



SYDNEY CATCHMENT AUTHORITY

## Annual Report 2001–2002

# Our Vision, Role and Values

The Sydney Catchment Authority (SCA) is a state government statutory body established in 1999 under the *Sydney Water Catchment Management Act 1998*. Our task is to protect the drinking water catchments and supply quality bulk raw water to our customers, which include Sydney Water and a number of local councils and other bodies.

Water is collected from five primary catchments, occupying 16,000 square kilometres. It is stored in a total of 21 dams, holding over 2.5 million megalitres of water. Nearly four million people, or about 60 per cent of NSW's population, consume water supplied by the SCA.

The services provided by the SCA are diverse and benefit the people of Sydney, Illawarra, the Blue Mountains, and those living within our area of operations.

## OUR VISION

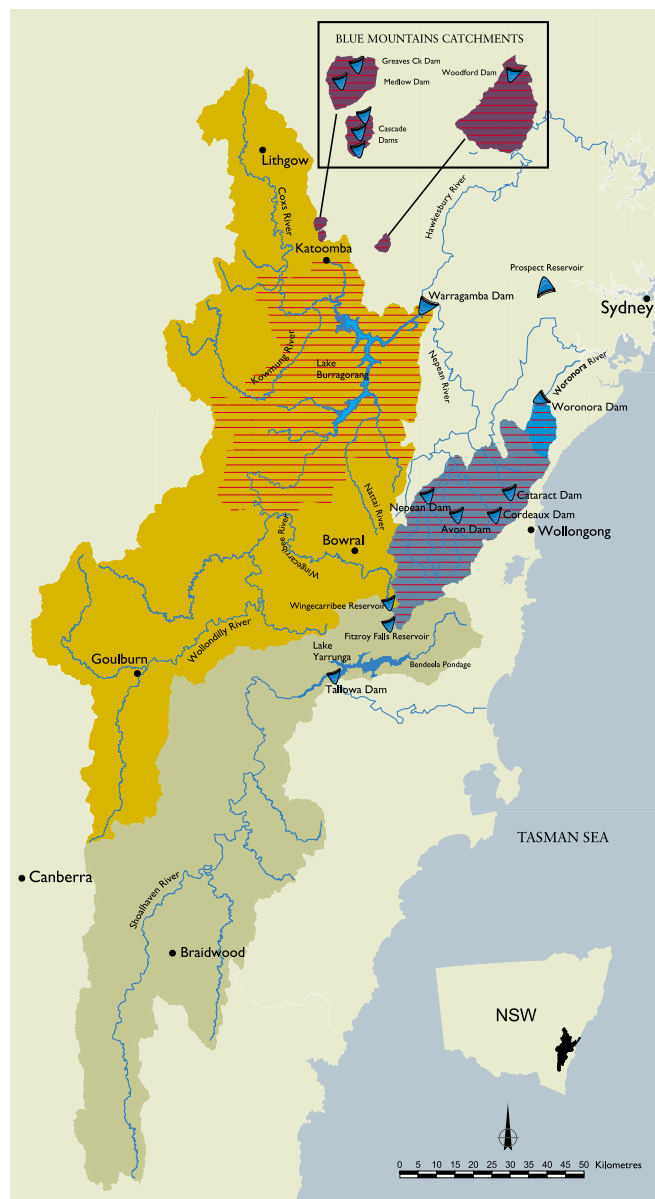
Healthy catchments, quality water – always

## OUR ROLE

To capture, store and supply quality bulk water through responsible management and partnerships with stakeholders

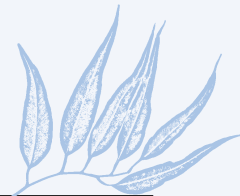
## KEY VALUES

- Being accountable
- Caring for the environment
- Behaving ethically
- Working together
- Acting professionally
- Being respectful
- Ensuring safety



SYDNEY'S DRINKING WATER CATCHMENTS

- |                |              |
|----------------|--------------|
| Special Areas  | Warragamba   |
| Blue Mountains | Upper Nepean |
| Shoalhaven     | Woronora     |



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## Letter to the Minister

Sydney Catchment Authority  
Level 2, 311 High Street  
Penrith NSW 2750

31 October 2002

The Hon. Robert Debus M.P.  
Minister for the Environment  
Level 25, 59–61 Goulburn Street  
Sydney NSW 2000

Dear Minister,

We have great pleasure in submitting the 2001–2002 Annual Report of the Sydney Catchment Authority for the year ended 30 June 2002, for presentation to the Parliament of New South Wales.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Annual Reports (Statutory Bodies) Regulation 1995*, the *Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2000*.

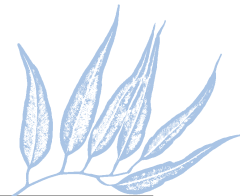


John Whitehouse  
SCA Board Chairperson



Graeme Head  
Chief Executive





## Report from the SCA Chairperson

It is a specific function of the SCA Board, under section 8 of the *Sydney Water Catchment Management Act 1998*, to prepare the SCA annual report. As what follows will show, there has been considerable progress throughout the year on a range of key issues.

In its third year of operation, the SCA has continued to develop and improve its management systems while at the same time delivering a quality product and responding to a wide range of operational challenges. It has been both an exciting and exacting period for staff and Board alike.

### Vision and Strategic Framework

A particular focus for the Board this year has been the refinement of the SCA's long-term strategic plan. The need for this came about as a result of both reflecting on the achievements of the first years of the agency's operation and considering the implications of two independent Catchment Audits, the last of which was presented to the Minister in December 2001.

With the assistance of the SCA Executive Team, the Board has developed a new 2002–2007 Business Plan that encompasses its agreed long-term strategic plan.

Under the new plan, we are working towards a clearly articulated vision: healthy catchments, quality water – always. The implementation of this vision is through seven key result areas, each with clearly identified outcomes. They are:

- threats to water quality minimised – so that we continue to meet agreed water quality criteria in the short-term and long-term
- sustainable and reliable water supply – so that the security of supply is assured now and in the long-term
- commercial success – so that we achieve our statutory, commercial and contractual obligations
- building and sharing knowledge – so that decision-making by the SCA, other public authorities and the community is based on robust scientific, ecological, socio-economic and financial knowledge and information
- results through relationships – so that we collaborate effectively and creatively with our partners, customers and the wider community
- dynamic supportive workplace – so that we are able to meet the challenges facing the organisation both now and in the future, and
- quality systems and processes – so that we get it right first time.

These are the outcomes sought by the Board, and form the fundamental drivers for the distribution of resources within the SCA. They are the yardstick by which our performance will be measured.

Next year's annual report will be the first to report against the new plan. A considerable focus has been placed on the development of new performance indicators and the associated collection of data. The availability of this information in next year's report will represent a major step forward for the SCA.

### The Health of the Catchments

One of the key initiatives of the SCA in 2001–2002 was the commencement of the Accelerated Sewerage Scheme to fast-track a number of sewerage upgrades within Sydney's drinking water catchment. The goal of the scheme is to eliminate under performing sewerage systems in the catchment by 2007. The risk to water quality from these sources was identified in the Sydney Water Inquiry report and subsequent catchment audits.

The SCA has negotiated with the Department of Land and Water Conservation (DLWC) to fast-track programs, as identified under its Country Towns Water Supply and Sewerage Program, within Sydney's drinking water supply catchments. This initiative will fund works that will raise the standard of treatment and prevent overflows during wet weather, to improve the quality of catchment waters.

During the year, the SCA made the first of five \$4 million payments to the DLWC, who will allocate the funds to priority sewerage upgrade projects. The nominated sewerage projects over the coming years will involve the local government areas of Goulburn, Wingecarribee, Greater Lithgow, Shoalhaven and Mulwaree.

### Assets and Infrastructure

Critical to the SCA's role of delivering a reliable source of quality bulk water is investment in the SCA's assets and infrastructure. A significant milestone was achieved in June 2002 with the practical completion of the Warragamba Dam Auxiliary Spillway.

The project involved the construction of an auxiliary spillway at Warragamba Dam to fully comply with dam safety requirements in the event of extreme flood. Warragamba Dam now meets the most stringent international safety standards for large dams.

The SCA now faces the challenge of upgrading the Nepean Transfer System – a 65-kilometre system of tunnels, open channels and piped aqueducts that stretches from Pheasants Nest to Prospect Reservoir. The system, which has been operating without substantial change for over 100 years, requires significant work to maintain its important role in Sydney's water supply system.

### A Reliable Supply

During the year, a drought response plan was prepared in cooperation with Sydney Water Corporation (SWC) detailing how the SCA will maintain supply to SWC and its other customers during a period of drought. Under the plan, stakeholders will be informed of the progress of a drought and actions they should take to maximise the balance between supply and demand.

One of the key challenges for the SCA in the years ahead will be to fulfil its obligations under its Operating Licence to manage water conservation consistent with the demand management requirements in Sydney Water Corporation's (SWC) Operating Licence. To do this, the SCA will develop a supply and demand strategy, incorporating cooperative programs with other government agencies and SCA driven initiatives.

### Bushfire Efforts

The Christmas 2001 bushfires had a widespread impact on the catchments and Special Areas, and tested the incident management capability of the SCA. Approximately 130,000 hectares of the Special Areas surrounding Sydney's water supply storages were burnt. The fires also destroyed or damaged SCA assets including structures, equipment and heritage items.

SCA staff made a major contribution to supporting the Rural Fire Service in fighting the fires, protecting water supply continuity and quality during and after the fires, and implementing rehabilitation and recovery programs.

Short-term impacts on water quality were controlled by the prompt installation of containment booms to prevent debris entering the storages. A special program to monitor the impact of the bushfires on the quality of water in the inflow streams and storages was swiftly implemented. It is a credit to our staff that the SCA maintained supply to its customers without interruption, and that any adverse water quality impacts were minimised.

The SCA's ability to effectively manage our assets and business in a crisis was demonstrated throughout the incident. Extensive recovery and rehabilitation programs are under way to manage the impact of the fires on SCA lands and assets, and will continue into the coming years.

### Board Contribution

The three-year term of the SCA Board finished on 3 March 2002. The Minister appointed the new SCA Board for a term of three years, commencing Monday 4 March 2002. In addition, Mr Jeff Wright ceased to be Chief Executive on 3 October 2001. Mr Graeme Head was appointed Acting Chief Executive on 4 October 2001 and Chief Executive on 12 December 2001. I would like to take this opportunity to thank the outgoing SCA Board members – Mr Jeff Wright, Ms Helen Cameron, Ms Patricia Gilchrist and Mr John Klem – for their significant contribution to the guidance of the SCA during its critical establishment phase. I would also like to welcome the three new Board Members – Mr Robert Corben, Ms Maggie Deahm and Ms Robyn Kruk – who join a diverse and talented team, committed to further developing the organisation.

### The Year Ahead

The SCA is maturing as an organisation with sound environmental and business management practices in place.

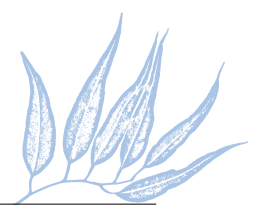
The year ahead will provide a number of challenges for the SCA. The Board will continue to work towards implementing the new Regional Plan – *Sustaining the Catchments* and finding innovative and effective solutions to support demand management initiatives.

A great deal has been achieved by the SCA since it began operations three years ago. Those achievements are a credit to the professionalism and commitment of the SCA staff. The challenge is to continue these efforts and ensure this momentum is focused on achieving the right outcomes in the right way.

We have established good relationships with the community and other regulatory bodies, and look forward to the new year, confident of meeting our challenges and fulfilling our goals.

*John Whitehouse*

John Whitehouse  
Chairperson



## The Year in Review

2001–2002 was a year that marked the growing maturity of the SCA as an organisation. Progress was made in a number of key areas, including protecting the quality of drinking water in our catchments, capital works, developing business and regional planning, and continuing to raise our community profile.

Many of these achievements were realised only by working cooperatively with other government agencies, local councils, stakeholders, and the community.

During the year, the SCA also kept a strong focus on its own operational performance. Considerable improvements were made to our internal systems and processes in the areas of finance and procurement, risk and incident management, and waste and energy sustainability.

Important changes in senior organisational and management responsibility were implemented during the year. The main objectives of these changes were to deliver continuous improvement in performance, and an integrated approach to protecting the catchments and delivering quality water.

During 2001–2002, key achievements of the SCA included:

### Supplying Quality Water

- provided a reliable supply of bulk raw water, meeting 100 per cent of quantity requirements without interruption
- achieved 98 per cent conformance with the quality standards specified for each plant in the Bulk Water Supply Agreement with Sydney Water Corporation, and full compliance with the health guideline values set out in the Operating Licence
- successfully managed the threat to water quality posed by the Christmas 2001 bushfires. Despite the vast extent of the fires in the catchment area, there were no adverse impacts on the quality of water supplied to SCA customers, and no interruptions to supply
- commenced a detailed study to evaluate the capability of the supply system to operate under a wide range of possible future conditions to ensure the long-term security of supply, and
- prepared a drought response plan in conjunction with Sydney Water to provide a draft blueprint for considered, appropriate and cooperative drought response actions.

### Safeguarding Our Assets

- reached practical completion of the auxiliary spillway component of the Warragamba Dam Auxiliary Spillway Project in June 2002. With the achievement of this milestone, the spillway is now capable of performing its primary function of safeguarding the dam, and
- played an important role in reviewing mining applications and developing consent conditions to ensure that SCA assets, including catchment lands, would not be adversely affected as a result of mining.

### Protecting Catchment Health

- provided substantial assistance to PlanningNSW to progress the revised draft Regional Plan. Consultation with local government, industry and interest groups was carried out to address concerns, while upholding the plan's key objective to improve water quality
- commenced a five-year, \$20 million program with the Department of Land and Water Conservation (DLWC) to accelerate their program of establishing or upgrading sewage treatment facilities, so that by 2007 there will be no overloaded or under-performing treatment plants in the catchment area
- transferred SCA's Special Area lands in the Warragamba, Blue Mountains, O'Hares Creek and Shoalhaven catchments to the National Parks and Wildlife Service (NPWS). These Special Areas continue to be jointly managed by the SCA and NPWS under the Special Areas Strategic Plan of Management
- commenced a systematic program of environmental assessments of sites and infrastructure to provide a comprehensive inventory of potential threats to water quality, and
- delivered funding under the Healthy Catchments Program to high priority projects protecting the water supply from the adverse effects of stormwater, agricultural run-off, riparian degradation and sedimentation.

### Consulting with the Community

- completed community awareness research to establish a baseline of existing knowledge about catchments, water supply, and the SCA – and to formulate future education strategies within the catchment areas and metropolitan Sydney
- formalised our Streamwatch partnership with Sydney Water Corporation and Department of Land and Water Conservation to work with community groups, schools, local councils, landholders and industry to monitor catchment streams
- started developing a Catchment Information System (CIS) for drinking water catchments to significantly improve knowledge and assist in the decisions and actions of all stakeholders, and
- redeveloped the SCA's website to provide timely, informative and relevant information to stakeholders and improve site navigation.

### Managing Our Business

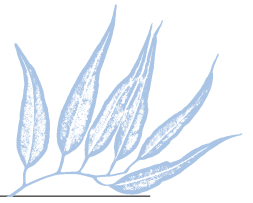
- formalised our long-term strategic planning through the development of a new five-year Business Plan. Under this plan, the efforts of the SCA will be organised against seven key result areas with clear outcomes, focused strategies for delivering these outcomes, and significantly improved performance indicators
- initiated a major project to integrate current manual and computerised finance and finance-related business systems into an integrated electronic system
- achieved significant improvements in waste reduction, including a reduction of approximately 40 per cent in paper sent to landfill. Compared to last year, the SCA achieved an overall reduction in energy consumption of seven per cent and electricity consumption of eight per cent
- demonstrated our incident management capability during the Christmas 2001 bushfires. Throughout the fires, the incident facilities, training and procedures provided a sound base for staff to effectively manage the SCA's assets and business in a crisis, and provide appropriate support to the Rural Fire Service
- successfully negotiated the first SCA Award
- developed a new Information Technology (IT) Strategic Plan to establish the direction for information management within the SCA and drive IT development, and
- organised the functions of the former Catchment Protection division into two new divisions – Environment and Planning, and Catchment Operations and Major Operations – to provide an appropriate structure for delivering the important initiatives specified in our Business Plan.

I would like to congratulate staff for their efforts in delivering the outcomes reported in this year's Annual Report, and for the enthusiasm and commitment with which they prepare for the challenges of the year ahead.



Graeme Head  
Chief Executive





## Board Members

The three-year term of the outgoing SCA Board finished on 3 March 2002. The Minister appointed the new SCA Board for a term of three years, commencing Monday 4 March 2002.

The new Board is made up of the following seven appointed members, plus the Chief Executive:

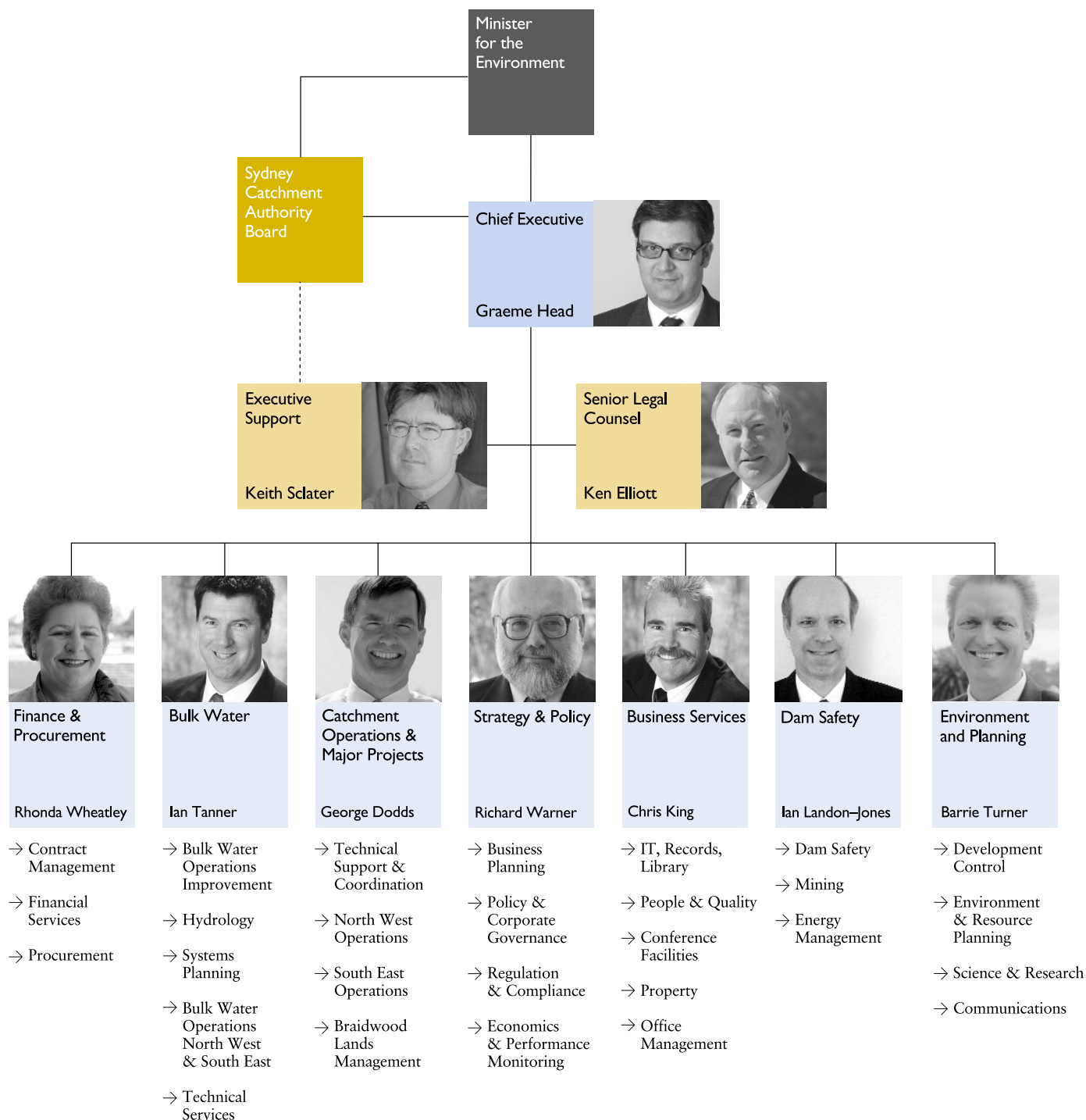
Mr John Whitehouse (Chairperson)  
Mr John Asquith  
Dr Kerry Chant  
Mr Robert Corben  
Ms Maggie Deahm  
Mr Graeme Head (Chief Executive and Deputy Chairperson)  
Ms Robyn Kruk  
Mr Kenneth Wheelwright

Further details on SCA Board members are contained in Appendix 1.



The SCA Board. (Top row, left to right)  
Ms Robyn Kruk, Mr Graeme Head, Ms Maggie Deahm, Mr John Whitehouse, Mr Robert Corben  
(Front row, left to right) Mr John Asquith, Dr Kerry Chant, Mr Kenneth Wheelwright

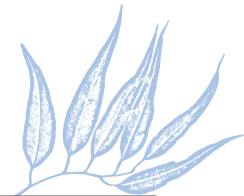
# Organisational Structure



In June 2002, the SCA's organisational structure was modified to organise the functions of the former Catchment Protection division into two new divisions –

- Environment and Planning, and
- Catchment Operations and Major Projects.

As at 30 June, Acting General Managers, Mr Tony Paull (Environment and Planning) and Mr Paul Shanahan (Catchment Operations and Major Projects), were appointed to manage the new divisions during recruitment. Two new permanent General Managers were appointed in September 2002 (pictured above). Senior Executives' qualifications are contained in Appendix 4.



## Key Performance Indicators

The SCA measures its performance against a number of key indicators, as identified in its Business Plan. In 2001–2002, the SCA achieved or bettered its targets in a number of key areas.

The quantity and quality of water supplied to customers reached the set targets without interruption. The rebate payable to Sydney Water Corporation for water that did not meet the agreed colour and turbidity targets was substantially lower than the long-term average target of \$3.2 million.

Release requirements were very close to those specified in the Water Management Licence, with only six occasions out of 3,285 being slightly below specification. This was mainly due to the timing of inflow data, to which releases are linked, becoming available to operations staff.

Other key target areas present opportunities for the SCA to improve its performance. The SCA has a lost time injury target of zero. The result of six lost time work-related injuries during 2001–2002, while significantly better than the water industry average, has prompted additional Occupational Health, Safety and Rehabilitation (OHS&R) training and safety inspection regimes to work towards improving this result.

In 2002–2003, the SCA will be working to its new five-year Business Plan, which incorporates seven key result areas (KRAs). A number of performance indicators and targets have been set against each KRA. These indicators will enable more comprehensive reporting of performance against the targets detailed in the plan.

Key Performance Indicators	Target	Actual
Overall compliance to Bulk Water Supply Agreement (per cent)	>95	97.9
Health-related compliance to Australian Drinking Water Guidelines (per cent)	100	100
Interruptions to supply (hours)	Nil	Nil
Customer complaints (water supply)	Nil	1
Rebate due to poor product quality (\$M)	<3.2	2.1
Lost time injuries (no.)	Nil	6
Environmental release compliance to Water Management Licence (per cent)	100	99.82
Compliance to Dams Safety Committee requirements and ANCOLD guidelines (per cent)	100	100

# 6 Community Information and Education

The SCA is committed to working with the community to achieve better catchment management and sustainable water use. The key to gaining community support and involvement is a proactive, targeted and sustained program of information sharing and education.

## 6.1 SHARING INFORMATION

### Redeveloping Our Website

The redevelopment of the SCA website was a key communication objective for the year. The phased project included re-designing the look and feel of the website, improving navigation, and greatly increasing the volume and relevance of information on the site. A devolved website content management system with state-of-the-art tracking tools was incorporated to ensure material on the site is kept secure, accurate and up-to-date.

The new site is set to go live in September 2002. The SCA will evaluate user response to the improved site through on-line feedback and user statistics.

### Catchment Information System

The development of a Catchment Information System (CIS) for drinking water catchments will significantly improve knowledge of the catchments to assist in the decisions and actions of all stakeholders. In February 2002, the SCA recruited a full-time project manager to deliver the CIS. Detailed planning has taken place and the project is scheduled for delivery by end of 2004.

### Publications

A list of current SCA publications is contained in Appendix 24.

## 6.2 EDUCATION

### Warragamba Dam Education Services

In the first half of 2001–2002, the SCA continued to deliver a comprehensive school and community education program from Warragamba Dam. Unfortunately, the Christmas 2001 bushfires swept through the site destroying the buildings and facilities that were integral to the program.

At year's end, temporary facilities were in place and the education program is set to resume in August 2002. Staff have used the lull in operations to upgrade the Warragamba interactive educational program. Now that the construction of the Warragamba Dam Auxiliary Spillway is complete, educational tours of the dam will resume as a part of the program.

### Streamwatch

The SCA's commitment to research and sharing knowledge underpins the new Streamwatch partnership with the SWC and the DLWC signed during the year. Under the agreement, the SCA is now delivering Streamwatch across the catchments.

Streamwatch forms part of the SCA's developing outreach education program. The increasing focus of the program is on encouraging participation in identifying water quality issues and appropriate catchment management activities. This is achieved by working in partnership with community groups, schools, local councils, individual landholders or industry.

The SCA is using the dedicated Streamwatch resources to build the number and diversity of Streamwatch groups in the catchments.



### Education Enquiry Service

To meet the increasing demand for educational support from senior high school students, the SCA undertook a review of relevant high school curricula. As a result, new resource materials were identified and produced relating to the chemistry, geography and Human Society and its Environment (HSIE) syllabi. The materials place specific emphasis on water quality and catchments.

Armed with these new resources, education staff continue to provide a comprehensive enquiry service that is well received.

### Education Partnerships

*Crystal Clear*, an educational performance program, toured 33 catchment primary schools in August 2001, and 12 high schools in June/July 2002. The programs were developed jointly by the SCA and the School of Contemporary Arts from the University of Western Sydney.

Program themes included the water cycle, water quality issues, recycling, and impacts of human development in the catchments. The innovative program has been nominated for the Eureka Prize in Environmental Education.



*Crystal Clear* in action



The SCA has also continued to build other education partnerships, helping to support existing programs and develop new approaches to catchment education.

These included:

- sponsoring Keep Australia Beautiful's Wastewatchers education program to develop targeted stormwater materials
- sponsoring the Australian Water Association's 'We all use water' kit
- funding the Blue Mountains Conservation Society's People Water Place website project on protecting water catchments in the Blue Mountains
- funding the locally developed Coffs River Catchment Education CD-ROM
- funding the development of a rabbit control video for landowners, in partnership with the Goulburn Rural Lands Protection Board
- sponsoring and supporting the Sydney Catchment Congress, a two-day water quality activity for catchment high schools in conjunction with the Nature Conservation Council, OzGREEN and Sydney Water Streamwatch
- working with the NPWS to plan and deliver education and awareness programs to support the Special Area Strategic Plan of Management and the Wingecarribee Swamp and Special Area Plan of Management, and
- actively working with the DLWC to support the development of education plans and activities under the new Warragamba Catchment Blueprint.

### Out and about

SCA education and field staff worked together throughout the year, taking the catchment management message to local communities at rural shows, field days and special events. Feedback from these events is being used to guide a more strategic approach to resourcing these important networking and information sharing activities.

### THE YEAR AHEAD

The year ahead will see a number of important education initiatives including the:

- developing a new SCA educational model and plan that reflect the new business plan, community awareness surveys, and educational audit
- completing the Mobile Education Unit and the further development of the outreach education program
- developing the SCA signage manual and signage, including interpretive signs in the recreational areas and catchments, and
- planning for the new Visitor Centre at Warragamba Dam including interpretive plans for exhibitions and programs.

## Community Consultation and Feedback

Community consultation plays an important role in working with stakeholders to achieve the objectives of the business plan.

To help develop key initiatives, the SCA has consulted closely with its own stakeholder committees, as well as consultative groups established by other agencies. The SCA also seeks comment on major plans and documents through calls for public submissions via the media.

### 7.1 STAKEHOLDER COMMITTEES

The SCA has established four consultative committees to provide advice and foster debate on catchment management and water quality matters, as well as providing opportunities for community and local government involvement in SCA operations. Members have a set two-year term, but may seek renomination for one additional term.

#### Local Government Reference Panel

The Local Government Reference Panel (LGRP) met four times during the year to advise the SCA on issues affecting local government. The LGRP includes representatives from each of the 16 local government authorities within the catchments.

During the year, the LGRP provided advice on the development of the Regional Plan, which assisted in understanding the needs of local government.

The group also considered the SCA's community awareness study, inspection of properties by SCA staff, the review of the SCA's assistance schemes, the SCA's Business Plan, the Bulk Raw Water Quality Management Plan and outcomes from the independent audit of the catchment, and Operating Licence review.

#### Regional Consultative Committees

The Northern and Southern Regional Consultative Committees (NRCC and SRCC) also meet on average four times a year.

During the year they were briefed and provided informal feedback on a range of catchment management issues. Issues discussed included the SCA Audit against its Operating Licence, the 2001 Catchment Audit, the draft Regional Plan, best management practice for on-site sewerage systems, draft Environmental Indicators, and the development of Strategic Land and Water Capability Assessments.

The NRCC workplan for the year also included field inspections of the Lithgow Sewage Treatment Plant and Waste Management Facility, and a willow demonstration site on the Cocks River.

#### Expert Reference Panel

The SCA's Expert Reference Panel (ERP) includes renowned scientists and technical experts in the areas of water resource management, public health, catchment management, farming and the environment.

During the year, the ERP met to review a number of the SCA's scientific questions, including the neutral or beneficial effect test under the draft Regional Plan, the research program, and recreational access to storages and catchments.

#### Regional Plan Consultative groups

In March 2001, the Minister for Urban Affairs and Planning announced that *Sustaining the Catchments – A Regional Plan for the Drinking Water Catchments of Sydney and Adjacent Regional Centres*, would be revised to address community concerns.

PlanningNSW established an extensive consultation program comprising five regional community groups located in the Warragamba, Southern Highlands, Southern Tablelands, Upper Shoalhaven and Cocks River regions. The groups include representatives from local interest groups, landholders, local businesses, local members of parliament and mayors.

Throughout 2001–2002, PlanningNSW and the SCA worked closely with the community groups, in a series of meetings across the catchments. Feedback was positive and determined that the revised plan was ready for broader public exhibition, scheduled for 2002–2003.

## 7.2 COMMUNITY CONSULTATION AND THE CATCHMENT AUDIT

The *Sydney Water Catchment Management Act* requires an independent audit to be undertaken of the drinking water catchments every two years. Dr John Williams of CSIRO Land and Water undertook the second audit and reported directly to the Minister in December 2001.

The auditor established a Catchment Audit Reference Panel (CARP), which comprised local government and community members to assist in the audit process. The panel ensured the interests of the broad catchment community were represented in the audit process and provided independent advice directly to the auditor.

## 7.3 EXHIBITION OF PLANS AND REGULATIONS

The SCA's memoranda of understanding with NSW Health and the EPA were redrafted and exhibited for public comment prior to amendment and implementation. No issues were raised by the public.

The Bulk Water Supply Agreement with Sydney Water Corporation was placed on public exhibition for the prescribed time in late 2001. Submissions were acknowledged, a representatives report prepared and discussions held between the agencies. The final report was submitted to the SCA Board, the Treasurer and the Minister, and a new agreement was issued.

In the latter part of 2001, the DLWC managed the review of the SCA's Water Management Licence. This process included a public review of the Licence via a call for submissions in catchment and regional newspapers.

Under the SCA's Operating Licence, the Independent Pricing and Regulatory Tribunal (IPART) is required to conduct a mid-term review of the Licence. The process, which began in April 2002, included a call for public submissions, and a public workshop was scheduled for July. IPART will consider the submissions from the public and other stakeholders in framing the final report due to the Minister on 30 September 2002.

## 7.4 THE WARRAGAMBA DAM AUXILIARY SPILLWAY PROJECT

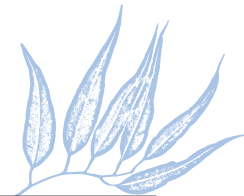
Site works on the auxiliary spillway component of the Warragamba Dam Auxiliary Spillway Project were completed during the year. Planning for the project identified several key localised environmental impacts the project would impose on nearby residents and businesses. The main concern of local residents, including an existing local action group, was the potential impact from noise, vibrations, dust and traffic.

A Community Liaison Committee (CLC) with an independent chairperson and broad representation from the local communities of Warragamba and two nearby villages, was formed to liaise with the local community. Throughout the project, the CLC met regularly to discuss issues that impacted on local residents. The CLC was supported by a Community Liaison Office in Warragamba township, where local people were able to lodge complaints and discuss issues and concerns. A full-time Community Liaison Officer worked from the liaison office for the duration of the project.

The CLC met for the last time and the Community Liaison Office closed its doors following the completion of the spillway in June 2002. At a special final meeting on June 26, present and former members of the CLC joined together to celebrate the success of the working relationship.



CLC member Ray Farnham speaking with the SCA's Community Liaison Officer (auxiliary spillway in background)



## 7.5 UNDERSTANDING OUR COMMUNITIES

The SCA's Community Awareness Research project was completed during the year. The project established a baseline of existing community knowledge about catchments, water supply, and the SCA.

Surveys of catchment communities and of metropolitan Sydney residents have provided insights into levels of awareness and concern about a range of environmental issues, catchment health and domestic water use. Results from the surveys have provided baseline data to tailor education and communication strategies.

The SCA will conduct broad-based community awareness surveys every two years. Smaller, more targeted social research is also planned to support rectification work in the catchments.

## 7.6 PRIVACY

In 2001–2002 the SCA finalised its Privacy Management Plan and lodged the plan with the Office of the Privacy Commissioner. The plan outlines the organisation's obligations in relation to the *Privacy and Personal Information Protection Act 1998* and reinforces the SCA's commitment to protecting the privacy of our clients and the community. No internal reviews were conducted under section 53 of the Act.

During the year, the SCA implemented a number of actions under the plan, which included:

- producing a pamphlet for customers and the community identifying how personal information is collected and used, and outlining the SCA's obligations and the rights of individuals as they relate to privacy matters
- advising creditors of the security of their personal data such as bank account and contact details stored within the SCA's financial management information system
- conducting a major review of the accuracy of creditors details to ensure that an accurate record was maintained
- modifying forms such as the Catchment Protection and Improvement Grants guidelines and application to comply with the privacy legislation, and
- incorporating privacy training into existing SCA programs including records management training.

## 7.7 COMPLAINTS HANDLING

The SCA has a Complaints Handling Policy and Procedure, which enables complaints to be investigated in a fair, courteous and confidential manner. The complaints procedure is supported by a computer-based complaints handling system that has been modified during the year to significantly improve the tracking of complaints and outcomes.

A total of 84 complaints were received during the year, 16 fewer than for the corresponding audit period in 2000–2001. Thirty-four of the complaints related to the construction of the Warragamba Dam Auxiliary Spillway, with 19 of these being for noise, and several others about vibration and dust. With the spillway reaching practical completion in June 2002, the problems associated with its construction should dissipate.

Another recurring area of complaints related to a range of issues at SCA's picnic areas. Subjects for complaints included the condition of barbecues, toilet facilities, signage and playground equipment. The SCA has a program in place to progressively upgrade its picnic areas.

As at 30 June 2002 there were 17 complaints still to be resolved. Most of the complaints that remained open on 30 June 2002 were received late in the period, with the expectation that most would be resolved early in the new year.



TABLE 6: CATEGORIES AND NUMBERS OF COMPLAINTS RECEIVED FROM THE COMMUNITY

Environmental and heritage issues	11
Picnic area facilities	8
Staff/contractors	10
Liability claims (damage)	6
External customers communication	2
Catchment use (recreational)	3
Water continuity	1
Water billing	1
Noise	17
Tender process	5
Service providers – creditors	1
Tenant issue	2
Catchment use – pastoral	2
Flood	1
Liability claims – injury	1
Community grant	1
Others	12
<b>TOTAL</b>	<b>84</b>

TABLE 7: UNRESOLVED COMPLAINTS AS AT 30 JUNE 2002

Environmental and heritage issues	1
Liability claims (damage)	5
Catchment use (recreational)	1
Water continuity	1
Water billing	1
Tender process	2
Service providers – creditors	1
Tenant issue	1
Staff/contractors	1
Others	3
<b>TOTAL</b>	<b>17</b>

## THE YEAR AHEAD

The year ahead will see a more integrated approach to the SCA's community consultation activities.

A review of community consultation within the catchments, as foreshadowed by the Catchment Audit, will identify opportunities to streamline consultation and encourage a more effective whole-of-government approach. The SCA will develop its own community consultation plan in the light of this review.

In the meantime, the SCA will continue to use the recently published *Ideas for Community Consultation* from PlanningNSW to guide its community consultation activities.

The SCA will continue to work on implementing the actions identified under its Privacy Management Plan. The SCA will focus staff training in its complaints procedures to improve the recording and management of complaints within the organisation.

The draft Special Areas Strategic Plan of Management (SASPoM) Charter of Public Disclosure will be publicly exhibited in the coming year. This Charter details how the SCA and NPWS will provide for public input and feedback on the implementation of the Strategic Plan.

The SCA will continue to work closely with PlanningNSW on community consultation and liaison related to the draft Regional Plan.

# 8 People, Quality and Safety

The SCA is committed to providing a high quality work environment where a culture of excellence is fostered and diversity is valued.

## 8.1 DEVELOPING OUR PEOPLE

### Training and Development

The SCA has conducted training and development courses that meet organisational, legislative and compliance obligations, and support operational and functional requirements of the business.

For 2001–2002 there have been 1472 course attendances in a variety of areas including management (contracts, records, project, risk and incident management), environmental, operations (financial procedures training), Occupational Health, Safety and Rehabilitation (OHS&R), computer education, communications and employee relations.

The SCA is also involved in:

- the National Resource Cadetship Program for Aboriginal and Torres Strait Islanders – a 12 week paid work placement providing networking opportunities, study allowances, cultural, academic and workplace support. The SCA had one participant in the first year of the program, and two participants will be placed in the forthcoming year
- the Skillmax Program for skilled and professional immigrants with overseas qualifications and experience. The initial participant in this program was subsequently appointed as a term employee, and
- work experience opportunities for senior high school students to learn general and specialised industry entry level skills. Two male and two female students participated in this program during the year.

### First SCA Award

The first SCA Award was successfully negotiated during the year. Negotiations involved the Australian Services Union of NSW and the Association of Professional Engineers, Scientists and Managers Australia, NSW Branch.

The SCA Award is an adaptation of the Sydney Water Award 1994, and meets the test of ‘no detriment to existing terms and conditions of employment’. The SCA Award will be the basis for any future negotiations towards award variations of enterprise agreements. It is being progressed through the industrial tribunal and is due to commence in July 2003.

### Equal Employment Opportunity

The SCA applies Common Selection Criteria, which address Equal Employment Opportunity (EEO), in its recruitment processes. During 2001–2002, training for staff involved on selection committees was carried out, with EEO and anti-discrimination being important components of this training.

Of the new appointments in 2001–2002, 47 per cent were women, 13 percent were from a Non English Speaking Background (NESB), and 21 per cent were from a racial, ethnic, or ethno-religious minority group. This is the first year that this data was collected. In future years, the data will help the SCA monitor the effectiveness of its EEO strategies.

Tables 9 and 10 (over page) provide details of SCA staff numbers by level and employment basis as at 30 June 2002. They conform to the NSW Premier’s Department – Review and Reform Division criteria, which require that only employees who were paid in the last pay period of the year are included in staff numbers. Extracts from the SCA’s workforce profile data obtained by survey are indicated by shading.

TABLE 8: CATEGORIES OF SCA STAFF

Category	2001–2002	2000–2001	1999–2000
Chief Executive	1	1	1
Senior Executives <sup>1</sup>	14 <sup>1</sup>	13	13
Senior Managers/Specialist	26 <sup>2</sup>	22	13
Award Staff	189 <sup>3</sup>	165	128
<b>Total Numbers</b>	<b>230</b>	<b>201</b>	<b>155</b>
<b>Total FTE Numbers</b>	<b>215.2</b>	<b>187.4</b>	<b>146.6</b>

<sup>1</sup> Includes 1 Senior Executive woman.

<sup>2</sup> Includes 6 Senior Manager/Specialist women and 1 temporary Senior Manager.

<sup>3</sup> Includes 28 employees with a full time equivalent (FTE) of 13.2 employees.

<sup>4</sup> Senior Executive Service (SES) equivalent – Level 1 and above

### Disability Action Plan

The SCA has been developing a Disability Action Plan (DAP), which deals with physical access. It promotes positive community attitudes, training of staff and providing information about services. The DAP will be used to improve access to SCA programs, services, accommodation and recreational areas.

The DAP will demonstrate our commitment to eliminating discrimination, and help the SCA comply with Commonwealth and State Legislation. The SCA has been progressively implementing strategies, including forming a Disability Action Group to help monitor and evaluate the plan.

### NSW Government Action Plan for Women

In accordance with the NSW Government's Action Plan for Women, the SCA has taken a number of steps to provide a safe and equitable workplace for women. It has in place recruitment, employment and promotion policies that support women in the workplace.

These include mandatory female representation on selection committees, and extensive flexible work options for staff, which include flexible work hours, part-time work and paid parental leave. During the year, seven women accessed paid parental leave, 11 women worked part-time and 16 women worked on a casual basis.

The SCA elected two new spokeswomen under the NSW Government's Spokeswomen's Program. The Spokeswomen contribute to the development of human resource policy and workplace issues affecting women.

A Women's Liaison Officer provides a channel of communication between the SCA Executive and the two spokeswomen. Training for the new spokeswomen is scheduled for early in the new financial year.

### Ethnic Affairs Priority Statement

In line with NSW Government's Ethnic Affairs Action Plan 2000, the SCA is committed to ensuring that the needs of the culturally diverse community are reflected in all aspects of its operations. To this end, the SCA endorsed its Ethnic Affairs Priority Statement (EAPS) in April 2002. The Chief Executive advised staff to familiarise themselves with the EAPS, in order to implement the actions identified in the Statement.

A cross-divisional EAPS Implementation Committee was established to monitor and review the SCA's progress in implementing EAPS. Handbooks have been distributed to divisional heads within the SCA to help them implement the EAPS. The SCA has also undertaken a number of actions to support and promote cultural diversity in its workplace. These include recognition of the significance and value of cultural diversity in planning processes, EEO training for staff, and inclusion of EEO training and the EAPS in induction programs. Actions from the EAPS have also been incorporated into the SCA's recruitment and tendering processes.

The SCA has been working closely with the local Dharawal Aboriginal Land Council to ensure appropriate involvement of aboriginal communities in the redevelopment of the Warragamba site and interpretive planning.

TABLE 9: STAFF NUMBERS BY LEVEL\*

Level	Total Staff	Men	Women	Survey respondents	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Work-related Adjustment
< \$27,606	0	0	0	0	0	0	0	0	0
\$27,606 – \$36,258	11	3	8	4	0	1	0	0	0
\$36,259 – \$40,535	10	3	7	8	0	0	0	0	0
\$40,536 – \$51,293	74	44	30	41	0	5	4	4	1
\$51,294 – \$66,332	59	40	19	37	1	7	6	2	0
\$66,333 – \$82,914	20	16	4	16	0	8	8	1	0
> \$82,914 (non-SES) <sup>+</sup>	39	32	7	18	0	3	1	0	0
> \$82,914 (SES) <sup>+</sup>	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>213</b>	<b>138</b>	<b>75</b>	<b>124</b>	<b>1</b>	<b>24</b>	<b>19</b>	<b>7</b>	<b>1</b>

\* Excludes casuals and Chief Executive

+ SCA does not employ staff under the Public Sector Management Act. These categories are SCA equivalents for reporting purposes.

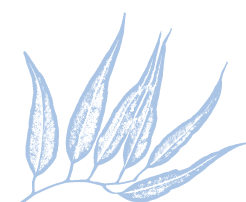


TABLE 10: STAFF NUMBERS BY EMPLOYMENT BASIS\*

Employment Basis	Total Staff	Men	Women	Survey respondents	Aboriginal People & Torres Strait Islanders	People from Racial, Ethnic, Ethno-Religious Minority Groups	People Whose Language First Spoken as a Child was not English	People with a Disability	People with a Disability Requiring Work-related Adjustment
Permanent Full-time	158	96	62	96	1	19	16	6	1
Permanent Part-time	0	0	0	0	0	0	0	0	0
Temporary Full-time	15	10	6	10	0	2	2	1	0
Temporary Part-time	1	0	0	0	0	0	0	0	0
Contract – SES <sup>+</sup>	0	0	0	0	0	0	0	0	0
Contract – Non SES <sup>+</sup>	39	32	7	18	0	3	1	0	0
Training Positions	0	0	0	0	0	0	0	0	0
Retained Staff	0	0	0	0	0	0	0	0	0
Casual	15	0	15	4	0	0	0	0	0
<b>Total</b>	<b>228</b>	<b>138</b>	<b>90</b>	<b>128</b>	<b>1</b>	<b>24</b>	<b>19</b>	<b>7</b>	<b>1</b>

\* Excludes Chief Executive and one casual not paid in last pay of year

+ SCA does not employ staff under the Public Sector Management Act. These categories are SCA equivalents for reporting purposes.

## 8.2 INTEGRATED MANAGEMENT SYSTEM

The SCA has begun developing an Integrated Management System (IMS), which will measure performance over time, against objectives in maintaining continual improvement. The IMS is based on relevant international, Australian and New Zealand standards.

The IMS will comprise SCA-wide documentation including policies, an IMS manual, procedures, processes and plans to enable a consistent and holistic approach in managing day-to-day operations. Quality, safety and environmental issues will be managed implementing the single management system.

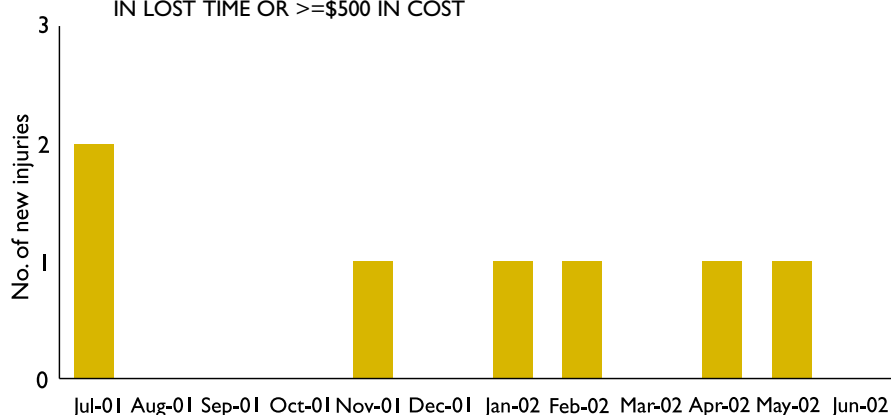
In the year ahead, an IMS communication strategy and training program will be established. The SCA will also continue to establish the system parameters and put in place a system ready for benchmarking against the Australian Business Excellence Framework directed by Standards Australia International.

## 8.3 OCCUPATIONAL HEALTH, SAFETY AND REHABILITATION

### Lost Time Injuries

Over the year, the SCA recorded four lost time injuries at work. Another two lost time injuries were 'other driver at fault' motor vehicle accidents, on the way to or from work. One no lost time significant medical expense injury also occurred on the journey to work.

A total of 241 days were lost to injury during the year, a figure influenced by two injuries from the previous financial year. These were responsible for 199 of the lost days total. The six new lost time injuries resulted in only 42 lost days, with 31 lost days resulting from work injuries.

FIGURE 3: NUMBER OF INJURIES TO SCA EMPLOYEES RESULTING IN LOST TIME OR  $\geq$ \$500 IN COST

■ No. of new injuries occurring in the month



### Rehabilitation Programs

The SCA is committed to providing support through the rehabilitation process to:

- minimise the effects of the injury
- ensure that recovery away from the workplace is as short as possible, and
- that early return to work is a normal practice and expectation.

A key feature of SCA's approach to injury management is that effective injury management begins as soon as possible after injury or illness. The SCA ensures that every effort is made to provide suitable and meaningful duties consistent with the nature of the injury/illness as an integral part of the rehabilitation process. Assistance to obtain alternative employment where an employee is permanently unfit for pre-injury duties is also provided.

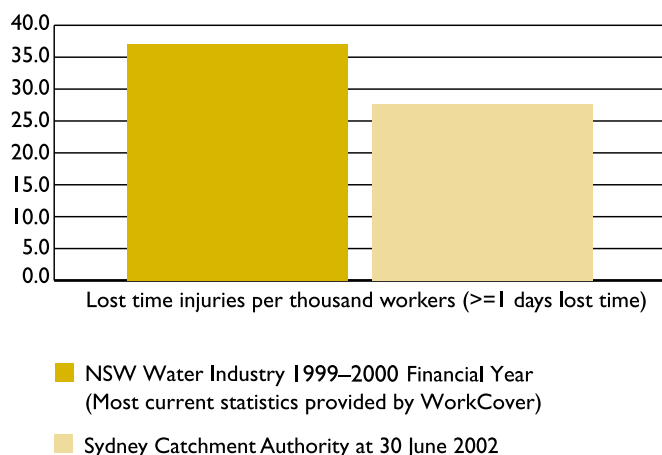
During the year, the SCA developed return-to-work programs for injured workers. WorkCover's "Guidelines for Employers' Return-to-Work Programs" were used as a minimum standard.

### OHS&R Committee

During the year a new SCA OHS&R Committee with eight elected members was formed. Membership also comprises a nominated management representative, and the SCA OHS&R Coordinator. The committee meets monthly.

The charter for the committee included a flowchart for resolving OHS&R issues and guidelines for representative and committee activities. The charter and flowchart have been distributed within the SCA, and placed on OHS&R notice boards and the intranet.

FIGURE 4: LOST TIME INJURIES SCA COMPARED TO INDUSTRY AVERAGE



### Permit to Work Procedure

Following trial and evaluation, the OHS&R Committee revised the Permit to Work Procedure. This process was completed in May 2002, and included extensive consultation with the operational people using the procedure.

A procedure and a supporting package of safe work plans, standard operating procedures and safe work method statements were developed.

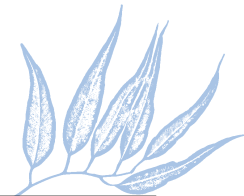
A comprehensive training program for all Authorising Officers (those issuing the Permits) is now in place. An external accredited trainer has been employed to deliver a half-day refresher course for existing officers, and a whole day course for new Authorising Officers.

### Hazard Inspections

- Workplace hazard inspections have been fine-tuned and are an organisation-wide procedure. Schedules for hazard inspections have been compiled, using a risk-assessment approach.



Workplace hazard inspections are an organisation-wide procedure



### Induction Package

The OHS&R Committee began developing an OHS&R induction package in April 2002. The aim was to standardise the inductions delivered to contractors, and to provide a robust procedure that would serve the whole organisation.

The scope of the package has been expanded to encompass general staff and contractor induction, not just OHS&R related matters. The draft package provides a process for the induction of short-term and long-term staff and contractors, and worksite visitors.

### Other OHS&R Activities:

- the OHS&R Manual was reviewed in conjunction with the development of the Integrated Management System.
- the injury management procedure is almost complete. It includes an audit of the effectiveness of the existing program and a new return-to-work plan
- an internal checklist for the review of hazardous substances and dangerous goods has been developed and will be added to hazard inspections where appropriate
- additional training this year has included OHS&R committee training for the elected representatives, and individual workstation ergonomic assessments
- a 2001 audit was completed by an external agency against AS4801:2000. It identified issues of non-compliance. The recommendations are being progressively addressed
- a review of the SCA's walking and vehicle trails was undertaken after the Christmas bushfires, with closures being enforced due to unsafe conditions. A review of boat and vehicle access to nominated sites for water sampling is in progress, and
- annual health monitoring occurred in late 2001. It included hearing testing, screening for pesticide/herbicide uptake in exposed employees, fitness testing for fire fighting and confined spaces entry, and skin cancer checks. Pre-employment medical screening is ongoing.

### THE YEAR AHEAD

The SCA has identified recruitment processes, employee related assistance and sick leave for benchmarking against other government agencies' performances. A pilot benchmarking program in one of these three key areas is being planned for the year ahead.

Under the Spokeswomen Program, the coming year will see a resumption of monthly networking meetings for women in the SCA, the development of a brochure and intranet site for the program, and a workplan to reflect the key result areas of the new business plan.

The SCA will be upgrading signage in its recreational areas, with consideration to the ethnic backgrounds of the users of these facilities. The SCA's draft charter of Public Disclosure for Special Areas Strategic Plan of Management also recognises the need to reach ethnic communities, as identified in EAPS.

An external auditor will be engaged by the SCA in December 2002 to conduct a safety audit against the requirements of Australian Standard AS 4801 Occupational Health and Safety Management Systems. Results of this audit will be used by the OHS&R Committee to develop the SCA's OHS&R improvement program for 2003.

**SCA Head Office, Penrith**

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Penrith 2750  
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Penrith, NSW 2751  
Phone: (02) 4725 2100  
Fax: (02) 4732 3666

Website: [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au)  
Email: [hotline@sca.nsw.gov.au](mailto:hotline@sca.nsw.gov.au)

**Visitor Information**

Warragamba Dam  
Visitor Centre  
Phone: (02) 4720 0349  
Hours: 10am to 4pm daily,  
except Christmas Day  
and Good Friday

**Other SCA dams**

Phone (02) 4640 1200  
Hours: 9am to 5pm  
Monday to Friday

**Emergency Reporting**  
(24 hours)

Fires, chemical spills  
Phone: (02) 9751 1988

**Field Office Locations:****Goulburn Office**

Newo House  
23–25 Montague Street  
Goulburn NSW 2580  
Phone: (02) 4823 4200  
Fax: (02) 4822 9422

Hours: 8am to 4pm  
Wednesday and Thursday

**Moss Vale Office**

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256 Argyle Street  
Moss Vale NSW 2577  
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Fax: (02) 4868 0306

**Braidwood Office**

Park Lane  
Braidwood NSW 2622  
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**Depots**

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Warragamba Dam  
Kenny Hill  
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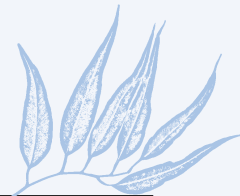




SYDNEY CATCHMENT AUTHORITY

## Annual Report 2001–2002





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## 9 Managing Our Business

The SCA is committed to sound business management through integrated business planning and financial management systems.

### 9.1 BUSINESS PLANNING

The SCA has revised its business planning process and framework for use in 2002–2003 and beyond. The SCA Business Plan 2002–2007 has been approved by the Board and commenced on 1 July 2002.

The new framework incorporates the principles of the balanced scorecard approach and identifies key result areas (KRAs) intended outcomes and performance measures and targets. In future we will be able to report the SCA budget against the Business Plan.

The Business Plan was developed with the active involvement of the Board, management and staff, and will undergo further refinement in the year to come.

### 9.2 SCA'S CREDIT RATING

During the past year, Standard and Poors assigned the SCA the stand-alone annual credit rating 'A'.

Government businesses with guaranteed debt are required to obtain an annual credit rating. It is then used by NSW Treasury to determine a guarantee fee payable by the SCA as the cost of the Government guaranteeing the SCA's debt. This process is under the Government Guarantee Fee Policy, designed to improve the financial and economic performance of Government businesses.

### 9.3 STATEMENT OF FINANCIAL FRAMEWORK

The Board prepared a 2001–2002 Statement of Financial Framework supported by the SCA's 2002–2007 Business Plan. The statement of financial framework is required to include, but is not limited to:

- a statement of financial purpose, and
  - provisions for, or with respect to, the payment by the SCA of dividends, tax equivalents and guarantee fees.
- The SCA, the Treasurer and the Minister duly executed the statement.

A draft statement for 2002–2003 was produced and sent to the Minister's office, and approved for submission to Treasury on 29 July 2002.

### 9.4 2001–2002 MAJOR VARIANCES TO BUDGET

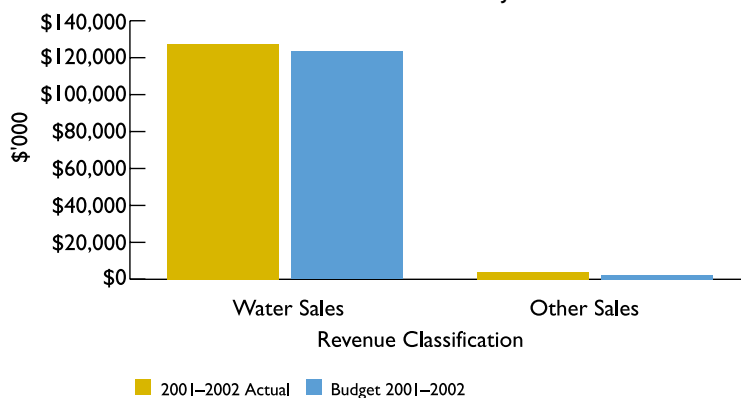
#### > Revenue – \$6.176 million higher than budget

The following major variances are identified:

The volume of water sales was higher than budget predictions due to greater demand. As a result revenue was higher than expected by approximately \$4.1 million.

The SCA earns other revenue through dam safety consulting services, commercial letting of its conference facilities, tenancy rentals from cottages and rural lands, as well as interest. Revenue from these services was comparable to budget. The major variance to budget in this area is the income received from our insurers as a result of the December 2001 bushfires which totaled approximately \$1.4 million.

FIGURE 5: ACTUAL REVENUE TO BUDGET ANALYSIS FOR THE YEAR ENDING 30 JUNE 2002



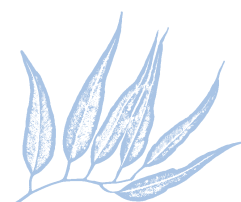
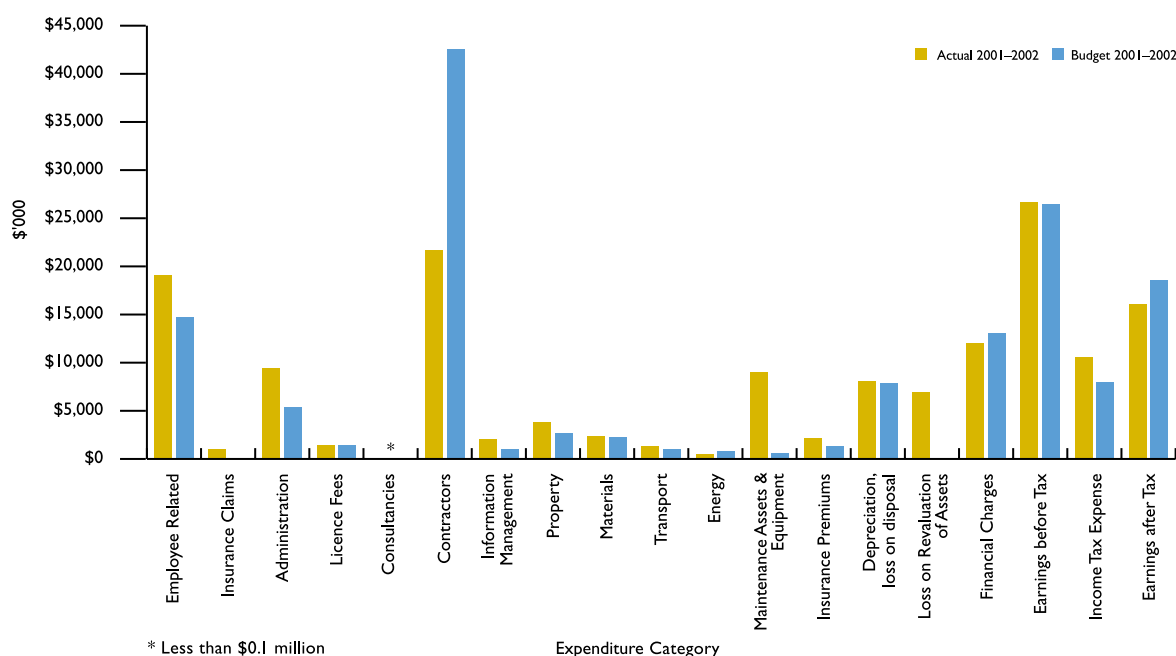


FIGURE 6: EXPENDITURE TO BUDGET ANALYSIS FOR YEAR ENDING 30 JUNE 2002



### > Expenditure – \$0.768 million lower than budget

Although the overall performance to budget is comparable, the following major variances are identified:

#### Employee Related Expenditure

Employee related expenditure was approximately \$4.3 million higher than budget. A major cause of this variance was an increase in unfunded superannuation liability within the defined benefit schemes of approximately \$2.4 million. Staff vacancies budgeted as agency placement were recruited during the year, effectively moving the \$1.5 million budget from operating expenditure to employee related costs.

#### Insurance Claims Expenditure

Claims related to the bushfires were not budgeted which resulted in \$1.017 million variance over budget.

#### Contractors

During 2001–2002, the SCA revised its chart of accounts which saw the major budget classification of contractors reallocated to more descriptive account classifications reflecting the nature of the expenditure. As a result, approximately \$21.0 million of budgeted expenditure was reallocated after the budget had been formulated. Approximately \$15.0 million in savings on this reallocated expenditure was due to delays in projects planned to be completed in 2001–2002.

#### Other Expenditure – \$6.0 million higher than budget

While insurance costs were nearly double in the 2001–2002 period as a result of 11 September 2001 events, savings occurred in financing charges to offset this budget over expenditure. The major variance in this area relates to the write-off due to revaluation of transferred lands of \$6.866 million.

## 9.5 COMPARISON OF 2001–2002 TO 2002–2003 BUDGET

### > Revenue – no material change

As a result of pricing determinations set by IPART, revenue for water sales in the 2002–2003 period is expected to be very close to the 2001–2002 budget.

Other revenue in the coming year is expected to be comparable with the 2001–2002 year.

### > Expenditure – no material change

Although no material change to the total expenditure budget for 2002–2003 year is predicted, the following areas are budgeted to substantially change from 2001–2002 budget due to the reasons identified:

#### Employee Related – \$7.0 million increase

Employee related expenditure is expected to rise given the need to recruit for positions which were filled by agency placement in 2001–2002. Also, the under performance in the defined benefit superannuation schemes is expected to continue in the short term and \$2.4 million has been incorporated into the 2002–2003 budget to cover this increase. The 2001–2002 budget was 29.5 per cent under the actual expenditure incurred. The 2002–2003 budget is felt to be a more accurate prediction of the expected position at the end of the year.

FIGURE 7: REVENUE BUDGET COMPARISON 2001–2002: 2002–2003 FINANCIAL YEARS

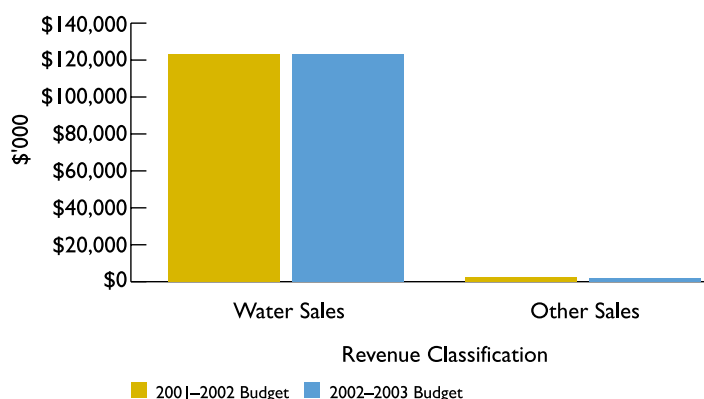
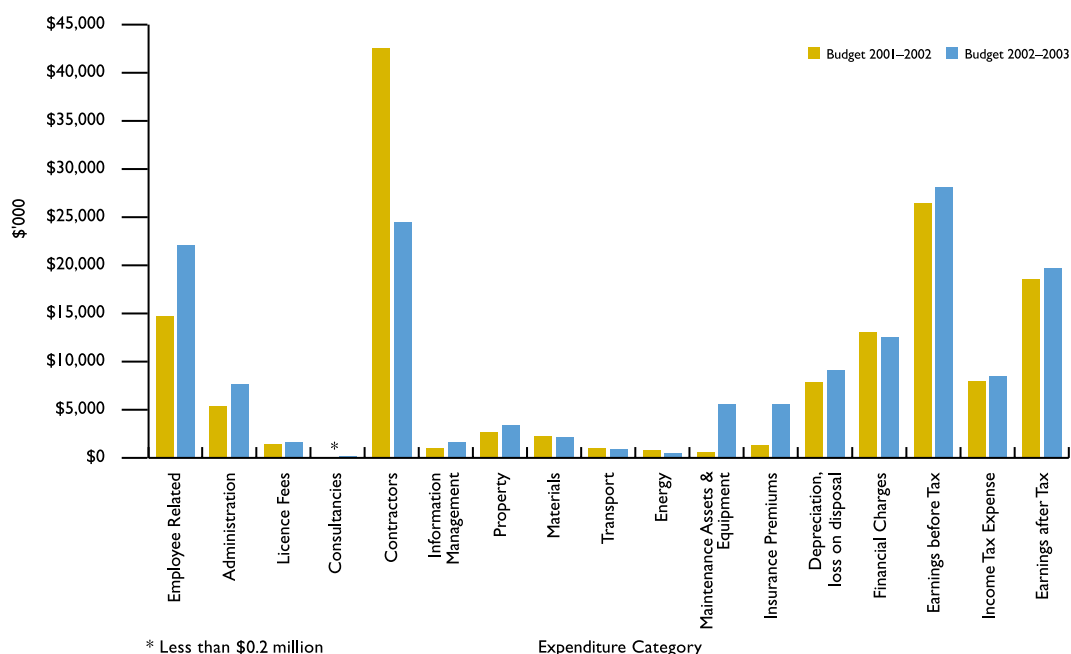
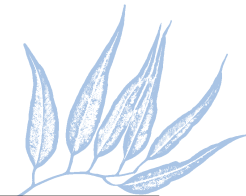


FIGURE 8: COMPARISON OF 2001–2002:2002–2003 BUDGET FOR OPERATING EXPENDITURE





#### Administration – \$2.0 million increase

The reclassification of the expenses relating to the development of plans and reports from contractors to administration is the major cause of the movement in the administration budgets over the two years.

#### Contractors – \$18.0 million decrease

The reclassification of expenditure within the budget due to the reclassification of costs to more descriptive accounts is the cause of the movement in the budget from the 2001–2002 to the 2002–2003 year.

#### Maintenance of Assets & Equipment – \$5.0 million increase

Maintenance costs captured within the contractors budget in 2001–2002 have been reallocated to maintenance in the 2002–2003 year.

#### Insurance Premiums – \$5.3 million increase

Insurance in the 2001–2002 year was budgeted at \$1.3 million. However as a result of the 11 September 2001 event and the impact of the Christmas bushfires, the SCA's insurance premiums have risen to \$5.6 million.

Other variations within the 2002–2003 budget are of a minor nature.

### 9.6 INVESTMENT AND LIABILITY MANAGEMENT AND PERFORMANCE

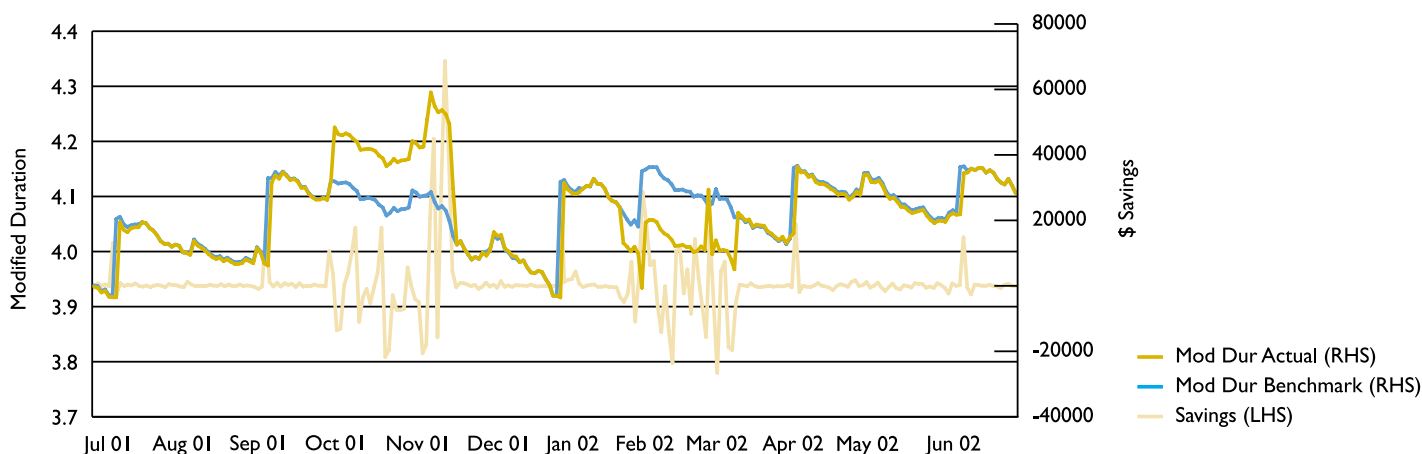
Treasury Corporation (TCorp) manages the SCA's investments and liabilities in accordance with the requirements of the *Public Authorities (Financial Administration) Act, 2000*. In May 2002, the Audit Office of New South Wales conducted a performance audit of the SCA's compliance with this Act and the results were found to be satisfactory.

As required by the agreement between the SCA and TCorp, a full review of TCorp's management of the SCA's portfolio was provided to the Board in July 2002. This presentation occurs annually. The management of the SCA's portfolio performed above the benchmark portfolio in the 2001–2002 year (refer to Figure 9).

During 2001–2002, 94.4 per cent of interest-bearing liabilities were positioned as long-term loans. As at 30 June 2002, the SCA's TCorp borrowings totalled \$159.9 million. The SCA currently has loan facilities totalling \$192 million and, due to under-expenditure in the capital budget area, has not been required to borrow additional funds within this facility.

It is expected that \$15 million in loan funding will be drawn in the first quarter of 2002–2003.

FIGURE 9: SCA PORTFOLIO INVESTMENT PERFORMANCE 2001–2002





## 9.7 INTERNAL REVIEWS & FINANCIAL SYSTEMS

The Auditor-General's Interim Audit 2001 of the SCA's internal controls indicated the need for a major review of the installation of the SUN financial management information system.

The Auditor-General's Report to Parliament 2001 Volume 7 indicated a number of areas of improvement required within the SCA's internal control systems.

The Audit Committee focuses on internal control issues, accounting policy principles and authorisations, and has pro-actively monitored progress on all issues identified by the Auditor-General. The committee has also overseen an extensive internal audit program throughout the 2001–2002 year.

The Internal Audit program is detailed in Table 11. It was undertaken by the independent internal auditors and all recommendations were acted upon promptly. Audits have expressly addressed the internal control issues raised within the Auditor-General's Report to Parliament 2001 Volume 7.

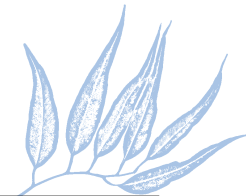
The SCA initiated a major project in 2001–2002 to integrate current manual and computerised finance and finance related business systems. This project will upgrade the largely manual systems of fixed asset management, debtors management, contract management, budget development, and project management to integrated electronic systems. Together with the payroll system, they will all be linked with the SUN financial management information system.

This project is currently the subject of a tender evaluation that is expected to be finalised by the end of August 2002 and will take approximately nine months to complete.

All processes involved in this project have been identified in consultation with staff and mapped by way of flow-charts throughout the SCA. Both the Audit Committee and the Board have approved this project and acknowledge that the completed project will address the issues identified during the annual audit.

TABLE 11: INTERNAL AUDITS AND RESULTS 2001–2002

Date	Focus of internal audit	Result
December 2001	<b>Petty Cash and Corporate Credit Cards</b>	Recommended minor policy improvements, satisfactory controls in place.
January 2002	<b>Procurement Review</b>	Recommended improvements and confirmed the centralisation and procedural review of the procurement function undertaken in December 2001.
February 2002	<b>Financial Statements – Review of System Enhancements</b>	Recommended minor improvements and confirmed the accuracy of the SUN system produced financial statements.
March 2002	<b>Fraud/Corruption Risk Assessment</b>	Recommended minor improvements and confirmed that although the inherent risk of operations is within the range of medium to high, the level of internal controls in place reduces the risk to medium to low.
March 2002	<b>Accounts Payable</b>	Recommended minor improvements and confirmed that the mitigating controls currently in place were adequate until the finance and finance-related business systems project is implemented.
March 2002	<b>Payroll Processing</b>	Recommended minor improvements however confirmed the adequacy of the management of the processing bureau by SCA staff.
April 2002	<b>Revenue Collections</b>	Recommended minor improvements and confirmed the adequacy of the function.
April 2002	<b>Instrument Control &amp; Telemetry</b>	Recommended improvements many of which require the concurrence of Sydney Water as joint operators of the system with the SCA. Consultations are taking place.
April 2002	<b>Maintenance Management System</b>	Recommended improvements to both security and operations which are being undertaken.
April 2002	<b>Sundry Debtors</b>	Recommended minor improvements and confirmed the adequacy of internal controls.
May 2002	<b>Fixed Assets</b>	Recommended improvements to methods of recording and disposal which will be addressed through the finance and finance-related business systems project implementation.
June 2002	<b>Purchasing</b>	Recommended minor improvements and confirmed the adequacy of internal control systems currently in place until the finance and finance-related business systems project implementation is completed.
June 2002	<b>Wide Area Network</b>	Recommended improvements which are currently being reviewed in accordance with the Information Technology Strategic Plan.
June 2002	<b>Tax Compliance</b>	Recommended minor improvements which are being addressed.
June 2002	<b>Firewall</b>	Recommended improvements which are currently being reviewed in accordance with the Information Technology Strategic Plan.
June 2002	<b>Spherion Payroll Contract Performance Review against Outsourcing Contract</b>	Recommended improvements and commended the management of the contract by SCA staff.



The following actions were taken as a matter of priority:

- finance staff have been trained in the appropriate methods to be used to reconcile accounts on a monthly basis. These reconciliations have been undertaken monthly and reviewed by appropriately qualified senior finance staff
- an electronic general ledger reconciliation program was developed and implemented
- the financial system was completely reviewed and new security levels installed by way of position description, ensuring that appropriate segregation of duties were in place throughout electronic transactions within the system
- the SCA Board and financial management reports were designed within the SUN system and produced directly from the system
- all Executive and relevant senior staff were trained in the production of management reports directly from the SUN system incorporating reports against budget and actual accounts, as well as by project
- the budget was loaded into the SUN system in August 2001 and updated by way of forecast in a subsidiary ledger in February 2002
- the business continuity plan for the SUN financial system was developed
- an anti-virus system now protects all computers within the SCA
- the Warragamba Dam Auxiliary Spillway Project was fully reconciled to ensure the Project Manager's monthly report on the project agreed with the transactions recorded in the general ledger
- procedures were developed and implemented to ensure that only approved transactions occurred within both the investment and operating accounts
- the SCA's financial authorisations were completely reviewed and approved by the Minister and the Chief Executive. Training for senior managers and relevant staff in the use of financial authorisations and the commitment process as per Section 12 of the *Public Finance and Audit Act 1983* has also been undertaken
- a full review of SCA prepayments occurred, resulting in the identification of all prepayments at the time of the actual transaction

- a full review of SCA payroll function was undertaken with the implementation of the new payroll outsourcing contract. Coding of both the payroll costs and entitlements was reviewed and procedures put in place to record these charges directly into the general ledger, and
- an invoicing module was installed into the SUN system in June 2002 which allows all revenue generating areas to directly invoice within the system.

To ensure that appropriate internal controls are maintained while the integration project is being implemented, the SCA's Manager Finance & Procurement personally reviews on a weekly basis every invoice to be paid. This is a mitigating control to satisfy the requirements of section 13 of the *Public Finance and Audit Act 1983*. This review is acknowledged by the internal and external auditors as sufficient to maintain an appropriate standard of internal control until the project is completed.

## 9.8 CONTRACTING AND MARKET TESTING POLICY

The SCA has adopted the government's policy as issued by the Department of Public Works and Services (DPWS) in regard to tendering and contracting. All staff have been provided with procurement flowcharts indicating the processes to be undertaken when procuring goods and services.

### Procurement Review

In December 2001, the procurement function was centralised and all procurement-related processes fully documented. Following the current government policy direction of aggregating procurement activities where possible, the SCA has implemented procedures to:

- use government contract goods and services wherever possible
- pursue strategic alliances with government agencies that are experts in specific functions relating to SCA activities eg. Roads and Traffic Authority (RTA) and DPWS
- establish panels of contractors in rural and regional areas to supply services. Where possible the SCA will use established panels in conjunction with other government agencies, and
- use DPWS for minor contract works such as painting, plumbing and electrical services in the Penrith, Warragamba, Kenny Hill, Woronora, Cataract and Cordeaux areas.

Training of staff has occurred in contract development, tender management and debriefing for successful and unsuccessful tenders. On-line training in contract development and contractual terms has been offered to all staff.

The SCA has prepared its 2002–2003 Procurement Plan. This plan, provided to Treasury on 31 July 2002, identifies savings to be achieved through better, more strategic procurement activities.

## 9.9 REGULATORY COMPLIANCE

### Operating Licence Compliance

The annual operational audit found that for 86 per cent of the Operating Licence requirements, compliance was 'full' or 'high'. This has increased from 73 per cent in the previous year's audit. Significantly the increase in full compliance rose from 57 per cent to 71 per cent. This is despite a rise in the number of clauses audited from 70 to 88.

The independent auditor found that areas of partial or non-compliance include the need to adopt a more holistic view of pollution sources and controls. This will help determine whether or not further action is needed to protect drinking water quality.

A compliance database was developed during the year that offers electronic monitoring and reporting mechanisms to meet audit requirements under the Operating Licence. The database greatly enhances the ability to assess the SCA's performance and provides improved tracking and internal focus on Licence requirements.

### Regulation Enforcement Compliance

The SCA has catchment protection powers under the *Sydney Water Catchment (Environment Protection) Regulation 2001*. This regulation allows the SCA to regulate aspects of the *Protection of the Environment Operations Act 1997 (POEO)* with respect to unlicensed premises and activities within the catchments.

The SCA has undertaken a number of major steps to increase the regulatory effort within the catchment. These include:

- developing procedures for all key processes that support implementing the regulation
- training relevant staff in the use of POEO powers contained in the regulation, and
- establishing a regulatory taskforce to develop and drive the implementation of the program.

These steps will position the SCA in its work with local councils, the EPA and NPWS to effectively implement the regulatory functions required under the Act.

Since the end of the reporting period, the SCA has issued its first clean-up notice under the regulation.

### Major Reports Management Control

Each year, the SCA produces a number of major reports to comply with legislative, regulatory and other requirements. A schedule of all SCA major reports required over the next five years has been developed.

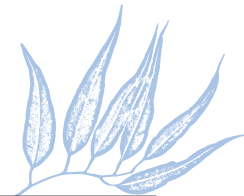
Formal procedures for report management have been implemented covering quality of writing and presentation, timeliness and consistency of message. They have been developed in conjunction with the Operating Licence compliance program and are in line with the SCA's Integrated Management System.

## 9.10 RISK MANAGEMENT

The SCA has developed a Corporate Risk Management Plan, comprising a risk management policy, a risk management process, a risk register and treatment plans.

The risk management process is in accordance with AS 4360:1999 – Risk Management. A risk register has been developed through periodic reviews.

A risk review was undertaken in March 2002, which identified events and activities that could affect the SCA's ability to achieve its objectives. In response, risk treatment actions have been developed for those risks assessed as 'medium' and have been incorporated into divisional work plans. Details of the SCA's insurances are contained in Appendix 6.



### 9.11 INCIDENT MANAGEMENT

Incidents are managed using the principles of the Australian Inter-Service Incident Management System (AIIMS) Incident Control System.

The SCA's incident management capability was demonstrated during the Christmas 2001 bushfires. Throughout the fires, the facilities, training and procedures provided a sound base for staff to effectively manage the SCA's assets and business in a crisis, and provide appropriate support to the Rural Fire Service.

A formal debrief exercise, conducted after the bushfires, identified a number of opportunities to further improve the SCA's incident management capability. These opportunities are currently being assessed and implemented, together with a review of the Corporate Incident Management Manual. The manual is supported by site and functional specific response and contingency plans, and standard operating procedures (SOPs).

During the year, 31 SCA staff members undertook awareness training in incident management procedures, while seven achieved Incident Control System accreditation under AIIMS. Strategic plans were developed to ensure the SCA had appropriate planning and the capacity to effectively manage risk and incidents.

### 9.12 MANAGING KEY STRATEGIC RELATIONSHIPS

To find ways to achieve better outcomes for the community, quarterly Strategic Liaison Group meetings were held between the SCA and the EPA, DLWC and NSW Health, in accordance with the Memorandum of Understanding with each of these agencies.

Officer-level, bi-monthly meetings were also held with NSW Health. Specific examples of cooperation included sewerage planning, Yerranderie mine remediation, and the development of protocols for de-watering and cleaning of pipelines. The purpose was to minimise pollution, address water quality monitoring issues, and achieve the upgrading of Bowral and Goulburn sewage treatment plants.

The SCA supported the EPA in the collection of evidence regarding pollution sources and specific pollution issues, and carried out joint field inspections. The SCA also offered review and feedback on the EPA's pollution control licences and draft Pollution Offset Scheme document.

### 9.13 MANAGING INFORMATION TECHNOLOGY

During the last 12 months, the SCA has focused on maintaining a stable information environment. The SCA has developed a strategic approach to Information Technology (IT) through the development of a three-year IT Strategic Plan. The plan establishes the direction for information within the SCA and for IT development. The SCA will begin implementing the recommendations of the plan in 2002–2003.

Revising security for existing information systems and infrastructure was another area of focus during the year. Incident management plans for major IT systems were developed to minimise the risk of an information and communication incident affecting SCA operations.

### 9.14 RECORDS MANAGEMENT

A comprehensive records management training program for staff was a key focus during 2001–2002. The SCA's records management program also achieved a favourable outcome as part of a government-wide compliance audit during this period.

A records management work program has been developed to promote a record keeping culture in the SCA.

### 9.15 PROPERTY MANAGEMENT

The appointment of an SCA Manager of Property and appropriate support resources has enabled:

- significant advances in the management of the SCA's property portfolio, and
- improvements to the SCA's property registry system, to provide more accurate, up-to-date information.

Leases and licences, including access licences to SCA lands, were standardised to meet SCA requirements for the protection of heritage and the environment, and best-practice land and property management. New agreements were also drafted and negotiated to develop performance standards and measures for managing agents.



### 9.16 ENERGY MANAGEMENT

In August 2001, the SCA reported to the Ministry of Energy and Utilities that SCA energy consumption levels compared favourably against the average benchmarks for other government organisations.

The SCA is a relatively small user of energy including electricity and motor vehicle fuels, and is fully committed to managing and using energy wisely throughout its operations and facilities.

A five-year Energy Management Plan 2001–2006 was finalised and approved during the year. The Energy Management Action Plan has been developed to ensure SCA's energy objectives are achieved. The SCA's Energy Management Policy recognises the potential for greenhouse gas reduction and energy conservation initiatives that can go beyond compliance with the Government Energy Management Policy.

The implementation of the Energy Management Action Plan has resulted in the following significant achievements during 2001–2002:

- an overall reduction in energy consumption of seven per cent and electricity consumption of eight per cent for the SCA compared to last year. This is equivalent to a reduction of 395 tonnes of CO<sub>2</sub> or removing 88 vehicles from the road
- contracts were finalised to increase the percentage of green power purchased from 1.2 per cent of total electricity consumption to about seven per cent (commencing July 2002)
- the increased cost of purchasing a higher percentage of green power was fully funded from savings achieved through re-negotiating existing contestable electricity contracts
- an energy efficiency audit was undertaken on several major operational sites. Many energy efficiency improvement projects were identified and are currently being assessed for implementation
- an internal environment/energy management working group was established to progress energy management initiatives throughout the SCA
- a regular reporting system on electricity and motor vehicle fuel consumption was implemented. Quantitative KPIs have been established to monitor performance
- energy management requirements and selection criteria have been incorporated in relevant procurement contracts, and
- investigations were undertaken on the use of alternative fuels and incorporation of hybrid electric technology in the SCA motor vehicle fleet.

### 9.17 MANAGING WASTE

The SCA completed its second annual waste audit in December 2001. Significant improvements in waste reduction were achieved during the year, including a reduction in paper sent to landfill of approximately 40 per cent.

An estimated 92 per cent of all paper and printed documents purchased by the SCA contained more than 50 per cent recycled content. Paper recovered in the recycling waste stream from the SCA's head office audit amounted to an estimated 3,386 kilograms.

Environmental awareness training for all SCA staff, emphasising employee responsibilities in minimising waste and promoting recycling opportunities, was carried out. Employees were also provided with readily available waste management information on the SCA's environment intranet site.

Waste disposal and purchasing contract clauses were developed for inclusion in all shell contract documents. An SCA environment working group was established to guide and inform environmental management across the organisation, and provide a forum for exchange of ideas.

A breakdown of the SCA's progress in the implementation of Waste Reduction and Purchasing Plan (WRAPP) strategies as required under the *Waste Avoidance and Resource Recovery Act 2001* is reported in Appendix 20.



SCA internal waste audit in progress



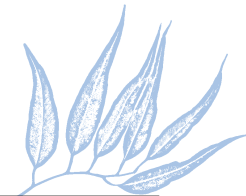
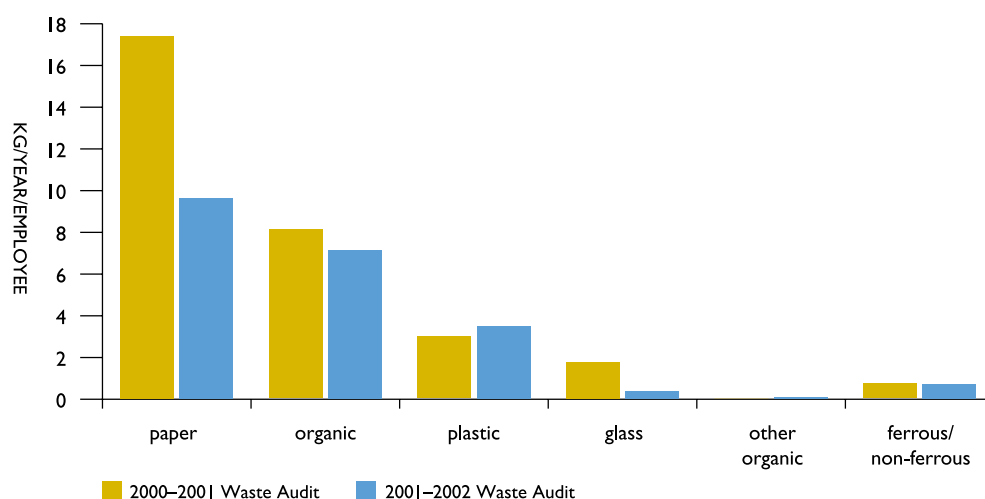


FIGURE 8: COMPARISON OF VOLUME AND TYPE OF WASTE SENT TO LANDFILL PER KG/YEAR/EMPLOYEE



## THE YEAR AHEAD

Based on the findings of the studies and energy efficiency audits undertaken in 2001–2002, the SCA will review and update its Energy Management Action Plan for 2001–2006. The key focus during the year ahead will be on implementing identified energy efficiency improvement projects to further reduce the SCA's overall energy consumption.

Such projects will include the replacement of the diesel generator with solar panels for supplying power to SCA facilities at Yerranderie and the replacement of inefficient wood with electric BBQs at the dam picnic grounds. A further audit will be commissioned on the energy performance of office buildings occupied by SCA to identify savings in building electricity usage. Options for developing green power at several dam sites will be further evaluated during 2002–2003.

In the year ahead, the SCA will focus on organisation-wide adoption of waste reduction programs, and on achieving incremental gains in all key areas.

The SCA is required under its legislation to value its property every five years. A key focus of the coming year will be an extensive physical audit of all SCA properties to help develop fair values for non-commercial assets, and market values for its commercial assets.

The SCA will continue to implement the *Sydney Water Catchment (Environment Protection) Regulation 2000* in the year ahead. Planning is well advanced for the following actions, which will significantly increase the regulatory effort within the catchment:

- establishing a dedicated SCA Compliance Unit to support staff and provide a focus for the SCA's compliance programs under the *Protection of the Environment Operations Act*
- identifying priority activities within the catchment that require action either by councils or SCA – and using the range of tools available under the regulations to protect water quality and catchment health, and
- developing a littering enforcement program, which will enable approximately 100 SCA staff to undertake littering enforcement within the catchment.

**SCA Head Office, Penrith**

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Level 2, 311 High Street,  
Penrith 2750  
PO Box 323,  
Penrith, NSW 2751  
Phone: (02) 4725 2100  
Fax: (02) 4732 3666

Website: [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au)  
Email: [hotline@sca.nsw.gov.au](mailto:hotline@sca.nsw.gov.au)

**Visitor Information**

Warragamba Dam  
Visitor Centre  
Phone: (02) 4720 0349  
Hours: 10am to 4pm daily,  
except Christmas Day  
and Good Friday

**Other SCA dams**

Phone (02) 4640 1200  
Hours: 9am to 5pm  
Monday to Friday

**Emergency Reporting**  
(24 hours)

Fires, chemical spills  
Phone: (02) 9751 1988

**Field Office Locations:****Goulburn Office**

Newo House  
23–25 Montague Street  
Goulburn NSW 2580  
Phone: (02) 4823 4200  
Fax: (02) 4822 9422

Hours: 8am to 4pm  
Wednesday and Thursday

**Moss Vale Office**

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Fax: (02) 4868 0306

**Braidwood Office**

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Braidwood NSW 2622  
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**Depots**

Cordeaux Dam  
Warragamba Dam  
Kenny Hill  
Blue Mountains  
Burrawang

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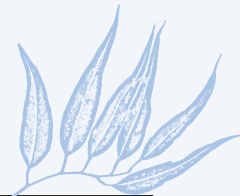
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SYDNEY CATCHMENT AUTHORITY

## Annual Report 2001–2002



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## Appendix I: SCA Board Members

The three-year term of the outgoing SCA Board finished on 3 March 2002. An expression of interest for Board membership was advertised by the Minister for the Environment in regional, metropolitan, and national press to find interested and qualified members for the new Board. The Minister appointed the new SCA Board for a term of three years, commencing Monday 4 March 2002. The new Board is made up of seven appointed members, plus the Chief Executive:

### Mr John Whitehouse Chairperson

John Whitehouse is the Chairperson. He is a Solicitor and Partner with the Sydney office of Minter Ellison. He is the Sydney Practice Head for Planning and Environment Law with Minter Ellison. John was a Director of Sydney Water Corporation.

Prior to joining Minter Ellison, John was a Partner with Dunhill Madden Butler, Director of the NSW National Parks and Wildlife Service, and Assistant Director of NSW Department of Environment and Planning. John holds degrees in Law and Arts from Sydney University, has a B.Sc. from Macquarie University and a Diploma in Legal Practice from the University of Technology, Sydney. He is a Fellow in Environmental Studies at Macquarie University and an Honorary Professorial Fellow in the School of Law at Wollongong University.

### Mr John Asquith

John Asquith is currently the Honorary Secretary of the Nature Conservation Council and Chair of the Central Coast Community Environment Network. John is a past trustee of the NSW Environmental Trust, a past member of the Bushfire Coordinating Committee and a part-time member of the Newcastle University staff in Sustainable Resource Management.

John has considerable experience in infrastructure management and is a member of several environmental organisations and committees. John has qualifications in engineering, management and environmental activities.

### Dr Kerry Chant

Dr Kerry Chant is a Public Health physician and is a Director of the South Western Sydney Area Health Service Public Health Unit. The Unit has a key role in infectious disease surveillance, prevention and control, food safety, and environmental health issues in south-western Sydney. Kerry's particular area of interest is the prevention of infections.

Kerry is a member of the Royal Australian College of Physicians, Faculty of Public Health Medicine and has a Bachelor's degree in Medicine and Surgery. Kerry also holds the degrees of Master of Public Health and Master of Health Administration.

### Mr Robert Corben

Robert Corben is a fellow of the Australian Society of CPA's, and a Registered Company Auditor and has been in public accountancy practice for some 27 years. The practice specialises in ongoing financial advisory services and Robert acts as consultant to a number of state and federal government departments. Accounting and financial services are provided to a diverse client base drawn from both the private and public sector including funded organisations.

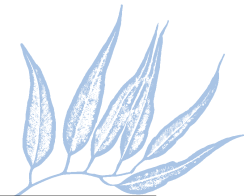
He currently sits on the board of the NSW Legal Aid Commission and holds a number of directorships in industry. He has also acted as Administrator for some 10 cooperatives. Prior to entering public practice Robert held a number of senior financial positions in commerce and industry.

### Ms Maggie Deahm

Maggie Deahm has spent most of her working life in the New South Wales Public Service including nine years in the Ministry for the Arts in Sydney. Maggie has also spent 12 years in the Agent General's Office in London.

Maggie has lived in the Blue Mountains since 1987 and was elected to Blue Mountains City Council in 1991. She served as the Federal Member for Macquarie from 1993 to 1996. From 1996 to 2000, Maggie served as a member of the Western Sydney Waste Board (Chairman from 2000). Maggie is currently Deputy Chair of the Board of the Jenolan Caves Reserve Trust and an Assessor to the Local Government Remuneration Tribunal.





## Appendix I: SCA Board Members cont'

### **Mr Graeme Head** **Deputy Chairperson**

Graeme Head joined the Sydney Catchment Authority as its Chief Executive in December 2001. He is also Deputy Chairperson of the SCA Board.

Graeme worked for almost 12 years at the New South Wales Environment Protection Authority and its predecessor, the State Pollution Control Commission (SPCC). As an Assistant Director General with the EPA, Graeme had carriage of a number of significant policy and operational areas, including waste and pesticide management reform in New South Wales. Previously, Graeme established the organisation's community programs, grants programs, social research and education programs and its Cleaner Industries Unit.

Prior to joining the SPCC, Graeme worked for 12 years in the health and human services sector, most recently as an Assistant Director of the New South Wales Centre for Education and Information on Drugs and Alcohol.

### **Ms Robyn Kruk**

Robyn Kruk is Chair of the SCA Corporate Governance Committee. Robyn is the Director General of NSW Health. She has previously held the positions of Deputy Director General of the NSW Premier's Department, Director General of the NSW National Parks and Wildlife Service and the Deputy Director General of The Cabinet Office. Robyn has provided policy advice relating to natural resources, environment, planning, local government, agriculture, mining and rural affairs.

Robyn has significant experience in the resolution of natural resource conflicts. She has represented the State Government in negotiation of significant Commonwealth/State agreements, including the Intergovernmental Agreement on the Environment, National Forestry Policy, and the National Biodiversity Strategy. Robyn chaired the CSIRO Biodiversity Sector Advisory Committee and led the Secretariat supporting Peter McClellan QC in the conduct of the Water Inquiry, which inter alia, recommended the establishment of the Sydney Catchment Authority.

### **Mr Kenneth Wheelwright**

Kenneth Wheelwright is Chair of the SCA Audit Committee. Kenneth manages a grazing property situated in the catchment on the upper reaches of the Wollondilly River. Kenneth also represents the NSW Farmers' Association.

Kenneth has been actively interested in developing sustainable and profitable farm management practices. He holds a degree in Rural Science from the University of New England and has also been involved with tertiary education of agricultural students. More recently, Kenneth obtained business qualifications and training in holistic management.



## Appendix 2: Board Attendance at Meetings 2001–2002

The Board generally meets once monthly and, when necessary, considers material and issues out of session.

TABLE 12: SCA MONTHLY BOARD MEETING ATTENDANCE FOR 2001–2002

Board Members	Meetings held during Members term	Meetings Attended
John Whitehouse (Chairperson)	11	9
Jeff Wright <sup>#</sup>	3	3
John Asquith	11	11
Helen Cameron <sup>**</sup>	7	6
Dr Kerry Chant	11	8
Patricia Gilchrist <sup>**</sup>	7	6
John Klem <sup>**</sup>	7	7
Kenneth Wheelwright	11	11
Graeme Head <sup>***</sup> (CEO and Deputy Chairperson)	8	7
Robert Corben <sup>*</sup>	4	4
Maggie Deahm <sup>*</sup>	4	4
Robyn Kruk <sup>*</sup>	4	3

Note:

<sup>#</sup> Former Chief Executive – ceased on 3 October 2001

<sup>\*\*</sup> Board member – ceased on 3 March 2002

<sup>\*\*\*</sup> New Chief Executive – commenced in December 2001 (Acted as CEO between October and December 2001)

<sup>\*</sup> New Board member – commenced on 4 March 2002

## Appendix 3: Standing Committees

The Board has elected to operate through two standing committees established by the Board – the Audit Committee and Corporate Governance Committee.

### AUDIT COMMITTEE

The main responsibilities of the Audit Committee are to:

- ensure that the audit process (both external and internal) is effective, that external reporting and corporate governance responsibilities are addressed, and that internal control and risk management structures are appropriate
- consider carefully issues raised by the external and internal auditors, and
- ensure that the SCA's accounting policies and principles are in accordance with the stated financial reporting framework and that the Board is informed of any significant issues raised by the auditors, management or committee members.

TABLE 13: SCA AUDIT COMMITTEE ATTENDANCE FOR 2001–2002

Board Members	Meetings held during Members term	Meetings Attended
Kenneth Wheelwright (Chair)	5	5
Jeff Wright (ex-officio) <sup>#</sup>	1	1
Graeme Head (CEO and ex-officio) <sup>**</sup>	3	2
John Whitehouse <sup>***</sup>	4	3
Robert Corben <sup>*</sup>	1	1
John Asquith	4	3

Note:

<sup>#</sup> Former Chief Executive – ceased on 3 October 2001

<sup>\*\*</sup> New Chief Executive – commenced in December 2001 (Acted as CEO between October and December 2001)

<sup>\*\*\*</sup> Audit Committee membership ceased on 15 March 2002

<sup>\*</sup> New Audit Committee member – commenced on 15 March 2002

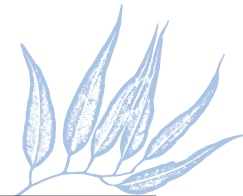
### CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was formed on 15 March 2002. The main responsibilities of the Corporate Governance Committee are to:

- ensure all necessary SCA statutory reporting requirements are met
- monitor the SCA's performance by overseeing the development of quarterly reports to the Board on the Business Plan, Statement of Financial Framework, Capital Works Program, compliance with licences and any remedial action following audits of the business, and
- develop policies for Board consideration.

TABLE 14: SCA CORPORATE COMMITTEE ATTENDANCE FOR 2001–2002

Board Members	Meetings Held	Meetings Attended
Robyn Kruk (Chairperson)	1	1
Graeme Head (CEO and ex-officio member)	1	1
John Whitehouse	1	1
Dr Kerry Chant	1	1
Maggie Deahm	1	1



## Appendix 4: Senior Executives' Qualifications

George Dodds:	<i>Dip.Civ.Eng., M.Eng.Sc.(Env. Eng.)</i>
Ken Elliot:	<i>B.A., LL.B.</i>
Ian Landon-Jones:	<i>B.E. (Civil), M.Eng.Sc.</i>
Keith Sclater:	<i>B.Sc. (Forestry), Dip.Man.</i>
Ian Tanner:	<i>B.Sc. (Civil Eng.)</i>
Barrie Turner:	<i>B.Sc. (hons), Dip.Town Planning, MRAPI</i>
Richard Warner:	<i>B.A., M.Comm.</i>
Rhonda Wheatley:	<i>B.Bus. (Acc./Law), FCPA, GradCertPubSectMgmt, FAICD</i>

## Appendix 5: Principal Legislation and Regulation

### *Sydney Water Catchment Management (SWCM) Act 1988*

The SWCM Act is the legislation that sets out the role, objectives and functions of the SCA. This legislation also sets out the corporate governance structure of the SCA. An Operating Licence granted to the SCA enables it to exercise its functions under the SWCM Act.

#### Operating Licence

The SCA has been granted an Operating Licence by the Governor under section 25 of the SWCM Act. This Licence enables the SCA to exercise any function conferred or imposed on it by the SWCM Act, or any other Act, both within and outside its area of operations.

The SCA is authorised and required by its Operating Licence to provide, construct, operate, manage and maintain efficient systems for the supply of bulk water. The Operating Licence also requires the SCA to ensure that its works comply with the quality and performance standards that are required by the Licence.

The SCA's performance against the terms of its Operating Licence is subject to audit every 12 months by a Licensed Auditor, appointed by the Independent Pricing and Regulatory Tribunal (IPART).

The Operating Licence is subject to a mid-term and end-of-term review by IPART in order to determine whether the Licence is fulfilling its objectives and in relation to any matter that is required to be reviewed by the Licence.

As part of the mid-term review, the SCA forwarded a submission to IPART on 8 April 2002 addressing those issues raised by IPART in relation to the objectives of the Operating Licence.

#### Water Management Licence

On 23 April 2001, the SCA was granted a Water Management Licence pursuant to Part 9 of the *Water Act 1912* by the Water Administration Ministerial Corporation (Department of Land and Water Conservation).

The objective of the Water Management Licence is to manage the SCA's access to water resources within its area of operations in accordance with the principles of ecologically sustainable development as described in Section 6(2) of the *Protection of the Environment Administration Act 1991*.

The Licence authorises the SCA to take and use water from specific water sources and water management works. In addition, the Licence also specifies the amount of water that must be made available for environmental flows.

The Licence is for a term of 20 years, but is required to be reviewed by DLWC within six months from the date of issue, and before the end of each five-year period for the term of the Licence.

The SCA is required by the Licence to pay a Licence Fee based on the actual costs incurred by the Ministerial Corporation in administering the Licence and for water management charges. The review commenced in September 2001 and is continuing.

#### Memoranda of Understanding

The SCA is required under Section 36 of the SWCM Act to enter into Memoranda of Understanding with the regulatory agencies listed in Section 35(a) of the SWCM Act. These regulatory agencies are:

- The Director General of the Department of Health
- The Water Administration Ministerial Corporation
- The Environment Protection Authority.

Memoranda of Understanding with each of these regulatory agencies have been entered into. The SCA has negotiated amendments to the Memoranda of Understanding that were suggested in the Licence Regulator's annual operational audit report to the Minister.

#### Special Areas Strategic Plan of Management

Section 49 of the SWCM Act, identifies a number of strategies for the management of Special Areas to achieve outcomes for the maintenance of ecological integrity and the protection of water quality. The SCA and NPWS have jointly developed and are implementing the Special Areas Strategic Plan of Management (SASPoM).



## Appendix 5: Principal Legislation and Regulation cont'

### Regulations

The SCA manages activities likely to impact on catchments and water quality by means of regulations made under the SWCM Act and planning instruments made under the *Environmental Planning and Assessment Act 1979*.

#### *Sydney Water Catchment Management (General) Regulation 2000.*

This regulation enables the SCA to regulate access, activities and conduct in controlled and Special Areas. Persons contravening this regulation may be liable to an on-the-spot fine of \$300 or prosecution.

#### *Sydney Water Catchment Management (Environment Protection) Regulation 2001.*

The regulation confers on the SCA the power to exercise the inspectorial and enforcement functions of other government agencies. This regulation enables the SCA to exercise certain regulatory functions under the *Protection of the Environment Operations Act 1999* (POEO Act), with regard to non-scheduled premises and activities.

### PLANNING INSTRUMENTS

#### *State Environmental Planning Policy 58 (SEPP58)*

SEPP58 – *Protecting Sydney's Water Supply*, took effect on 1 February 1999. This policy requires new developments within catchments to be assessed for any potential impact on water quality. A consent authority is required under SEPP58 to provide notification and/or seek concurrence of the SCA in relation to certain developments.

#### *Directions under Section 117 of Environmental Planning and Assessment Act 1979*

Under section 117, the SCA is able to influence the making and amendment of local environmental plans to ensure adequate measures are contained in the plans to protect catchments and water quality. This can be at the time of their making, or amendment by a consent authority.

### Draft Regional Plan

Under Section 53 of the SWCM Act, all the land within the catchment area is the subject of a Regional Plan (RP). PlanningNSW is developing an amended draft Regional Plan that will require consent authorities to take into account the impact of any proposed land development to ensure that it will have a neutral or beneficial effect on water quality.

## Appendix 6: Insurance

Insurance brokers the Heath Lambert Group have met the SCA's insurance business needs and commercial risks through various Australian and overseas underwriters. The majority of the SCA's insurances were renewed as at 31 May 2002 for a period of one year.

The cost of business and risk insurances was \$2.124 million, representing a premium increase of 60.5 per cent from 2000–2001. The price increase is due to the loss of worldwide insurance underwriting capacity and the increased commercial risks of writing insurance.

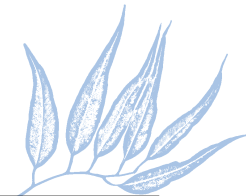
Insurance coverage for the chemical or biological contamination of the SCA's stored waters is being investigated. Initial advice is that the cost of this insurance may be prohibitive.

### Workers Compensation Insurance

Workers compensation insurance has been placed through QBE. The cost of workers compensation insurance has also increased due to the increase of permanent staff employed by the SCA and as a reflection of our claims history. Workers compensation premiums rose by 134 per cent from 2000–2001.

### Warragamba Dam Auxiliary Spillway Insurance

Insurance for the construction of the Warragamba Dam Auxiliary Spillway was current for an initial period of 1 February 1999 to 1 February 2002. It was extended for six months to cover the time needed by contractors to complete the project. Insurance coverage is also in place for an additional 24 months defects liability period.



## Appendix 7: Legal Change

### *Departures from the Subordinate Legislation Act 1989*

In the financial year 2001–2002 the SCA did not make any new regulations.

### New South Wales Legislation

#### (a) Acts

*Sydney Water Catchment Management (Amendment) Act 2001* (assent 25 October 2001). This Act amended the *Sydney Water Catchment Management Act 1998* to accommodate the establishment of a Sydney Catchment Management Fund.

The amended Act also clarified the ability of the SCA to receive and spend public monies from the Fund, for the purpose of undertaking its statutory functions.

*Civil Liability Act 2002* (assent 18 June 2002).

This Act seeks to reduce the number of matters and the damages awarded in personal injury claims by fixing maximum amounts recoverable for both economic and non-economic loss. In addition, legal costs are fixed and there is a prohibition on the award of punitive, aggravated and exemplary damages. Taken to have commenced 20 March 2002.

*Environment Protection Legislation Amendment Act 2002* (assent 15 May 2002). This Act amends the *Protection of the Environment Operations Act 1997* and other Acts and regulations with respect to: law enforcement and offences; the functions of regulatory authorities; accreditations; and regulation-making powers. Commenced 1 July 2002.

*Law Reform (Miscellaneous Provisions) Amendment Act 2000* (assent 20 December 2000). This Act provides for the application of the common law doctrine of contributory negligence to contractual liability in certain circumstances. This amendment followed the High Court's decision in *Astley v Austrust*, which held that the contributory negligence apportionment legislation available in tort claims was not applicable to claims for breach of a contractual duty of care.

*National Parks & Wildlife Amendment (Transfer of Special Areas) Act 2001* (assent 6 December 2001).

This Act amended the *National Parks & Wildlife Act 1974* so as to enable the SCA to make payments to the National Parks & Wildlife Service (NPWS) for the purpose of carrying out Plans of Management made under the *Sydney Water Catchment Management Act 1998* in respect of Special Areas.

The Act also made provision for the Minister to grant leases, licences, easements or rights of way to the SCA, Sydney Water and Hunter Water Corporations on or over the Special Areas lands that were transferred to NPWS, as described in the Minister's Determination published in the Government Gazette on 29 June 2001 and subsequently transferred to the NPWS on 28 June 2002.

*Occupational Health and Safety Act 2000* (assent 26 June 2000). This Act repealed the *Occupational Health and Safety Act 1983* and provides a new regime for the health, safety and welfare of persons at work. Outlines: employers' general duties to employees, especially the duty to consult employees and related duties; the role of industry codes of practice; the role and power of inspectors to enter premises; the giving of investigation, improvement and prohibition notices; and instituting criminal and other proceedings. Commenced 1 September 2001.

*Waste Avoidance and Resource Recovery Act 2001* (assent 17 July 2001). This Act promotes strategies for waste avoidance and resource recovery, establishes Resource NSW and repeals the *Waste Minimisation and Management Act 1995*. Commenced 8 October 2001.

#### (b) Regulations

*Occupational Health and Safety Regulation 2001*. This Regulation details: risk control methods for work place uses such as working in a confined space, lighting, noise, fire and electricity; plant design, manufacture, registration and supply; working with and supply of hazardous substances and processes such as spray painting, blasting, welding, lead and electrical work; training and risk control arrangements for construction work including excavation, demolition and asbestos; and certification of workers, business licensing and permits. Commenced 1 September 2001.





## Appendix 7: Legal Change cont'

### Commonwealth Legislative Amendments

#### Acts

*Trade Practices Amendment Act (No. 1) 2001*. This Act amends the *Trade Practices Act 1974*, particularly by increasing the limitation period from three years to six years in respect of some causes of action (including misleading and deceptive conduct s52). Also makes provision for punitive and non-punitive orders. Commenced 26 July 2001.

#### Case Law

*Magbury Pty Ltd v Hafele Australia Pty Ltd* (2001) 185 ALR 152 (13 December 2001). This case was a restraint of trade case in which a majority of the High Court declared the confidentiality agreement between the parties unenforceable. The High Court applied the common law doctrine of restraint of trade to the agreements, which rendered them invalid.

*Overlook v Foxtel* [2002] NSWSC 17 (31 January 2002). This case was a contract case in the Supreme Court of New South Wales in which Justice Barrett noted that a duty of good faith is now implied by law into every commercial contract.

## Appendix 8: Current Legal Matters

Significant legal matters before the SCA as at 30 June 2002 included the following:

### Auxiliary Spillway Contract Disputes

#### *Folly Creek Litigation*

On 28 September 2001, Abigroup Contractors Pty Limited (Abigroup) commenced proceedings against the SCA in the Supreme Court of New South Wales for \$13.7 million in relation to claimed breaches of the *Trade Practices Act 1974* and contractual warranty contained within the contract for construction of the Warragamba Dam Auxiliary Spillway.

The matter was referred by the Supreme Court to a Referee, Mr Morton Rolfe, who heard the matter during a four-week hearing commencing on 17 June 2002.

#### *Other Disputes*

As at 30 June, the Superintendent for the Warragamba Dam Auxiliary Spillway contract had been notified by Abigroup of three disputes under the contract. The SCA is responding as required by the contract.

### Native Title Claims

The Gundungurra people have made two claims under the *Native Title Act* over lands that are owned or vested in the SCA.

The first claim, commenced in 1998, is over land under the Warragamba Dam and the stored water of the dam. Preliminary advice from the Crown Solicitor is that the claim made by the Gundungurra people has been extinguished by previous exclusive possession for infrastructure purposes. Occupation searches are currently being conducted in relation to the occupation of these lands prior to their inundation by the stored waters of the Warragamba Dam.

The other claim is over certain Special Area lands that are either owned by the SCA or NPWS and are subject to a joint plan of management by both agencies. This claim was mentioned in the Federal Court on 17 October 2001 and 15 March 2001.



## Appendix 9: Freedom of Information

### *Freedom of Information Act 1989 Section 14(1b) and (3)*

The SCA received one application for access to documents under the *Freedom of Information Act 1989*.

This request was received from the Total Environment Centre which sought, and was granted, access to material relating to Wongawilli Creek and the proposed underground mining in the Upper Nepean catchment area.

The most recent Summary of Affairs, approved for publication by the Minister, is published in Appendix 10.

Access to documents held by the SCA covering details of properties disposed of during the reporting year may be made under the *Freedom of Information Act 1989*.

On 28 June 2002, the SCA disposed of some 17,803 hectares of land valued at \$5,635 million. This was in line with the Minister for the Environment's determination of 26 June 2001 that the objectives of the SCA would be more effectively attained if the land within the Warragamba, Katoomba, Blackheath, Woodford, O'Hares Creek and part of the Shoalhaven Special Areas were vested in the Minister administering the *National Parks and Wildlife Act 1974*.

## Appendix 10: Summary of Affairs of the Sydney Catchment Authority

### 1. POLICY DOCUMENTS

The SCA holds the following policy and procedures documents that may be accessed for information:

#### **Human Resources**

Study Assistance Program  
How to Report Unethical Conduct  
Attendance at External Conferences  
Working from Home Policy  
Christmas Party Policy  
Performance Management System  
Code of Conduct  
Recruitment Policy  
Equity and Diversity and Work and Family Policies  
Conditions of Employment  
Pay Policies  
Grievance Resolution, Dispute Settlement and Disciplinary Policy and Procedures  
Occupational Health, Safety & Rehabilitation Policy  
Occupational Health, Safety & Rehabilitation Procedures

#### **Information Technology and Records Management**

Information Security  
Access to Published Information  
Electronic Mail  
Information Technology Standards  
Privacy and Personal Information  
Remote Computing  
Remote Access  
Internet  
Mail Management  
Records Security  
Records Retention  
Records Disposal  
Records Management

#### **Product and Service Delivery**

Customer Complaints Policy and Procedure

#### **Management of other SCA Resources**

Energy Management Policy  
Corporate Incident Management Manual  
Interim Media Relations Policy  
Uniforms and Protective Clothing Policy  
Telephone Protocol Policy  
Mobile Phones Policy  
Parking of Motor Vehicles Policy  
Facility Centre and Conference Accommodation



## Appendix 10: Summary of Affairs of the Sydney Catchment Authority cont'

### 2. STATEMENT OF AFFAIRS

The SCA's initial Statement of Affairs was published on 29 December 2000 in the Gazette and on the SCA's website.

The Statement of Affairs provides information on the:

- structure and function of the SCA
- description of the ways in which the functions of the SCA affect members of the public
- manner in which the public can participate in the formation of SCA policy and the exercise of the SCA's functions
- description of the various types of documents usually held by the SCA, and
- procedural arrangements for public access to the SCA's documents and for the amendment of the SCA's records concerning the personal affairs of a member of the public.

### 3. CONTACT ARRANGEMENTS

All applications for access to documents in the possession of the SCA (other than policy documents) must be in writing and should be accompanied by an application fee of \$30 and marked to the attention of the "FOI Coordinator".

The application should be addressed to:

The Chief Executive  
Sydney Catchment Authority  
PO Box 323  
PENRITH NSW 2751

Access to policy documents, unless otherwise stated, is free of charge and access can be arranged by contacting the FOI Coordinator on telephone number 4725 2100, facsimile 4732 3666 or in person at the address below between the hours of 8.30am and 5pm, Monday to Friday.

Sydney Catchment Authority  
Level 2, 311 High Street  
PENRITH NSW 2750

## Appendix 11: Schedule of Charges

### Schedule of Charges – Schedule of Charges for Regulated Water Services 2001–2002 and 2002–2003

TABLE 15: SCA PRICING SCHEDULE<sup>1</sup> 2001–2002

	Charge <sup>*</sup>
<b>Sydney Water Corporation</b>	
Fixed availability charge per month	\$4.939M
Volumetric charge per megalitre	\$107.00
<b>Wingecarribee Shire Council</b>	
Volumetric charge per megalitre	\$70.00
<b>Shoalhaven City Council</b>	
Volumetric charge per megalitre	\$70.00
<b>Retail Customers</b>	
Volumetric charge per kilolitre (raw water)	\$0.44
Volumetric charge per kilolitre (unfiltered water)	\$0.737

<sup>\*</sup> The supply of water is GST free.

Fixed charge per annum <sup>**</sup>	Charge <sup>*</sup>
20mm	\$75.00
25mm	\$117.20
30mm	\$168.75
32mm	\$192.00
40mm	\$300.00
50mm	\$468.75
80mm	\$1,200.00
100mm	\$1,875.00
150mm	\$4,218.75
200mm	\$7,500.00
> 200mm	(nominal diameter) <sup>2</sup> x 75/400

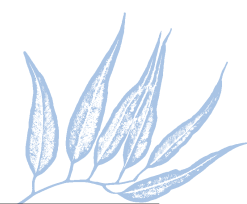
<sup>\*\*</sup> Based on meter size

These prices conform to the IPART determination.

### Schedule of SCA Charges for Regulated Water Services 2002–2003

In September 2000, IPART determined a Medium Term Price Path for the regulated water services provided by the SCA for the period 1 October 2000 to 30 June 2005.

The determination provided for increases in certain charges to be linked to movements in the Consumer Price Index [CPI], net of any component attributable to the GST. The Tribunal has informed the SCA that the CPI movement to be used for adjusting prices for 2002–2003 is 2.9 percent. Effective from 1 July 2002, the SCA applied increased charges reflecting this movement.



## Appendix 12: Major Asset Categories

TABLE 16

	System assets \$'000	Land \$'000	Buildings \$'000	Working equip. \$'000	Motor vehicles \$'000	Office equip. \$'000	Computer equip. \$'000	Office amenities \$'000	F&F \$'000	Leasehold imps. \$'000	Work in progress \$'000	Total \$'000
<b>2001–2002</b>												
Carrying amount at start of year	478,443	127,094	4,640	674	377	222	199	49	–	614	91,496	703,808
Additions	18	–	273	538	–	87	21	12	191	176	14,991	16,307
Disposals	–	–	(148)	(41)	–	(3)	–	–	–	–	–	(192)
Transfers to owners	(1,618)	(17,348)	–	–	–	–	–	–	–	–	–	(18,966)
Revaluation	–	(6,865)	–	–	–	–	–	–	–	–	–	(6,865)
Transfers between accounts	77,579	–	–	–	354	–	–	–	758	439	(79,130)	–
Assets expensed	(147)	–	–	–	–	–	–	–	–	(13)	(127)	(287)
Depn adj. on disposed assets	–	–	15	4	–	1	–	–	–	–	–	20
Depreciation expense	(6,906)	–	(106)	(93)	(116)	(36)	(68)	(5)	(157)	(361)	–	(7,848)
<b>Carrying amount at end of year</b>	<b>547,369</b>	<b>102,881</b>	<b>4,674</b>	<b>1,082</b>	<b>615</b>	<b>271</b>	<b>152</b>	<b>56</b>	<b>792</b>	<b>855</b>	<b>27,230</b>	<b>685,977</b>
<b>2000–2001</b>												
Carrying amount at start of year	482,102	126,137	4,660	205	43	19	72	8	–	–	65,246	678,492
Additions	3,896	957	88	541	354	225	176	45	–	794	26,250	33,326
Disposals	(449)	–	–	(21)	–	–	–	–	–	–	–	(470)
Depn adj. on disposed assets	38	–	–	10	–	–	–	–	–	–	–	48
Depreciation expense	(7,144)	–	(108)	(61)	(20)	(22)	(49)	(4)	–	(180)	–	(7,588)
<b>Carrying amount at end of year</b>	<b>478,443</b>	<b>127,094</b>	<b>4,640</b>	<b>674</b>	<b>377</b>	<b>222</b>	<b>199</b>	<b>49</b>	<b>–</b>	<b>614</b>	<b>91,496</b>	<b>703,808</b>
<b>1999–2000</b>												
Carrying amount at start of year	–	–	–	–	–	–	–	–	–	–	–	–
At tfr – Book value from Sydney Water	488,132	126,137	4,766	234	50	28	122	10	–	–	27,650	647,129
Additions	–	–	–	–	–	–	–	–	–	–	37,596	37,596
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
Depn adj. on disposed assets	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation expense	(6,030)	–	(106)	(29)	(7)	(9)	(50)	(2)	–	–	–	(6,233)
<b>Carrying amount at end of year</b>	<b>482,102</b>	<b>126,137</b>	<b>4,660</b>	<b>205</b>	<b>43</b>	<b>19</b>	<b>72</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>65,246</b>	<b>678,492</b>



## Appendix 13: Engagement of Consultants

During the 2001–2002 year, the SCA engaged 10 consultants to provide options or opinions on major projects being undertaken. The total cost of these consultants was \$93,346.03

### Consultancies Over \$30,000

One consultant provided services over \$30,000. Gutteridge Haskins & Davey Pty Ltd (GHD) were engaged to provide an Options Study on the Ingleburn, Liverpool and Sugarloaf Dams. The cost of this project was \$40,800 and the work undertaken was satisfactory.

### Consultancies Under \$30,000

Nine consultants provided services under \$30,000. The total cost of these consultancies was \$52,546.03 and the work undertaken was satisfactory.

## Appendix 14: Payment of Accounts

The SCA pays approximately \$77 million of its budget to creditors. During the 2001–2002 year, strategies were put in place to analyse creditors payment performance with a view to achieving 100 per cent of payments being made on time.

Payments to creditors by quarter have showed a 121 per cent improvement of payments made within the 30 day period, with over 85 per cent of creditors being paid within the 60 day period.

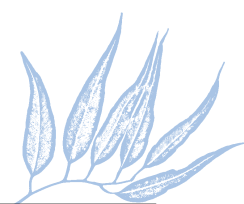
The reasons for delays in payment during the year have been assessed and include:

- creditors forwarding accounts directly to branch offices rather than to the central processing area in Penrith
- the geographic isolation of some of the SCA offices
- late billing by major creditors, which in some instances was six to eight months after the service was received
- the need to withhold payment until satisfactory performance of service was performed, and
- time billing by service providers rather than in accordance with specific contract terms

In April 2002, all creditors were advised of the need to forward all invoices (or statements of claim) to the SCA's head office at Penrith. The processes undertaken during the year have resulted in a marked improvement in payment performance from the first quarter to the fourth quarter of 2001–2002 (see Figure 8). Continued improvements are expected during 2002–2003.

All SCA purchase orders and contract provisions state that interest can be awarded by the Minister to service providers due to late payment of accounts. During 2001–2002, no interest was awarded by the Minister for the late payment of accounts.





## Appendix 14: Payment of Accounts cont'

FIGURE 9: CREDITORS PAYMENTS ANNUAL PERFORMANCE 2001–2002.

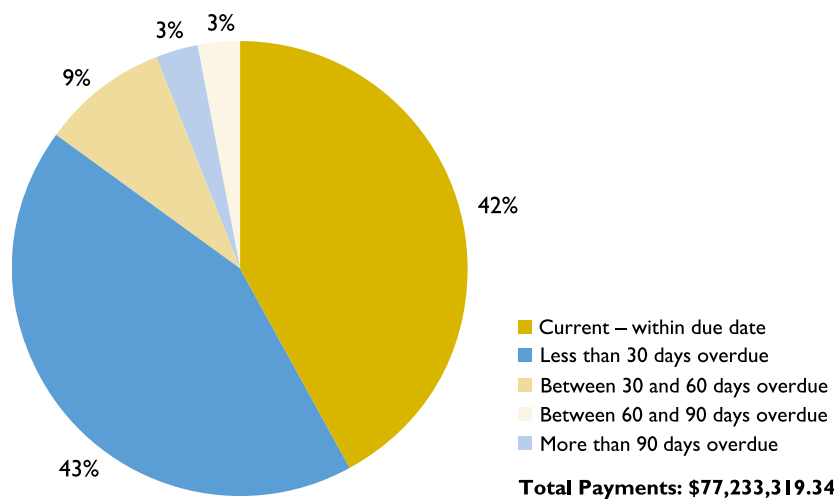
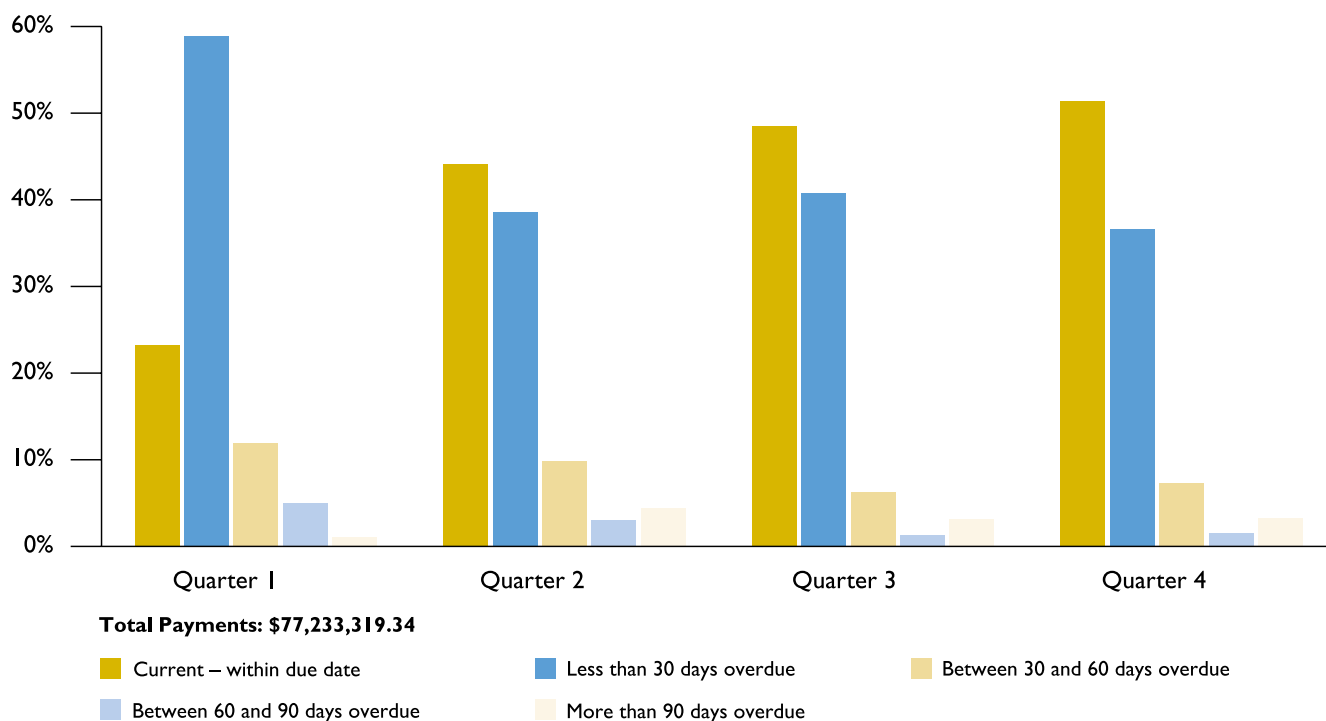


FIGURE 10: PAYMENTS SCHEDULE BY QUARTER 2001–2002.

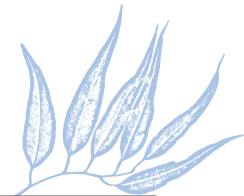




## Appendix 15: Catchment Protection and Improvement Grants

TABLE 17: FOR FINANCIAL YEAR 2001-2002 (ROUNDS 5 &amp; 6)

Grant No	Applicant	Description	Amount Approved
56	Bowral Urban Landcare Group Inc.	Restoration of Mittagong Creek (1) removal of environmental weeds; (2) removal of rubbish and debris; (3) erosion control; (4) recreation of aquatic habitat through native planting, provision of log and rock sill pools, and increased oxygenation.	8,000.00
57	Moss Vale Landcare Group Inc.	(1) Remove all environmental weeds on the headwaters of Whites Creek with the local Golf Club. (2) Plant a diversity of native trees, shrubs and ground covers. (3) Build on the previous successful project to demonstrate the benefits of creek rehabilitation.	8,000.00
58	1st Leura Scout Group	To control erosion of soils; build a retaining wall; build a siltation barrier each side of the creek; regenerate the bushland with the help of Wildplant Rescue and A&S regeneration. Land owned by Scouts. (incl \$2,000 for hire of equipment)	10,000.00
59	Kangaroo Valley Environment Group Inc.	Continue environmental weed eradication and riparian restoration along the Kangaroo River, Kangaroo Valley village. (incl \$1,080 for hire of equipment)	9,080.00
60	Jacqua Creek Landcare Group	Bungonia. Site 1: Excluding stock and revegetating 400m of electric fencing, provision of alternative stock water and revegetation of the streambanks with native tubestock. Site 2: Stabilising an existing creek crossing. Site 3: To rehabilitate and prevent further erosion to two action areas. Site 4: Construct a stable creek crossing to prevent streambed and bank erosion.	7,916.00
61	Upper Shoalhaven Landcare Council	Provide an incentive program to encourage landholders, offering up to \$2,500 per project, to fence riparian areas with high recovery potential and/or conservation value, and form demonstration sites. Purchase fencing materials for stock exclusion, tubestock and hay bales to revegetate areas and trial low cost erosion control methods.	8,000.00
62	Lithgow/Oberon Landcare Assoc.	Acquisition of technical skills through the establishment of a resource package, allowing a series of practical workshops and forums on a range of Landcare based issues.	7,925.00
63	Mt Kanimbla Landcare Group	Corridor planting and fencing of small remnants, exclusion of rabbits, regeneration of native vegetation. (incl \$1350 for hire of equipment)	8,850.00
8	ROUND 5 CLOSED: 31.10.01 TOTAL – ROUND 5		67,771.00
Grant No	Applicant	Description	Amount Approved
64	Ballalaba Krawaree Landcare Group	Fencing (1k) from stock and planting native tubestock to stabilise Bald Hill creek, a tributary of Shoalhaven River, south of Braidwood.	8,000.00
65	Blue Mountains Rare and Endangered Species Group	Dwarf Mountain Pine protection at Katoomba Falls.	8,000.00
66	Basket Creek Landcare Group	Propagation of locally provenanced seeds and revegetation of areas infested with serrated tussock.	2,245.00
67	Friends of Katoomba Falls Creek Valley	Pine tree removal, Katoomba Falls. Removal of exotic pines on project site at Wells Street, Katoomba.	3,500.00
68	Mt Alexandra Bushcare Group	Mt Alexandra Bushland Restoration and water quality control in the Nattai catchment.	8,000.00
69	Roslyn Landcare Group Inc.	Upper Wollondilly River – removal mature willow trees. (incl \$2,000 for hire of equipment)	10,000.00
70	Mt Kanimbla Landcare Group	Establishment of an integrated pest management program for the Mt Kanimbla region. (incl \$2,000 for hire of equipment)	5,275.00
71	Wollondilly Landcare Coordinators Committee	Revegetation in the Pejar Creek catchment Stage II. The project involves revegetating foreshore area of Pejar Dam to improve water quality and biodiversity of the catchment area. (incl \$2,000 for hire of equipment)	10,000.00
72	National Trust of Australia (NSW) Berrima 1914–1918	Stage 6 – rehabilitate the Wingecarribee River corridor between the Berrima Weir and Wallaby Rocks.	8,000.00
9	ROUND 6 CLOSED: 30.04.02 TOTAL – ROUND 6		63,020.00
TOTAL – Financial Year 2001–2002			130,791.00



## Appendix 16: Overseas Visits by SCA Staff

Name:	Ian Landon-Jones
Division:	Dam Safety
Date/s of visit:	3 to 7 November 2001
Destination:	New Zealand
Conference/Purpose:	Australian National Committee on Large Dams Conference
Name:	Ramen Charan
Division:	Bulk Water
Date/s of visit:	1 to 8 November 2001
Destination:	New Zealand
Conference/Purpose:	Australian National Committee on Large Dams Conference
Name:	David Snape
Division:	Bulk Water
Date/s of visit:	5 to 9 November 2001
Destination:	New Zealand
Conference/Purpose:	Australian National Committee on Large Dams Conference
Name:	Kandiah Mahadeva
Division:	Bulk Water
Date/s of visit:	19 to 22 September 2001
Destination:	Wellington
Conference/Purpose:	New Zealand Water & Wastewater Association 43rd Annual Conference and Expo
Name:	Daniel Deere
Division:	Environment and Planning
Date/s of visit:	4 to 15 November 2001
Destination:	USA and UK
Conference/Purpose:	Water Quality Technology Conference (USA) and World Health Organisation meeting (UK)

## Appendix 17: Officers as Members of Significant Statutory Bodies and Committees

### Graeme Head

- Board member, Water Services Association of Australia
- Board member, Advisory Board University of Technology, Sydney
- Member, Water CEOs

### Richard Warner

Forum member, Hawkesbury-Nepean River Management Forum

### Amir Deen

- Committee member, NSW Dams Safety Committee – Hydrology
- Committee member, Integrated Water Management Forum

### Ian Landon-Jones

- Committee member, NSW Dams Safety Committee
- Committee member, Australian National Committee on Large Dams – Risk Guidelines

### Malcolm Hughes

- Committee member, Pollution Offset Scheme Working Group

### Simone Greenaway

- Committee member, Interdepartmental Committee on Effluent Management & Reuse Policy
- Alternative committee member, Pollution Offset Scheme Working Group

### Daniel Deere

- Alternative committee member, Interdepartmental Committee on Effluent Management & Reuse Policy
- Committee member, World Health Organisation – Expert Panel Microbiological Group (Environmental Health Criteria)

### David Snape

- Member, Asset Management Roundtable



## Appendix 17: Officers as Members of Significant Statutory Bodies and Committees cont'

### Paul Shanahan

- Board member, Cooperative Research Centre for Water Quality and Treatment
- Board member, Southern Catchment Management Board
- Committee member, American Waterworks Association – Source Water Protection Committee
- Committee member, State Water Monitoring Coordinating Committee

### Tony Paull

- Committee member, Interdepartmental Riverine Corridor Committee
- Committee Member, Shoalhaven – Illawarra Water Management Committee
- Committee member, Coffs River Water Management Committee

### Ian Tanner

- Committee member, State Algal Coordinating Committee

### Rhonda Wheatley

- Committee member, CPA Australia, Public Sector Committee
- Committee member, Construction Policy Steering Committee DPWS

### Graham Begg

- Committee member, NSW Critical Infrastructure Protection Committee
- Committee member, Penrith Local Emergency Management Committee
- Committee member, State Emergency Management Committee – Environment and Engineering Functional Area subcommittees

## Appendix 18: Significant Committees Established/Abolished

The SCA is no longer represented on the Water Research Foundation.

## Appendix 19: SCA Staff Above SES Level 5

The SCA had two staff members above SES level 5 during the financial year. Details are set out below:

Name:	Jeff Wright
Position:	Chief Executive
Period:	1 July 2001 to 3 October 2001
Level:	SES Level 6
Remuneration:	\$210,161 per annum

### Performance Statement

Name:	Graeme Head
Position:	Chief Executive
Period:	12 December 2001 – 30 June 2002
Level:	SES Level 6
Remuneration:	\$205,000 per annum

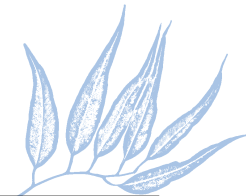
### Results

Graeme Head took up the position of Chief Executive of the Sydney Catchment Authority (SCA) halfway into the reporting year, having acted in the position for the previous two months. Since then, Mr Head has provided strong leadership of the SCA, delivering a number of key initiatives while continuing to develop and bed down management systems in a still relatively young organisation.

During this period the SCA allocated significant resources to bushfire fighting and to the post-fire recovery program; catchment lands and SCA assets were heavily affected by the fires of December and January.

Key achievements over the reporting period included:

- Transfer of the Warragamba and Blue Mountains Special Areas to the National Parks and Wildlife Service (NPWS).
- Commencement of a five-year, \$20 million program with the Department of Land & Water Conservation to establish or upgrade sewage treatment facilities, so that by 2007 there will be no overloaded or under-performing treatment plants in the catchment area.
- Full compliance with the health guidelines set out in the Operating Licence.
- Working as a member of the Water Chief Executive Officer's Committee to implement the Government's decision to integrate water cycle management for the Sydney metropolitan area.



## Appendix 19: SCA Staff Above SES Level 5 cont'

Other major issues dealt with by Mr Head included:

- Developing a new five-year Business Plan with the Board of the SCA.
- Initiating a major project to integrate current manual and computerised finance and finance-related business systems into an electronic system.
- Developing a drought response plan in conjunction with Sydney Water.
- Commencing a systematic program of environmental assessments to provide a comprehensive inventory of potential threats to water quality.
- Strengthening and refining corporate governance systems.

## Appendix 20: Waste Reduction and Purchasing Plan Implementation

Progress/implementation of Waste Reduction and Purchasing Plan (WRAPP) strategies as required under the *Waste Avoidance and Resource Recovery Act* (WARR Act)

### 1) Reducing the generation of waste (waste avoidance and minimisation)

- a) Avoidance initiatives for paper and toner cartridge waste:
  - the SCA's Draft Waste Reduction and Purchasing Policy promotes the use of electronic copies, e-mail, reuse of paper through centralised paper banks
  - duplex printing trays have been purchased for all existing printers and all new printers will include a duplex printing function. All printers equipped with a duplex printing option are automatically defaulted to double-sided printing
  - all internally and externally produced documents must be double-sided, and
  - the viability of using remanufactured toner cartridges is currently being trialed.
- b) If relevant, avoidance initiatives for construction, demolition and vegetation waste:
  - the inclusion of waste disposal clauses in all contract documents requires that staff and contractors must ensure that materials are recycled or diverted wherever practical, and
  - training courses have been conducted in the areas of environmental awareness and environmental impact assessment to assist staff with the necessary information and skills to reduce construction, demolition and vegetation waste.
- c) Estimate of the amount of waste being avoided or reduced as a result of initiatives:
  - at the time of the 2001 Waste Audit Report there had been an estimated 40 per cent reduction in paper to landfill in the Head Office audit site.

### 2) Resource recovery (waste reuse and recycling)

- a) Resource recovery initiatives for paper and toner cartridges:
  - paper and toner cartridges are purchased centrally. All SCA offices now have access to paper and cardboard recycling services to increase the quantity of paper and cardboard that is captured in the recycling stream, and
  - all toner cartridges are collected and returned to the manufacturer for recycling.
- b) If relevant, resource recovery initiatives for construction, demolition and vegetation waste:
  - all shell contract documents include waste disposal and purchasing clauses. These require the purchase and use in the works of recycled content products where appropriate and the recycling or diversion of materials wherever practical, and
  - the SCA's Draft Waste Reduction and Purchasing Policy promotes opportunities for purchasing products containing recycled content or from environmentally friendly sources. The policy includes guidance on how to apply this in the purchase of construction and vegetation products.
- c) Estimate of the amount of waste being recovered due to these initiatives:
  - an estimated 3,386 kilograms of print/writing paper is being recovered in the recycling waste stream annually from the SCA's head offices, and
  - data collection systems have been established for all identified WRAPP materials. The data is being collected and analysed via information supplied through the contractual clauses. Results of this data will be available in next year's Annual Report.





## Appendix 20: Waste Reduction and Purchasing Plan Implementation cont'

### 3) The use of recycled material (purchase of recycled-content materials)

- a) Initiatives to increase purchases of recycled-content paper products and toner cartridges:
  - the SCA purchases a minimum of 50 per cent recycled content paper for the majority of its office paper needs.
  - forms and reports are printed on a minimum of 50 per cent recycled content paper
  - externally printed documents are printed on a minimum of 50 per cent recycled content paper as a standard arrangement
  - reports such as the Annual Report, Annual Environment Report, Environment Plan, and Annual Water Quality Monitoring Report include 100 per cent recycled paper for all pages and a minimum of 50 per cent recycled content paper for the covers, and
  - all shell contract documents include waste disposal and purchasing clauses. These require all documents or reports to be printed on a minimum of 50 per cent recycled content paper.
- b) If relevant, initiatives to increase purchases of recycled-content construction and vegetation products:
  - all shell contract documents include waste disposal and purchasing clauses. These require the purchase and use of recycled content products where appropriate, and
  - the SCA's Draft Waste Reduction and Purchasing Policy promotes opportunities for purchasing products containing recycled content from environmentally friendly sources. The policy includes guidance on how to apply this to the purchase of construction and vegetation products.
- c) Estimate of the amount of recycled-content products being purchased:
  - 100 per cent of rulers purchased by the SCA are made from 100 per cent recycled plastic
  - data collection systems have been established for all identified WRAPP materials. The data is being collected and analysed via information supplied through the contractual clauses. Results of this data will be provided in next year's Annual Report
  - an estimated 92 per cent of print/writing paper purchased by the SCA contains a minimum of 50 per cent recycled content paper, and
  - an estimated 93 per cent of externally printed documents are on paper containing a minimum of 50 per cent recycled content paper.

## Appendix 21 Guarantee of Service

### Bulk Water Supply Agreement

Section 22 of the Sydney Water Catchment Management Act 1998 required the SCA and Sydney Water Corporation (SWC) to enter into an agreement for the supply of water by the SCA to Sydney Water.

The SCA and SWC signed a Bulk Water Supply Agreement in 1999, and this remained in force throughout 2001–2002.

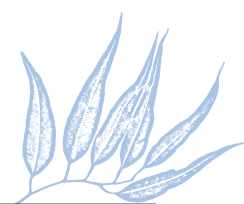
The agreement specifies water quantity and quality criteria for each supply point, undertakings by the parties to exchange information, billing and payment arrangements, as well as charges and adjustments to charges for the supply of water varying in quality from that specified in the agreement.

The review of the agreement was well advanced as at 30 June 2002, and came into effect on 21 August 2002.

## Appendix 22: Cost of Annual Report

1,000 copies of this year's report were printed at a cost of \$23.81 per copy.

As part of its efforts to reduce the production cost and paper use of the 2001–2002 Annual Report, the SCA's website has been adopted as a major means of distributing the report to stakeholders and the community. The number of copies printed has been reduced accordingly. This has had the effect of increasing the cost per copy due to the small print run size, but reduced the overall cost of producing the report.



## Appendix 23: SCA's Cultural Heritage Assets<sup>1</sup>

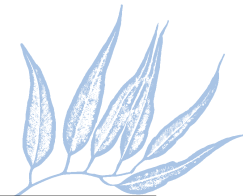
TABLE 18

Heritage items	State Heritage Register Listing	2001–2002 Condition <sup>2</sup>	Works undertaken over 2001–2002
<b>ENGINEERING HERITAGE</b>			
<b>Warragamba supply system</b>			
Warragamba Dam	No	Good	• Conducted annual and five yearly dam safety inspection.
• Crest gantry crane	No	Good	• Conducted routine preventative maintenance and a condition assessment audit.
			• The crane was moved to a new permanent position.
• Crest gates	No	Good	• Conducted routine preventative maintenance.
• Dam outlets	No	Good	• Conducted routine preventative maintenance.
• 18 ton Cableway	No	Partially	• Partially demolished in 1999 to enable construction of the auxiliary spillway. The Upper Tail Tower was retained insitu and a Conservation Management Plan developed. Additional relics from the cableway were salvaged for future interpretation purposes.
• Main dam wall	No	Good	• Undertook some structural modifications related to the auxiliary spillway construction.
• Suspension Bridge	No	Poor	• Bridge was significantly damaged by Christmas 2001 bushfires. A rectification plan has been developed which involves partial demolition of the spillway with retention of the cables.
• Megarrity's Bridge	Yes	Good	• Cleaned pipeline 2.
			• Installed ultrasonic flowmeters on the pipelines.
			• Installed steel platform and ladder on bridge.
• Valve House	No	Good	• Conducted routine preventative maintenance.
Warragamba–Prospect Pipelines 1 & 2	No	Good	• Sections of both pipelines were cleaned and painted.
			• Valves 10 and 12 were stripped and repainted.
			• Pipeline 1 between the valve house and cross connection No. 2 was dewatered to permit routine maintenance.
Warragamba Emergency Scheme	Yes	Fair to Good	
• Warragamba Emergency Pumping Station No. 9	Yes	Fair	• Conducted routine inspections and operation of drainage system.
			• Investigation works for the access upgrade and conservation of the station.
• Warragamba Weir	Yes	Good	• Conducted annual dam safety inspections.
<b>Upper Nepean and Woronora Supply Systems</b>			
Avon Dam	Yes	Good	• Prepared a Conservation Management Plan.
			• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Broughton's Pass Weir	No	Fair to Good	• Continued subsidence monitoring.
Cataract Dam	Yes	Good	• Prepared a Conservation Management Plan.
			• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Cordeaux Dam	Yes	Good	• Prepared a Conservation Management Plan.
			• Restoration works post Christmas 2001 bushfires.
			• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Hudson's Emergency Scheme	No	Poor	
Nepean Dam	Yes	Good	• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Nepean Tunnel	No	Good	
Prospect Reservoir and surrounding area	Yes	Good	• Conducted annual dam safety inspections.
			• Conducted maintenance on the dam wall.
			• Upgraded fencing for safety purposes.
• Prospect Reservoir Valve House	Yes	Good	• Investigation works for the upgrade of the outlet scours.



## Appendix 23: SCA's Cultural Heritage Assets cont'

Heritage items	State Heritage Register Listing	2001–2002 Condition <sup>2</sup>	Works undertaken over 2001–2002
Upper Canal System	Yes	Fair to Good	<ul style="list-style-type: none"> <li>• Preparation of draft Conservation Management Plan.</li> <li>• Relining aqueducts.</li> <li>• Investigation works covering surface drainage, trash racks, stop logs and accessways.</li> <li>• Conducted routine inspections and maintenance.</li> <li>• Investigation works into upgrade of the access road.</li> </ul>
Pheasants Nest Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspections.</li> </ul>
Upper Cordeaux Dam No. 1	No	Fair to Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspections.</li> </ul>
Upper Cordeaux Dam No. 2	No	Fair to Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspections.</li> </ul>
Woronora Dam	Yes	Good	<ul style="list-style-type: none"> <li>• Conducted annual and five yearly dam safety inspections.</li> </ul>
<b>Blue Mountains supply system</b>			
Cascades Dams	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
Greaves Dam	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
Medlow Bath Dam	Yes	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
Woodford Creek Dam	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
<b>COMPENSATION WEIRS</b>			
Brownlow Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
Cobbitty Village Weir	No	Partially demolished	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning on new weir.</li> </ul>
Mt Hunter Rivulet Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
Thurns Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
Wallacia Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
<b>HISTORIC BUILDINGS</b>			
Arnprior	Yes	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
Cookanulla	No	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections.</li> </ul>
Glen D'Or	Yes	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections.</li> </ul>
Joe Deacon's Hut	No	Poor	<ul style="list-style-type: none"> <li>• Stabilisation works completed in accordance with Conservation Management Plan.</li> </ul>
Joorilands	No	Poor	<ul style="list-style-type: none"> <li>• Conservation Management Plan being prepared.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Kedumba Slab Hut	No	Poor	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Khama Lea	Yes	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
La Vista	Yes	Poor	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
Mayfield	Yes	Fair to Good	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
Ooranook	Yes	Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections.</li> </ul>
St Senan's Church	No	Good	<ul style="list-style-type: none"> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Steven's, Cataract Catchment	No	Poor	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Conducted regular inspections.</li> </ul>
Upper Cordeaux Manor	No	Good	<ul style="list-style-type: none"> <li>• Internal fittings upgraded to tenancy standards.</li> </ul>
Virginia	Yes	Fair	<ul style="list-style-type: none"> <li>• Conducted routine inspections, site clean-ups and fencing repairs.</li> </ul>
Walker's, Cataract catchment	No	Fair	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Conducted regular inspections.</li> </ul>
Windmill Hill	No	Poor	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Yerranderie Court House	No	Good	<ul style="list-style-type: none"> <li>• Upgraded plumbing and water tanks.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Yerranderie Police Station	No	Good	<ul style="list-style-type: none"> <li>• Upgraded plumbing and water tanks.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> <li>• Implemented stabilisation works in accordance with the Conservation Management Plan.</li> </ul>



## Appendix 23: SCA's Cultural Heritage Assets cont'

Heritage items	State Heritage Register Listing	2001–2002 Condition <sup>2</sup>	Works undertaken over 2001–2002
<b>LANDSCAPE ITEMS</b>			
Coxs River Track, Warragamba catchment	Yes	Fair	<ul style="list-style-type: none"> <li>Slashing for fire protection in the Scott's Main Range section.</li> <li>Rehabilitation assessment for the Belloon Pass section that was affected by the Christmas 2001 bushfire.</li> </ul>
Haviland Park, Warragamba Dam	Yes	Fair	<ul style="list-style-type: none"> <li>Recovery works post the Christmas 2001 bushfires. A maintenance program for significant cultural plantings has commenced.</li> </ul>
Wingecarribee Swamp	Yes	Poor	<ul style="list-style-type: none"> <li>Plan of Management received Ministerial approval and an implementation program developed.</li> <li>Continuation of the weed control program for blackberry and wild pussy willow.</li> <li>Aboriginal archaeological assessment of the swamp commissioned.</li> <li>Flora and fauna surveys of the swamp complete.</li> <li>Regular inspection, monitoring and reporting.</li> </ul>

### Notes:

<sup>1</sup> Non-indigenous cultural heritage only.

<sup>2</sup> Condition descriptors:

Good = Currently fit-for-purpose (operational) and/or generally intact.

Fair = Not currently fit-for-purpose (operational), but stable and requiring only moderate repairs.

Poor = Not fit-for-purpose (operational), unstable and requiring extensive restoration works.

## Appendix 24: SCA Publications

### Brochures

Sydney Catchment Authority corporate brochure  
Healthy catchments...quality water  
How to make a complaint or offer a compliment  
Privacy laws, the Sydney Catchment Authority and you  
Catching the Cleanest Water

### Fact Sheets

HSC Education Series  
SCA General Information Series

### Newsletters

Warragamba Spillway Community Newsletter

### Videos

A Safe Dam – a Sure Supply:  
Warragamba Dam Auxiliary Spillway  
The Warragamba Story

### Reports

SCA Annual Report  
SCA Annual Environment Report  
SCA Annual Environment Compliance Report  
SCA Annual Water Quality Monitoring Report  
2001 Audit of the Hydrological Catchments Managed by the SCA

### Other

- SCA Business Plan 2002–2007
- SCA Environment Plan 2000–2005

- Energy Management Plan 2001–2006
- Bulk Raw Water Quality Management Plan
- Special Areas Strategic Plan of Management (SASPoM) – Strategy
- Special Areas Strategic Plan of Management – Background
- Annual Report on Implementation of SASPoM
- Wingecarribee Swamp and Special Area Plan of Management
- Annual Report on Implementation of WSSAPoM
- Sydney Catchment Authority Operating Licence
- Memoranda of Understanding – NSW Health, EPA, DLWC
- Sydney Water Catchment Management (General) Regulation 2000
- Sydney Water Catchment Management (Environment Protection) Regulation 2000
- Sydney Catchment Authority Statement of Affairs
- Sydney Catchment Authority Summary of Affairs
- Expert Reference Panel – Charter and Procedures
- Local Government Reference Panel – Charter and Procedures
- Northern Regional Consultative Committee – Charter and Procedures
- Southern Regional Consultative Committee – Charter and Procedures
- Hawkesbury–Nepean Experimental Environmental Flow Strategy
- Pollution Source Risk Management Plan

### Joint Projects

Guide for New Residents – DLWC and SCA  
Catchment Protection Scheme – DLWC and SCA

# Glossary and List of Acronyms

<b>Bathymetric survey:</b>	Survey of lake bed using sonar equipment	<b>Protozoa:</b>	Microorganisms consisting on a single cell e.g. <i>Giardia</i> and <i>Cryptosporidium</i>
<b>Catchment:</b>	An area where water is collected by the natural landscape. In a catchment, all rain and run-off water eventually flows to a creek, river, lake or ocean, or into the groundwater system.	<b>Raw water:</b>	Unfiltered water supplied in bulk to water supply authorities for treatment before distribution to consumers
<b>Environmental flows:</b>	A release of water from storages so as to provide a flow of water in a river, stream or other natural waterway that: a) mimics natural seasonal flows, and b) restores and maintains the ecology of the waterway	<b>Special Areas:</b>	Lands mostly around drinking water storages that were originally set aside for the protection of drinking water quality
<b>Limnology:</b>	The study of bodies of fresh water with reference to their physical, geographical, biological and other features	<b>Water Storages:</b>	The SCA's dam walls, pumps and other works used for or with respect to the extraction and storage of: a) water in rivers and lakes b) water occurring naturally on the surface of the ground, and c) sub-surface waters.
<b>Megalitre:</b>	Measurement of volume equal to one million litres. One megalitre is approximately the volume of a one metre deep Olympic-sized swimming pool	<b>Yield:</b>	The amount of water that can be withdrawn from a reservoir on an ongoing basis with an acceptably small risk of reducing the reservoir storage to zero (Nevada Division of Water Planning, US).
<b>Pathogens:</b>	Microorganisms that can be found in water and which can sometimes cause illness in humans		

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<b>ADWG:</b>	Australian Drinking Water Guidelines	<b>IMS:</b>	Integrated Management System
<b>AIIMS:</b>	Australian Inter-Service Incident Management	<b>IPART:</b>	Independent Pricing and Regulatory Tribunal
<b>AMM:</b>	Asset Maintenance Management	<b>KRA:</b>	Key result area
<b>AMS:</b>	Asset Management Strategy	<b>LGRP:</b>	Local Government Reference Panel
<b>ANCOLD:</b>	Australian National Committee on Large Dams	<b>LMP:</b>	Land Management Plan
<b>ANZECC:</b>	Australia and New Zealand Environment and Conservation Council	<b>ML:</b>	Megalitres
<b>AwwaRF:</b>	American Water Works Association Research Foundation	<b>MoU:</b>	Memorandum of Understanding
<b>BWSA:</b>	Bulk Water Supply Agreement	<b>NPWS:</b>	National Parks and Wildlife Service
<b>CARP:</b>	Catchment Audit Reference Panel	<b>NRCC:</b>	Northern Regional Consultative Committee
<b>CIS:</b>	Catchment Information System	<b>OHS&amp;R:</b>	Occupational Health, Safety and Rehabilitation
<b>CLC:</b>	Community Liaison Committee	<b>PIP:</b>	Priority Industries Program
<b>CPS:</b>	Catchment Protection Scheme	<b>POEO Act:</b>	<i>Protection of the Environment Operations Act</i>
<b>CRC:</b>	Cooperative Research Centre	<b>PSRMP:</b>	Pollution Source Risk Management Plan
<b>CRCWQT:</b>	Cooperative Research Centre for Water Quality and Treatment	<b>RAP:</b>	Rectification Action Plan
<b>DAP:</b>	Disability Action Plan	<b>RCC:</b>	Regional Consultative Committee
<b>DSEP:</b>	Dam Safety Emergency Plan	<b>RFS:</b>	Rural Fire Service
<b>DLWC:</b>	Department of Land and Water Conservation	<b>RP:</b>	Regional Plan
<b>DMR:</b>	Department of Mineral Resources	<b>RTA:</b>	Roads and Traffic Authority
<b>DPWS:</b>	Department of Public Works and Services	<b>SASM:</b>	Special Areas Strategic Management
<b>DSC:</b>	Dams Safety Committee	<b>SASPoM:</b>	Special Areas Strategic Plan of Management
<b>EAPS:</b>	Ethnic Affairs Priority Statement	<b>SCA:</b>	Sydney Catchment Authority
<b>EASI:</b>	Environmental Assessment of Sites and Infrastructure	<b>SEMC:</b>	State Emergency Management Committee
<b>EEO:</b>	Equal Employment Opportunity	<b>SEPP:</b>	State Environmental Planning Policy
<b>EIS:</b>	Environmental Impact Statement	<b>SES:</b>	State Emergency Service
<b>EPA:</b>	Environment Protection Authority	<b>SLG:</b>	Strategic Liaison Group
<b>ERP:</b>	Expert Reference Panel	<b>SLWCA:</b>	Strategic Land and Water Capability Assessment
<b>FMECA:</b>	Failure Modes and Effects Criticality Analysis	<b>SOP:</b>	Standard Operating Procedure
<b>GPS:</b>	Global Positioning System	<b>SPCC:</b>	State Pollution Control Commission
<b>GST:</b>	Goods and Services Tax	<b>SRCC:</b>	Southern Regional Consultative Committee
<b>HNRMF:</b>	Hawkesbury–Nepean River Management Forum	<b>STP:</b>	Sewage treatment plant
<b>HSIE:</b>	Human Science and its Environment	<b>SWC:</b>	Sydney Water Corporation
<b>ICM:</b>	Incident Control Management	<b>SWCM Act:</b>	<i>Sydney Water Catchment Management Act</i>
		<b>TAMG:</b>	Total Asset Management Guidelines
		<b>Tcorp:</b>	Treasury Corporation
		<b>WFP:</b>	Water Filtration Plant
		<b>WRAPP:</b>	Waste Reduction and Purchasing Plan
		<b>WSAA:</b>	Waste Services Association of Australia
		<b>WSSAPoM:</b>	Wingecarribee Swamp and Special Area Plan of Management



**SCA Head Office, Penrith**

Sydney Catchment Authority:  
Level 2, 311 High Street,  
Penrith 2750  
PO Box 323,  
Penrith, NSW 2751  
Phone: (02) 4725 2100  
Fax: (02) 4732 3666

Website: [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au)  
Email: [hotline@sca.nsw.gov.au](mailto:hotline@sca.nsw.gov.au)

**Visitor Information**

Warragamba Dam  
Visitor Centre  
Phone: (02) 4720 0349  
Hours: 10am to 4pm daily,  
except Christmas Day  
and Good Friday

**Other SCA dams**

Phone (02) 4640 1200  
Hours: 9am to 5pm  
Monday to Friday

**Emergency Reporting**  
(24 hours)

Fires, chemical spills  
Phone: (02) 9751 1988

**Field Office Locations:****Goulburn Office**

Newo House  
23–25 Montague Street  
Goulburn NSW 2580  
Phone: (02) 4823 4200  
Fax: (02) 4822 9422

Hours: 8am to 4pm  
Wednesday and Thursday

**Moss Vale Office**

Shop 1, Old Argyle Square  
256 Argyle Street  
Moss Vale NSW 2577  
Phone: (02) 4868 0300  
Fax: (02) 4868 0306

**Braidwood Office**

Park Lane  
Braidwood NSW 2622  
Phone: (02) 4842 9400  
Fax: (02) 4842 9402

**Depots**

Cordeaux Dam  
Warragamba Dam  
Kenny Hill  
Blue Mountains  
Burrawang

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SYDNEY CATCHMENT AUTHORITY

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## Financial Statements

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## Board Members' Declaration

In the opinion of the Board Members of Sydney Catchment Authority

(a) The Financial Statements:

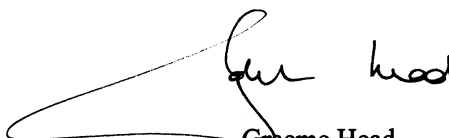
- (i) exhibit a true and fair view of the financial position of the Authority as at 30 June 2002 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date.
- (ii) comply with applicable Accounting Standards, Urgent Issues Group Consensus Views, the Public Finance and Audit Act 1983 and the associated requirements of the Public Finance and Audit Regulation 2000, the Treasurer's Direction and other mandatory professional and statutory requirements where applicable.

(b) The undersigned are not aware of any circumstances that would render any particulars in the Financial Statements to be misleading or inaccurate.

Signed in accordance with a resolution of Board Members:



John Whitehouse  
Chairman



Graeme Head  
Chief Executive

Date: 18 October 2002

# Auditor's Report



GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### SYDNEY CATCHMENT AUTHORITY

#### To Members of the New South Wales Parliament

#### Scope

I have audited the accounts of the Sydney Catchment Authority for the year ended 30 June 2002. The members of the Board of the Authority are responsible for the financial report consisting of the statement of financial position, statement of financial performance and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act).

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

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

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

#### Audit Opinion

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

*P.K. Brown*

P K Brown FCPA  
Director of Audit

SYDNEY  
18 October 2002

**SYDNEY CATCHMENT AUTHORITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	<b>Note</b>	<b>2002 \$'000</b>	<b>2001 \$'000</b>
Revenues from ordinary activities	2	127,086	124,848
Expenses from ordinary activities, excluding borrowing costs expense	3	88,472	65,787
Borrowing costs expense	4	<u>11,964</u>	<u>11,625</u>
<b>Profit from ordinary activities before income tax expense</b>		<b>26,650</b>	<b>47,436</b>
Income tax expense relating to ordinary activities	5(a)	<u>10,555</u>	<u>16,451</u>
Profit from ordinary activities after related income tax expense	19,22	16,095	30,985
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>		<b><u>16,095</u></b>	<b><u>30,985</u></b>

[The accompanying notes form part of these statements]



**SYDNEY CATCHMENT AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2002**

	Note	2002 \$'000	2001 \$'000
<b>Current assets</b>			
Cash assets	6	8,468	26,722
Receivables	7	12,525	11,997
Other financial assets	9	1,151	1,754
Tax asset	5(b)	347	-
<b>Total current assets</b>		<b>22,491</b>	<b>40,473</b>
<b>Non current assets</b>			
Property, plant and equipment	10	685,977	703,808
Tax asset		2,087	2,011
<b>Total non current assets</b>		<b>688,064</b>	<b>705,819</b>
<b>TOTAL ASSETS</b>		<b>710,555</b>	<b>746,292</b>
<b>Current liabilities</b>			
Payables	11	24,452	27,443
Interest-bearing liabilities	12(a)	8,976	8,517
Provisions, excluding income tax liabilities	13(a)	22,822	19,779
Tax liabilities	5(b)	-	1,722
<b>Total current liabilities</b>		<b>56,250</b>	<b>57,461</b>
<b>Non current liabilities</b>			
Interest-bearing liabilities	12(b)	150,925	151,782
Provisions, excluding income tax liabilities	13(b)	3,388	3,833
Tax liabilities		152	5
<b>Total non current liabilities</b>		<b>154,465</b>	<b>155,620</b>
<b>TOTAL LIABILITIES</b>		<b>210,715</b>	<b>213,081</b>
<b>NET ASSETS</b>		<b>499,840</b>	<b>533,211</b>
<b>EQUITY</b>			
Contributed equity	21	472,680	491,646
Retained profits	22	27,160	41,565
<b>TOTAL EQUITY</b>		<b>499,840</b>	<b>533,211</b>

[The accompanying notes form part of these statements]

## SYDNEY CATCHMENT AUTHORITY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002 \$'000	2001 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Inflows</b>			
Cash receipts Sydney Water Corporation		123,266	119,203
Cash Receipts Insurance Claims		882	-
Cash receipts other		8,824	8,475
Interest received		665	1,971
		<b>133,637</b>	<b>129,649</b>
<b>Outflows</b>			
Employee related		(16,494)	(13,182)
Operations payments		(57,114)	(42,238)
Insurance claims expenditure		(1,014)	-
Income tax		(12,553)	(36,437)
		<b>(87,175)</b>	<b>(91,857)</b>
<b>Net cash provided by operating activities</b>	19	<b>46,462</b>	<b>37,792</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Outflows</b>			
Purchases of property, plant and equipment		(22,759)	(31,827)
<b>Net cash used in investing activities</b>		<b>(22,759)</b>	<b>(31,827)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Inflows</b>			
Loans and advances borrowed		20,000	-
<b>Outflows</b>			
Interest and other financing charges		(11,961)	(11,976)
Dividends		(29,600)	(10,600)
Loans and advances paid		(20,396)	-
<b>Net cash used in financing activities</b>		<b>(41,957)</b>	<b>(22,576)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(18,254)</b>	<b>(16,611)</b>
Opening cash and cash equivalents		26,722	43,333
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>8,468</b>	<b>26,722</b>

[The accompanying notes form part of these statements]

**SYDNEY CATCHMENT AUTHORITY  
NOTES ACCOMPANYING AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2002**

**PRINCIPAL ACTIVITIES**

Sydney Catchment Authority (the Authority) is a NSW statutory body constituted under the *Sydney Water Catchment Management Act 1998*.

The Act conferred and imposed upon the Authority certain functions with respect to the protection and management of certain catchment areas, with respect to the supply of water to Sydney Water Corporation and other bodies, and with respect to other matters; it made provision for the protection of public health and public safety and for the protection of the environment; it made consequential amendments to the *Water Board (Corporatisation) Act 1994* and certain other acts. It was assented to on 14 December 1998.

The parts of the Act that concern the setting up of the Authority came into effect on 8 January 1999. The setting up of the Authority was conducted under the auspices of The Cabinet Office and reported in its financial statements for the year 1998-1999 as "Administered Activities".

The operations of the Authority are not considered to have started until the transfer of assets, liabilities and staff from Sydney Water Corporation. This took place on 2 July 1999.

The *Sydney Water Catchment Management Amendment Act 2001* (the Amendment Act) that was passed by the NSW Parliament and received Royal Assent on 25 October 2001 amended the *Sydney Water Catchment Management Act 1998*. As per s2 of the Amendment Act, the Amendment Act is taken to have commenced on 8 January 1999.

The Amendment Act clarified the financial powers of the Authority by creating a Catchment Management Fund and identifying those items for which the Authority could receive and spend monies. The financial statements referred to in these Notes are the financial statements of the Sydney Catchment Authority Catchment Management Fund.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Reporting Entity**

The Authority is a separate reporting entity. There are no entities under its control.

**b) Basis of Accounting**

The Authority's financial statements are a general purpose financial report which has been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) Consensus Views, and the requirements of the *Public Finance and Audit Act 1983* (as amended) and the *Public Finance and Audit Regulation, 2000*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

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

The financial statements are prepared in accordance with the historical cost convention, except for certain non-current assets that are recorded at transfer written down value from Sydney Water Corporation. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

**c) Employee Entitlements****(i) Wages and Salaries, Annual Leave, Sick Leave and On-Costs**

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

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

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

**(ii) Long Service Leave**

Long service leave is measured at its present value. In May 2002, the NSW Government Actuary established the present value of long service leave entitlements as at 30 June 2002, using the following methodology:

*For each future year the amounts of long service leave entitlements paid in service and on termination of employment were determined assuming rates of taking leave in service, rates of death, disablement, retirement and resignation, and rates of salary escalation. These future cash flows were then converted to a present value by discounting from the expected date of payment to the valuation date at the assumed interest rate. This has determined the total liability for existing employees.*

*The discount rate has been taken as the market yield on ten year Commonwealth bonds, which is currently about 6.3%. Salary increases have been assumed at a level that is 2.5% below the ten year bond rate.*

Outstanding amounts for payroll tax, workers compensation insurance premiums and superannuation, which are consequential to employment, have been recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised in accordance with the requirements of AAS30.

**(iii) Superannuation**

Calculations in respect of the total liability for superannuation are based on actuarial advice with the exception of the First State Superannuation which is calculated at a percentage of salaries. The superannuation unfunded liability recorded in the Statement of Financial Position is determined as the difference between the gross liability actuarially calculated and the reserve (ie. amount funded) in the respective defined benefit schemes. Details of the current status of the defined benefits superannuation funds are provided in Note 16.

**d) Insurance**

The Authority has engaged the Heath Lambert Group (the Insurance Brokers) to arrange and place adequate and appropriate insurance coverage in relation to the Authority's business risks, assets and potential liabilities. The Insurance Brokers have confirmed that there has been no break in the Authority's insurance cover due to the failure of HIH Insurance. Although there has been continuity of insurance cover, the Authority may have a contingent liability exposure in relation to the Warragamba Spillway claim by Abigroup as disclosed in Note 18.

The Insurance Brokers have placed the Authority's insurance coverage with various London, European and American Underwriters. No insurance cover is currently available on the Australian market to insure against the failure of the major dams that are owned and controlled by the Authority.

The Authority's insurances were renewed as at 31 May 2002 for the year to 31 May 2003 and provide insurance coverage in relation to the following matters:

Loss or damage to real or personal property.

Combined legal liability for:

- Public Liability.
- Products Liability.
- Professional Indemnity.
- Directors & Officers Liability and Company Reimbursement.
- Contract Works.
- Principal Controlled Liability Insurance.
- Corporate Travel, Personal Accident and Sickness.
- Voluntary Workers engaged on activities funded by the Authority's small grants scheme.
- Motor vehicle loss or damage.

The Authority's Workers' Compensation Insurance has been placed with QBE Insurance.

Warragamba Dam Auxiliary Spillway Insurance:

Insurance for the construction of the Warragamba Dam Auxiliary Spillway (the project) is current for the period 1 February 1999 to 30 June 2002 and for a twenty-four (24) month defects liability period thereafter. The insurance policies for the project are for Principal Controlled Liability Insurance and Contracts Works Insurance.

With the exception of the defects liability insurance coverage, as at the date of practical completion (14 June 2002) the Spillway was then covered as part of the SCA's real property for the purposes of insurance.

#### **e) Inventories**

The Authority has adopted the policy of expensing low value items used in maintenance and the operation of the conference centre at Warragamba Dam. High volume chemicals used in the preliminary treatment of water are also expensed.

#### **f) Investments**

Investments comprise funds held with the Treasury Corporation's "Hour-Glass" Facility. All investments are made in accordance with Part 1, Schedule 4, of the *Public Authorities (Financial Arrangements) Act, 1987 as amended*. All investments are recorded at the lower of cost and market value. Changes in market value during the reporting period are brought to account in accordance with the Australian Accounting Standard AAS38 "Accounting for Revaluation of Non-Current Assets".

#### **g) Property, Plant and Equipment**

##### **(i) Acquisition and Capitalisation**

All items of property, plant and equipment are recorded initially at the cost of acquisition. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Items costing \$300 or more individually are capitalised.



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 a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

In respect of system assets constructed by the Authority, cost includes materials used in construction, direct labour and an appropriate proportion of overheads. These assets are capitalised as completed assets as they become operational and available for use.

## **(ii) Asset Valuation**

Assets valued at \$647 million were transferred from Sydney Water Corporation to the Authority on 2 July 1999. The value of \$647 million was agreed to by PriceWaterHouseCoopers, IPART, and Sydney Water Corporation. The value fell between the historical net book value of \$480 million and the revaluation net book value of \$1,653 million. The carrying amounts of categories of property, plant and equipment do not exceed recoverable amount. The recoverable amount of \$765.37 million is determined using relevant cash flows discounted to their present value.

The Authority's asset project involving the determination of asset values on a segmented basis was completed in June 2001. During the 2002 year, a new class of asset was created to cater for the segmentation of Furniture and Fittings from Leasehold Improvements. Asset classes and effective lives based on a condition assessment have been identified, and depreciation rates have been based on the effective life of the respective assets, refer Note 1(i).

Pursuant to s45(2)&(3) of the *Sydney Water Catchment Management Act 1998* a review was undertaken regarding the transfer of Warragamba Special Area lands to the National Parks and Wildlife Service, refer Note 8. In accordance with the requirements of Australian Accounting Standard AAS38 "Accounting for Revaluation of Non-Current Assets", the Warragamba Special Area lands were revalued prior to the transfer at fair value resulting in a loss on revaluation of \$6.865 million, refer Notes 3(h), 8, and 10(c).

In the course of identifying the Warragamba Special Area lands to be transferred to the National Parks and Wildlife Service, it was identified that land had been transferred from Sydney Water Corporation to the SCA on 2 July 1999 which was the subject of a previous transfer to the National Parks and Wildlife Service by gazettal in 1991. The book value of this land was \$11.713 million. Advice was sought from the Crown Solicitor about this error. In order to respond appropriately to correcting this error, the land in question has been the subject of a Transaction with Owners as Owners by the SCA to Sydney Water Corporation, refer Notes 8, 10(c) and 21.

## **(iii) Assets under Construction**

Interest costs on borrowings specifically financing assets under construction are capitalised up to the date of completion of each asset to the extent those costs are recoverable.

## **h) Borrowings**

The Authority borrows through the NSW Treasury Corporation in the form of liquid and marketable TCorp stocks. As part of its debt management activities, the Authority buys back its debt and refinances with NSW Treasury Corporation debt. The gains and losses arising from substituting the prepaid debt with new debt are included in the Statement of Financial Performance (refer Note 4). Discount and premium on loans are in the nature of an adjustment to the cost of borrowing. Any discount or premium is amortised over the term of the loans, with the amount applicable to each year being included in the Statement of Financial Performance as part

of the Authority's financing charges for that year. The borrowings amount appearing in the Statement of Financial Position is net of amortisation, refer Note 12.

#### **i) Depreciation of Non-Current Assets**

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

<b>Non-Current Asset Classification</b>	<b>Life in Years</b>
Dams	100 to 150
Reservoirs	75 to 100
Canals & Tunnels	100
Major Pipelines (above ground)	150
Weirs	100
Water Mains	50
System Buildings	40 to 100
Water Pumping Stations	45
Water Treatment Plants	45
Working Plant & Equipment	2 to 14
Operating Equipment	3 to 20
Motor Vehicles	7
Office Equipment	4 to 10
Computer Equipment	5
Furniture and Fittings	5
Office Amenities	7 to 20
Leasehold Improvements	Over the remaining period of the lease or life of the improvements whichever is shorter.

The segmentation of assets project which was completed in June 2001 showed that the depreciation charge for 1999-2000 was understated by \$1.436 million. As required by the Australian Accounting Standards, this additional expense will be accounted for over an expected period of benefit, being a 5 year period. Therefore, in this the second year and in each of the next 3 years, the depreciation charge will include an additional amount of \$0.287 million.

#### **j) Leased Assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

#### **k) Maintenance and Repairs**

The costs of maintenance and repairs are charged as expenses as incurred except where they relate to the replacement of a component of an asset in which case the costs are capitalised and depreciated.



## **I) Financial Instruments**

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either the Authority or its counterparties. These include Cash at Bank, Receivables and Accounts Payable. Classes of instruments are recorded at cost and are carried at net fair value.

### **(i) Cash**

Cash comprises cash on hand and bank balances with a commercial bank. Interest has been earned at the prevailing rates.

### **(ii) Hour-Glass Investment Facilities**

The Authority has investments in TCorp's "Hour-Glass" facilities. The Authority's investments are represented by a number of units of a managed investment pool, with each particular pool having different investment horizons and being comprised of a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

### **(iii) Receivables**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales of bulk water to Sydney Water are made on 21 day terms, all other sales are made on 30 day terms.

### **(iv) Bank Overdraft**

The Authority does not have any bank overdraft.

### **(v) Trade Creditors and Accruals**

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

### **(vi) Borrowings**

Details of the Authority's borrowings from the New South Wales Treasury Corporation are disclosed at Note 20.

**m) Revenue Recognition**

Revenue is recognised when the Authority has passed control of, or the right to receive, the goods and services to the buyer, and the amount of revenue can be reliably measured.

**(i) Bulk Water Sales and Ancillary Services**

Revenue from the sale of bulk water is recognised when the Authority has passed control of the goods to the buyer. Revenue from ancillary services is recognised when there is a valid claim against external parties.

**(ii) Investment income**

Interest revenue is recognised as it accrues.

**(iii) Rent Revenue**

Rent revenue is recognised in accordance with AAS 17 "Accounting for Leases".

**n) Taxation**

An "equivalent" or "notional income tax" is payable to the NSW Government through the Office of State Revenue. Taxation liability is assessed according to the Tax Equivalent Regime of the NSW Treasury, which proposes as far as practicable the adoption of the Commonwealth Income Tax Assessment Act 1936 (as amended) as the basis for determining taxation liability and, therefore, the adoption of tax-effect accounting, refer Note 5.

Income tax expense is calculated on the operating profit adjusted for permanent differences between taxable income and accounting profit. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the Statement of Financial Position as a future income tax benefit or a provision for deferred income tax. Future income tax benefits are not brought to account unless realisation of the asset is certain.

From 1 July 2001, the current State Tax Equivalent Regime was replaced by a National Tax Equivalent Regime. The Authority is subject to the requirements of the National Tax Equivalent Regime from 1 July 2002. During the current financial year, the requirements of the State Tax Equivalent Regime prevailed.

The rate of income tax decreased from 34% to 30% on 1 July 2001. This has been reflected in the Financial Statements and accompanying notes to these statements, refer Note 5.

**(o) Dividend payable to State Government**

The Dividend payable to the State Government is established in the Statement of Financial Framework. The dividend payable to the State Government is negotiated by reference to the after tax earnings of the Authority in the context of the financial health of the Authority and capital expenditure requirements. For the year 2001-2002 the dividend payable to the State Government was negotiated with recognition of both retained profits to 30 June 2001 and the after-tax earnings of the Authority for the 2001-2002 year. An interim dividend of \$12 million was paid to the State Government in May 2002 from retained profits up to 30 June 2001 and the final 2002 dividend was set at 97% of profit after tax. The Board set a maximum of \$30.5 million to be paid as dividends during the 2002 year made up of the addition of the \$12 million dividend from retained profits and 97% of after tax profit or \$30.5 million, whichever is the lower. The interim dividend of \$12 million was paid in May 2002 with \$18.5 million dividend relating to the 2002 year, payable in the 2002-2003 year, refer Note 13 (a).



**p) Accounting for Goods and Services Tax**

In relation to the Goods and Services Tax (GST), revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred by the Authority as a purchaser is not recoverable from the Australian Taxation Office. In such cases, the GST is recognised as part of the acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included.

**q) Bushfire Insurance Claim**

The Authority suffered losses predominantly to its Warragamba site, during the bushfire incident which occurred in the December 2001/January 2002 period.

Whilst insurance coverage was sufficient to cover the loss of both assets and equipment, additional operating expenditure mainly in the area of additional employee-related and incident management costs which occurred as a result of the declaration of a S44 Incident by the Rural Fire Service, were recoverable under the provisions of the *Rural Bushfires Act, 1997*.

A summary of the identified physical losses, additional operational costs, plans for reinstatement or replacement of assets and recoverable amounts from both insurance and legislative provisions are shown in Note 14.

**r) Reclassification of Financial Information**

Reclassification of financial information relating to expenditure on contractors has occurred in the 2001-2002 year to improve the interpretation of accounting information, refer Note 3. For comparative purposes, where information was available for the 2000-2001 year, it has been included.

**2. REVENUES FROM ORDINARY ACTIVITIES**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Revenue from Core Activities</b>		
Bulk Water Sales to Sydney Water Corporation at Fixed Prices	59,268	57,600
Rebate of operating costs allowed to Sydney Water Corporation	(1,200)	(1,200)
Bulk Water Sales to Sydney Water Corporation at Variable Prices	66,811	65,332
Sydney Water Corporation - Water Quality Rebate	(2,140)	(1,902)
Other Bulk Water Sales	479	585
<b>Revenue from Core Activities</b>	<b>123,218</b>	<b>120,415</b>
<b>b) Revenue from other than Core Operating Activities</b>		
Contracting Out	894	1,703
Rental Income	432	264
Conference Centre Hire	205	191
Gross Proceeds from Sale of Non-Current Assets	-	6
Gross Insurance Recoveries	1,464	-
Other	208	298
Interest Income	665	1,971
<b>Revenue from other than Core Operating Activities</b>	<b>3,868</b>	<b>4,433</b>
<b>Revenues from Ordinary Activities</b>	<b>127,086</b>	<b>124,848</b>



**3. EXPENSES FROM ORDINARY ACTIVITIES, EXCLUDING BORROWING****COSTS EXPENSE**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Employee Related Expenses</b>		
Salary and Wages (including recreation leave and redundancies)	13,891	12,070
Superannuation	3,605	916
Long Service Leave	(47)	321
Workers Compensation Insurance	503	215
Payroll Tax and Fringe Benefits Tax	1,138	756
<b>Employee Related Expenses</b>	<b>19,090</b>	<b>14,278</b>
<b>b) Contractors Expenses</b>		
Agency hire of staff	2,991	1,519
Water Quality & Monitoring*	7,787	-
Environmental Planning & Management*	4,287	-
Dam Safety & Mining Protection*	846	-
Operating Licence Compliance*	406	-
Contractors - AWT**	1,988	8,143
Contractors - NPWS***	682	2,317
Contractors – general	1,319	12,325
Professional services contract	1,321	2,897
<b>Contractors Expenses</b>	<b>21,627</b>	<b>27,201</b>
<p>* In the year 2002, the classification of Contractors (AWT, NPWS and general) has been more rigorously defined to facilitate more meaningful disclosure in the financial statements. Therefore the 2000-2001 figures are not directly comparative.</p> <p>** Australian Water Technologies Pty Ltd</p> <p>*** National Parks and Wildlife Service</p>		
<b>c) Property and Materials Expenses</b>		
Repairs and Maintenance - Buildings	1,269	749
Grounds Maintenance	1,556	1,422
Materials	2,328	2,261
Rent & Rates	910	781
Other	39	787
<b>Property and Materials Expenses</b>	<b>6,102</b>	<b>6,000</b>

### 3. EXPENSES FROM ORDINARY ACTIVITIES, EXCLUDING BORROWING COSTS EXPENSE (Continued)

	2002 \$'000	2001 \$'000
<b>d) Other Operating Expenses</b>		
Advertising	478	317
Auditor's remuneration	138	126
Internal Audit Fees	200	-
Insurance Claims Expenditure - Gross	1,017	-
Committee Fees and Expenses	823	9
Consultancies	93	219
Energy	481	376
Maintenance on Assets & Equipment	5,027	532
Country Towns Water Supply & Sewerage Program Grant	4,000	-
Grants and sponsorships	2,255	348
Information management	1,987	1,909
Insurance Premiums	2,124	1,323
Memberships & Subscriptions	840	508
Telephone & Fax	584	619
Transport	1,298	1,080
Preparation of plans & reports	1,920	-
Printing & Stationery	430	291
Training Courses	342	201
Board Members Fees	228	209
Other	1,125	1,104
<b>Other Operating Expenses</b>	<b>25,390</b>	<b>9,171</b>
<b>e) Depreciation Expense</b>		
Facility Assets	6,906	7,144
Buildings	106	108
Operational Equipment	93	61
Furniture & Fittings	157	-
Motor Vehicles	116	20
Office Equipment	36	22
Computer Hardware	68	49
Office Amenities	5	4
Leasehold Improvements	361	180
<b>Depreciation Expense</b>	<b>7,848</b>	<b>7,588</b>

**3. EXPENSES FROM ORDINARY ACTIVITIES, EXCLUDING BORROWING COSTS EXPENSE (Continued)**

	2002 \$'000	2001 \$'000
f) Licence Fees	1,378	1,127
g) Loss on sale/write off of non-current assets	172	422
h) Loss on Revaluation of Land prior to transfer to NPWS	6,865	-
<b>Expenses from ordinary activities excluding borrowing costs expense</b>	<b>88,472</b>	<b>65,787</b>

**4. BORROWING COSTS EXPENSE**

	2002 \$'000	2001 \$'000
Interest Expense	11,260	11,161
Amortisation of premium/ discount	(177)	(204)
Interest Differential - Government Guarantee Fee	1,103	725
Other	(222)	(57)
<b>Borrowing Cost Expense</b>	<b>11,964</b>	<b>11,625</b>

**5. INCOME TAX**

	2002 \$'000	2001 \$'000
<b>a) Income Tax Expense</b>		
Prima Facie Income Tax Expense (30% of profit from ordinary activities)	7,995	*16,128
Permanent Differences		
Prior Year Adjustment	(22)	-
Non-deductible Fines and Penalties	-	1
Superannuation liability (defined benefits)	726	171
Loss on land Revaluation	2,060	-
Research & Development Concession	(204)	-
Adjust for Change in Tax Rate	-	151
<b>Total Income Tax Expense</b>	<b>10,555</b>	<b>16,451</b>

\* 2001 Tax rate was 34%

**b) Provision for Income Tax**

Opening Balance of Tax Provision	1,722	21,197
Income Tax Provided for the Year	10,801	16,962
Prior year adjustments	(317)	-
Payment - for 1999/2000	-	(21,197)
Payment - for 2000/2001	(1,722)	(15,240)
Payment - Installment 2001/2002	(10,831)	-
<b>Provision for Income Tax at Year End</b>	<b>(347)</b>	<b>1,722</b>

**6. CASH ASSETS**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash	7,963	1,797
TCorp Hour-Glass Facility	505	24,925
<b>Cash Assets</b>	<b>8,468</b>	<b>26,722</b>

**7. RECEIVABLES**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade Debtors – Net of Provision for Doubtful Debts	10,285	10,883
Other Debtors	2,240	1,114
<b>Receivables</b>	<b>12,525</b>	<b>11,997</b>

**8. WARRAGAMBA SPECIAL AREA LANDS TRANSFERRED TO OWNERS AS OWNERS**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Land transferred back to Sydney Water Corporation	(11,713)	-
Revaluation of Land to Fair value	(6,865)	-
Land transferred to National Parks & Wildlife Service	(5,635)	-
<b>Total Warragamba Special Area Lands Transferred to Owners as Owners</b>	<b>(24,213)</b>	<b>-</b>

**9. OTHER FINANCIAL ASSETS**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Prepaid Superannuation (Note 16)	444	1,362
Insurance Claims	580	-
Prepaid Insurance Premiums	83	-
Other	44	392
<b>Other Financial Assets</b>	<b>1,151</b>	<b>1,754</b>

**10. PROPERTY PLANT AND EQUIPMENT**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Facility Assets</b>		
Opening balance at cost	491,579	488,132
Assets capitalised	77,579	3,896
Asset Replacement re: Bush fires	18	-
Accumulated depreciation	(20,194)	(13,174)
Assets transferred back to Sydney Water Corporation	(1,618)	(449)
Asset expensed	(147)	-
Accumulated depreciation written back for assets written off	-	38
Accumulated depreciation written back for assets transferred	152	-
Net Book Value	<b>547,369</b>	<b>478,443</b>
<b>b) Work in Progress at cost</b>		
Warragamba Dam Spillway Upgrade	22,461	85,038
Warragamba Dam General Upgrade	419	290
Warragamba Pipelines Upgrade	555	581
Blue Mountains System Upgrade	-	7
Metropolitan Dams Upgrade	455	1,392
Upper Canal Upgrade	698	1,406
Prospect Reservoir Upgrade	218	67
Shoalhaven System Upgrade	434	529
Catchments upgrade	811	88
General Upgrades	1,179	2,098
Work in Progress	<b>27,230</b>	<b>91,496</b>
<b>c) Land</b>		
Opening balance at cost	127,094	126,137
Land capitalised	-	957
Land transferred back to Sydney Water Corporation	(11,713)	-
Revaluation of Land to Fair value	(6,865)	-
Land transferred to National Parks & Wildlife Service	(5,635)	-
Net Book Value	<b>102,881</b>	<b>127,094</b>
<b>d) Buildings</b>		
Opening balance at cost	4,854	4,766
Buildings capitalised	30	88
Asset Replacement re: Bush fires	243	-
Assets written off at cost re: Bush fires	(148)	-
Accumulated depreciation written back re: Bush fires	16	-
Accumulated depreciation	(321)	(214)
Net Book Value	<b>4,674</b>	<b>4,640</b>



**10. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>e) Operational Equipment</b>		
Opening balance at cost	755	234
Equipment capitalised	361	541
Asset Replacement re: Bush fires	177	-
Accumulated depreciation	(175)	(90)
Assets written off at cost re: Bush fires	(41)	(21)
Accumulated depreciation written back re: Bush fires	5	10
<b>Net Book Value</b>	<b>1,082</b>	<b>674</b>
<b>f) Motor Vehicles</b>		
Opening balance at cost	404	50
Motor vehicles capitalised	355	354
Accumulated depreciation	(144)	(27)
<b>Net Book Value</b>	<b>615</b>	<b>377</b>
<b>g) Office Equipment</b>		
Opening balance at cost	254	28
Office Equipment capitalised	83	225
Asset replacement re: Bush Fires	4	-
Assets written off re: Bush fires	(4)	-
Accumulated depreciation written back re: Bush fires	1	-
Accumulated depreciation	(67)	(31)
<b>Net Book Value</b>	<b>271</b>	<b>222</b>
<b>h) Computer Equipment</b>		
Opening balance at cost	298	122
Computer equipment capitalised	16	176
Asset Replacement re: Bush fires	5	-
Accumulated depreciation	(167)	(99)
<b>Net Book Value</b>	<b>152</b>	<b>199</b>
<b>i) Office Amenities</b>		
Opening balance at cost	55	10
Office amenities capitalised	12	45
Accumulated depreciation	(11)	(6)
<b>Net Book Value</b>	<b>56</b>	<b>49</b>
<b>j) Furniture &amp; Fittings</b>		
Opening balance at cost	-	-
Transferred from Leasehold Improvements	410	-
Improvements capitalised	624	-
Asset Replacement re: Bush fires	46	-
Accumulated depreciation	(288)	-
<b>Net Book Value</b>	<b>792</b>	<b>-</b>

**10. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>k) Leasehold Improvements</b>		
Opening balance at cost	794	-
Transferred to Furniture & Fittings	(410)	-
Asset expensed	(13)	-
Improvements capitalised	888	794
Asset Replacement re: Bush fires	5	-
Accumulated depreciation	(409)	(180)
Net Book Value	<b>855</b>	<b>614</b>
<b>Property, Plant and Equipment</b>	<b>685,977</b>	<b>703,808</b>

**11. PAYABLES**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Creditors	2,397	7,018
Accrued charges	22,055	20,425
<b>Payables</b>	<b>24,452</b>	<b>27,443</b>

**12. INTEREST-BEARING LIABILITIES**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Short term</b>		
Fixed Interest Loans (TCorp)	9,264	8,585
Futures	(288)	(68)
<b>Total Short Term Interest Bearing Liabilities</b>	<b>8,976</b>	<b>8,517</b>
<b>b) Long term</b>		
Fixed Interest Loans (TCorp)	149,398	149,364
Premium/ (discount) on loans	1,527	2,418
<b>Total Long Term Interest-Bearing Liabilities</b>	<b>150,925</b>	<b>151,782</b>

**13. PROVISIONS, EXCLUDING INCOME TAX LIABILITIES**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a) Current</b>		
Provisions for Taxes	229	235
Provisions for Dividend	18,500	17,600
Provisions for Employee Entitlements	4,093	1,944
Current Provisions, excluding tax liabilities	<b>22,822</b>	<b>19,779</b>
<b>b) Non Current</b>		
Provisions for Employee Entitlement	3,388	3,833
Non Current Provisions, excluding tax liabilities	<b>3,388</b>	<b>3,833</b>

**14. INSURANCE RECOVERIES FROM BUSH FIRES CHRISTMAS 2001**

The Statement of Financial Performance contains gross revenue of \$1.464 million made up of \$0.217 million from our s44 claim under the Rural Fire Services Act and \$1.247 million from our insurers. It also contains gross operational expenditure of \$1.017 million representing the costs of overtime and restoration work. The surplus of \$0.498 million represents the funding recovered for lost assets, principally the temporary theatre and temporary site office building. These assets will be depreciated whilst they are in use and their future will be determined when permanent structures are erected. The excess on the insurance claim of \$50k has been charged to insurance expense.

The Statement of Financial Position contains \$0.580 million in outstanding insurance claims (Refer to Note 9). Payment of these claims is expected during August 2002. The Statement also includes fixed assets of \$0.498 million within Property, Plant & Equipment (Refer to Note 10).

The Statement of Cash Flows contains \$0.882 million received from the Rural Fire Service and from our insurers and the outflows for gross expenditure of \$1.014 million.

To date, the following assets have been identified as being lost in the bush fire and have been written off: Working plant and equipment with an original cost of \$0.045 million and a written down value of \$0.039 million and buildings with an original cost of \$0.148 million and a written down value of \$0.132 million.

**15. STATEMENT OF OPERATIONS OF SEGMENTS**

The economic entity operates predominantly in the water industry in the one geographical area of New South Wales in Australia. Its area of operations is wholly within New South Wales.

**16. SUPERANNUATION**

<b>2002</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>	<b>Total</b>
Contributors	53	84	31	<b>168</b>
Pensioners	-	-	5	<b>5</b>
<b>Monetary Value in \$'000</b>				
Accrued Liability	(4,200)	(1,448)	(9,705)	<b>(15,353)</b>
Less Estimated Reserve Account				
Closing Balance as at 30 June 2002	4,644	1,423	8,229	<b>14,296</b>
Prepaid Contributions as at 30 June 2002	444	-	-	<b>444</b>
Unfunded Liability as at 30 June 2002	-	(25)	(1,476)	<b>(1,501)</b>
<b>2001</b>				
	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>	<b>Total</b>
Contributors	48	81	33	<b>162</b>
Pensioners	-	-	3	<b>3</b>
<b>Monetary Value in \$'000</b>				
Accrued Liability	(3,463)	(1,221)	(8,008)	<b>(12,692)</b>
Less Estimated Reserve Account				
Closing Balance as at 30 June 2001	4,757	1,466	7,831	<b>14,054</b>
Prepaid Contributions as at 30 June 2001	1,294	245	(177)	<b>1,362</b>

The SCA's gross superannuation liability for employees in the above three schemes as at 30 June 2002 was calculated by the actuary, William M. Mercer Ltd, based on the same assumptions used in the 2000 triennial valuation. The assessment was based on membership data as at 31 January 2002. The net unfunded liability as at 30 June 2002 was determined as \$1.057 million, compared with an over funded position of \$1.362 million a year ago. The actuary, working for the Superannuation Administration Corporation (SAC), assessed the gross superannuation liabilities based on the full requirements of AAS25 with the Rate of Investment Return at 7% over the next 3 years, Rate of Salary Increase over the next three years of 6.5%, 4.0% and 4.0% respectively, and Rate of Increase in CPI of 2.5% for the next 3 years and an average annual increase of 7 % in the age of the population.

The Employer Reserve Account increased by \$0.242 million or 1.7% during the year, reflecting the very poor performances of all Superannuation accounts in recent months.

In accordance with NSW Treasury directions, the unfunded liability has been recognised in the Statement of Financial Performance for the year ended 30 June 2002.

**17. COMMITMENTS****Goods and Services Tax (GST)**

All commitments include the Goods and Services Tax (GST) where applicable. The Authority is registered for GST and claims back from the Australian Taxation Office all GST paid on business expenditure as Input Tax Credits. The Authority collects taxes on taxable supplies also where applicable.

**a) Capital Commitments**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital commitments contracted for at balance date but not provided for:		
Not later than 1 year	7,004	20,616
Later than 1 year but not later than 5 years	74	-
<b>Capital Commitments</b>	<b>7,078</b>	<b>20,616</b>

**b) Other Expenditure Commitments**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Other expenditure commitments contracted for at balance date but not provided for:		
Not later than 1 year	17,647	4,888
Later than 1 year but not later than 5 years	15,738	-
<b>Other Expenditure Commitments</b>	<b>33,385</b>	<b>4,888</b>

**c) Lease Commitments**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating lease expenditure contracted for at balance date but not provided for:		
Not later than 1 year	1,998	1,841
Later than 1 year but not later than 5 years	1,800	3,039
<b>Lease Commitments</b>	<b>3,798</b>	<b>4,880</b>



## 18. CONTINGENT LIABILITIES

Other than commitments mentioned elsewhere in these notes, the Authority is not aware of any contingent liabilities associated with its operations.

### a) Native Title Claims

#### i) Gundungurra – Land including Warragamba Dam and Special Areas

On Thursday 7 September 2000 a Notice was published in the Sydney Morning Herald advising that a Native Title Claim had been made by the Gundungurra over an area of land which included the Warragamba Dam and Special Areas.

The Special Area lands that are the subject of the Gundungurra Native Title Claim were transferred to National Parks & Wildlife Service on 28 June 2002. As these lands are no longer owned by the SCA the carriage of the Gundungurra Native Title Claim ought to be the responsibility of National Parks and Wildlife Service.

Arrangements are currently being made to transfer the carriage of the native title litigation to the National Parks and Wildlife Service.

#### ii) Gundungurra Native Title Claim – Land Under Stored Waters – Warragamba Dam

On 15 March 2002 at the court proceedings involving the Gundungurra Native Title claim over the special areas the SCA became aware of another matter in the Court List involving another claim by the Gundungurra People over the land under the stored waters in the Warragamba Dam. As a result of legal advice, it has been established that this is a separate claim to that regarding the Warragamba Special Area lands in Note 18a(i).

The interests of the Crown were represented by the Crown Solicitor's Office appearing at the direction for the Minister for Land and Water Conservation.

This matter was again before the Federal Court on 20 September 2002. The legal representatives of the claimants stated that their clients wanted recognition of their historical role in the area. The legal representatives for the State claimed that Native Title had been extinguished and that nothing more could be done. The matter has been stood over for further directions on 19 December 2002.

### b) The Warragamba Dam Auxiliary Spillway Project

#### i) Folly Creek Claim

The Sydney Catchment Authority (SCA) is in receipt of a claim from Abigroup Contractors Pty. Limited (Abigroup) that seeks \$13.7 million for alleged breaches of the *Fair Trading Act 1987* and warranty provisions in the contract for the construction of the Warragamba Dam Auxiliary Spillway.

The Supreme Court litigation involving the SCA and Abigroup over the construction of the Warragamba Dam Auxiliary Spillway commenced on Monday 17 June 2002, before Mr Morton Rolfe, the court appointed Referee, and concluded on Friday 12 July 2002.

On 8 August 2002 the Referee delivered his report in the matter. The Referee found in favour of the SCA.

Prior to the Referee's Report becoming the Judgement of the Supreme Court, it is required to be adopted by the Court. When the matter was again before the Court on 6 September 2002, Abigroup opposed the adoption of the Referee's Report. The matter has been set down to hear the parties' submissions for and against the adoption of the report on 24 February 2003.

**18. CONTINGENT LIABILITIES (Continued)**

The SCA has a possible exposure subsequent to the collapse of two of its insurers that covered 40% of insurance cover for claims between \$5 million and \$20 million, post the events of 11 September 2001. Should any award be made by the Referee in favor of Abigroup, the SCA would bear 40% of any award above \$5 million and less than \$20 million.

**ii) Contractual Disputes Notified to the Superintendent**

In accordance with the dispute resolution procedure contained in the general conditions of contract, Abigroup had notified the Superintendent for the contract as at the date of this report, of 19 matters that were in dispute between the parties. The amount of these disputes total approximately \$7.4 million and consist of issues involving variations, delay costs and interpretations of the contract.

In relation to the dispute resolution process, the SCA (the Principal) has 28 days from the date of receipt of the notification of a dispute to make submissions in response to the Abigroup claim to the Superintendent.

The Superintendent has 28 days, from the date of receipt of the SCA submission, to make a decision on the merits of the dispute.

The Superintendent found in favour of Abigroup in 3 of the 19 disputes lodged to date. The SCA has informed Abigroup that it is not satisfied with the Superintendent's decision in these matters and has appealed.

**iii) Failure of HIH Insurance – Obligation of the SCA to indemnify Abigroup under the Contracts Works Insurance for the Warragamba Dam Auxiliary Spillway**

Sydney Water Corporation, (Sydney Water) was required, by the General Conditions of Contract for the construction of the Warragamba Dam Auxiliary Spillway, to arrange contract works and existing structures insurance.

Sydney Water arranged for two insurance policies to meet its contractual obligations. The insurance policy that covered the contract works and existing structures had an excess of \$100,000.

A second policy was arranged through HIH to bring the deductible (excess) down to those amounts referred to in the General Conditions of Contract. These amounts were:

- Major perils - \$25,000 (major perils are losses caused due to water, weather, subsidence or earthquake)
- Minor perils - \$5,000
- Lost to existing structures - \$10,000

On 16 March 2001, HIH Insurance went into provisional liquidation. As of this date, the buy-down excess insurance for the contract works and existing structures failed. This failure meant that the level of excess reverted to \$100,000 in relation to any one claim. A replacement insurer for HIH has not been found.

Abigroup have made five claims directly against the SCA on the contract works and existing structures insurance. Different considerations apply to those claims that relate to incidents that occurred prior to the failure of HIH Insurance (two claims) and those that occurred after this event.

Legal advice has been sought and is to hand from insurance specialists at Moray & Agnew. This advice is being considered by the SCA and its insurers.

### 19. RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2002 \$'000	2001 \$'000
Operating Surplus after Income Tax	16,095	30,985
<b>Add/(Subtract):</b> Expense items classified as investing or financing activities		
Financing Charges	11,964	11,625
<b>Add:</b> Non cash items		
Depreciation and assets written off	8,020	8,004
Loss on revaluation of land prior to transfer to NPWS	6,865	-
<b>Add/(Subtract):</b> Net Movement applicable to operating activities		
Employee Provisions	2,595	1,074
Insurance Claims	(580)	-
Payables	4,029	7,888
Receivables	(528)	(1,798)
Income Tax	(1,998)	(19,986)
<b>Net Cash provided by Operating Activities</b>	<b>46,462</b>	<b>37,792</b>

### 20. FINANCIAL INSTRUMENTS

#### a) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Authority's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised, at the Statement of Financial Position date are as follows:

#### 2002

	Non Interest Bearing	Floating Rate < 1 year	Fixed Rate 1-5 years	Fixed Rate 5-10 years	Annualised Total Client Return
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash	-	7,963	-	-	7,963 3.07%
Treasury Corporation (TCorp)	-	505	-	-	505 4.61%
Receivables	12,525	-	-	-	12,525 N/A
<b>Total Financial Assets</b>	<b>12,525</b>	<b>8,468</b>	<b>-</b>	<b>-</b>	<b>20,993</b>
<b>Financial Liabilities</b>					
Borrowing (TCorp)	-	8,976	63,199	87,726	159,901 6.76%
Accounts Payable	24,452	-	-	-	24,452 N/A
<b>Total Financial Liabilities</b>	<b>24,452</b>	<b>8,976</b>	<b>63,199</b>	<b>87,726</b>	<b>184,353</b>

**20. FINANCIAL INSTRUMENTS (Continued)****2001**

<b>Financial Assets</b>	<b>Non Interest Bearing \$'000</b>	<b>Floating Rate &lt; 1 year \$'000</b>	<b>Fixed Rate 1-5 years \$'000</b>	<b>Fixed Rate 5-10 years \$'000</b>	<b>Client Annualised Total Return \$'000</b>	
Cash	-	1,797	-	-	1,797	4.8%
Treasury Corporation (TCorp)	-	24,925	-	-	24,925	6.01%
Receivables	11,997	-	-	-	11,997	N/A
<b>Total Financial Assets</b>	<b>11,997</b>	<b>26,722</b>	<b>-</b>	<b>-</b>	<b>38,719</b>	
<b>Financial Liabilities</b>						
Borrowing (TCorp)	-	8,517	84,276	65,088	157,881	6.83%
Accounts Payable	27,443	-	-	-	27,443	N/A
<b>Total Financial Liabilities</b>	<b>27,443</b>	<b>8,517</b>	<b>84,276</b>	<b>65,088</b>	<b>185,324</b>	

**b) Credit Risk**

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. The Sydney Catchment Authority's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

	<b>Government \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
<b>2002</b>			
Receivables	11,872	653	12,525
<b>2001</b>			
Receivables	10,160	1,837	11,997

**c) Net Fair Value**

All financial instruments are carried at Net Fair Value, the values of which are reported in the Statement of Financial Position.

**20. FINANCIAL INSTRUMENTS (Continued)****d) Derivatives**

The Authority uses TCorp as a Debt Portfolio Manager. TCorp uses a small percentage of loans in Derivatives to maximise the portfolio performance.

**2002****Non Interest Bearing**

Face Value: (\$277,192)

Coupon: 4.8%

**Futures Related**

<b>Futures Position</b>	<b>Bought/ (sold)</b>	<b>Total value (\$,000)</b>	<b>Per 0.01% Risk \$ Per Contract</b>	<b>Per 0.01% Total Risk \$</b>
<b>30 June 2002</b>				
90 day bills	-	-	-	-
3 year bonds	8	800	(27.35)	(218.80)
10 year bonds	(5)	(500)	(74.15)	370.75

**2001****Non Interest Bearing**

Face Value: (\$63,000)

Coupon: 5.00%

**Futures Related**

<b>Futures Position</b>	<b>Bought/ (sold)</b>	<b>Total value (\$,000)</b>	<b>Per 0.01% Risk \$ Per Contract</b>	<b>Per 0.01% Total Risk \$</b>
<b>30 June 2001</b>				
90 day bills	3	3,000	(24.07)	(72.21)
3 year bonds	12	1,200	(27.41)	(328.92)
10 year bonds	(2)	(200)	(73.60)	147.20

**21. CONTRIBUTED EQUITY**

	<b>2002 \$'000</b>	<b>2001 \$'000</b>
Balance at the beginning of the financial year	491,646	491,646
Transactions with Owners as Owners:		
Transfer of Facility Assets To Sydney Water Corporation* (Note 10a)	(1,618)	-
Transfer of Land to Sydney Water Corporation* (Note 8)	(11,713)	-
Transfer of Land to National Parks and Wildlife Service** (Note 8)	(5,635)	-
<b>Balance at the end of the financial year</b>	<b>472,680</b>	<b>491,646</b>

\* Correction of Governor's Order

\*\* Ministerial Determination 28 June 2001



**22. RETAINED PROFITS**

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Retained Profits at the beginning of the financial year	41,565	28,180
Dividend paid from Retained Profits	(12,000)	-
	29,565	28,180
Profit from ordinary activities after tax	16,095	30,985
Dividend recognised as a liability	(18,500)	(17,600)
<b>Balance at the end of the financial year</b>	<b>27,160</b>	<b>41,565</b>

**23 POST BALANCE DATE EVENTS**

There were no post balance date events, except as stated elsewhere in this report.

(End of Audited Financial Statements)



## Appendix I: SCA Board Members

The three-year term of the outgoing SCA Board finished on 3 March 2002. An expression of interest for Board membership was advertised by the Minister for the Environment in regional, metropolitan, and national press to find interested and qualified members for the new Board. The Minister appointed the new SCA Board for a term of three years, commencing Monday 4 March 2002. The new Board is made up of seven appointed members, plus the Chief Executive:

### Mr John Whitehouse Chairperson

John Whitehouse is the Chairperson. He is a Solicitor and Partner with the Sydney office of Minter Ellison. He is the Sydney Practice Head for Planning and Environment Law with Minter Ellison. John was a Director of Sydney Water Corporation.

Prior to joining Minter Ellison, John was a Partner with Dunhill Madden Butler, Director of the NSW National Parks and Wildlife Service, and Assistant Director of NSW Department of Environment and Planning. John holds degrees in Law and Arts from Sydney University, has a B.Sc. from Macquarie University and a Diploma in Legal Practice from the University of Technology, Sydney. He is a Fellow in Environmental Studies at Macquarie University and an Honorary Professorial Fellow in the School of Law at Wollongong University.

### Mr John Asquith

John Asquith is currently the Honorary Secretary of the Nature Conservation Council and Chair of the Central Coast Community Environment Network. John is a past trustee of the NSW Environmental Trust, a past member of the Bushfire Coordinating Committee and a part-time member of the Newcastle University staff in Sustainable Resource Management.

John has considerable experience in infrastructure management and is a member of several environmental organisations and committees. John has qualifications in engineering, management and environmental activities.

### Dr Kerry Chant

Dr Kerry Chant is a Public Health physician and is a Director of the South Western Sydney Area Health Service Public Health Unit. The Unit has a key role in infectious disease surveillance, prevention and control, food safety, and environmental health issues in south-western Sydney. Kerry's particular area of interest is the prevention of infections.

Kerry is a member of the Royal Australian College of Physicians, Faculty of Public Health Medicine and has a Bachelor's degree in Medicine and Surgery. Kerry also holds the degrees of Master of Public Health and Master of Health Administration.

### Mr Robert Corben

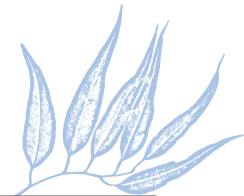
Robert Corben is a fellow of the Australian Society of CPA's, and a Registered Company Auditor and has been in public accountancy practice for some 27 years. The practice specialises in ongoing financial advisory services and Robert acts as consultant to a number of state and federal government departments. Accounting and financial services are provided to a diverse client base drawn from both the private and public sector including funded organisations.

He currently sits on the board of the NSW Legal Aid Commission and holds a number of directorships in industry. He has also acted as Administrator for some 10 cooperatives. Prior to entering public practice Robert held a number of senior financial positions in commerce and industry.

### Ms Maggie Deahm

Maggie Deahm has spent most of her working life in the New South Wales Public Service including nine years in the Ministry for the Arts in Sydney. Maggie has also spent 12 years in the Agent General's Office in London.

Maggie has lived in the Blue Mountains since 1987 and was elected to Blue Mountains City Council in 1991. She served as the Federal Member for Macquarie from 1993 to 1996. From 1996 to 2000, Maggie served as a member of the Western Sydney Waste Board (Chairman from 2000). Maggie is currently Deputy Chair of the Board of the Jenolan Caves Reserve Trust and an Assessor to the Local Government Remuneration Tribunal.



## Appendix I: SCA Board Members cont'

### **Mr Graeme Head** **Deputy Chairperson**

Graeme Head joined the Sydney Catchment Authority as its Chief Executive in December 2001. He is also Deputy Chairperson of the SCA Board.

Graeme worked for almost 12 years at the New South Wales Environment Protection Authority and its predecessor, the State Pollution Control Commission (SPCC). As an Assistant Director General with the EPA, Graeme had carriage of a number of significant policy and operational areas, including waste and pesticide management reform in New South Wales. Previously, Graeme established the organisation's community programs, grants programs, social research and education programs and its Cleaner Industries Unit.

Prior to joining the SPCC, Graeme worked for 12 years in the health and human services sector, most recently as an Assistant Director of the New South Wales Centre for Education and Information on Drugs and Alcohol.

### **Ms Robyn Kruk**

Robyn Kruk is Chair of the SCA Corporate Governance Committee. Robyn is the Director General of NSW Health. She has previously held the positions of Deputy Director General of the NSW Premier's Department, Director General of the NSW National Parks and Wildlife Service and the Deputy Director General of The Cabinet Office. Robyn has provided policy advice relating to natural resources, environment, planning, local government, agriculture, mining and rural affairs.

Robyn has significant experience in the resolution of natural resource conflicts. She has represented the State Government in negotiation of significant Commonwealth/State agreements, including the Intergovernmental Agreement on the Environment, National Forestry Policy, and the National Biodiversity Strategy. Robyn chaired the CSIRO Biodiversity Sector Advisory Committee and led the Secretariat supporting Peter McClellan QC in the conduct of the Water Inquiry, which inter alia, recommended the establishment of the Sydney Catchment Authority.

### **Mr Kenneth Wheelwright**

Kenneth Wheelwright is Chair of the SCA Audit Committee. Kenneth manages a grazing property situated in the catchment on the upper reaches of the Wollondilly River. Kenneth also represents the NSW Farmers' Association.

Kenneth has been actively interested in developing sustainable and profitable farm management practices. He holds a degree in Rural Science from the University of New England and has also been involved with tertiary education of agricultural students. More recently, Kenneth obtained business qualifications and training in holistic management.



## Appendix 2: Board Attendance at Meetings 2001–2002

The Board generally meets once monthly and, when necessary, considers material and issues out of session.

TABLE 12: SCA MONTHLY BOARD MEETING ATTENDANCE FOR 2001–2002

Board Members	Meetings held during Members term	Meetings Attended
John Whitehouse (Chairperson)	11	9
Jeff Wright <sup>#</sup>	3	3
John Asquith	11	11
Helen Cameron <sup>**</sup>	7	6
Dr Kerry Chant	11	8
Patricia Gilchrist <sup>**</sup>	7	6
John Klem <sup>**</sup>	7	7
Kenneth Wheelwright	11	11
Graeme Head <sup>***</sup> (CEO and Deputy Chairperson)	8	7
Robert Corben <sup>*</sup>	4	4
Maggie Deahm <sup>*</sup>	4	4
Robyn Kruk <sup>*</sup>	4	3

Note:

<sup>#</sup> Former Chief Executive – ceased on 3 October 2001

<sup>\*\*</sup> Board member – ceased on 3 March 2002

<sup>\*\*\*</sup> New Chief Executive – commenced in December 2001 (Acted as CEO between October and December 2001)

<sup>\*</sup> New Board member – commenced on 4 March 2002

## Appendix 3: Standing Committees

The Board has elected to operate through two standing committees established by the Board – the Audit Committee and Corporate Governance Committee.

### AUDIT COMMITTEE

The main responsibilities of the Audit Committee are to:

- ensure that the audit process (both external and internal) is effective, that external reporting and corporate governance responsibilities are addressed, and that internal control and risk management structures are appropriate
- consider carefully issues raised by the external and internal auditors, and
- ensure that the SCA's accounting policies and principles are in accordance with the stated financial reporting framework and that the Board is informed of any significant issues raised by the auditors, management or committee members.

TABLE 13: SCA AUDIT COMMITTEE ATTENDANCE FOR 2001–2002

Board Members	Meetings held during Members term	Meetings Attended
Kenneth Wheelwright (Chair)	5	5
Jeff Wright (ex-officio) <sup>#</sup>	1	1
Graeme Head (CEO and ex-officio) <sup>**</sup>	3	2
John Whitehouse <sup>***</sup>	4	3
Robert Corben <sup>*</sup>	1	1
John Asquith	4	3

Note:

<sup>#</sup> Former Chief Executive – ceased on 3 October 2001

<sup>\*\*</sup> New Chief Executive – commenced in December 2001 (Acted as CEO between October and December 2001)

<sup>\*\*\*</sup> Audit Committee membership ceased on 15 March 2002

<sup>\*</sup> New Audit Committee member – commenced on 15 March 2002

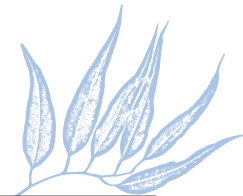
### CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was formed on 15 March 2002. The main responsibilities of the Corporate Governance Committee are to:

- ensure all necessary SCA statutory reporting requirements are met
- monitor the SCA's performance by overseeing the development of quarterly reports to the Board on the Business Plan, Statement of Financial Framework, Capital Works Program, compliance with licences and any remedial action following audits of the business, and
- develop policies for Board consideration.

TABLE 14: SCA CORPORATE COMMITTEE ATTENDANCE FOR 2001–2002

Board Members	Meetings Held	Meetings Attended
Robyn Kruk (Chairperson)	1	1
Graeme Head (CEO and ex-officio member)	1	1
John Whitehouse	1	1
Dr Kerry Chant	1	1
Maggie Deahm	1	1



## Appendix 4: Senior Executives' Qualifications

George Dodds:	<i>Dip.Civ.Eng., M.Eng.Sc.(Env. Eng.)</i>
Ken Elliot:	<i>B.A., LL.B.</i>
Ian Landon-Jones:	<i>B.E. (Civil), M.Eng.Sc.</i>
Keith Sclater:	<i>B.Sc. (Forestry), Dip.Man.</i>
Ian Tanner:	<i>B.Sc. (Civil Eng.)</i>
Barrie Turner:	<i>B.Sc. (hons), Dip.Town Planning, MRAPI</i>
Richard Warner:	<i>B.A., M.Comm.</i>
Rhonda Wheatley:	<i>B.Bus. (Acc./Law), FCPA, GradCertPubSectMgmt, FAICD</i>

## Appendix 5: Principal Legislation and Regulation

### *Sydney Water Catchment Management (SWCM) Act 1988*

The SWCM Act is the legislation that sets out the role, objectives and functions of the SCA. This legislation also sets out the corporate governance structure of the SCA. An Operating Licence granted to the SCA enables it to exercise its functions under the SWCM Act.

#### Operating Licence

The SCA has been granted an Operating Licence by the Governor under section 25 of the SWCM Act. This Licence enables the SCA to exercise any function conferred or imposed on it by the SWCM Act, or any other Act, both within and outside its area of operations.

The SCA is authorised and required by its Operating Licence to provide, construct, operate, manage and maintain efficient systems for the supply of bulk water. The Operating Licence also requires the SCA to ensure that its works comply with the quality and performance standards that are required by the Licence.

The SCA's performance against the terms of its Operating Licence is subject to audit every 12 months by a Licenced Auditor, appointed by the Independent Pricing and Regulatory Tribunal (IPART).

The Operating Licence is subject to a mid-term and end-of-term review by IPART in order to determine whether the Licence is fulfilling its objectives and in relation to any matter that is required to be reviewed by the Licence.

As part of the mid-term review, the SCA forwarded a submission to IPART on 8 April 2002 addressing those issues raised by IPART in relation to the objectives of the Operating Licence.

#### Water Management Licence

On 23 April 2001, the SCA was granted a Water Management Licence pursuant to Part 9 of the *Water Act 1912* by the Water Administration Ministerial Corporation (Department of Land and Water Conservation).

The objective of the Water Management Licence is to manage the SCA's access to water resources within its area of operations in accordance with the principles of ecologically sustainable development as described in Section 6(2) of the *Protection of the Environment Administration Act 1991*.

The Licence authorises the SCA to take and use water from specific water sources and water management works. In addition, the Licence also specifies the amount of water that must be made available for environmental flows.

The Licence is for a term of 20 years, but is required to be reviewed by DLWC within six months from the date of issue, and before the end of each five-year period for the term of the Licence.

The SCA is required by the Licence to pay a Licence Fee based on the actual costs incurred by the Ministerial Corporation in administering the Licence and for water management charges. The review commenced in September 2001 and is continuing.

#### Memoranda of Understanding

The SCA is required under Section 36 of the SWCM Act to enter into Memoranda of Understanding with the regulatory agencies listed in Section 35(a) of the SWCM Act. These regulatory agencies are:

- The Director General of the Department of Health
- The Water Administration Ministerial Corporation
- The Environment Protection Authority.

Memoranda of Understanding with each of these regulatory agencies have been entered into. The SCA has negotiated amendments to the Memoranda of Understanding that were suggested in the Licence Regulator's annual operational audit report to the Minister.

#### Special Areas Strategic Plan of Management

Section 49 of the SWCM Act, identifies a number of strategies for the management of Special Areas to achieve outcomes for the maintenance of ecological integrity and the protection of water quality. The SCA and NPWS have jointly developed and are implementing the Special Areas Strategic Plan of Management (SASPoM).





## Appendix 5: Principal Legislation and Regulation cont'

### Regulations

The SCA manages activities likely to impact on catchments and water quality by means of regulations made under the SWCM Act and planning instruments made under the *Environmental Planning and Assessment Act 1979*.

#### *Sydney Water Catchment Management (General) Regulation 2000.*

This regulation enables the SCA to regulate access, activities and conduct in controlled and Special Areas. Persons contravening this regulation may be liable to an on-the-spot fine of \$300 or prosecution.

#### *Sydney Water Catchment Management (Environment Protection) Regulation 2001.*

The regulation confers on the SCA the power to exercise the inspectorial and enforcement functions of other government agencies. This regulation enables the SCA to exercise certain regulatory functions under the *Protection of the Environment Operations Act 1999* (POEO Act), with regard to non-scheduled premises and activities.

### PLANNING INSTRUMENTS

#### *State Environmental Planning Policy 58 (SEPP58)*

SEPP58 – *Protecting Sydney's Water Supply*, took effect on 1 February 1999. This policy requires new developments within catchments to be assessed for any potential impact on water quality. A consent authority is required under SEPP58 to provide notification and/or seek concurrence of the SCA in relation to certain developments.

#### *Directions under Section 117 of Environmental Planning and Assessment Act 1979*

Under section 117, the SCA is able to influence the making and amendment of local environmental plans to ensure adequate measures are contained in the plans to protect catchments and water quality. This can be at the time of their making, or amendment by a consent authority.

### Draft Regional Plan

Under Section 53 of the SWCM Act, all the land within the catchment area is the subject of a Regional Plan (RP). PlanningNSW is developing an amended draft Regional Plan that will require consent authorities to take into account the impact of any proposed land development to ensure that it will have a neutral or beneficial effect on water quality.

## Appendix 6: Insurance

Insurance brokers the Heath Lambert Group have met the SCA's insurance business needs and commercial risks through various Australian and overseas underwriters. The majority of the SCA's insurances were renewed as at 31 May 2002 for a period of one year.

The cost of business and risk insurances was \$2.124 million, representing a premium increase of 60.5 per cent from 2000–2001. The price increase is due to the loss of worldwide insurance underwriting capacity and the increased commercial risks of writing insurance.

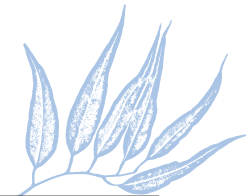
Insurance coverage for the chemical or biological contamination of the SCA's stored waters is being investigated. Initial advice is that the cost of this insurance may be prohibitive.

### Workers Compensation Insurance

Workers compensation insurance has been placed through QBE. The cost of workers compensation insurance has also increased due to the increase of permanent staff employed by the SCA and as a reflection of our claims history. Workers compensation premiums rose by 134 per cent from 2000–2001.

### Warragamba Dam Auxiliary Spillway Insurance

Insurance for the construction of the Warragamba Dam Auxiliary Spillway was current for an initial period of 1 February 1999 to 1 February 2002. It was extended for six months to cover the time needed by contractors to complete the project. Insurance coverage is also in place for an additional 24 months defects liability period.



## Appendix 7: Legal Change

### *Departures from the Subordinate Legislation Act 1989*

In the financial year 2001–2002 the SCA did not make any new regulations.

### New South Wales Legislation

#### (a) Acts

*Sydney Water Catchment Management (Amendment) Act 2001* (assent 25 October 2001). This Act amended the *Sydney Water Catchment Management Act 1998* to accommodate the establishment of a Sydney Catchment Management Fund.

The amended Act also clarified the ability of the SCA to receive and spend public monies from the Fund, for the purpose of undertaking its statutory functions.

*Civil Liability Act 2002* (assent 18 June 2002).

This Act seeks to reduce the number of matters and the damages awarded in personal injury claims by fixing maximum amounts recoverable for both economic and non-economic loss. In addition, legal costs are fixed and there is a prohibition on the award of punitive, aggravated and exemplary damages. Taken to have commenced 20 March 2002.

*Environment Protection Legislation Amendment Act 2002* (assent 15 May 2002). This Act amends the *Protection of the Environment Operations Act 1997* and other Acts and regulations with respect to: law enforcement and offences; the functions of regulatory authorities; accreditations; and regulation-making powers. Commenced 1 July 2002.

*Law Reform (Miscellaneous Provisions) Amendment Act 2000* (assent 20 December 2000). This Act provides for the application of the common law doctrine of contributory negligence to contractual liability in certain circumstances. This amendment followed the High Court's decision in *Astley v Austrust*, which held that the contributory negligence apportionment legislation available in tort claims was not applicable to claims for breach of a contractual duty of care.

*National Parks & Wildlife Amendment (Transfer of Special Areas) Act 2001* (assent 6 December 2001).

This Act amended the *National Parks & Wildlife Act 1974* so as to enable the SCA to make payments to the National Parks & Wildlife Service (NPWS) for the purpose of carrying out Plans of Management made under the *Sydney Water Catchment Management Act 1998* in respect of Special Areas.

The Act also made provision for the Minister to grant leases, licences, easements or rights of way to the SCA, Sydney Water and Hunter Water Corporations on or over the Special Areas lands that were transferred to NPWS, as described in the Minister's Determination published in the Government Gazette on 29 June 2001 and subsequently transferred to the NPWS on 28 June 2002.

*Occupational Health and Safety Act 2000* (assent 26 June 2000). This Act repealed the *Occupational Health and Safety Act 1983* and provides a new regime for the health, safety and welfare of persons at work. Outlines: employers' general duties to employees, especially the duty to consult employees and related duties; the role of industry codes of practice; the role and power of inspectors to enter premises; the giving of investigation, improvement and prohibition notices; and instituting criminal and other proceedings. Commenced 1 September 2001.

*Waste Avoidance and Resource Recovery Act 2001* (assent 17 July 2001). This Act promotes strategies for waste avoidance and resource recovery, establishes Resource NSW and repeals the *Waste Minimisation and Management Act 1995*. Commenced 8 October 2001.

#### (b) Regulations

*Occupational Health and Safety Regulation 2001*. This Regulation details: risk control methods for work place uses such as working in a confined space, lighting, noise, fire and electricity; plant design, manufacture, registration and supply; working with and supply of hazardous substances and processes such as spray painting, blasting, welding, lead and electrical work; training and risk control arrangements for construction work including excavation, demolition and asbestos; and certification of workers, business licensing and permits. Commenced 1 September 2001.



## Appendix 7: Legal Change cont'

### Commonwealth Legislative Amendments

#### Acts

*Trade Practices Amendment Act (No. 1) 2001*. This Act amends the *Trade Practices Act 1974*, particularly by increasing the limitation period from three years to six years in respect of some causes of action (including misleading and deceptive conduct s52). Also makes provision for punitive and non-punitive orders. Commenced 26 July 2001.

#### Case Law

*Magbury Pty Ltd v Hafele Australia Pty Ltd* (2001) 185 ALR 152 (13 December 2001). This case was a restraint of trade case in which a majority of the High Court declared the confidentiality agreement between the parties unenforceable. The High Court applied the common law doctrine of restraint of trade to the agreements, which rendered them invalid.

*Overlook v Foxtel* [2002] NSWSC 17 (31 January 2002). This case was a contract case in the Supreme Court of New South Wales in which Justice Barrett noted that a duty of good faith is now implied by law into every commercial contract.

## Appendix 8: Current Legal Matters

Significant legal matters before the SCA as at 30 June 2002 included the following:

### Auxiliary Spillway Contract Disputes

#### *Folly Creek Litigation*

On 28 September 2001, Abigroup Contractors Pty Limited (Abigroup) commenced proceedings against the SCA in the Supreme Court of New South Wales for \$13.7 million in relation to claimed breaches of the *Trade Practices Act 1974* and contractual warranty contained within the contract for construction of the Warragamba Dam Auxiliary Spillway.

The matter was referred by the Supreme Court to a Referee, Mr Morton Rolfe, who heard the matter during a four-week hearing commencing on 17 June 2002.

#### *Other Disputes*

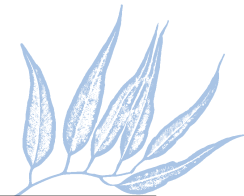
As at 30 June, the Superintendent for the Warragamba Dam Auxiliary Spillway contract had been notified by Abigroup of three disputes under the contract. The SCA is responding as required by the contract.

### Native Title Claims

The Gundungurra people have made two claims under the *Native Title Act* over lands that are owned or vested in the SCA.

The first claim, commenced in 1998, is over land under the Warragamba Dam and the stored water of the dam. Preliminary advice from the Crown Solicitor is that the claim made by the Gundungurra people has been extinguished by previous exclusive possession for infrastructure purposes. Occupation searches are currently being conducted in relation to the occupation of these lands prior to their inundation by the stored waters of the Warragamba Dam.

The other claim is over certain Special Area lands that are either owned by the SCA or NPWS and are subject to a joint plan of management by both agencies. This claim was mentioned in the Federal Court on 17 October 2001 and 15 March 2001.



## Appendix 9: Freedom of Information

### *Freedom of Information Act 1989 Section 14(1b) and (3)*

The SCA received one application for access to documents under the *Freedom of Information Act 1989*.

This request was received from the Total Environment Centre which sought, and was granted, access to material relating to Wongawilli Creek and the proposed underground mining in the Upper Nepean catchment area.

The most recent Summary of Affairs, approved for publication by the Minister, is published in Appendix 10.

Access to documents held by the SCA covering details of properties disposed of during the reporting year may be made under the *Freedom of Information Act 1989*.

On 28 June 2002, the SCA disposed of some 17,803 hectares of land valued at \$5,635 million. This was in line with the Minister for the Environment's determination of 26 June 2001 that the objectives of the SCA would be more effectively attained if the land within the Warragamba, Katoomba, Blackheath, Woodford, O'Hares Creek and part of the Shoalhaven Special Areas were vested in the Minister administering the *National Parks and Wildlife Act 1974*.

## Appendix 10: Summary of Affairs of the Sydney Catchment Authority

### 1. POLICY DOCUMENTS

The SCA holds the following policy and procedures documents that may be accessed for information:

#### **Human Resources**

Study Assistance Program  
How to Report Unethical Conduct  
Attendance at External Conferences  
Working from Home Policy  
Christmas Party Policy  
Performance Management System  
Code of Conduct  
Recruitment Policy  
Equity and Diversity and Work and Family Policies  
Conditions of Employment  
Pay Policies  
Grievance Resolution, Dispute Settlement and Disciplinary Policy and Procedures  
Occupational Health, Safety & Rehabilitation Policy  
Occupational Health, Safety & Rehabilitation Procedures

#### **Information Technology and Records Management**

Information Security  
Access to Published Information  
Electronic Mail  
Information Technology Standards  
Privacy and Personal Information  
Remote Computing  
Remote Access  
Internet  
Mail Management  
Records Security  
Records Retention  
Records Disposal  
Records Management

#### **Product and Service Delivery**

Customer Complaints Policy and Procedure

#### **Management of other SCA Resources**

Energy Management Policy  
Corporate Incident Management Manual  
Interim Media Relations Policy  
Uniforms and Protective Clothing Policy  
Telephone Protocol Policy  
Mobile Phones Policy  
Parking of Motor Vehicles Policy  
Facility Centre and Conference Accommodation



## Appendix 10: Summary of Affairs of the Sydney Catchment Authority cont'

### 2. STATEMENT OF AFFAIRS

The SCA's initial Statement of Affairs was published on 29 December 2000 in the Gazette and on the SCA's website.

The Statement of Affairs provides information on the:

- structure and function of the SCA
- description of the ways in which the functions of the SCA affect members of the public
- manner in which the public can participate in the formation of SCA policy and the exercise of the SCA's functions
- description of the various types of documents usually held by the SCA, and
- procedural arrangements for public access to the SCA's documents and for the amendment of the SCA's records concerning the personal affairs of a member of the public.

### 3. CONTACT ARRANGEMENTS

All applications for access to documents in the possession of the SCA (other than policy documents) must be in writing and should be accompanied by an application fee of \$30 and marked to the attention of the "FOI Coordinator".

The application should be addressed to:

The Chief Executive  
Sydney Catchment Authority  
PO Box 323  
PENRITH NSW 2751

Access to policy documents, unless otherwise stated, is free of charge and access can be arranged by contacting the FOI Coordinator on telephone number 4725 2100, facsimile 4732 3666 or in person at the address below between the hours of 8.30am and 5pm, Monday to Friday.

Sydney Catchment Authority  
Level 2, 311 High Street  
PENRITH NSW 2750

## Appendix 11: Schedule of Charges

### Schedule of Charges – Schedule of Charges for Regulated Water Services 2001–2002 and 2002–2003

TABLE 15: SCA PRICING SCHEDULE<sup>1</sup> 2001–2002

	Charge <sup>*</sup>
<b>Sydney Water Corporation</b>	
Fixed availability charge per month	\$4.939M
Volumetric charge per megalitre	\$107.00
<b>Wingecarribee Shire Council</b>	
Volumetric charge per megalitre	\$70.00
<b>Shoalhaven City Council</b>	
Volumetric charge per megalitre	\$70.00
<b>Retail Customers</b>	
Volumetric charge per kilolitre (raw water)	\$0.44
Volumetric charge per kilolitre (unfiltered water)	\$0.737

<sup>\*</sup> The supply of water is GST free.

Fixed charge per annum <sup>**</sup>	Charge <sup>*</sup>
20mm	\$75.00
25mm	\$117.20
30mm	\$168.75
32mm	\$192.00
40mm	\$300.00
50mm	\$468.75
80mm	\$1,200.00
100mm	\$1,875.00
150mm	\$4,218.75
200mm	\$7,500.00
> 200mm	(nominal diameter) <sup>2</sup> x 75/400

<sup>\*\*</sup> Based on meter size

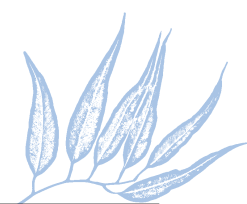
These prices conform to the IPART determination.

### Schedule of SCA Charges for Regulated Water Services 2002–2003

In September 2000, IPART determined a Medium Term Price Path for the regulated water services provided by the SCA for the period 1 October 2000 to 30 June 2005.

The determination provided for increases in certain charges to be linked to movements in the Consumer Price Index [CPI], net of any component attributable to the GST. The Tribunal has informed the SCA that the CPI movement to be used for adjusting prices for 2002–2003 is 2.9 percent. Effective from 1 July 2002, the SCA applied increased charges reflecting this movement.





## Appendix 12: Major Asset Categories

TABLE 16

	System assets \$'000	Land \$'000	Buildings \$'000	Working equip. \$'000	Motor vehicles \$'000	Office equip. \$'000	Computer equip. \$'000	Office amenities \$'000	F&F \$'000	Leasehold imps. \$'000	Work in progress \$'000	Total \$'000
<b>2001–2002</b>												
Carrying amount at start of year	478,443	127,094	4,640	674	377	222	199	49	–	614	91,496	703,808
Additions	18	–	273	538	–	87	21	12	191	176	14,991	16,307
Disposals	–	–	(148)	(41)	–	(3)	–	–	–	–	–	(192)
Transfers to owners	(1,618)	(17,348)	–	–	–	–	–	–	–	–	–	(18,966)
Revaluation	–	(6,865)	–	–	–	–	–	–	–	–	–	(6,865)
Transfers between accounts	77,579	–	–	–	354	–	–	–	758	439	(79,130)	–
Assets expensed	(147)	–	–	–	–	–	–	–	–	(13)	(127)	(287)
Depn adj. on disposed assets	–	–	15	4	–	1	–	–	–	–	–	20
Depreciation expense	(6,906)	–	(106)	(93)	(116)	(36)	(68)	(5)	(157)	(361)	–	(7,848)
<b>Carrying amount at end of year</b>	<b>547,369</b>	<b>102,881</b>	<b>4,674</b>	<b>1,082</b>	<b>615</b>	<b>271</b>	<b>152</b>	<b>56</b>	<b>792</b>	<b>855</b>	<b>27,230</b>	<b>685,977</b>
<b>2000–2001</b>												
Carrying amount at start of year	482,102	126,137	4,660	205	43	19	72	8	–	–	65,246	678,492
Additions	3,896	957	88	541	354	225	176	45	–	794	26,250	33,326
Disposals	(449)	–	–	(21)	–	–	–	–	–	–	–	(470)
Depn adj. on disposed assets	38	–	–	10	–	–	–	–	–	–	–	48
Depreciation expense	(7,144)	–	(108)	(61)	(20)	(22)	(49)	(4)	–	(180)	–	(7,588)
<b>Carrying amount at end of year</b>	<b>478,443</b>	<b>127,094</b>	<b>4,640</b>	<b>674</b>	<b>377</b>	<b>222</b>	<b>199</b>	<b>49</b>	<b>–</b>	<b>614</b>	<b>91,496</b>	<b>703,808</b>
<b>1999–2000</b>												
Carrying amount at start of year	–	–	–	–	–	–	–	–	–	–	–	–
At tfr – Book value from Sydney Water	488,132	126,137	4,766	234	50	28	122	10	–	–	27,650	647,129
Additions	–	–	–	–	–	–	–	–	–	–	37,596	37,596
Disposals	–	–	–	–	–	–	–	–	–	–	–	–
Depn adj. on disposed assets	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation expense	(6,030)	–	(106)	(29)	(7)	(9)	(50)	(2)	–	–	–	(6,233)
<b>Carrying amount at end of year</b>	<b>482,102</b>	<b>126,137</b>	<b>4,660</b>	<b>205</b>	<b>43</b>	<b>19</b>	<b>72</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>65,246</b>	<b>678,492</b>



## Appendix 13: Engagement of Consultants

During the 2001–2002 year, the SCA engaged 10 consultants to provide options or opinions on major projects being undertaken. The total cost of these consultants was \$93,346.03

### Consultancies Over \$30,000

One consultant provided services over \$30,000. Gutteridge Haskins & Davey Pty Ltd (GHD) were engaged to provide an Options Study on the Ingleburn, Liverpool and Sugarloaf Dams. The cost of this project was \$40,800 and the work undertaken was satisfactory.

### Consultancies Under \$30,000

Nine consultants provided services under \$30,000. The total cost of these consultancies was \$52,546.03 and the work undertaken was satisfactory.

## Appendix 14: Payment of Accounts

The SCA pays approximately \$77 million of its budget to creditors. During the 2001–2002 year, strategies were put in place to analyse creditors payment performance with a view to achieving 100 per cent of payments being made on time.

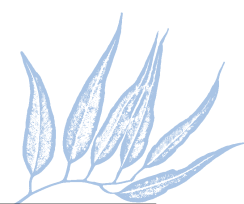
Payments to creditors by quarter have showed a 121 per cent improvement of payments made within the 30 day period, with over 85 per cent of creditors being paid within the 60 day period.

The reasons for delays in payment during the year have been assessed and include:

- creditors forwarding accounts directly to branch offices rather than to the central processing area in Penrith
- the geographic isolation of some of the SCA offices
- late billing by major creditors, which in some instances was six to eight months after the service was received
- the need to withhold payment until satisfactory performance of service was performed, and
- time billing by service providers rather than in accordance with specific contract terms

In April 2002, all creditors were advised of the need to forward all invoices (or statements of claim) to the SCA's head office at Penrith. The processes undertaken during the year have resulted in a marked improvement in payment performance from the first quarter to the fourth quarter of 2001–2002 (see Figure 8). Continued improvements are expected during 2002–2003.

All SCA purchase orders and contract provisions state that interest can be awarded by the Minister to service providers due to late payment of accounts. During 2001–2002, no interest was awarded by the Minister for the late payment of accounts.



## Appendix 14: Payment of Accounts cont'

FIGURE 9: CREDITORS PAYMENTS ANNUAL PERFORMANCE 2001–2002.

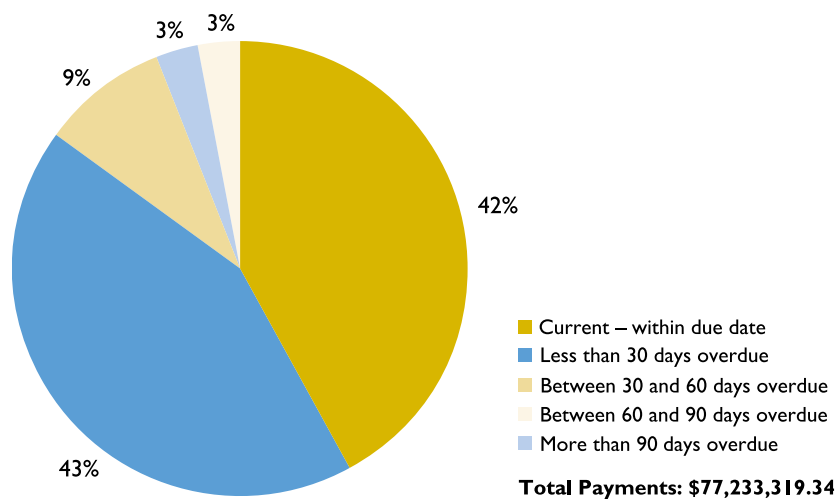
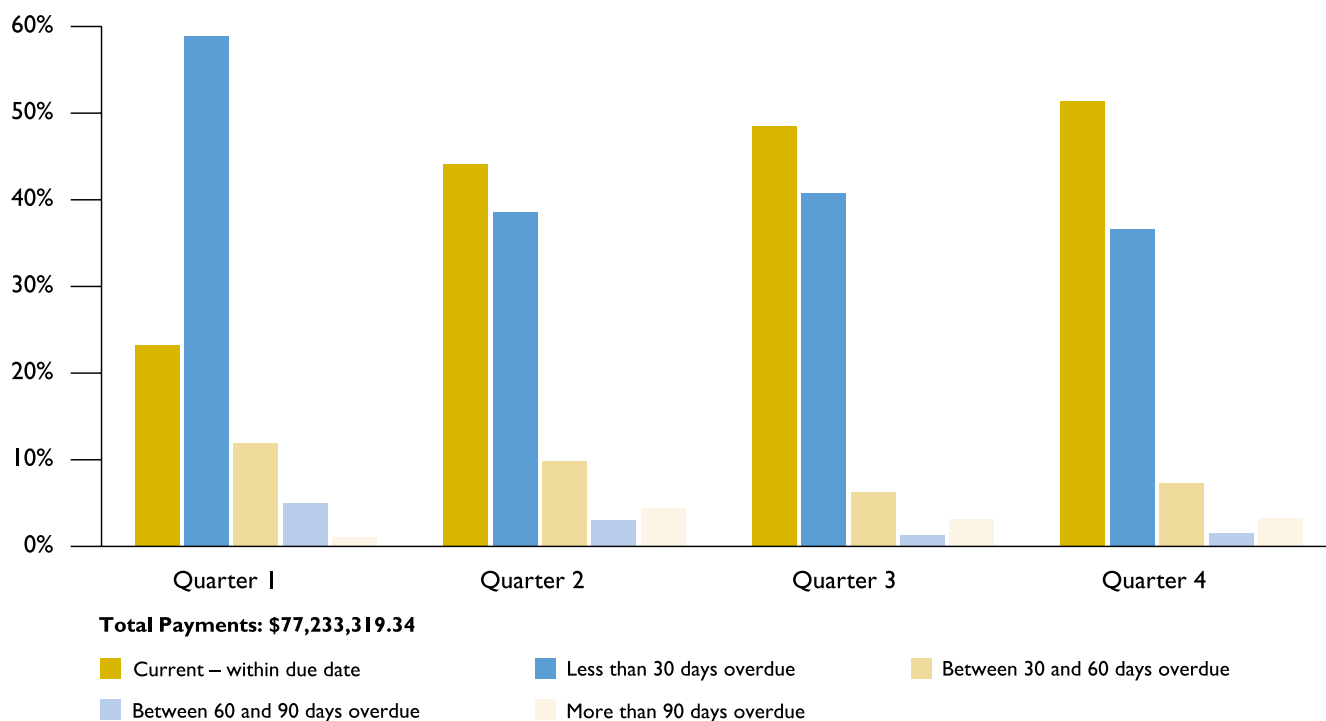


FIGURE 10: PAYMENTS SCHEDULE BY QUARTER 2001–2002.

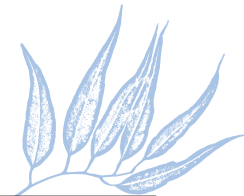


# A

## Appendix 15: Catchment Protection and Improvement Grants

TABLE 17: FOR FINANCIAL YEAR 2001-2002 (ROUNDS 5 &amp; 6)

Grant No	Applicant	Description	Amount Approved
56	Bowral Urban Landcare Group Inc.	Restoration of Mittagong Creek (1) removal of environmental weeds; (2) removal of rubbish and debris; (3) erosion control; (4) recreation of aquatic habitat through native planting, provision of log and rock sill pools, and increased oxygenation.	8,000.00
57	Moss Vale Landcare Group Inc.	(1) Remove all environmental weeds on the headwaters of Whites Creek with the local Golf Club. (2) Plant a diversity of native trees, shrubs and ground covers. (3) Build on the previous successful project to demonstrate the benefits of creek rehabilitation.	8,000.00
58	1st Leura Scout Group	To control erosion of soils; build a retaining wall; build a siltation barrier each side of the creek; regenerate the bushland with the help of Wildplant Rescue and A&S regeneration. Land owned by Scouts. (incl \$2,000 for hire of equipment)	10,000.00
59	Kangaroo Valley Environment Group Inc.	Continue environmental weed eradication and riparian restoration along the Kangaroo River, Kangaroo Valley village. (incl \$1,080 for hire of equipment)	9,080.00
60	Jacqua Creek Landcare Group	Bungonia. Site 1: Excluding stock and revegetating 400m of electric fencing, provision of alternative stock water and revegetation of the streambanks with native tubestock. Site 2: Stabilising an existing creek crossing. Site 3: To rehabilitate and prevent further erosion to two action areas. Site 4: Construct a stable creek crossing to prevent streambed and bank erosion.	7,916.00
61	Upper Shoalhaven Landcare Council	Provide an incentive program to encourage landholders, offering up to \$2,500 per project, to fence riparian areas with high recovery potential and/or conservation value, and form demonstration sites. Purchase fencing materials for stock exclusion, tubestock and hay bales to revegetate areas and trial low cost erosion control methods.	8,000.00
62	Lithgow/Oberon Landcare Assoc.	Acquisition of technical skills through the establishment of a resource package, allowing a series of practical workshops and forums on a range of Landcare based issues.	7,925.00
63	Mt Kanimbla Landcare Group	Corridor planting and fencing of small remnants, exclusion of rabbits, regeneration of native vegetation. (incl \$1350 for hire of equipment)	8,850.00
8	ROUND 5 CLOSED: 31.10.01 TOTAL – ROUND 5		67,771.00
Grant No	Applicant	Description	Amount Approved
64	Ballalaba Krawaree Landcare Group	Fencing (1k) from stock and planting native tubestock to stabilise Bald Hill creek, a tributary of Shoalhaven River, south of Braidwood.	8,000.00
65	Blue Mountains Rare and Endangered Species Group	Dwarf Mountain Pine protection at Katoomba Falls.	8,000.00
66	Basket Creek Landcare Group	Propagation of locally provenanced seeds and revegetation of areas infested with serrated tussock.	2,245.00
67	Friends of Katoomba Falls Creek Valley	Pine tree removal, Katoomba Falls. Removal of exotic pines on project site at Wells Street, Katoomba.	3,500.00
68	Mt Alexandra Bushcare Group	Mt Alexandra Bushland Restoration and water quality control in the Nattai catchment.	8,000.00
69	Roslyn Landcare Group Inc.	Upper Wollondilly River – removal mature willow trees. (incl \$2,000 for hire of equipment)	10,000.00
70	Mt Kanimbla Landcare Group	Establishment of an integrated pest management program for the Mt Kanimbla region. (incl \$2,000 for hire of equipment)	5,275.00
71	Wollondilly Landcare Coordinators Committee	Revegetation in the Pejar Creek catchment Stage II. The project involves revegetating foreshore area of Pejar Dam to improve water quality and biodiversity of the catchment area. (incl \$2,000 for hire of equipment)	10,000.00
72	National Trust of Australia (NSW) Berrima 1914–1918	Stage 6 – rehabilitate the Wingecarribee River corridor between the Berrima Weir and Wallaby Rocks.	8,000.00
9	ROUND 6 CLOSED: 30.04.02 TOTAL – ROUND 6		63,020.00
TOTAL – Financial Year 2001–2002			130,791.00



## Appendix 16: Overseas Visits by SCA Staff

Name:	Ian Landon-Jones
Division:	Dam Safety
Date/s of visit:	3 to 7 November 2001
Destination:	New Zealand
Conference/Purpose:	Australian National Committee on Large Dams Conference
Name:	Ramen Charan
Division:	Bulk Water
Date/s of visit:	1 to 8 November 2001
Destination:	New Zealand
Conference/Purpose:	Australian National Committee on Large Dams Conference
Name:	David Snape
Division:	Bulk Water
Date/s of visit:	5 to 9 November 2001
Destination:	New Zealand
Conference/Purpose:	Australian National Committee on Large Dams Conference
Name:	Kandiah Mahadeva
Division:	Bulk Water
Date/s of visit:	19 to 22 September 2001
Destination:	Wellington
Conference/Purpose:	New Zealand Water & Wastewater Association 43rd Annual Conference and Expo
Name:	Daniel Deere
Division:	Environment and Planning
Date/s of visit:	4 to 15 November 2001
Destination:	USA and UK
Conference/Purpose:	Water Quality Technology Conference (USA) and World Health Organisation meeting (UK)

## Appendix 17: Officers as Members of Significant Statutory Bodies and Committees

### Graeme Head

- Board member, Water Services Association of Australia
- Board member, Advisory Board University of Technology, Sydney
- Member, Water CEOs

### Richard Warner

Forum member, Hawkesbury-Nepean River Management Forum

### Amir Deen

- Committee member, NSW Dams Safety Committee – Hydrology
- Committee member, Integrated Water Management Forum

### Ian Landon-Jones

- Committee member, NSW Dams Safety Committee
- Committee member, Australian National Committee on Large Dams – Risk Guidelines

### Malcolm Hughes

- Committee member, Pollution Offset Scheme Working Group

### Simone Greenaway

- Committee member, Interdepartmental Committee on Effluent Management & Reuse Policy
- Alternative committee member, Pollution Offset Scheme Working Group

### Daniel Deere

- Alternative committee member, Interdepartmental Committee on Effluent Management & Reuse Policy
- Committee member, World Health Organisation – Expert Panel Microbiological Group (Environmental Health Criteria)

### David Snape

- Member, Asset Management Roundtable





## Appendix 17: Officers as Members of Significant Statutory Bodies and Committees cont'

### Paul Shanahan

- Board member, Cooperative Research Centre for Water Quality and Treatment
- Board member, Southern Catchment Management Board
- Committee member, American Waterworks Association – Source Water Protection Committee
- Committee member, State Water Monitoring Coordinating Committee

### Tony Paull

- Committee member, Interdepartmental Riverine Corridor Committee
- Committee Member, Shoalhaven – Illawarra Water Management Committee
- Committee member, Coffs River Water Management Committee

### Ian Tanner

- Committee member, State Algal Coordinating Committee

### Rhonda Wheatley

- Committee member, CPA Australia, Public Sector Committee
- Committee member, Construction Policy Steering Committee DPWS

### Graham Begg

- Committee member, NSW Critical Infrastructure Protection Committee
- Committee member, Penrith Local Emergency Management Committee
- Committee member, State Emergency Management Committee – Environment and Engineering Functional Area subcommittees

## Appendix 18: Significant Committees Established/Abolished

The SCA is no longer represented on the Water Research Foundation.

## Appendix 19: SCA Staff Above SES Level 5

The SCA had two staff members above SES level 5 during the financial year. Details are set out below:

Name:	Jeff Wright
Position:	Chief Executive
Period:	1 July 2001 to 3 October 2001
Level:	SES Level 6
Remuneration:	\$210,161 per annum

### Performance Statement

Name:	Graeme Head
Position:	Chief Executive
Period:	12 December 2001 – 30 June 2002
Level:	SES Level 6
Remuneration:	\$205,000 per annum

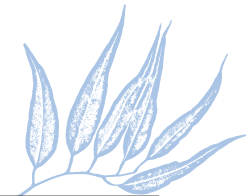
### Results

Graeme Head took up the position of Chief Executive of the Sydney Catchment Authority (SCA) halfway into the reporting year, having acted in the position for the previous two months. Since then, Mr Head has provided strong leadership of the SCA, delivering a number of key initiatives while continuing to develop and bed down management systems in a still relatively young organisation.

During this period the SCA allocated significant resources to bushfire fighting and to the post-fire recovery program; catchment lands and SCA assets were heavily affected by the fires of December and January.

Key achievements over the reporting period included:

- Transfer of the Warragamba and Blue Mountains Special Areas to the National Parks and Wildlife Service (NPWS).
- Commencement of a five-year, \$20 million program with the Department of Land & Water Conservation to establish or upgrade sewage treatment facilities, so that by 2007 there will be no overloaded or under-performing treatment plants in the catchment area.
- Full compliance with the health guidelines set out in the Operating Licence.
- Working as a member of the Water Chief Executive Officer's Committee to implement the Government's decision to integrate water cycle management for the Sydney metropolitan area.



## Appendix 19: SCA Staff Above SES Level 5 cont'

Other major issues dealt with by Mr Head included:

- Developing a new five-year Business Plan with the Board of the SCA.
- Initiating a major project to integrate current manual and computerised finance and finance-related business systems into an electronic system.
- Developing a drought response plan in conjunction with Sydney Water.
- Commencing a systematic program of environmental assessments to provide a comprehensive inventory of potential threats to water quality.
- Strengthening and refining corporate governance systems.

## Appendix 20: Waste Reduction and Purchasing Plan Implementation

Progress/implementation of Waste Reduction and Purchasing Plan (WRAPP) strategies as required under the *Waste Avoidance and Resource Recovery Act* (WARR Act)

### 1) Reducing the generation of waste (waste avoidance and minimisation)

- a) Avoidance initiatives for paper and toner cartridge waste:
  - the SCA's Draft Waste Reduction and Purchasing Policy promotes the use of electronic copies, e-mail, reuse of paper through centralised paper banks
  - duplex printing trays have been purchased for all existing printers and all new printers will include a duplex printing function. All printers equipped with a duplex printing option are automatically defaulted to double-sided printing
  - all internally and externally produced documents must be double-sided, and
  - the viability of using remanufactured toner cartridges is currently being trialed.
- b) If relevant, avoidance initiatives for construction, demolition and vegetation waste:
  - the inclusion of waste disposal clauses in all contract documents requires that staff and contractors must ensure that materials are recycled or diverted wherever practical, and
  - training courses have been conducted in the areas of environmental awareness and environmental impact assessment to assist staff with the necessary information and skills to reduce construction, demolition and vegetation waste.
- c) Estimate of the amount of waste being avoided or reduced as a result of initiatives:
  - at the time of the 2001 Waste Audit Report there had been an estimated 40 per cent reduction in paper to landfill in the Head Office audit site.

### 2) Resource recovery (waste reuse and recycling)

- a) Resource recovery initiatives for paper and toner cartridges:
  - paper and toner cartridges are purchased centrally. All SCA offices now have access to paper and cardboard recycling services to increase the quantity of paper and cardboard that is captured in the recycling stream, and
  - all toner cartridges are collected and returned to the manufacturer for recycling.
- b) If relevant, resource recovery initiatives for construction, demolition and vegetation waste:
  - all shell contract documents include waste disposal and purchasing clauses. These require the purchase and use in the works of recycled content products where appropriate and the recycling or diversion of materials wherever practical, and
  - the SCA's Draft Waste Reduction and Purchasing Policy promotes opportunities for purchasing products containing recycled content or from environmentally friendly sources. The policy includes guidance on how to apply this in the purchase of construction and vegetation products.
- c) Estimate of the amount of waste being recovered due to these initiatives:
  - an estimated 3,386 kilograms of print/writing paper is being recovered in the recycling waste stream annually from the SCA's head offices, and
  - data collection systems have been established for all identified WRAPP materials. The data is being collected and analysed via information supplied through the contractual clauses. Results of this data will be available in next year's Annual Report.



## Appendix 20: Waste Reduction and Purchasing Plan Implementation cont'

### 3) The use of recycled material (purchase of recycled-content materials)

- a) Initiatives to increase purchases of recycled-content paper products and toner cartridges:
  - the SCA purchases a minimum of 50 per cent recycled content paper for the majority of its office paper needs.
  - forms and reports are printed on a minimum of 50 per cent recycled content paper
  - externally printed documents are printed on a minimum of 50 per cent recycled content paper as a standard arrangement
  - reports such as the Annual Report, Annual Environment Report, Environment Plan, and Annual Water Quality Monitoring Report include 100 per cent recycled paper for all pages and a minimum of 50 per cent recycled content paper for the covers, and
  - all shell contract documents include waste disposal and purchasing clauses. These require all documents or reports to be printed on a minimum of 50 per cent recycled content paper.
- b) If relevant, initiatives to increase purchases of recycled-content construction and vegetation products:
  - all shell contract documents include waste disposal and purchasing clauses. These require the purchase and use of recycled content products where appropriate, and
  - the SCA's Draft Waste Reduction and Purchasing Policy promotes opportunities for purchasing products containing recycled content from environmentally friendly sources. The policy includes guidance on how to apply this to the purchase of construction and vegetation products.
- c) Estimate of the amount of recycled-content products being purchased:
  - 100 per cent of rulers purchased by the SCA are made from 100 per cent recycled plastic
  - data collection systems have been established for all identified WRAPP materials. The data is being collected and analysed via information supplied through the contractual clauses. Results of this data will be provided in next year's Annual Report
  - an estimated 92 per cent of print/writing paper purchased by the SCA contains a minimum of 50 per cent recycled content paper, and
  - an estimated 93 per cent of externally printed documents are on paper containing a minimum of 50 per cent recycled content paper.

## Appendix 21 Guarantee of Service

### Bulk Water Supply Agreement

Section 22 of the Sydney Water Catchment Management Act 1998 required the SCA and Sydney Water Corporation (SWC) to enter into an agreement for the supply of water by the SCA to Sydney Water.

The SCA and SWC signed a Bulk Water Supply Agreement in 1999, and this remained in force throughout 2001–2002.

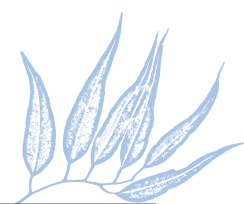
The agreement specifies water quantity and quality criteria for each supply point, undertakings by the parties to exchange information, billing and payment arrangements, as well as charges and adjustments to charges for the supply of water varying in quality from that specified in the agreement.

The review of the agreement was well advanced as at 30 June 2002, and came into effect on 21 August 2002.

## Appendix 22: Cost of Annual Report

1,000 copies of this year's report were printed at a cost of \$23.81 per copy.

As part of its efforts to reduce the production cost and paper use of the 2001–2002 Annual Report, the SCA's website has been adopted as a major means of distributing the report to stakeholders and the community. The number of copies printed has been reduced accordingly. This has had the effect of increasing the cost per copy due to the small print run size, but reduced the overall cost of producing the report.



## Appendix 23: SCA's Cultural Heritage Assets<sup>1</sup>

TABLE 18

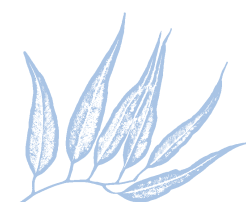
Heritage items	State Heritage Register Listing	2001–2002 Condition <sup>2</sup>	Works undertaken over 2001–2002
<b>ENGINEERING HERITAGE</b>			
<b>Warragamba supply system</b>			
Warragamba Dam	No	Good	• Conducted annual and five yearly dam safety inspection.
• Crest gantry crane	No	Good	• Conducted routine preventative maintenance and a condition assessment audit.
			• The crane was moved to a new permanent position.
• Crest gates	No	Good	• Conducted routine preventative maintenance.
• Dam outlets	No	Good	• Conducted routine preventative maintenance.
• 18 ton Cableway	No	Partially	• Partially demolished in 1999 to enable construction of the auxiliary spillway. The Upper Tail Tower was retained insitu and a Conservation Management Plan developed. Additional relics from the cableway were salvaged for future interpretation purposes.
• Main dam wall	No	Good	• Undertook some structural modifications related to the auxiliary spillway construction.
• Suspension Bridge	No	Poor	• Bridge was significantly damaged by Christmas 2001 bushfires. A rectification plan has been developed which involves partial demolition of the spillway with retention of the cables.
• Megarrity's Bridge	Yes	Good	• Cleaned pipeline 2.
			• Installed ultrasonic flowmeters on the pipelines.
			• Installed steel platform and ladder on bridge.
• Valve House	No	Good	• Conducted routine preventative maintenance.
Warragamba–Prospect Pipelines 1 & 2	No	Good	• Sections of both pipelines were cleaned and painted.
			• Valves 10 and 12 were stripped and repainted.
			• Pipeline 1 between the valve house and cross connection No. 2 was dewatered to permit routine maintenance.
Warragamba Emergency Scheme	Yes	Fair to Good	
• Warragamba Emergency Pumping Station No. 9	Yes	Fair	• Conducted routine inspections and operation of drainage system.
			• Investigation works for the access upgrade and conservation of the station.
• Warragamba Weir	Yes	Good	• Conducted annual dam safety inspections.
<b>Upper Nepean and Woronora Supply Systems</b>			
Avon Dam	Yes	Good	• Prepared a Conservation Management Plan.
			• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Broughton's Pass Weir	No	Fair to Good	• Continued subsidence monitoring.
Cataract Dam	Yes	Good	• Prepared a Conservation Management Plan.
			• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Cordeaux Dam	Yes	Good	• Prepared a Conservation Management Plan.
			• Restoration works post Christmas 2001 bushfires.
			• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Hudson's Emergency Scheme	No	Poor	
Nepean Dam	Yes	Good	• Conducted annual dam safety inspections.
			• Conducted maintenance on picnic areas including the replacement of on-site waste disposal facilities.
Nepean Tunnel	No	Good	
Prospect Reservoir and surrounding area	Yes	Good	• Conducted annual dam safety inspections.
			• Conducted maintenance on the dam wall.
			• Upgraded fencing for safety purposes.
• Prospect Reservoir Valve House	Yes	Good	• Investigation works for the upgrade of the outlet scours.



## Appendix 23: SCA's Cultural Heritage Assets cont'

Heritage items	State Heritage Register Listing	2001–2002 Condition <sup>2</sup>	Works undertaken over 2001–2002
Upper Canal System	Yes	Fair to Good	<ul style="list-style-type: none"> <li>• Preparation of draft Conservation Management Plan.</li> <li>• Relining aqueducts.</li> <li>• Investigation works covering surface drainage, trash racks, stop logs and accessways.</li> <li>• Conducted routine inspections and maintenance.</li> <li>• Investigation works into upgrade of the access road.</li> </ul>
Pheasants Nest Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspections.</li> </ul>
Upper Cordeaux Dam No. 1	No	Fair to Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspections.</li> </ul>
Upper Cordeaux Dam No. 2	No	Fair to Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspections.</li> </ul>
Woronora Dam	Yes	Good	<ul style="list-style-type: none"> <li>• Conducted annual and five yearly dam safety inspections.</li> </ul>
<b>Blue Mountains supply system</b>			
Cascades Dams	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
Greaves Dam	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
Medlow Bath Dam	Yes	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
Woodford Creek Dam	No	Good	<ul style="list-style-type: none"> <li>• Conducted annual dam safety inspection.</li> </ul>
<b>COMPENSATION WEIRS</b>			
Brownlow Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
Cobbitty Village Weir	No	Partially demolished	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning on new weir.</li> </ul>
Mt Hunter Rivulet Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
Thurns Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
Wallacia Weir	No	Good	<ul style="list-style-type: none"> <li>• Conducted routine inspections, maintenance and cleaning.</li> </ul>
<b>HISTORIC BUILDINGS</b>			
Arnprior	Yes	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
Cookanulla	No	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections.</li> </ul>
Glen D'Or	Yes	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections.</li> </ul>
Joe Deacon's Hut	No	Poor	<ul style="list-style-type: none"> <li>• Stabilisation works completed in accordance with Conservation Management Plan.</li> </ul>
Joorilands	No	Poor	<ul style="list-style-type: none"> <li>• Conservation Management Plan being prepared.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Kedumba Slab Hut	No	Poor	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Khama Lea	Yes	Poor to Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
La Vista	Yes	Poor	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
Mayfield	Yes	Fair to Good	<ul style="list-style-type: none"> <li>• Conducted regular inspections, site clean-ups and fencing repairs.</li> </ul>
Ooranook	Yes	Fair	<ul style="list-style-type: none"> <li>• Conducted regular inspections.</li> </ul>
St Senan's Church	No	Good	<ul style="list-style-type: none"> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Steven's, Cataract Catchment	No	Poor	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Conducted regular inspections.</li> </ul>
Upper Cordeaux Manor	No	Good	<ul style="list-style-type: none"> <li>• Internal fittings upgraded to tenancy standards.</li> </ul>
Virginia	Yes	Fair	<ul style="list-style-type: none"> <li>• Conducted routine inspections, site clean-ups and fencing repairs.</li> </ul>
Walker's, Cataract catchment	No	Fair	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Conducted regular inspections.</li> </ul>
Windmill Hill	No	Poor	<ul style="list-style-type: none"> <li>• Prepared Conservation Management Plan.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Yerranderie Court House	No	Good	<ul style="list-style-type: none"> <li>• Upgraded plumbing and water tanks.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> </ul>
Yerranderie Police Station	No	Good	<ul style="list-style-type: none"> <li>• Upgraded plumbing and water tanks.</li> <li>• Created a fire buffer zone around the property.</li> <li>• Conducted regular inspections.</li> <li>• Implemented stabilisation works in accordance with the Conservation Management Plan.</li> </ul>





## Appendix 23: SCA's Cultural Heritage Assets cont'

Heritage items	State Heritage Register Listing	2001–2002 Condition <sup>2</sup>	Works undertaken over 2001–2002
<b>LANDSCAPE ITEMS</b>			
Coxs River Track, Warragamba catchment	Yes	Fair	<ul style="list-style-type: none"> <li>Slashing for fire protection in the Scott's Main Range section.</li> <li>Rehabilitation assessment for the Belloon Pass section that was affected by the Christmas 2001 bushfire.</li> </ul>
Haviland Park, Warragamba Dam	Yes	Fair	<ul style="list-style-type: none"> <li>Recovery works post the Christmas 2001 bushfires. A maintenance program for significant cultural plantings has commenced.</li> </ul>
Wingecarribee Swamp	Yes	Poor	<ul style="list-style-type: none"> <li>Plan of Management received Ministerial approval and an implementation program developed.</li> <li>Continuation of the weed control program for blackberry and wild pussy willow.</li> <li>Aboriginal archaeological assessment of the swamp commissioned.</li> <li>Flora and fauna surveys of the swamp complete.</li> <li>Regular inspection, monitoring and reporting.</li> </ul>

### Notes:

<sup>1</sup> Non-indigenous cultural heritage only.

<sup>2</sup> Condition descriptors:

Good = Currently fit-for-purpose (operational) and/or generally intact.

Fair = Not currently fit-for-purpose (operational), but stable and requiring only moderate repairs.

Poor = Not fit-for-purpose (operational), unstable and requiring extensive restoration works.

## Appendix 24: SCA Publications

### Brochures

Sydney Catchment Authority corporate brochure  
Healthy catchments...quality water  
How to make a complaint or offer a compliment  
Privacy laws, the Sydney Catchment Authority and you  
Catching the Cleanest Water

### Fact Sheets

HSC Education Series  
SCA General Information Series

### Newsletters

Warragamba Spillway Community Newsletter

### Videos

A Safe Dam – a Sure Supply:  
Warragamba Dam Auxiliary Spillway  
The Warragamba Story

### Reports

SCA Annual Report  
SCA Annual Environment Report  
SCA Annual Environment Compliance Report  
SCA Annual Water Quality Monitoring Report  
2001 Audit of the Hydrological Catchments Managed by the SCA

### Other

- SCA Business Plan 2002–2007
- SCA Environment Plan 2000–2005

- Energy Management Plan 2001–2006
- Bulk Raw Water Quality Management Plan
- Special Areas Strategic Plan of Management (SASPoM) – Strategy
- Special Areas Strategic Plan of Management – Background
- Annual Report on Implementation of SASPoM
- Wingecarribee Swamp and Special Area Plan of Management
- Annual Report on Implementation of WSSAPoM
- Sydney Catchment Authority Operating Licence
- Memoranda of Understanding – NSW Health, EPA, DLWC
- Sydney Water Catchment Management (General) Regulation 2000
- Sydney Water Catchment Management (Environment Protection) Regulation 2000
- Sydney Catchment Authority Statement of Affairs
- Sydney Catchment Authority Summary of Affairs
- Expert Reference Panel – Charter and Procedures
- Local Government Reference Panel – Charter and Procedures
- Northern Regional Consultative Committee – Charter and Procedures
- Southern Regional Consultative Committee – Charter and Procedures
- Hawkesbury–Nepean Experimental Environmental Flow Strategy
- Pollution Source Risk Management Plan

### Joint Projects

Guide for New Residents – DLWC and SCA  
Catchment Protection Scheme – DLWC and SCA

# Glossary and List of Acronyms

<b>Bathymetric survey:</b>	Survey of lake bed using sonar equipment	<b>Protozoa:</b>	Microorganisms consisting on a single cell e.g. <i>Giardia</i> and <i>Cryptosporidium</i>
<b>Catchment:</b>	An area where water is collected by the natural landscape. In a catchment, all rain and run-off water eventually flows to a creek, river, lake or ocean, or into the groundwater system.	<b>Raw water:</b>	Unfiltered water supplied in bulk to water supply authorities for treatment before distribution to consumers
<b>Environmental flows:</b>	A release of water from storages so as to provide a flow of water in a river, stream or other natural waterway that: a) mimics natural seasonal flows, and b) restores and maintains the ecology of the waterway	<b>Special Areas:</b>	Lands mostly around drinking water storages that were originally set aside for the protection of drinking water quality
<b>Limnology:</b>	The study of bodies of fresh water with reference to their physical, geographical, biological and other features	<b>Water Storages:</b>	The SCA's dam walls, pumps and other works used for or with respect to the extraction and storage of: a) water in rivers and lakes b) water occurring naturally on the surface of the ground, and c) sub-surface waters.
<b>Megalitre:</b>	Measurement of volume equal to one million litres. One megalitre is approximately the volume of a one metre deep Olympic-sized swimming pool	<b>Yield:</b>	The amount of water that can be withdrawn from a reservoir on an ongoing basis with an acceptably small risk of reducing the reservoir storage to zero (Nevada Division of Water Planning, US).
<b>Pathogens:</b>	Microorganisms that can be found in water and which can sometimes cause illness in humans		

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<b>ADWG:</b>	Australian Drinking Water Guidelines	<b>IMS:</b>	Integrated Management System
<b>AIIMS:</b>	Australian Inter-Service Incident Management	<b>IPART:</b>	Independent Pricing and Regulatory Tribunal
<b>AMM:</b>	Asset Maintenance Management	<b>KRA:</b>	Key result area
<b>AMS:</b>	Asset Management Strategy	<b>LGRP:</b>	Local Government Reference Panel
<b>ANCOLD:</b>	Australian National Committee on Large Dams	<b>LMP:</b>	Land Management Plan
<b>ANZECC:</b>	Australia and New Zealand Environment and Conservation Council	<b>ML:</b>	Megalitres
<b>AwwaRF:</b>	American Water Works Association Research Foundation	<b>MoU:</b>	Memorandum of Understanding
<b>BWSA:</b>	Bulk Water Supply Agreement	<b>NPWS:</b>	National Parks and Wildlife Service
<b>CARP:</b>	Catchment Audit Reference Panel	<b>NRCC:</b>	Northern Regional Consultative Committee
<b>CIS:</b>	Catchment Information System	<b>OHS&amp;R:</b>	Occupational Health, Safety and Rehabilitation
<b>CLC:</b>	Community Liaison Committee	<b>PIP:</b>	Priority Industries Program
<b>CPS:</b>	Catchment Protection Scheme	<b>POEO Act:</b>	<i>Protection of the Environment Operations Act</i>
<b>CRC:</b>	Cooperative Research Centre	<b>PSRMP:</b>	Pollution Source Risk Management Plan
<b>CRCWQT:</b>	Cooperative Research Centre for Water Quality and Treatment	<b>RAP:</b>	Rectification Action Plan
<b>DAP:</b>	Disability Action Plan	<b>RCC:</b>	Regional Consultative Committee
<b>DSEP:</b>	Dam Safety Emergency Plan	<b>RFS:</b>	Rural Fire Service
<b>DLWC:</b>	Department of Land and Water Conservation	<b>RP:</b>	Regional Plan
<b>DMR:</b>	Department of Mineral Resources	<b>RTA:</b>	Roads and Traffic Authority
<b>DPWS:</b>	Department of Public Works and Services	<b>SASM:</b>	Special Areas Strategic Management
<b>DSC:</b>	Dams Safety Committee	<b>SASPoM:</b>	Special Areas Strategic Plan of Management
<b>EAPS:</b>	Ethnic Affairs Priority Statement	<b>SCA:</b>	Sydney Catchment Authority
<b>EASI:</b>	Environmental Assessment of Sites and Infrastructure	<b>SEMC:</b>	State Emergency Management Committee
<b>EEO:</b>	Equal Employment Opportunity	<b>SEPP:</b>	State Environmental Planning Policy
<b>EIS:</b>	Environmental Impact Statement	<b>SES:</b>	State Emergency Service
<b>EPA:</b>	Environment Protection Authority	<b>SLG:</b>	Strategic Liaison Group
<b>ERP:</b>	Expert Reference Panel	<b>SLWCA:</b>	Strategic Land and Water Capability Assessment
<b>FMECA:</b>	Failure Modes and Effects Criticality Analysis	<b>SOP:</b>	Standard Operating Procedure
<b>GPS:</b>	Global Positioning System	<b>SPCC:</b>	State Pollution Control Commission
<b>GST:</b>	Goods and Services Tax	<b>SRCC:</b>	Southern Regional Consultative Committee
<b>HNRMF:</b>	Hawkesbury–Nepean River Management Forum	<b>STP:</b>	Sewage treatment plant
<b>HSIE:</b>	Human Science and its Environment	<b>SWC:</b>	Sydney Water Corporation
<b>ICM:</b>	Incident Control Management	<b>SWCM Act:</b>	<i>Sydney Water Catchment Management Act</i>
		<b>TAMG:</b>	Total Asset Management Guidelines
		<b>Tcorp:</b>	Treasury Corporation
		<b>WFP:</b>	Water Filtration Plant
		<b>WRAPP:</b>	Waste Reduction and Purchasing Plan
		<b>WSAA:</b>	Waste Services Association of Australia
		<b>WSSAPoM:</b>	Wingecarribee Swamp and Special Area Plan of Management

**SCA Head Office, Penrith**

Sydney Catchment Authority:  
Level 2, 311 High Street,  
Penrith 2750  
PO Box 323,  
Penrith, NSW 2751  
Phone: (02) 4725 2100  
Fax: (02) 4732 3666

Website: [www.sca.nsw.gov.au](http://www.sca.nsw.gov.au)  
Email: [hotline@sca.nsw.gov.au](mailto:hotline@sca.nsw.gov.au)

**Visitor Information**

Warragamba Dam  
Visitor Centre  
Phone: (02) 4720 0349  
Hours: 10am to 4pm daily,  
except Christmas Day  
and Good Friday

**Other SCA dams**

Phone (02) 4640 1200  
Hours: 9am to 5pm  
Monday to Friday

**Emergency Reporting**  
(24 hours)

Fires, chemical spills  
Phone: (02) 9751 1988

**Field Office Locations:****Goulburn Office**

Newo House  
23–25 Montague Street  
Goulburn NSW 2580  
Phone: (02) 4823 4200  
Fax: (02) 4822 9422

Hours: 8am to 4pm  
Wednesday and Thursday

**Moss Vale Office**

Shop 1, Old Argyle Square  
256 Argyle Street  
Moss Vale NSW 2577  
Phone: (02) 4868 0300  
Fax: (02) 4868 0306

**Braidwood Office**

Park Lane  
Braidwood NSW 2622  
Phone: (02) 4842 9400  
Fax: (02) 4842 9402

**Depots**

Cordeaux Dam  
Warragamba Dam  
Kenny Hill  
Blue Mountains  
Burrawang

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