



Overview

Our vision

A healthy environment cared for and enjoyed by the whole community and sustained for future generations

Our roles

- We manage natural and cultural heritage and deliver programs to assist in conservation and environmental protection.
- We build knowledge, tools and policy frameworks to inform and improve decision-making by government and others.
- We influence behaviour throughout the community to help protect the environment.
- We regulate activities to conserve Aboriginal cultural heritage and protect the environment.

Our approaches

- We influence the community's decision making, including economic decisions, by providing up-to-date science and knowledge to improve the environment.
- We regulate activities according to the risk they pose to the environment, human health or Aboriginal cultural heritage.
- We work with our partners in all spheres of government, business and the community to develop and deliver environmental and conservation solutions.
- We strive for excellence in our management of natural and cultural heritage.
- We motivate and support people to be environmentally responsible and inspire new generations to learn more about conservation and the environment.
- We contribute to public debate about solutions to environmental and conservation problems.
- We respect the special relationship Aboriginal peoples have with the landscape and seek to incorporate their knowledge, insights and involvement in our conservation efforts.

Our values

As individual staff, work teams and as a department we seek to:

Protect the environment

We are strongly committed to protecting the environment.

Respect Aboriginal culture and heritage

We respect Aboriginal knowledge and culture, both traditional and contemporary, and encourage and support the involvement of Aboriginal peoples in our work.

Act with integrity

We are ethical, impartial and honest.

Be transparent

We are open, accessible and accountable to the community and each other.

Act professionally

We treat our colleagues, our many external partners and other members of the community with respect. We base our decisions on facts, objective standards and analysis, consistent with community values. We value our diversity of ideas and skills as the basis of selecting the best approach. Once a decision is made, we make a commitment to delivering that decision.

Work collaboratively

We collaborate with our colleagues and our external partners to deliver our goals.

Be innovative

We foster creative and inspirational thinking, and encourage learning and improvement.



DEC

Director General's review

For all of us at the Department of Environment and Conservation, 2004–05 has been a year of integration, representing the first full year of operation as one larger department. It has also been a year of reform and delivery, and while this can be a difficult blend of outcomes, it is a testament to the commitment of everyone involved that we have achieved so much. To do this, we have been able to capitalise on the amazing skills and determination of the people from the formative agencies, even at a time when substantial savings needed to be realised. The year has had its challenges, but has reinforced the dedication of the Department to service delivery and to working in partnership with others.

Integration

This year we took a systematic approach to analysing and defining our corporate identity and to considering the detailed structures and placement of staff in all divisions. Most of the detailed structures within DEC were finalised this year, and at 30 June 2005 the transition phase was nearing completion. We have new corporate governance, accountability and occupational health and safety frameworks in place. We are proud that we were benchmarked by the Premier's and Commerce departments' review of corporate services as among the best in the public service.

Reform

We achieved significant reforms this year, both in environment and conservation and in our administration. The *Threatened Species Legislation Amendment Act 2004*, which Parliament passed in November 2004, is a tangible example of reform that links to the NSW Government's new approach to natural resources management. DEC has been a major contributor to the new scientific underpinnings and policy approaches toward protection of biodiversity and threatened species in natural resource management and planning. Wetlands have received special attention through DEC's Wetland Initiative and Recovery Plan, which has brought people together from across the Department in recognition of the significant decline in coastal and inland wetland values. Through our work with communities and other departments, we now have a NSW Wetland Policy and project funding to benefit the Macquarie Marshes and the Gwydir and coastal wetlands.

We have set in train new strategic frameworks to improve the national parks system, with the development of the Protected Area Establishment Strategy for building the reserve system in NSW, progressing a Future Directions Statement for Protected Areas, publishing a new comprehensive and frank State of the Parks report and consulting on the draft of Living Parks: a sustainable visitation plan.

We have also capitalised on the successful Cleaner Industries Partnership Program in building a new approach to sustainability compacts with industry.

Delivery

We have maintained and even bolstered our regulatory credibility across the broader array of programs, even slightly increasing the number and success rate of prosecutions and seeking new environmental service orders to improve the environment. Significant breakthroughs have come in the clean-up of contaminated sites as a result of DEC's strong regulation, with prominent examples at Orica's site at Botany Bay and the old BHP site at Newcastle.

Most impressive has been our collaborative work with Aboriginal communities on co-management and repatriation. In July 2004 over seven years of committed work resulted in the Mt Grenville Historic Site, an Aboriginal rock art site near Cobar, being returned to its people and a board of management appointed so that DEC and Ngiyampaa people can jointly manage the site. In 2004–05, 40 Aboriginal ancestral remains and cultural material were returned to Aboriginal communities across NSW and the repatriation program continues with vigour.

Of note and a major achievement this year was the delivery of substantial budget savings which demonstrates DEC's commitment to responsible and accountable financial management.

As ever it takes many people to help us along the way and to keep us on track. The Board of the Environment Protection Authority, the NPWS Advisory Council, and many advisory and audit committees, and the Board of Trustees of the Botanic Gardens Trust all play a constructive role in providing direction and advice to our environment and conservation programs and have maintained their positive, constructive and active engagement with DEC.

I again express my admiration and thanks to the Minister for the Environment, Bob Debus, who has unparalleled energy for and dedication to the environment and is an inspiration to us all. We feel very honoured to have him remain the Minister for the Environment.

A handwritten signature in dark ink, reading 'Lisa Corbyn'.

Lisa Corbyn
Director General

EPA Board



Back row: Judy Henderson, Berenice Carrington, Tony Wright, Bob Junor

Centre row: John Keniry, David Harley, Gerry Bates

Front row: Peter Prineas, Lisa Corbyn, Colleen Watts

Chairman's report

The past year has brought fresh challenges for the EPA Board as it continues its role in protecting the environment and supporting the NSW Government and the community.

To ensure the most effective input to policy debate, the Board formulated a strategic agenda that identified five major themes for consideration. These included water, environmental science, air, waste and contaminated sites. In addition to its focus areas, the Board also considered issues including regulatory reforms, chemicals and hazardous substances, community education, regulation of pesticides use, and counter-terrorism and emergency incident response. The Board has provided DEC with important feedback for policy development and program implementation based on its expertise in local government, regional issues, environmental policy and law, industry and science.

Members of the Board have an important role to play in bringing issues of environmental significance into prominent focus for the NSW Government and the community. In keeping with this role, this year the EPA Board has been active year in highlighting the issue of air quality in and

around Sydney's road tunnels. The transportation of hazardous materials, which can present a significant risk of harm to the environment when a transport incident occurs, is also of particular concern to the EPA Board.

The Minister for the Environment attended the EPA Board's November meeting in 2004 for discussion on the EPA Board's strategic role and forward agenda. Key issues discussed included the gains to environmental management arising from the formation of DEC and emerging issues in relation to sustainability, chemicals, waste, stormwater, air, noise and waste.

On behalf of the EPA Board I would like to thank the Minister for his support of the Board's work, the Director General, Lisa Corbyn, and DEC staff for their commitment and dedication in their assistance through quality advice and detailed briefings.

David Harley
Chair

About DEC

Who we are

The Department of Environment and Conservation (DEC) is a NSW Government agency with primary responsibility for working with the community to protect and conserve our environment, including our natural and cultural heritage. DEC is within the portfolio of the Minister for the Environment and provides environment protection and conservation advice to government. DEC is responsible for developing policies and programs to conserve our environmental and cultural heritage. DEC implements government regulations and reform initiatives for environmental conservation and is also a significant land manager, responsible for more than seven per cent of New South Wales.

In carrying out our functions DEC staff operate under a number of well-recognised 'brands' and legislative authorities. We have kept the National Parks and Wildlife Service (NPWS) logo, as many people strongly associate their experience of the natural environment with our national parks.

In regulatory matters for environment protection, DEC acts under the powers of the statutory Environment Protection Authority (EPA). The independent EPA Board provides policy direction and approves significant prosecutions and

exemptions under the *Protection of the Environment Operations Act 1997*.

Staff of the Botanic Gardens Trust (BGT) are part of DEC, although BGT and its Board of Trustees are responsible separately to the Minister for the Environment. We also administer programs on behalf of the statutory Environmental Trust. Both of these trusts' activities are reported in separate annual reports.

What we do

DEC focuses on delivering 'whole-of-environment' approaches and solutions for priority environmental, natural and cultural heritage issues in NSW.

DEC works towards achieving a clean and healthy environment through its administration of environment protection legislation (Chapter 2). This legislation covers air and water quality, contaminated land, noise control, pesticides, hazardous chemicals, dangerous goods, radiation and waste. The legislation sets out broad-ranging environment protection requirements as well as outlining specific roles for its implementation by agencies and local councils. We use a range of means to achieve compliance with this legislation, including education, economic incentive schemes, regulation, enforcement, and monitoring and reporting.

One of DEC's key roles is the protection and management of Aboriginal sites, objects and places of special significance to Aboriginal peoples (page 42). We also acquire and manage historic places of significance within the reserve system, which we manage for conservation and the enjoyment of the people of NSW (page 52).

DEC is also responsible for conserving protected Australian animals and plants across the state and for managing NSW national parks and reserves (page 49). This involves the continued improvement of the state's world-class reserve system and the identification, protection and management of wilderness.

DEC promotes environmentally sustainable production, resource use and waste management (Chapter 4). This involves the development, coordination and implementation of a range of strategies and programs, including education for industry and the community, and the development of markets for recovered resources and recycled materials.

DEC also conducts programs of social, cultural, environmental and plant monitoring and research.

■ PERFORMANCE INDICATOR

Total visits to DEC websites

Definition: This indicator measures the total number of visits to DEC's websites, including both staff and external contacts. DEC websites comprise the former EPA and NPWS websites and a new DEC website, which delivers agency-wide information and resources. A 'visit' consists of one or more page views by a single visitor.

Result: This is the first time we have recorded visits to DEC's corporate website in addition to EPA and NPWS sites. The combined number of visits of 3.2 million is over half a million more than the total reported last year for visits to the NPWS and EPA websites, confirming the significant role of DEC's websites in delivering access to extensive information about environmental issues and services to stakeholders and the public.

The most popular pages in 2004–05 were:

- NPWS site: find a park; specific national park pages (Blue Mountains, Royal, Kosciuszko, Ku-ring-gai Chase); native plants and animals; Australian national parks
- DEC and EPA sites: public register; employment; legal and licensing; air quality update; litter; waste.

Our clients and stakeholders

Our clients and stakeholders include:

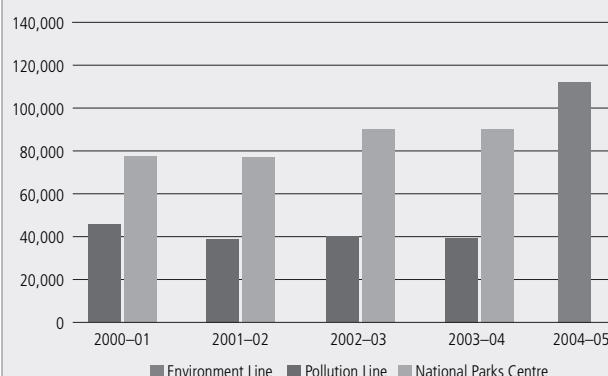
- the NSW Minister for the Environment
- local, state and Commonwealth government agencies
- the National Parks and Wildlife Advisory Council and advisory committees
- community organisations and associations
- the EPA Board
- Aboriginal communities
- neighbours to parks and reserves
- local government and its associations
- catchment management authorities
- industry and its associations
- tourism associations
- local, state and national conservation and environment groups
- educators
- recreational groups
- volunteers
- the media
- recipients of our scientific data (research organisations, universities, students)
- public users of our information services
- users of parks, reserves and gardens.

■ PERFORMANCE INDICATOR

Number of requests for information to Environment Line

Definition: The new DEC Environment Line provides the community with information and advice on environment, conservation and sustainability issues, and is also the main reporting facility for pollution incidents. Requests for information are received via phone calls, letters, faxes, emails and in person.

Requests for information to Environment Line, and the former Pollution Line and National Parks Centre



Interpretation: During 2004-05 DEC restructured its public information services to form 'Environment Line', an integrated service covering all aspects of pollution, the environment, conservation and wildlife. The 116,005 information requests include requests for information about national parks and all other environmental issues but do not include the reporting of pollution incidents (Appendix 13, page 177).

Executive and organisational structure

Our executive

At June 2005, DEC's executive management team comprised our Director General and twelve of our most senior officers from across the organisation.



Back row: Arthur Diakos, Executive Director, Corporate Services Division; Joe Woodward, Executive Director Operations, Environment Protection and Regulation Division; Terry Korn, Director Western, Parks and Wildlife Division; Lisa Corbyn, Director General; Jim Booth, Executive Director, Policy and Science Division; Berenice Carrington, Executive Officer; Tim Entwisle, Executive Director, Botanic Gardens Trust.

Front row: Jason Ardler, Executive Director, Cultural Heritage Division; Sally Barnes, Executive Director, Strategy, Communication and Governance Division; Tim Rogers, Executive Director, Sustainability Programs Division; Simon Smith, Deputy Director General, Environment Protection and Regulation Division; Tony Fleming, Deputy Director General, Parks and Wildlife Division.

Absent: Donna Campbell, Executive Director, Legal Services.

Corporate structure

Director General Lisa Corbyn

Corporate Services Division

Executive Director
Arthur Diakos

- Human Resources Branch
- Finance Branch
- Information Management and Communications Technology Branch
- Administration and Facilities Branch
- Service Centre Branch

Cultural Heritage Division

Executive Director
Jason Ardler

- Policy and Knowledge Branch
- Aboriginal Heritage Operations Branch

Environment Protection and Regulation Division

Deputy Director General
Simon Smith

- Reform and Compliance Branch
- Specialised Regulation Branch
- Regional Operations

Parks and Wildlife Division

Deputy Director General
Tony Fleming

- Reserve and Wildlife Conservation Branch
- Central Branch
- Northern Branch
- Southern Branch
- Western Branch

Policy and Science Division

Executive Director
Jim Booth

- Environment and Conservation Policy Branch
- Environment and Conservation Science Branch

Strategy, Communication and Governance Division

Executive Director
Sally Barnes

- Public Affairs Branch
- Information and Publishing Branch
- Corporate Governance Branch
- Ministerial and Parliamentary Services Branch
- Legal Services Branch
- Executive Services Branch

Sustainability Programs Division

Executive Director
Tim Rogers

- Frameworks and Product Stewardship Branch
- Education Services and Community Programs Branch
- Local Government and Resource Recovery Branch

Botanic Gardens Trust

Executive Director
Tim Entwisle

- Botanic Gardens and Public Programs Branch
- Plant Sciences Branch
- Communications and Marketing Branch
- Finance and Business Services Branch

Performance summary

Our goals and focus areas

In September 2004 we launched the *Department of Environment and Conservation (NSW) Corporate Plan 2004–06*, which forms the basis of this annual report. The plan builds on the successes and achievements of the agencies that formed DEC and recognises the challenges we face for the future. It sets our strategic direction and highlights specific priorities in key areas of our wide-ranging environment and conservation agenda for the two years up to June 2006.

The four primary **goals** of the plan form the backbone of the following chapters.

In each chapter, DEC's achievements for 2004–05 are divided into one or more **strategic focus areas**, and we highlight the key **outcomes** we aim to achieve in those areas.

The plan also identifies 38 **priorities** within the broader scope of DEC's environment and conservation work, which we have reported against at the start of each focus area.

The full plan is available on DEC's website at www.environment.nsw.gov.au.

Reporting on our performance

DEC reports its performance publicly through its Annual Report. The 26 indicators we are using to report our performance, summarised below, reflect the priorities of DEC and our commitment to on-going programs and partnerships.

The Botanic Gardens Trust has a separate corporate plan and prepares its own separate report.

Our corporate plan priorities for 2004–06 and performance indicators

Performance indicators

- Total visits to DEC websites (page 4)
- Number of requests for information to DEC's Environment Line (page 5)

Goal: Protection of ecological and human health SEE CHAPTER 2



Strategic focus area:
A healthier and cleaner environment

Priorities

- Improve approaches to compliance for regulatory activities for cultural heritage, environmental protection and threatened species to ensure the highest risks to the environment are effectively managed and controlled.
- Support the Government's incident and security emergency preparedness so that we are ready to deal with bushfires and biological, chemical and radiological threats and other incidents.
- Develop a science investment plan that recognises the importance of decisions made on a scientific basis and identifies priority areas for environmental science, research and information provision.
- Lead the National Chemicals Working Group to achieve a risk management framework for chemicals, and improved criteria, information and education for adverse chemical impacts.

Performance indicators

- Number of new pollution reduction programs negotiated with licensees
- Pollutant Load Indicator for total assessable air and water pollutants from premises licensed under load-based licensing
- Number of prosecutions completed under EPA legislation, percentage successful and value of fines awarded
- Number and value of penalty infringement notices issued by DEC under EPA legislation
- Percentage of time valid air quality data available from DEC monitoring network
- Estimated tonnes of VOC emissions to the Greater Metropolitan Region airshed per summer prevented due to DEC regulation of the fuel industry
- Percentage of Beachwatch and Harbourwatch sites that comply with Beachwatch swimming water quality guidelines more than 90 per cent of the time
- Number of hazardous material incidents where DEC provided on-site technical or clean-up advice
- Number of regulatory actions under the Contaminated Land Management Act.



Strategic focus area:
Community wellbeing improved

Priorities

- Establish and promote new 'liveability' concepts, such as linking improvements in health and air quality and by promoting 'healthy parks and healthy people'.
- Increase the active participation of Aboriginal communities in conservation management, on and off reserved land.
- Complete the development of a NSW odour mitigation policy.
- Develop a noise mitigation policy framework to guide development within the state.

Performance indicators

- Percentage of general terms of approval for Integrated Development Assessment processes issued by DEC to consent authorities within statutory time frames
- Percentage of Environment Line pollution incident reports about issues relating to air quality, odours or noise from regulated premises.

Goal: Conservation of natural and cultural values across the landscape SEE CHAPTER 3



Strategic focus area:
Biodiversity protected and restored

Priorities:

- Lead the process of reforming NSW threatened species conservation laws, systems and approaches.
- Review, develop and lead implementation of the next stage of the NSW Biodiversity Strategy, 'Living NSW'.
- Provide tools and knowledge to support catchment management authorities and councils in their protection of the natural and cultural values of biodiversity.
- Work to address the impacts of climate change on biodiversity.
- Develop and implement off-reserve programs and initiatives for conservation as part of building a comprehensive, adequate and representative protected area system.
- Develop and implement a strategy for improved protection of NSW wetland systems.

Performance indicators

- Area of private land in NSW managed by landholders for conservation outcomes in programs managed by DEC (includes voluntary conservation agreements and wildlife refuges)
- Number of threatened species, endangered populations and ecological communities, and key threatening processes for which a recovery and/or threat abatement plan has been prepared or initiated



Strategic focus area: Aboriginal cultural heritage protected

Priorities

- Lead other government agencies in building effective relationships with Aboriginal people and communities to protect cultural heritage and to deliver the Government's Aboriginal Cultural and Heritage Action Plan.
- Review legislation and approaches for the protection of Aboriginal cultural heritage.
- Progress the return to Aboriginal communities of ancestral remains, cultural materials and knowledge, including working with Aboriginal communities and the Australian Museum.
- Identify, assess and protect places of significance to Aboriginal peoples in NSW.

Performance indicators

- Number of Aboriginal remains and collections of cultural material held under the National Parks and Wildlife Act repatriated to Aboriginal communities
- Number of Aboriginal place declarations (for sites of Aboriginal cultural significance) made under National Parks and Wildlife Act.



Strategic focus area: Reserve system managed and improved

Priorities

- Develop and implement a strategy to build and finance the reserve system, with emphasis on under-represented areas such as central and western NSW and marine environments.
- Systematically assess the natural and cultural values of the reserve system and botanic gardens.
- Develop and implement an approach that promotes excellence in management of the reserve system, including the State of the Parks program and plan of management review.
- Develop and implement a strategic framework for cultural heritage management and interpretation within the reserve system.

Performance indicators

- Area of land managed by DEC for conservation outcomes
- Number of national parks, historic sites and nature reserves covered by a plan of management or where a draft plan has been on exhibition
- Number of formal agreements with Aboriginal communities for co-management of protected areas
- Number of fire management strategies (adopted and being finalised)
- Number of historic heritage sites where conservation works have been undertaken.



Strategic focus area: Public use of reserve system sustainable

Priorities:

- Develop a policy and strategic planning framework for sustainable and culturally appropriate use of national parks and botanic gardens.
- Put in place a total asset management approach for reserves and botanic gardens.

Performance indicators

- Number of participants in *Discovery* education programs and percentage satisfied.

Goal: Sustainable consumption, production, resource use and waste management SEE CHAPTER 4



Strategic focus area:
Sustainability reflected in government and business operations

Priorities:

- Actively contribute to the Government's metropolitan and regional planning strategies to promote sustainability principles and environmental protection.
- Guide purchasing and resource use by government agencies towards more sustainable practices.
- Minimise DEC's own environmental impact in terms of energy, water and paper consumption.
- Work with businesses to move them towards sustainable practices.

Performance indicators

- Change in waste disposed of to landfill in the Greater Sydney Region under the Waste Avoidance and Resource Recovery Strategy.



Strategic focus area:
Resource conservation improved

Priorities:

- Implement the NSW Waste Avoidance and Recovery Strategy focusing on avoiding and preventing waste, increasing use of renewable and recoverable materials, and reducing roadside and railway litter and illegal dumping.
- Contribute early in the planning process to improve conservation and efficiency in resource use in urban and rural areas e.g. for water.
- Develop a sustainability framework for a more integrated approach to managing environmental issues.

Goal: A credible, efficient and effective organisation SEE CHAPTER 5



Strategic focus area:
One integrated DEC

Priorities:

- Build staffing knowledge and accountabilities and the capacity to deliver services across the Department, emphasising conservation, environmental and cultural heritage concepts, values and practices.
- Review and implement the internal Cultural Heritage Change Program and the Government's 'Two Ways Together' plan.
- Establish effective cross-divisional links within DEC.
- Develop and implement new industrial awards for the Department.
- Establish and implement effective integrated corporate support services across the Department, including policies, procedures, systems and infrastructure.
- Set and achieve challenging targets for occupational health and safety.
- Review work priorities to achieve the Department's two-year budget savings targets while also ensuring manageable workloads for staff.

Performance indicators

- Percentage of Freedom of Information (FOI) requests granted by DEC that provide 80 per cent or more of requested information
- Number and value of reported DEC staff accidents and workers' compensation claims
- Percentage of DEC staff representation for EEO groups.

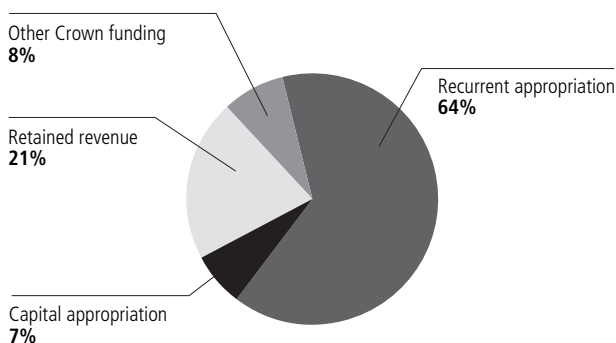
Financial summary

This overview of the financial performance of DEC's financial operations for 2004–05 should be read in conjunction with the accompanying financial statements and related notes (pages 73 to 136). The report provides separate financial statements for the EPA, the Stormwater Trust and the Waste Fund.

The net cost of services is the cost to the NSW Government of DEC services and is derived by deducting the total retained revenue from total expenses and adding/deducting any loss/gain on the sale of non-current assets (see note 4, page 95). Our operations resulted in total expenses of \$441.35 million, total retained revenue of \$93.67 million, with a net cost of services of \$347.89 million.

In addition, DEC collected revenue on behalf of the NSW Government amounting to \$149.02 million, which contributed to Crown revenue.

Sources of revenue 2004–05
(Total revenue: \$441.595 million)

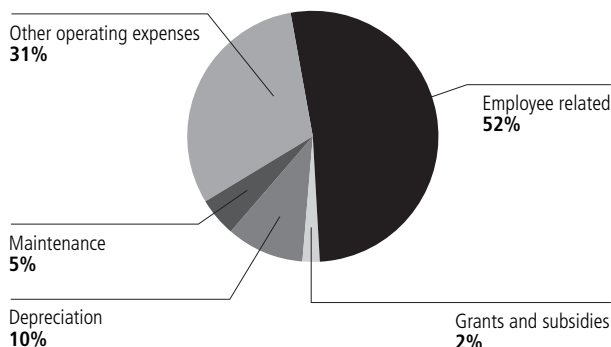


How we use our financial resources

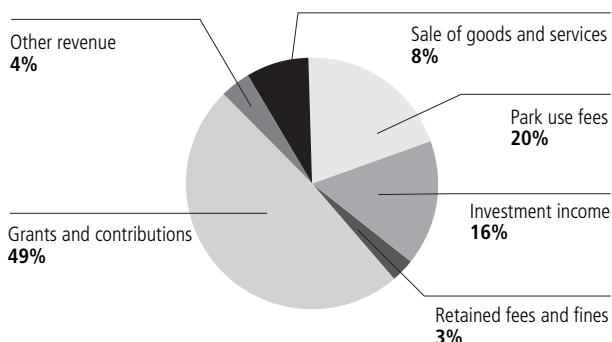
DEC was formed in September 2003. Throughout this financial year, the structure, staffing and resources of the new Department continued to change as the restructure was being finalised.

The following pie charts provide a snapshot of where DEC revenue came from and how it was allocated in 2004–05. The figures in the charts represent the first complete year of the new Department.

Allocation of total expenses 2004–05
(Total expenses: \$441.348 million)



Sources of retained revenue 2004–05
(Total retained revenue: \$93.667 million)



2004–05 Programs – net cost of services
(Total: \$347.89 million)

