

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 5

**INQUIRY INTO HAWKESBURY-NEPEAN CATCHMENT MANAGEMENT
TRUST**

At Sydney on Monday, 3 December 2001

The Committee met at 9.30 a.m.

PRESENT

The Hon. R. S. L. Jones (Chair)

The Hon. Jan Burnswoods

The Hon. M. I. Jones

The Hon. G. S. Pearce

The Hon. J. F. Ryan

The Hon. Janelle Saffin

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CHAIR: I welcome the media and members of the public to this hearing of the General Purpose Standing Committee No. 5 for its inquiry into the abolition of the Hawkesbury-Nepean Catchment Management Trust.

I advise that, under Standing Order 252 of the Legislative Council, evidence given before the Committee and any documents presented to the Committee that have not yet been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by any member of such Committee or by any other person.

Copies of guidelines governing the broadcasting of the proceedings are available from the table by the door.

Before beginning the hearing I would like to thank the many members of the community who contributed submissions to this inquiry. Forty-six submissions have been received to date, many of very high quality. Within the limited time available only some of those who contributed submissions have been able to be invited today to give evidence, but thank you to all those other members of the Hawkesbury-Nepean communities for the assistance they have provided to this inquiry.

The hearing will commence with evidence from several former trustees of the Hawkesbury-Nepean Catchment Management Trust.

KEVIN RICHARD ROZZOLI, Member of Parliament, Penny Green, The Avenue, Burradoo;

PETER DAVEY, Consultant, 10 Millstream Grove, Dural;

ALASDAIR CHARLES McINTOSH GUTHRIE, Consultant, 2 Asaph Close, Hornsby Heights, sworn and examined, and

JENNIFER NINA SMITH, Company Director, PO Box 63, Wentworth Falls, and

ANTHONY DONALD ROSS, Veterinary Pathologist, 47 Griffith Avenue, Camden, affirmed and examined:

CHAIR: Mr Rozzoli, in what capacity are you appearing before the Committee?

Mr ROZZOLI: As former trustee of the Hawkesbury-Nepean Catchment Management Trust and as its deputy chairman.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr ROZZOLI: I am.

CHAIR: If you have given a submission to this Committee, do you wish it to be included as part of your sworn evidence?

Mr ROZZOLI: I was a joint signatory to a submission with several of my former trustees and, yes, we are happy for it to be published.

CHAIR: Mr Davey, in what capacity are you appearing before the Committee?

Mr DAVEY: A trustee and former chief executive officer of the Hawkesbury-Nepean Catchment Management Trust.

CHAIR: Are you conversant with the terms of reference of the inquiry?

Mr DAVEY: I am.

CHAIR: Ms Smith, in what capacity are you appearing before the Committee?

Ms SMITH: As a former trustee of the Hawkesbury-Nepean trust.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Ms SMITH: Yes, I am.

CHAIR: Mr Guthrie, in what capacity are you appearing before the Committee?

Mr GUTHRIE: Former trustee of the Hawkesbury-Nepean Catchment Management Trust.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr GUTHRIE: I am.

CHAIR: Dr Ross, in what capacity are you appearing before the Committee?

Dr ROSS: As trustee of the Hawkesbury-Nepean trust.

CHAIR: If you should consider at any stage during your evidence that, in the public interest, certain evidence or documents you may wish to present should be heard or seen only by the Committee, the Committee will be willing to accede to your request. Please be aware that the Legislative Council may overturn the Committee's decision and make the evidence public.

Do you wish to make introductory statements?

Mr DAVEY: I do.

Chair and Committee members, experience over the last 10 to 15 years with catchment or watershed management, as it is known in some parts of the world, indicates that successful community-government programs to address environmental degradation share at least 10 common elements. One is a shared acknowledgment of the nature and extent of the problem and a commitment to do something about it; a good understanding of the factors that contribute to degradation; active and informed community networks; an overarching strategy to guide that action; evidence of a variety of community-government partnerships delivering real progress; a commitment to community education and facilitating community input in decision making processes; a broadly based source of funding; a commitment to celebrating the catchment and river system; a champion or advocate recognised and respected for advancing the interests of the catchment, and a commitment to evaluating and transparently reporting progress in terms of both the management of the catchment and river health outcomes.

By any fair assessment, in its brief life from 1993 to 2001, the trust had made leading and, we believe, innovative contributions across all of these elements. It had established a reputation locally, nationally and internationally for its credibility in terms of data and information provision and as a highly respected source of advice on integrated catchment management. It had established a mature working relationship with key stakeholders across government and non-government sectors within and beyond the catchment. It had developed one of the most comprehensive networks of catchment care community groups anywhere in Australia. It had developed one of the most comprehensive and detailed strategic plans for any catchment in Australia. It had facilitated a wide variety of government-community programs based on strong partnerships. It provided leadership and innovation delivering catchment management education to schools, education professionals, agencies, business and the community. It had leveraged around \$4 of direct and in kind funding support for every dollar provided by New South Wales Treasury. In terms of celebrating the river it was instrumental in promoting and getting going the Great River Walk which, when completed, will link Sydney to Canberra and all the communities in between. In terms of catchment health reporting, it had provided significant assistance to councils in the development of their state of environment reports including, in particular, a comprehensive state of environment manual and was in the process of developing the first comprehensive state of the catchment report.

Given these and many other achievements, the Committee might appreciate why the trust board, its staff and the majority of its community and government partners were shocked by the Government's decision to terminate its operation without any consultation and with an absolute paucity of credible explanation for its actions.

The action taken by the Government with the apparent intent of achieving cost saving and more on ground improvement resulted in the abandonment of one of the most influential voices for catchment management in this State. It put at risk the broad base of community support that the trust had generated and dismantled a range of innovative programs which were delivering real benefits.

The action disregarded the significant decision by the Cabinet Standing Committee on the Environment and the support that the trust enjoyed at ministerial level. We particularly note the decision by the Cabinet Standing Committee to approve a statement of joint intent which directed key agencies and the trust to implement a range of significant actions resulting from the Healthy Rivers Commission of Inquiry into the Hawkesbury-Nepean. The SOJI (statement of joint intent) set down a very significant role for the trust including development and oversight of a strategic plan for managing the catchment river system.

It is difficult to make sense of the abolition action in circumstances where a Cabinet Committee, of which the Minister for Land and Water Conservation is a member, assigned major new responsibilities to the trust; the Minister for the Environment made a substantial grant to the trust only days before its termination to develop and deliver stormwater education as part of the Government's \$15 million Urban Run-off Control Program for the Blue Mountains, and where the Minister for Western Sydney continually expressed support for the trust and acknowledged its important contribution to developing community-government partnerships to improve the health of the Hawkesbury-Nepean, importantly some of those being delivered through the office of western Sydney.

The stated rationale for dismantling the trust to achieve cost savings and more on ground works needs careful consideration by the Committee. Does it acknowledge that even State Government commissioned reviews and cost benefit studies assessed the trust as an efficient operation delivering real benefits to the Hawkesbury-Nepean? Did it recognise what cost would be borne through the loss of financial and in kind contributions from the community and industry groups who supported the trust and may not have the same affinity with regulatory agencies? Did it recognise that the Treasury grant the trust received did not increase during the entire life of the trust and probably represented less than one percent of all public and private expenditure on environmental improvement in the catchment? Did it acknowledge that the best use of that grant funding was to leverage better decisions on how the other 99 percent might be spent? Did it recognise that the charter assigned to the trust by the State Government, through its regulation 1999, was much wider than delivering on-ground works?

Mr Chairman and Committee members, consistent with our submission, I would like to focus on the three broad areas of the inquiry: the manner in which the trust was dismissed and the reasons for its dismissal; the effectiveness of the trust and the impact of the trust dismissal on the catchment community.

As to the manner of the trust's dismissal, several points are worth highlighting. There was no consultation prior to termination, certainly with the trust. There was no recognition that even though the trust was accountable to the Minister for Land and Water Conservation, it was a statutory corporation independent of the Department of Land and Water Conservation with trustees appointed by the Governor, the majority of whom were community representatives.

As to the reasons stated for its dismissal, three statements of the Minister's press release warrant careful examination by the Committee and I refer to the press release of 6 April of this year.

Abolition of the trust would enable more cost effective administrative arrangements for the Hawkesbury-Nepean and free up funds for on-ground works. Existing on-ground activities of the trust would continue and all trust staff would be allocated to relevant DLWC programs and thirdly, there was already a reference panel in place for the Hawkesbury-Nepean, a joint venture of local council, industry groups and State Government.

As to the last point, the Committee should appreciate that no council industry group and agency reference panel existed on the Hawkesbury-Nepean, other than the trust itself. What the Minister was referring to was a local government reference group which was established by the trust to strengthen partnership arrangements. This inaccurate statement goes to the veracity of advice given to the Minister by his own office and his own department.

As to the potential for more cost effective administrative arrangements and more on-ground works, I draw the Committee's attention to section 5 of our submission. Using the trust's 2000-01 budget the Treasury allocation provided to us was \$3.588 million. Of that, approximately \$900,000 was allocated to administrative and executive support costs, which included the cost of running the trust board. The remainder of the trust core funding, approximately \$2.6 million was allocated to projects.

Assuming all trust staff working on projects were to continue in the employment of DLWC, the trust was effectively terminated for a saving of \$900,000. Further, taking into account the trust's leveraging ratio of around four to one, it could be normally expected to add around \$10.4 million worth of additional value from the \$2.6 million of Treasury allocation.

It is our view that DLWC will have considerable difficulty in emulating that kind of leveraging on an ongoing basis. The long-term benefit of the Government's action to terminate the trust must therefore be brought into serious question.

As to the effectiveness of the trust overall, our submission highlights in some detail a wide range of programs which were widely acknowledged as making a real difference to the management and the health of the Hawkesbury-Nepean.

Importantly those programs need to be considered by the Committee in the following context: Firstly, the trust was subjected to a continual and comprehensive series of reviews regarding its operations and the appropriateness of its regulation. None of these views concluded or even seriously contemplated that the trust should be terminated. Secondly, there had been no feedback from Government at any time that the trust was not delivering good programs and real benefit, or that it was operating contrary to its regulation. Thirdly, and perhaps most significantly, the trust clearly recognised, as did its regulation, that effective integrated management in a catchment as complex as the Hawkesbury-Nepean, required as much attention to developing social capital and effective accountable institutional arrangements as delivering on-ground works.

As to the impact of the trust's abolition, it is our view that there will be immediate and longer term consequences. It might be useful for the Committee to consider the following: How will the State Government re-cast its statement of joint intent developed as a result of the Healthy Rivers Commission of Inquiry? What organisation will independently monitor and report on implementation of the strategic plan? What organisation will independently report on the state of the health and the management of the Hawkesbury-Nepean, and report on the implementation of Sydney Regional Environmental Plan number 20?

What organisation or organisations will continue to grow and support the extensive network of catchment care groups developed by the trust? Can Government agencies with key regulatory responsibilities leverage the same level of community support and investment? Can any single Government agency continue to provide the coordination and leadership necessary to develop and drive the diversity of programs the trust was delivering? What vehicle will be established, if any, to enable the community voice to be heard in the Hawkesbury-Nepean?

This last question in many ways goes to the independent advocacy role of the trust and in the absence of more plausible explanations from Government, we as trustees can only conclude that the trust advocacy role may well have been a factor in a decision to terminate its operations.

Recognising the enormous development pressures on the catchment and the key components of the Hawkesbury-Nepean, which are under significant environmental stress, the trust had a strong and justifiable commitment to advocacy. This meant speaking authoritatively for, defending and promoting the Hawkesbury-Nepean in clear and public ways so as to improve its management and health.

Indeed, this advocacy role was a defined responsibility within the trust regulation. Moreover, it was a role that all informed sections of the community expected us to fill. The critical point for the committee to consider is that although the range of key issues raised by the trust in its advocacy role had elements of controversy, whether in relation to ADI, in stream extraction, storm water and waste water management, or the protection of aquatic habitat, the trust formulated its responses based on the best available information in full consultation with key stakeholders and always in the interests of the Hawkesbury-Nepean.

Informed and responsible use of public advocacy is an indication of mature relationships between the community and Government at all levels. Without such a role the trust considered that there was a clear potential for it to be seen to be giving inappropriate or expedient countenance of the policies and actions of others which, in the trust's view, was not in the interests of the catchment river system.

That being said, the trust recognised that other stakeholders, particularly Government, cannot exclusively focus or always accommodate the trust perspective. The critical point here is that it was entirely legitimate for the trust to clearly and authoritatively advocate positions on key issues, use its best endeavours to gain support for those positions and participate in processes which may lead to outcomes that fall short of those positions.

In concluding this opening statement, Chair and Committee Members, we ask the Committee to consider that a time when Government is placing great emphasis on community consultation and community-Government partnerships, the action to abolish the trust seems to have completely disregarded how it was established in the first place. It was established with bipartisan political support out of community concern for the Hawkesbury-Nepean and the lack of an independent voice.

Such an independent voice is not only an important community asset, it is an asset to Government. It provides a source of informed advice, unfettered by the regulatory management and financial demands placed on mainstream State agencies. It also serves to moderate the often disparate and sometimes uninformed concerns of the different community sectors.

The Hawkesbury-Nepean and its communities no longer have an important moderating and influential voice for integrated catchment management. Indeed, it is insightful to read the proposed

revised catchment management act, because the Hawkesbury-Nepean hydrological catchment no longer rates a mention in that Act.

Indeed, there is no provision for the establishment of a catchment management board, even though every other catchment system across New South Wales has one.

The action taken to terminate the trust generated justifiable outrage across the Hawkesbury-Nepean as is demonstrated in the letters of support received by the trust and the triggering of this inquiry. The Government has created an integrated catchment management vacuum in the Hawkesbury-Nepean which will not be filled by State agencies.

In the absence of any clear indication of a successor, one of the most significant catchments is now a poorer cousin to all other catchment systems across New South Wales.

CHAIR: Can I go first of all into the money aspect? That seems to be at the time the reason given most prominently for the sacking of the trust. The submission by the Minister for Agriculture and Land and Water Conservation to us, submission number 30, says that the separate income of the trust for 1999-00 was of over \$5 million and the annual current funding is \$3.588 million. Now, that would indicate that the trust had raised something like \$1.5 million or \$1.6 million over and above the \$3.588 million.

Do you have any figures, based on your four to one fundraising leverage, how much would have actually been raised in that year and what actually was the income for that year? Do you have any figures at all on that?

Mr DAVEY: That is 1999-2000? I can only estimate what those numbers would be. I do not have the information for that financial year in front of me.

CHAIR: It says over 5 million, but would it mean 6 million or 7 million?

Mr DAVEY: Probably closer to 7 million.

CHAIR: Your submission comments that the Department of Land and Water Conservation will not be able to gain the same kind of leverage from community groups and business and so on. Do you have any evidence of any leverage, any money that has been able to be raised at all? I mean how much of your work will now go down the drain as a result of that lack of leverage, do you think?

Mr DAVEY: I think the assessment we are making is that a State agency with regulatory responsibilities that does not have the same affinity with all the stakeholders that the trust had is going to have great difficulty. It is very hard to quantify that seven months out from the abolition of the trust and I think collectively our view would be that that needs to be assessed probably in a twelve month time frame to see what honestly has been leveraged and what has not been leveraged, but the point we are simply making is that, from our assessment, given the amount of effort the trust placed on leveraging both real and in kind contributions from the community and from the broader range of stakeholders, to assign that to a State Government agency and expect the same sort of leverage is, I think, an ambitious ask for that agency.

CHAIR: In relation to support from the community, you had how many volunteers - 7,000?

Mr DAVEY: Something in the order of 7,000 volunteers that were part of a very broad network of what we call catchment care groups: Bushcare, Landcare, Streamwatch, groups across the catchment. That is an enormous number of community volunteers. That is not including the catchment support committees that the trust itself established to assist fulfil the delivery of integrated catchment management, so we had an extensive range of community groups very widely dispersed across our operating area.

CHAIR: Do you know how many of these volunteers would remain with the program under the Department of Land and Water Conservation? Have you any evidence of drop-off of the volunteers?

Mr DAVEY: Again it is hard to gauge seven months out. My colleagues may wish to comment. All of the Streamwatch network would continue. I understand that the Department along with the Sydney Catchment Authority has given a commitment that that will continue. Many of the Bushcare groups were actually in part or in whole supported by local government. The network of Landcare groups is probably a little bit more problematic in terms of what support they will receive, but we would be unfortunately confident that there will be a downgrading because there is no central focus any more for those groups to interlink and interchange information.

CHAIR: The Department says that there are various programs which they are hiving off into other organisations, such as Knapsack Creek management, riverbank revegetation and so on. Do you believe that those particular projects, which presumably are very important, will retain their momentum?

Mr DAVEY: We can only - and I would invite my colleagues to respond as well - assume that, based on our experience, unless they are given the same degree of support that the trust gave and the same degree of strategic support, not just on ground operational support, then I think there is a real risk of those programs not surviving in the longer term.

Ms SMITH: I think in some areas there will still be a continuation where those programs fit neatly within the charter of DLWC. Streamwatch now has had to be taken over by Sydney Water and the Sydney Catchment Authority does above the dams. The Landcare network is fairly well established. The weakness is that the trust supplied very good support to those groups. We now have one peri-urban coordinator, as it is called, who is actually somebody who worked with the trust very closely. That person is the only coordinator now for the Landcare groups between the Upper Nepean, the dams down south, all the way up to Gosford. Now that one person is a very good quality operator. Because he carries forward the legacy of the trust in credibility and commitment, he works a six day week; he meets in the evenings; he is a guy who is commendable in his efforts and who will burn out unless there is a lot more support coming forward from the department. The community is very aware of that. The community is supportive of this person and knows that he is doing a job way beyond his ability to do it properly. That person is also the only person who is available to give funding advice on applications, so when the community groups come forward with an idea they basically are restricted to access to that person because he seems to be the only person on the ground. That is the report that I have back from the community. Now the department might have a different view of this, but I can only reflect what the community is saying to me when I ask "How is it going?" That is the report I am getting back.

The Hon. MALCOLM JONES: In the raising of money you mentioned that - please correct me if I am wrong - of \$10.6 million \$3.5 million was from Treasury. In the trustee's submission which was tendered by Ms Smith - and I draw the Committee members' attention to submission 37 - on page 17 there is a breakdown of money which I assume was compiled in 1999 by

the ATEC Group and it does not give a specific time frame of the money, but I do not suppose that really matters, the ratio is all I am really getting at, and here we have an in kind contribution to stakeholders of \$22.5 million. Now is that a cash value placed by the ATEC Group or somebody else on the value of the volunteer work?

Mr DAVEY: That was an estimated value of the in kind contributions from right across the board, whether it is, for example, on ground works undertaken through the 7,000-odd people contributing through the catchment care network; it may be also or certainly is the contributions of the catchment support committees; it is the in kind contributions from councils where not only do they provide cash to run some of the programs but they provide expertise and their own equipment.

The Hon. MALCOLM JONES: Is the cash that they provide separate to the in kind contributions?

Mr DAVEY: Yes.

The Hon. MALCOLM JONES: Can you state the in kind contributions and a description of in kind contributions?

Mr DAVEY: The in kind contributions, as I have said, encompass a time estimate, the time that people put in, whether it to be community projects, whether it be participating in catchment support committees, whether it be contributions of individuals' expertise to programs through local government agencies - there are a range of ways in which those contributions can be made - and my understanding is that ATEC, in forming that assessment, derived some base information from us and then used the Natural Heritage Trust guidelines which indicate what level of in kind contribution you can include in an NHT application. There is a formula for that.

The Hon. MALCOLM JONES: With the \$900,000, which is an annual administration cost, can you give us a breakdown of that \$900,000?

Mr DAVEY: I would have to refer to the business plan that I have in front of me, which is the 2000-2001 business plan, and that has a breakdown in terms of executive support, for example. Of that \$900,000 around about \$150,000--

The Hon. GREG PEARCE: Is that a public document?

Mr DAVEY: Yes, it is a public document and I am happy to leave a copy here if you so wish.

The Hon. MALCOLM JONES: Please continue.

Mr DAVEY: Around about \$150,000 was for business administration services. That included things such as provision of secretarial and administrative support, human resources and management, financial management support, information technology and so forth.

Around about \$300,000 was tagged to support the trust board itself, whether that be through the payment of sitting fees and travelling expenses and so forth, bearing in mind our trust board itself was in excess of 20 and the trust board met monthly, or whether that is enabling the development of strategic material to support the deliberations of the trust, that is its agenda papers and so forth.

On top of that there was money allocated within that \$900,000 for operating our catchment support committees across the catchment. That was in the order of about \$480,000, so I think that gets pretty close. I have not got a calculator with me, but that is close to \$900,000.

The Hon. MALCOLM JONES: There were allegations of lucrative motor vehicle expenses, made by various parties, at the time of the cancellation of the trust. Where would executive motor vehicles fall in those figures?

Mr DAVEY: Executive motor vehicles, there were only if we are talking about - can I clarify?

The Hon. MALCOLM JONES: They would be in those figures?

Mr DAVEY: Yes.

The Hon. MALCOLM JONES: Whereabouts in those figures?

Mr DAVEY: That would have come within that \$900,000.

The Hon. MALCOLM JONES: Whereabouts in the breakdown you have just given us?

Mr DAVEY: In the breakdown that would probably come within - it is spread between executive support and business administration services. There would also be some motor vehicle costs assigned directly to projects, so it is a bit hard to give you a specific answer. You would have to go through this budget in some detail because the costs of motor vehicles that directly related to projects would appear as a cost against the project.

The Hon. MALCOLM JONES: Say the general manager, or the senior executive officer, if he is provided with a motor vehicle?

Mr DAVEY: They would be included within that \$900,000.

The Hon. MALCOLM JONES: Surely it should not be spread out amongst a range of projects?

Mr DAVEY: They would not.

The Hon. MALCOLM JONES: Why is it difficult for you to put your finger on where that is?

Mr DAVEY: You have asked about executive motor vehicles.

The Hon. MALCOLM JONES: That was one example given about the extravagances of the trust, as I remember, and what I am trying to find out is in those accounts, where would we find the recording of such expenses?

Mr DAVEY: If we are talking about executive motor vehicles, there were two such vehicles, one that I had and one that the chair had. The one that I had was a motor vehicle provided on the same basis as is provided to the public sector senior executives.

The Hon. JOHN RYAN: That was part of your salary package, was it?

Mr DAVEY: Yes, and I paid for that.

The Hon. JOHN RYAN: It was effectively your own motor vehicle?

Mr DAVEY: Effectively I paid for that vehicle by salary sacrifice.

The Hon. JOHN RYAN: Therefore it has nothing to do with public sector at all.

The Hon. MALCOLM JONES: Therefore that vehicle will come under executive employment?

Mr DAVEY: It is part of it. We had one motor vehicle provided to the chair of the trust because the chair of the trust lived a long way from the trust's office.

The Hon. MALCOLM JONES: Mr Davey, the trust was very abruptly dismissed and, as you said in your submission, with a grant being made to the Minister for Environment only two days before its cancellation. Why, in your opinion, did the Government cancel the trust?

Mr DAVEY: In the absence of more comprehensive explanations from Government, from my point of view and I am sure from my colleagues here, we are still left with a huge vacuum in terms of why the action was taken and therefore we could only speculate, based on what was advised to us officially, both in terms of the Minister's press release of 6 April and in terms of what was said to myself, the trustees, and my staff essentially at very short notice.

It was a restatement that more cost effective arrangements were going to be put in place and that DLWC would continue the work of the trust. That is as comprehensive an explanation as was given to us.

The Hon. MALCOLM JONES: You are protected, having taken the oath. Would you like to speculate?

Mr DAVEY: Well, in part of my introductory statement I did indicate that the trust had, probably over the second half of its life, become aware of the need to speak out in informed responsible ways about important catchment health issues and had taken quite a deliberate decision that where it believed the interests of the catchment needed to be expressed in a public way that we would do that.

The Hon. MALCOLM JONES: Did that conflict with Government policy?

Mr DAVEY: Where it conflicted with Government policy, it was made clear that we were expressing a view that Government may not totally agree with. Wherever possible we did not contradict Government policy. For example, I know that there has been mention made of the trust's position on the Australian Defence Industry site. If you look carefully at our position on that, it states quite clearly that our preference was that the site be retained because of its unique environmental and ecological values.

It also said that if Government for a whole range of other reasons, decides to develop that site, it needs to be undertaken in a very strict environmentally sensitive way within a nest of integrated plans. It did not absolutely rule it out, it simply said our first preference was that the site should not be developed, but if it is going to be developed it has to be done according to very strict

environmental standards and with transparency.

The Hon. MALCOLM JONES: What other examples of conflict with the Government can you cite?

Mr DAVEY: I would say that we did not essentially have, to use your word, a conflict with Government. At least there was no indication given to the trust, either to myself, to the chair, or to trustees, that there was a conflict of any kind on any issue. We expressed views very responsibly. Those views were taken into account, but there was never any sort of orange light go on to say from Government: Hey, you are going too far with this. You are stepping out of line.

We were always conscious that we worked within a regulation which defined our operations. We were never told that we were working outside that regulation and we were never given any feedback from the Minister or indeed from other Ministers that our work wasn't other than consistent, innovative and making a difference.

The Hon. MALCOLM JONES: Compared with other river management systems, which it would appear at first sight to be operating on a much lesser budget for yourselves, how do you feel in terms of your budget and in terms of the end product that the trust delivers? How do you feel you compare with other river management boards?

Mr DAVEY: My own assessment - and I might invite my colleagues to comment on this - having looked at similar organisations is that, pound for pound, we did an exceptionally good job. I think what needs to be borne in mind is that the trust itself was a unique organisation. It was not a river manager, and that point needs to be made clear. It was not a management organisation. The reason why it was able to perform the role it did was because it was not burdened with or assigned the traditional management responsibilities that normally rest with local government or with State agencies. That is why it was able to maintain that independent role. So to that extent it did not have a traditional management function. It had a coordination, an advocacy function and so forth, but it delivered a whole range of programs to those organisations that did have that management role.

The Hon. MALCOLM JONES: You have just raised one other issue. Can you give us some examples, please, on why your role would differ compared with other river management boards?

Mr DAVEY: It differed on two essential counts. One is that the role assigned through its regulation did not define in any statutory sense a management role and it did not have enforcement of regulations. It did not enforce regulations or Acts of Parliament in the same way that the Department of Land and Water Conservation or the EPA do, or local government for that matter. Secondly, where it conducted programs that delivered on ground works, those on ground works were almost invariably delivered by managers. We brought the players together, but it was ultimately local government, State agencies and other bodies that delivered those programs.

The Hon. GREG PEARCE: The 1999 regulation has as one of its functions the submission of a strategic plan before 1 September 2000 for approval of the minister. Was that done?

Ms SMITH: There was a preliminary draft submitted to the minister in October. I have copies here for every member of the Committee which I would be happy to leave. Subsequent to that there was a next draft produced.

The Hon. GREG PEARCE: The minister did not approve the draft that you submitted?

Ms SMITH: When it was submitted to the minister it was submitted outlining a future program, that we would be coming up with a draft for public comment, and we received no response. We had, I think, a letter confirming that they had received it and really we then assumed we had to proceed down that timetable which was outlined in that draft that we sent to the minister, which we did. There was no formal approval or disapproval at that stage.

Mr ROZZOLI: If I may just comment on that: The minister, in his public statements after the abolition of the trust, indicated that the trust had completed the strategic plan and therefore it could now be taken over by other agencies to implement. The fact of the matter was that the process of the adoption of the strategic plan was that we would submit the draft; that draft would then have to be cleared by the department for public exhibition; it would then go through another consultative phase and as a result of that consultative phase the ultimate strategic plan would be approved. The time frame went beyond the original time frame set down in the regulation, but that was with the consent and blessing of the department who realised that the task of doing it was much greater than was originally envisaged. There seemed to be a misunderstanding on the part of the minister of exactly the process that his own department was committed to in that he had stated that the job was virtually completed when in fact it was still in an intermediate stage. The strategic plan had to be signed off by the various agencies who had in fact the carriage of much of its implementation. It was not the trust's strategic plan as an organisation, it was a strategic plan for the future management of the catchment as a whole and the trust was merely the agency that prepared the strategic plan.

The Hon. GREG PEARCE: That is my point. Under the regulation which was introduced by this Government the primary task, it seems to me, that you had was to prepare the strategic plan and you had to submit it by 1 September 2000 for approval by the minister. Under the regulation the plan was to be prepared in consultation with government agencies and local government councils and so on and members of the community, as the trust considered appropriate, which you did at one time, and the minister should then have approved it. Then under this regulation you were to review the strategic plan on an annual basis with the minister, make recommendations for change and so on, so it seems to me that you had a falling out straight away in that the minister did not approve your strategic plan and I am just trying to understand whether at that stage there was a fundamental difference between the trust and the minister or did the minister, as Mr Rozzoli seems to be saying, not understand what the process would be and how much it would impact on other agencies and how much work would be involved from the Government's point of view?

Ms SMITH: It is possible that there might have been a misunderstanding, but I think a strategic plan was actually commended or the strategic work that the trust had undertaken was actually commended by the minister in his press release. He made special note of the strategic planning work of the trust and the educational work of the trust, so it would be hard to understand how, on one hand, you would commend the trust for the work that it had done and then find it totally unacceptable. I think the detailed nature of the plan probably did challenge and, you know, it put on the table those matters which really needed urgent attention. It prioritised action and whether that, in itself, became an issue, it certainly was not made clear to the trust, but the actual process undertaken by the trust appears to have been commended.

The Hon. JOHN RYAN: Can I just read you a sentence or two from the Department of Land and Water Conservation submission to this Committee and it might give you a hint as to what I think my colleague, Mr Pearce, is getting at. It says here with regard to the current status of the strategic plan implementation: "Work has commenced to develop this plan in a form that is consistent with plans being developed by the catchment management boards across New South Wales". Is there some suggestion that the form of the plan that you developed was not consistent

with those being developed by other catchment management boards?

Mr DAVEY: If I might comment on that particular issue, I think perhaps what needs to be appreciated is that, when the trust's regulation came out with quite specific directives that were seen as strategic planning, the Department of Land and Water Conservation had not at that point formulated any guidelines as to how strategic plans ought be developed and indeed our plan was very well advanced before the department produced any guidelines whatsoever to its catchment management boards in terms of what ought to go into a strategic plan, so we had two processes going on here: A directive from government for us to develop a strategic plan, but without the subsequent guidelines that the department produced to assist boards later down the track to formulate their plans, and what I think that is referring to is that because our plan was at the spearhead of this process and was done at a time when there were not guidelines, the guidelines came in later, so the department is attempting now to refashion this plan according to those later issued guidelines.

The Hon. JOHN RYAN: So how were the two different?

Mr DAVEY: In summary, the two were different in that the department wanted to have less targets, more quantifiable numbering type targets and only focus on a narrow range of issues. The trust itself took the view that the Hawkesbury-Nepean catchment is an enormous catchment with some major complexities to it. There is no way that distillation down into a series of simplistic targets was going to really serve the ultimate interests of the catchment and indeed I should add that the feedback we got from agencies in the formulation of this plan was always very positive.

The Hon. JOHN RYAN: Could you document that perhaps, to help us, by giving us a copy of your draft strategic plan with information as to how that was going to be different from the guidelines?

Mr DAVEY: I am sorry?

The Hon. JOHN RYAN: Can we have a copy of your draft and the guidelines so that we can see how the two were different?

Mr ROZZOLI: Please understand that the guidelines did not exist at the time.

The Hon. JOHN RYAN: We understand that.

Ms SMITH: I think that the guidelines would certainly be available from DLWC and what I can do is very briefly give you an overview of how they are actually trying to modify the existing strategic plan to fit, if that would help.

The Hon. GREG PEARCE: Could you do that and give us that as a submission?

Ms SMITH: They are were, in the original strategic plan, four first order objectives. They remain the same. Sitting underneath those first order objectives there were 13 catchment targets. In the revised plan those 13 catchment targets are being rolled up into four, so there are four catchment targets.

It had taken the trust an extremely long time to bring it down to those number of targets and we felt that it was important because of, as Peter has said, the complexity of the catchment.

There were 45 management targets which sat underneath those catchment targets. In other words 45 things that the managers in the catchment had to aim for. They are now aiming to get 18 instead of the 45.

There were many priority actions which then sat underneath those management targets. In other words, to achieve those management targets a lot of priority actions were outlined. Those priority actions are now being reassessed as to what is considered most effective to meet those revised targets.

The concern is that we had a steering committee that oversaw that strategic planning process, which was made up of local government agencies, community, the catchment support committees, which the trust had throughout the catchment, and your natural resource expertise.

That revision is being overseen by the department, with a reference group to local government and a reference group to agencies. There is no community input whatsoever.

Considering the mood of the community out there, to not involve the community at this stage is probably extremely unwise and I just have to leave it like that, I think. I think the process, all the hard work which has gone into determining what required actions are needed in the catchment to deliver the outcomes that everybody had agreed needed to be delivered, to jeopardise that by excluding the community is extremely unwise. That is what the trust was good at, bringing that mixture together.

Mr DAVEY: The community view from where I come from, not as an employee of the trust, but as a member of the community before the trust and after the trust, is that this is wilful act of dumbing-down what was a complicated and difficult process. The level of complexity in the Hawkesbury-Nepean is not to be underestimated both at the level of catchment management administration where you have 16 councils and numerous agencies and so on, and the idea that we have to take this very valuable and difficult to produce document, and reduce it to a blue print, which is what these catchment plans are being called now elsewhere in the State, is a triumph of process over reality and is likely to lead to a dumbing down.

I invite you when the appropriate documents are out to compare our document with what actually comes out the other end of the DLWC pipeline.

The Hon. GREG PEARCE: What I am hearing and what I have quickly read from this is that the Minister established the trust to work on the strategic plan for a catchment which is absolutely vital, not just to the area itself that is covered by the trust, but to Sydney as a whole. You did your work and when you came up with your plan, shock horror, it actually showed what had to be done and so the response was - and I liked your expression dumbing down.

Mr DAVEY: Many of the trust issues - I did not get a chance to talk about the reasons for the dismissal and we are left to speculate because Minister Amery has not seen fit to state them. The ones he has stated are ephemeral and clearly not true, such as on-ground works and the financial savings. I invite you to ask other parties what those financial savings really might be.

You cannot take on board all of the projects of the trust and save substantial amounts of money. You have either to drop them off or continue with expenditures at more or less the same level. I agree that the superstructure of the trust was a layer that has now been dispensed with, but if you want to reach out to the catchment and have a facilitation role, which is what was required of us in the regulation that you talked about, that should be the reference point, how did we perform

against that regulation, and the answer is very well, in my opinion.

Minister Amery did not address any of the matters in that regulation and it is not as though we have been superseded by a grand vision. There is now a void and that tells you a little bit about the reasons or the lack of them for the dismissal of the trust. It was not a Cabinet decision. We know that from several Ministers informally. We do know that Minister Amery and Premier Carr exchanged letters.

The Hon. GREG PEARCE: Do you have copies of those letters?

Mr DAVEY: Yes, and I believe you do too.

The Hon. JOHN RYAN: We do not formally.

Ms SMITH: They are available.

Mr DAVEY: There was certainly no consultation and from a community view it was an absolute disaster to have years of consultation to set the trust up, to have Government appointments, Governor appointments and so forth, and then just a letter of dismissal without consultation at the end if that is the way community-Government partnerships develop, the Government needs to go back and have a much stronger look.

There is a poor fellow who is in the Premier's Department who has been appointed to oversee and develop Government community partnerships. Well, I wish him luck, because this is an example of what you should not be doing.

We are sophisticated enough to be evolutionary in the way we work with Government. There is no need to sort of pretend that what you started with seven years ago cannot change, but to cut off things the way we were cut off is ridiculous and the lack of transparency, the reasons that Minister Amery was prepared to give, are a real indictment of supposedly equal footing of Government-community partnerships.

The Hon. GREG PEARCE: When the regulation was passed in 1999 presumably the Minister at that stage had a budget for the operation of the trust. On a number of occasions you have said that funding was stagnant for a number of years, so the administrative type costs were well and truly known and they were paid by the Government and the Government was happy to do that. Is that correct?

Mr DAVEY: Yes.

The Hon. GREG PEARCE: That was a cost which was expected to be met in terms of preparing the strategic plan and that expenditure was an approved expenditure. It was the policy to spend it, so at that stage the Government and the Minister saw that as a useful expenditure of money.

Under the regulation the trust was expected to prepare a report every four years on the state of the natural resources in the trust and that was for the state of the environment report, so it was expected that you would be at least going for four years and reporting every four years. So when you were established, clearly the Minister had a longer term role for the trust in mind and you were running along with that longer term role and the expectation that is what you would be doing.

Mr DAVEY: It is perhaps--

The Hon. JOHN RYAN: Until you did actually do what you were supposed to do, give them the strategic plan?

Mr DAVEY: Yes. Prior to the minister's decision, some months beforehand, we had actually, as a board, written to the minister seeking some supplementation to the Treasury funding and that was done for several reasons. First of all, we had not actually received any increase in our base Treasury funds since 1993, so the real value of that money had declined in the meantime; secondly, in the trust's revised regulation of 1999 we were given substantially increased responsibilities above and beyond those that were in the original 1993 regulation. For example, we were assigned the role of delivering the strategic plan and the state of environment reporting process which was not part of the original regulation, so we believed we had a case for some supplementation recognising that we had been assigned a wider role. Unfortunately, we did not receive any supplementation nor any advice that it had even been properly considered by the minister's office.

I should also point out that the review of the trust regulation, which also involved a cost benefit study as part of the regulatory impact statement process, was borne by the trust itself.

The Hon. GREG PEARCE: The submission which was put in by Jenny Smith is marked confidential. I have read it and I cannot actually see anything in it that seems to me to be of any confidentiality at all. Could we lift that confidentiality?

Ms SMITH: I have agreed to that and I think we have all agreed to that.

The Hon. GREG PEARCE: Could I just take you to page 17 of that. I would like to take you through the two tables of funding there. Can you just explain that so that we get a better understanding of this leveraging that you say the trust has been able to achieve?

Mr DAVEY: Do you want me to go through the--

The Hon. GREG PEARCE: Well, as I understand from reading this, there was a study team, the ATEC Group, and the department examined, I guess, the trust's claims as to this leveraging that you achieved and then either concluded or agreed with the conclusions that we see in the submission here that effectively you were able to leverage public funding by 4.3 or 3.6, or whatever the percentage is. I would just like you to expand on that so that I can understand to what extent that is accepted or whether it is just a claim by the trust.

Mr DAVEY: The ATEC organisation was actually commissioned by the Department of Land and Water Conservation to review the effectiveness of the trust in line with the review of its regulation. As part of that review process, the ATEC organisation asked the trust to provide a comprehensive range of information on all of its operations and projects that were running at that time and indeed going back, I think, three years. My memory is a little bit vague here at the present time, but I think they took a three year slice. We provided comprehensive information on all the trust projects and in that we gave an estimation of, if you like, the leveraging value and we estimated time input, expertise from organisations, and that was provided by all the program managers. That information was largely accepted by ATEC, we put it forward and, as I said before, most of those estimations were based on the Natural Heritage Trust guidelines which make it clear what you can actually estimate in an application for NHT funding in terms of in kind contributions from the community or from other players.

The Hon. GREG PEARCE: So it would be reasonable for us to say that the

Department of Land and Water Conservation would need to show that it can produce the same sort of leveraging to get a real feeling for the financial impact?

Mr DAVEY: Yes.

Ms SMITH: I think the special nature of the trust which enabled it to do that leverage was because of its independent, seemingly independent, nature. It had this persona in the community and it was able to bring together a lot of different groups to do joint projects. I think the other factor which people were willing to sort of contribute to the trust was that they knew there was an ongoing commitment there and I think the amount of money that came in was, as I say, mainly in kind, but it was because the community had confidence that those projects had a committed management, if you like. The other aspect was the NHT funding which the trust was able to leverage into the catchment I think was--

The Hon. GREG PEARCE: What is NHT?

Ms SMITH: Natural Heritage Trust funding. The trust acted as the regional assessment panel for that funding program, the trust had that regional assessment panel role, so the trust, because it was this independent broadbased committee group, was able to run those processes at no further expense to Government. Currently there is not an organisation which can actually take that role. I think local government is interested in running that role and I think local government is actually being proposed as maybe representing the community interests in the catchment. This is not regarded by Federal Government or other State members of Parliament that I have heard as the community, so I think we have a problem.

Mr ROZZOLI: If I can just add a couple of things to that in terms of costs and contributions, in the original grant for the first twelve months' operation of the trust, a large amount of that - almost half a million dollars - was the direct contribution towards the formulation of State Regional Environmental Plan No. 20 (No. 2), which was a re-write of the original REP, and the whole cost of reviewing that, which was a very extensive review lasting actually quite some years, was paid for out of the trust's money. The trust then had a further role in the operation of REP 20 which was a monitoring and assessment role as clearly laid down by its regulation. That also was a cost that was absorbed by the trust and was part of this \$900,000 in general administration that we are talking about. Its activities as the regional assessment panel for NHT funding - the whole cost of that was met by the trust out of its general fund, the only regional assessment panel in the whole of the country that in fact did not receive any recompense for its work. That money was fully paid by the trust. Also one can imagine that with the role that was designated to the trust under the statement of joint intent it would have been expected that it would also have picked up the tab for that particular role from its general grant. If any of these jobs are in fact now taken over by other agencies, that will form an additional cost to those agencies.

The other thing that I would like to say in regard to in kind contributions is that, as has been indicated, there were over 20 trustees. They came from a very broad range of interests including indigenous representation and the amount of hours the trustees put into the operation of the trust over and above the meetings, the formal meetings that they attended, was almost incalculable. There would be no trustee who did not put in a huge amount of extra time. One of the very significant areas that we were starting to go into was the area of reconciliation, involving the indigenous people of the Hawkesbury-Nepean in future planning and assessment and advocacy. That role, I believe, has just completely disappeared now, but I think when there were some very cutting remarks made by the minister in regard to the amount of money that was spent on trustees' meeting expenses, in the light of the fact that every trustee contributed an enormous amount of additional time, and I can only

speak from my own personal experience, I estimated that I would have spent - and I was trustee for the whole of the seven and a half years - at least 20 hours a week, every week, on work additional to the time I spent at meetings. Now that is an enormous amount of time if you actually costed that out. In terms of in kind contribution it would probably bump it up a bit more, spread across the whole of the trustees because many of the trustees were experts in their field and brought an amazing breadth of knowledge, which to purchase in terms of consultancies would have been very, very expensive and I think that factor and the value of bringing those 20-odd trustees together into a highly catalytic generative progressive thinking group has been totally overlooked by the Minister and by the department.

CHAIR: Minister Amery wrote to Premier Carr, you say in your submission, on 13 March with a letter saying marked urgent, advising of his desire to abolish the trust. What happened, to your knowledge, before that, just before that, to make it urgent, that he wanted to abolish the trust? Have you any clues at all you can give us?

Mr DAVEY: The only clue that perhaps we got was that I had indicated my intention to resign as CEO and move on from the trust. That was a personal decision, I thought, totally unrelated to this action and that we had put in place a process to advertise to recruit a new CEO. You may recall at the time that the Minister did say that they wanted to take the action only in part as a result to avoid the trust recruiting a new CEO on a contract which the Government may then have to pay out.

CHAIR: Was there any consultation with trustees or community groups before the decision was made? Did you have any prior warning at all?

Mr DAVEY: Absolutely none.

CHAIR: A bolt of the blue effectively?

Mr DAVEY: Yes.

CHAIR: What was the trust's role in advocating against the development at the ADI site at St Marys and the South Creek Catchment? Was that role an unusual one for the trust?

Mr DAVEY: The role was not unusual. As I indicated before, we spoke out in writing and in more general ways on a range of issues. The ADI was a particularly significant one. The way we stated our position on that was quite clear. It is on the public record. We believe that it was not only an informed statement of concern, but also an informed statement of options that the Government might pursue.

Our principal position was one of saying it should not be developed but we also recognised that the Government, being democratically elected and having a whole range of other issues that it needs to deal with in terms of urban development, may decide to develop the ADI site in some form or other, and our view was that if that development was to occur, we laid down a regime to ensure the process was comprehensive, transparent and that as much of that site's value could be retained as possible.

The Hon. JOHN RYAN: Could I ask a couple of questions in relation to that ADI development? The Minister's electorate is in close proximity to the ADI site, is it not?

Mr DAVEY: Yes.

The Hon. JOHN RYAN: Did you have any consultation with the Minister as the local member in terms of your policy as regards to the ADI site?

Mr DAVEY: I cannot recall precisely. We consulted before that statement was made. We consulted extensively, but I would have to go back and look at the records about whether we wrote to his office in Blacktown, or if we did not.

The Hon. JOHN RYAN: Would it be fair to say that there are two points of view about the ADI site in terms of local members and local councils in the area where the ADI site is?

Mr DAVEY: Yes.

The Hon. JOHN RYAN: One is held by the Blacktown Council, that the site should be reasonably intensively developed with over 10,000 houses and a large amount of industrial development, and that view by Penrith City Council, which is that the site should be minimally, if actually developed at all and it would be fair to say that the trust's view was closer to the Penrith City Council view than the Blacktown City Council view?

Mr DAVEY: That is a fair assessment. I should add that our position on ADI came out quite a long way down the track during the public debate. The reason we did that was because we wanted to be very considered in what we had to say about that particular site. The fact that it came out on the side of one council versus another is obviously a matter of history, but as I said before, the statement, if you read it, explains in some detail as to why we came to the conclusion.

The Hon. JOHN RYAN: The reason I draw that to attention is that to the best of my knowledge the Minister, Mr Amery, takes a great deal more interest in Blacktown City Council than he does in Penrith City Council, certainly with regard to pre-selections and campaigns and things of that nature. I think it would be fair to say that the Minister's view would be closer to that of the Blacktown City Council view than the Penrith City Council view and he might have regarded your having an agency that operated ostensibly within his own department advocating against a particular policy view that he was personally interested in would be somewhat irritating and he took it as a good opportunity to remove the thorn from his side on what appeared to be a reasonable economic purpose.

Is there any possibility that any of that holds true?

Mr DAVEY: There is a possibility.

The Hon. MALCOLM JONES: Is it clearly within your terms of reference as the Hawkesbury-Nepean Catchment Management Trust to pass comment on the development of a site?

Mr ROZZOLI: Absolutely.

Mr DAVEY: Yes.

Ms SMITH: Fundamentally.

Mr DAVEY: There is no question in our mind that the regulation enables us to do it and indeed we had undertaken that role virtually right from the outset of the trust but as I said, it was only on strategically important issues that we took a major stand. We did not get down to the local urban development site. That is not our role, but issues that were going to have major impact on the

catchment, whether it be to do with in-stream extraction, ADI or a whole range of other issues, the trust not only had a responsibility under its regulation, but as I said before, the informed sectors of the community that had an interest and knew something about the catchment expected us to do it.

I just want to make the point that you used the word agency before and I think that is actually an interesting word because I am sure this Minister regarded the trust as an agency and indeed so did the Department of Land and Water Conservation but it was not an agency, it was a statutory corporation set up under an Act of Parliament, independent of DLWC, but it was treated in its dismissal as if it was an agency.

Indeed, I do not know of any agency which has been dismissed with the same lack of consultation that a separate statutory corporation received and that was us.

The Hon. JOHN RYAN: Is there any likelihood of conflict between the Minister's agriculture portfolio and the Hawkesbury-Nepean trust as well?

Mr ROZZOLI: I would say there was considerable compatibility on the statement of sustainable agriculture promoted by the Department of Agriculture and the trust and indeed, there was a lot of cooperative programs going along between the trust and the Department of Agriculture and we had a trustee from the Department of Agriculture as one of our trustees, and I would say in that sense there was great harmony.

On the point that Mr Jones raised about whether it was our role, not only was it our role, but our opinion was sought by Government departments continually on these issues and in many cases before we came to a conclusion, we would be thoroughly briefed by those Government departments on the background of the matter to better inform us how we might respond.

The Hon. MALCOLM JONES: Regarding your consideration of this site, where do you back off and where does local government take over, or vice versa? Where do they back off and you take over, in informing Government of these sites, or do you all go ahead with your own opinions?

Mr ROZZOLI: Well, I think we gave our stated opinion on the matter. We were very careful as a trust to not join in what I might call the political dogfight over issues. We never went along and held up a placard that said the trust opposes the ADI. We also tried to be as objective as we possibly could on these issues, as we were with the second airport issue, which was another very big issue in the area, as we were with issues of extractive industry where we took a slightly divergent line to government agencies in some respects. But in many cases, following the consultation process between the trust and government agencies, government agencies in fact amended the thrust of what they were doing more in line with what we were promoting than the position they started from.

I would think that in trying to probe some of these answers to these questions about the dismissal and the relationships it is very important that this Committee, this inquiry, if it possibly can, call upon such personages as the director general, who must have been involved in the situation, and also Mr Axel Tennie, who was the manager for the Sydney-South Coast Region of DLWC. He was also a trustee, not for the entire period of the trust but for four and a half to five years, the latter period of the trust's existence. We have found that, in the rank and file of the Department of Land and Water Conservation, there was as much shock and surprise and dismay at what happened with the trust as there was anywhere else and therefore the determination of this decision making process must have been at a very senior level. On the record, all people disavowed knowledge that it was going to happen, but you cannot be at that very senior level without having some very clear understanding of what was going on and I think it would be very much in the inquiry's interest to

pursue that.

CHAIR: Where do you go from here? Can the trust be re-established? Has there been any hint of that from anybody, that it could be re-established at some time in the future?

Mr DAVEY: I guess there are a number of ways to address that. If I might perhaps make the observation, we would certainly like the trust to be reinstated but the reality is that this Government has clearly, in our view, dumbed-down catchment management across the State. It has essentially done away with all the catchment management committees. It has got catchment management boards that are boards in name only, they are essentially advisory committees to Government. It has dumbed-down the process and it is translating what we understood to be a partnership into essentially a one-way street. It is not a partnership at all. It has dumbed-down the strategic planning process because it cannot handle too much complexity, it only wants a small number of targets to go for. In that kind of environment, I cannot see that this Government would allow the trust to be reborn.

From my own perspective, the trust was a grand experiment and it did not comfortably fit within the traditional institutional arrangements that are in place because it was a statutory corporation that was going to speak out on key issues. There were inevitably going to be times of discomfort between the trust and government, and it does not matter whether it was this Government or a subsequent government. What we are talking about here is the nature of the relationship between such organisations and government. The response should not be to dumb-down the system; the response should be to say, in a mature democracy, it is quite appropriate for organisations like the trust to speak out on some issues, have mature relationships with a whole range of players and move forward. It does not mean to say that the trust is always going to get it totally right, and we are in the end only one voice in a catchment as complex as the Hawkesbury-Nepean, but that voice was an important one, it is no longer there and I think it is insightful to appreciate that the Catchment Management Act, as proposed, now makes no mention of the Hawkesbury-Nepean catchment, no mention whatsoever, and yet that catchment provides 90 percent of the water supply for this area and houses most of its people.

Our view is that, as much as we would like to see the trust reinstated, the actions by the Government would give us little confidence that it intends to do that and indeed there is no indication that it is even going to put in place a catchment management board, which is at least the mechanism which most other catchments in the State have.

The Hon. GREG PEARCE: What has happened to the records of the trust?

Mr DAVEY: I think we have available all of the trust's minutes, either in bound copy or in Lever Arch files. We managed to get all of that before the trust was abolished. I am not sure where that actually is but--

Ms SMITH: Penrith library.

The Hon. JOHN RYAN: Under the Archives Act there is supposed to be some responsibility for keeping records.

Mr DAVEY: Yes.

The Hon. GREG PEARCE: Was there a draft annual report prepared for the final year?

Mr DAVEY: We were in the process of writing an annual report. I would have to go back to it to see where we were up to, but it had actually started. I think we had until October under the Annual Reports Act to do it, so we would have been at the early stages of preparing an annual report when it was dismissed in April.

Mr ROZZOLI: You have to remember in regard to records that the minister's statement was made on 6 April. The gazettal abolishing the trust was 12 April, six days later. It did not allow much manoeuvring. Once the gazettal went through our authority to do anything was completely swept away.

The Hon. GREG PEARCE: Community consultation groups, project records, studies - where are all those sorts of things?

Ms SMITH: A number of trustees actually met on the traditional trustee meeting day a month after the dismissal because we were concerned, you know, you just can't walk away from all these things, and we have actually formed an association to try and keep in place some of those networks because they were very hard, took years to establish, and so we are doing our best to keep those networks alive. We had three community support committees which were three different regions of the trust. They actually refused to go away and kept meeting, but obviously as independent community coming together, and they still do. They work with the association.

CHAIR: Thank you very much. If any witness wants to make a further submission, they may do so.

(The witnesses withdrew)

(Short adjournment)

COLIN ANDREW KANDAN-SMITH, Senior Project Officer Environment, Western Sydney Regional Organisation of Councils, 17/59A Castle Street, Castle Hill, and

MARGARET LOUISE FERRARA, Researcher, Secretary to the Hon. Alan Corbett MLC and councillor for Baulkham Hills Shire Council, 4 Kent Street, Baulkham Hills, sworn and examined, and

DAVID JOHN HALE, Senior Policy Officer Water, Local Government and Shires Association of New South Wales, 215 Clarence Street, Sydney, affirmed and examined:

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr KANDAN-SMITH: I am.

Dr FERRARA: I am.

Mr HALE: Yes, I am.

CHAIR: If at any stage you consider when giving your evidence that in the public interest some sections of it which you wish to present should be heard only by the Committee, the Committee would be willing to accede to your request. Please be aware that the Legislative Council may overturn such decision and make the evidence public. Do you wish to make an opening statement?

Dr FERRARA: On behalf of WSROC I would like to express its disappointment at the abolition of the Hawkesbury-Nepean Catchment Management Trust. The trust played a key role in managing, protecting and improving Sydney's most important waterway. The trust worked in close partnership with WSROC and with its member councils and had developed a strong leadership role and level of trust with the community in the region.

The abolition of the trust was received with surprise and dismay due to the complete lack of consultation with the trust itself, with councils, with WSROC and any other regional organisation, or the community.

The loss of the trust means the loss of an independent voice for the Hawkesbury-Nepean catchment and the environment of western Sydney. That a regional body managing the health of Sydney's most important catchment can be abolished without adequate consultation with stakeholders is of grave concern.

The Department of Land and Water Conservation must work in close partnership with local government and the community to continue managing the Hawkesbury-Nepean catchment. The DLWC must strive to fill the community education vacuum created by the abolition of the trust and, more importantly, the department must rebuild links with the community it serves, a community that feels itself to be disenfranchised by the loss of the trust.

The DLWC has taken on a vital role performed by the trust and must ensure that the focus remains on managing the catchment effectively for the residents of western Sydney.

CHAIR: Did local councils have any indication prior to the decision that the trust would be abolished?

Dr FERRARA: We had no indication whatsoever prior to the abolition of the trust. We had no indication of any concerns or issues that the Government had with the way that the trust was managed and none had been raised with us prior to the abolition of the trust.

CHAIR: One more opening statement?

Mr HALE: The Local Government and Shires Associations are two separate associations was a joint secretariat and between them they represent 172 general purpose councils in New South Wales and include the membership of most specific purpose county councils and Aboriginal land councils which may join the Local Government Association also.

The associations are the peak industry body representing local government. They provide services to their members, including legal, insurance, industrial regulations, training, policy development and advocacy and represent the views of councils to other spheres of Government stakeholders in the community.

Local government was represented on the Hawkesbury-Nepean Catchment Trust by three trustees. The trustees, whose terms expired at the end of 1999, were Councillor Robert Bell from Gosford, Councillor Kevin Dwyer from Penrith and Councillor Marina Voncina from Wollondilly. The Local Government and Shires Associations were invited by the Department of Land and Water Conservation to re-nominate trustees, which they did. The Associations' nominees were not appointed, however, prior to the abolition of the trust, although I understand that the Councillor Bell continued to attend trust meetings.

At its meeting of 6 April 2001 the executive of the Local Government Association considered a report that there were fears that the future of the trust may be uncertain. The executive resolved to support the continuation of the trust.

The associations later received Minister Amery's press release of 6 April 2001 announcing the new arrangements for the management of the Hawkesbury-Nepean Valley. The associations informed all councils through their weekly circular of the Minister's announcement and of the resolution of the Local Government Association executive to support the continuation of the trust.

The associations also received representations from the Blue Mountains City Council seeking support for the continuation of the trust. Subsequently both the president of the Local Government Association and the president of the Shires Association separately wrote to Minister Amery supporting the continuation of the trust.

At its meeting of 27 April 2001 the executive of the Local Government Association considered a report that the local government reference group of the Hawkesbury-Nepean Catchment Management Trust would continue following the disbanding of the trust. The executive noted this report and resolved to support the creation of a Hawkesbury-Nepean catchment council body, provided adequate resources from the State Government flowed to support this body.

At its meeting of 6 July 2001 the joint water management committee of the associations considered a report on catchment management following the disbanding of the trust. At their August meetings the executives of both associations resolved to maintain a watching brief on developments.

I have also been asked by Councillor Robert Bell to table a statement responding to questions that he received from the inquiry.

CHAIR: Thank you. We will receive that. Are there any more statements?

The Hon. JOHN RYAN: Mr Chairman, those statements and the material tabled do not look to be very lengthy. Is there any chance of having it copied during the course of the meeting?

CHAIR: Yes. Was the trust unusual in its role or in the level of its funding, compared to arrangements made for catchment management in other areas of New South Wales?

Mr HALE: The trust was unusual in that the arrangements for catchment management in most other areas of New South Wales were through catchment management committees, which you have heard about this morning, which were community based consultative forums usually resourced by one officer and which had a largely consultative and advisory role and the trust clearly was funded and resourced to perform a strategic catchment management role and clearly had a greater capacity to do this, than the committees had elsewhere within New South Wales.

Dr FERRARA: WSROC cannot really comment on that in an official capacity. There was an impression that the trust was funded very strongly from both State and federal levels compared to other catchment management trusts, but we did not have any official figures on that and so therefore we are not able to comment on that.

CHAIR: Do any of you believe that the advocacy role of the trust in relation to the former ADI site or the South Creek catchment area played any part in its demise?

Dr FERRARA: WSROC does not have any evidence that it did and the opinion is it is unlikely that the decision to abolish the trust was taken in response to a single issue. However, many individual councillors and community members believe that the position taken by the Hawkesbury-Nepean Catchment Management Trust on the ADI and South Creek precincts disadvantaged them in the eyes of the Government at the time, but there is no proof that is the case and we accept that.

It is a perception that was very strong in the community and WSROC, as I said, has no proof. It is simply a very strong perception in the community.

The Hon. MALCOLM JONES: Of the councils which WSROC represents, was there any differentiation between those who were critical of the trust or those who were supportive of the trust regarding its report on the ADI site?

Dr FERRARA: I have not got that detail with me but I think there was a slight variation in the opinions between councils, because WSROC is made up of 10 councils. The majority were of the view that the trust had done what was expected. That is, they had concentrated on their role as a catchment management trust and therefore were looking very specifically at the issues of what would be the best thing for the catchment precinct, and that did not necessarily accord with, for instance, Blacktown Council's position, because they wanted more of it developed than Penrith wanted developed.

The Hon. MALCOLM JONES: Was Blacktown critical of the report, or the action to even consider the report?

Dr FERRARA: I am unaware of that. I do not think we have any information on Blacktown Council's response to it.

The Hon. JOHN RYAN: How many of the local government representatives represented the Australian Labor Party when the committee was abolished?

Mr HALE: I do not have that information, but I am happy to seek it. The three trustees whose terms expired in 1999 were obviously not trustees at the time when the organisation was abolished. It may be in fact that, technically speaking, there were no local government trustees at the time it was abolished, but those trustees I have put on record in 1999 were Councillor Bell from Gosford, Councillor Dwyer from Penrith and Councillor Voncina from Wollondilly.

The Hon. JOHN RYAN: It is just that one of the reasons that I have heard suggested for the abolition of the trust is that there were "too many Liberals on it" and I think it was meant that there was not much Labor Party representation on the trust. It would be fair to say that there were not many overt representatives of the Labor Party on the trust, were there?

Mr HALE: I do not have that information.

The Hon. JOHN RYAN: Is WSROC aware of that?

Dr FERRARA: I know that Councillor Bell was an Independent. I am unaware of the affiliations of the others. However, it would be safe to say that, given that there was only a fairly small representation from local council, three members officially prior to the lack of appointment of anyone later, they would be vastly outnumbered by the other members of the trust at any rate.

The Hon. JOHN RYAN: What was the reason for local government representatives not being reappointed?

Mr HALE: We were not given a reason. We lobbied for their appointment after we made nominations.

Dr FERRARA: There was a delay in the appointment of a large number of people around other trusts as well, so it was not the only one that had a delay. Some of the others have subsequently been reappointed, but there was a delay generally through the catchment management trusts.

The Hon. JOHN RYAN: Could we get details perhaps of the time line of when these people were nominated, how long the delay was and who they were?

Mr HALE: Yes, I am happy to provide that.

The Hon. JAN BURNSWOODS: Could we get details also of all the other ones throughout the State? I must admit it does seem to me that one of the problems with this inquiry is that we are apparently doing it totally in isolation.

The Hon. JOHN RYAN: Well, I am sure DLWC will put it in its context.

The Hon. MALCOLM JONES: I think it is in our terms of reference.

CHAIR: Yes. Can you describe how the Local Government Advisory Group has operated? How effective is the Department of Land and Water Conservation and the Local Government Advisory Group in involving local government in the coordinated implementation of on ground catchment management outcomes?

Mr HALE: The staff of the associations have had some involvement at a strategic policy level with the Local Government Advisory Group and with the Department of Land and Water Conservation staff working on catchment management in the Hawkesbury-Nepean. The associations understand that the Local Government Advisory Group is on target to complete the catchment blueprint in December this year and on target to complete an assessment of projects for funding and the associations have been informed that the Local Government Advisory Group has the full support of councils within the catchment. With regard to on ground outcomes, however, the associations would refer the inquiry to individual councils.

Dr FERRARA: From a local government perspective, as far as WSROC is concerned, it is seen as a positive first step. It provides local government with better access to the agency which fulfils the trust's role. However, there is still the issue of coordination to be resolved and it is probably too early to give a definitive answer. It has only been set up in the last few months, so it is very early days. It is seen as a positive step though. From the community perspective, it is far less effective than the trust because there is a great deal of distrust in the community and it has not yet generated support from community groups.

CHAIR: How important was the trust in facilitating community consultation?

Dr FERRARA: The trust was very important with community consultation, although the new model that they are setting up encourages a large amount of community consultation for the future, but, as I said, there is a level of distrust that we have to overcome as yet. The trust was extremely important in terms of community consultation. It had generated a very high leadership role and a very high trust role within the community and therefore it got a lot of volunteer work, an enormous amount of volunteer work, taking part in its various projects, and it has generated an enormous amount of public distrust at the moment not having it there. There is the perception that an independent body has been taken from them without any consultation or any obvious reason and turned into a State Government department and so there is not the level of consultation and education. It had a very strong education role.

CHAIR: I have heard anecdotally that some of the work that was occurring is no longer occurring and that the community side of it has virtually collapsed. Do you have any evidence of that?

Dr FERRARA: We would have to seek that information, we do not have the evidence with us at the moment. We would have to look into that for you further because we do not have that information with us.

Mr KANDAN-SMITH: We are happy to seek that information and provide a report.

The Hon. MALCOLM JONES: Did the councils contribute financially to the coffers of the trust?

Dr FERRARA: I have not got that information at hand but I believe, on behalf of my own council, that at various times we certainly did contribute, but I could not tell you any of the figures. We could look into those details for you.

Mr HALE: It is also very common for councils to contribute in kind to catchment management work rather than in cash.

The Hon. MALCOLM JONES: Yes, I will come to that in a moment. The figures are

extremely important to us to find how much came out of the public purse and how much came from other sources. Can you please, from all the councils that you represent, come up with some figures on financial contributions to the Hawkesbury-Nepean Catchment Management Trust, and I think I could probably ask for that for the last three years. With the contributions in kind, being the voluntary work, how widely did the councils which you represent canvass for working bees to participate in this work? Was it some consideration that was given, a lot of work that was done and was it widely canvassed?

Dr FERRARA: Again, we would have to look up those details for you, but we can report back to you, we can do a survey.

CHAIR: To what extent do you think the trust raised environmental awareness and how important was this, and will this be done, do you think, by the Department of Land and Water Conservation?

Dr FERRARA: The trust was instrumental in the setting up of the original state of environment report formats for WSROC and for all of its member councils and WSROC's state of environment report I think is considered as state of the art on a State basis. It is very highly regarded. The trust was actually one of the driving forces behind those state of the environment reports and methods. It has contributed very widely on environmental issues. Basically, when the trust formed, the Hawkesbury-Nepean had some major problems - it still does have some major problems, but it had some extremely severe problems - and the level of awareness has risen dramatically both in the private sector and within councils so that the catchment area is now looked at very, very carefully with regard to any developments, et cetera, in council. It has had a massive effect. It was used as a resource for any council development, there was always a check-back with Hawkesbury-Nepean Catchment Management Trust on what their advice would be, what effect that would have if it was in the catchment area, so there was a very strong relationship in that regard.

In terms of research, the Hawkesbury-Nepean Catchment Management Trust performed a lot of research work and initially did a lot of guidance in council policies on environmental effects in the catchment. Later there was less guidance in that regard to councils, probably less direct, but they still were doing a massive amount of research and were actively sought by most of the councils within the region for advice on the effect that any given development could have on the catchment.

CHAIR: I understand that councils and councillors used to consult with the trust on a number of issues. Are councillors now able to consult with DLWC or what is happening for that level of consultation to take place?

Mr HALE: Well, the vehicle for that now

Mr KANDAN-SMITH: Well, the vehicle for that now is, I guess, the local government advisory group established by DLWC. I guess that provides a point of access to the agency for local government, through its local government representatives.

The Hon. JOHN RYAN: How does that work? I can understand that frequently councils used to refer specific projects and issues back to the catchment management trust through its CEO and other people in order to get reports back. How does the advisory group replace that sort of assistance?

Dr FERRARA: I believe the advisory group is set up at the moment, and I do not have the full structure, but I believe it is set up with 10 members of staff of individual councils who are

consulting on a regular basis with the DLWC on various issues and trying to set up policy. It has a fairly strong feedback loop. However, it is missing the independent feedback that was there previously.

Before we had the opportunity of consulting with DLWC, national parks, et cetera as well as Hawkesbury-Nepean Catchment Management Trust, which was seen as a totally separate and independent body. Now there is not that degree of independence. There is still consultation available. It is certainly slower through a Government department than it was through the Nepean Catchment Management Trust. That had a much quicker response time, but it is certainly there. The new group has good ties, but it is not perceived with the same independence.

The Hon. JOHN RYAN: How do they physically meet and transaction business?

Dr FERRARA: I cannot answer that question. We would have to get those details for you.

CHAIR: Do you think that the abolition of the trust will have significant effects on the catchment?

Dr FERRARA: That will depend very greatly on the way that the DLWC takes up the mantle. Because of the lack of independence, there is always a risk factor there. When you have a department, as is expected, the members of that department are going to be, to some degree, consciously or otherwise, biased towards finding an outcome that agrees with the policy of the department and with the wishes of their superiors, whereas with the Hawkesbury-Nepean Catchment Management Trust we were sure it was a totally independent statutory body that was there simply looking at the health of the whole catchment.

DLWC will have other issues as part of its basis, because naturally it fits in with the whole State thrust, therefore there is a risk that some of the members who are going to be giving advice in the future may not be as independent in their thought processes as an independent statutory body which was not tied to the stakeholders.

CHAIR: The former trustees talked about the dumbing down of the whole issue and the issue being reduced to a handful of issues and more complex issues being disregarded. Do you have an opinion on that?

Mr HALE: The reforms to the Catchment Management Act that resulted in the establishment of boards throughout the rest of the State were designed, as we understand, to focus catchment management boards on strategic plans in catchments.

The experience of the committees previously over the last 10 years, the catchment management committees, and there was not one in Hawkesbury-Nepean catchment, the experience of the committees was that they were fairly fragmented and behaved quite independently from one catchment to another, so as a result there tended not to be consideration by all of the committees across all of the catchments of strategic level issues, so it is difficult for me to describe the reforms to catchment management as dumbing down.

We would certainly see them as focussing on strategic catchment issues across the catchments where boards were created. In the Hawkesbury-Nepean the Department of Land and Water Conservation has inherited that strategic planning process and in local government we would be looking at the outcome of that strategic planning process before we could judge whether there has

been some diminution of the strategic catchment management for the Hawkesbury-Nepean.

Basically the strategic plan for the Hawkesbury-Nepean has become subsumed in the strategic planning process for the other catchments and we are going through a process now of those catchment blueprints being finalised and they will be put out for consultation in the new year. We would reserve our judgment until we see the results of that process before we could answer that question.

The Hon. GREG PEARCE: Mr Hale, in your submission and response to question one, did council have any indication, prior to the decision, that the trust was to be abolished, you state that you had no awareness and in fact you were to meet with Mr Davey, Mr Klem and Mr Woods to discuss the strategic plan for the trust area and you say that you were hoping for the Local Government Associations to sign off on the draft. What was the view of the association and its members to the draft strategic plan?

Mr HALE: I have to say you are reading from the statement that I have tabled on behalf of Councillor Bell. That is not a statement of the Local Government Association, nor a statement drafted by me. Can I ask that you refer that to Councillor Bell?

The Hon. GREG PEARCE: What was, to your knowledge, the view of the association to the draft strategic plan?

Mr HALE: The association did not consider the draft strategic plan, as far as I am aware, and the association is now in the process of considering the draft strategic plans for the Hawkesbury-Nepean and the other 18 catchments as they come before the Government and its advisory groups. We are consider those at the moment and would be in a position to make a statement on that early in the new year, I expect.

The Hon. GREG PEARCE: Councillor Bell was meeting with them, according to this statement.

Mr HALE: Councillor Bell was a former trustee and was continuing to meet with the trust, I understand, and is now the chair of the local government advisory group.

CHAIR: I understand that the Opposition has made a promise to re-establish the trust if elected. Presumably at some point they will be. How would you like to see the trust re-established if it were to be re-established? In what way and what format, a similar format, or what?

Mr HALE: We would like to be consulted on how this should occur. The catchment management in the Hawkesbury-Nepean has clearly been out of kilter with catchment management elsewhere in New South Wales for a decade or so, and that has been a reflection in large part to the complexity of issues in the Hawkesbury-Nepean.

Whereas catchment management committees were set up elsewhere in New South Wales, originally there was no catchment management committee in the Hawkesbury Nepean until the trust was established.

In terms of what might replace current arrangements, we would like to be consulted, because there are 26 councils in the Hawkesbury-Nepean catchment. They do not necessarily all have one view and it is important that the views, from the Local Government Associations' position, of councils be sought and analysed before we, as an association, put forward a view and before the

Government, or whoever, is re-establishing those arrangements decides what the view of local government is.

CHAIR: Do you have any specific comments about the structure or what they would do?

Mr HALE: You have heard from previous witnesses that one option would be the establishment of a board, a catchment management board, under the Catchment Management Act, in the Hawkesbury-Nepean. That is certainly one option that would allow for a level of community consultation. That is not occurring now, in the sense that there is not a body to do that as there is in the other 18 catchments.

A board would be one option and that would be consistent with catchment management arrangements outside the Hawkesbury-Nepean. We are conscious that catchment management is not necessarily a one size fits all approach and the Hawkesbury-Nepean has been regarded as different for some time, so we would be very interested in being involved in the consultation about what the future catchment management arrangements in the Hawkesbury-Nepean should be.

Dr FERRARA: WSROC would probably echo most of those sentiments. The major problem that we had was the fact that there was no consultation with WSROC or any of its member councils which are, of course, greatly affected by the Hawkesbury-Nepean. If a new version of the trust was established, we would need consultation to find out what it should take on.

We were informed by DLWC that they were setting up, or taking over the trust in order to move into a more action oriented situation, I think is the best you could describe it. They thought that the trust did too much in the way of research and policy and too little in the way of action.

The volunteers would not have agreed with that. However, there would probably have been times where various councils, at times, would have agreed that there was a lot of research and a little less action and perhaps this current format will indeed bring some of the action in.

However, we have not got an independent body to get opinions from any more and we miss that sorely and therefore I think that some form of body, which is independent of the State Government, needs to be in place, whether it be a board or whether it be some form of the trust, that has a role which is not necessarily action oriented in terms of implementing plans, or strategic plans, but there as an overview, would be a very important addition to the area.

WSROC cannot take that role on as it currently is. We do not have that sort of funding or expertise within our ranks.

We have an independent voice, but we do not have the depth of knowledge that the trust had and therefore we would not be able to take on the strength of the role that the trust had previously and the area needs that independent voice.

CHAIR: I understand that the Department of Land and Water Conservation talked about on ground works, on ground works, on ground works, as though the other parts of the activities of the trust had no beneficial impact. Now we are seeing that the community part of the trust has been virtually abolished. It would appear that on ground works have been around for a long time now, but surely before you do on ground works you have to have a lot of research and this is what the trust was doing, I understand, so presumably you would want to have a balanced situation where you had the research and community consultation as well as on ground works?

Dr FERRARA: I think from WSROC's point of view and its member councils that would certainly be the case. Whether DLWC took on the active side of it and took advice from them as well as from their own officers would be probably a suitable way to go, but we need some sort of community grouping to keep the volunteers there. The volunteers contribute a large amount in probably small projects, but those small projects, when you add them all together, make a very large contribution to the health of the river and the whole catchment and, despite the DLWC saying they are very happy to take those volunteers on board, there is such a strong perception out there that they have been disenfranchised that I find it unlikely that they are going to be able to rebuild those bonds in a hurry, so there is a risk that that body of knowledge and that body of active volunteers will be lost to the catchment and, as I said before, we need an independent voice and the research projects which are focused very simply on the health of the river - it may be true that DLWC needed to implement a more strategic state-wide plan, that could be true, but we still need that localised knowledge for the whole of the Hawkesbury-Nepean. It is a massive river and it is of incredible importance to this State.

CHAIR: Are there any further statements you would like to make in the time remaining?

Dr FERRARA: No, thank you.

(The witnesses withdrew)

WARREN GEORGE HICKS, Manager, Sydney Catchments, Environment Protection Authority, 7/9A Cook Street, Glebe, sworn and examined:

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr HICKS: I am.

CHAIR: If you have made a submission to the Committee, do you wish this to be included as part of your sworn evidence?

Mr HICKS: The EPA did not make a submission.

CHAIR: If you should consider at any stage during your evidence that, in the public interest, certain evidence or documents you may wish to present should be heard or seen only by the Committee, the Committee will be willing to accede to your request. Please be aware that the Legislative Council may overturn the Committee's decisions and make the evidence public.

Do you have an opening statement to make?

Mr HICKS: I have got a statement, yes. The Environment Protection Authority is the primary New South Wales public sector organisation responsible for developing environment protection programs. The EPA administers environment protection legislation covering air and water quality, contaminated land, noise control, pesticides, hazardous chemicals, transport of dangerous goods, radiation and waste. The EPA uses a mix of tools including regulation, education, economics, monitoring and reporting to achieve environmental improvement.

The EPA does not have a direct role in the administration of the Catchment Management Act. However, the EPA was a member of the Hawkesbury-Nepean Catchment Management Trust from its formation in 1993. The EPA also participated on the many catchment management committees that originally supported the trust. The EPA found it challenging to balance the workload associated with these committees. The EPA was subsequently represented on the three catchment support committees that were established when the catchment management committees were rationalised.

The EPA is currently represented on numerous catchment management boards throughout the State including, in the Sydney region, both the Sydney Harbour and Southern Sydney Catchment Management Boards. The EPA is also represented on the remaining catchment management committees for the Wollondilly and Cops River and the Hawkesbury-Nepean River Management Forum. The latter is to make recommendations on river flow objectives with reference to water quality objectives by early 2002.

The EPA's support for the above committees includes participation in a wide range of activities, in particular contributing to community consultation on a range of natural resource management strategies and developing catchment management strategies and action plans. This is in addition to carrying out the EPA's functions in environment protection.

The EPA has a significant role in environment protection in the Hawkesbury-Nepean catchment. Primarily this occurs through the regulation of point source discharges to the Hawkesbury-Nepean River, such as sewage treatment plants and other waste or industrial facilities, and through programs such as the urban stormwater management program. The EPA manages the urban stormwater management program on behalf of the Stormwater Trust, which has seen the

development of stormwater management plans by local councils within the catchment.

Historically the EPA has also conducted water quality monitoring programs to develop effective monitoring and reporting protocols to inform the community and guide development of strategies to improve water quality. The EPA also operates an extensive air quality monitoring network and provides a regional air pollution index to the community twice daily. The EPA also provides advice on a range of land use planning issues affecting the catchment and regulates certain activities to minimise environmental harm.

Examples of the EPA's work in the Hawkesbury-Nepean catchment include progressively implementing the 1985 strategy for management of the water quality of the Hawkesbury-Nepean Rivers which successfully provided the basis for reduced nutrient loads in effluent discharged from Sydney Water's sewage treatment plants; negotiating "bubble licence" conditions with Sydney Water over its South Creek sewage treatment plants, which required an 80 per cent reduction in the annual phosphorus load and a 35 reduction in the nitrogen load over a six year period. The "bubble licence" has been an effective economic instrument, allowing Sydney Water to more cost effectively reduce the combined nutrient loads from its three plants, thus improving nutrient levels in the creek and the main reach of the river.

Preparing a series of publications on the Hawkesbury-Nepean River, including the results of water quality monitoring programs and two reports on recreational water quality in the river system. The EPA also prepared an inventory of pollutant sources in the Hawkesbury-Nepean river catchment.

Finally, making a significant contribution to the Hawkesbury-Nepean REP No. 20, which lead the way in planning for water catchments and protecting wetlands. The EPA provides advice on major urban development and infrastructure proposals in the catchment.

The EPA is a major partner in implementing the Government's water reform process. The EPA coordinated the establishment of the framework for setting water quality and river flow objectives state-wide and provided substantial input into the Healthy Rivers inquiry into the Hawkesbury-Nepean. The EPA is a signatory to the statement of joint intent which incorporates decisions of the New South Wales Government on the reports of Healthy Rivers Commission. The statement of joint intent specifically commits Government agencies to individual and whole of Government action.

The EPA undertakes regulation and enforcement action against a range of polluters within the catchment and has had a particular focus on illegal dumping and waste management in the catchment recently.

I am happy to hand this up and make a copy available later.

Programs for achieving further reductions in pollutant loads and improvements in water quality are ongoing. Specifically the EPA is promoting and, where necessary, mandating better effluent management practices and focussing attention on control of diffuse sources of pollution. Development of stormwater management plans and better education, including operators in agricultural industries are current examples.

The EPA worked closely with the trust on relevant issues that the EPA was developing to protect the environment. For example, the EPA has a high priority major project to develop new strategies to control diffuse source water pollution. This includes the EPA developing a pilot nutrient

trading scheme for the South Creek catchment. Early in 2001 the EPA approached the trust to determine its interest in forming a partnership with the EPA in developing the pilot nutrient trading scheme. Following discussions, the trust agreed to help manage community participation in this EPA project. The pilot scheme however will continue to be developed by the EPA. In the absence of the trust, the EPA will be conducting the community participation in consultation with other relevant Government agencies and local councils.

The trust prepared the draft strategic plan for the lower Hawkesbury-Nepean. This work included extensive community, including agency, consultation and coordinating inputs from a variety of stakeholders. The EPA provided input to the trust for its preparation of the draft strategic plan. The EPA considers that the resulting draft strategic plan provides a sound basis for initiating and monitoring actions in the catchment. It is understood that the plan will provide a foundation for the continuing work of the recently established Hawkesbury-Nepean River Management Forum.

In March 2001 key New South Wales Government agencies signed a statement of joint intent for the river system. Development of the SOJI was a decision following the Government's consideration of the reports from the Healthy Rivers Commission public inquiry into the health of the river system.

The SOJI provides a framework for implementing the Government's decision as a whole of government response to the commission's findings. The SOJI assigns lead responsibilities and time frames for actions, and includes arrangements for monitoring implementation. The EPA's actions are clearly identified and would have been carried out by the EPA independent of the trust's existence.

An expert panel has been formed to provide advice to the river management forum and will also provide advice to the Minister for the Environment and Government on a number of other issues, such as removal of weirs from the Upper Nepean River and environmental flows, as they relate to the integrated effluent management strategy being developed in response to the SOJI.

The EPA will maintain its commitment to work with the wider community in the Hawkesbury-Nepean through its membership of the forum, as well as with focus groups on specific issues. The EPA is also maintaining its networks with local Hawkesbury-Nepean community groups.

The EPA considers that the Hawkesbury-Nepean Catchment Management Trust played an important role in conducting education and community participation on issues affecting the Hawkesbury-Nepean catchment. The trust was also effective in strategic planning with the development of the draft strategic plan providing a useful foundation for future catchment management action.

This foundation, in combination with the statement of joint intent, provides a sound framework for whole of government actions to improve the health of the Hawkesbury-Nepean River in the future. The work of the Hawkesbury-Nepean River Management Forum, the two remaining catchment management committees, as well as the Local Government Reference Panel, will be actively supported by the EPA in continuing this work.

That is the end of that statement, thank you.

CHAIR: Did the abolition of the trust come as a surprise to the EPA?

Mr HICKS: To me, yes.

CHAIR: I presume there was no consultation whatsoever.

Mr HICKS: No.

The Hon. JOHN RYAN: Did you have a specific function of liaison between the EPA and the Hawkesbury-Nepean Catchment Management Trust?

Mr HICKS: I was the EPA's representative on the board of the trust.

The Hon. GREG PEARCE: You were a trustee, were you?

Mr HICKS: That is right, yes. I think for about three or four years.

CHAIR: What has changed since the abolition of the trust, for the EPA?

Mr HICKS: Well, a specific example is the pilot nutrient trading scheme for the South Creek catchment, where the trust was to have done some community participation work as part of the development of that project, and the EPA will now do that directly with local government and other relevant agencies. That is one example.

CHAIR: You are maintaining your community links, or trying to?

Mr HICKS: Trying to, yes.

CHAIR: Is it still good?

Mr HICKS: It does pose another challenge. The EPA has always had a fairly close liaison with certainly peak environmental groups and other environmental groups and our local officers also work as closely as possible with local communities, but the trust, as I said, was certainly effective in establishing that sort of community liaison and participation.

CHAIR: Has there been a disruption to any of your programs by anything that has happened in the last eight or nine months?

Mr HICKS: I could not really pinpoint other than, as I said, we are having to do some extra work, so it has placed a little extra burden on the EPA to do some of that work directly.

CHAIR: Some extra costs as well as extra burden?

Mr HICKS: It is hard to quantify that.

The Hon. MALCOLM JONES: Looking ahead, and given the background and the effectiveness of the trust, how detrimental will the cancellation of the trust likely to be to the environmental health of the area?

Mr HICKS: It is very hard to answer that question because there are other mechanisms that have been put in place and I think the statement of joint intent is the clear example of that, where various agencies are bound to undertake certain actions and for the EPA we have four actions arising out of that SOJI, where we have the lead responsibility and, of course, also the Water CEO's Committee are assigned responsibilities for actually monitoring progress and making definite gains in those areas and our Director-General is the chair of that Committee, so we have a real interest in

making sure that the SOJI actions are undertaken.

The Hon. MALCOLM JONES: If extra duties, perhaps liabilities, are going to be imposed on other agencies, that has to have a cost to it. Now, that cost must be assessed. When is it going to be assessed, or when is it likely to be assessed, or is it not going to be assessed, and how effective is it going to be on a cost benefit analysis basis, compared with the activities of the former trust, which received so much public support?

Mr HICKS: I am sorry, I am not really in a position to answer that. The EPA was not part of the decision to abolish the trust and I expect that the Department of Land and Water Conservation would have undertaken some of that work in determining what the costs of the alternate arrangements might be. There have been other structures set up, such as the Hawkesbury-Nepean River Management Forum which is taking on some of the work, albeit not all of the work, I agree, of the former trust, and it does mean, of course, as I said, that the EPA will be working perhaps more closely with some other agencies in developing catchment specific programs and that is already happening with the EPA working more closely, for example, with the Department of Agriculture.

The Hon. JOHN RYAN: Would you agree with the statement that the Hawkesbury-Nepean Catchment Management Trust was not giving good value for money?

Mr HICKS: I think I have to say again I am not really in a position to judge that. I mean I have no reason to believe that it was not, but I do not know.

The Hon. JOHN RYAN: Do you think that the management of the Hawkesbury-Nepean Catchment Management Trust was expensive and bureaucratic?

Mr HICKS: I am not quite sure what you are asking here, whether for personal views or the EPA's view. The personal view probably does not matter.

The Hon. JOHN RYAN: As a trustee you would have had the opportunity to observe--

Mr HICKS: Well, it seemed to me that the trust was certainly performing the work that the trust's board had agreed to. I mean the budget was obviously agreed to and items within the budget discussed so--

The Hon. JOHN RYAN: The trust had been criticised because it only spent in the order of about \$60,000 a year in actual works on the river itself. Do you think that that was a fair criticism?

Mr HICKS: I am not in a position to comment.

The Hon. JOHN RYAN: One of the features of the trust, at least it appeared to me, is that it attracted, in addition to the trustees, a number of other willing volunteers who assisted in the operation of various programs who appeared to be not only enthusiastic in their approach to the programs but also very well educated, some of them with tertiary degrees in environmental management. Do you think that they provided a valuable resource that is not likely to be able to be again gathered up by a government department doing the same task?

Mr HICKS: Well, I certainly agree that they provided a valuable contribution. The extent to which that might be picked up by other government agencies is yet to be determined. I would hope that the EPA would be able to pick up certainly some of that. It is really a question of the relationship that can be built between those individual groups and individual agencies and that may

vary, depending on the issue.

The Hon. JAN BURNSWOODS: I am not sure whether you or the EPA are the best people to ask this question of, but in our discussions so far we seem to have focused on the Sydney area and its relevance to the rivers. I am interested in the extent to which the Hawkesbury-Nepean and its tributaries are viewed as a whole, for instance, through Sydney Water and the new catchment authority, you know, with further tributaries coming down from the western side of the Blue Mountains, the dams and so on, just how big an area is the Hawkesbury-Nepean catchment and in what variety of ways is it managed? As I said, this may be an unfair question to ask you, but we seem to be focusing very narrowly in our discussions so far this morning.

Mr HICKS: There are a lot of components to that. One area in which the EPA has quite a direct role is in regulating discharges from point sources and when we do that we certainly take into account the impact on individual streams, not just on the main body of the river, and as far up the catchment as the impact may occur. That, of course, comes through in the statement of joint intent and the Healthy Rivers Commission findings as well, as far as the sorts of things that should be looked at to protect water quality. Flows are an important part of that and again we are very heavily involved in discussion with the Department of Land and Water Conservation and other agencies about how flows can be managed and how a total water cycle regime can be adopted to achieve both flow and quality objectives, and the EPA also has a major role in planning, but I mean there are a lot of inputs to planning decisions and, of course, those planning decisions can have a major impact also on the health of the river system. For example, in the upper part of the system and the REP that is being developed for the drinking water catchment, the EPA has a role in developing what is called an offset scheme which is similar to the nutrient pilot trading scheme that is being developed for the South Creek catchment and so that is an integral part of that planning process, so there are a range of factors, yes.

The Hon. JAN BURNSWOODS: And the sorts of the things you have identified are relevant to other catchments and their management as well in the State, although the Hawkesbury-Nepean is a bit more complex in some ways.

Mr HICKS: Yes, that is true.

CHAIR: Do you see any value in having independent bodies such as the trust playing an advocacy role? Is there a gap now that the trust has been abolished? In particular with the ADI site at St Marys, does the EPA observe any change in the level and quality of community advocacy since the demise of the trust?

Mr HICKS: That is a question that we had in advance and so I have prepared a response and that is, yes, the EPA is assisted by having bodies such as the trust playing an advocacy role and we work quite hard to try and influence others to take up our environmental messages and to spread and implement those messages. With the abolition of the trust the EPA continues to pursue this, for example, through the forum and the local government reference group. Additionally, we are pursuing ongoing relationships with other agencies and groups in the area and the example I gave before was the development of the South Creek work and particularly our liaison with the Department of Agriculture to target education programs in that area.

Now as far as the ADI site is concerned, I am not aware of any changes in the advocacy position since the demise of the trust other than the public comments that were made just prior to the Federal election.

CHAIR: Now that the trust no longer exists, how effective is the community representation on the Hawkesbury-Nepean River Management Forum in commenting on environmental flow provisions for inclusion in Sydney Catchment Authority's water licence?

Mr HICKS: Well, I represent the EPA on the Hawkesbury-Nepean River Management Forum - and I might just point out that I do do other things than represent the EPA on lots of committees - and a wide range of issues in the catchment are represented on the forum, including local government. I am aware, however, that the Nature Conservation Council has raised concerns regarding community representation on the forum and those have been raised with the chair and the issue is likely to be discussed further at the forum.

CHAIR: Some submissions have commented that just prior to the abolition of the trust it was provided with a large grant from the Department of the Environment to undertake stormwater education. What has happened to these funds?

Mr HICKS: Well, the trust was granted approximately \$100,000 by the Blue Mountains Urban Run-off Control Program to implement its education and awareness campaign, and I represent the EPA on that task force as well that oversees the Blue Mountains Urban Run-off Program and the EPA is the secretariat to that task force, but the Department of Land and Water Conservation is now implementing the education campaign and it provided a report on progress at the task force meeting two weeks ago, so that work is continuing but under the DLWC.

The Hon. JOHN RYAN: Do you think it is different?

Mr HICKS: Not as far as I am aware. Certainly the task force believes that it is still the same work.

The Hon. JOHN RYAN: But has the nature of the output changed because it is now being done by government employed bureaucrats by comparison to having a number of other people involved who were involved with the catchment management who were, I guess, in some respects, enthusiastic but well instructed amateurs?

Mr HICKS: I do not think so because the scope of the work was quite clear as it was presented to the task force and the same individual is still overseeing that work, so I do not expect it to change, quite frankly.

The Hon. JOHN RYAN: Do you not think that the perspective that people like Dr Tony Ross, and individuals such as him, bring to the focus of any Government activity, is going to be quite different than perhaps the focus of a person who is represented on local government even, for example, because of their specialised knowledge and their specific level of interest, by comparison even to the community representatives the Government now currently chooses, who are local government elected representatives, who by nature have to have a more general approach and do not necessarily have the professional background to support the comments they might make. Does that not make a change in the dynamics of how that work progresses?

Mr HICKS: I am sorry, I thought you were talking about the education awareness campaign and I think my comments stand for that, I do not think that program is changing. More generally I do not object to having people such as Tony Ross and Jenny Smith representing a view at the table. I think it is really important.

The Hon. JOHN RYAN: Are you aware of the state of the environment reports which

local government were asked to prepare as part of the protection of the environment, or changes to the protection of the environment act. The claim has been made here this morning that the Hawkesbury-Nepean Catchment Management Trust was instrumental in assisting many councils respond adequately to the requirements of the legislative requirement that they report on the state of their environment and they would have done so at a fairly high level and had a significant impact on the state of the environment reporting generally. Is that the case? Were you able to observe that impact?

Mr HICKS: I am not aware of the details of the state of the environment report, but my understanding is that the trust did play a role in coordinating and guiding that input and that was useful.

CHAIR: If the trust were to be established in some form or other at some point in the not too distant future, what changes would you recommend to be made to it from the previous formats? What additional responsibilities would you give them, or what would you take away or add?

Mr HICKS: I am sorry, I have not given any thought to this whatsoever.

CHAIR: Do you have any off the cuff comments about the effectiveness of the trust as it was? If it were to be established exactly as it was, would it be an effective body?

Mr HICKS: I think all organisations need to review their goals and the way in which they seek to achieve those. I would not say that it should necessarily continue as it was. I think it would need to be reviewed. I really cannot offer any more specific comment than that, I think.

CHAIR: What was the single most important point of the trust that has been lost, do you think, the community consultation part of it?

Mr HICKS: I think that was a really important part.

CHAIR: It is really glaringly obvious. 7,000 volunteers have been left out.

The Hon. JAN BURNSWOODS: Is this a question or a statement from the chair?

Mr HICKS: I think that was important. I think the trust also coordinated some good programs, such as the keep soils on the site program, which was funded by the Storm Water Trust, and it coordinated that and promoted it well. There were a number of issues, a number of pieces of work like that, which the trust was effective in achieving.

CHAIR: Who currently maintains an inventory of data on the health of the Hawkesbury-Nepean River system now that the trust no longer performs this role? Have you any idea?

Mr HICKS: There would be a number of different agencies doing that. As far as the water quality aspects are concerned, particularly water quality monitoring, the EPA is represented on a committee that oversees that work, which is coordinated by the Department of Land and Water Conservation, but otherwise information is exchanged between agencies on the health of the river system, and some of that is facilitated through memoranda of understanding.

The EPA has a significant amount of information also which it provides through its web site and also we provide significant information regarding licensing and regulatory work through a public

register, which is also available through the web site, so there are a number of means by which that information is available.

The Hon. JOHN RYAN: If a council, or an individual, or an environment group, sought to get access to that information instead of being able to go straight to one structure and get it independently and access it from a number of sources through one site, it is now necessary to go to a number of different agencies who may well collect the information in a different way and make it difficult to benchmark and compare. Is that not the case?

Mr HICKS: That could be so. I am not sure to what extent that might be improved, if there is a problem, by having better coordination between the agencies. Certainly there is meant to be good coordination and also establishing links to web sites, but there is no longer a single repository of that information.

The Hon. JOHN RYAN: Nor an advocate for the river itself, is there.

Mr HICKS: I am not quite sure what you mean by that.

The Hon. JOHN RYAN: Do you not think that an independent structure which advocated for the health of the river and enabled significant progress to be made in the general environmental health of that river over a period of time, now you will have a number of different agencies who will have various focuses and the likelihood is that there will be a number of issues that might have required coordination, and open coordination across the board, now that focus will be lost.

Mr HICKS: I do not discount the importance of the advocacy role that the trust had, but I think now that the statement of joint intent and the responsibilities given to agencies through that, and through the Water CEO's Committee are also important in making sure that improvements are achieved. There is no question that the Environment Protection Authority certainly strongly supports the actions in that SOJI and the recommendations of the HRC that have been endorsed by Government, and we advocate quite strongly to achieve the water quality objectives that are set out.

The Hon. JOHN RYAN: Who will have the responsibility for ensuring that the objectives of the statement of joint intent are met?

Mr HICKS: As I said, the EPA has lead responsibility for some, the Water CEOs have responsibility and I understand that the Healthy Rivers Commission is also to do an audit.

The Hon. JOHN RYAN: No one will have responsibility to make sure that the whole statement of joint intent is adhered to as a whole?

Mr HICKS: I think the HRC has a responsibility in auditing progress.

The Hon. JOHN RYAN: Who is the HRC?

Mr HICKS: The Healthy Rivers Commission.

The Hon. JANELLE SAFFIN: Would you be able to tell me what you know about other rivers, say rivers on the north coast and independent advocates? Can you tell us if there are independent advocates for other rivers, particularly say on the north coast, so that we can have some benchmark to look at what is happening here?

Mr HICKS: Look, I am sorry, I do not know that.

The Hon. JOHN RYAN: It would be fair to say that the Hawkesbury catchment has the largest amount of development of any of the river catchments in New South Wales, would it not?

The Hon. JANELLE SAFFIN: Excuse me, I was not finished my question or he was not finished the answer.

Mr HICKS: I am only familiar with the Sydney region.

The Hon. JOHN RYAN: It is pretty different catchment by comparison to any other catchment in terms of the level of development and the number of population that live on it, is it not? You would hardly make a comparison between a river on the north coast and the Hawkesbury-Nepean catchment.

The Hon. JANELLE SAFFIN: I am looking at a system, not at the rivers. You do not have to be Einstein to get your head around the rivers of the State.

Mr HICKS: There are no similar issues to scale of the Hawkesbury-Nepean. There is certainly a large population, a large area, but similar issues be would be faced in other areas.

The Hon. JOHN RYAN: The scale would be infinitely greater.

The Hon. JAN BURNSWOODS: What about the Hunter River? What sort of system of advocacy exists there?

Mr HICKS: I am sorry, I do not know. The population will not be as great. There will be again similar sorts of issues.

The Hon. JAN BURNSWOODS: The industrial and agricultural impact?

Mr HICKS: The diffuse sources of pollution will be similar. There will be, no doubt, pressures on for urban development that will impact on that as well.

CHAIR: What section of the Department of Land and Water Conservation is undertaking the trust's former regulatory responsibilities for the State of the Environment Report in the catchment area?

Mr HICKS: I cannot answer that question.

(The witness withdrew)

SUSAN MARY KEMP, Consultant, 37 Payten Street, Eraring, sworn and examined:

CHAIR: In what capacity are you appearing before the Committee?

Ms KEMP: As previously the deputy director general of DLWC.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Ms KEMP: Yes.

CHAIR: If you should consider at any stage during your evidence that, in the public interest, certain evidence or documents that you wish to present should be seen or heard only by the Committee, the Committee will be willing to accede to your request. Please be aware that the Legislative Council may overturn the Committee's decisions and make the evidence public.

Do you wish to make an opening statement?

Ms KEMP: Yes, thank you very much. I think the interest of the Committee is in relation to my role in the trust's abolition and any reasons for that. As the deputy director general of the Department of Land and Water Conservation, I was responsible for all of the operations on a state-wide basis of the department and that included our Sydney-South Coast Region where the Hawkesbury-Nepean catchment sits. My role in terms of the trust's abolition was simply upon direction to advise our legal services to prepare the executive council minutes to actually give effect to the abolition of the trust. Thereafter I was responsible for implementing that process. This included advising the then CEO of the trust, the chair of the trust and the local member and advising all of the staff of the trust at the time and then essentially project managing that with stakeholders, with local councils and giving effect to the Government's decision.

CHAIR: Can you give some indication to the Committee precisely at what point the decision to abolish the trust came up and who instigated it? Precisely who or what department instigated it?

Ms KEMP: The direction to me came from the director general of the department from the Minister for Land and Water Conservation. My understanding is that the reason for that came from the minister's office.

CHAIR: So you think it came from the top down, not from the department to the minister?

Ms KEMP: Yes.

CHAIR: Can you give any indication whatsoever of what the reasons were of the minister to actually abolish it?

Ms KEMP: Well, I think with all of the community collaboration processes in natural resource management, they are constantly under review, particularly with the establishment of water management committees, vegetation management committees and catchment management boards, and I think the emphasis in terms of natural resource management is really about trying to achieve change on the ground, get real change in terms of our land and water degradation issues. The Hawkesbury-Nepean catchment has a number of organisations working within it and I think the trust

itself had been operating for some time. There had been some very valuable work done in terms of community education, but there certainly was an opportunity to perhaps use that funding now in a different way to actually achieve more outcomes on the ground and I think that was certainly looking at the totality of the organisations within the catchment and looking at how you can actually get a better outcome for the dollars that the Government was investing.

CHAIR: Do you know if the minister was aware or given any advice on the fact that the trust was able to leverage the money that the Government allocated each year by a factor of up to four to one?

Ms KEMP: I cannot speak for the minister, but I would be fairly confident that there was certainly a great awareness that there was Natural Heritage Trust funding involved and there was other funding involved, but I cannot really say any more than that.

CHAIR: So the minister did get a briefing or ask for a briefing from the department on the financial aspects?

Ms KEMP: Not that I am aware of.

CHAIR: So the decision was made regardless of whether or not there was any leverage or any money raised by the trust itself?

Ms KEMP: The information that is available on the trust, and certainly in its annual report, does outline various funding sources and what funds are available. This information would have been available to the minister.

CHAIR: Did it come as a surprise to you that the minister just suddenly announced the abolition of the trust?

Ms KEMP: I am trying to cast my mind back to March or April of this year. Well, no, not as a huge surprise, only in that the Government is constantly looking for value for money and looking at perhaps different ways of getting a greater outcome from the investment. It is not unusual - I mean organisations are constantly under review and so in that sense it was not anything necessarily out of the ordinary.

CHAIR: Did the department regularly brief the minister on the effectiveness or otherwise of the trust?

Ms KEMP: The Sydney-South Coast Regional Director, Axel Tennie, was a member of the trust. I am not aware of any particular briefings that he would have given to the minister and I do not think he can appear before this Committee at this stage.

CHAIR: Do you know why there was no consultation with other ministers and with the trust itself before announcing its abolition?

Ms KEMP: No, I cannot shed any light on that I am afraid, I was not a party to any discussions with the minister about the abolition of the trust, I simply received a direction to actually do it.

CHAIR: So this whole decision, as far as you are aware - and of course you can speak much more freely now you are no longer in the department - came from the minister's office?

Ms KEMP: Well, that is my understanding.

The Hon. MALCOLM JONES: You have just told us that the Minister gave instructions to the Director-General and it came down to you. Apart from the Minister, do you know of any people or any groups who gave valid complaints about the operation of the Hawkesbury trust?

Ms KEMP: I cannot refer to any groups or any particular people, but I do think there was a sense that there was an opportunity to achieve greater outcomes on the ground, rather than funding in publications.

The Hon. MALCOLM JONES: This is what was felt inside Government, but the question is were there any external complaints received by the department about the activities of the trust, some substantive complaints?

Ms KEMP: Not that I am aware of.

The Hon. MALCOLM JONES: In the ATEC report, in the schedules which we have here, at a time when - and I would imagine it is over a number of years as it is not specific, as we have it here, the ratio of four to one, that is for every dollar the Government spends, \$4 are found either in real dollars or in kind, and just to give a quantum on that, the financial contributions amounted to \$8.6 million and income contributions had equated to \$22.5 million, at this stage the Government has spent \$10 million on this trust - the Government is claiming they can get better outcomes by dealing with it in another way. Are there any other trusts who are involved in this sort of land or river management, who have been able to demonstrate anything like that ratio of fund raising?

Ms KEMP: I am not aware of any in particular. I mean, the Hunter Catchment Management Trust is a very active trust also but in terms of leverage, the whole approach to natural resource management is about leverage and working with the community, and all over the State there are excellent examples of where Government funding is leveraged and in terms of the huge contribution, there are literally thousands of people who give their time in kind and I have not got at my fingertips any sorts of dollars relating to this.

The Hon. MALCOLM JONES: In your experience is the Hawkesbury-Nepean trust below par in its leveraging, or above par in its leveraging?

Ms KEMP: Without having done that analysis across the rest of the State, I would not be in a very strong position to comment on that.

The Hon. MALCOLM JONES: When you were a deputy director, was it seen that the Hawkesbury-Nepean trust was a guiding beacon, or were they dragging the chain? I mean, you must have had an impression of the effectiveness on the trust on a dollar comparison with other organisations attempting to do the same sort of work.

Ms KEMP: I do not think we considered it in that way, to be honest. Certainly we were always aware of the leverage, but then other groups across the State are also very, very successful in leveraging dollars, so it was not as though the trust in my mind stood out any differently, bearing in mind issues of the population that had access to, the businesses it had access to, compared to say west of the Dividing Range where there is not the critical mass there.

The Hon. MALCOLM JONES: In the Minister's letter to the Premier he infers that the money could be more wisely spent to obtain a better outcome. He says "I believe the trust has failed to provide value for money". Now that must be based on something. If he says in March this year that the trust has failed to provide value for money, may I suggest that you must have had, as a deputy director, an opinion on that and why the Minister would come to that conclusion, because surely the department would have had an opinion as to the Hawkesbury trust's efficiency or otherwise.

Ms KEMP: Well, I think if you look at the trust and the structure of the trust's finances, the fact that a very high percentage of the trust funding was actually spent on staff and publications and awareness raising activities, what is being reflected there and which is in fact what happened very, very quickly upon abolition of the trust the Minister was able to announce \$1 million that could be saved from the operations of the trust to go to local government for on-ground works.

The Hon. MALCOLM JONES: That may be the case. However, we received evidence this morning, and it would appear, although we cannot put a dollar value on it, that other agencies are going to have to fulfil the work that this trust was doing, so it may appear as a credit in the Minister's balance sheet, but it will be a debit in other people's balance sheets. What I would like to return to is the fact that the Minister is critical of the effectiveness of the Nepean's ability to deliver services, but your office did not have an opinion as to whether the trust was efficient or not efficient.

Ms KEMP: The Minister receives advice from a whole range of sources. A Government department is simply one. He receives representations from local government, from stakeholders and I am not aware of any of those in particular, but simply I am saying the department is not the only adviser to the Minister. Having said that it is about, I guess, a time in history and in terms of what is trying to be achieved in natural resource management and I think there was a perception that it was now appropriate for there to be different arrangements in the Hawkesbury-Nepean catchment and that the funding could be invested in a different way to achieve better outcomes.

The Hon. MALCOLM JONES: Ms Kemp, as the former deputy general of the Department of Land and Water Conservation I must lean heavily on you to help us with our inquiry because, notwithstanding what you have just claimed about the Minister receiving advice from all other areas, in holding this inquiry and in going through the submissions which were made to this Committee, it is very difficult for us to find any criticism, other than the Minister's, of this organisation.

It goes on in depth about the praise that the trust received and yet with no substantiating evidence, the Minister writes to the Premier. We have not got the Minister here, sadly, but you are here as a person who was in a position of influence and knowledge of the workings of the department and you are disclaiming knowledge now of other advice which the Minister may have received.

It makes things very difficult, because I cannot find substantive reasons why the Minister should make these claims to the Premier. I really seek your support on this.

Ms KEMP: I guess if you look at the statistics of the funding and the way those funds were spent, that does shed some light on that. Here was an organisation that had done a very good job and a very necessary job, but it was an organisation with about 36 full-time staff, almost an equal number of temporary staff and where a lot of that investment by the Government every year was largely spent on buildings and staff and publications, at a time when there needed to be more actions on the ground and more funding provided on the ground. There was clearly an opportunity to free

up some of that funding to go to local governments, and to work with local government to actually achieve greater outcomes on the ground.

The Hon. MALCOLM JONES: On the chart here there were the equivalent of 36 full-time staff. Given the figures which we have been given this morning with the expenses, these 36 equivalent full-time staff must have been very lowly paid people because the figures do not stack up. On \$900,000 a year it does not gel.

Ms KEMP: I'm sorry, I am not following.

The Hon. MALCOLM JONES: In the same letter the minister claims the annual report for 1999-2000 shows the trust spent \$78,000 for rent; \$69,000 for meetings; \$38,000 for cleaning, \$37,000 for insurance; \$31,000 for postage; \$22,000 for publications. In the preceding chapter - all of that probably comes to a couple of hundred thousand - it has employed up to 36 equivalent full-time staff. Out of that \$900,000 it does not work, the arithmetic does not stack up. This is misleading.

Ms KEMP: Well, I have not got a copy of that here, but certainly there were the 36 full-time staff and they were not lowly paid staff, I can assure you of that. We were very, very surprised when we started comparing the salary of the former trust staff to the Government staff. A lot of them were paid considerably more.

The Hon. MALCOLM JONES: Let us say it is \$50,000 a year each. That comes to \$1.8 million or \$1.9 million and we have a budget of \$900,000.

Ms KEMP: I don't follow you; I do not know where the \$900,000 comes from, I'm sorry.

CHAIR: Could you please indicate the letter you are quoting from?

The Hon. MALCOLM JONES: This is a letter that I found in front of me when I returned from lunch--

The Hon. JOHN RYAN: It is mine, but you are welcome to quote from it.

Ms KEMP: Certainly the budget for the trust was not \$900,000.

The Hon. JAN BURNSWOODS: Are we all going to get a copy?

The Hon. JOHN RYAN: The document is tabled.

The Hon. MALCOLM JONES: It is from the Minister of Agriculture to the Premier on 13 March 2001.

The Hon. GREG PEARCE: I think the figure is \$968,000 which the former trustees state is the amount that went to administrative costs, from their understanding of their own budget, and they claim that the balance of their budget, \$2.5 million or whatever it was, went to projects. Perhaps you could enlighten us. What was the amount of administrative costs to be saved? Is that \$968,000 reliable or is that figure not correct?

Ms KEMP: Well, certainly \$1 million was identified very, very quickly after the abolition of the trust and that was because a number of staff took the opportunity to take a voluntary redundancy; other staff resigned and went to new positions and other staff went over to the Department of Land

and Water Conservation and they were in fact basically staff and administrative costs associated with staff that were saved or foreshadowed that would be saved very quickly.

The Hon. GREG PEARCE: Foreshadowed by whom?

Ms KEMP: Once the decision to abolish the trust was made and I had to carry that out we then undertook some analysis, very detailed analysis, of what all the staff were doing, what activities they would be still doing and where savings could be made in the administration.

CHAIR: Without consultation with the actual trust itself apparently.

The Hon. GREG PEARCE: You are saying this was after the trust was abolished?

Ms KEMP: Yes.

CHAIR: After the decision was made and after the trust was abolished?

Ms KEMP: Yes.

The Hon. JOHN RYAN: Taking into consideration voluntary redundancies.

Ms KEMP: It was after the trust was abolished and we were looking at where savings could be made from that action.

The Hon. JOHN RYAN: Does that include the redundancy payments made?

Ms KEMP: The savings?

The Hon. JOHN RYAN: Yes.

Ms KEMP: I am not sure.

The Hon. JOHN RYAN: They might evaporate if you take into consideration the redundancy payments. You have made the claim that there was \$1 million spent on on ground works. In the submission you have given to the Committee which lists those million dollars' worth of works, they only add up to \$640,000. Where is the other \$360,000 worth of works?

Ms KEMP: The minister announced that \$1 million would be made available. I was not in the department - well, I was but I think I was on leave - when that was prepared and at a particular point in time I do not believe the full million dollars had been identified in specific projects because the minister also established a local government advisory group of all of local government in the catchment to actually advise him on what priority projects should be put forward for those fundings, so that would not be complete for that very reason because not everything - the \$1 million was not tagged totally for projects, it was really depending on a consultative process coming up from the local government advisory group.

The Hon. JOHN RYAN: Does that not kind of defeat the point? I mean one of the reasons you were criticising the Hawkesbury-Nepean Catchment Management Trust was because it did not spend money on on ground works, but one imagines that if you were going to spend \$40,000 to combat alligator weed, \$120,000 to expand the Hawkesbury-Nepean Riverbank Management Program and so on, and \$400,000 over five years - and I do not know whether that is \$400,000 every

year for five years or \$400,000 over five years which would be something less, I guess around \$80,000 - all of those things would have involved the payment of staff and probably some administrative expenses too. To some extent I think the Committee is entitled to take the view, in the absence of some other better justification from your department, that the argument that somehow or other there was a magic million dollars made available to spend on on ground works is a bit specious unless we get some better detail than has been given to us in this report.

Ms KEMP: Well, certainly I believe there is even more than \$1 million worth of savings that will be achieved over a period of time from the abolition of the trust. That was in fact a reasonably conservative figure, simply because you already had different government agencies working in the catchment. You had the Hawkesbury-Nepean Catchment Management Trust as an organisation and now the activities have been integrated into the Department of Land and Water Conservation which will automatically lead to quite significant savings.

The Hon. JOHN RYAN: And were the savings calculated before or after the abolition of the trust? It appears from the way you are speaking that the analysis was done after the trust was abolished, not before.

Ms KEMP: I did an analysis after the trust was abolished.

The Hon. JOHN RYAN: So was nothing available before?

Ms KEMP: I am not aware of that. As I said, it was the minister who made that decision.

The Hon. JOHN RYAN: There are quite a number of things listed in that letter which indicate alleged savings from the abolition of the trust. Are you saying that the department did not provide that advice?

By the way, where those documents came from, Chairman, they are copies of letters which were apparently tabled on your request for papers before the House, the correspondence from the minister and the Premier.

Does the \$400,000 over five years relate to an annual allocation of \$400,000 or is that the total allocation for five years for the Hawkesbury-Nepean River Soil Conservation project?

Ms KEMP: Total for five years.

The Hon. JOHN RYAN: So it is \$80,000 per year.

Ms KEMP: Yes.

The Hon. JOHN RYAN: So we do not even have \$640,000, we have barely a couple of hundred thousand dollars by comparison to the claim of a million dollars. Could we have some better details?

Ms KEMP: Well, if I could repeat myself again on that, the million dollars was flagged to be released for on ground works. When that was prepared \$1 million worth of projects had not been identified because at the same time the minister established a local government advisory group that was to advise him on priority projects that that funding could be used for.

The Hon. JOHN RYAN: This is only dated August 2001, so one imagines there was

some further progress. The Committee is obliged to come to the conclusion as to whether or not there is truth in the comment that there is going to be a million dollars worth of on ground works provided as a result of the abolition of the Hawkesbury-Nepean Catchment Management Trust.

Ms KEMP: Yes.

The Hon. JOHN RYAN: Now the only way in which we can come to some conclusion on that is we need something close to \$1 million worth of works explained to the Committee because it is not unusual for government departments to in fact aggregate projects that are going to be funded the next year anyway - in fact one of these projects relates to the Department of Agriculture, not to the Department of Land and Water Conservation, in any event, so I am pretty sure that it would be possible to find \$1 million worth of projects that might be roughly related to the Hawkesbury-Nepean catchment management area that have absolutely nothing to do with savings made from the abolition of the Hawkesbury-Nepean Catchment Management Trust and, in order to justify this decision to the community, surely we need more detail than a couple of hundred thousand dollars' worth of statements of projects that are only defined in terms of a line or two.

Ms KEMP: Well, I certainly now am not in a position to help you with that detail because they are papers of the department. I do not know whether Mr Bugden will be able to. I think when he addresses you he will have some of that detail for you.

The Hon. JOHN RYAN: What I am referring to here is that in the Minister's letter to the Premier the Minister says to the Premier "as I mentioned earlier the New South Wales Government supports the trust to the extent of \$3.588 million annually. The trust attracts additional income from the Commonwealth Government under the National Heritage Trust and other sources such as local councils, taking its annual budget between \$4 million and \$5 million per annum. The cost of operating the trust was approximately \$27.43 million for the five years from 1994-95 until 1999-00. The trust's considerable resources have been substantially devoted to inappropriate staffing levels. In 1999-00 for example the trust spent close to 60 per cent of its total income on salaries and wages. The trust has in the past employed up to 36 equivalent full-time staff, including the chief executive at a top salary level of SES 2 in seven locations across the catchment.

The annual report for 1999-00 shows that the trust spent \$78,654 for rent, \$69,834 for meetings, \$38,310 for cleaning, \$37,033 for insurance" and so on. It then says, "compare all of this with the very modest sum of \$69,285 provided in grants to local groups for on the ground community projects".

Are you saying that advice was not provided by the department to the Minister?

Ms KEMP: The trust actually reported directly to the Minister and annually reported to the Minister. My understanding of what you just read out is that data came out of the trust's own annual report.

The Hon. JOHN RYAN: Do you think that the Minister has done his own analysis and composed this letter himself?

Ms KEMP: That letter came from the Minister and the Minister's office.

The Hon. JOHN RYAN: It has nothing to do with the view that might have been put to him by the Department of Land and Water Conservation.

Ms KEMP: I did not give any advice like that to the Minister and I am not aware that anyone else did either.

The Hon. JOHN RYAN: Did you think that it is fair to say that the sum total of what the Hawkesbury-Nepean Catchment Management Trust produced was only \$69,000 worth of on-ground works, given that part of the reason that the trust exists was to attract other funds from other areas, and put those to on-ground works, and it might have been more accurate to say that if you were going to characterise the trust as having an operating budget of \$27.43 million over 1994-95, a more accurate statement might have been to put the sum total of all the on-ground works that had been funded by the various sources as well, rather than a simple statement of \$69,285 for on the ground community projects?

Ms KEMP: I am not in a position to comment on that.

The Hon. JOHN RYAN: Would you assess a project purely in those terms if you were providing advice to your Minister?

Ms KEMP: Certainly when I had to do the project management of closing down the trust and an analysis of all of the information, there was very little funding that was provided directly for on-ground works. It was a very large organisation for what it produced. It had very high salaries.

The Hon. JOHN RYAN: That is directly from its budget, that is true, but surely it ought to be assessed in terms of the other funds it did attract from other sources. That is what they say to us, that it is unfair to judge them entirely in terms of the administrative budget that they worked to when they were able to attract considerable funds from other sources, such as the Commonwealth, for on-ground works, which they say that now that the trust no longer exists, the impetus and the expertise that was gathered together to get those resources will no longer be available.

It is not without probably some credibility that the amount of funds that will be lost from sources such as the Commonwealth and local government are likely to be greater than the million dollars that the department proposes to save given that they apparently managed to gain in excess of \$4 million or \$5 million a year.

CHAIR: There were some 7,000 volunteers who were providing their work without pay at all. They have fallen by the wayside and that resource has been lost as well.

Ms KEMP: I have not been in the department now for four months. There is nothing stopping the attraction of Commonwealth funds to the Hawkesbury-Nepean catchment. That funding comes to projects all over the State. It is a normal method of operation. There was not anything special about that attraction of funds in the Hawkesbury-Nepean in particular. It happens everywhere in the State.

The Hon. JOHN RYAN: What they are saying is they had a greater capacity to attract funds because of the fact it was seen as a statutory and community organisation which a Government department would not quite have that level of attractiveness because they were able to guarantee 7,000 volunteers to implement the on the ground projects. Now without 7,000 volunteers, plus an enormous amount of community support, it is highly unlikely that a Government department with bureaucrats is going to be successful in obtaining that level of resource.

Are you prepared to guarantee that in addition to saving \$1 million in administrative costs, that you will be able to attract for the purposes of the Hawkesbury Nepean catchment area, a similar

level of funding from all of those sources as this group was, plus the amount of voluntary and community assistance that was given to those projects? I suspect the answer would be no, but I would be happy to hear it if it was otherwise.

Ms KEMP: As I said, Mr Bugden is more up to date on what has happened now, but certainly at the time there was nothing in the department's thinking, when we had to do this, that there would be anything against attracting funding. There is nothing there. There is no reason - I mean volunteers, we have volunteers across the whole of the State working in these areas involved in on-ground works. There was nothing in the existing structures that would have that not happen.

The Hon. JOHN RYAN: Would you still make a claim to having 7,000 volunteers working in the Hawkesbury-Nepean catchment?

Ms KEMP: I cannot.

The Hon. JOHN RYAN: Who would?

Ms KEMP: I think Mr Bugden will be able to.

The Hon. JOHN RYAN: I look forward to that.

The Hon. GREG PEARCE: When did you leave the department?

Ms KEMP: On 31 August.

The Hon. GREG PEARCE: Would you have concluded the reallocation and redundancies of the staff? Was that all concluded while you were still there, or was some of that done after you left?

Ms KEMP: Well, that takes quite a long time. I imagine that there were some redundancies taken while I was still there. I do not know if there have been any further ones granted since I left. Certainly trying to find positions for staff, a lot of that work was done while I was still there. I imagine there is a lot of tidying up that probably had still been done after that.

The Hon. GREG PEARCE: The submission from the department says that as at April 17 there were 60 staff, 28 were full time permanent, four long time temporary and 28 temporary casual contract. As at 1 July 2001, 22 permanent and long-term temporary staff were employed by the department, 18 temporary staff were also taken on by the department and 10 left, of which eight had voluntary redundancies, and two sought alternative employment. That seems to me to cover all of them for the period that you were still there.

Would you be able to give us, from your memory, a figure for the total redundancies paid out?

Ms KEMP: No.

The Hon. GREG PEARCE: Do you have any idea of the order of the figure?

Ms KEMP: To be honest no, not at this stage I do not. It depends on how much accrued leave people had. You cannot even use a multiplier saying each one is going to be 50,000 or something. That is information that would be able to be provided.

The Hon. GREG PEARCE: According to this, the 22 permanent and long-term temporary staff who went over from the trust to the department equated to a total permanent ongoing salary cost of \$1.4 million. That does not seem to equate to the figure. It is very hard to follow these figures because the trust had a total expenditure of \$3 million-odd.

Ms KEMP: Three and a half million.

The Hon. GREG PEARCE: There do not seem to be a lot of savings made. 22 of the staff were taken over full-time by the department. It does not give us the cost for the 18 temporary staff.

Ms KEMP: There was quite a significant administrative support staff in the trust as well and some of those people left. Some of them have taken voluntary redundancy. Some of them were put into positions which were vacant positions and funded in another way. Similarly, all of the programs of the trust were reviewed, with a view to looking at where there was some potential duplication. The necessary programs continued, but some of those staff went into different areas in the department, so they were funded from the department's budget.

The Hon. GREG PEARCE: So in these savings we have two of the 60 staff who disappeared, shall we say, left at no cost to the department?

Ms KEMP: Yes.

The Hon. GREG PEARCE: We have eight who accepted voluntary redundancies, and that is the extent of the staff savings.

Ms KEMP: No.

The Hon. GREG PEARCE: Sorry, the extent of the staff savings is that two left out of 60?

Ms KEMP: No, there were a large number of temporary staff who were on contracts.

The Hon. GREG PEARCE: This is in the department's own submission.

Ms KEMP: What I am saying is that there were former staff of the trust who - they were working in the trust at the time - could have gone into a position in the department working in Crown Land Management, for example. Therefore, that was a saving in terms of the funding that was used for the trust.

The Hon. GREG PEARCE: Doesn't the department pay them?

Ms KEMP: Yes, but the funding for the trust was quarantined within the department. It was very separate because I would be sure the minister would have to account for those savings over a period of time, given the action, unless things have changed in a few months. It was very important that the department could account for all of those savings so that the minister could demonstrate the benefits of the new arrangements.

The Hon. GREG PEARCE: But how do you save anything if you take someone employed here and put them over there?

Ms KEMP: Well, the trust was separately funded, it was a separately funded entity. It did not report to the department, it reported quite separately to the minister. So if John and Jane were former trust staff earning a salary of \$60,000 each, \$120,000, if the work that they were doing was already being done in some way by the department, or that work had come to an end, there was a lot of project work being done that would be closed off and finalised, and they went to work in Crown Land Management which would be, say, core business of the department already funded by the department, you then have that saving out of that \$3.588 million of the trust.

The Hon. GREG PEARCE: But it is spent out of the department where they have moved to.

Ms KEMP: But it was already being spent in the department.

The Hon. GREG PEARCE: It was not being spent if there was a vacancy there.

Ms KEMP: Yes, but the vacancies are constantly filled, so it would have been budgeted for in the department's budget.

The Hon. GREG PEARCE: If the vacancy was filled by the person from the trust then the person would not have been at the trust.

Ms KEMP: And they were not, and therefore that was a saving.

CHAIR: Do you think the minister was adequately briefed on the question of the number of volunteers who worked with the trust and the amount of money raised by the trust other than the government money? Do you think he made a decision based on the facts or just a decision based on saving \$1 million?

Ms KEMP: I honestly cannot answer that. I am not aware of discussions between, for example, the director general and the minister on that issue.

CHAIR: You gave him no briefing yourself on the value or otherwise of volunteers, so he may well have made a decision in a vacuum, perhaps?

Ms KEMP: I cannot comment.

CHAIR: But you are aware that you did not brief him?

Ms KEMP: Certainly I was not involved in any briefing of him prior to the abolition of the trust.

The Hon. MALCOLM JONES: If I may, I would just like to read you one paragraph from the submission by the trustees and I would like your comments, please:

Using the 2000-2001 budget the trust's treasury allocation of \$3.588 million provided for expenditure of \$968,155 on administration and executive support costs. This equates approximately to the \$1 million the minister has identified as being able to be redirected to new on ground projects. The remainder of the trust's budget, approximately \$2.6 million, was allocated to projects. Given the trust's leverage ratio of about four times the trust could normally expect to make available

\$10.4 million, \$2.6 million x 4, without the external funding and in kind support, et cetera. The minister's new arrangements will yield \$3.588 million representing an investment loss of approximately \$6.8 million for on ground projects.

That paragraph seems to contradict what the minister is claiming and I would like your comments, please?

Ms KEMP: Well, I certainly would not accept those comments in that there is an assumption that the leveraging ability is no longer there and that ability is still there through all of the different funds that are available. That comment is assuming that all of a sudden that just stops, which is not the case, that is not what happens in reality.

The Hon. JOHN RYAN: I must say that it has been my experience that community organisations, local councils and so on are much more willing to give money and time to agencies which are seen to be part of the community than they are to a government bureaucracy. However meritorious it is, the Department of Land and Water Conservation is unlikely to receive the same level of voluntary and community support that an organisation as popular, as the Premier acknowledged, as the Hawkesbury-Nepean Catchment Management Trust was and there does not appear to have been much attempt to assess within the department the value of the extra capital that the Hawkesbury-Nepean catchment brought. In the absence of it being assessed in any way by the department we are really forced to accept the assessment by the trust, are we not?

Ms KEMP: No, certainly not, in that I think I have already said the department works with volunteers all over the State. There is a huge workforce through the Landcare program, through a whole lot of programs. There are volunteers working in partnership with government agencies and it is not just the Department of Land and Water Conservation. There was nothing in particular about the Hawkesbury-Nepean, when you compare it to the rest of the State, that was different in terms of that method of operation. They had a large number of volunteers, that is certainly true, they had a very big population base to draw from, but I think if you went out to Dubbo or if you went to Parkes or if you went to Moree you would also find volunteers there working with government agencies to achieve works on the ground, so it was certainly a large number, but also they had a very large resource to draw from in terms of volunteers.

(The witness withdrew)

BERNARD JOHN BUGDEN, Public Servant, Department of Land and Water Conservation, 60 Progress Street, Goulburn, sworn and examined:

CHAIR: In what capacity are you appearing before the Committee?

Mr BUGDEN: I am here as the Sydney-South Coast Department of Land and Water Conservation representative.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr BUGDEN: Yes, I am.

CHAIR: If you have made a submission, do you wish to have your submission included as part of your sworn evidence?

Mr BUGDEN: Yes, I have a written submission to answer the questions that have been asked of me, plus a short summary written response, as well as an article I wish to discuss in camera too, please.

CHAIR: If at any stage during your evidence you consider that in the public interest certain evidence or documents you may wish to present should be heard or seen only by the Committee, we would be willing to accede to your request. Please be aware that the Legislative Council may overturn the Committee's decision and make the evidence public. Do you wish to make an opening statement.

Mr BUGDEN: I do thank you. I am the Department of Land and Water Conservation Landscape Manager for the Hawkesbury-Nepean Catchment. I have been employed with the DLWC and its precursor agencies, Department of Conservation and Land Management and Soil Conservation Service since 1979.

I have been involved in management positions relating to catchment management since 1994 and I have been involved in TCM, or total catchment management, since 1990 as a department representative and/or managing support to institutional arrangements for total catchment management, and that has covered areas from the Mid North Coast, Hunter Valley, Sydney Basin, Hawkesbury, South Coast, Upper Lachlan and the Upper Murrumbidgee.

I was advised on 5/4 this year, whilst attending a regional workshop that the Hawkesbury-Nepean Catchment Management Trust was to be abolished. I was requested to attend the Hawkesbury-Nepean Catchment Management Trust along with the Deputy Director General, Susan Kemp, Regional Director, Axel Tennie, and Regional Landscape Manager, Mr Noel Kesby, the following day, on the sixth.

I was instructed by the department to manage the integration of the Hawkesbury-Nepean trust staff and functions into DLWC. This process began on 9/4 this year.

I undertook the following actions. I assisted our human resources section to transfer into appropriate positions 22 permanent or long-term temporary former Hawkesbury-Nepean trust. 18 temporary staff have also been taken on by DLWC to complete their projects and appointments. 10 former trust staff were retained to complete their temporary contracts and also 10 former trust staff chose not to continue employment with eight of those accepting voluntary redundancies.

On the basis of information provided in the trust 2000-01 business plan, trust files and that advice given by the trust former program leaders and junior staff, trust project commitments were analysed and absorbed into the Sydney South Coast DLWC business and project plans for this current financial year, or negotiated to be undertaken by external parties.

All projects have a commitment for implementation. The total cash balance transferred to DLWC from the Hawkesbury-Nepean trust was \$4.96 million. Of this approximately \$990,000 were allocated for external projects. Net available funds following corporate costs allocated to the delivery of DLWC commitments as a result of the Hawkesbury-Nepean trust abolition, is \$4.775 million, including \$990,000 for external projects for this financial year.

There have been significant reviews of TCM and the trust itself since its establishment in 1993. They include review of the Hawkesbury Nepean trust 1996, review of total catchment management New South Wales 1996 to 1998, the Hawkesbury-Nepean Catchment Management Trust review in 1999, the New South Wales Government's introduction of strengthening catchment management in New South Wales policy in 1999 and the Hawkesbury-Nepean Healthy Rivers Commission Inquiry and Reports 1998 to 1999 and the Cabinet's decision in December 2000.

It is the Sydney South Coast region's view that there has been tremendous change since 1998 across our region in terms of structural arrangements and processes, in terms of total catchment management as a result of these reviews.

Despite these reviews and recommendations, the Hawkesbury-Nepean catchment trust, it was believed, resisted management and corporate change to some extent within itself and was not seen to be a proactive change agent for discernible incremental in a physical environment.

On two occasions Government determined, with advice from DLWC, to broaden the area of operations of Hawkesbury-Nepean Catchment Management Trust to more effectively deliver its total catchment management purpose.

Following the review of TCM in New South Wales during 1998, the Government approved the trust area of operations to be expanded include the Cox's River and Wollondilly catchments upstream of the former trust area. Secondly, following the 1999 Hawkesbury-Nepean Catchment Management Trust Regulation Review, Government initially approved its expansion to cover the estuarine areas of Pittwater and Brisbane Waters.

On both these occasions it was the community, not State Government agencies, which pressured Government to reverse its decision.

I wish to table three letters from the former Wollondilly catchment management committee chairs which did not support the Hawkesbury-Nepean Catchment Management Trust's expansion into their area. I have labelled them tags A, B and C. Tags A and B refer to letters from the former chair of the Wollondilly Catchment Management Committee, John Klem, and the third one is from the former chair of the Wollondilly CMC David Merle. I have photocopied all appendices as well, which I believe have been handed out.

Secondly, I wish to make the point that the DLWC, through its regional director, Axel Tennie, has been very clear in articulating concerns to the Hawkesbury-Nepean Catchment Management Trust executive regarding its future directions and concerns of Government regarding the trust's delivery of its functions.

I wish to table the following documents which demonstrates Mr Tennie's advice. There are two references, tags D and E. Tag D is a letter from Mr Tennie to Mr Peter Davey, acting CEO of the Hawkesbury-Nepean Catchment Management Trust on 1/4/97, and the second is a discussion paper, dated 7 July 1997, tabled for the Hawkesbury-Nepean Catchment Management Trust action by Mr Tennie.

The trust board and its executives considered both of these documents. They flag serious concerns regarding budget bias towards overheads in favour of resource improvement initiatives. Mr Tennie has further provided the follow statistics for the inquiry's consideration in terms of distribution of and comparison of catchment management costs. They are tags F and G. One is figures in terms of comparison with other models within New South Wales in terms of overheads and other costs and the second document refers to distribution of costs in terms of the Sydney South Coast region's catchment management structures particularly as they relate to administrative and strategic planning support. That was a 1998-99 document.

I understand that the former Minister, Mr Amery, had also personally expressed similar concerns to the trust board at a trust meeting at Windsor, which I understand was in May 1998, in terms of distribution of dollars compared to overheads and on-ground works.

Peak environmental groups in the Lower Hawkesbury-Nepean have also raised similar concerns directly with the Minister and in the 1999 regulation review.

I table the following letter to Minister Amery, dated 23 June 1998, from the president of Change, Coalition of Hawkesbury and Nepean Groups for the Environment, Mr John Murphy, and this is tag H, and part of that letter Mr Murphy says to the Minister "we are very disappointed at the lack of runs on the board. A lot of money has already been spent for very little return". That is a component of that letter. I table that one as well.

There have been some community concerns raised over these issues as well as agency, to both the Minister and the executive of the trust.

That is the end of my introduction, but I have provided detailed answers to the questions that the secretariat asked of me. I would be happy to go through them individually or you may want to ask me questions on them.

The Hon. JOHN RYAN: Mr Chairman, can I say I have a structural problem with where we are now. By and large we have got a whole raft of new information on which I would have thought it would be appropriate to question and weigh its value as evidence and yet it is not even in a form which all of us can read or see, and we have got five or 10 minutes. It really would have been more appropriate if this material had been given to the Committee in advance so that we had the capacity to assess its merits.

For example, we have had a quote from one document that referred to runs on the board. I have no idea how to accurately assess the context of that remark, whether it is relevant to the committee or not. It does make it somewhat hard that all of this information has been given to us at the last minute and not in a form which we can all view together.

CHAIR: What do you propose then?

The Hon. JOHN RYAN: I do not know. I just suspect we might need to see Mr Bugden again because I think whatever we ask is going to be somewhat superseded by all the information he

has just tabled.

CHAIR: We have a number of options. We can have another hearing, if needed, or we can ask questions on matters without having the chance to read this material, or we can spend some time reading this now and ask Mr Bugden to wait until we ask him questions later in the afternoon. It is up to the Committee to decide the best way to go.

The Hon. JOHN RYAN: Well, I see no reason why we cannot proceed to questions, but I have to say that whatever we do in terms of questions is going to be somewhat inadequate in view of the fact that 98 percent of the evidence is not in front of us.

CHAIR: Well, we might proceed to questions in the meantime.

The Hon. JOHN RYAN: All right. What estimate has the department made of the impact of volunteers? I notice that you have made some comment in terms of the response to say that it is not true to say that you do not have volunteers and so on, but one might at least say that the Hawkesbury-Nepean Catchment Management Trust said that they had access to 7,000 volunteers in its various projects. What statistical data is the department able to offer in response to that comment to quantify whether or not the level of voluntary assistance to the department is the same as was previously available to the Hawkesbury-Nepean Catchment Management Trust?

Mr BUGDEN: I guess the first thing is the figure of 7,000 volunteers. In my opinion, I would question that. I am not sure where that was sourced from, but the last effort that DLWC made with the community in terms of measuring community involvement in natural resource management in the Sydney-South Coast Region was in 1998-99 and that was through a Landcare report of activities. That measured the performance of Landcare groups, it did not measure the performance of all volunteer groups. At that period of time there were over 8,000 volunteers in the Sydney-South Coast Region, including Hawkesbury-Nepean. There are a lot of Bushcare groups in the Lower Hawkesbury-Nepean as well which have a lot of affinity with local government in terms of their relationship, but I am not sure where the 7,000 figure comes from. I do know that the Hawkesbury-Nepean trust with their regular newsletter - I understood that it had a circulation of 6,000 people in total. That is agencies, a whole range of different players, including volunteers, and so I am not sure of that 7,000 figure. I do know from talking to existing staff that are working for DLWC now who worked for the trust before that, in their view, while there has been, as has been reported today, some concern in terms of community participation in the Lower Hawkesbury-Nepean, the level of voluntarism has not decreased, in fact new groups are forming through partnerships with the community, particularly in the riverbank area where there is some targeted investment by the department at the moment.

As I say, I can table this report to actually demonstrate the last record of community involvement in the south coast region which totals the number of volunteers in Landcare and the value of their works on the ground as well, so that is some evidence, but in terms of that figure I am really unsure as to whether that is accurate or not.

The Hon. JOHN RYAN: Well, whether you see it as accurate or not, I am interested as to what assessment the department has made as to what things were like before and after the abolition of the Hawkesbury-Nepean Catchment Management Trust. Did anybody count before and after to make sure because, as a resident of the catchment area, I am aware of the fact that the Hawkesbury-Nepean Catchment Management Trust had a sort of value as a marketing agency. There is little doubt that people had respect for it as an agency. When it spoke, people respected it as being an agency with some independence and authority and people were prepared to help it out in

ways and means that they might not have been prepared to help out a government department, so its abolition will obviously have resulted in some change in people's attitudes to the catchment. What assessment has the department made before and after to see whether those attitudes and assistance given to the department have changed? Rather than simply asking a few people who work in the area to anecdotally suggest, has there been any objective study made of the before and after situation?

Mr BUGDEN: There has been no attitudinal change survey undertaken since the abolition and, to my knowledge, there was no attitudinal change survey done before by either the trust or this agency.

The Hon. JOHN RYAN: So you are saying the before and after situation has not been studied objectively?

Mr BUGDEN: As I say, the only record of volunteer involvement in natural resource management was a 1998-99 Landcare report, to my knowledge.

The Hon. JOHN RYAN: But Landcare is not the total picture of the Hawkesbury-Nepean Catchment Management Trust activities, is it?

Mr BUGDEN: No, to my knowledge that is the only level of record of volunteer involvement across the whole Sydney-South Coast Region which covers the Hawkesbury-Nepean.

The Hon. JOHN RYAN: What is there since?

Mr BUGDEN: Well, as I said, the last one was 1998-99. There has been nothing since then.

The Hon. GREG PEARCE: Are you responsible for management of the new projects that have been listed by the minister?

Mr BUGDEN: I am.

The Hon. GREG PEARCE: Can you just give me a breakdown of the \$120,000 to expand the Hawkesbury-Nepean Riverbank Management Program. What is breakdown of that expenditure?

Mr BUGDEN: There is a steering committee that runs the riverbank management program. There have also been additional funds from the Federal Government.

The Hon. GREG PEARCE: Just the \$120,000. What is the breakdown of that; what is it spent on?

Mr BUGDEN: On ground work.

The Hon. GREG PEARCE: Contracted out?

Mr BUGDEN: It is going out to expressions of interest before December and it will be allocated to proponents early in the new year through the steering committee, which is made up of local government, DLWC and community representation. They will make recommendations on the allocation of those funds based on the riverbank management program process.

The Hon. GREG PEARCE: So it is going out to tender to construction and landscaping companies or community groups; who is involved?

Mr BUGDEN: Community groups, individual landholders, it could be local government as well.

The Hon. GREG PEARCE: If it is local government that tenders, what are they going to tender for? Are these suggested new projects or where does it actually go?

Mr BUGDEN: There has been work in the pipeline for the last three years in terms of design, working with community groups. There are groups that have actually formed as a result of this program to do work on the ground and these are additional moneys to actually assist them to implement the best management practice that has been derived and put it on the ground physically.

The Hon. GREG PEARCE: And the \$80,000 for stream rehabilitation work in South Creek?

Mr BUGDEN: Yes, \$80,000 for the next five years is to address key issues that came out of the South Creek CMC, evaluation of issues in the catchment and to target those physical things such as salinity, riparian zone management issues, general land degradation, so they are targeting best management practice and implementation on the ground. It is all cash money to go on the ground, there is no staff involved.

The Hon. GREG PEARCE: You are saying that the \$80,000 for five years is for soil conservation?

Mr BUGDEN: Yes, the million dollars, there is no money in staff at all, it is all physical work on the ground.

The Hon. GREG PEARCE: Okay, except that we have not yet allocated the other \$680,000.

Mr BUGDEN: Yes, I have provided the expressions of interest information which is going to the local government advisory group on 13 December for ratification. It will go out then calling for expressions of interest to implement against those key priorities that the local government group has signed up on in terms of allocating towards the draft strategic plan the trust was involved in and, as you will note in that information I have provided to you, that has been converted into a draft blueprint, so there have been some goal posts set up to actually measure against in terms of implementation.

The Hon. GREG PEARCE: In this material you sent us today you said that when the trust was abolished there was a cash balance of \$4.96 million, so \$5 million, of which \$990,000 was for external projects, so there is \$4 million. Where has that gone?

Mr BUGDEN: \$4.775 million is our annual allocation, our budget for this year for the Lower Hawkesbury-Nepean that the trust operated over.

The Hon. GREG PEARCE: I am talking about the cash balance. Where did the cash balance of \$4 million go?

Mr BUGDEN: Yes, that is what I am saying. \$4.775 million is in our business plan, in our

work plans at the moment. The rest of it, after taking out the \$990,000, is money for overheads basically as a result of the abolition of the trust. Treasury did pay for the redundancies but we had to pay for recreational leave and job search allowance and that sort of stuff as well.

The Hon. GREG PEARCE: Do you know how much went on redundancies?

Mr BUGDEN: I do not know the exact figure but I can find out.

The Hon. GREG PEARCE: The trust had \$5 million in cash. \$990,000 was allocated for external projects, so still doing a cash situation, where did the other \$4 million cash go? You have allocated it to new projects, have you?

Mr BUGDEN: We have evaluated the former trust's business plan. There was a draft business plan for this financial year as well. We have looked at that and the draft trust strategic plan and we have developed work plans for each of those items in terms of the on-ground. There are other commitments as well, particularly in terms of the Healthy Rivers SoJi, so there are issues there as well, so it is all budgeted against the deliverables that the trust had to deliver.

The Hon. GREG PEARCE: Could you put together a little simple cash tracking of what happened to the \$5 million, because to my simple mind if we take \$5 million of cash which they had, take out \$990,000 for projects, take out whatever was paid on holiday and retrenchment figures, instead of \$1 million of saving, I would have thought we had three or four.

Mr BUGDEN: At the moment we are delivering \$4.775 million in our budget to deliver against the trust deliverables. There is \$1 million which has been identified that the Minister has asked us to put into that works program on the ground.

The Hon. GREG PEARCE: There is another \$3.775 million that the Minister has not.

Mr BUGDEN: No. They are for salaries and all other issues that are not on-ground work.

The Hon. MALCOLM JONES: The trust was abolished in April and now we are in December, which is eight months. In the time since the trust was abolished, and the trust was abolished without notice, all sorts of projects would have been in progress. The draft plan of management had many targets in it, according to the evidence we heard this morning, a whole range of targets.

Firstly, in the eight months since the trust was abolished, what has happened with the work in progress? What has happened with new projects? What has happened with your department and there identifying existing targets or new targets in terms of work that is proposed to be carried out?

Mr BUGDEN: Okay. The key document, I guess, in terms of projects and where we are going in the future was the draft Hawkesbury-Nepean strategy.

The Hon. MALCOLM JONES: This one?

Mr BUGDEN: That is correct. I will table that again. We have converted it into a draft blueprint through the work the local government advisory group. They have established a planning group, made up of State agencies and nine local government representatives as a working group, and they have developed the conversion which is to go to the local government advisory group meeting on 13 December for ratification, and then it will be forwarded on to the Minister for his consideration

and then it will come out for public exhibition in the new year. That is the main document.

The Hon. MALCOLM JONES: How do the numbers of targets compare with this original plan and that blueprint?

Mr BUGDEN: The catchment targets have gone from 13 down to four catchment targets, which is consistent with the rest of New South Wales. I should point out that the advice was given to the Hawkesbury Nepean trust in terms of their strategic plan before the abolition, they did get advice that there was a catchment planning exercise happening across the rest of New South Wales and the trust did take that on board in trying to adapt a draft Hawkesbury-Nepean strategy to a catchment blueprint.

The Hon. MALCOLM JONES: That is hardly taking it on board, is it, if you are going to superimpose over the top of it a state-wide plan to substitute for it. You cannot substitute for it and take on.

Mr BUGDEN: What I meant was before the draft document you have before you was finalised, advice was given to the Hawkesbury-Nepean trust and trust staff did attend workshops in terms of where the catchment board model for catchment plans was talked about. That advice was taken on and there was an attempt to adapt that process to the strategic plan.

I guess the view would be from the department that it did not go all the way in terms of marrying up with the rest of New South Wales in terms of the implementation of the catchment board planning process.

The Hon. MALCOLM JONES: I think you have lost me a little bit. You advised the Hawkesbury-Nepean trust before this plan was devised that there was a state-wide strategy going to take place?

Mr BUGDEN: No. The strategic plan was due in September last year.

The Hon. MALCOLM JONES: I appreciate this is only a draft.

Mr BUGDEN: What happened was the trust, when they became aware that there was a catchment planning process going over the rest of New South Wales, they sought advice and got an extension of six months to actually complete the draft plan and try to adapt it in terms of the new catchment management board planning process, which is much more targeted.

The Hon. MALCOLM JONES: Were they able to do it in this document?

Mr BUGDEN: There was an attempt to do it but the department's view was it could have gone further. The blueprint has attempted to do that.

The Hon. MALCOLM JONES: From this document to your document, the department imposed its will, let us say, because it was in charge.

Mr BUGDEN: I would not say that. The local government advisory group, through their planning subcommittee, had been given advice in terms of guidelines to the planning process and that group has come up with a draft document which has not yet been ratified by the local government advisory group and it has not gone to the Minister yet. It has not imposed it. It has been given advice.

The Hon. GREG PEARCE: It has been drafted to fit in with the guidelines put out by the department.

The Hon. MALCOLM JONES: What I am trying to get at is the targets have been suitably watered down by the guidelines which were issued prior to this, so when this was issued they knew about the guidelines and the actual number of targets has been reduced from 30 to 14.

The second part of my question, was that as at April when without notice the trust was abolished there was work in progress. The question was, what has happened to that work in progress? Has it been successfully concluded? Was it stalled because of lack of volunteers? Was it finished because everybody was quite happy that the trust had been abolished? What is the status of that work?

Mr BUGDEN: The work in progress at the time of the abolition, as I mentioned earlier, has been assessed and it has either been included in our business plan and we are facilitating its delivery or other organisations have taken it on.

The Hon. MALCOLM JONES: Does that mean no?

Mr BUGDEN: It means yes.

The Hon. MALCOLM JONES: The work in progress, as at April, if it is being assessed, it has not been carried out.

Mr BUGDEN: We assessed the work that was in the business plan of the Hawkesbury-Nepean trust.

The Hon. MALCOLM JONES: I am talking about work that was in progress, not in the business plan, actually work that has been approved and is in progress.

Mr BUGDEN: Work that was in progress has been assessed, which was part of the business plan of the trust, and it was included in our business plan, that is the Sydney South Coast business plan, and has now been implemented, or it was negotiated for external parties to take over that responsibility and to implement it, which has now been done.

The Hon. MALCOLM JONES: Work that was in progress as at April has been discontinued and then assessed and put into a business plan. Has it recommenced?

Mr BUGDEN: No.

The Hon. MALCOLM JONES: Well, what then?

Mr BUGDEN: The business planning happened in terms of what had to be done. The work continued on. There has been no interruption of the work.

The Hon. JOHN RYAN: Could you explain to the Committee who is Mr Axel Tennie?

Mr BUGDEN: Mr Axel Tennie is the regional director for the Sydney-South Coast Region. He also was a trustee of the Hawkesbury-Nepean Catchment Management Trust.

The Hon. JOHN RYAN: He is the person who has provided the documents at tag D, tag E, tag F and tag G?

Mr BUGDEN: That is correct.

The Hon. JOHN RYAN: They are all of the documents which attempt to outline the financial criticisms of the trust that it was too projected towards doing administrative tasks rather than on the ground items?

Mr BUGDEN: That is correct.

The Hon. JOHN RYAN: Would it be fair to say that the trust never had, as part of its charter, to do on the ground things. For example, if I may quote from its legislation, the first job of the trust was to prepare a strategic plan. Then it was to do a number of other things from (b), (c), (d) and (e) of section 6 to coordinate, report and so on with regard to the strategic plan. Then, under clause 7, the trust has the following functions: (a) to engage in educational, marketing and conflict mediation activities; (b) to give advice on a number of items which are listed; (d) to facilitate and coordinate monitoring and evaluation; (e) to prepare a report every four years (the state of the environment report); (f) to ensure that the state of the environment report includes without limiting a number of matters; (g) to prepare the state of the environment report in conjunction with the Local Government Act; (h) to provide the state of environment report to the responsible minister; (i) to facilitate and coordinate the assessment and evaluation by local government agencies of a number of matters with regard to Aboriginal communities; (j) to make recommendations that are consistent with its total management purposes to government agencies and so on. There is not anywhere in its charter a requirement that it conducts on the ground work, is there?

Mr BUGDEN: The Catchment Management Act and the functions of the trust, section 27(1) states that a trust may provide, construct, operate, manage and maintain works and buildings, that is in section (a), and (d) enter into cost sharing and other arrangements in connection with the carrying out of works.

The Hon. GREG PEARCE: Is that a powers clause?

Mr BUGDEN: That is a function.

The Hon. GREG PEARCE: But it is a powers clause, is it not?

Mr BUGDEN: The second issue is the Hawkesbury-Nepean Catchment Management Trust Regulation 1999: The total catchment management purpose of the trust relating to strategic planning and additional functions did not limit the trust in delivering on ground implementation.

The Hon. JOHN RYAN: And it would be fair to say that Mr Axel Tennie was a delegate to the Hawkesbury-Nepean Catchment Management Trust from the Department of Land and Water Conservation, was he not?

Mr BUGDEN: Correct.

The Hon. JOHN RYAN: So don't you think that he would be likely to be critical of a body which he was attempting to, I guess, over time, have incorporated into his own department? Do you think it is likely that a public servant, a senior public servant, working for the Department of Land and Water Conservation is not going to be critical of an organisation that he sees as taking over

his turf, so to speak? I mean that is common with public servants, is it not?

Mr BUGDEN: My opinion would be no. I mean the trust did implement works or facilitate the implementation of works - Operation Healing, which was a program earlier on I think that spent over \$600,000 in terms of delivering on ground work. The riverbank management program, which is a collaborative program between local government, DLWC, the trust and the community, delivered good physical work outcomes on the ground as well as education, as well as best management practice advice. I think the regional director was supportive of those programs because they were good collaborative programs.

The Hon. JOHN RYAN: You would have to say that the documents tagged E, F and G are hardly academic treatise that are well supported by other material; they do appear to be largely an expression of Mr Tennie's own opinions, do they not?

Mr BUGDEN: They could be called blunt--

The Hon. JOHN RYAN: They are certainly that.

Mr BUGDEN: --but they are taken out of the trust's business papers.

The Hon. JOHN RYAN: Well, they could just be Mr Tennie's own point of view.

Mr BUGDEN: Well, they are certainly the view of other organisations that did express similar views, but not having the numbers behind them to suggest that, I suppose.

The Hon. JOHN RYAN: Well, what justification are you able to give to the Committee that these views that were held by Mr Tennie - which were certainly not ones where the minister had expressed any concern prior to this anyway, prior to the abolition of the trust, these views do not appear to have been widely circulated and commented upon. What evidence are you able to provide that Mr Tennie's views which appear to form the trunk of your case against the trust were widely held by other people?

Mr BUGDEN: I cannot answer that. All I can say is that both of those documents were tabled at trust board meetings. They were known by the CEO and the chair.

The Hon. JOHN RYAN: But they could have been ignored, I imagine?

The Hon. GREG PEARCE: Or rejected.

Mr BUGDEN: Yes.

The Hon. JOHN RYAN: The fact that they were rejected or ignored would indicate that Mr Tennie might have been a majority of one.

Mr BUGDEN: I cannot answer that.

The Hon. JOHN RYAN: Would it be fair to say that in tag F the Hawkesbury-Nepean Catchment Management Trust is compared with two other agencies, the Upper Parramatta River Trust and the Hunter, I imagine, flood implementation strategy. It is compared with both of those. Is it fair to say that those agencies do not exactly have the same brief to monitor, report and develop state of the environment reports and strategic environmental management plans and so on that the

Hawkesbury-Nepean Catchment Management Trust did?

Mr BUGDEN: Yes, they are different models with different legislative--

The Hon. JOHN RYAN: They were different agencies with different briefs, were they not?

Mr BUGDEN: They were different models, different organisations under different bits of legislation.

The Hon. JOHN RYAN: Are you saying that they did the same job? They were different agencies. It is as realistic as comparing DOCS, the Department of Community Services, with the Police Service, is it not? They might have both had to do with a catchment area, but they performed very different functions.

Mr BUGDEN: I think with the Upper Parramatta River Catchment Management Trust and the Hawkesbury-Nepean trust the issue would be that when both those organisations were formed they had a brief in terms of some incremental improvement in the health of the catchment. That is the similarity. I think what Axel was trying to demonstrate is the outcome.

The Hon. JOHN RYAN: In any event, Mr Tennie's views may not necessarily have been widely held by community groups nor the trust itself, may they?

Mr BUGDEN: Do you want my view?

The Hon. JOHN RYAN: Why give them more weight than the overwhelming number of representations that have been made to this Committee? Why should we give them more weight, given that they appear to be loaded with invective and almost prejudiced comments; they do not appear to have the same level of justification and footnoting and other sorts of third party endorsement; they appear to be the work of a private individual who has done a lot of hard work with, in one instance, some sort of Excel file or some sort of graph-making material and the other one appears to include all sorts of things like quotes from Thomas Jefferson and so on. They do not appear to me to have the same sort of weight as the sort of material that this Committee--

The Hon. JAN BURNSWOODS: Is that a question, Mr Ryan, or a speech? Since you did not seek an answer, I can only assume it was a speech.

The Hon. JOHN RYAN: I was seeking an answer; I was interrupted. They just do not read the same nor have the same level of weight, do they?

Mr BUGDEN: I think it is the view of one trustee who presented those views to the trust for consideration.

The Hon. GREG PEARCE: I just wanted to clarify with you that what I was asking you to do before, which you agreed to do, was to basically give me a liquidator's report on the trust, which is the \$5 million in cash plus in the assets and then a description of the liabilities which were met out of those assets. You are clear on that?

Mr BUGDEN: Yes.

CHAIR: You said in your answer to a question in connection with support of community

groups that you do not accept the statement that there has been a decrease in volunteer activity since the abolition of the trust, yet we have some anecdotal but not published evidence that there has been some reduction in volunteer activity. Can you tell me if the department has in fact contacted the 7,000 volunteers over the last few months?

Mr BUGDEN: We do not know of the 7,000 volunteers. I am not sure where that figure comes from.

CHAIR: Do you know how many volunteers there actually were then?

Mr BUGDEN: We had no record of that. Prior to the trust abolition we were working on a strategy with the trust in terms of Landcare support which is more inclusive than Landcare groups that are registered for the whole of the Hawkesbury-Nepean catchment area, but there was no knowledge of the total volunteer effort.

CHAIR: There was no database in the trust?

Mr BUGDEN: There is a mailing list that I am aware of. There could be other information but, to my knowledge, the mailing list was a total number of about 6,000, which was not only volunteers, it was other players as well.

CHAIR: Is there a basis for saying it has not dropped off, do you think?

Mr BUGDEN: Not really. I cannot quantify it. My only view there is that there is feedback from the staff working for me now that were working for the trust before. That was their statements basically, when I asked that question.

CHAIR: Under tag D, Axel Tennie says that the Hawkesbury-Nepean River has been studied to death. Do you agree with that statement?

Mr BUGDEN: The Hawkesbury-Nepean catchment is a very delicate catchment. There have been a tremendous amount of studies done, compared to other catchments across the State. In comparison to work on the ground, I suppose there has been a lot of money put into investigations, rather than implementation.

CHAIR: Do you think you have to do the investigations before you do the on the ground works?

Mr BUGDEN: I think there is a basic amount of investigation that needs to be done. In terms of best management practice, I think there is an opportunity to have a mixture of both, preliminary investigations and modifying technology and best practice through funding cooperative ventures with land users and stakeholders in the catchment.

CHAIR: It is still necessary to do some of this studying work that Axel Tennie is dismissive of, do you think?

Mr BUGDEN: I think there will always be ongoing studying. For instance, the Hawkesbury-Nepean River management forum and its expert panel is doing in-depth studies in terms of environmental flows. It is a priority issue that had not been studied before and it probably one of our biggest issues that should be dealt with in the Hawkesbury-Nepean.

The Hon. JOHN RYAN: Which parts of the study done were not as valuable and should not have been done?

CHAIR: In tag E, the submission by Axel Tennie, he talks about there being a clear net benefit in closing us down immediately and saving taxpayers \$3.5 million. We have had some difficulty in determining who pushed for the closure of the trust. It would appear that the former deputy director knowing nothing about this, yet within her own department we had Axel Tennie pushing for the closing of the trust.

Do you know whether this trustee was instrumental in leading up to the closing of the trust, or did it come from somewhere else?

Mr BUGDEN: I do not know of the processes that influenced that decision.

CHAIR: There will be questions probably on notice.

The Hon. JOHN RYAN: Which studies were not valuable? If the catchment has been studied to death, which studies, which expensive studies, were done that were unnecessary?

CHAIR: I guess we will find that out. I hope we will find that out. We will ask questions on notice and no doubt answers will be forthcoming. We are going into camera for a few minutes so I would ask members of the public to vacate the chamber.

(Evidence continued in camera)

(Public hearing resumed)

MICHAEL CHARLES DEANE, Representative of SHURE, Save Hawkesbury's Unique River Environment, Riverview Avenue, Dangar Island;

JOHN PERCIVAL POWELL, Publisher, 40 Nalya Road, Berowra Heights, and

KATHRYN ELIZABETH RIDGE, Executive Officer, Level 5, 362 Kent Street, Sydney, affirmed and examined, and

WILLIAM GEOFFREY BLUNT, Manager, Major Capital Works Projects, 1 Jasmine Road, Normanhurst, and

JOHN PATRICK MURPHY, Company Director, 76 Church Street, Windsor, sworn and examined:

CHAIR: Mr Deane, are you conversant with the terms of reference of this inquiry?

Mr DEANE: Yes.

CHAIR: In what capacity are you appearing before the Committee?

Mr DEANE: As a representative of the non-government organisation SHURE, Save Hawkesbury's Unique River Environment.

CHAIR: Mr Blunt, in what capacity are you appearing before the Committee?

Mr BLUNT: As a representative of the Association for Berowra Creek.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr BLUNT: I am.

CHAIR: Dr Powell, in what capacity are you appearing before the Committee?

Dr POWELL: I am representing THREPS.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Dr POWELL: Yes, I am.

CHAIR: Mr Murphy, in what capacity are you appearing before this Committee?

Mr MURPHY: I am appearing as a representative of MOSES, Movement Opposing Senseless Environment Sacrilege.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr MURPHY: I am.

CHAIR: Ms Ridge, in what capacity are you appearing before this Committee?

Ms RIDGE: As a representative of the Nature Conservation Council of New South Wales.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Ms RIDGE: Yes, I am.

CHAIR: If you should consider at any stage during your evidence that, in the public interest, certain evidence or documents you may wish to present should be heard or seen only by the Committee, the Committee will be willing to accede to your request, but please be aware that the Legislative Council may overturn the Committee's decisions and make the evidence public.

Do you wish to make an opening statement?

Mr MURPHY: I have submitted as MOSES. I have also submitted a document by CHANGE, which was the Coalition of the Hawkesbury and Nepean Groups for the Environment, the original organisation which established the trust process in 1992. I just wanted to make the point that CHANGE's view has not substantially altered. It represented two years' community work and considerable consultation amongst a wide number of community members.

Another point that I wanted to get across was that the trust should be seen as a trust family. It very much was. You cannot just say the community groups here, the trust there. I myself was a trustee representing community groups, so there was a real intermeshing of activities and intermeshing of involvement. That needs to be understood.

Now the community groups did not regard the trust process as the perfect process. They felt that changes and alterations could be made. I note that my name was quoted on an item of correspondence with the minister dating back some years where I said there were not many runs on the board. That submission to the minister was asking the minister for more funds and more teeth to get the thing moving faster. It was not a criticism of the trust as it was then performing.

CHAIR: Does anyone else wish to make an opening statement?

Dr POWELL: Yes, Chairman, I would like to respond to the first question the Committee has raised and that is about the support and assistance that the trust provided community groups. I can say that our group on a number of occasions received a good deal of assistance from the trust. Particularly, we were able to draw on its expertise; at any time we could phone up or go into the trust office and talk to one of the trust staff and get information very quickly. I have not tried doing that with DLWC since the trust folded. I very much doubt whether we would get the same sort of response.

Just as an example of that, we do not do any on the ground work, we are entirely involved in community education and making submissions about development proposals and lobbying councils and State Government. There was a proposal several years ago to build a very large development above the water near Brooklyn at Kangaroo Point, which fortunately was finally knocked back, but we were able to draw on the trust there. The trust was opposed to it and we were able to get a good deal of assistance from them on planning and technical matters and so on.

It is very important to realise, I think, that the trust had very considerable expertise in a number of areas, including planning, and community groups generally are not very well informed about the State's complex planning laws and a phone call often was able to give us the information that we wanted, so we found that was very important. Just recently I received a phone call from

someone in Pitt Town where a developer is proposing to put up I think about 750 houses. I am sure you know Pitt Town, it is a tiny village; it would more than double the size of the community there. This was someone who was organising community opposition to this and she said, "Well, I thought I would ring THREPS first and then I'll ring the trust". I said, "Well, unfortunately, the trust has not existed" - she did not know this, although she lived near Windsor - "since May". So we are now thrown back on our own resources and we even find someone like that person ringing us because they can no longer go and draw upon the advice and expertise of the trust in Windsor. That is all I wanted to say, Mr Chairman.

CHAIR: You have heard the evidence, I think, of Mr Bernie Bugden of the Department of Land and Water Conservation.

Mr DEANE: Yes. The group I am representing Save Hawkesbury's Unique River Environment, has concerns about the loss of the trust's strong advocacy role for the river, the loss of independence for the strategic planning process and the loss and apparent disappearance of funds for small projects which SHURE was a proponent of, as were many of the other groups here.

SHURE was involved in the Porto Ridge case and the Kangaroo Point case and received substantial help from the trust's planners. Both of those cases were won in favour of the environment. All the groups here, I think, saw that it was not just a matter of these so-called works on the ground being undertaken to rectify damage that had already been done, we think that is a bit of a red herring. What we were really concerned about was coordinated planning that would prevent future damage, especially since the Hawkesbury Nepean was slated to take a large amount of Sydney's increasing population.

The DLWC planning process in the rest of the State, the catchment management boards, and I should say that I have been employed as a CMC coordinator and part of the team preparing the catchment blueprints for other areas of New South Wales, but these plans and these processes, and we earlier heard Mr Bugden tell us that the trust's excellent strategic plan was being shoe horned into this new template, these processes are much more secretive and much more poorly documented and limited in scope than the trust's plan.

With respect to the small project funding, the catchment committees and the catchment support committees, the CSCs that replaced them, were able to respond to local groups and local communities who saw problems in their own sub-regional and local areas and provide funds which the community thought important.

That bridged the gap between the Natural Heritage Trust, which supports bigger projects, which you will hear about later, and the kinds of projects that community groups can undertake. Our group has not received a single item of communication from the department since the trust's abolition, either on advocacy, strategic planning or small projects and we are deeply disturbed.

Mr BLUNT: The association for Berowra Creek was certain flabbergasted by the decision which was made earlier this year to abolish the trust, probably at this point of time, because of the work that the trust had been doing over the last few years, which was really starting to pay dividends.

As the inaugural chair of the Berowra Catchment Management Committee I had a lot to do with the early years of the Hawkesbury Nepean Catchment Management Trust. It was interesting to hear and listen to some of the documents being tabled at this Committee over the last couple of hours by members of DLWC.

Certainly one of the major impediments to the trust in its early years was the constraints in which it had to work. Those constraints were many. To us on the CMCs it was as though the trust had been nobbled from the start. We certainly had difficulties in dealing with people like the DLWC, Sydney Water, Environment Protection Authority and many of the councils and so forth.

We in fact spent three to four years overcoming what is commonly called the turf protection amongst all of the agencies and so forth. Quite often the agencies would fail to attend CMC meetings. They would have constant changes in membership and so forth. They would not respond to questions. They failed to provide human resources for many of the projects and the committees and working parties and things which we were trying to establish in those early years.

There seemed to be a lack of sharing of information. Sydney Water, trying to get data out of Sydney Water on water quality and so forth was extremely difficult at those times. EPA was certainly quite secretive about a lot of the licences which the CMC wished to have a look at and inquire into and help EPA at that time look at different licensing conditions for many of the facilities which were licensed at that time.

In fact, the trust had no representations at the State Catchment Management Coordination Committee for many, many years and I remember having some long robust discussions with Bob Crawford, the original chair of the trust, about how to facilitate better supply of information, better dealings with agencies and so forth in those early years.

I think over the last couple of years the trust has managed to overcome a lot of problems which were inherent at the very start and we have seen the trust now over the last couple of years in particular really start to get runs on the board and really start to make a significant contribution which the community, as a whole, was really starting to support. It is a great pity that has now come to an end.

Ms RIDGE: The NCC would like to support the comments made by our member groups and other community groups about their surprise and concern that the Hawkesbury-Nepean trust was abolished, effectively overnight, with no consultation with the community.

We are concerned that this act eroded the community-Government partnership, which is essential for catchment management as a future management structure to be effective across the State of New South Wales and we believe that it places those communities that are currently going through catchment management consultations and planning processes under further strain in something which is already quite fraught.

We are concerned that the removal of the trust removes the independence of strategic planning in that catchment. We believe that DLWC has an inherent conflict of interest, if it is going to implement a strategic plan which outlines a role for it, which it does. It is responsible for over a third of the actions in the draft strategic plan and we believe that loss of independent auditor regulator role in the implementation of that plan is a major issue for the community.

The third point that the NCC would like to focus on is what happened to the trust's considerable cash assets and the funded programs. We do not have, in the information that we have been able to obtain publicly, enough information to answer those questions.

Just before we get going, the other members of this panel have asked for time to respond to issues that have been raised in the evidence this morning, perhaps at the end of our time before your Committee, so maybe five minutes at the end to address specific issues that they have picked up on

while they have been sitting in the gallery.

The Hon. JAN BURNSWOODS: Could I point out we are already 10 minutes over our allotted time for the day and there are two of us who actually need to go.

The Hon. GREG PEARCE: If you want to say something, get it out now.

The Hon. JAN BURNSWOODS: Our difficulty is that we were scheduled to finish at 4 o'clock and there are a couple of us who need to go.

Mr MURPHY: I have been most concerned about the evidence given by the DLWC. I would have to say on the part of the assistant director general that that is about the level of knowledge of total catchment management that we thought they had.

The Minister has never demonstrated any knowledge of the Act, the way it works and what the aims of total catchment management are, how it works, what it is supposed to do and how it is supposed to do it.

Even sitting on the trust, as a trustee, it was incredibly frustrating realising that the Minister was answering your responses with a junior clerk. None of them had any real understanding of what you were on about and none of them cared.

My own personal view as to the real answers why the trust was abolished lie quite clearly with the Director-General and Axle Tennie, the Regional Director, and I am disappointed this Committee has not subpoenaed them and insisted on a few responses, because I assure you gentlemen and ladies that is where the answers lie.

CHAIR: Do you have any more statements you would like to make?

Mr DEANE: I want to respond to the two specific points raised, rather than do it at the end, as agreed. Firstly, with respect to the small project funding across the State, catchment management committees were responsible for allocating \$30,000 each, usually, per year to local groups and SHURE was the recipient of a \$5,000 grant to undertake sea grass and mangrove and salt marsh mapping, which we did with fisheries. The projects were good value and delivered on the ground, not always works, but also other important things.

At the end of the TCM program, the Hawkesbury-Nepean CMCs also gave out small project money and there has been no replacement. SHURE has no access to that kind of project funding. Not only that, in the last year of the TCM enhancement programs, called the small scale project fund, the CMCs received only half their usual allocation. The other half was withheld, subject to further advice. Further advice was not received by the catchment management committees at any time, to my knowledge, and the approximately \$495,000 which was earmarked for small projects across the State, including the Hawkesbury-Nepean, was retained by the department. What disturbs us is that in the department's annual report, I think on page 107, the department reports that that money was spent on small projects, projects undertaken by the community, and we know that that money, to our knowledge, was retained by the department, it was never given out to the catchment management committee. So we have concerns about where the money has gone, both for NHT as Kathy has been discussing but also for other programs.

The second item, Mr Bugden referred to the community opposition to the trust with respect to expanding its area of operation to the estuary. At the time in 1999 he referred to the Brisbane

Water and Pittwater CMCs. I was regional strategist for the Central Coast Regional Catchment Committee which was a precursor to the current catchment boards. We did not oppose the role of the trust at all, and I think it is almost offensive for Mr Bugden to give that impression. What we did oppose was the lack of consultation by the department when it made the 1999 regulation. It is the same pattern of behaviour that we saw when the trust was abolished. The department appeared to be unaware of the requirements of the subordinate legislation Act which required that it consult with local government, with stakeholders in the area and so forth. We did not want Brisbane Water to be summarily included in the trust's area because it was already part of the Central Coast Regional Catchment Committee which was already operating and it is a case of one area of the department not knowing what the other area was doing. The Sydney-South Coast Region led by Mr Tennie, and Mr Bugden was personally involved in the regulation review, simply did not call the Hunter region, did not talk to Gosford Council and the other local government areas that would be affected, certainly did not talk to the regional catchment committee or the other CMCs. It simply announced a decision.

Now we forced a back-down by the minister. It took us a month. We forced a back-down because there was a regulation that had been breached and the minister had to reverse the decision. In this case with the trust, the trust has been abolished, but we have no recourse, and of course that is one of the things we are looking to this inquiry to give us.

CHAIR: In the evidence presented to us today by Bernie Bugden there is a submission from Axel Tennie in 1997 which talks about closing down the trust immediately and saving \$3.5 million annually. Were any of you aware of Axel Tennie's push four and a half years ago to close down the trust?

Mr MURPHY: Absolutely not, in my case.

Ms RIDGE: No.

CHAIR: It would appear that Susan Kemp, the deputy director general, knew nothing about this, so she said in her evidence today under oath. We know that Axel Tennie was after closing it down; he was saying that the money was spent on overheads, not on ground works, and we know that the trust's charter was not for ground works but for other works. Can you shed any light for us on how the process took place towards the disbandment of the trust? Does anyone have any evidence of that at all?

Mr MURPHY: Mr Chair, I wish we could provide evidence. We are here with bated breath waiting for you to dig the evidence up. We are looking for it; we want to see it.

CHAIR: We are getting bits and pieces of it. What is your view then of the Department of Land and Water Conservation's allegations that the trust was mostly overheads and no action?

Dr POWELL: Our view of that, Mr Chairman, is that it is just complete nonsense, as was pointed out earlier by the Committee. It was never the trust's responsibility to engage in vast on ground works. That was DLWC and other agencies' job. We always took the view that the trust should be a strategic body that took a big picture view of the catchment, engaged in long-range thinking, looked many years ahead and so on, got agencies, councils working together and so on, which it had substantial success in doing, so this seems to be largely an invention of senior bureaucrats in DLWC.

I should say that, as I knew a number of trustees and trust staff over the years quite well, and

the trust papers are all open for public inspection anyway, several of the agency representatives had persistent problems in being able to wear their hats as trustees. Axel Tennie in particular was one of them. I mean he was there, it seemed, basically as a representative of his agency and he found it very difficult - some of the correspondence you have read out clearly shows this - to take his responsibilities as a trustee seriously. This, I think, led to persistent problems over a number of years and so it has been our suspicion that the DLWC in particular, but probably some other agencies, were never happy with the trust from the very beginning. The implementation of the creation of the trust was a very - as we all know only too well - long-drawn out process, it took several years, and that could only have been I think because powerful forces within the agencies saw the creation of the trust as stepping on their toes and I think that persisted right until the day that the trust was wound up.

Mr BLUNT: If I could also respond, as chair of the Berowra Catchment Management Committee, at the height of probably 1996-97 we in fact had three people on staff at the Hornsby Office. One of those was Daylon Cameron, full-time coordinator for the catchment management committee. Of his time probably 70 percent was actually project related, directly related to organising, facilitating, managing on ground projects. We also had Peter Cove as a project officer. Probably 100 percent of his time was involved in similar activities, actually organising projects, actually out there in the field doing project work. We also had a secretary there supporting the catchment committee and probably 60 percent of her time was actually actively involved in managing, coordinating, facilitating projects and so forth, but when you read through the financial papers or the financial reports for the catchment management trust in those years those salaries would probably be seen as overheads. However, most of that work undertaken by those three people was directly related to projects. So to pick up a financial report, maybe as the minister has done, would present a misleading picture of things. You actually have to hop in and see what the roles of those particular people were. We see that there is rental cost involved in the annual report. Certainly we were paying rent for the Hornsby premises and things, but without the Hornsby premises people would have to travel all the way out to Windsor and so forth. The rent paid at Hornsby was in fact a saving to the trust. It facilitated greater time being spent on projects on the ground. Instead of coordinators, instead of Peter Cove, instead of secretaries having to travel all the way out to Windsor, waste two-three hours a day, they spent that time on project work.

Ms RIDGE: Just one final point of which I am sure the Committee is aware, there was a strategic planning process that was instigated in the second year after the trust was formed which clearly outlined that the trust was not to be involved in on the ground work and there have been two subsequent audits on whether or not the trust has been performing against its terms of reference and functions under the Act and both of those audits show that it was effective. They did highlight the issues with the trust performance and also the performance of the agencies, and this last audit which apparently found problems with the trust was not discussed with anyone in terms of the stakeholders that regularly engaged with the trust, so we are saying there is plenty of evidence to show that the trust was performing its function as described under the legislation and not a lot of evidence to say it was wasting money.

CHAIR: Some submissions to the inquiry have suggested that volunteers would be unwilling to donate time or resources to projects organised by a State Government department. Can you provide information about the level of volunteer work or contributions made by industry to projects in the Hawkesbury-Nepean catchment since the abolition of the trust?

Mr DEANE: I can only speak from my group's perspective. We do not have access any more to information about the whole river valley, the whole catchment, so one of the difficulties with the trust being gone is that we do not have access to information any more.

One thing I would like to mention is that in my work on the central coast I managed data about groups and projects. When I left the department those databases were archived and not accessed. It may be that databases exist that the Hawkesbury-Nepean trust ran and the DLWC staff are simply not using them. In respect of what SHURE will do in the future in the way of projects, normally by this time of the year we would have received contact from the staff of the trust who coordinated the National Heritage Trust funding, for example.

That gave us assistance to develop projects which were aimed to achieve the priorities of the catchment or community CSC plans and the overall trust plan. We do not know what the priorities are now for funding for projects. We would be less likely, possibly even completely unlikely, to look at developing a project for the Hawkesbury-Nepean, for the Lower Hawkesbury where we usually operate. We do not know what is going on.

CHAIR: What are the major differences experienced by your groups now that the trust no longer exists? Is the DLWC effectively undertaking the roles performed by the trust staff? Can you identify any problems with the catchment management projects that have arisen since the abolition of the trust?

Mr MURPHY: The one thing I would like to bring to mind most is the alligator weed problem. This is one huge Sword of Damocles hanging over the catchment it has enormous impact on the turf growing industry around Windsor. The trust initiated a project two years ago with a consultative committee to get something moving on this.

The last contact I had with that committee was through an officer of the Department of Agriculture who I will leave nameless, who said that it is going nowhere. When I asked about the alligator weed he said that it is going somewhere.

This alligator weed which is endemic around the Yarramundi region is quietly working its way downstream. This is an unusual weed. Alligator weed is both terrestrial and aquatic. It thrives in both environments. Therefore it starts to fall into all sorts of cracks. People who are responsible for the river say we will look after our bit. People responsible for the land, are they looking after their bit? Who is looking after the little bit in between?

The problem arose. Here we have the Hawkesbury River County Council, which is the weeds authority. Here we have the council, which is supposed to be directing the Hawkesbury River County Council. We have the Department of Agriculture with an interest. We have the DLWC. Everybody was milling around and the trust brought that process together, got an committee running, chaired by a Department of Agriculture man. They got it moving and got funding into it.

There was some mention today of the funding for that. The funding requirements are in the millions. This is another fire ant situation. Throw a few hundred thousand at it now and you will kill it. Leave it a few years, it is dead.

That is a typical example of something the trust was following along with, making happen and just, a little push here, a little push there and keeping it rolling. It is not happening.

CHAIR: What is the potential for that disaster it is does not get attention?

Mr MURPHY: The potential is, in effect, that the whole of the Richmond lowlands, the whole of the Pitt Town area, mostly turf growing is the problem. The vast majority of the income

there is earned by turf growing. All of that land would be immediately quarantined if alligator weed is found on it. They could no longer sell their turf. They would be out of business, gone just like that.

Mr BLUNT: I would like to bring to the Committee's attention the first statement of joint intent which was actually signed in the trust area in 1994 for Berowra Creek area. In the days of the trust and the CMCs and so forth, the community had actual representation on a committee which was overseeing the implementation of that statement of joint intent.

The commitments out of the Hawkesbury-Nepean Catchment Management Trust, out of Sydney Water, the EPA, the local council and DLWC were written in, as a community would say, in stone. One of the roles of the CMC was to facilitate and make sure all of those actions were happening.

Since the abolition of the trust at the beginning of this year, the community has lost any voice, any role, in overseeing the further implementation of that statement of joint intent. It has in fact lost confidence in the process now. There is no transparency for us as a community to monitor what is going on in relation to Sydney Water's upgrade of the two sewage treatment plants in Hornsby, the West Hornsby and Hornsby Heights plan. We do not know what is actually going on.

We do not know what action is being taken in the estuary to make sure that we reduce the number of algal blooms. We do not know what is going on from the council's point of view, the EPA's point of view, Sydney Water's point of view or DLWC's point of view, to reduce the level of nutrients flowing into Berowra Creek.

Ms RIDGE: DLWC operates across the whole of the State and did operate across the whole of the State when the trust was in operation. The removal of the trust takes us back maybe 10-15 years in terms of catchment management and community participation in catchment management. That is what has really been lost, the progress the trust made over time.

We have seen the establishment of the New South Wales Conservation Trust earlier this year by this Parliament, which was an implicit recognition of the fact that land holders were not entering into voluntary conservation agreements with either the National Parks Service or the Department of Land and Water Conservation because they did not trust them as being fully independent. Land holders were cooperating with the Hawkesbury-Nepean trust. Everybody was cooperating with them.

The removal of that role as a broker of agreement and cooperation in the catchment is a major loss for the community.

Dr POWELL: If I can make one minor point but, one that very much concerns community groups because it throws light on the likely future response that they get from DLWC, and that is when the trust was abolished, DLWC staff moved in quickly and removed computers and various other items of equipment but they did not do anything about the library. The trust had built up a specialised but quite major library. They employed a full-time librarian.

When asked what about the library, the DLWC said that they did not have any need for books and they did not want the library. Probably it was going to be junked with old furniture and so on. Fortunately the librarian at Penrith recognised that this was a very valuable collection and Penrith City Council took over the whole library.

That attitude does not exactly fill us with the confidence in the ability of DLWC officers to

respond to community requests for expert advice and information and so on.

The Hon. JOHN RYAN: Do you think that attitude is that some people in DLWC, perhaps like Mr Tennie, regarded the sorts of community groups and people involved in the catchment management trust as bookish boffins, who they felt did not really understand the real world of engineering and rivers and things? I am detecting some level of tension which that description I just gave might reflect. Could that possibly be the case?

Mr MURPHY: I think that reflects a misunderstanding of the qualifications and experience of both the staff and the trustees. I am an engineer. There were several other engineers as trustees. On the staff the chief executive officer, Peter Davey, was a well recognised, well qualified geomorphologist, or hydrologist. I get a bit lost in earth sciences. The trust was well staffed with people who knew the game and what it was about.

I am sure that Axel Tennie recognised and that is why he never footed it with anybody on that sort of stuff.

Dr POWELL: DLWC traditionally has taken what is called a hard engineering attitude to things. They look at a river bank and immediately want to concrete the whole thing. This is exaggerating slightly but that has been their engineering response. The trust has always been very strongly opposed to that and took the view that we should look at the problem and think of softer solutions and several of those have been negotiated downstream of Windsor, along the river bank by the trust.

I think you are right. I mean, there was always a tension between the more traditional attitudes towards those problems and the attitudes of the trust.

Mr MURPHY: There is one other issue that I would have liked answered by the DLWC representative. At the time the trust folded it was holding a considerable amount of Natural Heritage Trust funding in its accounts. From what I heard from their evidence, that is still sitting there. That was supposed to be expended within the financial year - I am not sure when the grant year ended, but it has certainly ended by now. I have real concerns about where that money is and what has happened to it. In fact this issue has been raised at Federal level and may well result in the feds coming down a little to see what is going on. I believe that the Federal authorities are interested in doing an audit on what has happened to the NHT funds.

CHAIR: What opportunities are currently available for community group representation on issues related to catchment management in the Hawkesbury-Nepean?

Mr MURPHY: A quick answer, from my viewpoint, is virtually none. There is one NCC representative on the Hawkesbury-Nepean Water Forum, which is a body purely concerned with environmental flows, not really catchment management. I believe there are some environmental representatives on the Sydney Catchment Authority who have some considerable input to catchment management in their own area. Outside that, I am aware of nothing.

The Hon. JOHN RYAN: All of you individuals, I take it, were somehow or other involved in works associated with or supervised by the Hawkesbury-Nepean Catchment Management Trust. Have any of you changed? Are any of you no longer involved actively with those sorts of activities?

Mr MURPHY: Could I answer quickly from my own personal viewpoint: The trustees,

particularly the community trustees, at the sacking of the trust, got together and formed an organisation called the Hawkesbury-Nepean Catchment Foundation with the aim of carrying on whatever was possible, with no funding obviously, purely an amateur effort you might say, but with the object of carrying on those good community links that the trust had developed, and this organisation meets tomorrow night actually, if you want to join us.

Ms RIDGE: While the Nature Conservation Council was not involved in any on the ground works, we supported NCC representatives on consultations, strategies and structures across the trust's area of operation. Our major change since the abolition of the trust has been an increase in workload related to supporting those groups who have decided that they need to get active again, so I guess it has had a spin-off positive in that the on-the-ground groups have decided that they need to be far more active and more organised, which has resulted in the establishment of the foundation, but I fear that that will result in the old dynamic where people were advocating an environment position or a landholder's position or a government position and people spent a lot of time and energy beating each other up rather than working together on an agreed strategy and way forward and that is what we have lost.

Mr BLUNT: A further observation from the Association of Berowra Creek's point of view: Over the last six months essentially we have just been sitting there wondering what is happening, who do we actually talk to now? Where do we go to in DLWC? Who do we contact at Sydney Water? Who do we talk to in the EPA and things to get that vital information about what is so critical in our area, the Berowra catchment SOJI agreement? Who is doing what, and so forth. Previously we used to have access either through the trust or through the local CMC. We used to know that we could get information as to what actions were being undertaken by the various government bodies and things. At the moment I think it is fair to say that the community which we represent has just lost a lot of confidence and a lot of ability to see what is actually going on by the various departments and so forth.

CHAIR: If the trust were to be re-established, what sort of form do you think it should be re-established in? Would anybody like to comment on that?

Mr MURPHY: Read the CHANGE paper of 1992, which we have provided as evidence to the Committee. I will not go into it right now obviously, there are nine pages of it.

Dr POWELL: Very briefly, because our group has given some thought to this over the last few months and I am sure the Committee is aware that there are some very serious problems involved given that it seems the Government does not want a body like the trust and we have to conclude that the agencies do not want a body like the trust, so where do you go from there? Well, you have to, it seems to me, set up a body which is completely independent that somehow tries to raise funds and tries to lobby and do what it can drawing on academic and what other expertise can be got, but in the long-run I mean the Government has got to come back on side again. You cannot have an immensely complex catchment like the Hawkesbury-Nepean being run by a bunch of part-time amateurs and so the problem that we face or all the community groups face is how do we get the Government to come back in and support? The Government never really supported the trust from the beginning, I mean it never had good access to the minister, the minister never bothered to back-up what they were doing I think, and somehow or other that has to be reversed. How that can be done, I do not know, but it has to be done somehow.

Mr BLUNT: Certainly the Association for Berowra Creek would support some form of trust being resurrected, whether it has six members or 26 members, I do not think that is a major issue unless you are a bean counter wanting to look at the actual dollars that get spent on overheads

and so forth. What is very important for us is to make sure that there is an independent body, similar perhaps to what Peter Crawford said in his foreword in the final report in August 1998, a river manager, that there has to be someone or an entity that is accountable for the river with the powers to enforce the rights of the river. There is certainly an acute need for an empowered player to enter the current arena and make sure that the Hawkesbury-Nepean, the whole of the Hawkesbury-Nepean, is properly managed.

Mr MURPHY: Just one final point that might elucidate the sort of Catch 22 situation we find ourselves in: The Hawkesbury-Nepean Catchment Foundation has made quite strong representations to the Federal Government for funding. The Federal Government's response has been, through Senator Hill, we are not going to take up some function that the State Government has just abandoned, but we totally support you, we wish you good luck, we hope you go ahead, we are behind you all the way, but we are not going to support you financially because the State Government has dumped you. Where do we go?

(The witnesses withdrew)

(The Committee adjourned at 4.40 p.m.)