



annual report 2010-11

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Letter of transmittal

31 October 2011

The Hon. Barry O'Farrell
Premier of NSW
Level 40, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Premier

Natural Resources Commission – Annual Report 2010-11

It is my pleasure to forward to you for presentation to the NSW Parliament the Annual Report of the Natural Resources Commission (NRC) for the year ended 30 June 2011.

The Annual Report has been prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours sincerely



John Williams
Commissioner

Commissioner's message



As I reflect on the privilege of serving as the Commissioner for Natural Resources for the last six years, I find myself thinking about changes I have seen in the way we manage natural resources in this state, and what I personally have learned.

The most satisfying development for me has been seeing integrated catchment management truly start to improve under the leadership of regionally based catchment management authorities, in partnership with state government agencies and their local communities. This has been a policy objective of governments, and a personal passion of mine, for decades.

In 2010 the Natural Resources Commission produced a major review of how effectively the natural resource management reforms have been implemented. The review report contains clear evidence that the regional approach to managing landscapes is delivering positive results, and is a success story worthy of ongoing support and continual improvement.

I have also seen the objectives of natural resource management become better understood by the broader community and different parts of government. I see natural resource management moving to centre stage as the community debates the choices we need to make about food security, resource extraction, water allocation, biodiversity conservation, climate change adaptation and population growth. Increasingly, our community understands the need to maintain and improve the ecological and

hydrological functions across our landscapes, so they can continue to provide our food, fibre, minerals and energy, as well as support our social and spiritual wellbeing.

Throughout my career, I have focused on using the best available science to better understand how our landscapes work and what should be done to make things better. But one of my biggest lessons as Commissioner is the importance of good governance in making sure the science is answering the right questions—the ones most directly relevant to decision making.

In New South Wales, the regional model has matured to become a system that is helping us to manage uncertainty and ask the right questions as we learn more. This has been clearly demonstrated in the new strategic catchment action plans prepared by two of our catchment management authorities in collaboration with state agencies and regional partners.

I can also see that the relative continuity of institutional arrangements over the last seven years has helped to build trust between governments and communities. The model has also encouraged innovation by supporting new and better approaches to old problems, and has provided a framework within which all levels of government can work with regional communities to learn and solve problems together.

The next step towards truly integrated catchment management is for our land use planning and water resource management systems to be better aligned at the

... regional approach to managing landscapes is delivering positive results, and is a success story worthy of ongoing support and continual improvement

regional scale with the objectives of maintaining and improving landscape function. Strategic planning at the regional scale is where we need to be making the hard decisions about future land use and management, so that development does not compromise future opportunities, viability of ecosystem services, or alternative land uses not yet considered.

Thus, I see that integrated catchment management can now really come of age. We have a mature set of institutional arrangements showing how regional scale planning can work. We are increasingly aware of the need to coordinate efforts to keep future options open as our climate changes and population grows. I believe we are well positioned to create a future that will secure our social and economic development by ensuring a foundation of healthy and resilient landscapes.

John Williams
Commissioner

Our achievements in 2010-11



Promoting innovation in natural resource management to build healthy, resilient landscapes in NSW

Reporting on progress

One of our major projects for 2010-11 was reviewing the implementation of the 10-year state-wide targets and catchment action plans, which are a central tenet of the regional model for natural resource management in NSW.

Our review concluded that the model is delivering positive results as the catchment management authorities (CMAs) are helping landholders to manage their land for their own and the community's long-term benefit. Meanwhile, we called for closer alignment between other government plans, programs and regulatory settings if NSW is to further turn the tide of landscape degradation.

Basing the review on our independent audits of catchment action plans, as well as in-depth analysis of available resource condition data and knowledge of the institutional frameworks, we made seven recommendations to Government for action that will guide ongoing improvements in natural resource management.

Promoting improvement

We released a framework for assessing and recommending upgraded catchment action plans. The framework outlines common expectations of quality and encourages regional innovation so that CMAs can upgrade their region's plans with the certainty of knowing how the NRC will assess these plans and advise the government on their approval.

The framework was trialled and refined through a pilot process, which included our assessment of the upgraded plans for two CMA regions.

Our framework will guide the next stage of innovation in catchment action plans among the state's 13 CMAs and their partners, who have been implementing their plans for the last five years. In 2011, CMAs started upgrading these plans in response to lessons learnt from implementation, evolving policy setting and community values, new knowledge, and emerging issues such as climate change.



Auditing effectiveness

In 2010-11, we began our second round of audits, starting with Murray CMA.

Our first round of audits of all 13 CMAs was concluded in 2009-10. These audits revealed how effectively catchment action plans are being implemented on the ground, and how audit recommendations can help CMAs improve their performance further. Such performance improvement provides confidence to investors that best investments are being made in a complex and constantly changing environment.

The recent audit of Murray CMA provided an opportunity to show how well one CMA is improving its performance in a short time.

The audit revealed that since Murray CMA's first audit in 2008, the CMA has led a noticeable improvement in its organisational culture and business systems, in particular the way it prioritises investments and manages adaptively.

Advising on complex scientific and technical issues

We have several ongoing roles in providing the Government with advice to ensure natural resource management decisions are based on sound science and best practice management. In 2010-11, we provided advice on:

- whether Snowy Hydro's cloud seeding trial is having or will have significant adverse environmental impacts
- the decision making process and a funding profile for allocating the pool of *Catchment Action NSW* funding between the 13 CMAs in 2011-12 and 2012-13
- whether there is sound scientific and social evidence underpinning the proposed amendments to streamline the process for clearing native vegetation
- whether seven proposals for coastal development were consistent with the requirements of *State Environmental Planning Policy No. 77—Coastal Protection*.

1 Our purpose, people and partners

Providing evidence-based advice on complex issues to help improve natural resource management policies, plans and outcomes

Purpose

The Natural Resources Commission (NRC) was established under the *Natural Resources Commission Act 2003* (the NRC Act) to provide credible, independent advice to the NSW Government on managing the state's natural resources.

We advise the Government on what is working in natural resource management, what needs fixing and how it is tracking against its stated policies and targets. This helps the government make better informed decisions on improving natural resource management policies, plans and performance.

To do this, we recommended the Standard and state-wide targets for natural resource management, which the government has adopted. The Standard helps ensure high quality practice in managing landscapes, and the state-wide targets guide joint effort.

Our ongoing roles include:

- reporting on progress towards achieving the state-wide targets, and advising the Government on resolving issues that are restricting progress
- reviewing CMAs' catchment action plans, and advising the Government on their approval
- auditing the effectiveness of CMAs' implementation of catchment action plans in complying with the Standard and contributing to the achievement of the targets
- reviewing technical natural resource management issues to provide a sound scientific basis for decisions
- refining the Standard and targets, and facilitating their use by natural resource managers across NSW
- reviewing complex scientific and policy issues under legislation or as requested by the Government.

All our reports are publicly available from our website.



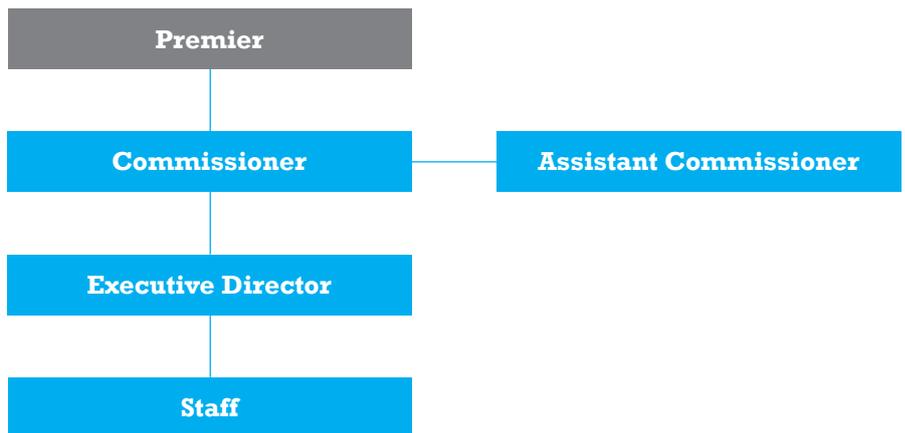
People

The NRC comprises the Commissioner, an Assistant Commissioner, the Executive Director and a small team of staff. We report to the Premier of NSW.

Leadership and structure

The Commissioner is responsible for exercising functions of the NRC under the NRC Act. The Commissioner is supported by the Assistant Commissioner and the Executive Director in formulating our advice to Government and developing our strategic plans. The Executive Director is responsible for the day-to-day leadership and strategic management of the NRC.

Figure 1.1: NRC reporting structure



Commissioners and executive

Dr John Williams *BScAgr(Hons) PhD* **Commissioner**

John is one of Australia's most respected scientists and has led the national debate about sustainable land management. He is a Fellow of the Australian Academy of Technological Sciences and Engineering. Prior to joining the NRC in 2006, he was Chief Scientist and Chair of the Department of Natural Resources' Science and Information Board, and Adjunct Professor in Agriculture and Natural Resource Management at Charles Sturt University. Before that he was Chief of Land and Water at the Commonwealth Scientific and Industrial Research Organisation. In 2005, he was awarded the prestigious Farrer Memorial Medal for achievement and excellence in agricultural science. John has extensive experience in providing national and international thought leadership in natural resource management, particularly in agriculture production and its environmental impact.

Mr Brian Gilligan *BA, DipEd, MA, FAICD* **Assistant Commissioner**

Brian joined the NRC as Assistant Commissioner in August 2009. He is currently a Director of Sydney Water, and a Director of the Hunter Valley Research Foundation. He has also been the Director-General of the National Parks and Wildlife Service of NSW, and brings 33 years of working in environment protection and education roles in NSW government agencies. Brian has led inquiries and evaluations advising governments in various jurisdictions on contentious planning and policy issues, making recommendations for improvements in program delivery.

Mr Alex McMillan *BEC(Hons), LLB* **Executive Director**

Alex specialises in leading innovation in natural resources policy and environmental management. He has a track record in integrating multiple scientific disciplines to solve complex environmental issues. He has established governance standards and auditing techniques to drive improvements in how NSW catchment management authorities perform, and has led a wide range of public reviews including native forest assessments, water sharing plans, and cloud seeding in the Snowy Mountains. Prior to establishing the NRC in 2004, Alex was founding General Manager of the NSW Greenhouse Gas Reduction Scheme, one of the first carbon dioxide emission trading schemes in the world. With a background in economics and law, Alex also has diverse experience in public policy and utility regulation, including irrigation and urban water supply, energy and public transport.

Staff

We have a small professional team of analysts, managers and administrative staff who develop robust advice for the Commissioner's consideration.

Client and stakeholders

We collaborate and engage with a range of agencies, organisations and stakeholders involved in the state's regional model for delivering natural resource management.

The NSW and Australian Governments devolve significant responsibilities and resources to the state's 13 CMAs. Since March 2011, CMAs report to the Minister for Primary Industries and receive technical and policy development support from state agencies.

We work closely with CMAs. We support them in using the Standard, review their region's catchment action plans, recommend whether they should be approved, audit their effectiveness in implementing these plans, and assess whether they are making progress towards achieving their region's targets and priorities.

We also engage with a range of other government agencies, including:

- the Office of Environment and Heritage, the Office of Water and the NSW Primary Industries, to help develop best practice management of natural resources
- the Department of Premier and Cabinet, to help achieve a whole-of-government response to natural resource management
- other government agencies, such as the Department of Planning and Infrastructure, NSW Treasury, Department of Local Government, and federal natural resource management agencies.

We participate in meetings of the:

- Natural Resource Management Senior Officers Group with the above agencies and CMA representatives to encourage whole-of-government collaboration, planning, and monitoring, evaluation and reporting
- Raising National Water Standards Project Steering Committee to improve capacity to measure, monitor and manage our water resources.

In addition, we engage with farming and environmental groups, private landholders, the Local Government and Shires Association, and regional and local organisations.

We also make use of the expertise of organisations such as the Commonwealth Scientific and Industrial Research Organisation, universities, independent scientists and the broader community.



2 Reporting on progress

Promoting accountability and learning by publicly reporting on progress towards healthy, resilient landscapes

The year 2010 was a milestone for natural resource management in NSW – it was the mid-point for implementation of the 10-year state-wide targets and the 10-year catchment action plans. To track how the model is working, we undertook a mid-term review in accordance with our statutory role of providing independent advice to the NSW Government.

Our review concluded the NSW model for natural resource management is successful in supporting private landholders to more sustainably manage their land for everyone's long term benefit.

Our report, *Progress towards Healthy Resilient Landscapes (2010 Progress Report)* found that CMAs are achieving results on the ground and that NSW has a sound framework for natural resource management. We also proposed that greater coordination and alignment would lead to even stronger results. These

findings are explained below.

CMAs are achieving results on the ground

Our independent audits indicated that CMAs are achieving results on the ground. They are effectively delivering projects with their communities and are progressing well in implementing their region's catchment action plans. Notably:

- over 90 per cent of all audited projects had achieved their expected short-term outputs
- nearly 90 per cent of the projects had strong, logical links between activities undertaken and expected outcomes
- around 50 per cent of the projects showed evidence of local improvements in resource condition
- CMAs have demonstrated strengths in community engagement
- CMAs are leveraging third party investment and attracting cash and in-kind contributions.

Complementing our findings, CMAs have separately reported that, from 2004 to 2009, their collective investment of around \$650 million has resulted in 5 million hectares of land being protected, repaired, enhanced, treated or rehabilitated. This equates to 6 per cent of the

total area of NSW.

NSW has a sound framework for natural resource management

The review also confirmed the soundness of NSW's framework for natural resource management. The institutional elements are well established and are fostering a noticeable cultural shift in how natural resources are considered and managed. CMAs have had time to build their own capacity and that of their communities. The Standard, targets and audit framework support structured learning and improvement.

Greater co-ordination and alignment will lead to better results

While CMAs are effectively working with landholders, they do not have the resources or scope to address other increasingly important landscape change drivers such as urban development, mining, climate change and water availability.

To help CMAs deliver even stronger results, we advocate better alignment of government planning and policies, better use of robust and relevant science to inform decisions, and more efficiently coordinated investment from all levels of government. Other government policies also need to complement voluntary action.

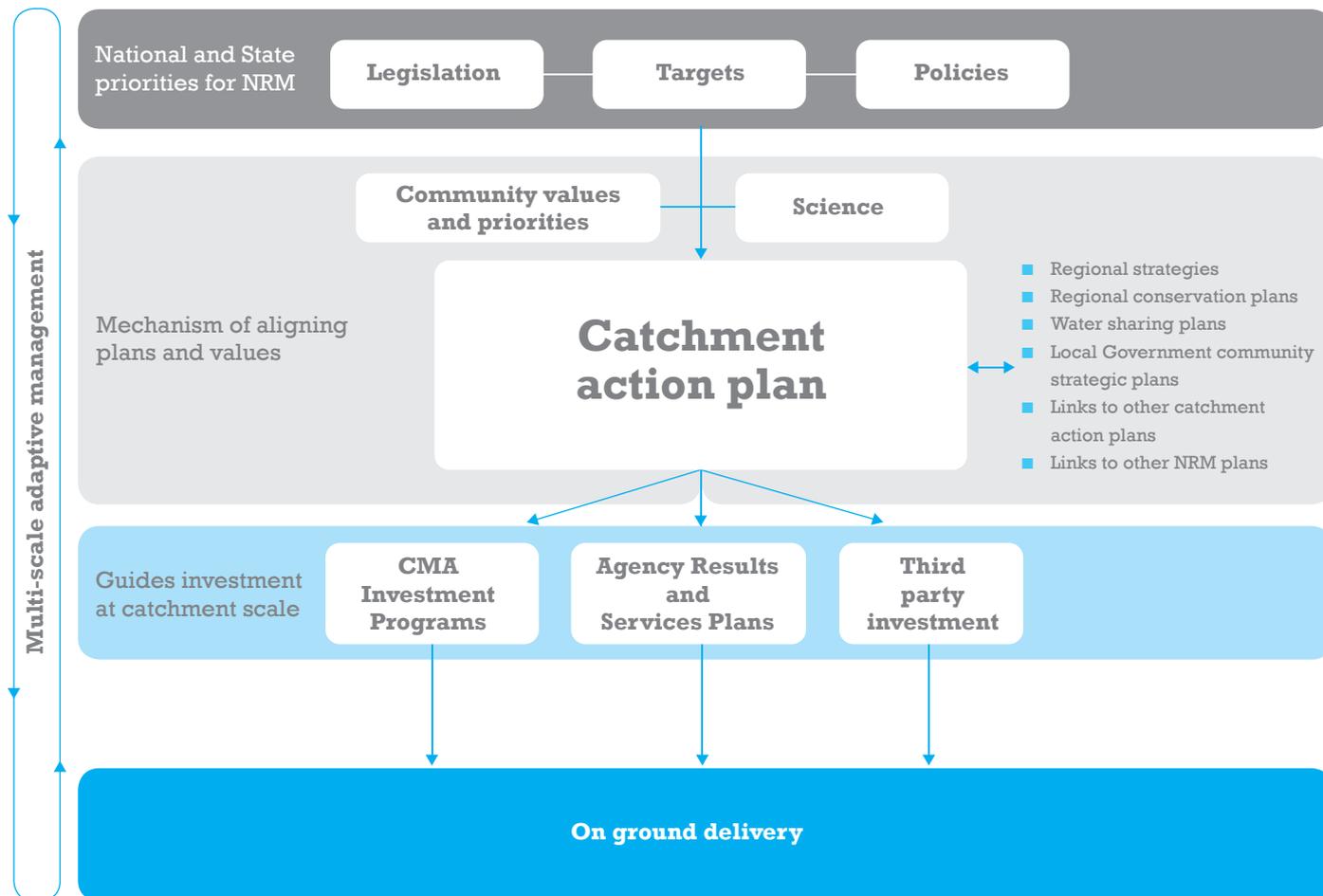


Figure 2.1: Catchment action plan as a mechanism for aligning plans and values

We made seven recommendations for action that should form the foundation for ongoing improvement in natural resource management over the next period of catchment action plan implementation. These recommendations build on the agency and CMA initiatives that are already in place to address the identified priorities.

The NSW Government in its NSW 2021 plan has prioritised one of our recommendations, facilitating community and government collaboration to develop 13 upgraded catchment action plans by March 2013. The Government is also implementing some of our other recommendations in achieving greater coherence among state-wide policies and plans, and improving science and knowledge to support decision making.

We conducted this review in accordance with our statutory role of providing independent advice to the Government. The review was based on:

- our comprehensive audits of how effectively catchment action plans are being implemented
- available resource condition data from the NSW monitoring, evaluation and reporting program
- the best available knowledge on how well the institutional framework of catchment action plans, the Standard, targets, state-wide policies, plans and investments are all supporting each other.

The full report, including snapshots of 13 CMA regions across NSW, is available from our website.

Next steps

Future direction in natural resource management in NSW should build on the success of the regional model to pursue more cohesive and collaborative approaches across all levels of government. It is important to recognise that sustained effort and community involvement is necessary over a longer time before site-scale works can lead to landscape-scale improvement.

3 Promoting improvement



Setting clear expectations for improving natural resource management plans to build resilient landscapes

In 2010-11, we released a framework for assessing and recommending catchment action plans to promote continuous improvement in natural resource management. We also gave presentations at events and participated in committees to promote a collaborative approach in this field.

Framework for assessing and recommending catchment action plans

The framework explains how we will assess upgraded catchment action plans developed by CMAs in partnership with their communities. It outlines common expectations of quality and encourages innovation in the way CMAs meet those expectations.

The CMAs and their partners have been implementing approved catchment action plans for the last five years, and we have

audited CMAs' effectiveness in implementing these plans.

The business of natural resource management in NSW has evolved since first catchment action plans were developed. Now, there is a greater commitment across governments to work towards a collaborative, whole-of-government and community approach to regional natural resource management.

Resilience thinking is emerging as a new framework for helping communities understand how their catchments work and where and how they can best intervene to keep landscape systems operating effectively. Resilience is being promoted through the Australian Government policy statements and programs, and is central to the aspirational goal in NSW.

What is resilience?

Resilience is a measure of a landscape's capacity to cope with shocks and undergo change while retaining essentially the same structure and function. Applying resilience thinking means that we look at our landscapes as dynamic systems with interacting social and ecological components. Humans and their values are seen as an integral part of the landscape system.

Resilience thinking aims to identify a small number of important variables that control the way a complex landscape system is functioning, and the thresholds within which the system can continue to function in a desired way. Management can then be designed to maintain a functioning system, either by remaining within thresholds or transforming to a desirable (or least undesirable) alternative stable state. Managing for resilience involves promoting diversity and flexibility in those systems, and building the capacity to adapt and change.

We worked with CMAs and agencies to develop the framework. The assessment criteria in the framework were trialled and refined through a pilot process in which:

- we worked with CMAs, NSW and Australian government agencies, and local government to develop a draft set of assessment criteria
- Central West and Namoi CMAs and their partners developed pilot upgraded catchment action plans, based on the draft criteria
- we conducted a trial assessment of these plans to test feasibility of the assessment criteria, as well as the appropriateness of the benchmarks being set
- we refined the assessment criteria based on lessons from the pilot process, and the up-to-date priorities for catchment action plans identified in our *2010 Progress Report*.

The final assessment framework has three criteria (Figure 3.1) relating to quality of the planning process undertaken, and quality of the final plan. The criteria include whether the plan:

- was developed using a structured, collaborative and adaptable planning process
- uses best available information to develop targets and actions for building resilient landscapes,
- is a plan for collaborative action and investment between government, community, and industry partners.

Collaborative approach to natural resource management

We gather and publicise information that promotes a collaborative approach to natural resource management.

In 2010-11, our Commissioner delivered 13 public talks at key conferences and seminars, in Australia and overseas, to help raise the profile of the Standard, targets and catchment action

plans, which are key components of the regional model for natural resource management in NSW. Participating in the Natural Resource Management Senior Officers Group proved an effective way of building consensus around the need for integrated and whole-of-government natural resource management. We continue to be a member of the Raising National Water Standards Project Steering Committee, which aims to improve capacity to measure, monitor and manage our water resources.

Next steps

In 2011-12, the Central West and Namoi CMAs are finalising their region's catchment action plans, and the remaining CMAs will develop their upgraded catchment action plans. We will assess these plans to advise the Government on whether they should be approved.

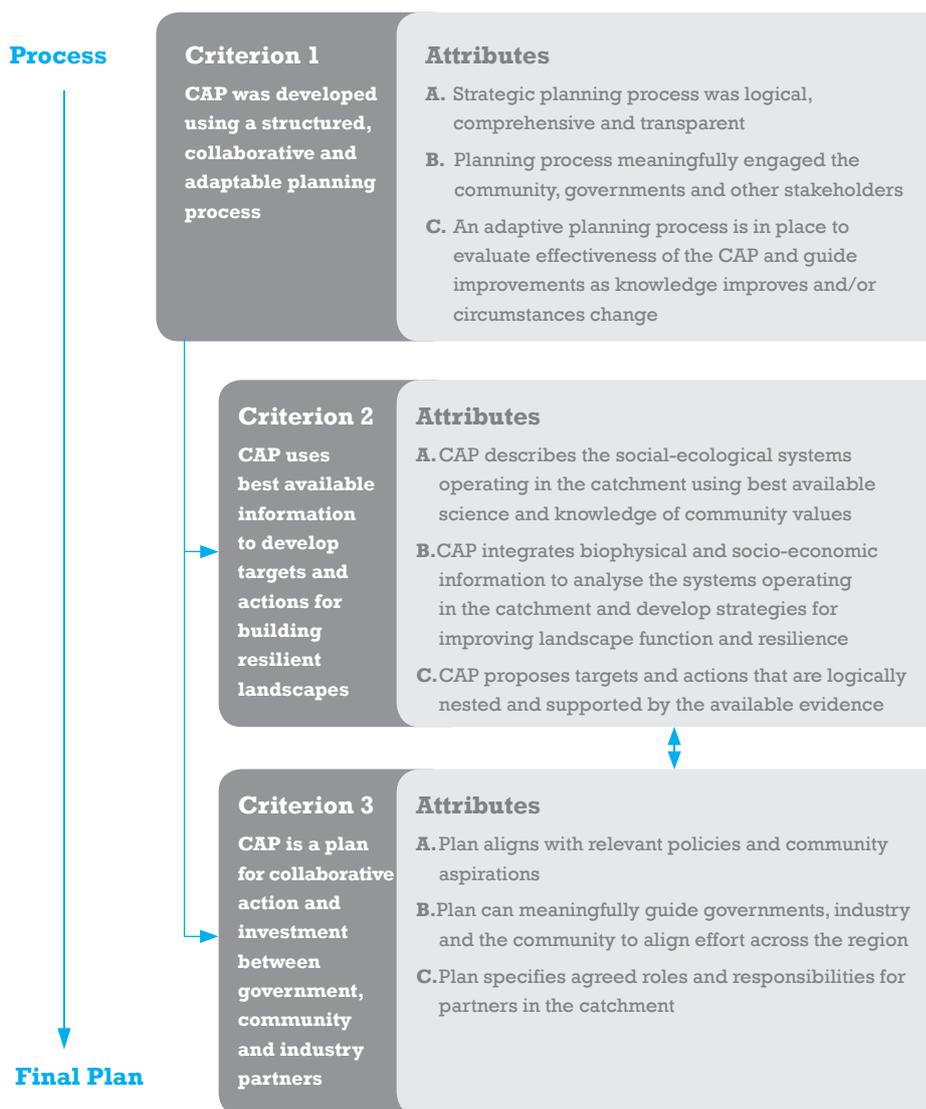


Figure 3.1: Criteria to assess whether the catchment action plan is a quality, strategic natural resource management plan

4 Auditing effectiveness

Providing a quality assurance mechanism within the regional model to improve landscape function

In 2010-11, we started the second round of CMA audits, having completed the first round in 2008-09.

Our audits show how effectively catchment action plans are being implemented on the ground, and recommend actions for CMAs to improve their performance. These improvements give confidence to stakeholders and investors that CMAs are making the best investments in a complex and constantly changing environment.

The latest audit of Murray CMA found that, in the two years since its first audit, the CMA's leadership has led an observable improvement in organisational culture and business systems. The CMA has made substantial improvement across most lines of audit inquiry, in particular the way it prioritises investments and adaptively manages. Some of these improvements can be attributed to the CMA's leadership in implementing actions recommended in the previous audit.

The audit results show that improvements can be made in a relatively short period of time when the right institutional structures are in place at different scales, namely improved governance at the CMA scale complemented by the audit process. The CMA considers that its previous audit results, and the suggestions for improvement, gave the necessary mandate to drive change throughout the organisation and improve its performance.

Our audits focus on the effectiveness of CMAs, since they are the principal organisations leading implementation of these plans. However, the audits recognise that all natural resource managers contribute to catchment action plan achievement.

Our audits examine CMA performance across four lines of inquiry:

- **effective prioritisation** to ensure the CMA's investment decisions are guided by the catchment action plan and investments are targeted to areas in the catchment that will achieve the best possible natural resource management results
- **effective community engagement** to ensure processes are in place to identify and foster partnerships, leverage continued participation and build community capacity

- **achieving on-ground results** to ensure projects are credibly contributing to longer-term targets, that projects deliver their intended outcomes and that the results will last
- **using adaptive management** principles and practices to continually improve and become more efficient.

The audits are conducted by experienced auditors and natural resource management experts, combining recognised audit methodologies, standards and expert opinion. We use a range of audit activities to assess performance, including:

- **site inspections** (six for the Murray audit and over 100 for all CMAs) – involving desktop report analysis, data review, expert judgement, fieldwork and interviews with the CMA and third parties to assess actual natural resource change and engagement strategies against planned objectives
- **report verification** – involving fieldwork and interviews with the CMA and third parties to verify whether claims outlined in reports reflected what was happening on the ground
- **logic modelling reviews** – involving expert judgement, fieldwork and CMA interviews to



examine the logic of targets set in plans and the links to outcomes at different scales

- **systems design review** – desktop report analysis and CMA interviews to assess whether business systems were likely to meet the required outcomes of the Standard, along with fieldwork and interviews with the CMA and third parties to assess whether the CMA is using its systems effectively.

All our audit reports are publicly available from our website. The audit reports describe how CMAs are performing against each line of inquiry, and include case studies and recommended actions for CMAs to improve. CMA Boards periodically report to the NRC on progress in addressing recommended actions.

Next steps

In 2011-12, we will further review our audit program to capture lessons learnt so far and improve our audit process. We will also audit the Lower Murray Darling and Border Rivers-Gwydir CMAs.



5 Advising on complex scientific and technical issues

Providing sound scientific advice on specific issues as a basis for government decision making and policy setting

We have an ongoing role to provide independent and objective advice to Government on complex scientific and policy issues. In some cases, we are asked to review an issue and are given specific terms of reference. In other cases, we are responsible under legislation to undertake regular review functions.

In 2010-11, we reviewed and provided advice on:

- the decision making process and a funding profile for possible allocation of the pool of *Catchment Action NSW* funding between the 13 CMAs in 2011-12 and 2012-13
- whether Snowy Hydro's cloud seeding trial is having or will have significant adverse environmental impacts
- whether there is sound scientific and social evidence underpinning the proposed amendments to streamline the process for clearing native vegetation
- whether proposals for coastal development were consistent with the requirements of *State Environmental Planning Policy No. 77 – Coastal Protection*.

Snowy Mountains cloud seeding trial

In 2010-11, we reviewed the first phase of Snowy Hydro's cloud seeding trial in the Snowy Mountains, and reported on the trial's environmental impacts. Authorised under the *Snowy Mountains Cloud Seeding Trial Act 2004 (the Act)*, the trial is designed to help understand whether cloud seeding can increase snowfall in this area.

Our review was based on Snowy Hydro's 2009 Snowy Precipitation Enhancement Research Project Annual Report. This report marks the end of the first phase of the trial (2004 to 2009). It includes Snowy Hydro's analysis of the results of its environmental monitoring program over this phase. It also includes the first available data and analysis of the trial's impact on downwind rainfall and effectiveness in increasing snowfall.

Our review found that:

- the trial is being conducted in compliance with the Act, is of a high scientific standard and the evaluation plan is statistically sound
- there is no evidence that cloud seeding operations have had adverse environmental impacts over the first phase of the trial, based on Snowy Hydro's environmental monitoring results
- there is no evidence that the chemicals used as seeding agent and tracer (silver iodide and indium trioxide) have accumulated in sampled soils, sediments, water or moss in the areas being tested

- there is also no evidence of impacts on snow habitats, or of difference in the concentrations of ammonia and nitrogen oxides in seeded and unseeded snow
- the monitoring results have detected no adverse impacts on rainfall in downwind areas during the first phase of the trial.

Our report found evidence that cloud seeding has increased snowfall in the target area under defined weather and operating conditions.

A key uncertainty identified by us and our specialist peer reviewers is the transport and potential long-term accumulation and impacts of silver iodide and indium trioxide. Although no adverse environmental effects have been detected to date, we recommended that any future risk analysis by Snowy Hydro seeks to understand the ultimate fate of these seeding chemicals.

Funding allocations to catchment management authorities

In 2010-11, we recommended improvements for the process of allocating government funding to CMAs. This included projections for allocations of the pool of *Catchment Action NSW* funding between the 13 CMAs in 2011-12 and 2012-13. The NSW Government used our recommended funding profile to allocate 2011-12 funding between CMAs.

The Government has been using the NRC-recommended decision making process to allocate *Catchment Action NSW* funding for the last three years. The six-stage decision making process



includes a multi-criteria analysis decision support tool that aims to maximise the Government's return on investment.

Our final report made four key recommendations concerning the decision making process, and explains the purpose and implications of improvements to the decision making process and multi-criteria analysis tool.

We made several improvements to the decision making process, such as increasing its transparency and factoring in structured stakeholder involvement throughout the process. The multi-criteria analysis tool was improved by updating various data and criteria weightings. We also introduced a 'no reduction below a threshold' rule in the event that funding was set between \$22 million and \$25 million; this threshold would help prevent funding fluctuations impacting the continuity of CMAs' projects and long-term community engagement.

Assessment process for clearing native vegetation

In 2010-11, the then Minister for Climate Change and the Environment sought our advice on proposed amendments to the Assessment Methodology, used to assess whether proposals to clear native vegetation will improve or maintain environmental outcomes, according to the *Native Vegetation Act 2003*.

The amendments proposed a new Chapter 8 to the Assessment Methodology. The chapter aims to streamline the current assessment process for five categories of native vegetation, and reduce processing time for clearing applications.

At the time of our review, the amendments were still being refined and the scientific and practical information basis supporting them was still being assembled. In view of this, we recommended to:

- complete the current process to refine the amendments, and more thoroughly document the scientific basis for the proposals
- build a prototype tool to test the proposed amendments on a significant sample of native vegetation clearing requests across all regions, with the results being documented and publicly reported, before seeking the NRC's advice on the revised package of tested amendments
- establish a system for periodic, independent auditing of property vegetation plans and public reporting to identify areas for improvement and increase public confidence in the operation of the Assessment Methodology.

Coastal development proposals

In 2010-11, we provided advice on seven coastal development proposals. Our advice helps to promote the aims of *State Environmental Planning Policy No. 71 – Coastal Protection* (SEPP 71) and encourages greater connection between planning processes and natural resource management.

The SEPP 71 aims to protect and manage the NSW coast, marine environment, native coastal vegetation and cultural heritage.

The SEPP 71 requires that a master plan is prepared for development of land before development consent can be granted. A master plan provides written information, maps and diagrams that outline proposals for development of the land. The Minister for Planning must consult the NRC before approving a master plan or waiving the need for a master plan.

We have established a rigorous assessment system to develop our advice. In this system, each proposal is assessed against the key SEPP 71 provisions to identify the provisions that have not been well considered. The impact of risks associated with these provisions is assessed and considered in providing advice.

Next steps

In 2011-12, we will continue to provide independent advice to the Government on complex natural resource management issues to ensure that decisions on natural resource management in NSW are guided by sound science.

We will undertake a review of the resource condition monitoring, evaluation and reporting program. We will also pilot an integrated catchment evaluation in preparation for our State of the Catchment reporting function.

6 How we achieve our results

Providing sound scientific advice on specific issues as a basis for government decision making and policy setting

The NRC comprises a small team of professional natural resource analysts, administrative staff and managers. We also draw on the experience and knowledge of expert researchers, scientists and practitioners in a variety of fields to supplement our in-house capabilities and ensure we develop robust advice for the Commissioner's consideration.

Effective decision making

The NRC is headed by the Commissioner, who makes the final decisions on the advice we provide to the Government. He is supported by an Assistant Commissioner and the Executive Director, as well as invited external representatives (such as scientific experts and peer reviewers) and the NRC staff.

Our governance policy sets out the respective roles and responsibilities of Commission members and staff. The policy provides a platform for continuous improvement of our governance arrangements. Our strategic plan, reviewed every six months, sets out how we will fulfil our core functions and is available from our website.

Robust and efficient processes

We use a project-based approach, often working under specific terms of reference from the Government. We aim to provide high quality, objective and practical advice.

We highly value our independence and the transparent way in which we work, collaborate and engage with our stakeholders.

We manage our work adaptively using the Standard to deal with uncertainty in our knowledge of natural, social and economic systems, and the complexity of interactions between these systems.

We are guided by our values and seek to contribute to the achievement of resilient landscapes by being efficient and focused, and continually improving our processes and leveraging each other's strengths.



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for the year ended 30 June 2011

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Natural Resources Commission

Independent auditor's report Natural Resources Commission and controlled entity



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Natural Resources Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Natural Resources Commission (the Commission), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity, as at 30 June 2011, and of the financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Commissioner's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

Peter Coulogeorgiou
Director, Financial Audit Services

14 October 2011
SYDNEY

Natural Resources Commission

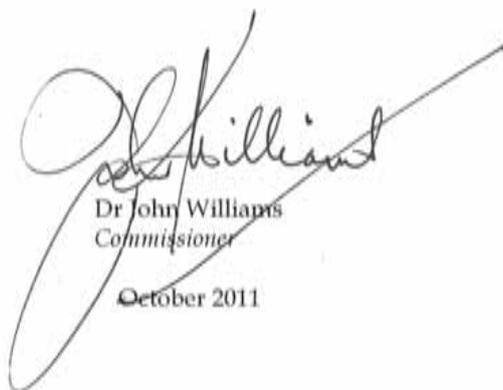
Statement on behalf of the Natural Resources Commission



STATEMENT ON BEHALF OF THE NATURAL RESOURCES COMMISSION

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

- a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2000, the Financial Reporting Code for Budget Dependent Central Government Sector Agencies and Treasurer's Directions;
- b) the financial statements exhibit a true and fair view of the financial position of the Natural Resources Commission of New South Wales as at 30 June 2011 and the operations for the period then ended;
- c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Dr John Williams
Commissioner
October 2011



Stephen Dunkerley
Director Corporate Services
14 October 2011

Natural Resources Commission

Statement of comprehensive income

for the year ended 30 June 2011

	Notes	Consolidated			NRC	
		Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	2,458	2,838	2,507	–	–
Other operating expenses	2(b)	2,218	1,891	4,347	2,218	4,347
Depreciation and amortisation	2(c)	105	100	53	105	53
Personnel services	2(d)	–	–	–	2,398	2,507
Total expenses excluding losses		4,781	4,829	6,907	4,721	6,907
Revenue						
Sale of goods and services	3(a)	–	–	32	–	32
Investment revenue	3(b)	18	24	38	18	38
Other revenue	3(c)	5	–	–	5	–
Total revenue		23	24	70	23	70
Net cost of services		(4,758)	(4,805)	(6,837)	(4,698)	(6,837)
Government contributions						
Recurrent appropriations	4	4,476	4,708	6,721	4,476	6,721
Capital appropriations	4	–	–	296	–	296
Acceptance by the Crown Entity of employee benefits and other liabilities	5	60	58	63	–	–
Total government contributions		4,536	4,766	7,080	4,476	7,080
SURPLUS/(DEFICIT) FOR THE YEAR		(222)	(39)	243	(222)	243
Other comprehensive income for the year	–	–	–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(222)	(39)	243	(222)	243

The accompanying notes form part of these financial statements.

Natural Resources Commission

Statement of changes in equity

for the year ended 30 June 2011

Consolidated and NRC	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2010	237	237
Surplus/(deficit) for the year	(222)	(222)
Total comprehensive income for the year	(15)	(15)
Balance at 30 June 2011	15	15
Balance at 1 July 2009	(6)	(6)
Surplus/(deficit) for the year	243	243
Total other comprehensive income for the year	-	-
Balance at 30 June 2010	237	237

Natural Resources Commission

Statement of financial position

as at 30 June 2011

	Notes	Consolidated			NRC	
		Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Assets						
Current assets						
Cash and cash equivalents	7	452	338	277	452	277
Receivables	8	69	227	225	69	225
Total current assets		521	565	502	521	502
Non-current assets						
Property plant and equipment	9	191	189	289	191	289
Intangible assets	10	3	4	4	3	4
Total non-current assets		194	193	293	194	293
Total assets		715	758	795	715	795
Liabilities						
Current liabilities						
Payables	11	247	121	121	247	282
Provisions	12	150	160	160	150	-
Other	13	232	214	212	232	212
Total current liabilities		629	495	493	629	494
Non-current liabilities						
Provisions	12	71	65	65	71	64
Total non-current liabilities		71	65	65	70	64
Total liabilities		700	560	558	700	558
Net assets		15	198	237	15	237
Equity						
Accumulated funds		15	198	237	15	237
Total equity		15	198	237	15	237

The accompanying notes form part of these financial statements.

Natural Resources Commission

Statement of cash flows

for the year ended 30 June 2011

	Notes	Consolidated			NRC	
		Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Cash flows from operating activities						
Payments						
Employee related		(2,404)	(2,780)	(2,410)	(2,404)	(2,410)
Other		(2,274)	(1,889)	(4,765)	(2,274)	(4,765)
Total payments		(4,678)	(4,669)	(7,175)	(4,678)	(7,175)
Receipts						
Sale of goods and services		35	–	–	35	–
Interest received		35	20	16	35	16
Other		287	2	400	287	400
Total receipts		357	22	416	357	416
Cash flows from government						
Recurrent appropriation		4,708	4,708	6,933	4,708	6,933
Capital appropriation		–	–	296	–	296
Cash transfers to the consolidated fund		(212)	–	–	(212)	–
Net cash flows from government		4,496	4,708	7,229	4,496	7,229
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	175	61	470	175	470
Cash flows from investing activities						
Purchases of property, plant and equipment		–	–	(299)	–	(299)
Payment for intangibles		–	–	(4)	–	(4)
NET CASH FLOWS FROM INVESTING ACTIVITIES		–	–	(303)	–	(303)
NET INCREASE (DECREASE) IN CASH		175	61	167	175	167
Opening cash and cash equivalents		277	277	110	277	110
CLOSING CASH AND CASH EQUIVALENTS	7	452	338	277	452	277

The accompanying notes form part of these financial statements.

Natural Resources Commission

Summary of compliance with financial directives for the year ended 30 June 2011

	2011			2010			
	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
Consolidated							
Original budget appropriation/ expenditure							
Appropriation act	4,708	4,476	-	-	4,548	4,536	296
	4,708	4,476	-	-	4,548	4,536	296
Other appropriations/ expenditure							
Section 28 of the Appropriation Act, 2009	-	-	-	-	2,385	2,185	-
Transfers to/from another agency (s31 of the Appropriation act)	-	-	-	-	-	-	-
	-	-	-	-	2,385	2,185	-
Total appropriations/ expenditure/net claim on consolidated fund (includes transfer payments)	4,708	4,476	-	-	6,933	6,721	296
Amount drawn down against appropriation		4,708				6,933	296
Liability to consolidated fund*		(232)				(212)	-

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

* Liability to Consolidated Fund represents the difference between the 'Amount drawn down against Appropriation' and the 'Total Expenditure/Net Claim on Consolidated Fund'.

Natural Resources Commission

Notes to the financial statements

for the year ended 30 June 2011

1 Summary of significant accounting policies

(a) Reporting entity

The Natural Resources Commission (the Commission), was established as an independent body with broad investigating and reporting functions for the purpose of establishing a sound scientific basis for the properly informed management of natural resources in the social, economic and environmental interests of the State, and enabling the adoption of State-wide standards and targets for natural resource management issues.

The Commission, as a consolidated reporting entity, comprises all the entities under its control, including the Natural Resources Commission Division. Staff of the Commission were transferred to the Natural Resources Commission Division on 17 March 2006. All employee provisions are now held within the Division, and are shown in the consolidated section of these statements.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

The Commission is a NSW government statutory authority. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The consolidated financial statements for the year ended 30 June 2011 has been authorised for issue by the Commissioner on 14 October 2011.

(b) Basis of preparation

The Commission's financial report is a general purpose financial report which has been prepared in accordance with:

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

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

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

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

(c) Statement of compliance

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

(d) Administered activities

The Commission does not administer any activities on behalf of the Crown Entity.

(e) Insurance

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

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

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

- the amount of GST incurred by the Commission 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 and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the Commission obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash. Appropriations are not recognised as revenue in the following circumstance:

- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in Note 13 as part of *Current liabilities – Other*. The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Commission transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(h) Assets

(i) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

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

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance

with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 071). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, the Commission is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(v) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Commission.

Depreciation rates

% Rate

Plant & Equipment:

Office furniture and fittings	33
Computer equipment and softwares	
General plant and equipment	
Leasehold improvements	
– over the period of the lease	

(vi) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(vii) Intangible assets

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Commission's intangible assets are amortised using the straight line method over a period of three years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units. Impairment can only arise if selling costs are material. Selling costs are regarded as immaterial. Hence, the Commission is effectively exempted from impairment testing.

(viii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

(i) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee benefits

(a) Salaries and wages, annual leave, sick leave and oncosts

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within 12 months is measured at present value in accordance with AASB 119 *Employee Benefits*.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(b) Long service leave and superannuation

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

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

(c) Personnel Services

The Personnel Services are provided by the Natural Resources Commission Division according to Part 3, Schedule 1 to the Public Sector Employment and Management Act 2002 as amended in 2006.

(j) Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s21A, s24 and / or s26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the operating statement and the cash flow statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the balance sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts; i.e. per the audited financial statements (rather than carried forward estimates).

(k) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(l) New Australian Accounting Standards issued but not effective

- AASB 2010-2 regarding Reduced Disclosure Requirements
- AASB 2010-4 regarding Annual Improvements
- AASB 2010-5 regarding editorial corrections
- AASB 2010-6 regarding Disclosures on Transfers of Financial Assets
- AASB 2010-7 regarding financial instruments
- AASB 2100-8 regarding Deferred Tax: Recovery of Underlying Assets regarding AASB 112
- AASB 2010-9 regarding severe hyperinflation and removal of fixed dates for first time adopters
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2009-12 regarding related party transactions
- AASB 2009-14 regarding prepayments of a minimum funding requirement

2 Expenses excluding losses

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
(a) Employee related expenses				
Salaries and wages (including recreation leave)	2,137	2,193	–	–
Superannuation defined contribution plans	148	151	–	–
Long service leave	60	63	–	–
Workers compensation insurance	8	–	–	–
Payroll tax and fringe benefit tax	105	100	–	–
	2,458	2,507	–	–
(b) Other operating expenses include the following:				
Auditor's remuneration – audit or review of the financial statements	14	14	14	14
Consultancy costs	1,105	2,267	1,105	2,267
Contractors	87	547	87	547
Insurance	6	7	6	7
Postage and telephone	49	93	49	93
Advertising, printing and publication	89	307	89	307
Rental expense relating to operating leases	286	278	286	278
Training (staff development)	29	130	29	130
Travel	186	320	186	320
Special functions/events	8	28	8	28
Corporate services	116	108	116	108
Administration expenses	156	168	156	168
EDP expenses	44	64	44	64
Maintenance expenses	43	16	43	16
	2,218	4,347	2,218	4,347
Maintenance expense – contracted labour and other (non employee related), as above	43	16	43	16
Total maintenance expenses included in Note 2(a) + 2(b)	43	16	43	16
(c) Depreciation and amortisation expense				
Depreciation				
Plant and equipment	104	40	104	40
Total depreciation	104	40	104	40
Amortisation				
Leasehold improvements	–	13	–	13
Intangible	1	–	1	–
	105	53	105	53
(d) Personnel services				
Paid to the Natural Resources Commission Division	–	–	2,458	2,507
	–	–	2,458	2,507

3 Revenue

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
(a) Sale of goods and services				
Sale of goods and services	-	32	-	32
	-	32	-	32
(b) Investment revenue				
Interest	18	38	18	38
	18	38	18	38
(c) Other revenue				
Recoveries	5	-	5	-
	5	-	5	-

4 Appropriations

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Recurrent appropriations				
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	4,708	6,933	4,708	6,933
Less: Liability to Consolidated Fund (per Summary of Compliance)	232	212	232	212
	4,476	6,721	4,476	6,721
Comprising: Recurrent appropriations (per statements of comprehensive income)	4,476	6,721	4,476	6,721
	4,476	6,721	4,476	6,721

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Capital appropriations				
Total capital drawdowns from NSW Treasury (per Summary of Compliance)	-	296	-	296
	-	296	-	296
Comprising : Capital appropriations (per statements of comprehensive income)	-	296	-	296
	-	296	-	296

5 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:

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Long Service Leave	60	63	–	–
	60	43	–	–

6 Service group of the agency

Natural Resources Commission

Objectives: To provide independent advice on natural resources management issues; to recommend state-wide standards and targets; to review and recommend the approval of catchment action plans; to undertake audits of those plans; to gather and disseminate information; to advise the Minister on priorities for research; to undertake assessments and inquiries requested by the Minister.

7 Current assets cash and cash equivalents

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Cash at bank and on hand	452	277	452	277
	452	277	452	277

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statements of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	452	277	452	277
Closing cash and cash equivalents (per statements of cash flows)	452	277	452	277

8 Current assets – receivables

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Goods and Services Tax recoverable from ATO	35	101	35	101
Other debtors	10	61	10	61
Prepayments	24	63	24	63
	69	225	69	225

9 Non-current assets – plant and equipment

	Plant and equipment \$'000
Consolidated and parent	
At 1 July 2010 – fair value	
Gross carrying amount	1,644
Accumulated depreciation and impairment	(1,355)
Net carrying amount	289
At 30 June 2011 – fair value	
Gross carrying amount	1,356
Accumulated depreciation and impairment	(1,165)
Net carrying amount	191
Reconciliation	
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.	
Year ended 30 June 2011	
Net carrying amount at start of year	289
Additions	6
Disposals	294
Depreciation expense	(104)
Write back on disposals	294
Net carrying amount at end of year	191
At 1 July 2009 – fair value	
Gross carrying value	1,365
Accumulated depreciation and impairment	(1,322)
Net carrying amount	43
At 30 June 2010 – fair value	
Gross carrying value	1,644
Accumulated depreciation and impairment	(1,355)
Net carrying amount	289
Reconciliation	
Year ended 30 June 2010	
Net carrying amount at start of year	43
Additions	299
Disposals	(19)
Depreciation expense	(53)
Write back on disposals	19
Net carrying amount at end of year	289

10 Intangible assets

	Software \$'000
Consolidated and parent	
At 1 July 2010	
Cost (gross carrying amount)	4
Accumulated amortisation and impairment	–
Net carrying amount	4
At 30 June 2011	
Cost (gross carrying amount)	4
Accumulated amortisation and impairment	(1)
Net carrying amount	3
Year ended 30 June 2011	
Net carrying amount at start of year	4
Amortisation expense	(1)
Net carrying amount at end of year	3
At 1 July 2009	
Cost (gross carrying amount)	–
Accumulated amortisation and impairment	–
Net carrying amount	–
At 30 June 2010	
Cost (gross carrying amount)	4
Accumulated depreciation and impairment	–
Net carrying amount	4
Year ended 30 June 2011	
Net carrying amount at start of year	4
Amortisation (recognised in 'depreciation and amortisation')	(1)
Net carrying amount at end of year	3

11 Current liabilities – payables

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Accrued salaries, wages and on-costs	59	53	–	–
Creditors	188	68	188	68
Personnel services	–	–	59	214
	247	121	247	282

12 Current/non-current liabilities – provisions

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Current				
Employee benefits and related on-costs				
Recreation leave	121	136	-	-
Long service leave on-costs	11	9	-	-
Payroll tax	18	15	-	-
Personnel services	-	-	150	-
Total provisions	150	160	150	-
Non-current				
Employee benefits and related on-costs				
Long service leave on-costs	1	1	-	-
Personnel services	-	-	1	-
	1	1	-	-
Non-current				
Other provisions				
Restoration costs	70	64	70	64
Total provisions	71	65	71	64

Personnel services received from the Natural Resources Commission Division

Aggregate employee benefits and related on costs

Provisions – current	150	160	-	-
Provisions – non-current	1	1	-	-
Accrued salaries, wages and on costs (Note 11)	59	53	-	-
	210	214	-	-

13 Current – Other

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Other current liabilities				
Liability to consolidated fund	232	212	232	212
	232	212	232	212

14 Commitments for expenditure

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
(a) Other expenditure commitments				
Aggregate other expenditure for the acquisition of goods and services contracted for at balance date and not provided for:				
Not later than one year	-	436	-	436
Total (including GST)	-	436	-	436

Commitments include nil GST amount (\$39,600 for 2010) to be recovered from the Australian Taxation Office (ATO).

(b) Operating lease commitments				
Future non-cancellable operating lease rentals not provided for and payable				
Not later than one year	320	310	320	310
Later than one year and not later than five years	668	955	668	955
Total (including GST)	988	1,265	988	1,265

Commitments include GST of \$89,781 (\$115,000 for 2010) which is expected to be recovered from the Australian Taxation Office (ATO).

15 Contingent liabilities and other assets

The Commission is not aware of any contingent liabilities and / or contingent assets associated with its operations.

There were no contingent liabilities for 2009-10.

16 Budget review

Net cost of services

Net cost of services was \$47,000 below budget due to total expenses coming at \$48,000 less than budgeted and income at \$1000 above budget.

Assets and liabilities

Current assets are \$44,000 lower than budget due an increase of \$114,000 in cash held at end of financial year a decrease in receivables of \$158,000.

Non-current assets were \$1,000 higher than budget due to lower depreciation cost.

Current liabilities were \$134,000 higher than budget due mainly to \$126,000 increase in payables, \$10,000 decrease provisions and \$18,000 increase in liability to con fund.

Non-current liabilities were \$6,000 higher than budget due to an increase of 6,000 in make good provision.

Cash flows

Cash flows from operating activities was \$114,000 higher than budget due to lower cash payments.

17 Reconciliation of cash flows from operating activities to net cost of services

	Consolidated		NRC	
	Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Actual 2010 \$'000
Net cash used on operating activities	175	470	175	470
Cash flows from Government/appropriations	(4,496)	(7,229)	(4,496)	(7,229)
Acceptance by the Crown Entity of employee benefits and other liabilities	(60)	(63)	(60)	(63)
Adjustment to make-good provision	6	–	6	–
Depreciation	(105)	(53)	(105)	(53)
Decrease/(increase) in provisions and other liabilities	4	(22)	(157)	1
Increase/(decrease) in prepayments and other assets	(156)	123	(156)	123
Decrease/(increase) in creditors	(126)	(63)	35	(86)
Net cost of services	(4,758)	(6,837)	(4,758)	(6,837)

18 Financial instruments

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments for speculative purposes. The Commission does not use financial derivatives

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

(a) Financial instrument categories

	Notes	Category	Carrying amount 2011 \$'000	Carrying amount 2010 \$'000
Financial assets				
Class:				
Consolidated				
Cash and cash equivalents	7	n/a	452	277
Receivables ¹	8	Loans and receivables (at amortised cost)	10	61
Financial liabilities				
Class:				
Consolidated				
Payables ²	11	Financial liabilities measured at amortised cost	214	121
Financial assets				
Class:				
NRC				
Cash and cash equivalents	7	n/a	452	277
Receivables ¹	8	Loans and receivables (at amortised cost)	10	61
Financial liabilities				
Class:				
NRC				
Payables ²	11	Financial liabilities measured at amortised cost	214	282

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit risk

Credit risk arises when there is the possibility of the Commission's debtors defaulting on their contractual obligations, resulting in a financial loss to the Commission. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Commission, including cash and receivables. No collateral is held by the Commission. The Commission has not granted any financial guarantees.

Credit risk associated with the Commission's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury in paragraph (d).

Receivables trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-day terms.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

(c) Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and future cash flows.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There was no penalty interest paid in 2010/11 (nil in 2009/10).

The table below summarises the maturity profile of the Commission's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	\$'000		
	Nominal amount	Interest rate exposure non-interest bearing	Maturity dates <1yr
Consolidated 2011			
Payables:			
Accrued salaries, wages and on-costs	59	59	59
Creditors	188	188	188
	247	247	247
Consolidated 2010			
Payables:			
Accrued salaries, wages and on-costs	53	53	53
Creditors	68	68	68
	121	121	121
NRC 2011			
Payables:			
Personnel services	59	59	59
Creditors	188	188	188
	247	247	247
NRC 2010			
Payables:			
Personnel services	214	214	214
Creditors	68	68	68
	282	282	282

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission's exposure to market risk is primarily through interest rate risk on the Commission's cash-at-bank balance.

The effect on profit and equity due to a reasonably possible change in interest rate risk variable is outlined in the information below. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Commission operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2010. The analysis assumes that all other variables remain constant.

Interest rate risk

The Commission does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Commission's exposure to interest rate risk is set out below.

Carrying amount	\$'000			
	-1%		+1%	
	Profit	Equity	Profit	Equity

Consolidated

2011

Financial assets

Cash and cash equivalents	452	(5)	(5)	5	5
Receivables	69	-	-	-	-
Financial assets at fair value	-	-	-	-	-
Other financial assets	-	-	-	-	-
Financial liabilities					
Payables	247	-	-	-	-
	768	(5)	(5)	5	5

Consolidated

2010

Financial assets

Cash and cash equivalents	277	(3)	(3)	3	3
Receivables	61	-	-	-	-
Financial liabilities					
Payables	121	-	-	-	-
	459	(3)	(3)	3	3

NRC

2011

Financial assets

Cash and cash equivalents	452	(5)	(5)	5	5
Receivables	69	-	-	-	-
Financial liabilities					
Payables	398	-	-	-	-
	919	(5)	(5)	5	5

NRC

2010

Financial assets

Cash and cash equivalents	277	(3)	(3)	3	3
Receivables	61	-	-	-	-
Financial liabilities					
Payables	282	-	-	-	-
	620	(3)	(3)	3	3

(e) Fair value

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of the financial instruments.

19 After reporting date events

There are no events subsequent to the reporting date which affect the financial statements.

End of audited financial statements.

Natural Resources Commission Division

Independent auditor's report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Natural Resources Commission Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Natural Resources Commission Division (the Division), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Commissioner's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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

A handwritten signature in black ink, appearing to read 'P. Coulogeorgiou'.

Peter Coulogeorgiou
Director, Financial Audit Services

14 October 2011
SYDNEY

Natural Resources Commission Division

Statement on behalf of the Natural Resources Commission Division



STATEMENT ON BEHALF OF THE NATURAL RESOURCES COMMISSION DIVISION

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

- a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2000, the Financial Reporting Code for Budget Dependent Central Government Sector Agencies and Treasurer's Directions;
- b) the financial statements exhibit a true and fair view of the financial position of the Natural Resources Commission Division of New South Wales as at 30 June 2011 and the operations for the period then ended;
- c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Dr John Williams
Commissioner
October 2011



Maree Leonard
Director Corporate Services
October 2011

Natural Resources Commission Division

Statement of comprehensive income

for the year ended 30 June 2011

	Notes	Division	
		Actual 2011 \$'000	Actual 2010 \$'000
Revenue			
Personnel services		2,458	2,507
Total revenue		2,458	2,507
Expenses excluding losses			
Employee related expenses	2(a)	2,458	2,507
Total expenses excluding losses		2,458	2,507
Net cost of services		-	-
SURPLUS/(DEFICIT) FOR THE PERIOD		-	-
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2011

	Notes	Accumulated Funds \$'000
Consolidated		
Balance at 1 July 2010		-
Surplus/(deficit) for the year		-
Other comprehensive income:		
Total other comprehensive income		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-
Balance at 30 June 2011		-
Consolidated		
Balance at 1 July 2009		-
Surplus/(deficit) for the year		-
Other comprehensive income:		
Total other comprehensive income		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-
Balance at 30 June 2010		-

Natural Resources Commission Division

Statement of financial position

as at 30 June 2011

	Notes	Division	
		Actual 2011 \$'000	Actual 2010 \$'000
Assets			
Current assets			
Receivables	3	210	214
Total current assets		210	214
Total assets		210	214
Liabilities			
Current liabilities			
Payables	4	59	53
Provisions	5	150	160
Total current liabilities		209	213
Non-current liabilities			
Provisions	5	1	1
Total non-current liabilities		1	1
Total liabilities		210	214
Net assets		-	-
Total equity		-	-

The accompanying notes form part of these financial statements.

Natural Resources Commission Division

Statement of cash flows

for the year ended 30 June 2011

	Division	
	Actual 2011 \$'000	Actual 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee related	(2,462)	(2,473)
Total payments	(2,462)	(2,473)
Receipts		
Other	2,462	2,473
Total Receipts	2,462	2,473
Net cash flows from government	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH	-	-
CLOSING CASH AND CASH EQUIVALENTS	-	-

The accompanying notes form part of these financial statements.

Natural Resources Commission Division

Notes to the financial statements

for the year ended 30 June 2011

1 Summary of significant accounting policies

(a) Reporting entity

The Natural Resources Commission Division (the Division) is a Division of the Government Service, established pursuant to Part 3 of Schedule 1 to the *Public Sector Employment and Management Act 2002* as amended in 2006. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 10, 15 Castlereagh Street, Sydney 2000.

The Division's objective is to provide personnel services to the Natural Resources Commission.

The financial statements were authorised for issue by the Commissioner in October 2011.

(b) Basis of preparation

The Division's financial report is a general purpose financial report which has been prepared in accordance with:

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

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

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

(c) Statement of compliance

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

(d) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

The Personnel Services are provided to the Natural Resources Commission according to the *Public Sector Employment and Management Act 2002*.

(e) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Division and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee Benefits

Salaries and wages, annual leave, sick leave and oncosts

Liabilities for salaries and wages (including non monetary benefits), annual leave and paid sick leave that are due to

be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of the employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long term annual leave that is not expected to be taken within 12 months is measured at present value in accordance with AASB 119 Employee Benefits.

Unused non vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

Long service leave and superannuation

The Division's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Division accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

(f) New Australian Accounting Standards issued but not effective

At the date of authorisation of the financial statements, the following Standards and Interpretations were in issue but not yet effective:

- AASB 2010-2 regarding Reduced Disclosure Requirements
- AASB 2010-4 regarding Annual Improvements
- AASB 2010-5 regarding editorial corrections
- AASB 2010-6 regarding Disclosures on Transfers of Financial Assets
- AASB 2010-7 regarding financial instruments
- AASB 2100-8 regarding Deferred Tax: Recovery of Underlying Assets regarding AASB 112
- AASB 2010-9 regarding severe hyperinflation and removal of fixed dates for first time adopters
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2009-12 regarding related party transactions
- AASB 2009-14 regarding prepayments of a minimum funding

2 Expenses excluding losses

	Division	
	Actual 2011 \$'000	Budget 2010 \$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	2,136	2,193
Superannuation defined contribution plans	149	151
Long service leave	60	63
Workers compensation insurance	8	-
Payroll tax and fringe benefit tax	105	100
	2,458	2,507

3 Current/non-current assets – receivables

	Division	
	Actual 2011 \$'000	Budget 2010 \$'000
Current receivables		
Personnel services	210	214
	210	214

4 Current liabilities – payables

	Division	
	Actual 2011 \$'000	Budget 2010 \$'000
Current liabilities – payable		
Accrued salaries, wages and on-costs	59	53
	59	53

5 Current/non-current liabilities – provisions

	Division	
	Actual 2011 \$'000	Budget 2010 \$'000
Employee benefits and related on-costs		
Recreation leave	121	136
Long service leave	11	9
Payroll tax	18	15
Total provisions	150	160
Non-current		
Employee benefits and related on costs	1	1
Long service leave	1	1
Total provisions	1	1
Aggregate employee benefits and related on costs		
Provisions – current	150	160
Provisions – non current	1	1
Accrued salaries, wages and on costs (Note 4)	59	53
	210	214

6 Contingent liabilities and contingent assets

The Division is not aware of any contingent liabilities and/or contingent assets associated with its operations.

There were no contingent liabilities in 2009/10.

7 Financial Instruments

The Natural Resources Commission Division's principal financial instruments are outlined below. These financial instruments arise directly from the Natural Resources Commission Division's operations or are required to finance Natural Resources Commission Division's operations. The Natural Resources Commission Division does not enter into or trade financial instruments for speculative purposes. The Natural Resources Commission Division does not use financial derivatives.

The Division's principal financial instruments are outlined below. These financial instruments arise directly from the Division's operations or are required to finance the Division's operations. The Division does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Division's main risks arising from financial instruments are outlined below, together with the Division's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

(a) Financial instrument categories

Notes	Category	Carrying amount 2011 \$'000	Carrying amount 2010 \$'000
Financial assets			
Class:			
Receivables ¹	3 Loans and receivables (at amortised cost)	210	214
Payables ²	4 Financial liabilities measured at amortised cost	43	53

1 Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Division's debtors defaulting on their contractual obligations, resulting in a financial loss to the Division. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Division, including cash, receivables and authority deposits. No collateral is held by the Division. The Division has not granted any financial guarantees.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at reporting date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-day terms.

The Division is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

(c) Liquidity risk

Liquidity risk is the risk that the Division will be unable to meet its payment obligations when they fall due. The Division continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and future cash flows.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There was no penalty interest paid in 2010/11 (nil in 2009/10).

The table below summarises the maturity profile of the Group's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	\$'000		
	Nominal amount	Interest rate exposure Non-interest bearing	Maturity dates <1yr
2011			
Payables:			
Accrued salaries, wages and on-costs	59	59	59
	59	59	59
2010			
Payables:			
Accrued salaries, wages and on-costs	53	53	53
	53	53	53

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Division's exposures to market risk are primarily through interest rate risk on cash at bank balance.

The effect on profit and equity due to a reasonably possible change in interest rate risk variable is outlined in the information below. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Division operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the reporting date. The analysis is performed on the same basis for 2009. The analysis assumes that all other variables remain constant.

	Carrying amount	\$'000			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2011					
Financial assets					
Receivables	210	-	-	-	-
Payables	59	-	-	-	-
	269	-	-	-	-
2010					
Receivables	214	-	-	-	-
Payables	53	-	-	-	-
	267	-	-	-	-

(e) Fair value

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

End of audited financial statements.

Appendix 1

Operation and performance

Commission meetings

In 2010-11, the Commission held 11 meetings.

Events

The NRC hosted three events.

Date	Project	Location
6 December 2010	2010 Progress Report Technical Review Panel meeting	Sydney
14 July 2010	2010 Progress Report Technical Review Panel meeting	Canberra
15 June 2011	2010 Progress Report Technical Review Panel meeting	Sydney

Submissions

The NRC invited the public to make submissions to its review of the proposed amendments to streamline assessment process for clearing native vegetation. We received 13 submissions.

Commissioner's presentations

Our Commissioner gave 13 presentations at conferences and seminars, in Australia and overseas.

Date	Event and Venue	Topic
24 June 2011	Book launch, Canberra	This Land Our Water – Water challenges for the 21 st century
9 June 2011	Biodiversity Across the Borders Conference, Mount Helen	Shifting paradigms: Resilience and the NSW Natural Resources Commission
16 May 2011	Public Forum, Australian Conservation Foundation, Sydney	Is integrated catchment management now a possibility in NSW?
6 May 2011	NSW Land for Wildlife Forum, Sydney	Role of voluntary conservation on private lands
27 Apr 2011	9th Biennial Pacific Rim Conference, Brisbane	Is integrated catchment management now a possibility in NSW?
15 Apr 2011	Chapter in <i>Basin Futures</i> – a book by Australian National University E Press	Understanding the Basin and its dynamics
6 Apr 2011	National Sustainable Food Summit, Melbourne	What do food systems designed for the 21 st century look like?
15 Dec 2010	Meeting, Catchment Management Authorities Chairs Council, Sydney	Progress towards healthy, resilient landscapes: Implementing the standard, targets and catchment action plans
22 Nov 2010	Meeting, Natural Resources Advisory Council, Sydney	Update on NRC work program
8 Nov 2010	Water seminar, National Water Commission, Canberra	The future of catchment management
3 Nov 2010	Meeting, Bureau of Meteorology, Canberra	Australians live with a highly variable rainfall
15 Oct 2010	2010 Conference, Australian Environment Foundation, Brisbane	Can policy change save the environment?
9 Aug 2010	XVIII Congress, Argentine No Till Farmers Association, Argentina*	Agriculture, water, catchment management

* None of the Commissioner's travel and related costs for this overseas visit were incurred by the NSW Government.

Publications

Area of work	Title	Date
Recommend standard, targets and approval of catchment action plans	Framework for assessing and recommending upgraded catchment action plans	May 2011
	Example report: Namoi pilot upgraded catchment action plan	May 2011
	Example report: Central West pilot upgraded catchment action plan	May 2011
Report on implementation of catchment action plans in complying with standard and targets	Progress towards healthy resilient landscapes	December 2010
	Progress towards healthy resilient landscapes – Summary	December 2010
	Audit report: Murray Catchment Management Authority	December 2010
Complete reviews under new terms of reference, or provide advice under other legislation	Advice on proposed amendments to Chapter 8 of the Environmental Outcomes Assessment Methodology	February 2011
	Mid-term review of Snowy Mountains cloud seeding trial	October 2010
	Review of <i>Catchment Action NSW</i> funding allocation to catchment management authorities	October 2010
Corporate	Annual Report 2009-10	October 2010
	NRC Strategic Plan 2011-14	March 2011
	Resilience landscapes and communities	April 2011

Appendix 2

External liaison

Access to government information

The *Government Information (Public Access) Act 2009* requires the NRC to make publicly available on its website the following government information, that is, its open access information, unless there is an overriding public interest against disclosure of the information:

- a publication guide describing our structure and functions, the various kinds of information we hold and how people can access this information
- documents about us that have been tabled in Parliament
- policy documents
- disclosure log of access applications
- register of government contracts
- a record indicating the general nature of any open access information that has not been disclosed because of an overriding public interest.

Availability of information

We have reviewed our program for the release of open access information and such information is available from our website.

Where information is not available from our website, an informal request for this information can be made by contacting the Right to Information Officer. Unless there is an overriding public interest against disclosure of the information, we will try to release the information without the need for a formal access application.

Formal access application

Where information is not available from our website or not able to be provided by informal request, a formal access application may be made to the Right to Information Officer. The template for an access application is available from our website. The application must be accompanied by an application fee of \$30.

Further details about making a formal access application are available from our website.

Requests made during 2010-11

In 2010-11, we did not receive any request for documents under the Act.

Consumer response

In 2010-11, we did not receive any complaints.

Details of annual report production

The production costs of the annual report are \$8,580. We print in-house a minimum number of paper copies (on recycled paper) of our annual report that are distributed to various sections of government. An electronic copy of our annual report is also made available from our website.

Equal opportunity

We are committed to providing a work environment free from discrimination and harassment, and providing a supportive and open organisational culture in which all staff develop to their full potential.

We updated and implemented our equal opportunity policy by:

- encouraging all staff members to balance work and family commitments through the use of flexible work practices, including part-time work
- discussing equal opportunity at our team meetings to ensure all staff members are aware of their rights and responsibilities under the *Anti-Discrimination Act 1977*
- emphasising equal employment opportunity as part of recruitment
- providing equal access to professional development opportunities through an individual's Performance Excellence Plan.

Number of employees by category as at 30 June

Category	2007-08	2008-09	2009-10	2010-11
Commissioner (part-time)	1	1	1	1
Assistant Commissioner (part-time)	4	4	1	1
Executive Director	1	1	1	1
Management	3	4	4	3
Analytical	11	11	10	9
Administration (includes part-time)	2	2	2	3

Trends in the representation of EEO groups

EEO group	Percentage total staff excluding casual staff				
	Benchmark or target	2007-08	2008-09	2009-10	2010-11
Women	50%	58%	60%	55%	44%
Aboriginal people and Torres Strait Islanders	2.6%*	0	0	0	0
People whose first language was not English	19%	19%	6%	5%	13%
People with a disability	12%	0	0	0	0
People with a disability requiring work-related adjustment	7%	0	0	0	0

* minimum target by 2015

EEO group	EEO Distribution Index				
	Benchmark or target	2007-08	2008-09	2009-10	2010-11
Women	100 ⁽¹⁾	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100 ⁽¹⁾	n/a	n/a	n/a	n/a
People whose first language was not English	100 ⁽¹⁾	n/a	n/a	n/a	n/a
People with a disability	100 ⁽¹⁾	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100 ⁽¹⁾	n/a	n/a	n/a	n/a

Note: A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean the EEO group tends to be more concentrated at the lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. An index of more than 100 indicates that the EEO group is less concentrated at lower salary levels.

⁽¹⁾ The Distribution index is not calculated where the EEO group or non-EEO group numbers are less than 20.

Funds granted to non-government community organisations

In 2010-11, we did not grant any funds to non-government organisations.

Insurance

Our insurance for workers' compensation, motor vehicles, property and public liability was provided by the NSW Treasury Managed Fund. We did not make any claims in 2010-11.

Internal audit and risk management

The Commissioner attested to Treasury that the NRC has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08. These processes provide a level of assurance that enables the senior management of the NRC to understand, manage and satisfactorily control risk exposures.

Our Audit and Risk Committee operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Joan Wilcox—Independent Chair, appointed on 1 April 2010 for a period of four years
- Janet Grant—Independent Member, appointed on 28 April 2010 for a period of three years
- Pia Zadnik—Non-independent Member, Program Manager, re-appointed on 20 April 2011 for a period of one year.

The NRC has considered all relevant factors and models in establishing an internal audit function. The NRC has determined that the internal audit function will be provided through an out-sourced service delivery model by an appropriately qualified third party provider and the contracted services are project managed in-house.

We conducted audit and risk management strategies based on our risk management policy and framework.

Multicultural policies and services

Our activities are centred on providing independent advice to the Government. We are not a direct service provider to the community beyond consultation and information dissemination. However, we are committed to the principles of multiculturalism as described in the *Community Relations Commission and Principles of Multiculturalism Act 2000*.

In 2010-11, we continued to uphold and promote the principles of multiculturalism by:

- circulating information to all staff to ensure they are up-to-date on the principles of multiculturalism, and their responsibility to implement them, where appropriate
- reviewing staff members' understanding and commitment to the principles of multiculturalism as they relate to their job, as part of their performance appraisal
- providing flexible work practices to enable individuals to fulfil personal, cultural or religious needs
- accommodating matters such as individual dietary requirements at meetings and functions.

Overseas visits

In 2010-11, our Commissioner visited Buenos Aires, Argentina to present at the XVIII Congress, organised by the Argentine No Till Farmers Association. This visit was not funded by the NSW Government.

Waste and energy

We have an ongoing commitment to waste reduction and regularly review administrative processes to look for further opportunities in this regard. Our strategies to avoid waste and recover resources include:

- **Reducing the generation of waste paper:** We continue to release reports electronically, from our website and by email, with only a limited in-house printing of hard-copy reports. Installation of multi-function office machines enable double-sided copying and printing and help reduce paper usage.
- **Recovering resources:** We re-use paper printed on one side for scribble pads and in personal laser printers for draft documents. A paper and cardboard recycling system is implemented by our staff and is managed through an organised building system. Empty toner cartridges are collected for recycling. All glass and plastic material is also recycled separately.
- **Using recycled material:** All our office paper, excluding our letterhead, is Green Wrap. This paper contains 50 per cent recycled pulp, 10 per cent waste products from the cotton industry and 40 per cent content from sustainable managed plantations. We purchase other recycled paper products, such as notebooks and pads, wherever possible. We procure re-manufactured toner cartridges for use in all black-and-white printers.
- **Saving energy:** We buy 100 per cent green electricity and use energy efficient lighting to contribute towards protecting the environment. We minimise air and road travel as far as possible and use alternative means to convene meetings with stakeholders in remote locations.

Appendix 3

Legal change

Legislation	Relevant sections	Details
Natural Resources Commission Act 2003	Whole Act	<ul style="list-style-type: none"> Establishes the NRC, details its functions and includes operational provisions.
Catchment Management Authorities Act 2003	ss.22, 23, 26, 28	<ul style="list-style-type: none"> The Minister is to seek advice from the NRC in assessing a draft catchment action plan and take account of that advice. Catchment action plans must be audited at least every five years by the NRC or an independent audit panel appointed by the Minister. The Minister may seek advice from the NRC on any annual implementation program submitted to the Minister.
Native Vegetation Regulation 2005	s.8, 17, 25	<ul style="list-style-type: none"> The NRC may establish a requirement for information regarding the social and economic impacts of a draft Property Vegetation Plan. The Minister must consult with the NRC before listing a native species as a feral species. The Minister is to seek advice from the NRC regarding any proposed amendment to the Environmental Outcomes Assessment Methodology. The NRC may suggest amendments to the Assessment Methodology.
Threatened Species Conservation Act 1995	ss. 18, 21, 24, 25A, 90B, 126E, 128, 141B, 141C	<ul style="list-style-type: none"> Establishes links between the NRC and the Threatened Species and Fisheries Scientific Committees and the Biological Diversity and Socio-Economic Advisory Councils. The NRC may provide advice on preparation or review of a priorities action statement. The Minister may suspend biodiversity certification based on the outcomes of any audit undertaken by the NRC.
Water Management Act 2000	s.43A	<ul style="list-style-type: none"> The Minister may extend the duration of a water sharing plan on the recommendation of the NRC. The section includes provisions for the NRC's review and report.
Snowy Mountains Cloud Seeding Trial Act 2004	ss. 6, 8	<ul style="list-style-type: none"> The Ministers for Climate Change and the Environment, and Primary Industries must consult with the NRC about any proposed suspension or termination of the cloud seeding trial. The NRC is to supervise cloud seeding operations and report on the environmental impact of those operations.
Forestry and National Park Estate Act 1998	ss. 15, 25	<ul style="list-style-type: none"> A forest agreement can only be made after an assessment by the NRC.
State Environmental Planning Policy No 71 – Coastal Protection	ss. 18, 21, 22	<ul style="list-style-type: none"> The Minister must consult with the NRC when considering approval of a master plan or waiving the need for a master plan.

Appendix 4

Staffing and consultants

Consultants

We maintain a small permanent team of core staff, and scale up on a temporary basis as required, by contracting specialist consultancy services. We typically leverage experience from universities, academia, private companies and individual subject matter experts who supplement our project teams to meet our statutory auditing and reporting obligations, and to respond to other Government needs advised from time to time.

In 2010–11, we undertook six contracts valued over \$50,000 with the following companies for consultancy services:

Legislation	Relevant sections	Details
Consult Point	\$53,825	Undertook an IT systems and vendor support review, and prepared a requirements specification and tender documentation for the re-tendering of NRC's IT infrastructure maintenance, support and IT service delivery
Delinea Concepts Pty Ltd	\$106,800	Provided specialist project management services to NRC for <i>Catchment Action NSW</i> funding allocations review, and <i>2010 Report on Progress</i> review
Deloitte On-line (Deloitte Touché Tohmatsu)	\$54,188	Prepared a requirements specification and solution architecture for the delivery of web enabled collaboration systems
Eco Logical Australia Pty Ltd	\$83,434	Technical data analysis consulting services to assist NRC with review of <i>Catchment Action NSW</i> funding allocations; and assistance to NRC for review of the <i>2010 Report on Progress</i>
Environmental Risk Science and Audit Pty Ltd	\$84,392	Provided catchment action plan audit services, and review of audit manual
GHD Pty Ltd	\$131,709	Services completed to assist NRC with the review of the Namoi, and Central West pilot Catchment Action Plans (CAP); review of the CAP framework assessment system; and other professional services

In addition, there were contracts raised with 47 other companies valued under \$50,000 for the provision of consultancy services for each company, totalling \$462,953

Credit card certification

We have two credit cards with a combined limit of \$30,000, which have been certified as complying with procedures contained in the *Public Finance and Audit Act 1983*.

Disability Action Plan

In 2010-11, we continued to implement our Disability Action Plan that outlines how we intend to adjust our office and services or employment practices to make them more accessible to people with disabilities. We implemented our plan by:

- using an office that is accessible to people with disability
- choosing venues for public consultations, hearings and meetings that are accessible to people with disability and are close to accessible public transport
- ensuring all staff are familiar with internal policies on equal opportunities and those on discrimination
- responding sensitively to the needs of people with disability
- making any reasonable adjustment necessary for staff, contractors and visitors.

Occupational health and safety

In 2010–11, we issued a revised Occupational Health and Safety and Injury Management System (OH&SIM System) that established a management framework to ensure the health, safety and welfare of the NRC staff, employees and visitors.

The OH&SIM System also provides a framework to ensure that the NRC is meeting its obligations under the *Occupational Health and Safety Act 2000 and Regulations*. The implementation of OH&SIM System makes the NRC compliant with the NSW Government policy initiatives in occupational health and safety, in particular, *Working Together* and *Taking Safety Seriously*.

In addition, we:

- made flu shots available to all staff on a voluntary basis
- provided free health checks
- organised an ergonomics workshop and provided practical assistance to set up individual workstations and modifications to office furniture to facilitate safety and ease of use
- conducted hazard identification and risk assessment of our business to safeguard against staff injury risks and promote wellness
- included discussion of risk identification as part of regular team meetings
- reviewed, implemented and tested emergency evacuation procedures
- promoted a healthy and safe workplace culture and encouraged fitness activities
- trained First Aid Officers
- provided free telephone counseling services.

In 2010-11, we had no prosecutions under the *Occupational Health and Safety Act 2000* during 2010-11 and no accidents or injuries were reported that resulted in lost work time.

Payment of accounts

During the year there were no instances where penalty interest was paid in accordance with section 18 of the *Public Finance and Audit (General) Regulation 1995*. There were no significant events that affected payment performance during the reporting period.

Aged analysis at the end of each quarter

Quarter	Current (i.e. within due date) (\$)	Less than 30 days overdue (\$)	Between 30 days and 60 days overdue (\$)	Between 60 days and 90 days overdue (\$)	More than 90 days overdue (\$)
September quarter	\$14,742.20	0	0	0	0
December quarter	\$51,428	0	0	0	0
March quarter	\$48,860	0	0	0	0
June quarter	\$0	0	0	0	0

Accounts paid on time within each quarter

Quarter	Total Accounts Paid on Time			Total Amount Paid (\$)
	Target ¹	Actual ¹	\$	
September quarter	88%	97%	701,902	754,364
December quarter	88%	97%	645,265	659,495
March quarter	88%	91%	522,352	602,087
June quarter	88%	99%	496,488	500,475

¹ Note: these figures report the percentage of invoices processed for payment and paid, not the percentage of dollars paid

Performance and number of executive officers

We have two positions, one executive (the Executive Director) and one non-executive (the Commissioner) that are equivalent to the NSW Senior Executive Service Level 1 or higher. Both positions were substantially filled by males in 2010-11.

Privacy management plan

We are committed to protecting the personal information and privacy of members of the public and the NRC staff. Personal information means information or an opinion about an individual whose identity can reasonably be ascertained from the information or opinion. Our privacy policy complies with the *NSW Privacy and Personal Information Protection Act 1988*, which regulates the collection, use, disclosure and storage of personal information.

All new staff members were briefed at induction on the policy as it relates to their role. Our privacy statement is available from our website.

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