	(19,352)
Receipts				
Interest received		1,568	938	982
Other		420	2	591
Total Receipts		1,988	940	1,573
Cash Flows from Government				
Recurrent appropriation		15,225	15,225	14,889
Acceptance by the Crown Entity of employee benefits and other liabilities		17	-	-
Net Cash Flows from Government		15,242	15,225	14,889
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	(552)	(9,660)	(2,890)
NET INCREASE / (DECREASE) IN CASH		(552)	(9,660)	(2,890)
Opening cash and cash equivalents		41,166	41,166	44,056
CLOSING CASH AND CASH EQUIVALENTS		40,614	31,506	41,166

The accompanying notes form part of these statements.

Environmental Trust
Summary of Compliance with Financial Directives

	2003				2002			
	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	15,225	15,225			14,889	14,889		
- 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								
	15,225	15,225			14,889	14,889		
OTHER APPROPRIATIONS/ EXPENDITURE								
- Treasurer's Advance								
- s.22 – expenditure for certain works and services								
- Transfers from another agency – s.26 of the Appropriation Act								
	-	-			-	-		
Total Appropriations/ Expenditure/Net Claim on Consolidated Fund (includes transfer payments)	15,225	15,225 15,225			14,889	14,889 14,889		
Amount drawn down against appropriation		15,225				14,889		
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 Dependant 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 Benefits and Other Provisions

(i) Salaries and wages, annual leave, sick leave and on-costs

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) Accrued salaries and wages – reclassification

As a result of the adoption of Accounting Standard AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets', accrued salaries and wages and on-costs has been reclassified to 'payables' instead of 'provisions' in the Statement of Financial Position and the related note disclosures, for the current and comparative period. On the face of the Statement of Financial Position and in the notes, reference is now made to 'provisions' in place of 'employee entitlements and other provisions'. Total employee benefits (including accrued salaries and wages) are reconciled in Note 9 'provisions'.

(iii) Long service leave and superannuation

The Trust's liabilities for long service leave and superannuation are assumed by the Crown Entity, except for certain on-costs which are included in the Trust's liabilities. The Trust accounts for the Crown Entity liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

In prior years, long service leave was measured on a short-hand basis. The short-hand method is based on remuneration rates at year end for all employees with five or more years of service. Recent studies undertaken by the Government Actuary have shown that the liability using the short-hand method is materially different to the present value method. Therefore from this year on, long service leave is measured using the present value method for all employees with five or more years of service. The increase in liability for on-costs, not assumed by the Crown Entity has been recognised in the statement of financial performance.

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

(iv) Other provisions

Other provisions exist when the Trust has legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions and 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 reliably measured.

(e) Receivables

Receivables are recognised and carried at 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.

(f) 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 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

	2003 \$'000	2002 \$'000
a) Employee related expenses comprise the following specific items:		
Salaries and wages (including recreation leave)	241	135
Superannuation	17	-
Long service leave	9	5
	<u>267</u>	<u>140</u>
b) Other operating expenses:		
Auditor's remuneration – audit of financial report	11	11
Minor plant, stores and supplies	2	-
Fees and services	39	200
Travel	9	-
General administration	69	53
	<u>130</u>	<u>264</u>
c) Grants and subsidies:		
Grants provided to state and local governments	9,413	11,119
Grants provided to community/school groups	2,224	2,559
Grants provided to Consolidated Fund for initiatives under the <i>Forestry Restructuring and Nature Conservation Act 1995</i>	5,104	6,162
	<u>16,741</u>	<u>19,840</u>

Grants to the Consolidated Fund for initiatives 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 Infrastructure, Planning and Natural Resources. The Act has not been amended to reflect this change.

3. Revenues

	2003 \$'000	2002 \$'000
a) Investment income		
Interest on bank account	1,651	1,338
Interest on cash facility at TCorp	-	374
	<u>1,651</u>	<u>1,712</u>
b) Other revenue		
Grants from Budget Sector Agencies	-	48
Other	66	7
	<u>66</u>	<u>55</u>

4. Appropriations

a) Recurrent appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	15,225	14,889
	<u>15,225</u>	<u>14,889</u>
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	15,225	14,889
	<u>15,225</u>	<u>14,889</u>
b) Acceptance by the Crown Entity of employee benefits and other liabilities		
The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies:		
Superannuation	17	-
	<u>17</u>	<u>-</u>

5. Programs/Activities of the Environmental Trust

The Environmental Trust had only one program in 2002–03.

Program 1 Objective(s)	Support of the Environment
	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

	2003 \$'000	2002 \$'000
Cash at bank and on hand	40,614	41,166
	40,614	41,166

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	40,614	41,166
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7. Current Assets: Receivables and Prepayments

Interest receivable	834	752
Travel Advances	-	1
GST claimable (net)	50	38
	884	791

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

8. Current Liabilities: Payables

Creditors	1,511	1,812
Accrued salaries	6	-
Accrued expenses	11	11
	1,528	1,823

9. Current/Non-Current Liabilities: Provisions

Employee benefits and related on-costs

Recreation leave	24	19
Long service leave	38	28
Total Employee benefits and related on-costs	62	47

Aggregate employee benefits and related on-costs

Provisions – current	26	47
Provisions – non-current	36	-
Accrued salaries, wages and on-costs (Note 8)	6	-
	68	47

10. Changes in Equity

	2003 \$'000	2002 \$'000
Accumulated Funds		
Balance at the beginning of the financial year	40,087	43,675
<u>Changes in equity – other than transactions with owners as owners</u>		
Surplus/(deficit) for the year	(179)	(3,588)
Total	(179)	(3,588)
Balance at the end of the financial year	39,908	40,087

11. Commitments for Expenditure

Capital and Expenditure Commitments

There were no commitments as at 30 June 2003 (2002 – nil).

12. Contingent Liabilities

There were no contingent liabilities as at 30 June 2003 (2002 – nil).

13. Budget Review

Net Cost of Services

The actual net cost of services was \$9.464 million or 38.0% lower than budget. This was primarily due to the issue of grants less than budget estimates.

Assets and Liabilities

Total assets were \$9.201 million higher than budget and total liabilities were \$0.280 million below the budget. This was primarily due to the issue of grants less than budget estimates.

Cash Flows

The increase in cash holdings was \$9.108 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

Net cost of services	(15,421)	(18,477)
Changes in assets and liabilities		
Increase/(decrease) in creditors, provisions and accrued expenses:		
Employee entitlements	15	9
Payables	(295)	1,380
(Increase)/decrease in receivables	(94)	(691)
Cash Flows from Government	15,242	14,889
Total Net Cash Flow from Operating Activities	(532)	(2,890)

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 3.75% and the interest rate at the end of the year was 3.75%.

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.

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.

c) Bank Overdraft

The Environmental Trust does not have any bank overdraft facility.

d) 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

Information on Trust Grant Programs is also available on the Trust's website at www.epa.nsw.gov.au/envtrust

Offices

The Trust's offices are located at:

Level 16

59-61 Goulburn Street

SYDNEY NSW 2000

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

Publications

The following publications are available from the Trust:

1. Guidelines for Grant Applications 2003
2. Environmental Trust Annual Reports 1992-93 to 2001-02.

Four hundred and fifty copies have been produced of the 2002-03 report at an external production cost of approximately \$8.55 per copy.

The report is also available at the Trust's website www.epa.nsw.gov.au/envtrust

Freedom of Information

There were no freedom of information requests in the 2002-03 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.

Appendix 1

Membership of the Environmental Trust and Committees

As defined in Section 6 of the *Environmental Trust Act 1998*, the Trust consists of five members.

They are:

- Minister for the Environment (as Chairperson)
- Secretary of NSW Treasury
- Director General of the NSW Environment Protection Authority (EPA)
- a person appointed by the Minister from a panel of three nominated by the Nature Conservation Council (NCC)
- a person appointed by the Minister from a panel of three nominated by the Local Government Association and Shires Association (LGASA).

The Trust met four times in 2002–03: 10 September 2002, 26 November 2002, 25 February 2003 and 5 June 2003.

Members of the Environmental Trust and Meeting Attendance

Member	Appointed Position	Meetings attended by member or deputy	Meetings eligible to attend
Hon Bob Debus MP	Chairperson – Minister for the Environment (statutory appointment)	3	4
Mr John Pierce	Secretary of NSW Treasury (statutory appointment)	4	4
Deputy 1: Ms Elizabeth Dewar	Director Natural Resources and Environment Branch, NSW Treasury		
Deputy 2: Mr Richard Steven	NSW Treasury		
Ms Lisa Corbyn	Secretary and Director General, EPA (statutory appointment)	4	4
Deputy: Mr Joe Woodward	Assistant Director General (Operations), EPA		
Mr Rob Pallin	Representing the Nature Conservation Council of NSW (appointed 3/7/2002)	4	4
Cr Peter Woods	Representing the Local Government Association of NSW (re-appointed 3/7/2002)	4	4
Deputy: Mr Robert Verhey	Strategy Manager Environment Local Government Association and Shires Association of NSW		

Technical Committee Membership

Under Section 9 of the Act, the Trust has established the following technical review committees:

Environmental Restoration and Rehabilitation Program

Mr Joe Woodward (Chairperson)

Assistant Director-General (Operations), EPA

Mr Robert Verhey

Environment, Local Government Association and Shires Association of 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 Parks and Wildlife Service

Dr Webber's deputy: Ms Sally Ash

A/Manager Education and Community Involvement Unit, Education and Community Programs Directorate, NSW Parks and Wildlife Service

Ms Ellen O'Brien

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

Mr David Grant

Australian Institute of Landscape Designers and Managers (Industry representative)

Mr Peter Dixon

President, Australian Association of Bush Regenerators

Mr Dennis Cooper

*Indigenous Land Management Facilitator, Department of Land and Water Conservation
(Indigenous representative)*

Environmental Education Program

Mr Grahame Collier (Chairperson)

Director Industry and Community Education, EPA

Dr Daniella Tilbury

Senior Lecturer in Environmental Education and Sustainable Development, Graduate School of the Environment, Macquarie University

(Australian Association for Environmental Education representative)

Dr Tilbury's deputy: Dr Lynne McLoughlin

Graduate School of the Environment, Macquarie University (Australian Association for Environmental Education representative)

Ms Maree McCaskill

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

Dr Lynn Webber

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

Dr Webber's deputy: Ms Sally Ash

A/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 Association and Shires Association of NSW representative)

Ms Sue Lennox

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

Protecting Our Places Program

Mr Grahame Collier (Chairperson)
Director Industry and Community Education, EPA

Ms Emma Lee
*Policy Research Officer, Heritage and Natural Resources, Strategic Policy and Planning Branch,
NSW Aboriginal Land Council*

Mr Cliff Daylight
*Aboriginal Boards and Committees Coordinator, Department of Land and Water Conservation
(now Department of Infrastructure, Planning and Natural Resources)*

Mr James Ingram
Coordinator, Wagga Wagga Local Aboriginal Land Council (community representative)

Mr Lindon Coombes
Manager, Heritage and Natural Resources Unit, Department of Aboriginal Affairs

Eco Schools Program – Technical Sub-committee

Mr Geoff Young (Chairperson)
Manager Community Education Unit, EPA

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

The committee did not meet during 2002–03 because no new research grants were awarded in the year.

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