

NSW Department of Planning, Industry and Environment

# Annual Report

## 2019–20



Planning,  
Industry &  
Environment



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*Cover image: Family walking in Bungarribee Park, Western Sydney—Michael Kennedy Photography*

*Images in section pages:*

- *About the Department: The Parramatta River at Parramatta—Destination NSW*
- *Thriving environments, communities and economies: Bingi Dreaming Track, Eurobodalla National Park—Christina Bullivant/Department of Planning, Industry and Environment*
- *Appendices: Prince Alfred Park in Parramatta—Destination NSW*
- *Financial statements: Parramatta Park, Parramatta—Destination NSW*

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## Acknowledgement of Country

The New South Wales Department of Planning, Industry and Environment acknowledges the Traditional Owners and Custodians of the land on which we live and work, and pays respect to Elders past, present and emerging. We also acknowledge our Aboriginal and Torres Strait Islander employees, who are an integral part of the workforce.

The People and Community symbol below, which is unique to our department, is a visual representation of our journey with and alongside Aboriginal people and communities. It reminds us that no matter where we are in New South Wales, we are always on Country—always was, always will be Aboriginal land.



# Letter of submission



Planning,  
Industry &  
Environment

## Office of the Secretary

SECO20/135

The Hon Rob Stokes MP  
Minister for Planning and Public Spaces  
52 Martin Place  
Sydney NSW 2000

Dear Minister

In accordance with the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, and the Regulations under these Acts, I am submitting to you the 2019–20 annual report of the NSW Department of Planning, Industry and Environment for tabling in Parliament. This incorporates the reporting requirements of the NSW Land and Housing Corporation and the Aboriginal Housing Office.

Following the tabling of this report in Parliament, it will be available for public access from the NSW Government's OpenGov NSW website, [www.opengov.nsw.gov.au](http://www.opengov.nsw.gov.au)

Yours sincerely,

**Jim Betts**

**Secretary**

NSW Department of Planning, Industry and Environment

Encl: Department of Planning, Industry and Environment Annual Report 2019–20



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## Secretary's foreword



Over the last year, in the face of droughts, bushfires, floods, pandemic and machinery of government changes, the Department of Planning, Industry and Environment has delivered on all the key tasks set out for us by the Premier in her charter letter of July 2019. The letter outlined an ambitious and significant workload for the cluster and I'm proud of the progress we've made on all frontiers over the past 12 months.

Huge reforms have been delivered in planning, with more than 50,000 jobs and \$25 billion of economic benefit flowing from the projects we've determined under our accelerated program in just the last few months.

Great strides have been made in environment and energy policy, not least through the Electricity Strategy and Net Zero Plan launched by Minister Kean in late 2019 and early 2020.

Strategic planning has also been front and centre in areas such as Aboriginal Outcomes (the 'Our Place On Country' strategy is leading the way across New South Wales agencies), water security and sharing, digitally enabled 'Smart Places' and significant conservation efforts including the acquisition of Narriearra Station in north-west New South Wales (NSW), home to 25 threatened species and valuable wetlands, and the largest purchase of private land for National Parks in the state's history.

We are making considerable progress delivering on the Premier's Priorities for public open space and tree planting, with each of our targets on track to be met or exceeded, and we've made great headway in developing and applying frameworks for ensuring better use of surplus government land and building productive partnerships with Local Aboriginal Land Councils.

Across the board our frontline staff have done brilliantly, operating in very difficult circumstances. None of this success would have been possible without our corporate services staff who have been magnificent in supporting our people and operations despite the challenges of bringing multiple agencies together at such speed.

Thank you to the entire Department of Planning, Industry and Environment team for your hard work, resilience and contribution to the outstanding results outlined in this report.

Our Department and its people remain at the centre of some of the greatest challenges our society faces: immediate challenges such as COVID-19, and longstanding crises such as climate change and the need to put right the historic and ongoing injustices faced by Aboriginal people. While it has been a big and successful year, one which we should all be proud of, there is a long road ahead. The Department's task for the coming 12 months is to build on the momentum we have established and keep delivering meaningful outcomes for the people of NSW, a task which I am confident we will fulfil with the enthusiasm and passion that has characterised 2019–20.

**Jim Betts**

Secretary, Department of Planning, Industry and Environment

## About this annual report

This annual report—the first for the NSW Department of Planning, Industry and Environment—summarises the Department’s activities and performance from 1 July 2019 to 30 June 2020.

## Machinery of government changes

The NSW Department of Planning, Industry and Environment included the NSW Resources Regulator and a group called Regions, Industry, Agriculture and Resources until 2 April 2020, when the [Department of Regional NSW](https://www.regional.nsw.gov.au)<sup>1</sup> was formed (see Figure 1). The employees and functions of Regions, Industry, Agriculture and Resources, the NSW Resources Regulator and relevant corporate services functions were transferred to this new department and, in some cases, to the Office of the Independent Planning Commission.<sup>2</sup>



**Figure 1. Transfer of functions to the new Department of Regional NSW**

The Department of Regional NSW was created to respond to the challenges regional communities face in the context of drought, bushfires, economic downturn and the COVID-19 pandemic. The Department of Planning, Industry and Environment continues to work closely with our colleagues in Regional NSW to support and deliver outcomes for regional communities.

This annual report includes the activities of the former Regions, Industry, Agriculture and Resources group from July 2019 to April 2020. For information on the Department of Regional NSW’s activities from 2 April to 30 June 2020, please refer to the new department’s annual report.

<sup>1</sup> [www.regional.nsw.gov.au](https://www.regional.nsw.gov.au)

<sup>2</sup> Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order 2020



# About the Department

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The Parramatta River  
at Parramatta.  
Credit: Destination NSW.



*The NSW Department of Planning, Industry and Environment was established on 1 July 2019.*

We are here to serve the people of New South Wales by:

- connecting communities to resilient and sustainable environments and energy
- maximising community benefit from government land and property
- providing sustainable, secure and healthy water resources and services
- creating a strong and liveable NSW
- embedding Aboriginal cultural knowledge
- providing world-class public service
- making government easy.

All our functions revolve around stewardship of our physical environment—both natural and built—with the goals of achieving sustainable development and giving future generations the ability to meet their own needs. The operations of the Department reflect the government's intention to manage land and natural resources together in response to the community's constantly evolving social, economic and environmental needs.

In our workplace we value daring, collaboration, creativity, kindness and inclusivity, and we reflect the diversity of our communities. By working together, we make New South Wales a better place for all.

## What we do

The NSW Department of Planning, Industry and Environment brings together specialists in urban and regional planning, natural resources, regulation, industry, the environment, Aboriginal and social housing, and regional New South Wales (NSW).

We strive to be a global leader in planning and managing resources, environmental and socio-economic security, financial affordability, land use and lowering carbon emissions. We make decisions based on advice and analysis that is transparent and reflective of the diversity of NSW.

Our services and functions include:

- delivering better housing choices for Aboriginal and Torres Strait Islander people in NSW
- working with community, business and government to care for and protect NSW's environment and energy resources
- using government-owned land and property to deliver diverse housing and public spaces
- strengthening the sustainability, performance, integrity, transparency and accountability of the local government sector
- revitalising urban areas
- creating plans for the future of regions and local services
- improving statutory planning and assessment systems
- ensuring sustainable, secure and healthy water resources and services for NSW.



## NSW Land and Housing Corporation

The NSW Land and Housing Corporation is a NSW Government entity with no controlled entities. It is a statutory body established in 2001 under the *Housing Act 2001* (NSW) and operating under the portfolio and direction of the NSW Department of Planning, Industry and Environment.

The Land and Housing Corporation is a not-for-profit entity controlled by the State of New South Wales and its principal objective is to manage the state's housing portfolio on behalf of the NSW Government. In addition, the Land and Housing Corporation administers the Housing Reserve Fund, which was established by the *Home Purchase Assistance Authority Act of 1993* and is now incorporated into the *Housing Act 2001*.

From 1 July 2019, the Land and Housing Corporation became a member of the Department of Planning, Industry and Environment cluster of government agencies, but is not controlled by the Department for financial reporting purposes.

The Land and Housing Corporation owns and manages land, buildings and other assets within the portfolio, valued at approximately \$51.4 billion. Its goal is to provide social housing dwellings that best meet the needs of tenants and are fit for purpose.

This annual report includes the work that the Land and Housing Corporation undertook during the 2019–20 financial year, and reflects its ongoing effort to make lasting improvements in the lives of the people it serves.

## Aboriginal Housing Office

The Aboriginal Housing Office is a statutory authority established in 1998 pursuant to the *Aboriginal Housing Act 1998*.

The Aboriginal Housing Office is a not-for-profit entity controlled by the State of New South Wales, which is the ultimate parent. The Aboriginal Housing Office is responsible for planning and administering the policies, programs and asset base for Aboriginal public housing in NSW. This includes resource allocation, sector-wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal public housing sector.

The Aboriginal Housing Office moved to the Department of Planning, Industry and Environment cluster of government agencies on 1 July 2019, but is not controlled by the Department for financial reporting purposes.

The Aboriginal Housing Office's vision is to ensure every Aboriginal person in NSW has equal access to, and choice in, affordable housing.

## Our vision

**Together, we create thriving environments, communities and economies.**

Our shared vision allows us to prioritise projects effectively and make sound, informed and defensible decisions that will deliver the NSW Government's priorities.

## Our priorities

The NSW Government has identified 38 state outcomes for the nine public service departments. These outcomes are assigned to different departments to provide direction, accountability and clear goals.

Our priorities (see Figure 2) incorporate our state outcomes and are the steps we must take to achieve the Department's vision.



**Figure 2. The NSW Department of Planning, Industry and Environment priorities**



## Our values

The values and their associated behaviours (Figure 3) are *how* we work together to achieve the Department's priorities and vision.

Daring	Collaborative	Creative	Kind	Inclusive
<ul style="list-style-type: none"> <li>• I make big decisions</li> <li>• I speak up</li> <li>• I show initiative</li> <li>• I enable others to make decisions</li> <li>• I take accountability for my actions</li> <li>• I actively understand what is expected</li> </ul>	<ul style="list-style-type: none"> <li>• I help others to solve problems</li> <li>• I give others the heads-up about issues affecting them</li> <li>• I forge new and productive relationships</li> <li>• I ask for others' opinions</li> <li>• I seek out and take on board different perspectives</li> <li>• I acknowledge the contribution of others</li> </ul>	<ul style="list-style-type: none"> <li>• I ask questions</li> <li>• I listen to understand</li> <li>• I experiment and try new things</li> <li>• I think big</li> <li>• I challenge the status quo</li> <li>• I look for ways to make things simple</li> </ul>	<ul style="list-style-type: none"> <li>• I check on others</li> <li>• I say thank you</li> <li>• I acknowledge the contribution of others</li> <li>• I help others achieve their goals</li> <li>• I make people feel welcome</li> </ul>	<ul style="list-style-type: none"> <li>• I welcome everyone</li> <li>• I offer opportunities fairly to people</li> <li>• I create safe spaces for people to belong</li> <li>• I take the time to get to know my colleagues</li> </ul>

Figure 3. The NSW Department of Planning, Industry and Environment values

## A values-based organisation

The success of the Department depends upon the success of our people. To create a highly engaged and productive workforce, the Department appointed a Deputy Secretary in July 2019 to lead the newly formed People, Performance and Culture group. This group is accountable for the Department's human resources, identity, organisational culture and development, and communications functions.

Through its People, Performance and Culture group, the Department:

- helps leaders at all levels turn our vision and values into a reality for our staff
- manages our talent and plans for their progression and succession
- develops and enhances our working culture
- ensures our communications are effective and informative
- keeps staff safe and healthy in the workplace.

### Establishing our shared vision and values

With such a wide-ranging and varied portfolio of responsibilities, it is important for the Department to adopt a shared vision, priorities and values. This allows us to prioritise projects effectively and make sound, informed and defensible decisions that will help deliver the NSW Government's priorities. Our shared vision drives employee productivity, engagement and performance, and improves employees' understanding of how their work contributes to the strategic goals of the Department.

To develop our workplace culture, the Department consulted with staff statewide to discuss, explore and agree on the shared vision, priorities and values. 1,400 staff provided over 2,000 comments on the draft vision and values. We incorporated this feedback in the final version launched on 4 May 2020.

We're tackling big issues here. Whether it's bushfire response in the near-term or climate change in the medium- and long-term, we can only really tackle those things if we work together ... [W]e can only really work together if we have a sense of common purpose and that's where the vision and values come in.

**Jim Betts, Secretary, NSW Department of Planning, Industry and Environment, May 2020**

People, Performance and Culture's plan-on-a-page, *Pathway to delivering world-class public service* (Figure 4) reflects a values-based organisation where our people are the heart of what we do, and enables us to deliver the NSW Government's mandate and priorities effectively.

To continuously improve performance and embed the values in everything we do, we have also revised our performance development framework, which shows staff members how their work contributes to the success of their team, broader business group and the Department. The framework measures not only technical and practical performance, but also behaviour against values-based outcomes within the workplace.

## OUR PREMIER'S PRIORITIES



World-class public service



Government made easy



50% of senior leadership roles held by women



Ensuring 5.6% of government sector roles are held by people with a disability



Increase the number of Aboriginal people in senior leadership positions



## OUR VISION

Leading and enabling our people to deliver world-class public services



## OUR PURPOSE

Engage and empower our people to perform at their best



## OUR VALUES

Creative

Daring

Collaborative

Kind

Inclusive

## OUR STRATEGIC PILLARS

## Trust in leadership

- Mission and purpose
- Continuous investment in people
- Transparency and honesty
- Inspiration

## Meaningful work

- Autonomy
- Select to fit
- Small empowered teams
- Time for life

## Proactive, hands-on management

- Clear, transparent goals
- Coaching
- Invest in management development
- Modern performance management

## Positive work environment

- Flexible working environment
- Humanistic workplace
- Culture of recognition
- Inclusive diverse work environment

## Growth opportunity

- Training and support on the job
- Facilitated talent mobility
- Self-directed, dynamic learning
- High-impact learning culture

## OUR DELIVERABLES

- DPIE Vision and Values embedded
- Implement a DPIE strategic workforce planning framework
- Reporting and analytic dashboards
- COVID-19 Road to Recovery implemented
- Business units organisational reforms managed
- Accelerate COVID-19 business unit changes including succession planning
- Aboriginal cultural capability leadership development
- Implement Aboriginal cultural governance committee

- Aboriginal employee networks reset
- Launch Positive Workplace Behaviour campaign
- Technical and behavioural development including safety, finance, Aboriginal inclusion and people management
- Active talent pool process, systems and data deep dive
- Role description process and service delivery

- Simplified performance development for every employee
- Integrated talent management framework
- People shared services hub and transition advisory team
- Leadership development at every level through NSW Leadership Academy and DPIE leadership programs
- Identified Aboriginal recruitment and learning development
- Salary parity—framework and principles for remuneration and process for all work value points
- Communications, Marketing and Engagement governance guidelines

- People case management and grievances efficiently and empathetically managed—DPIE case management system implemented and operational
- Flexible work plans in place, Flexible Working eLearning module and a single DPIE flex agreement available
- Fit-for-purpose safety function and systems and a single incident management system
- DPIE online induction and onboarding program that includes Aboriginal cultural capability
- Review of diversity and inclusion strategies and plans
- DPIE Wellbeing Ambassador Program
- DPIE gender equality target 50%

- Career trackers Intern Program to support Aboriginal recruitment
- Programs in place for development of women and mentoring of staff such as Own Your Own Career mentoring program
- Graduate intake program
- Review of all mandatory training programs
- Implement a learning organisation framework, embedded through the 11/12 cohort and piloted through project teams

Figure 4. Pathway to delivering world-class public service



## Ministerial reporting lines

The Department served six portfolio ministers in the 2019–20 financial year.

**Table 1. Portfolio ministers, 2019–20**

From 1 July 2019 to 1 April 2020	From 2 April 2020 onwards
<ul style="list-style-type: none"> <li>• The Hon. Rob Stokes MP, Minister for Planning and Public Spaces</li> <li>• The Hon. John Barilaro MP, Deputy Premier and Minister for Regional New South Wales</li> <li>• The Hon. Adam Marshall MP, Minister for Agriculture and Western New South Wales</li> <li>• The Hon. Melinda Pavey MP, Minister for Water, Property and Housing</li> <li>• The Hon. Matthew Kean MP, Minister for Energy and Environment</li> <li>• The Hon. Shelley Hancock MP, Minister for Local Government</li> </ul>	<ul style="list-style-type: none"> <li>• The Hon. Rob Stokes MP, Minister for Planning and Public Spaces</li> <li>• The Hon. Melinda Pavey MP, Minister for Water, Property and Housing</li> <li>• The Hon. Matthew Kean MP, Minister for Energy and Environment</li> <li>• The Hon. Shelley Hancock MP, Minister for Local Government</li> </ul>

## Our structure

In March 2020, the Department comprised six core delivery groups reporting to the Secretary, supported by six central and corporate enabling functions. Figure 5 shows the high-level structure of the Department as at March 2020.

Figure 6 shows the Department as at 2 April 2020, when former Regions, Industry, Agriculture and Resources and NSW Resources Regulator functions and employees transferred to the new Department of Regional NSW.

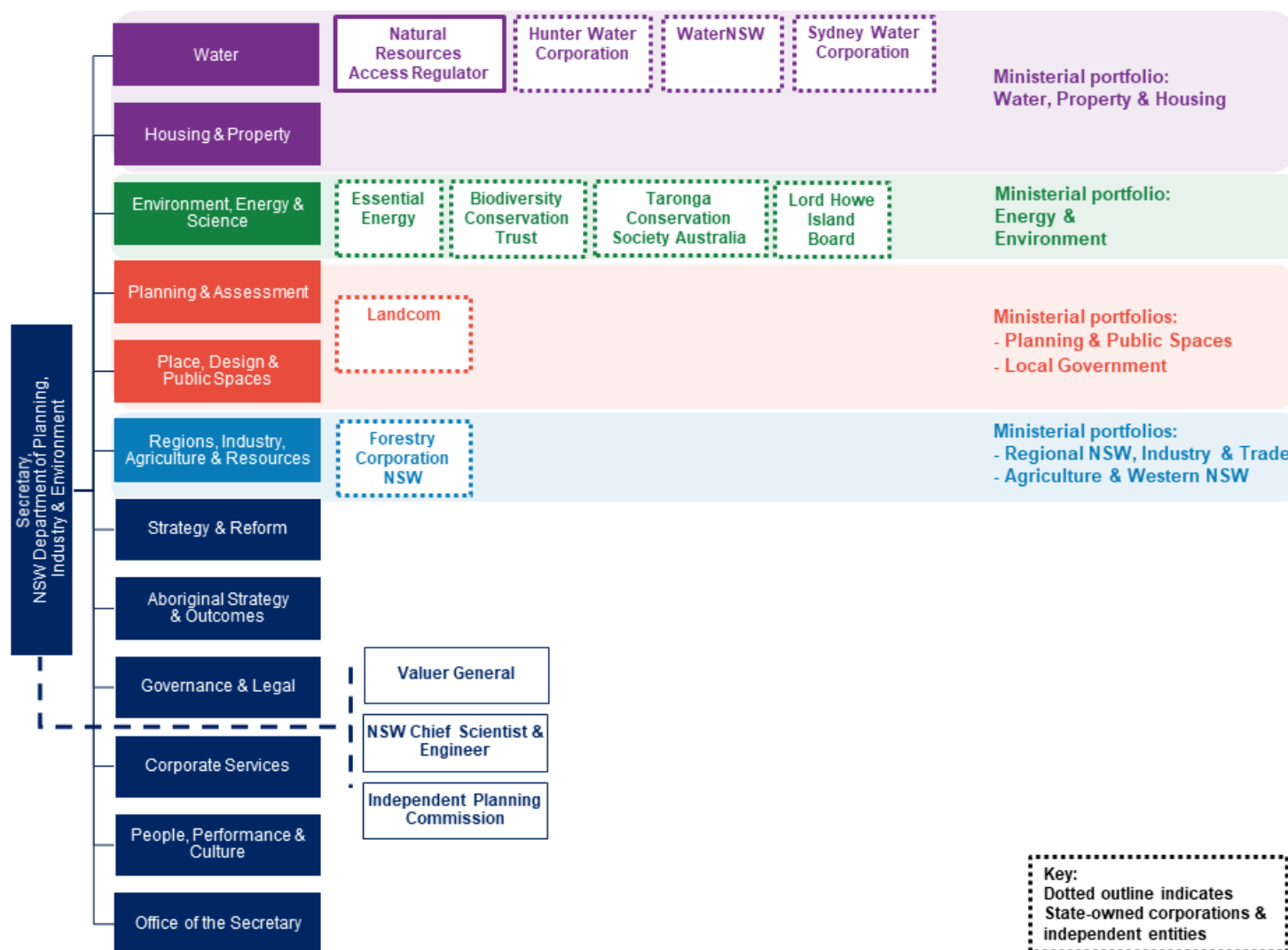
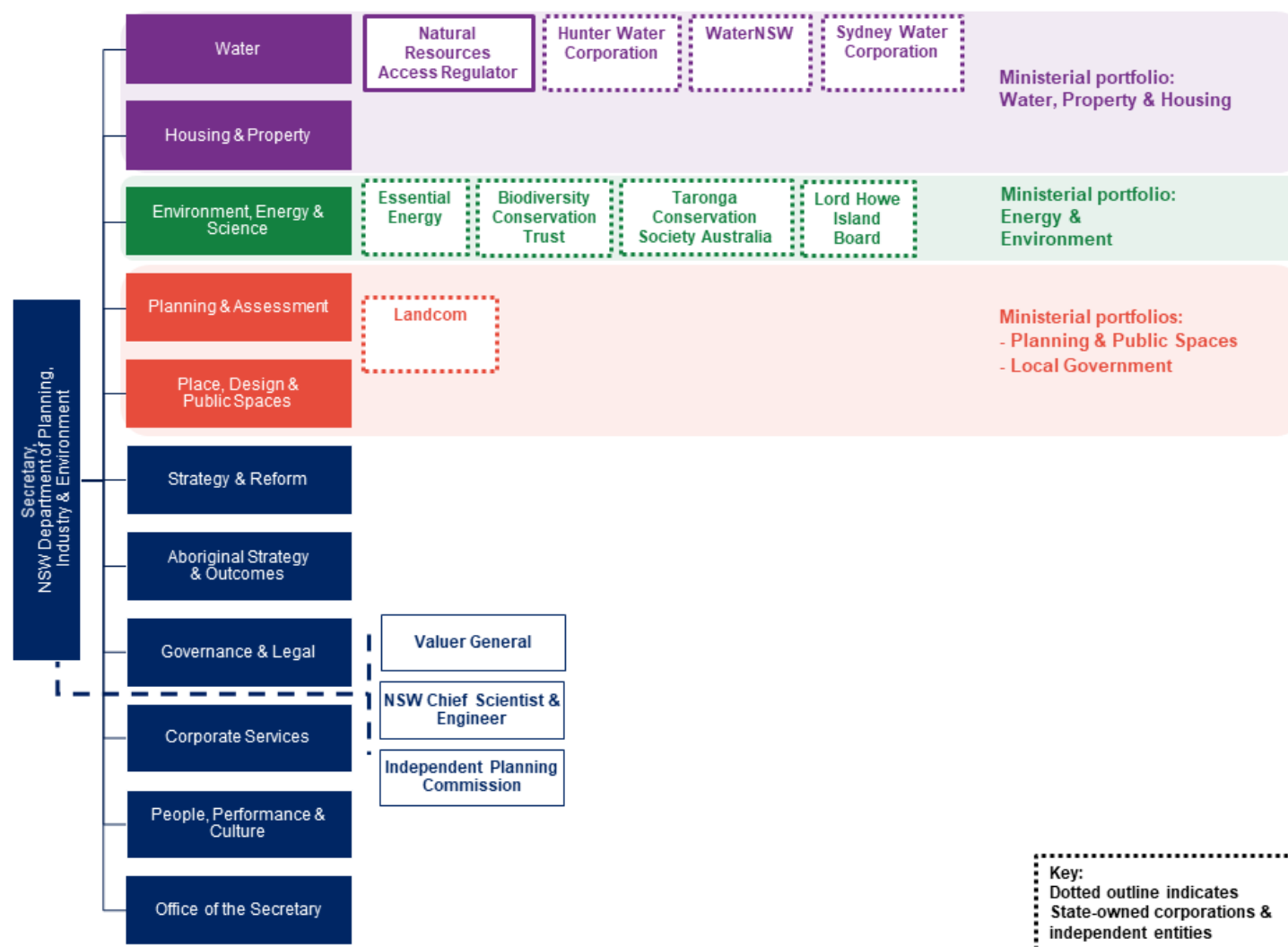


Figure 5. NSW Department of Planning, Industry and Environment as at March 2020



**Figure 6. NSW Department of Planning, Industry and Environment as at 2 April 2020, when former Regions, Industry, Agriculture and Resources functions and employees were transferred to the new Department of Regional NSW**

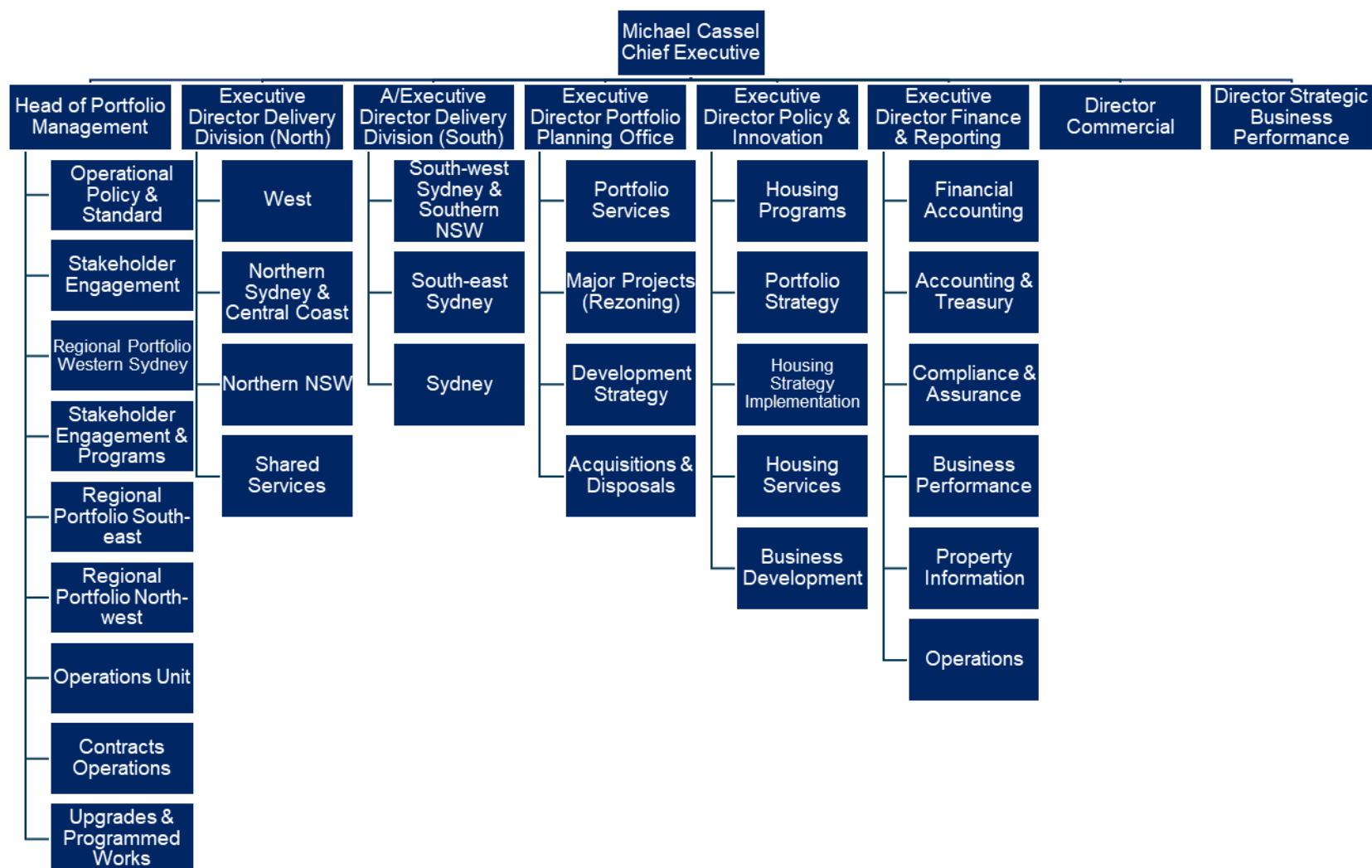


Figure 7. NSW Land and Housing Corporation (Ministerial portfolio: Water, Property and Housing)



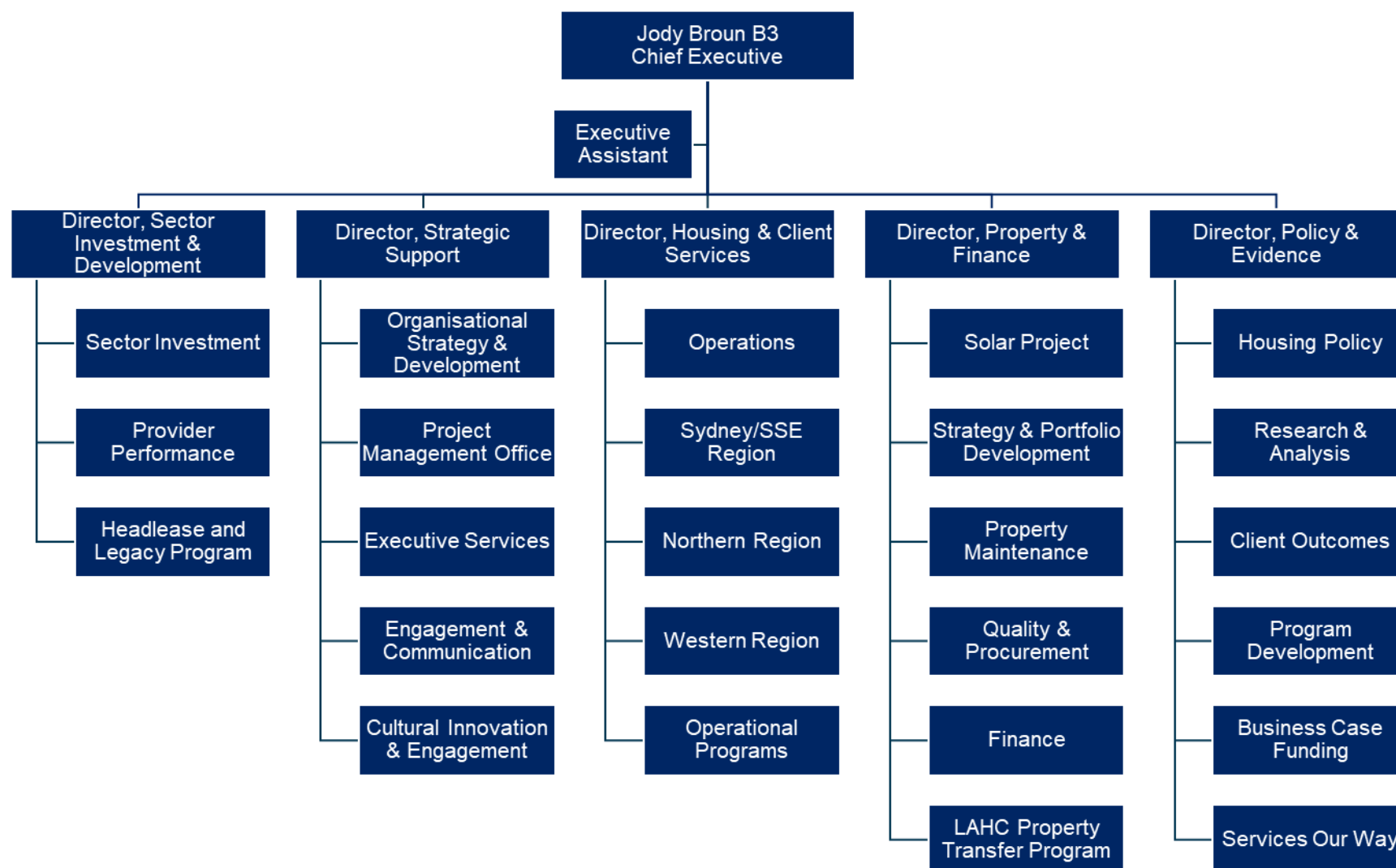


Figure 8. Aboriginal Housing Office (Ministerial portfolio: Water, Property and Housing)

## Our principal officers

Principal officers and their qualifications as at 30 June 2020

**Jim Betts, BA MSc**

Secretary, NSW Department of Planning,  
Industry and Environment

**Kirstie Allen, MALP LLB**

Deputy Secretary, Strategy and Reform

**Dr Jim Bentley, BSc ChemEng (Hons) PhD ChemEng**

Deputy Secretary, Water

**Jody Broun, DipT BA (Ed) MPhil**

Deputy Secretary, Aboriginal Strategy and  
Outcomes, and  
CEO, Aboriginal Housing Office

**Mick Cassel, HBS AMP (196) MBA  
(Executive) MProDev GradCertAppFin  
BConMgt (Build) (Hons)**

Chief Executive  
NSW Land and Housing Corporation

**Professor Hugh Durrant-Whyte,  
BSc (Hons) MSE PhD FRS FAA FIEEE  
FTSE Hon FIEAus**

NSW Chief Scientist and Engineer, and  
Commissioner, Natural Resources  
Commission

**Alison Frame, MPA BSpPath BA**

Group Deputy Secretary, Housing and  
Property (up until 21 August 2020)

**Sally Anne Friedlander, MA HRM GradCert  
Change Management BEd (Adult)  
AssocDip Adult Ed**

Deputy Secretary, People, Performance and  
Culture

**Dr Paul Grimes, PSM BEc (Hons) MEc PhD**

Coordinator-General, Environment, Energy  
and Science

**James Hebron, LLB BA (Politics) GradDip  
(Resources and Energy)**

Chief Legal Counsel, Governance and Legal

**Emeritus Professor Mary O’Kane AC,  
BSc PhD FTSE Hon FIEAust**

Chair, Independent Planning Commission

**Alex O’Mara, MALP BA/LLB (Hons)**

Group Deputy Secretary, Place, Design and  
Public Spaces

**Dr David Parker, BSc (Hons) MBA MComm  
MPhil PhD FRICS FAPI FAICD FAIM SFFin**  
Valuer General

**Marcus Ray, LLM LLB (Hons) BA (Hons)**  
Group Deputy Secretary, Planning and  
Assessment

**Matt Sherb, BA MURP (Hons)**  
Executive Director, Office of the Secretary

**Shaun Smith, BEng Hons**  
Deputy Secretary, Corporate Services

# Thriving environments, communities and economies

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*This section summarises the operations and performance of the NSW Department of Planning, Industry and Environment from 1 July 2019 to 30 June 2020.*

The Department of Planning, Industry and Environment and its wider group of related government agencies span a broad range of policy areas and service delivery priorities that contribute directly to improving the lives of the people of NSW. These include planning and enabling development and infrastructure that drive economic activity; protecting our native plants and animals; facilitating the transition to a lower carbon emissions future; creating better public and open spaces; maximising the use of government land and property for community benefit; improving and securing the state's water supply; increasing the affordability, supply and diversity of housing; and improving outcomes for Aboriginal people across the state.

## Environment, Energy and Science

The Department works to protect and preserve the quality of our environment through active stewardship. This is to support a healthy NSW while securing an affordable, reliable and sustainable energy future.

Through its Environment, Energy and Science group, the Department:

- delivers a coordinated approach to energy, climate change and sustainability
- supports resilient ecosystems and biodiversity for improved conservation outcomes
- partners with our customers, communities and stakeholders
- provides rigorous, transparent and evidence-based advice.

### Accessing secure and sustainable energy

#### NSW Electricity Strategy

In November 2019, the Minister for Energy and Environment released the [NSW Electricity Strategy](#),<sup>3</sup> setting out a roadmap to ensure affordable and reliable electricity and to support the electricity system's transition to a low-emissions future. The strategy encourages \$8 billion of private investment in NSW and supports 1,200 jobs, mostly in regional NSW.

In January 2020, the NSW and Australian governments signed a \$2-billion memorandum of understanding (MoU) to jointly fund our energy and emissions reduction programs over the next 10 years. Together with the [Net Zero Plan Stage 1: 2020–30](#),<sup>4</sup> the strategy and MoU will help NSW meet its target of net zero emissions by 2050.

#### Renewable energy zones

In June 2020, the Minister for Energy and the Environment launched the pilot 3,000-megawatt Central-West Orana Renewable Energy Zone (CWO REZ): one of three priority renewable energy zones. Construction of the CWO REZ will begin by the end of 2022 and, once complete, produce enough electricity to power 1.3 million homes.

The New England REZ will be built in stages, with the delivery timetable to be developed throughout the detailed planning process. Together with the South West, these priority renewable

<sup>3</sup> <https://energy.nsw.gov.au/media/1926/download>

<sup>4</sup> [www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Climate-change/net-zero-plan-2020-2030-200057.pdf](http://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Climate-change/net-zero-plan-2020-2030-200057.pdf)



energy zones will support up to 17,700 megawatts of new energy projects, \$23 billion in regional NSW investment and 2,000 construction jobs.

## Energy rebates

In 2019–20, the Department delivered \$316.7 million in energy financial assistance programs to around one million NSW households. This included the launch of a new Seniors Energy Rebate, which provided \$200 to more than 28,800 households in the first year.

## Summer Readiness Program

In 2019–20, the Summer Readiness Program delivered energy emergency preparedness plans across NSW Government agencies to ensure organisations can respond to, and recover from, emergency energy situations. The Department directly supported the NSW State Emergency Operation Centre through the bushfire season, storm season, and COVID-19 pandemic; ensuring the supply of power, water, gas and liquid fuels were prioritised in emergency response.

## Supporting a sustainable and climate-resilient NSW

### Net Zero Plan

In March 2020, the NSW Government released the *Net Zero Plan Stage 1: 2020–30*. The plan is the state's foundation for action on climate change. The goal is to reach net zero emissions by 2050. The Net Zero Plan sets out how NSW will deliver a 35% cut in emissions by 2030 compared to 2005 levels.

Together with the *NSW Electricity Strategy*, an estimated 2,400 new jobs will be created, including 1,700 jobs in regional NSW. The plan will encourage more than \$11.6 billion of new investment for NSW, including \$7 billion in regional NSW.

### National Australian Built Environment Rating System

2019–20 saw strong delivery against the National Australian Built Environment Rating System (NABERS) Strategic Plan 2019–23. We supported:

- 10% growth in ratings on 2018–19 level
- more than 3,500 energy, water, waste and indoor environment quality certifications in buildings
- more than \$1 billion in energy and water savings since the program started
- the first Six-Star NABERS Rating for apartment buildings
- expansion to three new building sectors to support delivery of NSW's 2050 net zero targets.

## Encouraging a circular economy to better manage our resources

### Return and Earn—container deposit scheme

This year, the Return and Earn container deposit scheme collected 1.8 billion drink containers, significantly contributing to the reduction of litter in NSW. January 2020 was the highest month on record, with 194 million containers returned.

COVID-19 health risk mitigation measures were put in place and more than 420 million containers were returned from March to May 2020, representing \$42 million of economic activity.

## Waste Less, Recycle More Program

Waste Less, Recycle More initiatives resulted in:

- more than 4,000 tonnes of potentially hazardous household waste being collected
- 43% reduction in the volume of litter since 2013–14
- \$10.5 million awarded to 22 projects to divert 12,500 tonnes of kerbside organics from landfills and increase processing capacity by 110,000 tonnes.

## 20-Year Waste Strategy and Plastics Plan

The Department, in conjunction with the Environment Protection Authority (EPA), is developing a whole-of-government *20-Year Waste Strategy* to set the future direction of the state's waste and resource recovery system. The vision is for the waste system to be sustainable, reliable and affordable, and to realise a circular economy. The Department will continue to develop the strategy in 2020–21.

In March 2020, the Department published a discussion paper, [Cleaning Up Our Act: Redirecting the Future of Plastic in NSW](#)<sup>5</sup>, and consulted broadly with industry and stakeholders..

The Department received more than 16,000 submissions and is working to finalise the NSW Plastics Plan.

## The Future for Waste and Resource Recovery in NSW

The Department's Strategy and Reform group worked with Environment, Energy and Science and the EPA to develop an issues paper, [Cleaning Up Our Act: The Future for Waste and Resource Recovery in NSW](#),<sup>6</sup> which was released in March 2020 for public consultation and generated a total of 227 submissions. The public webinar attracted 130 participants, and 110 participants engaged in topic-focused online stakeholder forums.

## Conserving National Parks and encouraging visitation

Each year, the NSW Government acquires land for National Parks to protect the wide variety of landscapes and environments in NSW. All land suggested for new or additional park land is assessed and approved before it is acquired and reserved under the *National Parks and Wildlife Act 1974*.

In 2019–20, an additional 65,167 hectares were declared under the Act, bringing the National Park estate to 7.22 million hectares, or 9% of NSW. A highlight was the declaration of Mutawintji State Conservation Area, made in partnership with Aboriginal owners.

The Department's National Parks and Wildlife Service acquired 158,415 hectares in 2019–20, including Narriearra Station in north-west NSW. The 153,415-hectare property, home to 25 threatened species and valuable wetlands, is the largest purchase of private land for National Parks in the state's history.

NSW's National Parks are managed to protect their unique values and allow for sustainable visitor use and enjoyment. In 2019–20, the National Parks and Wildlife Service invested \$29.4 million in critical visitor infrastructure in National Parks, including walking trails, mountain bike trails and lookouts. Investing in visitor infrastructure aims to increase nature-based tourism in NSW, boost regional economies and improve community wellbeing.

<sup>5</sup> <https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.nswdpipe-yoursay.files/4915/8338/7026/19p2034-nsw-plastics-plan-summary.pdf>

<sup>6</sup> <https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.nswdpipe-yoursay.files/7515/8338/8082/19p2036-cleaning-up-our-act-20yr-waste-strategy.pdf>

The National Parks and Wildlife Service continued the development of the joint management of parks with Aboriginal communities. We registered the 33rd National Parks and Wildlife Service–Aboriginal joint management agreement, the Arakwal Indigenous Land Use Agreement. Aboriginal joint management arrangements now cover 2.27 million hectares, or 32% of the National Park estate.

In 2019–20, Aboriginal employment exceeded 10% of total National Parks and Wildlife Service staff and Aboriginal people participated in cultural heritage assessments after the 2019–20 bushfires across 74 priority sites within 20 park reserves.

## Conserving biodiversity and nature

### NSW Koala Strategy

The Department delivered the second year of the NSW Koala Strategy, conserving more koala habitat and undertaking actions to protect koalas from key threats. This year we:

- purchased three properties totalling 973 hectares to add to the National Park estate
- identified sites for koala habitat protection on private land through a Biodiversity Conservation Trust tender in the Southern Highlands
- released the Koala Habitat Information Base to improve our knowledge about where koalas live, their numbers, and the habitat they prefer
- undertook 47 on-ground actions, in partnership with local communities, to help address threats to koala populations at a local level
- launched professional training for vets and vet nurses in wildlife care, building the sector's capacity to respond to future emergencies
- supported wildlife rehabilitation groups and koala carers through the purchase of koala rescue and rehabilitation equipment
- held three workshops for Aboriginal rangers focused on capacity building and empowering Aboriginal rangers to manage koala country.

### Saving our Species

Saving our Species (SoS) is the NSW Government's flagship conservation program for threatened species. Its objectives are to maximise the number of NSW threatened species that are secure in the wild for 100 years and control the key threats facing our threatened plants and animals. Since 2016, nearly \$80 million has been invested in approximately 400 listed threatened species, ecological communities and key threatening processes.

Key program achievements in 2019–20 include:

- working with our partners to establish more insurance populations of threatened animals
- storing seeds from 63% of the state's threatened plants safely at the Australian PlantBank, in partnership with the Royal Botanic Gardens
- leading the largest post-fire koala field survey in north-east NSW, using detection dogs to find that, despite severe fire impacts on the 450 sites surveyed across 24 National Parks, koalas have survived in all areas to varying degrees. This is largely due to refuge areas that were unaffected by fires.
- reintroducing bridled nail-tail wallabies successfully into an area within the Pilliga State Conservation Area that is fenced against feral predators as part of the NSW Government's Reintroduction of Locally Extinct Mammals Project.

## Water for the environment

Rivers, creeks and wetlands are the lifeblood of NSW. Ongoing drought conditions pose social, economic and environmental challenges. The Department's Environment, Energy and Science group manages water for the environment that is set aside specifically to build resilience into our river systems and give our unique Australian wildlife the chance to bounce back when the rain returns.

In 2019–20, just over 278,000 megalitres of water for the environment was delivered in collaboration with the Commonwealth Environmental Water Holder. The Department worked with local communities to identify priority watering sites. Managed environmental water flows provided critical feeding and breeding opportunities for waterbirds, native fish and other wildlife while supporting a network of habitat to ensure survival of water-dependent species.

## Implementation of the Biodiversity Offsets Scheme

The Biodiversity Offsets Scheme proceeded to full commencement across the state on 25 November 2019, following a staged rollout. The scheme uses market mechanisms to avoid, mitigate and offset biodiversity impacts of development and clearing.

There are now four agreements between the Biodiversity Conservation Trust and landholders to secure credits under the scheme, in addition to more than 190 agreements under the previous scheme. More than 390 people have now been accredited to conduct assessments using the methodology that underpins the offsets scheme.

## Protecting life and ecosystems during bushfires

The 2019–20 bushfires were unprecedented, affecting 5.5 million hectares of land, including 2.72 million hectares of the NSW National Park estate. The Department was heavily involved in bushfire response activities to protect life and ecosystems. Specific highlights of the on-ground bushfire response include:

- the largest professional bushfire fighting team in NSW
- a dedicated firefighting mission saved the only known population of the critically endangered Wollemi Pine
- post-fire actions such as food drops, watering stations and feral plant and animal control in National Parks supported recovery of native vegetation and threatened species
- assessment of more than 750 species, indicating that more than 330 species have been affected by fire and 420 species have not. We conducted more than 90 site visits and aerial assessments to verify mapping assessments. We have completed 160 response plans.
- rapid deployment of emergency air quality monitoring pods at key locations across the state, allowing citizens better access to real-time air quality information
- completion of fire extent and severity mapping and impact analysis, ensuring data was available to support the on-ground response to the crisis
- water quality sampling and analysis, to assist affected communities and associated industries, such as south coast oyster growers.

In January 2020, Environment, Energy and Science established the Bushfire Recovery Taskforce to coordinate the recovery effort across the group. This included developing bushfire recovery work plans, participating in State Recovery Committees, and helping the Department provide evidence and witnesses to the Royal Commission on the bushfire crisis.

By 30 June 2020, the National Parks and Wildlife Service had re-opened 128 (50%) of the 257 visitor precincts closed because of bushfires. Digital engagement soared, with 30 million-page views on the National Parks and Wildlife Service website. Key sites supported record visitation



levels as National Parks provided unique and safe opportunities for recreation during COVID-19 restrictions.

## **Hazard reduction**

The Enhanced Bushfire Management Program has had dramatic success in increasing the area treated for bushfire hazard reduction since its inception. In 2019–20, we undertook 27,474 hectares of hazard reduction. An additional area of approximately 110,000 hectares proposed for hazard reduction was burnt in wildfires. At 30 June 2020, the rolling five-year average area treated for hazard reduction was 112,038 hectares.

The National Parks and Wildlife Service invested \$10.5 million in improving and maintaining its 31,148-kilometre fire trail network.

## **Feral animal and weed control**

After the 2019–20 bushfires, the National Parks and Wildlife Service started the largest feral animal control program it has ever undertaken, with more than 10,000 feral animals removed and 12,000 kilometres of aerial baiting undertaken. In partnership with the Australian Wildlife Conservancy, the National Parks and Wildlife Service established a 9,570-hectare area at Mallee Cliffs that is free from feral cats, the largest in mainland Australia.

## **Changing how we work**

In March 2020, the Bushfire Recovery Taskforce's scope was expanded to address the growing risk that the COVID-19 health emergency posed to the delivery of departmental activities.

The Taskforce:

- supported the business transition to more flexible working arrangements
- coordinated the submission of economic stimulus proposals for NSW Government consideration
- identified legislative amendments to allow critical work across the Department to continue despite the work restrictions.

## Housing and Property

Through its Housing and Property group—which brings together key housing, property and development agencies for the first time—the Department manages more than \$75 billion in government assets.

The Housing and Property group was established to provide a more strategic approach to leveraging government-owned land and property to deliver improved economic, social, environmental and cultural outcomes for the people of NSW. Through the expertise of the Housing and Property group, the Department:

- makes better use of land and property
- creates greater access and choice of housing
- optimises the benefits of Crown land
- improves outcomes for Aboriginal communities
- creates better places.

### Providing expert land and property advice

The Department provides expert land and property advice across government. Its role includes asset management across the government's property portfolio, giving strategic property advice to agencies on accommodation needs and advising on the best approach to holding and managing assets that are core to government service delivery.

Key achievements in 2019–20 included:

- developing the Strategic Land and Property Framework, which was approved by the NSW Government in November 2019. The framework allows the NSW Government to make decisions about the optimal use of its land and property, balancing financial and non-financial objectives to maximise community benefit.
- achieving the target of reducing the NSW Government's CBD office space by 100,000 square metres by 2021. As at June 2020, the NSW Government had achieved a reduction in office space of more than 126,000 square metres.
- undertaking major lease transactions to support government initiatives.

### Supporting long-term strategies that benefit communities

In 2019–20, the Department launched a [discussion paper to help inform the first-ever, long-term Housing Strategy for NSW](#).<sup>7</sup> The discussion paper, released for public consultation in June 2020, will help shape the development of a 20-year, whole-of-government housing strategy that addresses the many aspects of housing in NSW from homelessness to home ownership.

We also secured funding agreements with eight Local Aboriginal Land Councils to deliver infrastructure upgrades for Aboriginal communities as part of the \$55 million Roads to Home program.

### Managing the NSW Government's social housing portfolio

Through the NSW Land and Housing Corporation, the Department is responsible for the NSW Government's social housing portfolio. We deliver the priorities outlined in the NSW Government's social housing policy, *Future Directions for Social Housing in NSW*. The policy is underpinned by

<sup>7</sup> [www.planning.nsw.gov.au/Policy-and-Legislation/Housing/A-Housing-Strategy-for-NSW](http://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/A-Housing-Strategy-for-NSW)

three strategic priorities: more social housing; a better social housing experience; and more opportunities, support and incentives to avoid and/or leave social housing.

Key achievements in 2019–20 included:

- progressing major developments, including awarding a contract to Frasers Property Group, in partnership with Hume Community Housing, to redevelop Telopea Estate and deliver 1,000 new and replacement social and affordable homes, and more than 3,500 private homes
- lodging a Planning Proposal with the City of Sydney to advance the Waterloo Estate redevelopment and the Redfern Build-to-Rent project. The new proposal, Waterloo South, includes the development of around 3,000 new properties, 30% of which will be social housing.
- delivering a \$3 million refurbishment of teacher housing in Barellan, Coleambally and Collarenebri
- continuing to deliver maintenance across the Land and Housing Corporation property portfolio, with 740,000 work orders raised within a budget of \$435 million to preserve and sustain the NSW social housing portfolio
- beginning a \$2.4 million refurbishment program for NSW Police Force housing across regional NSW.

For the NSW Land and Housing Corporation's response during the COVID-19 pandemic, see *Assisting emergency responses* (page 27).

## Overseeing the NSW land valuation system

The Valuer General is an independent statutory officer appointed by the Governor of NSW to oversee the state's land valuation system. In 2019–20, the Valuer General delivered annual land values successfully to all 128 local government areas.

To support local councils and communities affected by the devastating bushfires of 2019–20, the Valuer General released a [study on the effect of past bushfire events on land values](#).<sup>8</sup> The study gives landowners and councils important information about the potential effects the unprecedented bushfire events of the past summer may have on land values in their communities.

## Managing Crown land

Crown land constitutes approximately 42% of NSW. It plays an important role in supporting communities by providing space for local parks and nature reserves, sporting grounds, public halls, showgrounds and community organisations.

Key achievements in 2019–20 included:

- completing the 2019–20 Crown Reserve Improvement Fund funding round, providing a total of \$16.5 million for 416 projects to support maintenance and improvements on Crown reserves
- the findings of a [Land Negotiation Program review](#)<sup>9</sup>, which concluded that there is strong support among participants and stakeholders for its continuation. The program ensures that locally significant Crown land is held by the most appropriate organisation to achieve

<sup>8</sup>

[www.valuergeneral.nsw.gov.au/\\_data/assets/pdf\\_file/0005/225815/2020\\_09\\_04\\_Valuer\\_General\\_bushfire\\_report.pdf](http://www.valuergeneral.nsw.gov.au/_data/assets/pdf_file/0005/225815/2020_09_04_Valuer_General_bushfire_report.pdf)

<sup>9</sup> [www.industry.nsw.gov.au/\\_data/assets/pdf\\_file/0011/321500/lnp-review-ronalds-report.pdf](http://www.industry.nsw.gov.au/_data/assets/pdf_file/0011/321500/lnp-review-ronalds-report.pdf)

positive social, economic, cultural and environmental benefits for Aboriginal and non-Aboriginal communities.

- assisting in the bushfire emergency response. Crown Lands staff contributed nearly 3,000 hours working in Incident Management Teams and undertaking Building Impact Assessments.
- drafting NSW's first [State Strategic Plan for Crown Land](#)<sup>10</sup> and exhibiting it publicly in early July 2020
- leading a program to invest in showgrounds across NSW to ensure they are kept safe and functional for future generations. As part of the NSW Government's COVID-19 stimulus package, a total of \$35.77 million has been allocated across more than 150 showground sites, providing jobs and supporting local tradies and suppliers.

## Delivering better housing choices for Aboriginal and Torres Strait Islander people

Through the Aboriginal Housing Office, the Department delivers better housing choices for Aboriginal and Torres Strait Islander people in NSW.

The Aboriginal Housing Office is a statutory authority that plans and administers the policies, programs and asset base for Aboriginal housing in NSW. It is committed to the growth, sustainability and self-determination of the Aboriginal housing sector, so that housing for Aboriginal people is delivered by Aboriginal housing organisations to achieve parity and better life outcomes for Aboriginal people and families.

The Aboriginal Housing Office's vision is to ensure every Aboriginal person in NSW has equal access to, and choice in, affordable housing.

Key achievements in 2019–20 included:

- delivering 41 new homes, 606 capital upgrades to homes, and solar panel installations for a further 1,320 families
- delivering \$13.5 million of upgrade work in regional communities as part of the state's COVID-19 economic stimulus. A total of 1,993 homes received upgrades, creating 355 jobs, with 92 of these jobs going to Aboriginal community members.
- delivering 67 upgrades to Aboriginal community-owned homes
- enabling two tenants to successfully purchase homes and to transition out of social housing
- establishing the Aboriginal Housing Office Cultural Reference Group to help guide placing Aboriginal culture at the centre of everything we do
- creating a new, independent property management system known as Ngamuru—a word from the Eora language, which means 'compass', or, literally, 'to see the way'. The name emulates the Aboriginal Housing Office's commitment of ensuring the systems we have in place benefit our clients.
- developing the *Provider Performance Framework*, providing an agreed set of standards to ensure tenancies and properties are managed at a level that aligns with the National Regulatory Scheme for Community Housing (NRSCH) standards
- raising the Aboriginal Housing Office's social presence through a digital social media strategy, achieving 10,000 Facebook followers

<sup>10</sup> [www.industry.nsw.gov.au/data/assets/pdf\\_file/0019/294211/State-Strategic-Plan-A-Vision-for-Crown-Land.pdf](http://www.industry.nsw.gov.au/data/assets/pdf_file/0019/294211/State-Strategic-Plan-A-Vision-for-Crown-Land.pdf)



- implementing *Strong Family, Strong Communities—A strategic framework for Aboriginal social housing in NSW 2018–28*. This 10-year plan sets out the Aboriginal Housing Office’s plan to improve the wellbeing of NSW Aboriginal people, families and communities through housing.
- securing an additional \$6 million in funding for the Services Our Way program, which provides culturally appropriate, Aboriginal-led support services for those most vulnerable
- supporting 297 clients through the Services Our Way program, to connect vulnerable Aboriginal families with the support and services that they need
- awarding 60 Tertiary Accommodation Grants to Aboriginal students to increase completion rates for those enrolled in tertiary studies, through housing security, leading to increased employment opportunities and longer-term economic prosperity for Aboriginal people and families
- co-designing two Leading Community Demonstration Sites with Aboriginal organisations
- rolling out solar panels to more than 1,000 homes across areas including Wagga, Orange, Kempsey and Armidale to reduce energy poverty and disconnections as part of the Solar Project.

## Managing large-scale and complex real estate projects

The Department’s Development and Transactions team manages and delivers large-scale and complex real estate projects and transactions.

Key achievements in 2019–20 included:

- leasing a 65,000 square metre, A-grade commercial building at 4 Parramatta Square for the departments of Customer Service and Planning, Industry and Environment. This marked the NSW Government’s largest ever commercial office lease commitment. Practical completion was achieved in December 2019.
- securing a lease pre-commitment for a 44,000 square metre, A-grade commercial building in Parramatta for a range of government tenants, due for completion in late 2021
- progressing the remediation of a site in Nelson Parade, Hunters Hill, after securing an agreement for the disposal of waste to a fully permitted facility.

## Supporting and regulating the interment industry

Cemeteries & Crematoria NSW is a statutory agency supporting and regulating the interment industry, assessing interment needs and developing planning strategies for cemetery space.

Key achievements in 2019–20 included:

- beginning construction on the new Macarthur Memorial Park at Varroville in south-west Sydney. The new memorial park will be the first new cemetery in the Greater Sydney metropolitan area since the mid-1960s.
- establishing a new maintenance guide to help NSW’s cemetery operators keep their estates in pristine condition. The [Cemetery Maintenance Guide](http://www.industry.nsw.gov.au/data/assets/pdf_file/0020/311690/Voluntary-Code-of-Practice-for-Cemetery-Maintenance.pdf)<sup>11</sup> highlights best-practice to help operators of all sizes improve their cemeteries.

<sup>11</sup> [www.industry.nsw.gov.au/data/assets/pdf\\_file/0020/311690/Voluntary-Code-of-Practice-for-Cemetery-Maintenance.pdf](http://www.industry.nsw.gov.au/data/assets/pdf_file/0020/311690/Voluntary-Code-of-Practice-for-Cemetery-Maintenance.pdf)

## Managing Sydney Olympic Park

The Sydney Olympic Park Authority is responsible for the day-to-day management of the park's public places, seven sporting venues and 430 hectares of parklands. This includes protecting Sydney Olympic Park's ecosystems, environment and heritage. Sydney Olympic Park Authority's<sup>12</sup> key achievements in 2019–20 included:

- launching Sydney Olympic Park LIVE during COVID-19, which offers interactive virtual learning experiences for students, virtual bird watching, art exhibitions and exercise programs
- completing the removal of 20,000 square metres of lantana from the Brickpit at Sydney Olympic Park as part of a long-term ecological restoration project.

## Managing and transforming state-significant precincts

Place Management NSW<sup>13</sup> is responsible for some of Sydney's most historically and culturally significant waterfront locations.

Key achievements in 2019–20 included:

- supporting major events across The Rocks and Darling Harbour, including New Year's Eve 2019, and Australia Day and Lunar New Year in 2020
- hosting the 40th anniversary exhibition of the sister-state relationship between NSW and Guangdong at the Chinese Garden of Friendship
- transitioning to ticketless parking meters in The Rocks, Darling Harbour and Pyrmont.

## Planning and delivering the development of the Hunter and Central Coast

Hunter and Central Coast Development Corporation<sup>14</sup> is responsible for the planning and delivery of economic and urban development in the Hunter and Central Coast regions.

Key achievements in 2019–20 included:

- completing the Museum Place public domain in Newcastle, as part of the transformation of the former Civic Station and rail corridor into a vibrant public space for the community
- beginning construction on Leagues Club Field in Gosford to create a regional play space for locals.

## Assisting emergency responses

As part of the NSW Government's stimulus response to COVID-19, the Land and Housing Corporation began a \$47-million program of maintenance upgrades on public housing properties, with 50% of the work undertaken in regional NSW. In addition, \$12.3 million was allocated for a deep cleaning program to support preventative and enhanced cleaning for COVID-19 risk reduction.

<sup>12</sup> The Sydney Olympic Park Authority transferred to the Place, Design and Public Spaces group in May 2020.

<sup>13</sup> Place Management NSW transferred to the Place, Design and Public Spaces group in May 2020.

<sup>14</sup> Hunter and Central Coast Development Corporation transferred to the Place, Design and Public Spaces group in May 2020.

## Place, Design and Public Spaces

Through its Place, Design and Public Spaces group, the Department:

- creates plans for the future of regions and local services
- revitalises urban areas
- provides land for new homes, services and public space
- develops policies that guide planning activity for government and local government across NSW.

### Creating greener public spaces

One of the Premier's Priorities is to increase the proportion of homes in urban areas within 10 minutes' walk of quality green, open and public space by 10% by 2023. As at June 2020, approximately 73,300 homes have benefited from being within a 10-minute walk to a major new or improved public space. More than 70,000 homes have also benefited from projects including Everyone Can Play inclusive playgrounds, Metropolitan Greenspace Program grants, and public facilities.

We are on track to meet the target for this Premier's Priority by June 2023 through a range of projects informed by the best available evidence and community engagement. These include:

- a \$15-million grant program (as part of the COVID-19 response) for councils to activate temporary projects that improve exercise options on local streets
- a \$100-million plan for new open spaces, as well as:
  - planning for eight new Sydney parks
  - preparing Green Plans for five precincts (St Leonards, Crows Nest, Glenfield, Frenchs Forest, and Wilton)
  - completing the [Greater Sydney Outdoors Study](#)<sup>15</sup> on recreation
- working closely with six councils across the three Cities of Sydney<sup>16</sup> and regional NSW on a variety of demonstration projects that improve walkable access and the quality of open spaces, public facilities and streets
- partnering with agencies to embed quality public space outcomes. This may include policy development, amending grant criteria or joint demonstration projects.

### Greening our city

Another Premier's Priority is to increase the tree canopy and green cover across Greater Sydney by planting one million trees by 2022. As at 30 June 2020, 244,293 trees have been planted and a further 262,904 procured for planting. The Department expects to meet its target of planting one million trees by 2022.

Partnerships and grants are in place to prioritise tree planting at sites with low canopy and green cover to help alleviate higher urban temperatures.

<sup>15</sup> [www.planning.nsw.gov.au/-/media/Files/DPE/Reports/report-findings-greater-sydney-outdoors-study-2019-06-06.pdf](http://www.planning.nsw.gov.au/-/media/Files/DPE/Reports/report-findings-greater-sydney-outdoors-study-2019-06-06.pdf)

<sup>16</sup> The Western Parkland City, Central River City and Eastern Harbour City, as defined in the Greater Sydney Commission's plan, *A Metropolis of Three Cities*, [www.greater.sydney/metropolis-of-three-cities/vision-of-metropolis-of-three-cities](http://www.greater.sydney/metropolis-of-three-cities/vision-of-metropolis-of-three-cities)

In 2019–20, the Department:

- partnered with Landcare NSW and Greening Australia in a \$4.7 million deal to plant 172,000 trees across Western Sydney, including at schools and community events
- awarded a total of \$5.4 million to 20 councils for 32 tree-planting projects as part of its first round of grants
- designed a \$12.5 million grants package to support tree planting and overcome barriers to increasing urban greenery
- launched the [Greener places, Great public spaces website](#)<sup>17</sup> with information on both Premier's Priorities
- encouraged a citizen-led approach to achieving the target, by giving a free tree(s) to targeted households
- commissioned a Greening the Great West Walk feasibility study to identify tree-planting and green-cover projects along the Great West Walk in Western Sydney.

## Taking a new approach to precincts

In November 2019, the Minister for Planning and Public Spaces announced a new approach that streamlines more than 50 precincts into four pathways:

- State-led strategic planning
- Collaborative planning between the NSW Government and councils
- State-led rezoning
- Council-led rezoning.

This allows the NSW Government to refocus its efforts and empowers councils to plan strategically.

The Department is working constructively with the councils involved in precinct planning and has updated its project plans for the 12 state-led rezoning proposals, which include Glenfield, Wilton Town Centre, Crows Nest, Rhodes, Central Station SSP, Ingleside, Marsden Park North, West Schofields, Frenchs Forest, Cherrybrook, Bays Market District and North Eveleigh.

## Planning for and valuing green infrastructure

The COVID-19 pandemic has demonstrated that green, open space is crucial to public health and personal wellbeing. It is vital to the provision of urban ecosystem services and the maintenance of biodiversity in cities.

In 2019–20, the Department:

- developed a draft Green Infrastructure Strategy for the Greater Parramatta to Olympic Park Strategic Business Case referred to on page 46.
- undertook a green infrastructure needs assessment for two PICs led by the Greater Sydney Commission to satisfy a commitment under the Western Sydney City Deal.

In 2019–20, the Department began work on a guide to valuing green infrastructure, including proposed valuation methods, to be used as a possible supplement to the NSW Government Guide to Cost-Benefit Analysis. This will assist government decision-making and ensure the benefits of green infrastructure are accurately captured in government economic analysis and business cases.

<sup>17</sup> [www.dpie.nsw.gov.au/premiers-priorities](http://www.dpie.nsw.gov.au/premiers-priorities)

In 2019–20, the Department drafted a new [50-Year Vision](#)<sup>18</sup> for Greater Sydney's network of parklands and green, open spaces. To accompany this 50-Year Vision, the Department has also completed the planning phase that enabled the announcement of a new Greater Sydney Parklands agency. The agency will bring parklands together to create a sustainable network of green, open space and realise the vision of the blue and green grid. This is the network of high-quality green space and waterways that connects town centres, public transport hubs and major residential areas across Greater Sydney.

In 2019–20, the Department introduced a new Placemaking NSW Advisory Committee. The committee will provide an integrated approach to placemaking across planning delivery, precinct management, design, public spaces and place excellence. The committee will guide the work of The Rocks, Darling Harbour, Sydney Olympic Park, and the Hunter and Central Coast Development Corporation.

## Planning strategically for conservation

As the NSW population grows, so do urban areas. The Department seeks to support this growth by protecting the natural environment, allowing more people to connect with and enjoy it through increased access to green space.

Strategic conservation planning is underway on the Central Coast and also in Western Sydney, through the development of the Cumberland Plain Conservation Plan. The [Cumberland Plain Conservation Plan](#)<sup>19</sup> (CPCP) will help deliver the Western Parkland City<sup>20</sup> and is one of the largest strategic conservation planning projects to be undertaken in Australia.

The Department completed early engagement to develop the CPCP and the Strategic Conservation Plan for Western Sydney.

The NSW Government's vision for the Central Coast is to deliver the infrastructure, housing and jobs needed to cater for future population growth and to create vibrant, liveable, connected urban centres with green spaces and protected biodiversity. Strategic conservation planning on the Central Coast will facilitate urban development while protecting plants, animals and their habitat at a landscape scale. Ecological surveys and assessment are well underway for the Central Coast Strategic Conservation Plan. We plan to publicly exhibit the Central Coast Strategic Conservation Plan in mid-2021.

## Coordinating and enabling the place and infrastructure outcomes of regional plans

In 2019–20, the Department's Place, Design and Public Spaces group:

- exhibited the [Western Sydney Aerotropolis Package](#)<sup>21</sup>
- finalised the Mamre Road Precinct rezoning to deliver 850 hectares of industrial land within the Western Sydney Employment Area for about 17,000 new jobs. Areas of environmental conservation, open space and a potential Western Sydney intermodal terminal were also protected.

<sup>18</sup> [www.planning.nsw.gov.au/-/media/Files/DPE/Strategy-documents/50-Year-Open-Space-and-Parklands-Vision-2020-08-14.pdf?la=en](http://www.planning.nsw.gov.au/-/media/Files/DPE/Strategy-documents/50-Year-Open-Space-and-Parklands-Vision-2020-08-14.pdf?la=en)

<sup>19</sup> [https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub\\_pdf/00+-+CPCP/edited\\_2.+Draft+Cumberland+Plain+Conservation+Plan+\(in+template\).pdf](https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub_pdf/00+-+CPCP/edited_2.+Draft+Cumberland+Plain+Conservation+Plan+(in+template).pdf)

<sup>20</sup> The Western Parkland City comprises the council areas of Hawkesbury, Penrith, the Blue Mountains, Fairfield, Liverpool, Camden, Campbelltown and Wollondilly. See [www.wscd.sydney/a-parkland-city](http://www.wscd.sydney/a-parkland-city)

<sup>21</sup> [www.planningportal.nsw.gov.au/draftplans/made-and-finalised/western-sydney-aerotropolis-planning-package](http://www.planningportal.nsw.gov.au/draftplans/made-and-finalised/western-sydney-aerotropolis-planning-package)



- completed declaration of the Greater Macarthur Growth Area under the State Environmental Planning Policy (Sydney Region Growth Centres) 2006
- issued a Gateway determination on 11 March 2020 for the Central Sydney Planning proposal, which was then publicly exhibited from 1 May to 10 July 2020. The planning proposal will reshape the CBD by facilitating the creation of additional commercial floorspace, support economic growth and provide good design and high-quality public places.
- established Precinct Collaboration Groups with Camden Council, Blacktown Council, and for Wilton Precinct
- collected \$85.71 million in developer contributions through Special Infrastructure Contributions (SIC) and Voluntary Planning Agreements (VPA)
- executed 37 state VPAs, including Menangle Park (\$113 million contribution), Oakdale West (\$42 million contribution) and Victoria Road (\$12 million contribution)
- executed a \$55-million Kings Hill VPA that secures the release of approximately 4,000 new dwellings in Port Stephens
- completed a VPA Prioritisation Framework, which was endorsed by the interagency steering committee
- released \$199 million of infrastructure grants, including \$40 million for open space
- completed rounds 1 and 2 of Housing Acceleration Fund program (finishing with the Farley Regional Wastewater network)
- announced the Accelerated Infrastructure Fund and executed the deeds within three months. This provides \$75.9 million to Blacktown City Council and The Hills Shire Council to accelerate 14 projects.
- rezoned the Waterloo Metro Quarter to put in place new planning controls for a cohesive and walkable community. This includes approximately 700 new private, social and affordable homes; retail and entertainment; employment opportunities and improved transport links. The new controls also support future development over the new Waterloo Metro Station.
- exhibited a draft strategic vision and rezoning proposal for the Western Gateway (the first sub-precinct of the Central State Significant Precinct at Central Station). The rezoning proposal seeks to amend planning controls so a new technology and innovation precinct excelling in design and sustainability can be developed.

## Supporting local strategic planning statements in Greater Sydney and regional areas

The Department (with the Greater Sydney Commission and other agencies) supported the 33 councils in Greater Sydney in drafting their first local strategic planning statements (LSPSs). As at June 2020, 31 councils have adopted and published their final statements on the NSW Government's Planning Portal.

The LSPS program in Greater Sydney is an important way of delivering a more strategic and less reactive planning system. It provides a direct line of sight between local, district and regional strategic planning under the Greater Sydney Region Plan. In 2019–20, the Department continued to fund 18 councils for the strategic planning studies required to inform their LSPS. The Accelerated Local Environmental Plan (LEP) Review Program also allowed them to fast-track a review of their planning controls.

Councils received \$22.375 million to meet the program's key milestones, including the preparation of planning proposals with updated controls.

In 2019–20, the Department helped more than 60 regional councils finalise their local strategic planning statements (LSPSs). These contribute to a more strategic planning system by setting a 20-year vision for land use in the local area, establishing where special character and values are to be preserved and how change will be managed. The Department is working with the remaining regional councils to complete their LSPSs as soon as possible.

## Driving design excellence

The Government Architect NSW drives design excellence and good design outcomes across government and industry through expert advice and leading responses to emerging challenges.

It researches and prepares documents that provide policy, principles, advice and best practice examples to support good design processes and outcomes. In 2019–20, these included:

- [\*Greener Places\*](#)<sup>22</sup>—a collective design framework for urban green infrastructure, issued in June 2020
- [\*Draft Greener Places Design Guide\*](#)<sup>23</sup>—a guide to design, plan and implement green infrastructure in urban areas throughout NSW, publicly exhibited in June 2020
- [\*The Urban Design for Regional NSW\*](#)<sup>24</sup>—a guide for the creation of healthy built environments in the state's regions
- [\*Designing with Country\*](#)<sup>25</sup>—a discussion paper released in May 2020 encouraging all stakeholders to consider Aboriginal cultural connections when designing and planning new projects
- [\*The Practitioners Guide to Movement and Place\*](#)<sup>26</sup>—a guide for design and planning around streets and roads for state government projects, issued in May 2020 with Transport for NSW
- [\*Good Design for Social Housing and Dwelling Requirements\*](#)<sup>27</sup>—released for internal consultation in April 2020, this describes what good design means for the Land and Housing Corporation and provides a common framework for all new projects.

## Securing land for community benefit

The Department's Office of Strategic Lands works with local councils and other partners within the Greater Sydney Region to secure land for regional open space, important biodiversity corridors and natural conservation areas. It also protects corridors important for infrastructure and acquires land for new town centres, residential areas and employment hubs.

<sup>22</sup> [www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/design-guides/framework-document-greener-places-2020-06-02.pdf](http://www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/design-guides/framework-document-greener-places-2020-06-02.pdf)

<sup>23</sup> <https://www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/discussion-papers/discussion-guide-greener-places-2020-06-03.pdf>

<sup>24</sup> [www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/design-guides/urban-design-guide-for-regional-nsw-2020-06-03.pdf?la=en](http://www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/design-guides/urban-design-guide-for-regional-nsw-2020-06-03.pdf?la=en)

<sup>25</sup> [www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/discussion-papers/discussion-paper-designing-with-country-2020-06-02.pdf?la=en](http://www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/discussion-papers/discussion-paper-designing-with-country-2020-06-02.pdf?la=en)

<sup>26</sup> [www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/manuals-and-guides/practitioners-guide-to-movement-and-place-2020-06-04.pdf?la=en](http://www.governmentarchitect.nsw.gov.au/resources/ga/media/files/ga/manuals-and-guides/practitioners-guide-to-movement-and-place-2020-06-04.pdf?la=en)

<sup>27</sup> [www.communitiesplus.com.au/\\_data/assets/pdf\\_file/0006/792087/Good-Design-for-Social-Housing\\_September-2020\\_Access.pdf](http://www.communitiesplus.com.au/_data/assets/pdf_file/0006/792087/Good-Design-for-Social-Housing_September-2020_Access.pdf)

In 2019–20, the Office of Strategic Lands surplus land sales generated \$99 million in revenue. The fund was established as a self-funding model and has minimal demand on the NSW Government budget. It is also used to acquire land for open space in Greater Sydney.

In 2019–20, the Office of Strategic Lands:

- acquired 8.6 hectares of land valued at \$20.74 million for open space and environmental conservation
- transferred 33.3 hectares of land valued at \$43.35 million to the Western Sydney Parklands Trust for open space and ongoing management
- funded 33 Metropolitan Greenspace Program grants, totalling \$7.57 million
- acquired 10,000 square metres of littoral rainforest near Newport to preserve the land as public open space as part of a \$4.6-million joint investment with the Northern Beaches Council
- partnered with the Western Sydney Parklands Trust to open a public walking tour at Fernhill Estate for local residents in Mulgoa
- transferred land at Nambucca Heads and Salamander Bay, acquired under the Coastal Lands Protection Scheme. The Office of Strategic Lands originally acquired the site, following the discovery of ancestral Aboriginal remains there. Nambucca Shire Council will now manage the site in partnership with the Gumbaynggirr people to ensure its protection for years to come.

## Planning and Assessment

Through its Planning and Assessment group, the Department:

- improves statutory planning and assessment systems to make the planning system more competitive, particularly in regional areas
- assesses and determines proposals for development, including state-significant projects, to ensure the need for new jobs is balanced with the needs of communities and the environment
- ensures projects that include major developments, infrastructure and industrial sites meet strict conditions
- engages early with business, industry and communities to plan and deliver homes, new infrastructure and a healthy environment, while assessing the impacts and opportunities that growth offers.

### Determining major projects

In 2019–20, the Department determined 391 major projects, an increase on the 359 projects determined in 2018–19. The projects approved will deliver \$21.58 billion in capital investment value and enable 64,776 additional jobs (36,314 construction jobs and 28,462 operational jobs), which is an increase from \$18 billion in capital investment value in 2018–19 and the potential to generate 60,000 jobs. See *Appendix 24. Major project determinations* (page 187) for a breakdown of all projects.

### Improving social infrastructure

Health and education facilities are critical for vibrant communities to function and grow. The Department has approved 12 government school projects with a total value of \$600 million as part of the NSW Government's School Infrastructure program.

The Department also assessed:

- 11 independent school projects with a total value of \$770 million
- private and public health facility projects with a total value of \$1.06 billion, including four new hospitals—The Prince of Wales, New Tweed Valley, Wyong and Maitland
- four metropolitan and regional university projects with a total value of \$411 million, including tertiary facilities at Western Sydney and the University of NSW, and a new university in Newcastle
- Stage 2 of the Sydney Football Stadium, unlocking \$670 million in investment, and creating 900 jobs through construction and operation
- Moorebank Intermodal Terminal, allowing for the next stages of a new freight hub to be created in south-west Sydney.

For details of the schools, hospitals, and infrastructure and transport projects assessed, see *Appendix 24. Major project determinations* (page 187).

The Department's assessment process included referral to the Government Architect NSW's design review panels, ensuring design excellence in government-funded social development.

## Managing infrastructure and assessing transport projects

The Department has assessed a total of 490 environmental approval documents since July 2019 for:

- 13 motorway and road projects
- two metro rail projects
- six metro and regional road projects
- Parramatta light rail
- Sydney Football Stadium
- two stages of Inland Rail
- 41 schools
- five intermodal projects stages
- 14 hospitals.

The Department approved documents that were required to support the start of operations for two WestConnex projects—M4 East in July 2019 and New M5 (M8) in July 2020. The Department completed its assessment of the M6 Stage 1 project, which involves the construction of twin tunnels approximately four kilometres long, linking the M8 at Arncliffe to President Avenue at Kogarah. The project is the first motorway tunnel approved that is subject to the government's new requirements for air emissions from tunnel ventilation outlets.

The Department has also been working closely with Transport for NSW on the WestConnex Projects to deliver up to 18 hectares of open space, with five hectares delivered since July 2019.

## Improving the State Environmental Planning Policies

The Department has made several changes to the following State Environmental Planning Policies (SEPPs) over the 12 months to 30 June 2020:

- In November 2019, the planning pathway for data centres was confirmed through an amendment to the Infrastructure SEPP (ISEPP). Before this change, data centres were assessed inconsistently under various definitions of land use.

- In March 2020, recommendations from the NSW Productivity Commission's Review of the Independent Planning Commission were implemented through an amendment to the State and Regional Development SEPP, with the result that the Independent Planning Commission will focus more on the determination of contentious state-significant developments, allowing it to manage its workload more effectively.
- In April and June 2020, amendments to the ISEPP were made to enable battery storage development. The amendment also updated policies relating to renewable technologies such as solar energy systems (including expanded exemption and complying provisions for household, small commercial and rural applications).

We have made other amendments to resolve technical planning barriers, for example upgrades to water treatment facilities to support drought response.

## Assessing industry development applications

The Industry Assessments team completed the assessment of over 75 state-significant development applications and modifications across the state in 2019–20, generating over \$3 billion of development, more than 6,800 ongoing jobs and more than 4,600 construction jobs.

## Planning for regional development

In 2019–20, the Department:

- implemented the new Gosford City Centre planning framework, with five major development proposals under assessment as at 30 June 2020. These are worth more than \$788 million, delivering more than 1,300 new homes, 3,600 construction jobs and 700 operational jobs.
- determined complex modifications to former Part 3A approvals, such as at Catherine Hill Bay, Sandon Point, Eastlakes and Calderwood
- determined 55 development applications and modifications within the Alpine Resorts with a value of about \$30 million
- supported the bushfire-affected Mount Selwyn Ski Resort to make way for rebuilding.

## Special Activation Precincts

A Special Activation Precinct is a dedicated area in a regional location identified by the NSW Government to become a thriving business hub. Special Activation Precincts are part of the NSW Government's 20-Year Economic Vision for Regional NSW and will be partially delivered through the \$4.2 billion Snowy Hydro Legacy Fund (see page 56). The Department prepares the fast-track planning framework for each approved precinct.

To support this program in 2019–20, the Department:

- established a team to carry out the strategic assessment and master planning and work with other agencies to develop the new planning framework
- prepared a new State Environmental Planning Policy—the SEPP (Activation Precincts) 2020—which provides a framework for most uses to be undertaken as complying development in nominated Special Activation Precincts, made by the Minister for Planning and Public Spaces on 12 June 2020



- finalised the [master plan](#)<sup>28</sup> and planning framework for the first Special Activation Precinct in Parkes: a 5,000-hectare employment precinct with direct access to Inland Rail, which was approved on 12 June with the new SEPP
- prepared a [draft master plan](#)<sup>29</sup> and draft SEPP provisions for the Wagga Wagga Special Activation Precinct, which was subsequently placed on public exhibition in July 2020.

## Assessing key sites

### Greater Sydney and other key sites

In 2019–20, the Department assessed state-significant development applications in key sites across Sydney and Newcastle, generating over \$5 billion of development and supporting more than 12,000 ongoing jobs and 10,000 construction jobs.

The Department assessed state-significant development applications for over-station development during 2019–20, including the Martin Place North and South proposals and the Waterloo Metro Quarter. The approved over-station developments would unlock the benefits of the new Sydney Metro and manage population growth and density by locating jobs, housing and open space around the new stations.

### Supporting renewable energy

NSW is one of the nation's leaders in renewable energy development, with 68 approved large-scale wind and solar energy projects, including 22 that are operational and six under construction.

There are now seven wind energy and 32 solar energy projects in the Department's assessment process, with an estimated capacity of 4,000 megawatts—enough to power 3.6 million homes. Together, these projects have a combined capital investment value of around \$9 billion, generating approximately 6,700 construction jobs. In addition to wind and solar energy, NSW is also becoming a leader in pumped hydro, which will be important in delivering dispatchable energy as NSW transitions away from a reliance on fossil fuels.

Snowy 2.0 was approved in May 2020, with the potential to generate 2,000 megawatts of clean power and play a major role in the National Electricity Market. The project will also create much-needed investment in the Snowy Mountains region by creating up to 2,000 new jobs and injecting more than \$4 billion dollars into regional NSW. The Snowy 2.0 approval also includes around \$85 million to improve the biodiversity and recreational values of Kosciuszko National Park, including \$10 million for fish conservation measures.

### Reviewing mining projects

The NSW Government is taking a responsible, balanced approach to the effects of the global transition to a low-carbon future on the coal mining sector.

The government has set a clear and consistent policy framework for coal exploration and mining in NSW that supports investment certainty as the coal mining sector responds to global demand, while helping regional communities to manage the effects of an expected decline in thermal coal mining in the state over the longer term.

In 2019–20, the Department and the Independent Planning Commission approved two new mining and extractive industry projects and 40 modification applications for existing mining and extractive industry projects. The combined projects have a capital investment value of \$533 million and will

<sup>28</sup> [https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub\\_pdf/00+-+Parkes+SAP/Parkes+Master+Plan](https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub_pdf/00+-+Parkes+SAP/Parkes+Master+Plan)

<sup>29</sup> [https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub\\_pdf/000-Wagga/Wagga+Wagga+Special+Activation+Precinct+Draft+Master+Plan.pdf](https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub_pdf/000-Wagga/Wagga+Wagga+Special+Activation+Precinct+Draft+Master+Plan.pdf)

create over 1,000 jobs. These projects continue to contribute significantly to regional communities through employment.

One of the most significant projects assessed by the Department is the Narrabri Gas Project, which was referred to the Independent Planning Commission for public hearings and determination in June 2020. The Department concluded the project could be approved, subject to strict conditions. If approved, it would supply around 50% of NSW's gas demand, employ around 1,300 people and inject \$3.6 billion into the state economy.

Two other significant projects include the Rix's Creek South Continuation of Mining Project and the United Wambo Open Cut Coal Mine in the Singleton local government area. Together, these two projects would secure ongoing employment for more than 700 people, inject around \$426 million of capital investment into the Hunter region and deliver around \$473 million in royalties to the state.

## Managing compliance proactively

In 2019–20, the Department responded quickly to meet its compliance functions in a strategic, adaptive and proactive manner. Compliance work is publicly reported through an [interactive map](#)<sup>30</sup> that displays inspection and enforcement outcomes with links to the Department's [major projects website](#).<sup>31</sup>

As at 30 June 2020, the Department had inspected over 480 state-significant projects to monitor compliance with approvals. These inspections also help to increase proponents' awareness of their obligations. As a result of these inspections, the Department issued 22 penalty notices totalling \$294,000, including maximum on-the-spot penalties of \$15,000—the highest on-the-spot penalty for an offence in NSW.

## Overseeing regional plans

Nine regional plans are in place, setting a clear vision, direction and list of priority actions for land-use planning over the next 20 years. Of the priority actions, the Department completed 46 by 30 June 2019, with nine more to be completed by the end of 2020.

Highlights include:

- exhibiting the [draft Coffs Harbour Regional City Action Plan](#)<sup>32</sup>
- creating a Regional Housing Supply Monitor, which was co-developed with the Strategy and Reform group
- introducing a new planning system training course for Local Aboriginal Land Councils
- preparing 14 Planning Analysis Reports for Local Aboriginal Land Councils
- working with each council to ensure local strategic planning statements and local strategies are implemented for every regional local government area.

## Council engagement roundtables

In 2019, Department leaders hosted a series of 'Meet the Council Roundtable' events with senior executives and planning staff from local councils in their regions. A total of 28 representatives from 21 councils attended the events that took place in Queanbeyan, Dubbo and Mullumbimby.

Additional roundtables in other regions have been postponed because of the COVID-19 pandemic restrictions. In the meantime, the Department has held online forums with councils.

<sup>30</sup> [www.planning.nsw.gov.au/Assess-and-Regulate/About-compliance/Inspections-and-enforcements](http://www.planning.nsw.gov.au/Assess-and-Regulate/About-compliance/Inspections-and-enforcements)

<sup>31</sup> [www.planningportal.nsw.gov.au/major-projects](http://www.planningportal.nsw.gov.au/major-projects)

<sup>32</sup> [https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub\\_pdf/Coffs\\_Harbour\\_Draft\\_Regional\\_City\\_Action\\_Plan\\_v35\\_Accessible.pdf](https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub_pdf/Coffs_Harbour_Draft_Regional_City_Action_Plan_v35_Accessible.pdf)

## Illawarra–Shoalhaven Urban Development Program Dashboard

In 2019–20, the Department launched the [Illawarra–Shoalhaven Urban Development Program \(UDP\) Dashboard](#),<sup>33</sup> an interactive resource that enables people to search historical and current, estimated housing data for the region. The dashboard promotes data-driven, ongoing improvements for infrastructure planning and coordination in the Illawarra–Shoalhaven area.

## Darkinjung Local Aboriginal Land Council and Central Coast Council

In 2019–20, the Department continued work with the Darkinjung Local Aboriginal Land Council and Central Coast Council to advance its planning and development proposals in its interim development delivery plan, assisting with projects relating to agency and stakeholder consultation, bushfires, development, biodiversity and heritage management.

## Supporting local councils

In 2019–20, the Office of Local Government implemented changes that strengthen and support the local government sector, and progressed long-term reviews and issues.

Achievements included:

- starting a review and reform of impounding laws in NSW
- progressing government responses to IPART (Independent Pricing and Regulatory Tribunal NSW) reviews on local government
- introducing electoral reforms to modernise and improve local government elections
- developing a comprehensive discussion paper for a four-month consultation period that proposed a new, mandatory, risk management and internal audit framework for NSW councils
- developing comprehensive guidelines to help councils comply with the new regulatory requirement to webcast council meetings
- developing a discussion paper on councillor superannuation
- launching the Your Council Website on 24 September 2019, which showcases comparative financial and non-financial metrics for NSW councils
- securing funding to complete the early phases of a new Pet Registry
- administering more than \$157 million in grants and programs to NSW councils.

## Reforming the NSW planning system

In 2019–20, the Department developed a suite of planning reform initiatives for implementation and delivery over the next three years. This was in response to the Premier's announcement in November 2019 that NSW would implement key changes to the planning system and lay the foundations for further reform in the 2020–21 financial year.

Changes implemented to date include:

- **The Planning System Acceleration Program**, which reduced assessment timeframes through improved process and capacity, and better agency coordination and referrals through the new Planning Delivery Unit (see *Adapting the planning system to respond to the COVID-19 pandemic*, page 40). It also included the Accelerated Infrastructure Fund, a \$70-million fund to support new community infrastructure in north-west Sydney.

33

<https://app.powerbi.com/view?r=eyJrIjoieYzlyNDQ5NzYtNjliMy00ZDcxLThiNmQtOWJINGNkMDFIM2I1IiwidCI6Ijlk2ZWY4ODIxLTJhMzktNDcxYy1iODIhLTU3YjA4MzNkZDNIOSJ9>

- **Infrastructure Contributions Reform** to fix the uncertainty in infrastructure contributions. Exhibitions of proposed system improvements were open from 15 April 2020 until 12 June 2020. The Department received 89 stakeholder submissions addressing the proposals. The NSW Productivity Commissioner released an issues paper to shape the broader review of the system. Stakeholders were invited to provide feedback on the issues paper until 5 August 2020.
- **Short-term Rental Accommodation**, a new regulatory framework for short-term rental accommodation. This includes a statewide planning framework, a mandatory code of conduct and changes to strata legislation. In August 2019, the proposed framework was jointly exhibited by the Department of Planning, Industry and Environment and the Department of Customer Service. We will continue to work closely with the Department of Customer Service to implement the framework once approved.

## Environmental policy

In 2019–20, the Department replaced the State Environmental Planning Policy (SEPP) 44, which was nearly 25 years old, with *State Environmental Planning Policy (Koala Habitat Protection) 2019* to help reverse the decline of NSW's koala populations.

We provided advice to councils, public authorities, planning professionals and individuals to support the implementation of *State Environmental Planning Policy (Coastal Management) 2018*. The Department contributed to working groups that are supporting the development of several new coastal management programs (under development).

The Department continued to deliver potable water savings and greenhouse gas emission reductions from new dwellings through the Building Sustainability Index (BASIX).

## Codes and design

In December 2019, a variety of new, exempt and complying development types were introduced through amending the State Environmental Planning Policy (Codes) 2008 (Codes SEPP). This included street libraries as exempt development, and improved the safety requirements for existing awnings.

The Low-Rise Medium-Density Housing Code started in most council areas on 6 July 2018. The application of the code was deferred in 46 local government areas so councils could consider where medium-density housing should be allowed and make appropriate changes to local planning instruments. On 26 June 2020, amendments to the Low-Rise Medium-Density Housing Code in the Codes SEPP were made to clarify the code's intent and ensure it can operate effectively across NSW.

The code is now called the Low-Rise Housing Diversity Code to better reflect the type of housing it encourages. It applies to all councils in NSW and began in all remaining local government areas on 30 June 2020.

## Making it easier to recover and rebuild after bushfires

Approximately 3,500 dwellings were damaged or destroyed in the 2019–20 bushfire season. The NSW Government responded by changing the planning regulations to make it easier for people to recover from and rebuild after the bushfires. The Department has played a key role in supporting councils and state agencies to plan and navigate the rebuilding process for residents.

The Department also helped with the efficient clean-up of waste generated by the bushfires. Public Works Advisory have led the NSW Government's bushfire clean-up activity, overseeing the cleaning of waste from more than 3,500 properties and working with the NSW Environment Protection Authority and various bushfire-affected councils to identify facilities with the capacity to accept bushfire waste. We fast-tracked applications to allow these facilities to accept and process waste from bushfire-affected regions across the state.

In 2019–20, the Office of Local Government ensured financial support, rates relief and other support was provided to bushfire-affected councils and communities. This included the development of the Local Government Bushfire Recovery Support Group.

## Adapting the planning system to respond to the COVID-19 pandemic

The Department responded to the pandemic by adapting the planning system to ensure continued productivity, investment and community wellbeing. The Planning System Acceleration Program, announced in April 2020, redirected resources to accelerate determination of projects that create jobs, investment and other public benefits. Three tranches, totalling 67 accelerated projects, were determined in 2019–20. These projects unlocked potential for 40,000 jobs, \$17.7 billion in investment, and up to 400 hectares of open space, parks and environmental conservation land.

On 25 March 2020, the NSW Government introduced the COVID-19 Legislation Amendment (Emergency Measures) Bill 2020. This changed the *Environmental Planning and Assessment Act 1979* to allow the Minister for Planning and Public Spaces to make Orders for development to be carried out without the normal planning approvals. This is to protect public safety during the pandemic. The measures remain and are reviewed as new issues arise.

The COVID-19 Legislation Amendment (Emergency Measures) Bill 2020 removed the requirement for planning decision makers (such as councils) to display physical copies of some documents, which will now be available on the [NSW Planning Portal](https://www.planningportal.nsw.gov.au)<sup>34</sup> and local council websites. In addition, the Environmental Planning and Assessment Regulation 2000 was amended to set out the minimum requirements for holding public hearings and meetings using telephone and video conferencing.

In 2019–20, the Office of Local Government supported local councils through COVID-19. This included securing a \$395-million economic stimulus package to safeguard council jobs and services and infrastructure delivery during the pandemic. Other achievements included:

- amending legislation and supporting councils by:
  - postponing the 2020 council elections
  - permitting electronic council meetings
  - providing more than 50 daily newsletter updates and 10 webinars for all councils to receive advice on Public Health Orders
  - maintaining a physical presence at the State Emergency Operations Centre via a Local Government Liaison.

<sup>34</sup> [www.planningportal.nsw.gov.au](https://www.planningportal.nsw.gov.au)



# Water

The NSW Government is committed to improving the management of critical water resources and better servicing communities, customers and the irrigated agriculture sector. The Department manages water in NSW to create the conditions for local communities to prosper and to support the sustainable use of, and access to, our natural resources.

Through its Water group, the Department:

- manages the surface and groundwater in the state
- develops and implements plans for water security in NSW
- manages regional and metropolitan water supply and usage
- introduces best practice for water management
- ensures transparency in how we share, allocate and manage water
- builds a compliance and enforcement regime that ensures strong and certain regulation
- builds capability to support implementation of water reforms.

## Responding to drought

The past year has seen NSW experience one of the worst droughts on record. While the threat of drought has since receded from our major metropolitan centres,<sup>35</sup> we are still dealing with water scarcity across regional NSW. In response, we have had an even greater focus on working closely with local councils and their communities to identify solutions that meet their specific needs.

Through our drought support program in the past year, we provided more than \$150 million in emergency drought funding for town water supplies at risk, supporting the community and local businesses. We have invested in water carting, additional groundwater bores and major infrastructure projects such as dams and pipelines. As a result, along with some useful and much-welcomed rain, the number of regional towns at high risk of failure has dropped from nearly 50 at the start of 2020 to below five at the end of June 2020.

## Fast-tracking critical water infrastructure

The Department supported the NSW Government's new *Water Supply (Critical Needs) Act 2019*, which allows for critical water infrastructure for regional towns to be fast-tracked, shortening the approval process to months, not the years that the normal system can take. The temporary legislation provides streamlined approvals for water infrastructure projects where there is critical town water supply need for the next two years.

One such example is the \$3.4 million project to reduce transmission losses from water travelling via the Peel River to Tamworth. In Bathurst, investment will kick-start the implementation of a stormwater harvesting system and replace the existing pipeline from Winburndale Dam to the Bathurst Water Treatment Plant. Similarly, Condobolin will be able to complete and connect a series of groundwater bores to the town's water supply and construct a pipeline to connect these groundwater bores to the Condobolin water supply. Such projects do not just meet an immediate need; they also contribute to drought-proofing communities into the future.

<sup>35</sup> At the end of June 2020

2019–20 also saw the delivery of significant water infrastructure:

- The Nimmie–Caira water recovery project was completed and transferred to Indigenous owners.
- The Basin Pipe project was completed, installing new water efficient pumps, pipes, tanks and troughs for landowners to reduce water loss for stock and domestic uses, achieving 190 gigalitres in water savings.
- The new Chaffey Dam to Tamworth pipeline became operational in June 2020.
- Three new dam projects—the raising of the Wyangala Dam wall in the Lachlan Valley, building a new Dungowan Dam and undertaking a business case for a dam in the Mole River—all began preliminary environmental investigations in early 2020.

## Granting water carting rebates

The water carting rebate program that was introduced this year is available to eligible landholders to help and support communities affected by drought. Eligible landholders can apply for a one-off payment of \$2,000 to cover the cost of water carting or installing associated infrastructure, such as water tanks, to help secure their domestic water supplies. Since the program began in March to June 2020, 198 landholders accessed the rebate and \$396,000 in rebates were paid.

## Improving water security

The Safe and Secure Water program is the NSW Government's flagship water infrastructure program for local water utilities. The program co-funds water and sewerage projects that will improve public health, water security and environmental outcomes for communities in regional NSW. The government has allocated \$1 billion for the program.

To date, more than \$680 million has been committed to 111 water infrastructure projects, including around \$100 million to more than 30 local water utility projects in the last year. These include \$10 million for the supply and installation of reverse osmosis plants at Bourke and Walgett and \$30 million for a groundwater pipeline network designed to link new and existing bores to the Dubbo Water Treatment Plant.

## Reforming water management in NSW

The Water Renewal Taskforce wrapped up on 30 June 2020, having delivered some of the most significant water reforms in two decades under the NSW Government's Water Reform Action Plan. Its work has been focused on delivering the policies and tools for a compliance and enforcement regime that ensures strong and certain regulation. This included introducing new rules to improve the standard and coverage of non-urban water meters across NSW, supported by a telemetry system to transmit water take data to government.

In addition, the Taskforce set the framework for the planning of a more resilient, collaborative, efficient and effective water sector in NSW. We are well on our way to a more coordinated approach through the establishment in 2019 of a Water Sector Leadership Group made up of the heads of the Sydney Water, Hunter Water, WaterNSW, NSW Treasury and the Department.

## Developing water strategies

Through the collaboration of the Water Sector Leadership Group, we started work on a State Water Strategy, the first for NSW. It will be the overarching document that the regional water strategies and the Greater Sydney Water Strategy sit under. These integrated strategies will ensure water security and allow for population growth. They will guide infrastructure investment for the next 20 to 40 years, support the NSW economy, protect and enhance the environment, and identify and plan for risks to water supply and security.

The Department's Water and Strategy and Reform groups collaborated to draft [three regional water strategies](#)<sup>36</sup> (Gwydir, Macquarie–Castlereagh and Lachlan) for broad community consultation. These were crafted with detailed regional profiles that examine the water needs of Aboriginal people, the broader community, the environment and industry. The strategies were underpinned by a robust evidence base and data analysis. They aim to give a clear narrative on water availability and management actions for the next 20 years.

The Department is preparing a further eight regional water strategies in partnership with water service providers, local councils, communities, Aboriginal people and other stakeholders across NSW for consultation in late 2020. These 11 new regional water strategies, along with the finalised Lower Hunter Water Plan, will recommend a portfolio of policy, planning and infrastructure options to achieve resilient water resource for our towns and communities, the environment, our Aboriginal communities and all forms of industry.

## Delivering water resource plans

Following two years of extensive consultation, the Department also delivered all [20 water resource plans](#)<sup>37</sup> under the Murray–Darling *Basin Plan 2012* to the Murray–Darling Basin Authority. These plans provide a clear framework and rule set for managing our NSW Murray–Darling Basin surface water resources for the benefit of regional communities and water-dependent industries. They will ensure we maintain healthy and resilient water ecosystems.

## Measuring water harvesting

Floodplain harvesting is the capture and use of water flowing across a floodplain. The Department has consulted extensively to ensure the measurement and compliance settings for floodplain harvesting are balanced. This feedback informed its work over the last year to finalise a Floodplain Harvesting Measurement Policy.

While floodplain harvesting is a long-standing and well-established practice, particularly in the Northern Murray–Darling Basin, it has increased over the last 20 years. Under the Floodplain Harvesting Measurement Policy, these practices will be suitably licensed to ensure floodplain harvesting's water take is appropriate, equitable and compliant, just like all the other uses of our water. The NSW Floodplain Harvesting Measurement Policy will have a staged rollout over two years.

This year, we saw the benefits of implementing the NSW Floodplain Harvesting Policy, which allowed the first-ever temporary water restriction to be placed on floodplain harvesting from Northern Basin floodplains. These temporary restrictions, imposed during February 2020, were crucial to maximising the contribution of floodplain water to support a 'first flush' along the entire length of the Barwon and Darling Rivers. This was necessary to meet critical human and environmental needs.

As a result of these restrictions, thousands of kilometres of rivers flowed for the first time in many months and more than 550 gigalitres of water reached Menindee Lakes. Water supplies were secured for Goondiwindi, Boggabilla, Mungindi, Collarenebri, Walgett, Brewarrina, Bourke, Wilcannia, Menindee and Sunset Strip, and Pooncarie.

More than \$15 million has been invested in improved data collection and modelling to implement the policy. This work is cutting-edge, with NSW taking a major step forward in the accuracy of our modelling and measurement to support the effective regulation of floodplain harvesting.

The Department is using remote-sensing technology to monitor and evaluate water levels resulting from floodplain harvesting. In a world first, the NSW Government is using LiDAR, a sensory technology that sends out laser pulses to measure the elevation of land surfaces such as dams.

<sup>36</sup> [www.industry.nsw.gov.au/water/plans-programs/regional-water-strategies/public-exhibition](http://www.industry.nsw.gov.au/water/plans-programs/regional-water-strategies/public-exhibition)

<sup>37</sup> [www.industry.nsw.gov.au/water/plans-programs/water-resource-plans](http://www.industry.nsw.gov.au/water/plans-programs/water-resource-plans)

LiDAR constructs images to estimate the volume of floodplain harvesting captured in private water storages in the Northern Basin valleys. The Department can now determine both the capacity and volume held in private on-farm storages with much greater accuracy. Technology such as LiDAR will be vital as we continue to implement new licensing and measurement rules for floodplain harvesting and water management in NSW.

## Planning for better river management

Similarly, technology is changing the way we see our river systems. In 2019, the NSW Government released the [River Styles spatial database](#),<sup>38</sup> a collaboration between the geomorphologists in our Department and their colleagues at Macquarie University. This database is the result of twenty years of work and consistently defines river character, behaviour, physical condition and recovery potential.

The River Styles database is broken down by major catchment regions and will be used to develop tools, systems and strategies for the ongoing management of our rivers and water sources at all levels.

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<sup>38</sup> <https://trade.maps.arcgis.com/apps/webappviewer/index.html?id=425c7364e9dc4a71a90c4ba353b8949f>

## Strategy and Reform

Through its Strategy and Reform<sup>39</sup> group, the Department supports the delivery of future-focused initiatives for the NSW Government. The group collaborates across the Department and more broadly across government to:

- provide data and analytics around population, housing, employment and commercial land use
- plan for the place-based application of Smart Cities Technologies
- develop place-based, multi-agency business cases and delivery plans
- support key strategy development across sectors including water, waste, housing, economic development and conservation.

### Providing forecasts, projections and analysis to inform strategic and service planning

In 2019–20, the Department released several updated key data products:

- [NSW Population Projections](#)<sup>40</sup>
- the [Sydney Housing Supply Forecast](#)<sup>41</sup>
- the [Employment Lands Development Monitor](#)<sup>42</sup>
- the [Sydney Demography and Housing Dashboard](#)<sup>43</sup>
- the [Regional NSW Demography and Housing Dashboard](#).<sup>44</sup>

These data products form part of the [NSW Common Planning Assumptions](#),<sup>45</sup> which is overseen by a group chaired by the NSW Chief Economist, with Deputy Chair, Deputy Secretary Strategy and Reform. They are used for strategic land use, future service delivery and infrastructure planning and policy making across NSW.

The Strategy and Reform group also:

- co-developed data dashboards for the Department, including for the Planning and Assessment group (refer to pages 37 and 38)
- supported the Planning System Acceleration Program through the development and implementation of the jobs calculator (refer to page 38)
- supported the review by providing data inputs and analysis for local strategic planning statements and local housing strategies (refer to page 31).

<sup>39</sup> As of October 2020, this group is now called Strategy and Innovation.

<sup>40</sup> [www.planning.nsw.gov.au/Research-and-Demography/Population-projections](http://www.planning.nsw.gov.au/Research-and-Demography/Population-projections)

<sup>41</sup> [www.planning.nsw.gov.au/Research-and-Demography/Sydney-Housing-Supply-Forecast](http://www.planning.nsw.gov.au/Research-and-Demography/Sydney-Housing-Supply-Forecast)

<sup>42</sup> [www.planning.nsw.gov.au/Research-and-Demography/Employment-Lands-Development-Monitor](http://www.planning.nsw.gov.au/Research-and-Demography/Employment-Lands-Development-Monitor)

<sup>43</sup>

[https://public.tableau.com/views/DemographyandHousingEPLADPENSW18129514/About?:display\\_count=y&publish=yes&:origin=viz\\_share\\_link](https://public.tableau.com/views/DemographyandHousingEPLADPENSW18129514/About?:display_count=y&publish=yes&:origin=viz_share_link)

<sup>44</sup>

<https://public.tableau.com/profile/dpe.qa#!/vizhome/DemographyandHousingRegionsEPLADPENSW18129514/About>

<sup>45</sup> [www.treasury.nsw.gov.au/information-public-entities/common-planning-assumptions](http://www.treasury.nsw.gov.au/information-public-entities/common-planning-assumptions)



## Creating strategies for smart places

In 2019–20, the Department established the Smart Places team, Australia's first dedicated Smart Cities unit in a state government department. Smart Places use technology to capture data and insights on the built and natural environment. The data and insights are used to help improve productivity, liveability and resilience of cities, towns and communities. The solutions created by Smart Places address challenges related to urbanisation and sustainability.

The Smart Places Team co-developed the [NSW Smart Places Strategy](#)<sup>46</sup> and led the development of a [Smart Western City Program](#)<sup>47</sup> and [Western Parkland City 5G Strategy](#)<sup>48</sup> as part of the [Western Sydney City Deal](#).<sup>49</sup> This included undertaking a 12-month market engagement program to uncover the best ideas and initiatives to deliver a Western Parkland City that is smart, connected and future-focused. Over 114 prospectuses were assessed, leading to market-sounding sessions with over 50 companies and a Pitchfest event with a test-and-trial program for new and emerging ideas.

Both the 5G Strategy and Smart Western City Program will be completed for NSW Government endorsement in 2020–21.

## Taking a place-based approach to infrastructure

In partnership with the Greater Sydney Commission the Department has been working to develop innovative, whole-of-government approaches to the delivery of coordinated infrastructure in NSW's priority economic corridors and places. An example is a place-based<sup>50</sup> strategic business case for the services and infrastructure to support the vision for the Greater Parramatta and Olympic Peninsula (GPOP) economic corridor.

The business case is the first of its kind, prepared on behalf of 10 proponent agencies. In a collaborative process with 22 planning, infrastructure and central agencies across government, this project identified integrated, prioritised and optimised packages of infrastructure to meet the land use and place outcomes for GPOP and provide a strong evidence base for government decision-making. This approach has reduced red tape by avoiding the need for 10 individual business cases to be prepared at different times.

In partnership with the newly created Western Parkland City Authority, the Department is leading the delivery of the Wianamatta South Creek program, following the transfer from Infrastructure NSW<sup>51</sup> at the end of 2019–20. Wianamatta-South Creek and its tributaries are intended to form the basis for cool, green and attractive urban communities by retaining more water in the landscape and integrating waterways in the design of new neighbourhoods that also support the health and management of waterways. In recognition of its importance to support integrated water cycle management, Infrastructure Australia has included this project its Infrastructure Priority List.

To support this work, the Department began early preparations to develop a business case and a delivery strategy, which is intended to set a 20-year framework on how to realise catchment-based integrated land use and water cycle management.

<sup>46</sup> [www.dpie.nsw.gov.au/our-work/strategy-and-reform/smart-places/smart-places-strategy](http://www.dpie.nsw.gov.au/our-work/strategy-and-reform/smart-places/smart-places-strategy)

<sup>47</sup> [www.dpie.nsw.gov.au/our-work/strategy-and-reform/smart-places/Smart-Places-in-Action-Programs#Smart%20Western%20City%20Program](http://www.dpie.nsw.gov.au/our-work/strategy-and-reform/smart-places/Smart-Places-in-Action-Programs#Smart%20Western%20City%20Program)

<sup>48</sup> [www.dpie.nsw.gov.au/our-work/strategy-and-reform/smart-places/Smart-Places-in-Action-Programs#5G%20strategy%20and%20trials](http://www.dpie.nsw.gov.au/our-work/strategy-and-reform/smart-places/Smart-Places-in-Action-Programs#5G%20strategy%20and%20trials)

<sup>49</sup> [www.wscd.sydney/our-vision](http://www.wscd.sydney/our-vision)

<sup>50</sup> A place-based approach considers the unique attributes of a place and involves collaborating with the community and other partners to tailor solutions to local needs.

<sup>51</sup> Refer to recommendation 93 of the *Building Momentum: 2018-2038 State Infrastructure Strategy*, [https://insw-sis.visualise.today/documents/INSW\\_2018SIS\\_BuildingMomentum.pdf](https://insw-sis.visualise.today/documents/INSW_2018SIS_BuildingMomentum.pdf)

## Aboriginal Strategy and Outcomes

### Ensuring improved and consistent service delivery to Aboriginal people across NSW

During 2019–20, the Department committed to the establishment of an Aboriginal Strategy and Outcomes group that would ensure improved and consistent service delivery to Aboriginal people across NSW through:

- broad policy and strategy reform
- developing and initiating pilot programs
- ensuring sustainability of programs by identifying adequate resourcing.

As a new group, Aboriginal Strategy and Outcomes has devoted significant time in 2019–20 to establishment and strategic planning.

In February 2020, the Department launched its Aboriginal Strategy: '[Our Place on Country](#)'.<sup>52</sup> To develop this work, the Aboriginal Strategy and Outcomes group consulted extensively with Aboriginal staff across NSW. We held workshops with over 200 departmental staff in many different locations, including Wagga Wagga, Coffs Harbour, Sydney, Bourke, Dubbo, Parramatta and Nowra.

To further progress this work, we developed the Department's Aboriginal Strategy and Outcomes Plan-on-a-Page and undertook a review of Aboriginal service effects across all the Department's groups. This resulted in each group identifying key areas on which they would focus their actions to improve service delivery to Aboriginal communities.

### Raising the profile of Aboriginal people and culture with the Department's work

The Aboriginal Strategy and Outcomes group developed the Aboriginal Dual Names Policy and the Aboriginal Events Engagement Policy to raise the profile of Aboriginal people and culture within the Department's work. In May 2020, we engaged the UTS Institute for Public Policy and Governance to develop a monitoring, evaluation and reporting framework for the strategy.

The implementation of the Aboriginal Strategy will help us to:

- further grow our cultural understanding
- embed Aboriginal cultural knowledge within the way we work
- guide us towards becoming an employer of choice for Aboriginal people
- deliver better services in partnership with Aboriginal communities.

By implementing the strategy's principles of self-determination and co-design, the Department will be better placed to enable Aboriginal people and communities to have greater choice, access and control over land, water, housing and resources. We will also be working closely with Aboriginal organisations and businesses to support their success and grow NSW's Aboriginal economy.

In November 2019 and January 2020, cultural immersion activities were undertaken by the Department's Leadership Team at Centennial Park and the La Perouse Local Aboriginal Land Council. The purpose was to expand the leaders' knowledge and awareness and allow them to

<sup>52</sup> [www.dpie.nsw.gov.au/data/assets/pdf\\_file/0005/315680/Aboriginal-Outcomes-Strategy.pdf](http://www.dpie.nsw.gov.au/data/assets/pdf_file/0005/315680/Aboriginal-Outcomes-Strategy.pdf)

develop a better understanding of Aboriginal communities and the need to integrate this into our work.

## Working with Local Aboriginal Land Councils to achieve their economic aspirations through the NSW planning system

In April 2020, the Department developed and established a pilot program that places departmental planners within four Local Aboriginal Land Councils (LALCs) across NSW. The planners assist the LALCs with their strategic and development approval planning initiatives. They also play a departmental ‘concierge’ role and assist LALCs with navigating the spectrum of portfolios within the Department that might provide opportunities. The planners work with the LALC to identify a transitional succession plan to build capacity in the land-use planning area.

## Developing a strategic direction on Cultural Fire Management

In June 2020, in partnership with both the Department of Regional NSW and Aboriginal Affairs, the Department established a Cultural Fire Management unit. The unit will improve the coordination of cultural fire management, explore its implementation on a wider basis, and preserve and promote its cultural integrity.

## NSW Chief Scientist and Engineer

### Providing high-level scientific, engineering and research advice to government

The NSW Chief Scientist and Engineer consults widely with academia, industry and government to ensure that knowledge and research can be adapted and used to benefit NSW. One of the main responsibilities of the Chief Scientist and Engineer is to provide independent advice on how to address difficult policy problems that involve engineering or science.

In response to requests from the Premier and ministers, the Office of the NSW Chief Scientist and Engineer delivered formal advice on a range of issues in 2019–20<sup>53</sup>, including the:

- *Final report from the Independent Expert Panel for Mining in the Catchment*, [Part 1](#)<sup>54</sup> & [Part 2](#)<sup>55</sup>
- [The 2019–20 Assessment of Summer Preparedness for the NSW Energy Market](#)<sup>56</sup>
- [Final report from the Independent Review of the Impacts of the Bottled Water Industry on Groundwater Resources in the Northern Rivers region of NSW](#)<sup>57</sup>
- [Scoping Paper for the NSW Decarbonisation Innovation Study](#).<sup>58</sup>

The NSW Chief Scientist and Engineer and the Deputy Chief Scientist and Engineer each chaired special-purpose committees involving officers from various portfolios and co-opted external experts to provide advice to NSW Government agencies.

<sup>53</sup> [www.chiefscientist.nsw.gov.au/independent-reports](http://www.chiefscientist.nsw.gov.au/independent-reports)

<sup>54</sup> [www.chiefscientist.nsw.gov.au/data/assets/pdf\\_file/0003/313914/IEPMC-Part-1-Report.pdf](http://www.chiefscientist.nsw.gov.au/data/assets/pdf_file/0003/313914/IEPMC-Part-1-Report.pdf)

<sup>55</sup> [www.chiefscientist.nsw.gov.au/data/assets/pdf\\_file/0004/313915/IEPMC-Part-2-Report.pdf](http://www.chiefscientist.nsw.gov.au/data/assets/pdf_file/0004/313915/IEPMC-Part-2-Report.pdf)

<sup>56</sup> [www.chiefscientist.nsw.gov.au/data/assets/pdf\\_file/0009/313893/Summer-Preparedness-Report-2019\\_20.pdf](http://www.chiefscientist.nsw.gov.au/data/assets/pdf_file/0009/313893/Summer-Preparedness-Report-2019_20.pdf)

<sup>57</sup> [www.chiefscientist.nsw.gov.au/data/assets/pdf\\_file/0011/313895/Final-Report\\_Northern-Rivers-Bottled-Water-Review.pdf](http://www.chiefscientist.nsw.gov.au/data/assets/pdf_file/0011/313895/Final-Report_Northern-Rivers-Bottled-Water-Review.pdf)

<sup>58</sup> [www.chiefscientist.nsw.gov.au/data/assets/pdf\\_file/0009/313884/Decarbonisation-Scoping-Paper.pdf](http://www.chiefscientist.nsw.gov.au/data/assets/pdf_file/0009/313884/Decarbonisation-Scoping-Paper.pdf)

These committees included:

- Waratah Research Network
- Assessment of Summer Preparedness for the NSW Energy Market Expert Panel
- NSW Decarbonisation Innovation Study Expert Panel
- Energy from Waste Working Group
- NSW PFAS<sup>59</sup> Expert Panel
- Independent Scientific Review Panel on Soil and Chemistry
- Koala Advisory Committee
- Advisory Committee on Tunnel Air Quality.

The NSW Chief Scientist and Engineer also sat on the following committees:

- Kosciuszko Wild Horse Community Advisory Panel (Deputy Chair and representative for the Minister for Energy and Environment)
- Accelerating Research & Development Advisory Council (ARDAC, Member).

## Supporting innovation in the NSW research sector

One of the NSW Chief Scientist and Engineer's chief responsibilities is to foster and encourage a lively state innovation system, particularly by promoting productive links between business, the professions, universities and government.

In 2019–20, funding of \$3.1 million from the Quantum Computing Fund was paid to the University of Sydney to continue the development of the Sydney Quantum Academy (SQA) in partnership with the University of NSW, Macquarie University and University of Technology Sydney. This is the second of five payments totalling \$15.4 million over five years. The SQA aims to catalyse and support the development of a quantum economy. Drawing on the combined expertise of the four universities, the SQA will play a central role in education, industry development, talent, investment attraction and promoting an understanding of the implications of quantum technology.

The Office of the NSW Chief Scientist and Engineer managed the Research Attraction and Acceleration Program (RAAP), which was allocated \$16.2 million in 2019–20.

The NSW Physical Sciences Fund (PSF) was launched. This is a \$5-million program that supports the development and commercialisation of promising NSW technologies. Funding for the PSF was carried over from the 2018–19 RAAP budget. Five applications were successful and included a:

- magnetic resonance analyser to assess ore composition on site
- lightweight, long-range data collection drone
- device to produce drinking water from atmospheric moisture
- micro-recycling method of transforming waste materials into products for the built environment
- platform allowing winemakers to obtain a chemical analysis quickly.

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<sup>59</sup> per- and poly-fluoroalkyl substances (PFAS)

Co-funding of \$8 million was provided to 15 facilities with nodes or headquarters in NSW that were funded through the federal government's National Collaborative Research Infrastructure Strategy in fields including:

- development of instrumentation for astronomical observation
- microscopic analysis
- marine observation
- neutron-scattering materials analysis
- ecosystem monitoring
- nano- and microfabrication
- groundwater.

Funding of \$2.15 million was allocated to the NSW Research Networks, providing support for the:

- NSW Smart Sensing Network
- NSW Defence Innovation Network
- NSW Cyber Security Innovation Node (formerly the Cyber Security Network)—final instalment.

The NSW Circular Economy Innovation Network (NSW Circular) was launched by the Minister for Planning and Public Spaces in September 2019. Funding for the establishment of this network was allocated out of the 2018–19 RAAP budget.

Funding of \$377,000 was provided to the Ag Robotic STEM<sup>60</sup> Program, which teaches coding and agricultural robot operation to students in regional high schools. The program was rolled out to 10 regional schools in 2019–20.

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<sup>60</sup> science, technology, engineering and mathematics (STEM)



## Regions, Industry, Agriculture and Resources

### Machinery of government changes

Up until April 2020, the NSW Department of Planning, Industry and Environment included a group called Regions, Industry, Agriculture and Resources. This comprised:

- NSW Department of Primary Industries
  - Rural Assistance Authority
- Local Land Services
- Public Works Advisory and Regional Development
- Resources and Geoscience
- Regional Growth NSW Development Corporation
- Cross-Border Commissioner
- Inclusive Infrastructure and Experience.

The former Regions, Industry, Agriculture and Resources group was chiefly responsible for supporting sustainable and productive regional industries and communities until 2 April 2020, when the [Department of Regional NSW<sup>61</sup>](#) was formed. The agencies and teams within the former Regions, Industry, Agriculture and Resources group and the NSW Resources Regulator were transferred to this new department.<sup>62</sup>

This section summarises the Department of Planning, Industry and Environment's achievements in supporting regional industries and communities in 2019–20. While the Department supports regional NSW and will continue to do so, the new Department of Regional NSW has assumed much of the formal responsibility for supporting regional industries and communities.

For information on the period 2 April to 30 June 2020, please refer to the Department of Regional NSW's annual report.

## Increasing the productivity and profitability of plant and livestock systems

### Responding to drought conditions

The NSW Department of Primary Industries coordinated a whole-of-government response to support farmers feeling the effects of the statewide drought. Key outputs included the new drought management guide, the drought recovery guide, updated drought hub and the creation of a recovery hub.

NSW Department of Primary Industries—Agriculture has maintained its portfolio of research and development projects under these severe drought conditions, noting that investment in capital infrastructure has made our capacity to deliver during such adverse events possible.

<sup>61</sup> [www.regional.nsw.gov.au](http://www.regional.nsw.gov.au)

<sup>62</sup> Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order 2020

## Protecting and promoting the biosecurity of NSW

### Animal disease investigations

The NSW Department of Primary Industries' Animal Biosecurity team responded to more than 500 emergency animal disease hotline calls and more than 3,500 disease investigations. Approximately 1,600 cases included at least one notifiable disease.

### African Swine Fever Program

The Animal Biosecurity team delivered 25 projects and activities through the African Swine Fever program over a six-month period to improve NSW and national preparedness for the fever. Achievements included mapping and risk assessment of all NSW tips and inspecting each tip to assess its feral pig/African Swine Fever risk.

The Department provided training webinars to Local Land Services and departmental staff about communications, sample collection, emergency animal disease response, legal orders and procedures. It developed increased the number of swill-feeding audits (NSW did more than all the other states combined) and enhanced the Department's relationship with the pork industry.

### Biosecurity, food and animal welfare audits and inspections completed

The compliance team conducted more than:

- 5,000 audits
- 18,000 inspections
- 2,500 investigations

to monitor compliance against the *Food Act 2003*, *Biosecurity Act 2015*, *Animal Research Act 1985*, *Exhibited Animals Protection Act 1986*, *Hemp Industry Act 2008* and *Poppy Industry Act 2016*.

### Yellow crazy ant eradication from NSW

The NSW Department of Primary Industries led and coordinated a multi-agency and community response to yellow crazy ant on the NSW North Coast, resulting in the complete eradication of the highly destructive environmental and horticultural pest. The success of the response was recognised when the Department was awarded the Australian Biosecurity Award 2020 (Government Category).

### Memorandum of Understanding with NSW Police Force established to combat illegal hunting in NSW

The Game Licensing unit and NSW Police Force signed a memorandum of understanding. This focuses on supporting regional communities through increased operational cooperation and intelligence-sharing to combat illegal hunting in NSW.

## Protecting and enhancing NSW aquatic resources and environment

### Native Fish Drought Response 2020

The 2019–20 Native Fish Drought Response involved teams from across the NSW Department of Primary Industries' Fisheries division, as well as Research and Business Excellence, with help from Victorian Government staff. These efforts successfully relocated more than 4,400 fish from across NSW to more secure habitats. These unprecedented relocation efforts were part of a

\$5-million package to undertake the largest-ever fish rescue and restocking program to protect native fish species.

## Maximising our connection with communities, industries and people

### Young Farmer Business Program

The NSW Department of Primary Industries held 38 workshops, attracting 1,466 young farmers and fishers to build their business literacy skills. The connections, knowledge and skills that the program is helping young farmers and fishers develop will allow them to manage risk better, execute plans more effectively and make decisions confidently, enhancing both their business and personal resilience.

## Driving research and business excellence

### Doppler radar program

In 2019–20, the NSW Department of Primary Industries, in collaboration with the Bureau of Meteorology (BoM), began implementation of the \$24.4-million Doppler radar program. NSW will be the beneficiary of three new Doppler radars and construction has begun. The individual sites for the Doppler radars will be identified based on detailed analysis of several factors including topography, site services and radar coverage, thus ensuring the investment is optimised for the NSW public.

### Medicinal cannabis

The NSW Department of Primary Industries has established a unique research partnership in medicinal cannabis cultivation. This is led by industry and includes partners from government, academia and a track-and-trace enterprise. The partnership spans the supply chain from cultivation to clinical application, with a total value of almost \$10 million over three years.

## Supporting primary producers affected by bushfires and COVID-19

The NSW Department of Primary Industries coordinated a whole-of-government response to fire recovery efforts that supported primary producers with animals and agriculture. This included securing resources and implementing programs to assist on-ground recovery for primary producers, including:

- Supporting our Neighbours—providing a \$209 million grant program to contribute to the reconstruction of fire-damaged boundary fences adjoining public lands, assisting up to 12,600 affected rural landholders
- Bushfire Industry Recovery Package—with the NSW Rural Assistance Authority, delivering a \$140-million grants program to intensive primary industries including horticulture, dairy, viticulture, aquaculture and apiculture
- supporting orchardists with a \$3.5 million program in Batlow and Bilpin through felling fire-damaged dangerous trees and removing burnt orchard infrastructure
- targeted industry assessment and research to aid recovery.

Under the NSW State Emergency Management Plan, the NSW Department of Primary Industries is appointed as the Agriculture and Animal Services Functional Area (AASFA). In this role, the NSW Department of Primary Industries manages the effects of emergencies on agriculture, animals and our community.

- The Department of Primary Industries responded to the 2019–20 bushfire emergency alongside Local Land Services, helping more than 15,000 affected landholders.

- In 162 consecutive operational days, more than 900 AASFA staff from the Department and Local Land Services provided 433 tonnes of sugar; 13,635 tonnes of fodder; and more than 14 megalitres of water.
- The Department of Primary Industries led the operations for
  - 1 State Coordination Centre
  - 9 Local Control Centres
  - 15 Forward Command Posts
  - 22 fodder distribution points
  - More than 80 animal safe places and evacuation sites caring for more than 11,400 animals.

## Administering financial assistance

As at 30 June 2020, the Rural Assistance Authority had:

- disbursed more than \$90 million in Special Disaster Grants of up to \$75,000 to almost 1,500 primary producers affected by bushfires
- approved almost 350 concessional loans worth more than \$21 million to primary producers, small businesses and not-for-profit organisation in the fire zones
- approved more than 12,700 applications for Emergency Drought Relief Transport Subsidies of up to \$50,000
- provided concessional loans worth \$100 million through the Farm Innovation Fund and \$41 million through the Drought Assistance Fund.

## Helping the primary industries sector navigate COVID-19

To understand how the COVID-19 pandemic affected primary industries, the Department of Primary Industries activated 10 industry consultative groups to both inform and take industry-specific advice. Since March 2020, the CV19 Liaison Team has activated several assets to manage and share information with other industries, stakeholders, primary producers and NSW Government agencies.

We have done considerable work with state and federal colleagues to assess industry effects, devise solutions and give guidance on actions to address border closures. This has been to maintain agricultural production, the supply of food and fibre to domestic and export markets and support animal welfare standards. The Elizabeth Macarthur Agricultural Institute continues to provide COVID-19 testing for NSW Health.

## Supporting regional development and advising on public works

The Department of Planning, Industry and Environment's Regional Development teams worked alongside councils, local communities and service delivery organisations to successfully deliver the NSW Government's record investment in regional NSW.

Regional Development teams work with local communities to secure funding for:

- developing essential infrastructure
- supporting arts and culture
- enhancing and building sporting infrastructure

- improving regional voice and data connectivity
- investing in our mining-affected communities
- boosting job creation.

The Office of Regional Economic Development secured investment attraction outcomes for 2019–20 as shown in Table 2:

**Table 2. Key performance indicators for 2019–20**

Item	Key performance indicator	Actual
Jobs	150	270
Investment	\$300 million	\$629 million

## Making communities safe—bushfires and COVID-19

Public Works Advisory adapted its bushfire clean-up program (refer to *Making it easier to recover and rebuild after bushfires* on page 39) to respond to COVID-19 conditions without negatively affecting the customer outcomes or experience, or the program's timeline. Public Works Advisory also designed a procurement strategy that facilitated small, local, and Aboriginal subcontractor involvement to support the economic recovery of affected regional areas.

Public Works Advisory's Facilities Management team has managed the enhanced cleaning required to ensure students could safely return to more than 2,000 public schools during the COVID-19 pandemic. The team has also overseen the deployment of security guards to support NSW Police in managing COVID-19 hotel quarantine arrangements.

## Negotiating and implementing Local Decision-Making and Aboriginal Alliance Accords

In partnership with [Aboriginal Affairs NSW](https://www.aboriginalaffairs.nsw.gov.au)<sup>63</sup>, Regional Development teams were heavily involved in negotiating and implementing Local Decision Making and Aboriginal Alliance Accords with government. These accords cover a range of matters, including improving Aboriginal participation in government-funded infrastructure projects and facilitating other targeted local solutions for Aboriginal people.

## Developing and delivering place-based initiatives

The Regional Development teams drive the development and delivery of place-based initiatives that address problems identified by the community and require collaboration with various government and non-government stakeholders. This includes improving outcomes for young people and creating career pathways into key skills areas.

<sup>63</sup> [www.aboriginalaffairs.nsw.gov.au](https://www.aboriginalaffairs.nsw.gov.au) in the Department of Premier and Cabinet



## Regional Growth Fund case studies

### Helping regional communities grow

The Riverina Murray Regional Development team supported 22 councils and their communities in securing \$256 million from the Regional Growth Fund. Key outcomes included:

- supporting more than 370 Stronger Country Community Funds projects totalling \$88 million
- progressing seven Growing Local Economies projects
- supporting the completion and opening of the Tumbarumba–Rosewood Rail Trail—the first in NSW
- the inclusion of Wagga Wagga in the \$100-million Gig State program to improve digital connectivity in regional NSW
- upgrading the Wentworth aerodrome to provide better facilities for air ambulance and to make it suitable for pilot training.

### Creating vocational opportunities for young people

The South East Regional Development team led a cross-agency working group to maximise vocational opportunities for young people in the Snowy Monaro and Snowy Valleys local government areas. The working group leveraged the opportunities provided by the significant infrastructure and investment generated by the [Snowy 2.0 project](#).<sup>64</sup>

In February 2020, Year 10 students at Monaro High School began the Certificate II project-based course as part of a specialised program tailored to meet the specific needs of the Snowy 2.0 project.

## Administering the Snowy Hydro Legacy Fund

The NSW Government established the \$4.2-billion Snowy Hydro Legacy Fund to invest in state-built infrastructure for regional NSW. The funds come from selling the state's share in Snowy Hydro Limited.

The fund will help deliver critical infrastructure and initiatives identified in the 20-Year Economic Vision for Regional NSW, NSW State Infrastructure Strategy 2018–38 and other long-term government plans.

The priorities are:

- Special Activation Precincts
- Regional Digital Connectivity Program, including the Gig State project
- transport and freight
- water security.

### Special Activation Precincts Program

The Special Activation Precinct Program supports job creation and economic development across regional NSW. Five precincts have been announced to date, which are expected to create at least 18,000 jobs across regional NSW.

<sup>64</sup> [www.snowyhydro.com.au/snowy-20/about/](http://www.snowyhydro.com.au/snowy-20/about/)

The Department's Regional Development team<sup>65</sup> is embedded in the promotion and progression of Parkes, Wagga Wagga and Moree Special Activation Precincts, with a focus on economic activation and jobs generation.

In 2019–20, three new precincts were announced, as shown in Table 3.

**Table 3. Special Activation Precincts**

Date	Location	Purpose
November 2019	Snowy Mountains	Create a year-round alpine adventure tourism hub
December 2019	Moree	Leverage the Inland Rail project and growth in regional agricultural production to create jobs in high-value agriculture, freight and logistics
May 2020	Williamstown	Create a national and international defence and aerospace hub, strategically located with Newcastle Airport and the RAAF base

The development of precinct master plans, economic analysis and technical studies have now started in all locations.

The first Special Activation Precinct master plan was released for Parkes, following detailed community and stakeholder consultation with the local and wider regional community. It was accompanied by a new planning framework, the Activation Precincts State Environmental Planning Policy, which will cut red and green tape and provide certainty for business with fast-tracked, streamlined planning. The draft master plan for the Wagga Wagga Special Activation Precinct was placed on public exhibition.

## Regional Digital Connectivity Program

In 2019, the NSW Government made an election commitment to invest \$400 million to improve mobile coverage and internet access in regional NSW through the Regional Digital Connectivity Program.

The program will address mobile blackspots, future-proof mobile infrastructure and improve market competition. It builds on the Connecting Country Communities Fund, which co-invested \$39 million alongside the Australian Government in mobile phone towers. The Department of Regional NSW is developing the associated scoping studies to finalise program design, with implementation to start in 2021.

In 2019–20, the \$100-million Gig State project was announced. It will deliver metropolitan-standard broadband internet services to regional NSW, bringing faster and more reliable internet services to businesses and residents. Gig State will provide network infrastructure to initial pilot locations, including Wagga Wagga, Parkes, Dubbo, a corridor west to Cobar, and Wamboin, Bywong and Sutton.

The Department of Planning, Industry and Environment released an expression of interest in April 2020 to seek market feedback on the proposed technologies, services and commercial arrangements. A request for tender is scheduled to follow.

<sup>65</sup> Now part of the Department of Regional NSW, which was formed in April 2020.

## Supporting regional centres and local economies

Through its Regional Programs unit, the Department delivered funding programs that supported growing regional centres, activated local economies and improved local amenity and services. Programs included the:

- \$170-million Drought Stimulus Package
- \$500-million Growing Local Economies Fund
- \$300-million Regional Growth: Environment and Tourism Fund
- \$35-million Bushfire Community Resilience and Economic Recovery Fund (Phase One).

In the financial year 2019–20, the Department contracted projects in every regional local government area in NSW, with 91% of grant payments processed in 15 business days.

**Table 4. Regional Program Unit programs**

Program	Projects funded (total)	Funding committed (total)	Funding paid (2019–20)
Bushfire Community Resilience and Economic Recovery Fund (Phase One)	46	\$7.9m	\$4.1m
Connecting Country Communities	161	\$50.8m	\$5.6m
Drought Stimulus Package	52	\$170m	\$11m
Growing Local Economies	43	\$305m	\$17m
My Community Project	248	\$24.6m	\$15.2m
Port Kembla Community Investment Fund	42	\$5.9m	\$0.4m
Regional Communities Development Fund	25	\$100m	\$14.6m
Regional Cultural Fund	136	\$100m	\$6.2m
Regional Growth—Environment and Tourism Fund	65	\$274m	\$18m
Resources for Regions (Rounds 5 & 6)	20	\$54m	\$8.9m
Regional Sports Infrastructure Fund	21	\$100m	\$14.3m
Stronger Country Communities Fund	1,562	\$400m	\$43.7m
<b>Totals</b>	<b>2,421</b>	<b>1.59b</b>	<b>\$159m</b>

## Advocating for cross-border communities

The NSW Cross-Border Commissioner is the advocate in NSW for the resolution of cross-border issues. The Commissioner advocates for cross-border communities, businesses and organisations where state government legislation, policy, and regulation are complex and where services may be more logically obtained from the adjoining jurisdiction.

The Commissioner works closely with local stakeholders, and state and territory government agencies in NSW and neighbouring jurisdictions.

Mr James McTavish was appointed NSW Regional Town Water Supply Coordinator in January 2019. With the ongoing drought in regional NSW, and an increased level of activity for the NSW Cross-Border Commissioner, temporary augmentation of staffing was approved for an Assistant Cross-Border Commissioner (with funding from the Department of Planning, Industry and Environment), who started in January 2020.

### **Working with cross-border communities**

The NSW Government has several cross-border collaborative agreements in place with other state and territory governments on a range of issues. The agreements require the NSW Cross-Border Commissioner to lead the implementation work in NSW and represent the NSW Government in negotiations with border jurisdictions, their agencies and regional stakeholders.

The inaugural ACT–NSW agreement expired in late 2019. A new agreement was negotiated in 2019–20 and signed by the NSW Premier and the ACT Chief Minister in June 2020.

The Queensland–NSW agreement expired in late 2019 but its principles are enduring. A new agreement was negotiated during in 2019–20 and will be completed in the second half of 2020.

The NSW Cross-Border Commissioner also works closely with Victoria’s Cross-Border Commissioner, Mr Luke Wilson, who was appointed in 2019. An inaugural NSW–Victoria Memorandum of Understanding for Cross-Border Collaboration has been negotiated for signature in the second half of 2020.

### **Cross-Border Commissioner's Infrastructure Fund**

In May 2018, the NSW Government established the \$20-million NSW Cross-Border Commissioner’s Infrastructure Fund, to drive infrastructure investment for the economic and social benefit of border communities in NSW and neighbouring jurisdictions.

The fund enables the development of social, economic, environmental and cultural infrastructure in border areas through targeted investment, with co-investment from the neighbouring jurisdiction. The Commissioner works with stakeholders to identify priority projects. The Infrastructure Fund will carry over in 2020–25. Six projects are currently being assessed.

#### **Projects funded in 2019–20**

- Canberra District Rugby League Centre of Excellence in Braddon: Opened on 6 March 2020, with \$4 million from NSW, \$5 million from ACT, and \$10 million from Canberra District Rugby League. The centre will assist player coaching and mentoring, develop club and game officials, and provide youth mental health services and social services.
- Mungindi Recreation Area on NSW’s northern border: Upgraded with \$460,000 investment, shared 40:60 between Balonne Shire Council and the Queensland Government. Funding goes towards installation of an irrigation system, barbecue shelters, solar lighting and a waterfront pathway.
- Gold Coast Airport: Improved access, with \$375,000 to be invested with Queensland Airports Limited for the design phase of the NSW Southern Entryway project. Queensland Airports Limited will provide co-contribution funding.

### **Enabling mineral exploration and discovery**

#### **MinEx CRC**

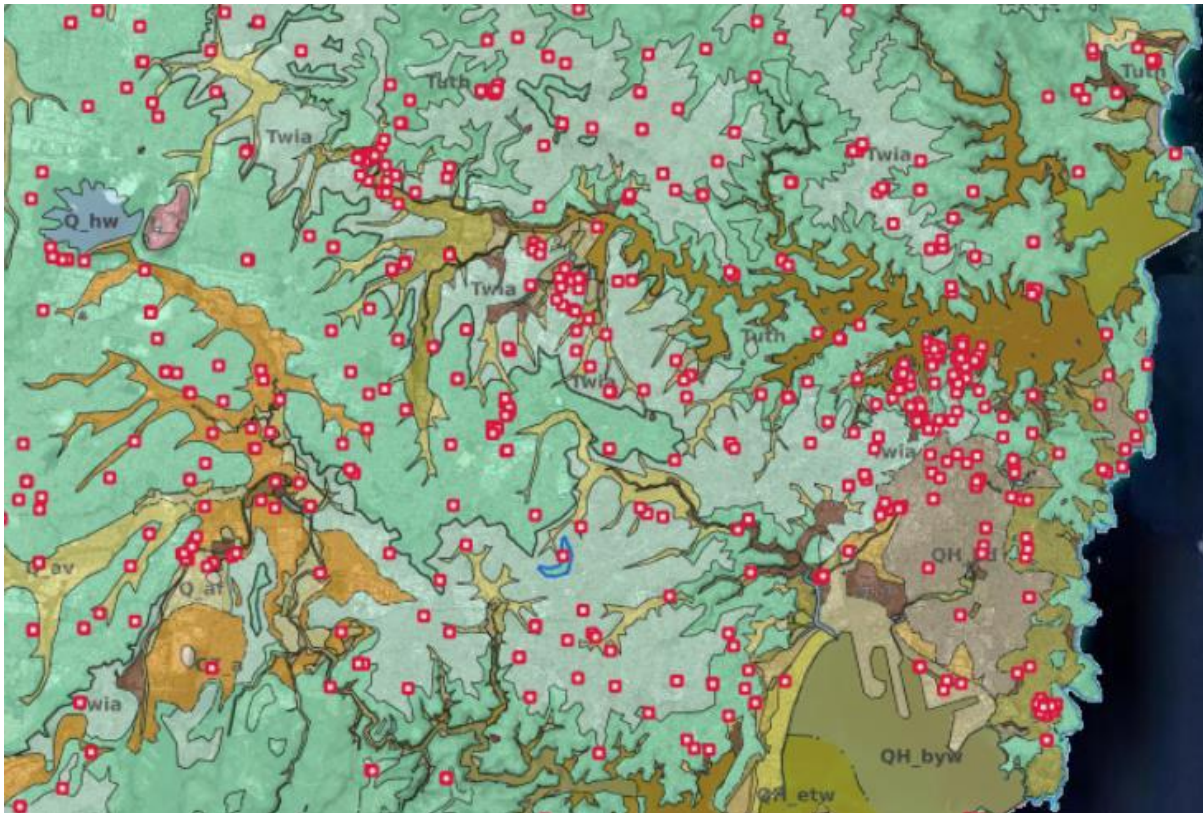
The MinEx Cooperative Research Centre (MinEx CRC) is the world’s largest exploration, geoscience, and technology collaboration, with committed expenditure of almost \$220 million



across its 10-year life. MinEx CRC aims to enable mineral discovery in Australia's covered terranes. The Department's Resources and Geoscience division<sup>66</sup> is a major participant. Refer to page 131 in *Appendix 16. Research and development* for more information about MinEx CRC's work.

### Government Geotechnical Report Database project

The Government Geotechnical Report Database (GGRD) project secures and provides access to NSW Government geotechnical reports and data. It establishes a new geotechnical report for data collection through Resources and Geoscience's online document archive (DiGS®). Refer to page 133 in *Appendix 16. Research and development* for more information about the project.



**Figure 9. Partial screenshot from Resources and Geoscience's MinView data portal, showing available geotechnical reports (red squares) over surface geology, Greater Sydney Area**

### New Frontiers Cooperative Drilling grants program

The New Frontiers Cooperative Drilling grants program aims to support the long-term sustainability of the NSW resources sector by encouraging mineral exploration and discovery, particularly drilling programs that target underexplored areas in the state, or programs that test new geological ideas and models. The program provides grants to successful applicants for exploration drilling programs that demonstrate strong prospectivity, sound financial planning and a proven technical base.

On 1 April 2020, the NSW Government announced \$2.2 million in grants to 22 successful applications. The grants reimburse explorers for 50% of per metre drilling costs, up to a maximum of \$200,000. The successful projects are predominantly exploring for copper and gold in key areas in central and far western NSW, as well as for other target metals such as cobalt, platinum, nickel, silver, lead, zinc, tin and tungsten. Funding will be disbursed during 2020–21 and explorers must complete their approved projects by 30 June 2021.

<sup>66</sup> Resources and Geoscience has become Mining, Exploration and Geoscience within the Department of Regional NSW, which was established 2 April 2020.

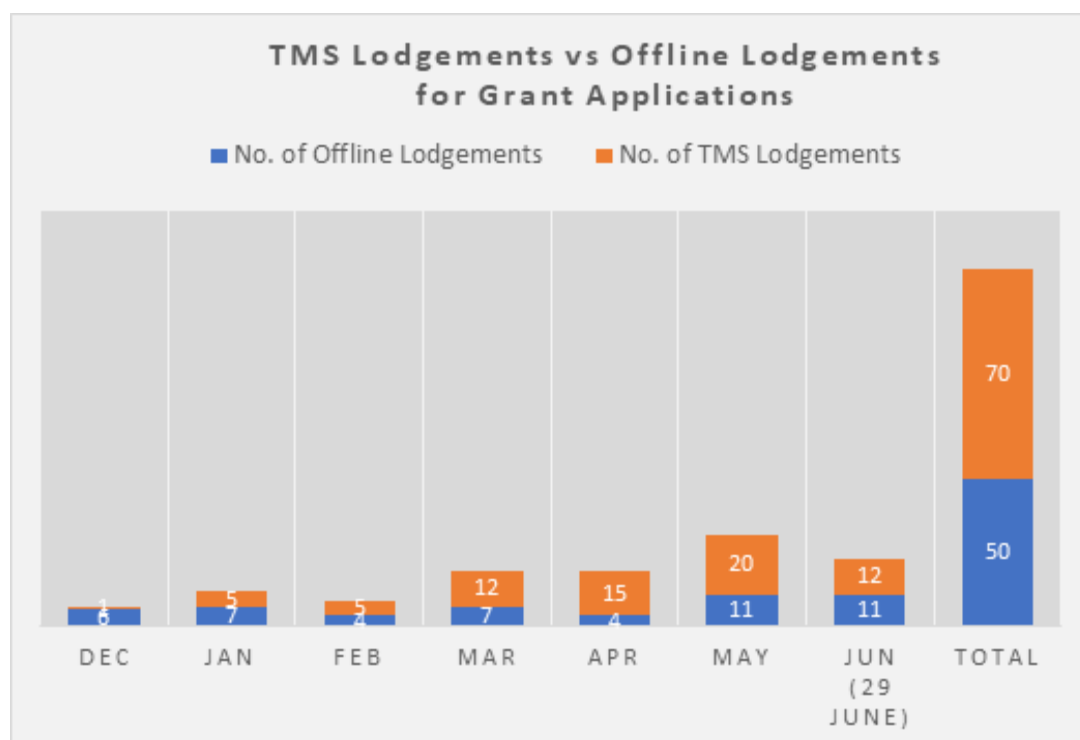


## Titles Management System Releases

In December 2019, the Department launched the Titles Management System (TMS) to support the transparent and efficient end-to-end management of mining titles administration. The project will be delivered in phases, with the first two already launched and welcomed by industry.

As of 22 June 2020, the TMS now supports applications for the grant and renewal of all mineral authority types, including coal. Industry can now track the status of their applications through an interactive dashboard, providing increased transparency, accountability and customer service. Resources and Geoscience will continue to work with its industry stakeholders over 2020–21 to develop and implement future releases.

Since its launch to industry, TMS has over 230 industry registered users and supports over 70 applications in 2019–20, as shown in Figure 10. Applications through TMS now outweigh those submitted externally to the system, with the proportion continuing to rise as TMS becomes the single source of entry for all online titles administration.



**Figure 10. Number of lodgements per month from December 2019 to June 2020. Blue represents offline lodgements, and orange represents TMS lodgements**

## Update on titles assessment performance

Resources and Geoscience's performance is reported against the service delivery standards, which note target timeframes for processing applications under the *Mining Act 1992*. In 2019–20, Resources and Geoscience assessed:

- 138 Exploration Licence, Assessment Lease and Mining Lease applications
- 178 Exploration Licence, Assessment Lease and Mining Lease renewals.

Of these, it assessed 94% of all applications and renewals within the published service delivery standards. Resources and Geoscience also released 42 security deposits, which were completed within the service delivery standard.

## NSW Mineral Strategy

The NSW Minerals Strategy has 24 action items with varying delivery times, designed to promote and grow investment into the state's mining sector. As of June 2020, a total of 19 action items have been completed.

In November 2019, the Department released draft minimum work program and technical and financial capability standards for mineral prospecting authorities for public comment. NSW mining legislation allows the decision-maker to consider these factors when deciding whether to grant, renew or transfer a mineral prospecting authority. Once finalised, the standards will give applicants and the community more clarity and certainty about how Resources and Geoscience assesses applications and what the benchmarks are. They will also support and enable informed, consistent and transparent decision-making on mineral prospecting authority applications and set a clear expectation that mineral explorers in NSW demonstrate a genuine commitment to the sustainable discovery of the state's minerals resources. Publishing the standards is an action under the *NSW Minerals Strategy*.

## Coal Innovation NSW

Coal Innovation NSW continues to invest in low-emissions coal technologies. The work of Coal Innovation NSW is an important part of achieving the NSW Government's emissions reduction target of Net Zero by 2050.

As of 30 March 2020, 28 research and development projects have been funded with industry partners and research institutions. The most recent round of funding committed \$8.1 million to 14 projects. This year, nine research projects have concluded in the steel and cement industry, integration of renewable energy sources with coal-fired power stations, improving carbon storage, and economic analysis of low-emissions coal technologies. Coal Innovation NSW also runs the NSW Carbon Dioxide Storage Assessment Program, researching long-term carbon dioxide capture, transport, and storage options in NSW, including geological sequestration.

## The NSW Online Prospectus

In October 2019, the NSW Online Prospectus was launched at the International Mining and Resources Conference. The Online Prospectus gives explorers and project developers an overview of the geological potential, existing and planned infrastructure investment for regional NSW and the robust regulatory frameworks that make NSW a world-class minerals producer.

The Online Prospectus is updated as new information on investment opportunities in the NSW minerals and energy resources sector becomes available. In February 2020, the *Future of Minerals in NSW Report* was launched at the Prospectors and Developers' Association of Canada Conference. The report outlines how NSW is positioning itself to be a responsible and ethical global supplier of minerals for a high-tech future. It also highlights the work of the NSW Government to support new exploration and investment, maintain social licence to mine, and provide greater certainty for the state's mining sector.

## Legacy Mines Program

Resources and Geoscience's Legacy Mines Program continued to work on to reducing environmental and public safety risks posed by abandoned and derelict mines throughout the state. Works are prioritised on a risk-assessment basis and the mining industry funds works through the Administrative Levy for Minerals and Petroleum.

In 2019–20, the Legacy Mines Program completed works and investigation on more than 45 legacy mine sites and legacy petroleum wells at a cost of \$2.3 million. Highlights include completion of major works at the Kangiara Copper Mine north of Yass, the start of significant safety works around the Hill End Gold field and completion of several site investigation reports that will guide long-term remediation options at sites such as McKinnons Gold Mine in Cobar; Cow Flat Copper, Bathurst; Mount Royal Mine, Tottenham; and Glen Davis Shale Oil.

# Appendices



Prince Alfred Park  
in Parramatta.  
Credit: Destination NSW.

## Appendix 1. Legislation and legal change

Acts administered up until  
2 April 2020

### Deputy Premier, Minister for Regional New South Wales, Industry and Trade

- *Australian Oil Refining Agreements Act 1954* No. 34
- *Coal Acquisition Act 1981* No. 109
- *Coal Industry Act 2001* No. 107
- *Coal Innovation Administration Act 2008* No. 50
- *Coal Ownership (Restitution) Act 1990* No. 19
- *Community Welfare Act 1987* No. 52, Part 5 and any other provisions of that Act in so far as they relate to functions under Part 5, jointly with the Minister for Police and Emergency Services
- *Forestry Act 2012* No. 96 (except Parts 5A and 5B, jointly with the Minister for Energy and Environment)
- *Growth Centres (Development Corporations) Act 1974* No. 49, in so far as it relates to the Regional Growth NSW Development Corporation
- *Mine and Petroleum Site Safety (Cost Recovery) Act 2005* No. 116
- *Mining Act 1992* No. 29 (except section 293, the Attorney General, and Minister for the Prevention of Domestic Violence)
- *Offshore Minerals Act 1999* No. 42
- *Petroleum (Offshore) Act 1982* No. 23
- *Petroleum (Onshore) Act 1991* No. 84
- *Plantations and Reafforestation Act 1999* No. 97
- *Regional Development Act 2004* No. 58
- *Snowy Hydro Corporatisation Act 1997* No. 99
- *State Emergency and Rescue Management Act 1989* No. 165, in so far as it relates to emergency recovery, jointly with the Minister for Police and Emergency Services

- *Uranium Mining and Nuclear Facilities (Prohibitions) Act 1986* No. 194
- *Very Fast Train (Route Investigation) Act 1989* No. 44, jointly with the Minister for Planning and Public Spaces
- *Visy Mill Facilitation Act 1997* No. 139
- *Work Health and Safety (Mines and Petroleum Sites) Act 2013* No. 54

### Minister for Agriculture and Western New South Wales

- *Agricultural and Veterinary Chemicals (New South Wales) Act 1994* No. 53
- *Agricultural Industry Services Act 1998* No. 45
- *Agricultural Livestock (Disease Control Funding) Act 1998* No. 139
- *Agricultural Scientific Collections Trust Act 1983* No. 148
- *Animal Research Act 1985* No. 123
- *Biological Control Act 1985* No. 199
- *Biosecurity Act 2015* No. 24
- *Border Fence Maintenance Act 1921* No. 17
- *C.B. Alexander Foundation Incorporation Act 1969* No. 61
- *Exhibited Animals Protection Act 1986* No. 123
- *Farm Debt Mediation Act 1994* No. 91
- *Farm Water Supplies Act 1946* No. 22
- *Farrer Memorial Research Scholarship Fund Act 1930* No. 38
- *Fisheries Act 1935* No. 58
- *Fisheries Management Act 1994* No. 38
- *Food Act 2003* No. 43
- *Game and Feral Animal Control Act 2002* No. 64
- *Gene Technology (GM Crop Moratorium) Act 2003* No. 12
- *Gene Technology (New South Wales) Act 2003* No. 11
- *Hemp Industry Act 2008* No. 58



- *Local Land Services Act 2013* No. 51 (except Part 11 and Divisions 2 and 3 of Part 12, jointly with the Minister for Energy and Environment)
- *Marine Estate Management Act 2014* No. 72, jointly with the Minister for Energy and Environment
- *Meat Industry Act 1978* No. 54
- *Poppy Industry Act 2016* No. 37
- *Prevention of Cruelty to Animals Act 1979* No. 200, jointly with the Minister for Local Government
- *Rice Marketing Act 1983* No. 176
- *Right to Farm Act 2019* No. 15
- *Rural Assistance Act 1989* No. 97
- *Soil Conservation Act 1938* No. 10 (except parts, jointly with the Minister for Energy and Environment)
- *Stock Medicines Act 1989* No. 182
- *Sydney Market Authority (Dissolution) Act 1997* No. 52
- *Veterinary Practice Act 2003* No. 87

Acts administered for the 2019–20 financial year

### Minister for Planning and Public Spaces

- *Callan Park (Special Provisions) Act 2002* No. 139
- *Centennial Park and Moore Park Trust Act 1983* No. 145
- *Crown Land Management Act 2016* No. 58, jointly with the Minister for Water, Property and Housing (except parts, the Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts and the Minister for Sport, Multiculturalism, Seniors and Veterans)
- *Environmental Planning and Assessment Act 1979* No. 203 (except Part 6, jointly with the Minister for Better Regulation and Innovation)
- *Glen Davis Act 1939* No. 38
- *Growth Centres (Development Corporations) Act 1974* No. 49 (except parts, the Premier and the

Deputy Premier, Minister for Regional New South Wales, Industry and Trade)

- *Land Development Contribution Act 1970* No. 24
- *Land Development Contribution Management Act 1970* No. 22
- *Landcom Corporation Act 2001* No. 129
- *Luna Park Site Act 1990* No. 59
- *Natural Resources Commission Act 2003* No. 102
- *Newcastle National Park Enabling Act 1924* No. 49
- *Parramatta Park (Old Government House) Act 1967* No. 33
- *Parramatta Park Trust Act 2001* No. 17
- *Place Management NSW Act 1998* No. 170
- *Public Works and Procurement Act 1912* No. 45 (excepts parts, the Minister for Finance and Small Business)
- *Royal Botanic Gardens and Domain Trust Act 1980* No. 19
- *Sydney Olympic Park Authority Act 2001* No. 57
- *Very Fast Train (Route Investigation) Act 1989* No. 44, jointly with the Deputy Premier, Minister for Regional New South Wales, Industry and Trade
- *Warnervale Airport (Restrictions) Act 1996* No. 57
- *Western Sydney Parklands Act 2006* No. 92

### Minister for Water, Property and Housing

- *Aboriginal Housing Act 1998* No. 47, jointly with the Minister for Families, Communities and Disability Services (administered by the Aboriginal Housing Office)
- *Border Railways Act 1922* No. 16
- *Botany Bay National Park (Helicopter Base Relocation) Act 2004* No. 27



- *Cemeteries and Crematoria Act 2013* No. 105
- *Central Coast Water Corporation Act 2006* No. 105
- *Commons Management Act 1989* No. 13
- *Community Housing Providers (Adoption of National Law) Act 2012* No. 59, jointly with the Minister for Families, Communities and Disability Services
- *Crown Land Management Act 2016* No. 58, jointly with the Minister for Planning and Public Spaces (except parts, the Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts and the Minister for Sport, Multiculturalism, Seniors and Veterans)
- *Dams Safety Act 2015* No. 26
- *Googong Dam Catchment Area Act 1975* No. 4
- *Housing Act 2001* No. 52, section 6 (and the remaining provisions of the Act jointly with the Minister for Families, Communities and Disability Services)
- *Hunter Water Act 1991* No. 53
- *Lake Macquarie Smelter Site (Perpetual Care of Land) Act 2019* No. 9
- *Land Acquisition (Just Terms Compensation) Act 1991* No. 22
- *Natural Resources Access Regulator Act 2017* No. 64
- *New South Wales—Queensland Border Rivers Act 1947* No. 10
- *Property NSW Act 2006* No. 40
- *Residential Tenancies Act 2010* No. 42, Part 7, jointly with the Minister for Better Regulation and Innovation and the Minister for Families, Communities and Disability Services
- *Roads Act 1993* No. 33, Parts 2, 4 and 12 (except section 178(2)) and the remaining provisions of the Act in so far as they relate to Crown roads
- *Snowy Mountains Cloud Seeding Act 2004* No. 19
- *Sydney Water Act 1994* No. 88
- *Teacher Housing Authority Act 1975* No. 27
- *Trades Hall (Transfer of Land) Act 1970* No. 54
- *Valuation of Land Act 1916* No. 2
- *Voluntary Workers (Soldiers' Holdings) Act 1917* No. 25
- *Wagga Wagga Racecourse Act 1993* No. 109, sections 4 and 5
- *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010* No. 8, sections 7 and 16 and Schedule 5
- *Water Act 1912* No. 44
- *Water (Commonwealth Powers) Act 2008* No. 69
- *Water Efficiency Labelling and Standards (New South Wales) Act 2005* No. 12
- *Water Industry Competition Act 2006* No. 104 (except Part 3, the Treasurer)
- *Water Management Act 2000* No. 92
- *Water NSW Act 2014* No. 74
- *Water Supply (Critical Needs) Act 2019* No. 16
- *Wellington Show Ground Act 1929* No. 54

## Minister for Energy and Environment

- *AGL Corporate Conversion Act 2002* No. 16
- *Biodiversity Conservation Act 2016* No. 63
- *Brigalow and Nandewar Community Conservation Area Act 2005* No. 56
- *Contaminated Land Management Act 1997* No. 140
- *Dangerous Goods (Road and Rail Transport) Act 2008* No. 95, in so far as it relates to the on-road and on-rail transport of dangerous goods by road or rail
- *Electricity Supply Act 1995* No. 94
- *Energy and Utilities Administration Act 1987* No. 103

- *Energy Services Corporations Act* 1995 No. 95
- *Environmental Trust Act* 1998 No. 82
- *Environmentally Hazardous Chemicals Act* 1985 No. 14
- *Eraring Power Station Act* 1981 No. 107
- *Filming Approval Act* 2004 No. 38
- *Forestry Act* 2012 No. 96, Parts 5A and 5B, jointly with the Deputy Premier, Minister for Regional New South Wales, Industry and Trade
- *Forestry Restructuring and Nature Conservation Act* 1995 No. 50
- *Forestry Revocation and National Park Reservation Act* 1996 No. 131
- *Forestry Revocation and National Parks Reservation Act* 1983 No. 37
- *Forestry Revocation and National Parks Reservation Act* 1984 No. 85
- *Gas Industry Restructuring Act* 1996 No. 213
- *Gas Supply Act* 1996 No. 38
- *Kosciuszko Wild Horse Heritage Act* 2018 No. 24
- *Local Government Act* 1993 No. 30, Part 2A of Chapter 6
- *Local Land Services Act* 2013 No. 51, Part 11 and Divisions 2 and 3 of Part 12, jointly with the Minister for Agriculture and Western New South Wales
- *Lord Howe Island Act* 1953 No. 39
- *Marine Estate Management Act* 2014 No. 72, jointly with the Minister for Agriculture and Western New South Wales
- *National Electricity (New South Wales) Act* 1997 No. 20
- *National Energy Retail Law (Adoption) Act* 2012 No. 37
- *National Environment Protection Council (New South Wales) Act* 1995 No. 4
- *National Gas (New South Wales) Act* 2008 No. 31
- *National Park Estate (Land Transfers) Act* 1998 No. 163
- *National Park Estate (Lower Hunter Region Reservations) Act* 2006 No. 90
- *National Park Estate (Reservations) Act* 2002 No. 137
- *National Park Estate (Reservations) Act* 2003 No. 24
- *National Park Estate (Reservations) Act* 2005 No. 84
- *National Park Estate (Reservations) Act* 2018 No. 57
- *National Park Estate (Riverina Red Gum Reservations) Act* 2010 No. 22
- *National Park Estate (South-Western Cypress Reservations) Act* 2010 No. 112
- *National Park Estate (Southern Region Reservations) Act* 2000 No. 103
- *National Parks and Wildlife Act* 1974 No. 80 (except Division 3 of Part 3 and Parts 6 and 6A, jointly with the Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts)
- *Northern Rivers County Council (Undertaking Acquisition) Act* 1981 No. 95
- *Ozone Protection Act* 1989 No. 208
- *Pesticides Act* 1999 No. 80
- *Pipelines Act* 1967 No. 60
- *Protection of the Environment Administration Act* 1991 No. 60
- *Protection of the Environment Operations Act* 1997 No. 156
- *Radiation Control Act* 1999 No. 13
- *Recreation Vehicles Act* 1983 No. 136 (except parts, jointly the Minister for Transport and Roads and the Minister for Regional Transport and Roads)
- *Roads Act* 1993 No. 33, in so far as it relates to Lord Howe Island and section 252 (in so far as it relates to the functions of the Minister for Energy and Environment under the Act)
- *Soil Conservation Act* 1938 No. 10, Parts 2A, 3 and 4 and sections 15 and

30A in so far as they relate to those Parts, jointly with the Minister for Agriculture and Western New South Wales

- *Waste Avoidance and Resource Recovery Act 2001* No. 58
- *Wilderness Act 1987* No. 196
- *Zoological Parks Board Act 1973* No. 34

### Minister for Local Government

- *City of Sydney Act 1988* No. 48 (except Part 4A and Schedule 2, jointly the Minister for Transport and Roads and the Minister for Regional Transport and Roads)
- *Coastal Management Act 2016* No. 20
- *Companion Animals Act 1998* No. 87
- *Graffiti Control Act 2008* No. 100, Part 4, jointly with the Attorney General, and Minister for the Prevention of Domestic Violence
- *Impounding Act 1993* No. 31
- *Local Government Act 1993* No. 30 (except Part 2A of Chapter 6, the Minister for Energy and Environment)
- *Prevention of Cruelty to Animals Act 1979* No. 200, jointly with the Minister for Agriculture and Western New South Wales
- *Queen Victoria Building Site Act 1952* No. 30
- *Roads Act 1993* No. 33, Division 2 of Part 3 (in so far as it relates to the widening of an unclassified public road for which a council is the roads authority) and sections 175 (in so far as it relates to the power to enter land along or near a public road for which a council is the roads authority), 178(2) and 252 (in so far as it relates to the functions of the Minister for Local Government under the Act)
- *Rock Fishing Safety Act 2016* No. 66, jointly with the Minister for Police and Emergency Services
- *Sydney Public Reserves (Public Safety) Act 2017* No. 35

## Legal change

### COVID-19 pandemic response

#### Acts

- *COVID-19 Legislation Amendment (Emergency Measures) Act 2020* (led by the Attorney-General)
- *COVID-19 Legislation Amendment (Emergency Measures—Miscellaneous) Act 2020* (led by the Attorney-General)

#### Regulations

- Environmental Planning and Assessment Amendment (Public Exhibition) Regulation 2020
- Environmental Planning and Assessment Amendment (COVID-19 Planning Bodies) Regulation 2020
- Environmental Planning and Assessment Amendment (Lapsing of Consent) Regulation 2020
- Local Government (General) Amendment (COVID-19) Regulation 2020
- Local Government (General) Amendment (COVID-19) Regulation (No 2) 2020

### Environmental planning instruments

- State Environmental Planning Policy Amendment (COVID-19 Response) 2020

### Ministerial planning orders

- Environmental Planning and Assessment (COVID-19 Development—Extended Operation) Order 2020
- Environmental Planning and Assessment (COVID-19 Development—Temporary Workers' Accommodation) Order 2020
- Environmental Planning and Assessment (COVID-19 Development—Health Services Facilities) Order 2020
- Environmental Planning and Assessment (COVID-19

- Development—Construction Work Days) Order 2020
- Environmental Planning and Assessment (COVID-19 Development—Takeaway Food and Beverages) Order 2020
- Environmental Planning and Assessment (COVID-19 Development—Infrastructure Construction Work Days) Order 2020
- Environmental Planning and Assessment (COVID-19 Development—Temporary Cycleways) Order 2020

## NSW Land and Housing Corporation

During 2019, several machinery of government changes took place that affected ministerial portfolios and the composition and functions of departments. On 1 July 2019, the NSW Land and Housing Corporation was transferred to the newly created Department of Planning, Industry and the Environment, pursuant to the following Administrative Change Orders:

- Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019
- Administrative Arrangements (Administrative Changes—Ministers) Order 2019
- Administrative Arrangements (Administrative Changes—Ministers) Order (No 2) 2019

The following amendments were made to the *Housing Act 2001*:

- References to department were removed to ensure that only amounts advanced by the Treasurer or appropriated for the purposes of the Land and Housing Corporation are required to be directed to the Housing Account (and not all amounts so advanced or appropriated for the purposes of the Department of Communities and Justice). This reflects the current administrative and financial arrangements relating to the Housing Account held in the Special Deposits Account.

- To allow information obtained in connection with the administration or execution of the *Housing Act 2001* to be disclosed to a law enforcement agency for law enforcement purposes, including investigating an offence or ascertaining the whereabouts of a missing person.

## Acts passed

- *Lake Macquarie Smelter Site (Perpetual Care of Land) Act 2019*
- *Right to Farm Act 2019* (now Department of Regional NSW)
- *Water Supply (Critical Needs) Act 2019*

## Regulations made

### Planning and Public Spaces regulations

- Environmental Planning and Assessment Amendment (Artificial Waterbodies) Regulation 2019
- Environmental Planning and Assessment Amendment (Building and Subdivision Certification) Regulation 2019
- Environmental Planning and Assessment Amendment (Central Coast Council Local Planning Panel) Regulation 2019
- Environmental Planning and Assessment Amendment (Community Participation Plans) Regulation 2019
- Environmental Planning and Assessment Amendment (Activation Precincts) Regulation 2020
- Environmental Planning and Assessment Amendment (Mamre Road Precinct) Regulation 2020
- Environmental Planning and Assessment Amendment (Penrith Lakes Development Corporation) Regulation 2020
- Environmental Planning and Assessment Amendment (Planning for Bush Fire Protection) Regulation 2020
- Environmental Planning and Assessment Amendment (Planning Portal) Regulation 2020



- Parramatta Park Trust Regulation 2019
- Western Sydney Parklands Regulation 2019

### **Environment and Energy regulations**

- Biodiversity Conservation Amendment (Controlled Actions) Regulation 2019
- Electricity Supply (General) Amendment (Remote De-energisation and Re-energisation) Regulation 2020
- National Energy Retail Law (Adoption) Amendment (De-energisation and Re-energisation Charges) Regulation 2020
- National Parks and Wildlife Regulation 2019
- Zoological Parks Regulation 2019

### **Water, Property and Housing regulations**

- Dams Safety Regulation 2019
- Crown Land Management Amendment (Maximum Terms for Leases and Licences) Regulation 2019
- Crown Land Management Amendment (Reserve Trusts) Regulation 2020
- Dams Safety Amendment Regulation 2020
- Natural Resources Access Regulator Amendment Regulation 2019
- Water Management (General) Amendment (Access Licence) Regulation 2019
- Water Management (General) Amendment (Access Licence) Regulation 2020
- Water Management (General) Amendment (Access Licence) Regulation (No 2) 2020
- Water Management (General) Amendment (Exemption) Regulation 2019
- Water Management (General) Amendment (Exemptions for Floodplain Harvesting) Regulation 2020

- Water Management (General) Amendment (Groundwater Exemptions) Regulation 2019
- Water Management (General) Amendment (Metering) Regulation 2019
- Water Supply (Critical Needs) Amendment (Bathurst Water Supply) Regulation 2020

### **Local Government regulations**

- Companion Animals Amendment Regulation 2020
- Local Government (General) Amendment (Tendering) Regulation 2020
- Local Government (General) Amendment (Tendering) Regulation (No 2) 2020
- Local Government (General) Amendment (Elections) Regulation 2019
- Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Amendment (Bush Fire Response) Regulation 2020
- Local Government (General) Amendment (Minimum Rates) Regulation 2019

### **Regional New South Wales, Industry and Trade (now Department of Regional NSW)**

- Forestry Amendment (Transitional Arrangements) Regulation 2019
- Forestry Amendment (Transitional Arrangements) Regulation 2020
- Plantations and Reafforestation (Code) Amendment (Planning for Bush Fire Protection) Regulation 2020

### **Agriculture and Western NSW regulations (now Department of Regional NSW)**

- Biosecurity Amendment (Biosecurity Management Plans) Regulation 2019
- Biosecurity Amendment (Miscellaneous) Regulation 2019



- Fisheries Management (General) Regulation 2019
- Fisheries Management Legislation Amendment (Fees, Charges and Contributions) Regulation 2019
- Local Land Services Amendment (Critically Endangered Ecological Communities) Regulation 2019
- Local Land Services Amendment (Elections) Regulation 2019
- Veterinary Practice Amendment Regulation 2020

## Amendments to Regulations

Minor amendments were made to the Residential Tenancies Regulation 2019 that affected operations of the NSW Land and Housing Corporation, particularly in relation to smoke alarms replacement and servicing.

In addition, through the Regulation, the following changes were made to the *Residential Tenancies Act 2010*:

- the standard form of residential tenancy agreements
- the form of condition reports for residential premises
- the form to be used by medical practitioners when making a declaration that a person is a victim of domestic violence for the purposes of terminating a residential tenancy agreement under the *Residential Tenancies Act 2010*
- additional costs and charges payable by landlords and tenants
- mandatory terms for long-term leases
- the water efficiency measures required for residential premises if tenants are to be charged for water usage
- fixtures or alterations, additions or renovations to residential premises that are considered of a minor nature
- exemptions from the *Residential Tenancies Act 2010*
- matters relating to enforcement of the *Residential Tenancies Act 2010*, including the time limits for making applications to the Civil and

Administrative Tribunal, limits on the tribunal's monetary jurisdiction and offences for which penalty notices may be issued and the penalties that such notices may impose, and the interest payable on rental bonds.

## Other statutory instruments

### Environmental planning instruments

- 32 State environmental planning policies
- 264 local environment plans (Department and councils)

### 35 water sharing plans

## Appendix 2. Significant judicial decisions

### NSW Department of Planning, Industry and Environment

#### **Court of Appeal confirms water sharing plan valid**

*Randren House Pty Ltd v. Water Administration Ministerial Corporation* [2020] NSWCA 14

On 19 February 2020, the Court of Appeal unanimously rejected an appeal against a decision of the Land and Environment Court, and upheld the validity of the *Water Sharing Plan for the Murrumbidgee Regulated River Water Source 2016*.

Randren House alleged that the minister had not properly considered the inundation damage to its property when making the 2016 water sharing plan. The Court held that water sharing plan decisions are polycentric administrative decisions involving a multiplicity of considerations together with the broad range of interconnected, conflicting and incommensurable interests. The Court observed that: ‘it cannot be the case that an applicant can point to a miniscule part of a water source, and say that the water management principles require regard to be had to the effect of a minister’s plan upon that part.’

#### **Successful prosecution for the clearing of native vegetation**

*Chief Executive, Office of the Environment and Heritage v. Parrish & Son Pty Ltd* [2020] NSWLEC 47

On 6 May 2020, the Land and Environment Court convicted Parrish & Son Pty Ltd (Parrish) of an offence for the unlawful clearing of native vegetation under section 12(1) of the (now repealed) *Native Vegetation Act 2003* in relation to clearing at a property in Oakdale, NSW.

Parrish cleared approximately 10 hectares of vegetation, including hundreds of trees, across a two-month period in early 2017. The clearing was not carried out in accordance with a development consent, property vegetation plan or other applicable authority, and was likely to have caused harm to animal habitat, native vegetation and the nearby aquatic environment.

Parrish pleaded guilty. The Court convicted Parrish and ordered that it pay a fine of \$75,000 as well as the Prosecutor’s costs.

#### **Validity of the Great Lakes Coastal Zone Management Plan upheld**

*Boomerang & Blueys Residents Group Inc v. New South Wales Minister for the Environment, Heritage and Local Government and MidCoast Council (No 2)*

On 23 December 2019, the NSW Land and Environment Court dismissed a judicial review challenge to the Minister for the Environment, Heritage and Local Government’s decision to certify the Great Lakes Coastal Zone Management Plan (CZMP). The challenge to MidCoast Council’s decision to prepare and adopt the CZMP was also dismissed.

Boomerang & Blueys Residents Group Inc (BBRG) argued that the decisions did not comply with the *Coastal Protection Act 1979* and Guidelines for Preparing Coastal Zone Management Plans.

The Court found that the CZMP was properly made in accordance with the Act and guidelines, and the decisions were a reasonable exercise of discretion.

### NSW Land and Housing Corporation

There were no significant judicial decisions relevant to the Land and Housing Corporation in 2019–20.

### Aboriginal Housing Office

There were no significant judicial decisions relevant to the Aboriginal Housing Office in 2019–20.

## Appendix 3. Consumer response

The creation of the Department has brought together a wide range and diversity of functions providing services to the public. To support better engagement, we have significantly increased the number of avenues for the public to provide feedback.

The Department and its related agencies received 4,001 pieces of feedback through the Feedback Assist platform (which now has more than 60 portals in agencies and functions across the cluster for public access) for 2019–20, with 2,814 of these involving some form of complaint.

Of these complaints, 80% were resolved by frontline staff or their managers as Level 1 complaints on or within a few days of the matter being raised, and 97% of all complaints were satisfactorily resolved within a month.

The most significant area of concern involved website and forms functionality and information availability (75%), with the majority of these concerns relating to:

- the operation of the online Pet Register portal, which is accessed through the Office of Local Government (60%)—actions to address this matter are in progress
- other websites (10%)
- issues with applications and forms (5%).

Another 8% of complaints have been based on feedback on the quality of services provided, delays or lack of responsiveness.

Tables Table A3–1 to Table A3–4 give more information about complaints and how the Department responded.

2019–20 has been a challenging year in bringing together the functions of the former agencies that became the Department of Planning, Industry and Environment. Our focus for 2020–21 will be to:

- implement a new Complaints Management Framework and more training for employees on their engagement with the community
- increase the number of channels through which the community can provide its views on the services provided by the Department and its broader group of related government agencies.
- use this information to identify opportunities to further improve services.

**Table A3–1. Breakdown by type of feedback**

Feedback type	Totals
Compliments	335
Complaints	2,814
Suggestions	364
Enquiries	488
<b>Total</b>	<b>4,001</b>

Overall, complaints represented about 65% of total feedback.

### NSW Land and Housing Corporation

A small number of cases (19) were received through Feedback Assist for the Land and Housing Corporation, as shown in Table A3–2.

**Table A3–2. Feedback about NSW Land and Housing Corporation**

Feedback type	Totals
Compliments	1
Complaints	14
Suggestions	1
Enquiries	3
<b>Total</b>	<b>19</b>

**Table A3–3. Outcome of complaints**

Outcome	2019–20
More information provided/detailed review and explanation of the issue	70%
Apology given, issue resolved, process reviewed, refund provided, troubleshooting tips shared	13%
Not upheld, lack of sufficient data	10%
Redirected through separate process	7%

**Table A3–4. Key performance indicator**

Key performance indicator	2019–20
Acknowledgement sent within five days if not immediately resolved	90%
Resolved within one month or less	97%

## Aboriginal Housing Office

The Aboriginal Housing Office responds to requests for information and accepts feedback and complaints about all aspects of its business. We seek to respond to complaints in a timely manner and handle all complaints in a fair, transparent and professional way.

During 2019–20, the Aboriginal Housing Office responded to 2,713 enquiries from Aboriginal people relating to housing, tenancy and asset management matters. This is an increase of 34.5% from the previous year and is a direct result of improvements made to the Aboriginal Housing Office client interaction and complaints system to better capture data regarding client enquiries.

The Aboriginal Housing Office has developed a purpose-built client interaction and complaints system as part of its property management system, Ngamuru (*Nam-a-roo*). Ngamuru is the

Aboriginal Housing Office's client interaction and complaints system. Currently, Aboriginal Housing Office Ngamuru feedback categories do not align with Feedback Assist categories. Information regarding Aboriginal Housing Office complaints are detailed below.

**Table A3–5. Feedback by type for the Aboriginal Housing Office**

Type of feedback	2019–20 (number)	2019–20 (%)
Complaint	361	13%
Dispute	23	1%
Feedback	43	2%
Interaction	1121	41%
Service request	1165	43%
<b>Total feedback</b>	<b>2713</b>	<b>100%</b>

The Aboriginal Housing Office staff resolved 63.5% of all these enquiries within 22 days or fewer, and 78% of the total number of cases were resolved in 40 days or fewer.



## Appendix 4. *Government Information (Public Access) Act 2009*

The *Government Information (Public Access) Act 2009* (GIPA Act) sets out annual reporting obligations under sections 7(3), 21 and 125.

The Government Information (Public Access) Regulation 2018 (GIPA Regulation) provides further requirements about the content to be included in the annual report.

### Review of proactive release program

Under Section 7(3) of the GIPA Act and Clause 8(a) of the GIPA Regulation, agencies must review their program for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The Department requires its business areas to look at information that has been proactively released. It also looks at the level of awareness of departmental staff who are authorised to proactively release information.

The Department's survey, conducted in June and July 2020, revealed that a large and diverse range of information had been proactively released and that staff have a high level of awareness of the ability to proactively release information.

Examples of information proactively released include:

- North-west flows in early 2020—a webpage with various water resource plan elements, such as resource descriptions
- *20 Years of Healing*—an e-book on the ecological restoration of Sydney Olympic Park
- the *Illawarra Shoalhaven Regional Plan*
- monthly reports of compliance activity with water sharing plans
- spatial data on planning, the Environment Protection Authority and National Parks
- the Land and Housing Corporation's Community Housing Provider management allocation framework
- the Parks for People program.

### Statistical information on access applications

Under Clause 8 of the GIPA Regulation, statistical information must be provided about the formal access applications received by the Department under Section 9 of the GIPA Act in 2019–20.

The Department received 416 access applications in the 2019–20 reporting year, not including invalid applications (see Table A4–3), in addition to 44 applications carried forward from 2018–19.

Refer to Table A4–1 to Table A4–9 for details on the matters dealt with by the Department.

Note that the departmental cluster includes public sector entities that are considered subsidiary agencies under Schedule 3 of the GIPA Regulation. The cluster also includes public sector entities that have authorised the Department to make decisions about access applications on their behalf. The aggregated data in the following tables include statistical information for these entities.

### NSW Land and Housing Corporation

Under Schedule 3 of the GIPA Regulation, the NSW Land and Housing Corporation is a subsidiary agency for the purposes of the GIPA Act. Therefore, all Land and Housing Corporation statistical information about access applications is included in the following tables.

## Aboriginal Housing Office

The Aboriginal Housing Office is part of the Department for the purpose of the GIPA Act. Therefore, all Aboriginal Housing Office statistical information about access applications is included in the following tables.

Table A4–1. Number of applications by type of applicant and outcome\*

Applicant	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	2	17	0	4	0	2	0	1
Members of Parliament	3	22	3	8	3	2	0	7
Private sector business	17	9	1	12	4	5	0	5
Not-for-profit organisations or community groups	9	21	2	5	7	1	0	3
Members of the public (application by legal representative)	24	43	5	23	7	11	0	7
Members of the public (other)	27	40	9	19	6	8	1	9
<b>Totals</b>	<b>82</b>	<b>152</b>	<b>20</b>	<b>71</b>	<b>27</b>	<b>29</b>	<b>1</b>	<b>32</b>

\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table A4–2. Note also that the table shows the total *outcomes*, not the total *received*.

**Table A4–2. Number of applications by type of application (personal, other or a combination) and outcome**

Type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	2	0	1	0	0	0	1
Access applications (other than personal information applications)	75	121	15	60	23	28	1	30
Access applications that are partly personal information applications and partly other	7	29	5	10	4	1	0	1
<b>Totals</b>	<b>82</b>	<b>152</b>	<b>20</b>	<b>71</b>	<b>27</b>	<b>29</b>	<b>1</b>	<b>32</b>

**Table A4–3. Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (Section 41 of the GIPA Act)	40
Application is for excluded information of the agency (Section 43 of the GIPA Act)	0
Application contravenes restraint order (Section 110 of the GIPA Act)	0
<b>Total number of invalid applications received</b>	<b>40</b>
<b>Invalid applications that subsequently became valid applications</b>	<b>24</b>

**Table A4–4. Conclusive presumption of overriding public interest against disclosure: Matters listed in Schedule 1 of the GIPA Act**

Consideration	Number of times consideration used*
Overriding secrecy laws	2
Cabinet information	19
Executive Council information	1
Contempt	4
Legal professional privilege	16
Excluded information	4
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
<b>Total</b>	<b>46</b>

\*More than one public interest consideration may apply in relation to a particular access application. If so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table A4–5.



**Table A4–5. Other public interest considerations against disclosure: Matters listed in table for Section 14 of the GIPA Act**

Consideration	Number of times application unsuccessful
Responsible and effective government	43
Law enforcement and security	18
Individual rights, judicial processes and natural justice	93
Business interests of agencies and other people	54
Environment, culture, economy and general matters	1
Secrecy provisions	3
Exempt documents under interstate Freedom of Information legislation	1
<b>Total</b>	<b>213</b>

**Table A4–6. Timeliness of an application decision**

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	370
Decided after 35 days (by agreement with applicant)	48
Not decided within time (deemed refusal)	1
<b>Total</b>	<b>419</b>

**Table A4–7. Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)**

Type of review	Decision varied	Decision upheld	Total
Internal review	12	20	32
Review by Information Commissioner*	5	11	16
Internal review following recommendation under Section 93 of the GIPA Act	3	1	4

Type of review	Decision varied	Decision upheld	Total
Review by New South Wales Civil and Administrative Tribunal (NCAT)	0	1	1
<b>Total</b>	<b>20</b>	<b>33</b>	<b>53</b>

\*The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

**Table A4–8. Applications for review under Part 5 of the GIPA Act (by type of applicant)**

Type of applicant	Number of applications for review
Applications by access applicants	40
Applications by people to whom information on the subject of access application relates (see Section 54 of the GIPA Act)	23
<b>Total</b>	<b>63</b>

**Table A4–9. Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act**

Type of transfer	Number of applications transferred
Agency-initiated transfers	15
Applicant-initiated transfers	23
<b>Total</b>	<b>38</b>

## Appendix 5. Public interest disclosures

### NSW Department of Planning, Industry and Environment

Under Section 31 of the *Public Interest Disclosures Act 1994* (PID Act), each public authority must prepare an annual report on their obligations under the PID Act. Information for the Department of Planning, Industry and Environment on public interest disclosures for 1 July 2019 to 30 June 2020 is in accordance with Clause 4 of the Public Interest Disclosures Regulation 2011.

**Table A5–1. Public interest disclosures from 1 July 2019 to 30 June 2020**

Type of public interest disclosure	Number
1. Public interest disclosures made by public officials in performing their day-to-day functions	2
2. Public interest disclosures not covered by Type 1 (above) that are made under a statutory or other legal obligation	1
All other public interest disclosures	18
Number of public interest disclosures relating to possible or alleged corrupt conduct	20
Number of public interest disclosures relating to possible or alleged maladministration	0
Number of public interest disclosures relating to possible or alleged serious and substantial waste of public money	1
Number of public interest disclosures relating to possible or alleged government information contraventions	0
<b>Total number of public interest disclosures received</b>	<b>21</b>
<b>Total number of public interest disclosures finalised</b>	<b>16</b>

The Department of Planning, Industry and Environment has established an internal reporting policy that is consistent with the NSW Ombudsman's model policy. The Department of Planning, Industry and Environment acts to ensure that it meets its staff awareness responsibilities under Section 6E(1)(b) of the PID Act by having each of the following:

- a dedicated page on the Department of Planning, Industry and Environment intranet site
- training workshops by the NSW Ombudsman for nominated disclosure officers on public interest disclosures
- internal awareness and presentations for senior executives on the ethics of public interest disclosures
- a statement of commitment from the Secretary of the Department

- posters and postcards on display
- a dedicated, online, whistleblower reporting tool for staff to report wrongdoing, including anonymously
- a Code of Ethics and Conduct e-learning module (currently in development) that includes a component on public interest disclosures.

## Aboriginal Housing Office

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations under this Act. This information for the Aboriginal Housing Office is captured in the Department of Planning, Industry and Environment information above, as all public interest disclosures are managed centrally by the Department.

## NSW Land and Housing Corporation

**Table A5–2. Number of public interest disclosures**

Category	Course of their day-to-day functions	Made pursuant to a statutory obligation	All other disclosures
Public officials who have made a PID to the public authority	2	0	0

**Table A5–3. Public interest disclosures received by the public authority in total**

Category	Course of their day-to-day functions	Made pursuant to a statutory obligation	All other disclosures
Corrupt conduct	1	0	0
Maladministration	0	0	0
Serious and substantial waste of public or local government money	1	0	0
Government information contraventions	0	0	0
Local government pecuniary interest contraventions	0	0	0
Public interest disclosures finalised	0	0	0

## Appendix 6. Privacy management

### NSW Department of Planning, Industry and Environment

Under Clause 6 of the Annual Reports (Departments) Regulation 2010, the Department must provide a statement of its actions to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIP Act). It must also provide statistical details of any reviews conducted by or on behalf of the Department, under Part 5 of the PPIP Act.

The Department's Privacy Management Plan outlines how the Department complies with the principles of the PPIP Act and the *Health Records and Information Privacy Act 2002*. Officers in the Department's Privacy and Access to Information unit also provide specialist privacy advice and training to departmental staff.

In 2019–20, the Department received one application under Section 53 of the PPIP Act. The application referred to conduct that had previously been subject to an internal investigation two years earlier. It was therefore outside the six-month period in which applications for review under Section 53 must be made. As a result, the Department did not further consider the matter.

### Parliament of NSW and Standing Order 52

Under Standing Order 52, the Parliament of NSW can order the production of papers to the House. Parliament has little used this provision in the past; however, since the current parliament sat for the first time in May 2019, there has been a marked increase in the number of such orders passed. Standing Order 52 has no provisions for the clarification or refinement of the scope of a request and has no provisions for standard timeframes for responding to an Order. Each Order therefore has an arbitrary timeframe set by the House.

In the 2019–20 financial year, 22 Orders for papers were passed by the Legislative Council that required the Department to produce documents to the House. Although some Orders captured few documents, others resulted in hundreds of documents being produced to the House.

The two largest Orders resulted in 1,462 documents being produced in relation to urban planning matters. Another in relation to migration intake required producing 65,000 pages of information.

The following table shows the Orders for papers the Department received in 2019–20 and the number of documents produced in response to each.

**Table A6–1. Orders for papers in 2019–20**

Name of Order	Date passed	Number of documents produced by the Department in response to the Order
Recruitment of the CEO of Landcom	8 August 2019	44
Migration intake for NSW	8 August 2019	Spreadsheets totalling 65,000 pages
NSW Land and Housing Corporation contracts for public maintenance and planned works	8 August 2019	47
Privatisation of plantation forests	8 August 2019	1
Urban planning and population density	8 August 2019	1,462



Name of Order	Date passed	Number of documents produced by the Department in response to the Order
Contamination at power station associated sites	22 August 2019	0
Opal Tower development	22 August 2019	1
Maules Creek coal mine	26 September 2019	44
Temporary soil weirs on Peel River	26 September 2019	34
Native Vegetation Code Review	26 September 2019	0
Landcom—Directors and Chair	17 October 2019	10
Barwon–Darling Water Sharing Plan Review	14 November 2019	49
Operator of the Maules Creek coal mine and biodiversity offsets	28 February 2020	541
Warragamba Dam	28 February 2020	0
Scope 3 emissions or downstream emissions of coal mines	28 February 2020	108
Floodplain harvesting	28 February 2020	1,079
Powerhouse Museum	13 May 2020	0
Young High School Joint Use Library and Community Facility	3 June 2020	1,113
Stronger Country Communities Fund grants	3 June 2020	0
The Stronger Communities Fund	3 June 2020	199
Recreational Fishing around Sydney Harbour	17 June 2020	0
Rules based environmental water	17 June 2020	536

## NSW Land and Housing Corporation

In 2019–20, the Land and Housing Corporation did not receive any internal review applications made under the PPIP Act.

## Aboriginal Housing Office

In 2019–20, the Aboriginal Housing Office did not conduct any internal reviews under the PPIP Act and did not receive any internal review applications made under the PPIP Act.

## Appendix 7. Risk management and insurance activities

### NSW Department of Planning, Industry and Environment

In 2019–20, the Department continued to implement its enterprise-wide risk management framework across its business and the related government agencies for which it provides risk management services. The framework reflects the Department's commitment to provide a consistent and systematic process to manage risks across the organisation. It is consistent with international risk management standard ISO 31000:2018 and the NSW Treasury *Internal Audit and Risk Management Policy for the NSW Public Sector* (TPP 15-03). It provides the principles and tools for risk management practice and culture within the Department and its related government agencies. In June 2020, the revised Departmental risk management policy was published and applies across the Department and its related agencies.

Risk reviews at the division and directorate level took place regularly and involved senior management. The Department of Planning, Industry and Environment provided detailed presentations on the risk profile of each of its groups to the Audit and Risk Committee for its oversight on the effectiveness of the Department's risk management practices.

During 2019–20, the Department revised its business continuity management framework based on international business continuity standard ISO 22301:2019. The Department developed a comprehensive set of tools to support business continuity planning, impact analysis and crisis management to ensure critical activities can continue in the event of disruption. At the beginning of the NSW response to the COVID-19 pandemic, the Department deployed these tools to manage its response, setting up a crisis management team to govern the response phase. The Department continues to assess and amend its response to the pandemic after considering central agency information.

### Ethics and integrity

In 2019–20, the Department launched its Code of Ethics and Conduct, which is web-based, and provides an accessible and up-to-date resource for all employees to understand and comply with their obligations.

The Code of Ethics and Conduct was developed following consultation with employees. It synthesises the different formats, scope and content of codes followed by the former Departments and agencies that have come together to form the Department of Planning, Industry and Environment.

The Code of Ethics and Conduct underpins the Department's compliance framework, which is supported by:

- information to assist employees with their personal compliance obligations (declaration and management of conflicts of interest, approval of secondary employment, senior executive private interests and gifts, benefits and hospitality)
- the Fraud and Corruption Control Framework and Policy
- the Public Interest Disclosures Policy and Procedure (which includes access to an anonymous reporting tool)
- the Lobbying of Government Officials Policy
- resources to assist with the management of workplace issues and work, health and safety requirements.

The Department worked in collaboration with the NSW Ombudsman to ensure a robust framework that supports staff to raise workplace concerns and make reports of wrongdoing.

During the reporting period, ICAC<sup>67</sup> conducted a public inquiry into lobbying, access and influence in NSW. Given the prominence of planning applications as a category of government activity in the *Lobbying of Government Officials Act 2011*, the Department attended a public hearing in February 2020 to provide information on how the Department meets its obligations under the Act, including:

- the additional requirements the Department imposes on meetings with registered lobbyists, such as publishing of the records of meetings
- explaining the broader approach taken to stakeholder and community engagement.

The Department's policy has been updated to emphasise the obligations of officers to ensure proper records are kept for all stakeholder and community engagement, in addition to observing the requirements for engaging with third-party lobbyists.

## Aboriginal Housing Office

The Department of Planning, Industry and Environment supports the Aboriginal Housing Office to manage and implement good risk management and business continuity management practices.

Risk reviews at the entity level were conducted during the year, involving senior management participation. The Audit and Risk Committee was given a presentation on the risk profile of the Aboriginal Housing Office for its oversight on the effectiveness of risk management practices.

The tools that the Department developed in 2019–20 (refer to the section above on the Department's risk management activities) are available for the Aboriginal Housing Office to manage any business continuity event.

## Ethics and integrity

The Aboriginal Housing Office staff are employees of the Department and are required to behave and operate in accordance with the Department's Code of Ethics and Conduct. Before the new code was adopted, employees of the Department observed the compliance obligations of the relevant policies that applied before the machinery of government change in July 2019.<sup>68</sup> The Aboriginal Housing Office operates under the Department of Planning, Industry and Environment Fraud and Corruption Framework.

The Aboriginal Housing Office has identified and monitors its key fraud and corruption prevention strategies and controls.

<sup>67</sup> Independent Commission Against Corruption

<sup>68</sup> Administrative Arrangements (Administrative Changes—Public Service Agencies) Amendment Order 2019

## NSW Department of Planning, Industry and Environment insurance activities

The Department is insured through the Treasury Managed Fund (TMF), a self-insurance scheme administered by Gallagher Bassett. Insurance risk exposure covered through TMF includes property, liability, motor vehicle and workers compensation.

About the tables: The agency names reflect historical entities recorded with icare. However, with the creation of the Department of Planning, Industry and Environment and the Department of Regional NSW, policies have been amended and are now aligned correctly.

**Table A7–1. Property category: Summary of claims paid by the TMF during 2019–20**

Policy #	Previous policy/agency name	New policy/agency name	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
MF100198	DISRD	DPIE—Industry	0	0	0	0	0
MF100030	DPI	DRNSW—DPI (TBC)	34	\$510,849.00	\$422,347.00	\$90,790.00	\$2,288.00
MF100908	Crown Lands	DPIE—Crown Lands	2	\$175,000.00	\$40,000.00	\$135,000.00	0
MF101143	Crown Lands Coastal Assets	DPIE—Lands: Coastal Asset	0	0	0	0	0
MF101120	Crown Lands Reserve Trust	DPIE—Crown Lands: Reserve Trust	70	\$9,698,782.00	\$1,609,578.00	\$8,089,205.00	0
MF101140	Water	DPIE—Water	0	0	0	0	0
MF100178	OEH—NPWS	NPWS	410	\$122,744,692.00	\$1,449,163.00	\$121,295,529.00	0
MF100922	OEH—Science	EES—Science	5	\$147,454.00	\$4,044.00	\$143,410.00	0
MF700301	OEH—Conservation & Regional Delivery	EES—Biodiversity & Conservation Div. (BCD)	2	\$15,852.00	\$2,165.00	\$13,687.00	0
MF700408	OEH—NPWS Roads	NPWS—Roads	17	\$4,754,787.00	\$226,710.00	\$4,528,077.00	0
<b>Subtotals</b>			<b>540</b>	<b>\$138,047,416.00</b>	<b>\$3,754,007.00</b>	<b>\$134,295,698.00</b>	<b>\$2,288.00</b>

**Table A7–2. Liability category: Summary of claims paid by the TMF during 2019–20**

Policy #	Previous policy/agency name	New policy/agency name	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
MF100197	DISRD	DPIE—Industry	0	0	0	0	0
MF100906	Crown Lands	DPIE—Crown Lands	27	\$454,288.00	\$149,890.00	\$304,398.00	0
MF100029	DPI	DRNSW—DPI (TBC)	3	\$3,796.00	\$3,796.00	0	0
MF101138	Water	DPIE—Water	0	0	0	0	0
MF100177	OEH—NPWS	NPWS	18	\$321,112.00	\$31,270.00	\$289,842.00	0
MF100920	OEH—Science	EES—Science	1	\$2,181.00	\$2,181.00	0	0
<b>Subtotals</b>			<b>49</b>	<b>\$781,377.00</b>	<b>\$187,137.00</b>	<b>\$594,240.00</b>	<b>0</b>

**Table A7–3. Miscellaneous category: Summary of claims paid by the TMF during 2019–20**

Policy #	Previous policy/agency name	New policy/agency name	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
MF100199	DISRD	DPIE—Industry	0	0	0	0	0
MF100031	DPI	DRNSW—DPI (TBC)	4	\$1,692.00	\$1,692.00	0	0
MF100909	Crown Lands	DPIE—Crown Lands	0	0	0	0	0
MF101141	Water	DPIE—Water	0	0	0	0	0
MF100179	OEH—NPWS	NPWS	9	\$9,638.00	\$9,638.00	0	0

Policy #	Previous policy/agency name	New policy/agency name	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
MF100444	OEH—Fire Fighting Fund	NPWS—Fire Fighting Fund	168	\$108,439.00	\$90,201.00	\$18,238.00	0
<b>Subtotals</b>			<b>181</b>	<b>\$119,769.00</b>	<b>\$101,531.00</b>	<b>\$18,238.00</b>	<b>0</b>

Table A7–4. Motor vehicle category: Summary of claims paid by the TMF during 2019–20

Policy #	Previous policy/agency name	New policy/agency name	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
MF100907	Crown Lands	DPIE—Crown Lands	5	\$37,155.00	\$37,154.00	\$1	0
MF101139	Water	DPIE—Water	1	\$13,741.00	\$13,741.00	0	0
MF100028	DPI	DRNSW—DPI (TBC)	151	\$562,901.00	\$629,759.00	\$77,057.00	\$143,915.00
MF100176	OEH—NPWS	NPWS	477	\$2,768,650.00	\$2,133,046.00	\$782,851.00	\$147,247.00
MF100861	OEH—Policy	EES—Policy Division	1	0	0	0	0
MF100917	OEH—Corporate Services	EES—Corporate Services	3	\$9,326.00	\$9,326.00	0	0
MF100921	OEH—Science	EES—Science	19	\$63,457.00	\$53,422.00	\$10,035.00	0
MF700300	OEH—Conservation & Regional Delivery	EES—Biodiversity and Conservation Div. (BCD)	11	\$29,199.00	\$29,199.00	0	0
<b>Subtotals</b>			<b>668</b>	<b>\$3,484,429.00</b>	<b>\$2,905,647.00</b>	<b>\$869,944.00</b>	<b>\$291,162.00</b>



Table A7–5. Workers compensation category: Summary of claims paid by the TMF during 2019–20

Policy #	Previous policy/agency name	New policy/agency name	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
WC900871	Crown Lands & Soil Conservation Services	DPIE—Crown Lands	7	\$442,025.00	\$109,709.00	\$332,316.00	0
MWJ3333371	State Training Services	Dept of Education (MOG)	7	\$265,418.00	\$94,238.00	\$171,180.00	0
WC900267	Primary Industry	DRNSW—DPI (TBC)	56	\$1,097,360.00	\$361,992.00	\$735,368.00	0
1TF2000063GWC	OEH—Conservation & Regional Delivery	EES—Biodiversity & Conservation Div. (BCD)	8	\$208,543.00	\$28,676.00	\$179,867.00	0
MWJ3333312	OEH—Science	EES—Science	1	0	0	0	0
WC900304	OEH—NPWS	NPWS	171	\$1,972,187.00	\$812,410.00	\$1,159,776.00	0
WC900873	OEH—Corporate	EES—Corporate	2	\$7,078.00	\$7,078.00	0	0
<b>Subtotals</b>			<b>252</b>	<b>\$3,992,611.00</b>	<b>\$1,414,103.00</b>	<b>\$2,578,507.00</b>	<b>0</b>
<b>Totals for Tables A7–1 to A7–5</b>			<b>1,690</b>	<b>\$146,425,602.00</b>	<b>\$8,362,425.00</b>	<b>\$138,356,627.00</b>	<b>\$293,450.00</b>

**Notes to Table A7–1 to Table A7–5**

Policy/agency name:

DISRD = Department of Industry, Skills and Regional Development

DPI = Department of Primary Industries

DPIE = Department of Planning, Industry and Environment

DRNSW = Department of Regional NSW

EES = Environment, Energy and Science

NPWS = National Parks and Wildlife Service

OEH = Office of Environment and Heritage

Numbered columns:

1. Sum of net incurred cost: Total estimate on the claim at the time the claim is submitted to icare (initial reserve raised by Gallagher Bassett)
2. Sum of amount paid: Amount paid on the claim to date
3. Reserve balance: Current outstanding estimate on the claim
4. Sum of amount recovered from third party: Amount recovered from third party on the claim to date

**Table A7–6. Trend of claims for the Department of Industry, Department of Primary Industries, Crown Lands, Crown Lands Coastal Assets, Crown Lands Reserve Trust and Water over a seven-year period**

Property	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Number of claims	106	87	96	79	85	90	106
Cost of claims (sum of net incurred cost)	\$1,254,183	\$1,299,013	\$828,566	\$784,913	\$510,621	\$4,620,542	\$10,384,631
<b>Sum of Amount Paid</b>	<b>\$1,916,170</b>	<b>\$1,825,690</b>	<b>\$1,825,690</b>	<b>\$2,149,420</b>	<b>\$2,407,030</b>	<b>\$2,475,155</b>	<b>\$2,071,925</b>

Table A7–6 shows the trend of claims for the Department of Industry, Department of Primary Industries, Crown Lands, Crown Lands Coastal Assets, Crown Lands Reserve Trust and Water over a seven-year period (where data is available from icare).

These claims and contribution amounts are static at the time of reporting and as claims settle, the data will change on the icare portal. For example, for the 2020–21 financial year, the figures in the previous financial years will fluctuate, depending on the date of final claim costs and when the incident occurred.

The spike in the claims during 2019–20 relates primarily to Crown Lands claims for building collapse, water damage, fire, storm and flood damage.

**Table A7–7. Trend of claims: Lands and non-Lands**

Contribution	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Lands contribution (Crown Lands, Reserve Trusts & Coastal Infrastructure)	\$868,240	\$813,570	\$1,128,650	\$1,524,970	\$1,739,610	\$1,609,578
Non-lands contribution (other than Crown Lands e.g. Department of Industry, Department of Primary Industries)	\$957,450	\$1,012,120	\$1,020,770	\$882,060	\$735,545	\$442,347

**Table A7–8. Trend of claims for the Office of Environment & Heritage, National Parks and Wildlife Services, Science, Conservation and Regional Delivery,**

Property	2013–14	2014–15	2015–16	2016–2017	2017–2018	2018–2019	2019–2020
Number of claims	195	198	242	235	231	214	434
Cost of claims (sum of net incurred cost)	\$2,112,308	\$2,150,854	\$4,774,740	\$11,728,110	\$8,095,179	\$4,534,881	\$127,662,786
<b>Sum of Amount Paid</b>	<b>\$2,112,808</b>	<b>\$2,145,893</b>	<b>\$4,651,003</b>	<b>\$6,190,057</b>	<b>\$4,506,987</b>	<b>\$1,917,988</b>	<b>\$1,682,082</b>

Table A7–8 shows the trend of claims for the Office of Environment & Heritage—National Parks & Wildlife Services, Science, Conservation & Regional Delivery, and National Parks and Wildlife Services Roads over a seven-year period (where data is available from icare). These claims and contribution amounts are static at the time of reporting and as claims settle, the data will change on the icare portal.

The spike in the claims during 2019–20 relates primarily to bushfires and storm damage. Bushfires declared under section 44 of the *Rural Fires Act 1997* doubled from the previous years. In February 2020, an east coast low hit NSW. While the rain helped extinguish many bushfires that were still burning, the extensive flooding damaged various properties such as roads, fire trails, camping grounds and offices.

### NSW Land and Housing Corporation insurance activities

The Land and Housing Corporation's insurance policies for the 2019–20 financial year are provided through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies.

### Aboriginal Housing Office insurance activities

The Aboriginal Housing Office's insurance policies for the 2019–20 financial year are provided through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies.

## Appendix 8. Internal audit and risk policy attestation

### NSW Department of Planning, Industry and Environment

The internal audit function provides independent and objective assurance and advisory services to the Secretary and the Executive Leadership team. A key responsibility during 2019–20 was delivering and reprioritising a program of risk-based internal audits for the Department and the related agencies for which the Department provides audit services, with attention to the impacts of COVID-19.

Audit and advisory services were delivered under a co-sourced delivery model involving in-house and external service providers. Internal audit also supported three Audit and Risk Committees to ensure the implementation of internal and external audit recommendations. Reports about how to better manage risks, business processes and internal controls were provided to management, the Executive Leadership team and the quarterly meetings of the Audit and Risk Committee in accordance with its charter.

During the reporting period, the Department established a principal, Department-led shared Audit and Risk Committee. This committee complied with the NSW Treasury's *Internal Audit and Risk Management Policy for the NSW Public Sector* (TPP 15-03) and *Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees* (TPP 16-02).

The Audit and Risk Committee gives the Secretary, or other accountable agency head, independent advice. It does so by monitoring, reviewing and providing advice about the Department's governance processes, risk management and control frameworks, and external accountability obligations. All are independent members listed on the panel of prequalified individuals that NSW Treasury maintains.

The Audit and Risk Committee met four times in 2019–20.

In addition, recent machinery of government changes created the Department of Regional NSW on 2 April 2020. For this, transitional arrangements were in place to provide adequate oversight for agencies that both joined and transferred from the Department of Planning, Industry and Environment.

## Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for the Department of Planning, Industry and Environment

I, Jim Betts, Secretary, am of the opinion that the Department of Planning, Industry and Environment has internal audit and risk management processes in operation that are, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

### Core Requirements

#### Risk Management Framework

- |     |  |                  |
|-----|--|------------------|
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency  | <b>Compliant</b> |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | <b>Compliant</b> |

#### Internal Audit Function

- |     |  |                  |
|-----|--|------------------|
| 2.1 | An internal audit function has been established and maintained   | <b>Compliant</b> |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | <b>Compliant</b> |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'  | <b>Compliant</b> |

#### Audit and Risk Committee

- |     |   |                  |
|-----|---|------------------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established   | <b>Compliant</b> |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations | <b>Compliant</b> |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'   | <b>Compliant</b> |



## Membership

The Chair and members of the Audit and Risk Committee are:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Penny Hutchinson	1 February 2020	31 January 2023
Independent Member	Brian Blood	1 February 2020	31 January 2023
Independent Member	Julie Elliott	1 November 2019	31 October 2023
Independent Member	Alan Zammit	1 November 2019	31 October 2023

This Audit and Risk Committee has been established under a Treasury approved principal department led shared arrangement with the following statutory bodies:

- Department of Planning, Industry and Environment
- Land Administration Ministerial Corporation
- Environmental Trust
- Lord Howe Island Board
- Ministerial Development Corporation
- Water Administration Ministerial Corporation.



Jim Betts  
**Secretary**

Date: 15/9/2020

Agency Contact:

Simonne Daly  
Executive Director Governance  
02 9585 6184

## NSW Land and Housing Corporation

### Fraud control and corruption prevention

The NSW Land and Housing Corporation has a Fraud and Corruption Framework that aligns to Treasury Circular TC18-02 NSW Fraud and Corruption Control Policy. The Land and Housing Corporation has identified and monitors its key fraud and corruption prevention strategies and controls.

### Audit and Risk Committee

The Land and Housing Corporation Audit and Risk Committee (ARC) monitors, reviews and provides oversight on the Land and Housing Corporation's governance processes, risk management, control frameworks, annual financial statements and internal audit charter in accordance with the requirements of NSW Treasury Policy TPP 15-03, *Internal Audit and Risk Management Policy for the NSW Public Sector*.

Five Audit and Risk Committee meetings were held in 2019–20, with the number of meetings each member attended as follows:

**Table A8–1. Audit and Risk Committee attendance**

Name	Role	Meetings attended
Carol Holley (Appointed 1 November 2019)	Independent Chair	3
Christine Feldmanis (Term expired 31 October 2019)	Independent Chair	1
Peter Scarlett	Independent Member	5
Dianne Hill	Independent Member	5

## Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for the New South Wales Land and Housing Corporation

I, Jim Betts, Secretary, am of the opinion that the New South Wales Land and Housing Corporation has internal audit and risk management processes in operation that are, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

### Core Requirements

<b>Risk Management Framework</b>		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	<b>Compliant</b>
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	<b>Compliant</b>
<b>Internal Audit Function</b>		
2.1	An internal audit function has been established and maintained	<b>Compliant</b>
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	<b>Compliant</b>
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	<b>Compliant</b>
<b>Audit and Risk Committee</b>		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	<b>Compliant</b>
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	<b>Compliant</b>
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	<b>Compliant</b>

## Membership

The Chair and members of the Audit and Risk Committee are:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	01/11/2019	29/03/2023
Independent Chair (Term Concluded)	Christine Feldmanis	01/11/2016	31/10/2019
Independent Member	Peter Scarlett	17/12/2013	29/03/2023
Independent Member (Term Concluded)	Dianne Hill	27/05/2014	17/04/2020
Independent Member	Alan Zammit	30/03/2020	29/03/2023

**Note:** The New South Wales Land and Housing Corporation Audit and Risk Committee has transitioned to the DPIE Housing Collaborative Audit and Risk Committee from 1 July 2020. As part of this transition the term for continuing members has been set from 30/03/2020 to 29/03/2023.



Jim Betts  
**Secretary**

Date: 15/9/2020

Agency Contact:

Simonne Daly  
Executive Director Governance  
02 9585 6184

## Aboriginal Housing Office

### Internal Audit

During the reporting period, the Aboriginal Housing Office had an internal audit function in accordance with the *Internal Audit and Risk Management Policy for the NSW Public Sector* (TPP15-03). The internal audit function is governed by the charter approved by the Chief Executive Officer.

Following the machinery of government changes in 2019, the Aboriginal Housing Office was officially brought under the remit of the Department of Planning, Industry and Environment. The Chief Audit Executive and internal audit function for the Aboriginal Housing Office is provided by the Department's Internal Audit Branch, within the Governance and Legal group.

The internal audit function provides independent and objective review and advisory services designed to improve operations, risk management, controls and governance processes.

### Audit and Risk Committee

The Aboriginal Housing Office Audit and Risk Committee (ARC) is established within the Housing and Property group of the Department of Planning, Industry and Environment. The ARC monitors, reviews and provides oversight on the Aboriginal Housing Office's governance processes, risk management, control frameworks, annual financial statements and internal audit charter.

**Table A8–2. Audit and Risk Committee**

Name	Role
Carol Holley	Chairperson
Alan Zammit AM	Member
Peter Scarlett	Member

A local ARC is also established with meetings aligned to the ARC requirements of the Department and its Housing and Property group.

## Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for the Aboriginal Housing Office

I, Jim Betts, Secretary, am of the opinion that the Aboriginal Housing Office has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

### Core Requirements

#### Risk Management Framework

- |     |  |                  |
|-----|--|------------------|
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency  | <b>Compliant</b> |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | <b>Compliant</b> |

#### Internal Audit Function

- |     |  |                      |
|-----|--|----------------------|
| 2.1 | An internal audit function has been established and maintained   | <b>Non-Compliant</b> |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | <b>Compliant</b>     |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'  | <b>Compliant</b>     |

#### Audit and Risk Committee

- |     |   |                      |
|-----|---|----------------------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established   | <b>Non-Compliant</b> |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations | <b>Compliant</b>     |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'   | <b>Compliant</b>     |



## Membership

The Chair and members of the collaborative shared Audit and Risk Committee are:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30/03/2020	29/03/2023
Independent Member	Peter Scarlett	30/03/2020	29/03/2023
Independent Member	Alan Zammit	30/03/2020	29/03/2023

**Note.** Audit and Risk Committee oversight for AHO was previously provided by the former Department of Family and Community Services ARC which continued to meet in the latter half of 2019 to complete the 2018-19 financial reporting cycle. AHO transitioned to the DPIE Housing collaborative shared Audit and Risk Committee in early 2020.

## Departures from Core Requirements

I Jim Betts, Secretary, advise that the internal audit and risk management processes for the Aboriginal Housing Office depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*:

The circumstances giving rise to these departures have been determined by the Portfolio Minister and the Aboriginal Housing Office has implemented the following practicable alternative measures to meet the core requirements:

Departure Non-compliant	Reason for departure and description of practicable alternative measures being implemented
Core Requirement 2.1 Internal Audit Function	<p>An internal audit function has been established and maintained.</p> <p>The Department of Planning, Industry and Environment's (the Department) Director responsible for internal audit will fulfil the role of Chief Audit Executive for the Aboriginal Housing Office (AHO).</p> <p>The CAE has direct access to the AHO Agency Head who is supported by the internal audit function.</p> <p>The AHO is overseen by and included within the scope of the Department's internal audit program.</p>
Core Requirement 3. 1 Audit and Risk Committee	<p>An independent Audit and Risk Committee with appropriate expertise has been established.</p> <p>A collaborative shared Audit and Risk Committee will provide independent oversight and advice on the operations of the AHO.</p> <p>The AHO is a party to the collaborative shared Audit and Risk Committee.</p>

	<p>The Audit and Risk Committee will review the financial statements and provide support to the AHO, to manage risk. Internal audit and financial management activities.</p> <p>This shared arrangement is made up of agencies with housing responsibilities and is supported by the Departments secretariat unit.</p>
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These processes including the practicable alternative measures demonstrate that the Aboriginal Housing Office has established and maintained frameworks including systems processes and procedures for appropriately managing audit and risk within the Aboriginal Housing Office.

*Jim Betts*

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**Jim Betts**  
**Secretary**

Date: 15/9/2020

Agency Contact:

Simonne Daly  
Executive Director Governance  
02 9585 6184

## Ministerial Agreement to Exceptions

### Aboriginal Housing Office compliance with the Internal Audit and Risk Management Policy for the NSW Public Sector

I, Melinda Pavey MP, Minister for Water, Property and Housing am of the opinion that the Aboriginal Housing Office has established internal audit and risk management processes that are compliant with the core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, excluding the exceptions described below.

	Core Requirements	Compliance
1.1	The Agency Head is ultimately responsible and accountable for risk management in the agency.	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009.	Compliant
2.1	An internal audit function has been established and maintained.	Non-compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing.	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
3.1	An independent Audit and Risk Committee with appropriate expertise has been established.	Non-compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the Agency Head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the model charter.	Compliant

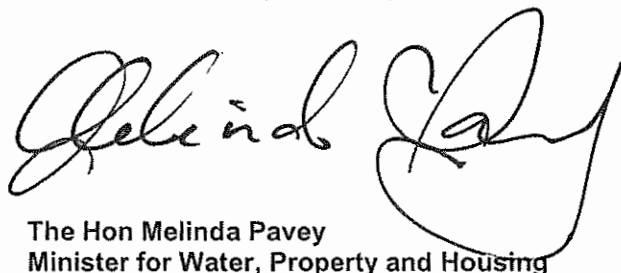
I note that the following alternative arrangements have been established to achieve outcomes equivalent to the requirements in the following areas:

Summary of alternative arrangements	How the alternative arrangements will achieve equivalent outcomes
<p>An internal audit function has been established and maintained.</p> <p>The Department of Planning, Industry and Environment's (the Department) Director responsible for Internal Audit will fulfil the role of Chief Audit Executive (CAE) for the Aboriginal Housing Office.</p>	<p>The CAE has direct access to Aboriginal Housing Office Agency Head who is supported by the Department's internal audit function.</p> <p>The Aboriginal Housing Office is overseen by and included within the scope of the Department's internal audit program.</p>

Summary of alternative arrangements	How the alternative arrangements will achieve equivalent outcomes
<p>An independent Audit and Risk Committee with appropriate expertise has been established.</p> <p>A collaborative shared Audit and Risk Committee will provide independent oversight and advice on the operations of the Aboriginal Housing Office.</p>	<p>Aboriginal Housing Office is party to a collaborative shared Audit and Risk Committee.</p> <p>The Audit and Risk Committee will review the financial statements and will provide support to the Aboriginal Housing Office to manage risk, internal audit and financial management activities.</p> <p>This shared arrangement is made up of agencies with housing management responsibilities and is supported by the Department's secretariat unit.</p>

I am of the opinion that the practicable alternative measures implemented demonstrate that the Aboriginal Housing Office has established frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Aboriginal Housing Office.

These exceptions to the core requirements of the *Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03)* are valid for the financial years (2020-2022)<sup>1</sup>.



The Hon Melinda Pavey  
Minister for Water, Property and Housing

Agency contact officer: Executive Director Governance  
Department of Planning Industry and Environment

<sup>1</sup> Exceptions may be sought for a maximum of two financial years.



## Cyber Security Annual Attestation Statement for the 2019-2020 Financial Year for Department of Planning Industry and Environment

I, Jim Betts, am of the opinion the Department of Planning Industry and Environment (DPIE) have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of DPIE.

Risks to the information and systems of DPIE have been assessed and are managed.

There exists a current cyber incident response plan for DPIE which has been tested during the reporting period.

The DPIE Cluster Corporate Services has maintained certified compliance with ISO 27001 Information technology – Security techniques – Information security management systems – Requirements by an Accredited Third Party (BSI) during the 2019/2020 financial year (Certificate Number is IS 645082).

This attestation covers the following departments and agencies:

- Aboriginal Housing Office
- Biamanga National Park
- Boundaries Commission
- Cape Byron Reserve Trust
- Crown Lands Trusts
- Department of Planning, Industry and Environment
- Department of Regional NSW (prior to 02 April 2020)
- Destination NSW
- Gaagal Wanggan National Park
- Gulaga National Park
- Independent Planning Commission
- Jervis Bay National Park
- Lands Administration Ministerial Corporation
- Local Government Remuneration Tribunal
- Mootwinjie National Park
- Mt Grenfell Historic Site
- Mt Yarrowyck Nature Reserve
- Mungo National Park
- NSW Land and Housing Corporation
- Office of Strategic Lands (Planning Ministerial Corporation) (Corporation Sole)
- Regional Planning Panels (Northern, Southern, Western Hunter and Central Coast)
- Sydney District Planning Panels (Eastern City, North, South, Central City, West)

- Threatened Species Scientific Committee
- Water Administration Ministerial Corporation
- Wentworth Park Sporting Complex Land Manager
- Worimi Conservation Lands Board of Management

Jim Betts

A handwritten signature in black ink, appearing to read "Jim Betts".

Secretary

NSW Department of Planning, Industry and Environment

28/8/2020



## Appendix 10. Evaluation and improvement

The Department of Planning, Industry and Environment conducts periodic evaluations of its programs in compliance with Treasury Circular (TC18-03 Program Evaluation) to encourage consistent and transparent evaluation that fosters evidence-based decision-making and continuous improvement. The Department evaluates both existing and new programs to assess their continued relevance, relationship to government and related agency priorities, and efficiency and effectiveness in delivering outcomes.

The Department prioritises, plans and conducts these evaluations in line with the *NSW Government Program Evaluation Guidelines* under the Treasury Circular. This also involves the Department preparing an annual evaluation schedule to include in the sector-wide schedule that the NSW Government approves.

The Department completed evaluations of the following programs from the schedule in 2019–20:

- Local Infrastructure Renewal Scheme
- ePlanning program—NSW Planning Portal
- regional planning program
- Water Renewal Taskforce
- Aboriginal Housing Office—Services Our Way
- Decade of Decentralisation policy—Sydney central business district space-reduction program
- Crown Lands Strategic Disposal
- Crown Lands Built Assets Program
- NSW Koala Strategy
- Climate Change Fund—Home Energy Action Program
- Saving our Species.

The Department supports evidence and evaluation practices to ensure programs are achieving their intended outcomes; delivering a net benefit to the NSW community; and providing evidence that informs continuous improvement in program design, delivery and outcomes.

In 2019–20, the Department also implemented activities aimed at building internal capabilities and raising awareness about evidence and evaluation requirements. This included establishing an evaluation community of practice and launching an evaluation toolkit that consists of templates, case studies, resources and evaluation learning materials.

The Department continues to work with NSW Treasury on our evaluations, including in the context of outcomes-based budgeting.

## Appendix 11. Work health and safety

NSW Department of Planning, Industry and Environment

### Workplace incidents

**Table A11–1. Workplace incidents**

Measurement	Result
Lost time frequency rate*	6.43
Lost time incident rate <sup>#</sup>	1.18
Average lost time rate <sup>^</sup>	21.96
No. of lost time incidents	67
Lost time severity rate <sup>†</sup>	141.17

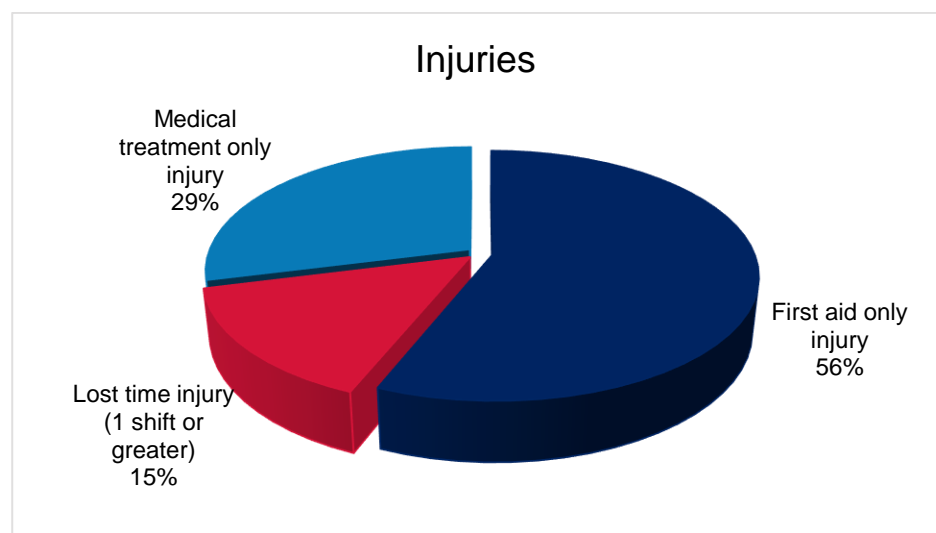
\*The number of lost time incidents per 1,000,000 hours worked

<sup>#</sup>The number of lost time incidents per 100 employees

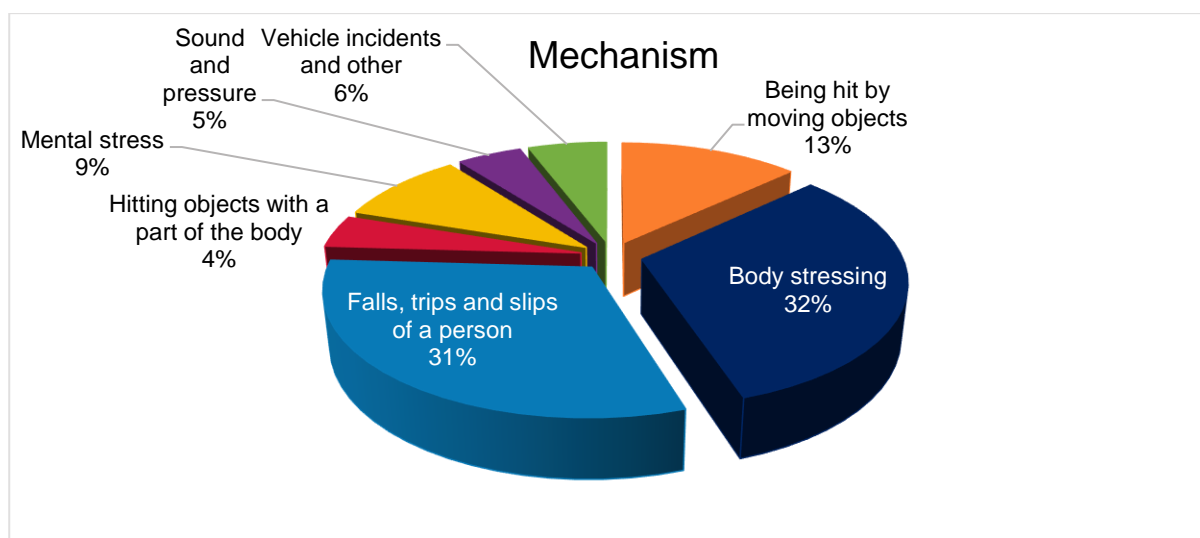
<sup>^</sup>The average lost time rate is time lost in days divided by the number of lost time injuries

<sup>†</sup>The number of days lost per 1,000,000 hours worked

### Injuries reported



**Figure A11–1. Distribution of injuries reported to the Work Health and Safety team in 2019–20**



**Figure A11–2. Mechanism of lost time and medical treatment injuries reported to the Work Health and Safety team in 2019–20**

## NSW Land and Housing Corporation

### Work health and safety performance

During 2019–20, there was an average of 5.7 work health and safety (WHS) events reported each month. This was an improvement from 2018–19, where 6.6 WHS events on average were reported each month. Of WHS investigations, 81% were completed within two weeks of the event being reported.

The lost time injury frequency rate (per million hours worked) was 4.3 in 2019–20, an increase from 3.7 in 2018–19, due to two injured workers not being able to work normal hours for all of 2019–20. One of these workers has now resumed normal hours, while the other is on reduced hours. The Land and Housing Corporation's lost time incident rate (LTIR) is below the NSW Government administration benchmark of 4.9.

The Land and Housing Corporation has not received any prosecutions under the *Work Health and Safety Act 2011*.

### Workers compensation

There were five notifiable workers compensation events for the 2019–20 financial year. Four of these resulted in claims and one was a report-only event. Three of these claims have been closed, while one is still active.

The active claim is driving the total cost incurred (paid to date, plus estimated future costs) of \$86,000, of which approximately \$40,000 has been paid to date.

The Land and Housing Corporation's incidence rate for work-related injury was 0.85 claims per 100 full-time equivalent staff members in 2019–20. This compares favourably against the primary pool rate of 2.8 claims per 100 full-time equivalent staff members.

**Table A11–2. Number of workers compensation claims, costs incurred and average cost at each year**

Claims and costs	2016–17	2017–18	2018–19	2019–20
Total claims (reportable)	6	2	5	4
Total cost incurred (\$)	24,239	2,602	299,702	112,830
Average cost per claim (\$)	4,040	1,301	59,940	28,207

Source: icare Insurance for NSW reporting portal.

## Key work health and safety initiatives in 2019–20

### COVID-19

The Land and Housing Corporation has developed advice for the management of COVID-19 in the office, construction sites, fieldwork and for the cleaning of fleet vehicles.

We have also developed a return-to-work plan for office-based staff and access to community centres and community rooms across the state. Implementation of the plan is subject to appropriate risk mitigations, and final approval by the Department of Planning, Industry and Environment, based on advice from NSW Health.

### Risk management

The Land and Housing Corporation has developed divisional WHS risk registers.

We have reviewed and updated the WHS Management System, including policies, procedures and tools, to align with ISO 45001:2018, Work Health and Safety Regulation 2017 and the *Work Health and Safety Act 2011*. This review and update included over 140 documents and is available to all workers through the Land and Housing Corporation SafetyNet site, located on the corporation's intranet.

A portable duress alarm application for smartphones for is now available to all workers in the field.

### Training

We have improved safety training through the release of the following online courses:

- WHS Foundations\*
- Reporting a WHS Event\*
- COVID-19 Awareness\*
- Managing Workplace violence\* (WRV)
- Investigating a WHS Event
- Safety in the field
- Driving for work
- Asbestos Awareness
- Personal Duress Alarm Webinar

\*Denotes mandatory training.

The Land and Housing Corporation's WHS priorities for 2020–21 include:

- continuing to assess and monitor the risks associated with COVID-19, working towards the implementation of the return-to-work plan
- further automation of forms and reporting
- increasing awareness and consultation across the organisation
- embedding and enhancing the WHS contractor management processes
- enhancing assurance and monitoring of contractor's WHS performance.

## Aboriginal Housing Office

**Table A11–3. Number of workers compensation claims, costs incurred and average cost at each year**

Claims and costs	2016–17	2017–18	2018–19	2019–20
Total claims (reportable)	3	1	2	3
Total cost incurred (\$)	\$20,504	\$104,773	\$10,784	\$102,380
Average cost per claim (\$)	\$3,835	\$104,773	\$5,352	\$34,127

## Appendix 12. Human resources

NSW Department of Planning, Industry and Environment

### Number of officers and employees by category

**Table A12–1. Staff profile by employment basis 2019–20**

Category	2019–20 Headcount as at 30 June 2020
Permanent full-time	4,210
Permanent part-time	532
Temporary full-time	913
Temporary part-time	176
Contract—SES (Senior Executive Service)	0
Contract—non-SES	285
Training positions	68
Retained staff	0
Casual	208
<b>Total</b>	<b>6,392</b>

Note: Does not include statutory bodies listed separately below.

**Table A12–2. Statutory bodies**

Statutory body
Aboriginal Housing Office
Biodiversity Conservation Trust
Cemeteries & Crematoria NSW
Centennial Park and Moore Park Trust
Dams Safety NSW
Hunter and Central Coast Development Corporation
Jenolan Caves Reserve Trust
Land and Housing Corporation



**Statutory body**

Lord Howe Island Board

Place Management NSW

Property NSW

Royal Botanic Gardens and Domain Trust

Sydney Olympic Park Authority

Taronga Conservation Society Australia (Zoological Parks Board)

Teacher Housing Authority of NSW

Waste Assets Management Corporation

Western Sydney Parklands Trust

**Exceptional movements in wages, salaries or allowances**

No exceptional changes apply for 2019–20.

**Numbers and remuneration of senior executives****Table A12–3. Department of Planning, Industry and Environment senior executives 2019–20**

<b>Band</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
Band 4 Secretary	0	1	1
Band 3 Deputy Secretary	8	11	19
Band 2 Executive Director	24	26	50
Band 1 Director	108	107	215
<b>Total</b>	<b>140</b>	<b>145</b>	<b>285</b>

Note: These are the Senior Executive statistics for 30 June 2020. This data is based solely on Senior Executives in their substantive role and band level. This does not include statutory bodies/corporations.

**Table A12–4. Average remuneration of senior executives**

Band	Range 2019–20	Average remuneration 2019–20
Band 4 Secretary	\$487,051–\$562,650	\$605,500
Band 3 Deputy Secretary	\$345,551–\$487,050	\$419,237
Band 2 Executive Director	\$274,701–\$345,550	\$299,170
Band 1 Director	\$192,600–\$274,700	\$221,542

Note: 9.9% of the Department's employee-related expenditure in 2019 was related to Senior Executives.

## Industrial relations

The Department has maintained a productive and consultative approach with the unions that represent our staff throughout the year. Joint consultative committees are conducted at several levels of the Department to ensure the smooth implementation of the machinery of government change that brought together the former Department of Industry, the Department of Planning and Environment, the Office of Environment and Heritage, and the Office of Local Government. The joint consultative committee regularly brought together senior union officials; the Secretary; the Deputy Secretary, People, Performance and Culture; and other senior leaders to consult on issues affecting staff. These issues included management of the Department's budget; new Department of Planning, Industry and Environment policies; and significant restructures and relocations of staff. During the year, the joint consultative committee oversaw the implementation of a new Code of Ethics and Conduct, Public Interest Disclosure Policy and Business Continuity Management Policy and introduced a flexible-working toolkit.

Our sound relationship with the unions ensured their support throughout the COVID-19 pandemic in dealing with the operational changes and human impacts associated with this crisis. This became more manageable for managers and staff when the Department reached consensus with the unions to suspend flexible working hours bandwidth and core time for staff required to work remotely.

## Managing misconduct, unsatisfactory performance and employment tribunal matters

Business unit leaders manage misconduct and unsatisfactory performance matters with the strong support of People Partners and industrial relations advisors. A number of longstanding and complex unsatisfactory performance matters received heightened attention and resources. By the end of the reporting year, most of these complex matters had been resolved. The Department conducted work to introduce a tiered resolution process so that these matters could be resolved in a more effective and timely manner.

The Department's Industrial Relations team managed several Industrial Relations Commission (IRC) matters, including unfair-dismissal applications. Applications were also managed in the NSW Civil and Administrative Tribunal (NCAT). No IRC or NCAT matters resulted in any adverse findings against the Department.

## NSW Land and Housing Corporation

## Number of officers and employees by category

Table A12–5. Staff profile by employment basis

Category	2019–20 Full-time equivalent
Ongoing	459
Temporary	30
Senior Executives <sup>1</sup>	32
Casual	0
Others	0
<b>Total</b>	<b>521</b>

Source: Workforce Profile Report 2019–20, NSW Public Service Commission

<sup>1</sup>In accordance with the *Government Sector Employment Act 2013*, all Senior Executive employees are now subject to common Public Service Senior Executive (PSSE) employment contracts. Where staff are performing higher duties to fill a PSSE position and are not already a PSSE employee, these numbers are not included in this table as Senior Executive employees as they are still covered by their substantive conditions of employment while receiving a notional monetary value equivalent to a Senior Executive position.

## Numbers and remuneration of senior executives

In this section, the definition of Senior Executive is in accordance with the *Government Sector Employment Act 2013*. Former Senior Executive Service (SES) and Senior Officers have transitioned to a four-band structure, with remuneration determined in accordance with the NSW Public Service Senior Executive (PSSE) Remuneration Management Framework. This definition significantly broadens the classification of Senior Executive by including Senior Officers and employees acting in a senior executive role or in a higher band at the end of the reporting year.

Table A12–6. NSW Land and Housing Corporation Public Service Senior Executives 2019–20

PSSE Band	Female	Male	Total
1 (Director)	16	18	34
2 (Executive Director/Chief Executive)	1	6	7
<b>Total</b>	<b>17</b>	<b>24</b>	<b>41</b>

Source: 2019–20 Workforce Profile, NSW Public Service Commission

**Table A12–7. NSW Land and Housing Corporation average remuneration of Public Service Senior Executives 2019–20**

Band	Range 2019–20	Average remuneration 2019–20
Band 1 (Director)	\$178,595–\$274,695	\$227,541
Band 2 (Executive Director)	\$285,995–\$345,549	\$315,689
Band 3 (Chief Executive)	\$486,439–\$486,439	\$486,439

Source: 2019–20 Workforce Profile, NSW Public Service Commission and Land and Housing Corporation establishment

## Aboriginal Housing Office

### Number of officers and employees by category

**Table A12–8. Staff profile by employment basis**

Category	2019–20 Full-time equivalent
Ongoing	63
Temporary	23
Senior Executives <sup>1</sup>	6
Casual	0
Others	0
<b>Total</b>	<b>92</b>

Source: AHO establishment

<sup>1</sup>In accordance with the *Government Sector Employment Act 2013*, all Senior Executive employees are now subject to common Public Service Senior Executive (PSSE) employment contracts. Where staff are performing higher duties to fill a PSSE position and are not already a PSSE employee, these numbers are not included in this table as Senior Executive employees as they are still covered by their substantive conditions of employment while receiving a notional monetary value equivalent to a Senior Executive position.

### Numbers and remuneration of senior executives

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**Table A12–9. Aboriginal Housing Office Public Service Senior Executives 2019–20**

PSSE Band	Female	Male	Total
1 (Director)	2	3	5
2 (Executive Director/Chief Executive)	1	0	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>6</b>

Source: Aboriginal Housing Office establishment.

Band 3 Remuneration based on minimum for range.

**Table A12–10. Aboriginal Housing Office average remuneration of Public Service Senior Executives 2019–20**

Band	Range 2019–20	Average remuneration 2019–20
Band 1 (Director)	\$215,923–\$238,977	\$223,945
Band 3 (Chief Executive)	\$357,719–\$403,826	\$357,719

Source: AHO establishment.

## Appendix 13. Workforce diversity and disability inclusion action plans

The Department is committed to growing, developing and retaining a talented and diverse workforce. Many of the following initiatives will continue to be delivered in the new financial year. A new diversity and inclusion strategy will be created for the Department and its related agencies.

### Diversity and inclusion

The Department:

- established the Harmony Council on 1 June 2020. The Harmony Council is a group of employees, including senior leaders, acting on behalf of the organisation to help manage the diversity and inclusion process. The Harmony Council works to tightly align our business strategy with our diversity and inclusion goals and to embed world-class best practice to accelerate this work.
- launched the flexible-working toolkit in 2019
- launched significant leadership and mentoring programs to enhance the development of women at every level
- established the Flexible Working Champions employee network
- implemented critical initiatives during COVID-19, including:
  - relaxing the core times and working bandwidth to allow for varied start and finish times
  - simplifying the 'Working from home' form
  - enabling the accumulation of flex hours while working from home
  - giving access to equipment to facilitate remote working (monitors and chairs) to all staff
  - captioning and subtitle enablement has been an essential addition to the way we work, facilitate meetings and hold live sessions
  - promoting guidelines outlining how to make meetings more accessible.

**Table A13–1. Trends in the representation of workforce diversity groups**

Workforce diversity group	Benchmark	2018	2019	2020
Women	50%	50.0%	49.7%	51.0%
Aboriginal and/or Torres Strait Islander People	3.3%	5.8%	5.1%	5.3%
People whose first language spoken as a child was not English	23.2%	12.1%	11.7%	12.5%
People with a disability	5.6%	3.1%	2.5%	2.4%
People with a disability requiring work-related adjustment	N/A	1.0%	0.8%	0.8%

- Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
- Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.



- Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
- Note 4: In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: [Jobs for People with Disability: A plan for the NSW public sector](#).<sup>69</sup> The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

**Table A13–2. Trends in distribution index for workforce diversity groups**

Workforce diversity group	Benchmark	2018	2019	2020
Women	100	103	102	104
Aboriginal and/or Torres Strait Islander People	100	75	68	70
People whose first language spoken as a child was not English	100	106	106	105
People with a disability	100	99	101	102
People with a disability requiring work-related adjustment	100	104	105	103

- Note 1: A Distribution Index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
- Note 2: The Distribution Index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.

## NSW Land and Housing Corporation

The Land and Housing Corporation supports cultural and linguistic diversity with continuing and regenerating initiatives. We have been acknowledged for two key awards:

- 2019 National Diversity Award for organisations with over 250 employees from the Property Council of Australia
- 2019 Excellence in Affordable Housing from the Urban Development Institute of Australia—NSW, for the Woolloomooloo Women's Housing Project.

We have also provided cultural and linguistic support as an integral part of our Let's Talk Waterloo community engagement program.

<sup>69</sup> [www.facs.nsw.gov.au/inclusion/disability/jobs](http://www.facs.nsw.gov.au/inclusion/disability/jobs)

**Table A13–3. NSW Land and Housing Corporation workforce diversity statistics**

Equal employment opportunity group	Benchmark/target	2019–20
Aboriginal and Torres Strait Islander people	3.3%	2.7%
People whose first language spoken as a child was not English	23.2%	28.2%
People with disabilities	5.6%	3.8%
People with disabilities requiring work-related adjustment	N/A	2.2%

Source: NSW Public Service Commission Workforce Profile—Diversity Data 2020

## Aboriginal Housing Office

**Table A13–4. Trends in the representation of workforce diversity groups**

Workforce diversity group	Benchmark/target	2019–20
Women	50%	63.2%
Aboriginal and Torres Strait Islander people	3.3%	67.1%
People whose first language spoken as a child was not English	23.2%	7.3%
People with disabilities	5.6%	2.6%
People with disabilities requiring work-related adjustments	N/A	2.6%

Source: NSW Public Service Commission Workforce Profile—Diversity Data 2020

## Aboriginal People and Culture

The Department established the Aboriginal People and Culture team in January 2020. The aim of the team is to lead Aboriginal inclusion policy, strategies and programs to recruit and sustain Aboriginal employment, improve and promote professional development, and champion and embed respect and recognition for Aboriginal cultures within the Department. Since its establishment, the Aboriginal People and Culture team has progressed a number of key outcomes, which are summarised below.

### Department of Planning, Industry and Environment Aboriginal branding

In January 2020, work commenced on a departmental Aboriginal visual identity that was launched during National Reconciliation Week. It is a visual representation of our journey with and alongside Aboriginal people and communities, creating pathways and connecting to Country. Central to the design are the footprints that have symbolic meaning, reminding us that no matter where we are in NSW, we are always on Country—always was, always will be Aboriginal land.

The logo and suite of graphic elements have now been adapted according to the style guide for use within the Department. This will improve engagement with Aboriginal employees and communities more broadly through a range of templates, resources and marketing collateral.

### **Aboriginal Pathways Program**

The Aboriginal Pathways Program was piloted in 2019, recruiting 15 Aboriginal employees across multiple divisions. The program is a model for attracting, supporting and retaining Aboriginal employees within the Department. The pilot program has been independently evaluated and will be strategically expanded to support business priorities and needs using external recruitment and internal staff progression.

### **Nguluway Aboriginal Mentoring Program**

The Nguluway (meeting each other) Aboriginal Mentoring Program provides guidance, encouragement and support through a dedicated network of trusted mentors. The program matches Aboriginal staff with mentors to gain confidence; exposure to new ideas; and guidance on professional development, networks and advancement.

What sets this program apart from others is the sharing of cultural awareness and understanding that can occur between mentors and mentees. Mentors also receive accredited training and support.

The program is currently available only to Aboriginal Pathways participants at this stage. However, we have plans to expand the program in 2020–21.

### **CareerTrackers Aboriginal Intern Program**

CareerTrackers, a non-profit organisation that links Aboriginal and Torres Strait Islander university students with employers, delivers this program.

Interns receive professional support and opportunities to learn and add value to the work of their host agency. Interns receive a career springboard by completing up to 16 weeks of placement during each year of their degree.

### **Disability Inclusion Action Plan (DIAP)**

In 2019–20, the Department launched the Disability Inclusion Action Plan (DIAP) 2019–23. Each division has developed its own DIAP, with leadership support to ensure the practical implementation of the DIAP across the Department and its related agencies. All DIAP initiatives of the NSW Land and Housing Corporation and the Aboriginal Housing Office now fall under the Department of Planning, Industry and Environment.

The Department continues to support and advocate for the Disability Employee Network (DEN), a voluntary staff community for employees with disability and carers. The former Department of Planning and Environment and former Department of Industry DENs came together as one Department of Planning, Industry and Environment DEN in May 2020. DEN membership is growing and has expanded across the Department and its related agencies. In November 2019, the DEN met with senior leaders to share lived experiences and challenges in the workplace.

The Department played an instrumental role in setting up the Public Service Commission's DENconnect online community. This community is for anyone living with disability or their allies to gather online fortnightly to share stories, support each other and ensure that everyone is connected.

The International Day of People with Disability was celebrated with a panel of guest speakers and a video launch of staff sharing their personal experiences of working with disability.

The Department also implemented ‘Stepping Into’ placements and Positive Action towards Career Engagement (PACE) mentoring programs in partnership with the Australian Network on Disability to provide work opportunities for people with disability.

In 2019–20, teams from our Diversity and Inclusion; Corporate Services; and Work Health and Safety areas collaborated on the Department’s relocation to the new Parramatta office to ensure suitable workplace adjustments for staff with disability were met.

In 2019–20, the Department also:

- supported employees with disability by applying for JobAccess government funding to get the tools and equipment necessary to maintain employment
- continued to raise awareness about people with disability through the Australian Network on Disability lunch-and-learn sessions and through the Public Service Commission’s Age of Inclusion campaign
- developed an accessibility checklist to encourage inclusion in online meetings
- conducted the Stepping Into Internship Program
- implemented a Workplace Adjustments Statement and standardised implementation
- conducted a recruitment index process (the Talent Acquisition team in partnership with the Australian Network on Disability) to give recruitment providers the skills and tools to increase their disability confidence, with the result of shortlisting more candidates with disability for roles.

## NSW Land and Housing Corporation

The NSW Land and Housing Corporation is firmly committed to initiatives put in place to ensure that people with disability can access services and participate fully in the community.

Our maintenance contracts focused on social outcomes and over 12.3% of work was undertaken by disability enterprises and/or community service providers.

## Aboriginal Housing Office

The *Disability Inclusion Act 2014* formalises Australia’s commitment to the United Nations Convention on the Rights of Persons with Disabilities and requires the creation of two departmental plans: the NSW Disability Inclusion Plan (DIP) and the Disability Inclusion Action Plan (DIAP).

The Aboriginal Housing Office is committed to making the workplace accessible and inclusive to all abilities, where people feel safe to bring their whole self to work, and we increase the number of Aboriginal and non-Aboriginal people with disability employed and retained in the Aboriginal Housing Office.

The Aboriginal Housing Office’s Disability Inclusion Action plan included:

- Disability awareness—recognise and promote the diversity and abilities of employees, and potential employees, with disability through inclusive organisational culture
- Accessible workplace and inclusive culture—prepare the organisation on an ongoing basis to accept and accommodate employees with a disability
- Employment and development opportunities—support the development of employees with disability in a way that leads to ongoing employment, enhanced performance, professional development and career progression.

The Aboriginal Housing Office’s Disability Inclusion Plan aligns with the National Disability Strategy and with the Department of Planning, Industry and Environment’s Disability Inclusion Action Plan 2019–23 through its commitment to removing barriers so that people with a disability can meaningfully participate and enjoy an inclusive community. Our approach is guided by these

principles and this plan has been developed around the four key outcome areas in the NSW Disability Inclusion Plan:

- liveable communities
- inclusive employment
- attitudes and behaviours
- systems and processes.

## LGBTIQA+<sup>70</sup>

In 2019–20, the Department:

- celebrated the launch of the Mardi Gras festival at an official event on 17 February 2020 and participated throughout Mardi Gras
- served as Secretary Executive sponsor of the Pride in NSW network, an LGBTIQA+ network across the sector
- promoted LGBTIQA+ inclusion and index
- participated in World AIDS Day 2019
- participated in key events to launch the rainbow Waratah emblem
- held the IDAHOBIT 2020 workplace panel discussion, hosted by the Secretary.

## Women

This financial year, the Department held an International Women's Day event across the Department and its related agencies.

The Department participated in the NSW Government Male Champions of Change program, with representatives at the Secretary and Executive Director levels. The initiative works with leaders to redefine the role men play in acting on gender inequality and accelerate the advancement of women into leadership positions.

The Department implemented the Women in Senior Leadership Mentoring Program, which involved 100 participants across the Department of Planning, Industry and Environment; Department of Communities and Justice; and the Department of Regional NSW.

In 2019–20, the Inspiring Women series was launched. The program is open to all employees and features inspiring female leaders sharing their leadership journeys and real-life stories. These sessions draw from the experiences of well-known women leaders from across government and other sectors.

This financial year, the Department hosted information sessions about superannuation and financial wellbeing.

Gender balance has been a high priority in the National Parks and Wildlife Service through its approach to talent development. This will capitalise on the diverse experiences and capabilities within and available to our sector.

<sup>70</sup> Lesbian, gay, bisexual, transgender, intersex, queer and asexual. The plus sign represents anyone who is not included in this definition.

## Appendix 14. Multicultural Policies and Services Program and agreements with Multicultural NSW

The Department is committed to implementing services and programs under its multicultural plan and making a positive difference to the lives of the people of NSW, by ensuring that our work and services in planning, local government and environment address the needs of everyone, including the diverse people and communities we serve in NSW.

All multicultural planning initiatives of the NSW Land and Housing Corporation and Aboriginal Housing Office now fall under the Department of Planning, Industry and Environment.

### Year highlights

- Employee Assistance Program information sessions for employees from refugee backgrounds provided information on getting support, including career-development guidance.
- We raised multicultural awareness across the Department and related agencies on Harmony Day.
- People and communities from culturally and linguistically diverse backgrounds have provided meaningful input into policies and systems through a range of mechanisms. This includes co-design, working in partnership and effective consultation. An example is the Draft Rhodes Precinct Plan with the Infrastructure and Place division. Activities included briefing in Mandarin and follow-up consultation sessions in smaller groups or one-on-one with individuals in both Mandarin and English and translating a brochure in simplified Chinese. Multicultural NSW received and translated approximately 10 community submissions. The team arranged for a few employees who speak fluent Chinese to assist with the engagement to help remove linguistic and cultural barriers. This resulted in positive sentiment from the Chinese community group (more than 100 resident attendees), increased awareness, and meant that they could make submissions or receive feedback in their own language.

### Plans for financial year 2020–21

- Merge all multicultural plans across the Department and related agencies to develop a simplified Department of Planning, Industry and Environment vision for multicultural services.
- Incorporate public sector employment targets for cultural diversity within divisional and strategic plans.
- Make diversity and inclusion learning options available for all staff as part of professional development; this may include cultural awareness, inclusive leadership and participation in language certification through the National Accreditation Authority for Translators and Interpreters (NAATI).
- Continue to engage with community representatives and partner with culturally and linguistically diverse people and communities to develop policies, programs and initiatives.
- Continue to use data from sources including the Australian Bureau of Statistics and the Multicultural NSW Community Profile during early planning stages to understand local demographics and better inform program design, service delivery and consultation.
- Ensure that public services are accessible to people from culturally and linguistically diverse backgrounds by providing language services including translation and interpreting services.



## Appendix 15. Requirements arising from employment arrangements

The NSW Department of Planning, Industry and Environment provided personnel services in 2019–20 to the following entities:

- Aboriginal Housing Office
- Biodiversity Conservation Trust
- Centennial Park and Moore Park Trust
- Hunter Central Coast Development Corporation
- Jenolan Caves Reserve Trust
- Land and Housing Corporation
- Place Management NSW
- Planning Ministerial Corporation
- Property NSW
- Royal Botanic Gardens and Domain Trust
- Taronga Conservation Society Australia
- Teacher Housing Authority of NSW
- Waste Assets Management Corporation
- Western Sydney Parklands Trust.

Additionally, the Department provided personnel services to the following entities from 1 July 2019 to 1 April 2020:

- Rural Assistance Authority
- Border Fence Maintenance Board
- Natural Resources Access Regulator.

## Appendix 16. Research and development

### Office of the NSW Chief Scientist and Engineer

The Research Attraction and Acceleration Program (RAAP) supports innovation and investment in the state's research and development capacity, primarily through the leveraged funding of high-impact research and research infrastructure. In 2019–20, \$16.2 million was allocated to the RAAP.

### High-level, high-impact research excellence

Co-funding of \$8 million was provided to 15 facilities with nodes or headquarters in NSW that were funded through the Commonwealth National Collaborative Research Infrastructure Strategy:

- Australia's Nuclear Science and Technology Organisation (ANSTO) Australian Centre for Neutron Scattering (\$140,000)
- ANSTO Centre for Accelerator Science (\$110,000)
- Australian Astronomical Optics Macquarie University (AAO-MQ) node (\$600,000)
- Australian National Fabrication Facility (ANFF) NSW Nodes Consortium (\$2.15 million)
- Australian New Zealand Clinical Trials Registry (ANZCTR, \$100,000)
- Biologics Innovation Facility (\$100,000)
- Bioplatforms Australia (\$1.5 million)
- Groundwater Infrastructure Program (\$100,000)



- Integrated Marine Observing System (IMOS, \$600,000)
- Intersect Australia for NSW eResearch Nexus Facility (\$175,000)
- Microscopy Australia (formerly, the Australian Microscopy and Microanalysis Research Facility, \$1 million)
- National Imaging Facility (NIF, \$890,000)
- Secure Unified Research Environment (SURE, \$175,000)
- Sydney Cell and Gene Therapy (SCGT), Westmead Research Hub (\$200,000)
- Terrestrial Ecosystem Research Network (TERN, \$160,000).

The University of Sydney received \$3.1 million from the Quantum Computing Fund to continue establishing the Sydney Quantum Academy. The academy is a collaboration between the University of Sydney, the University of New South Wales (UNSW) Sydney, the University of Technology Sydney and Macquarie University. The Sydney Quantum Academy is developing the skilled workforce industry requires to support quantum technology, its translation into commercial products and the establishment of a quantum ecosystem in Sydney. This funding is the second instalment from a total funding pool of \$15.4 million over five years towards the Sydney Quantum Academy.

Funding of \$1.8 million was provided as co-investment support for the following Centres of Excellence (CoE), which received funding through the Australian Research Council (ARC) Centres of Excellence 2020 funding round:

- ARC Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals, The University of Newcastle (\$800,000)
- ARC Centre of Excellence in Synthetic Biology, Macquarie University (\$1 million).

Funding of \$600,000 was provided as co-investment support for the following Cooperative Research Centres (CRCs), which received funding through round 20 of the Commonwealth Department of Industry, Innovation and Science's CRCs Program:

- the Future Food Systems CRC, headquartered at UNSW Sydney (\$300,000)
- the NSW node of the SmartSat CRC, The University of Sydney (\$300,000).

Funding of \$200,000 was provided as co-investment support for the following CRC projects, which successfully received Commonwealth Department of Industry, Innovation and Science's CRCs Program funding. Each of these NSW-headquartered projects received \$50,000:

- innovative development of an autonomous intelligent fire protection system, UNSW Sydney
- Value Australia—sharpening our land and property decisions with artificial intelligence, UNSW Sydney
- artificial intelligence system for rapid diagnostics of disease-causing mites and insects, UNSW Sydney
- OrpeusPOD—more hearts for more patients, UNSW Sydney.

Funding of \$300,000 was provided as co-investment support for the following NSW-based Industrial Transformation Research Program (ITRP) hubs and centre, which successfully received ARC ITRP funding:

- ARC Research Hub for micro recycling of battery and consumer wastes, UNSW Sydney (\$100,000)
- ARC Research Hub to combat antimicrobial resistance, UNSW Sydney (\$100,000)
- ARC Training Centre in Data Analytics for Resources and Environments, The University of Sydney (\$100,000).

A total of \$2.15 million in funding was provided to support three NSW networks:

- NSW Smart Sensing Network, a collaboration of seven NSW universities established in July 2016 (\$700,000)
- NSW Defence Innovation Network, a collaboration of seven NSW universities established in November 2017 (\$800,000)
- NSW Cyber Security Innovation Node—formerly, the Cyber Security Network (\$650,000, final instalment).

A grant of \$377,000 was provided to the Agerris Pty Ltd, a spin-off company from the Australian Centre for Field Robotics at The University of Sydney, to continue the Ag Robotics STEM (science, technology, engineering and mathematics) Program. In its third year, the program delivered coding and agricultural robot operation training to students in 10 regional high schools.

The University of Sydney received \$112,000 to conduct the Australian Semiconductor Industry Feasibility Study to establish a commercial-scale semiconductor foundry in Sydney.

### Science outreach and engagement

- \$159,000 was provided to run the 2019 Premier's Prizes for Science and Engineering, with Scientia Professor Rose Amal of UNSW Sydney awarded NSW Scientist of the Year.
- \$200,000 was provided for the ongoing appointment of the Inspiring Australia NSW Manager, hosted at The University of Sydney.
- \$168,000 in sponsorship was provided to 34 scientific or engineering conferences to take place in NSW in the 2019–20 financial year.
- \$100,000 in sponsorship was provided to the 2020 Science and Engineering Challenge, a series of competitive events between multiple high schools that take place throughout NSW and are run by The University of Newcastle.
- \$100,000 in sponsorship was provided to Engineers Australia to deliver high school STEM outreach activities and Principal Partner status for the major prize at the annual Bradfield Award for engineering excellence.
- \$77,000 was provided to run the NSW Science and Research Breakfast seminars, a series showcasing the work of the state's best and brightest researchers.
- \$37,000 was provided to the Australian Science Media Centre, which provides a training and information resource to journalists for reporting all science-related matters.
- \$26,000 in funding was provided to students or student groups from four NSW high schools to attend STEM-related courses, competitions or events through the Supporting Young Scientists Program.
- \$16,000 in sponsorship was provided to The Royal Society of NSW and Four Academies Forum. This covered 2019–20 and an unpaid invoice from 2018–19.
- \$5,000 was provided to Inspiring Australia for online presentation training (which COVID-19 made necessary) for producers of NSW events during National Science Week.

The Science and Engineering Student Competition Sponsorship Program and the National Youth Science Forum were both cancelled in 2020 due to the COVID-19 pandemic. The Science and Engineering Student Competition Sponsorship Program provides sponsorship to teams of university students attending international or domestic competitions. The National Youth Science Forum is a competitive summer-school program with the Office of the NSW Chief Scientist and Engineer supporting NSW high school participants. The 2018–19 funding for these events was \$100,000 and \$25,000, respectively.

## Geological Survey of NSW

### Collaboration

In 2019–20, the Geological Survey of NSW (GSNSW)<sup>71</sup> participated in numerous geoscientific collaborations.

### MinEx CRC

The MinEx Cooperative Research Centre (MinEx CRC) was launched in October 2018. It is the world's largest exploration, geoscience and technology collaboration, with committed expenditure of almost \$220 million across its 10-year life. Participants include major and mid-tier mining companies; mining equipment, technology and services (METS) providers; Geoscience Australia; all Australian state and territory geological surveys; the CSIRO;<sup>72</sup> and major Australian universities.

MinEx CRC aims to enable mineral discovery in Australia's covered terranes by:

- developing more productive, safer and environmentally friendly drilling methods, including coiled-tubing drilling technology, to discover and drill out deposits
- developing new technologies for collecting data while drilling
- drilling to collect vital data in underexplored areas of potential mineral wealth through the National Drilling Initiative, a world-first collaboration of geological surveys, researchers and industry.

The GSNSW is a major participant in MinEx CRC, with a planned investment of \$16 million over its 10-year life. From 2019 to 2028, the GSNSW will progressively conduct an extensive program of geological, geochemical and geophysical data acquisition and drilling across five areas in central and far west NSW. These areas are covered extensions of known mineralised areas (where rocks that host metal deposits are buried under younger rocks and soil).

In 2019–20, the GSNSW, in collaboration with Geoscience Australia, completed the largest airborne electromagnetic (AEM) survey ever flown in NSW—over the Cobar Basin. The data from this survey has been publicly released and will be used by GSNSW to help refine its planned National Drilling Initiative program in north and south Cobar. GSNSW also completed a review of legacy data across the five MinEx CRC areas to inform its future work program and undertook a water bore hydrogeochemical sampling program across the Cobar Basin.

Dr Alicia Caruso commenced as a MinEx CRC Embedded Researcher at the University of Newcastle on 15 January 2020, working within GSNSW to establish best available surface, regolith and cover data through the Greater Cobar Basin.

A series of MinEx CRC PhD and Honours projects are also underway at the University of Newcastle (UoN). Millicent Crowe (UoN) began her PhD in January to enhance AEM inversion techniques and calibrate the survey data with geological and groundwater to optimise interpretation and 3D models. Four UoN Honours projects are underway, including two using HyLogger™ data in the Greater Cobar area to characterise cover and basement geology. There is another Honours project looking at a key basalt unit in the Koonenberry Belt of far-western NSW, while the fourth project is investigating Siluro-Devonian rifting in the Tumut area.

In other MinEx CRC collaborative research, Joe Schifano (University of NSW) has collected and analysed over 2,000 biochemical samples (cypress pine) across the Greater Cobar area for his PhD project. Two University of Adelaide Honours projects are studying the geochronology, chemostratigraphy, shale and carbonate geochemistry on the Neoproterozoic sequences in the

<sup>71</sup> Geological Survey of NSW was transferred to the new Department of Regional NSW on 2 April 2020.

<sup>72</sup> Commonwealth Scientific and Industrial Research Organisation

Broken Hill area. These projects will help cross-basin correlations and identify key geochemical traps (for example, redox gradients).

### **AusLAMP**

The Australian Lithospheric Architecture Magnetotelluric Project (AusLAMP) aims to establish baseline deep crustal conductivity between 11 km and 100 km deep across Australia. This will help geoscientists better understand the geological evolution of the Australian continent aid mineral explorers. GSNSW and Geoscience Australia are working together under a National Collaborative Framework agreement to acquire data at 320 station locations in NSW, which will be included in the national model.

As at 30 March 2020, data had been acquired for 193 stations in the southern half of the state and a preliminary 3D conductivity model has been created. In May 2020, Geoscience Australia and GSNSW geophysicists published a research paper interpreting the tectonic implications of the model in an international journal. Data for a further 127 stations will be collected by December 2020 to complete statewide coverage.

### **South-east Lachlan Crustal Transect**

Over 600 km of new seismic reflection data were acquired in May 2018 over the south-east Lachlan Crustal Transect across north-eastern Victoria and south-eastern NSW. The survey is a collaborative project between Geoscience Australia, GSNSW, the Geological Survey of Victoria, and AuScope to better understand the deep structure of the Australian continent. To further improve the deep crustal interpretation and tie it to the AusLAMP dataset, in May 2019, gravity measurements were collected along the transects at 200-metre and 400-metre intervals.

The data and interpreted results was presented in September 2019 at the Discoveries in the Tasmanides Conference in Wagga Wagga, and planning is underway for a magnetotelluric survey in October 2020.

### **The Wandsworth Supervolcano: Catastrophic climate change and critical metals**

GSNSW is taking part in a collaborative study on the Wandsworth Volcanic group in New England, NSW. Its research partners include the University of New England, Boise State University and Geoscience Australia.

The massive volcanic eruptions began just before the Permo-Triassic mass extinction event 251 million years ago, which killed most of the world's land and sea life and ended coal formation in eastern Australia. The Wandsworth Volcanic group hosts deposits of tin, tungsten, molybdenum, and bismuth, which are important metals for alternative technologies and renewable energy. The project will seek to identify mineral potential within the volcanic units and better understand volcanism's role in driving major climate change events.

### **PALM palaeomagnetic laboratory**

The PALM (palaeo-archaeo-litho-magnetic) laboratory at the Newcastle Institute for Energy and Resources uses palaeomagnetism to help constrain geological models and aid the accuracy of exploration drill targeting. It is externally funded through the Institute of Frontiers Geoscience, Newcastle.

From July 2019 to March 2020, the PALM laboratory analysed 150 palaeomagnetic samples in support of the Codes-Macquarie Australian Research Council (ARC) Linkage project and 60 petrophysical samples for internal GSNSW projects. Work undertaken in the laboratory resulted in two publications in peer-reviewed international scientific journals in the reporting period.

## **Illuminating AusLAMP**

Beginning in 2018–19, Illuminating AusLAMP is a three-year collaborative effort, of the University of NSW, Macquarie University, Monash University, the Geological Survey of South Australia, Geoscience Australia, GSNSW, the Northern Territory Geological Survey, and the CSIRO.

The project will leverage GSNSW's investment in AusLAMP by investigating the possible sources of conductivity and resistivity anomalies in the deep crust. It will also support informed interpretation of the AusLAMP 3D resistivity models, driving new ideas about tectonic evolution and the location of possible new mineral provinces. New data from the AusLAMP project has been obtained by the modelling teams at the University of NSW and Macquarie University and is being processing ready for inversion modelling with passive seismic data.

## **Codes—Macquarie Australian Research Council Linkage project**

GSNSW is part of a collaboration with academia, industry, and other government geoscience agencies for the 2016–20 Codes-Macquarie ARC Linkage project called 'Ore deposits and tectonic evolution of the Lachlan Orogen.'

The project is led by the University of Tasmania's Australian Research Council (ARC) Centre of Excellence in Ore Deposits (CODES). It has delivered significant new data on the age of rocks and ore deposits, mineral chemistry, and geophysical data across key regions of high mineralisation potential in central NSW, including specific mineral deposits such as Lake Cowal and Northparkes. Some highlights of the project include:

- collection of >10,000 pyrite epidote and chlorite analyses providing information on fertility for porphyry and volcanic-hosted massive sulphide deposits throughout southeast Australia
- the discovery of new Cambrian island arc rocks beneath the Ordovician rocks of the Macquarie Arc
- the creation of new fertility maps for porphyry deposits in New South Wales
- the creation of a tectonic model in the G-Plates software allowing reconstruction of ore deposit fertility maps data back in time to their configuration 445 million years ago.

The project's final meeting was held in Hobart on 11–12 March 2020. Project results will be incorporated into GSNSW's online data systems and mineral potential studies to make mineral exploration and discoveries more efficient.

## **Loop consortium**

The Loop consortium brings together geological surveys and research institutions from Australia, Canada, France, Germany, and the UK for a new Open Source initiative to build the next generation of 3D geological modelling tools.

Collaborative partners include GSNSW, Geoscience Australia, AuScope, MinEx CRC, the University of Western Australia, Monash University, Aachen University (Germany), and the geological surveys of Britain, Canada, France (BRGM), Northern Territory, South Australia and Western Australia.

The three-year project, supported by an ARC Linkage grant, began in 2018–19. It will enable field geologists, academic and government researchers, explorers, resources modellers, and managers to better define their 3D geological environment and optimise data and knowledge acquisition. To date, the data structure and software architecture has been designed, and a user-friendly interface has been created. Testing has begun on example 3D models.

## **Government Geotechnical Report Database project**

The Government Geotechnical Report Database (GGRD) project, which commenced in July 2018, secures and provides access to NSW Government geotechnical reports and data. It establishes a new geotechnical report data collection through the GSNSW online document archive (DiGS®).



It also sets procedures for receiving reports and data from government agencies, harvesting of geotechnical data, and developing 3D geotechnical models. GSNSW is leading this project as Chair of the NSW Committee for Coordination of Government Geoscience Programs, which includes representatives from all NSW Government agencies that undertake geoscientific work.

A memorandum of understanding between the Department of Planning, Industry and Environment; Transport for NSW; and Australian Rail Track Corporation (ARTC) was finalised in January 2020. This brought together seven agencies including ARTC, Resources and Geoscience, Public Works Advisory, Sydney Water, Roads and Maritime Services, Sydney Trains and Sydney Metro to develop and implement the GGRD project.

As of 30 March 2020, nearly 3,400 legacy government geotechnical reports and plans from Public Works Advisory were publicly available via DiGS® and Resources and Geoscience's MinView online spatial viewer. Initial feedback suggests visibility of these reports through MinView has already enabled geotechnical engineers to identify potential risks and produce more detailed project cost estimates in the initial project planning stages than was possible previously.

The planned project completion date is 30 June 2022. Further on, the project aims to create 'super dial-before-you-dig' urban subsurface geotechnical/geological models of Australia's major cities to reduce risk in planning for future construction projects.

### **AuScope National Virtual Core Library**

The AuScope National Virtual Core Library (NVCL), which began in 2009, is an ongoing collaborative infrastructure project led by the CSIRO involving all of Australia's geological surveys. It supports mineral exploration by researching Australian mineral systems through extensive hyperspectral logging and imaging of archival and newly submitted drillcore. GSNSW operates the NSW node of the NVCL at its Londonderry Core Library.

Core throughput averages around 20,000 metres a year, and in the reporting period reached over 23,500 metres—a record outcome for the team—with data from over 492 NSW drill holes now publicly available through the national AUSGIN (Australian Geoscience Information Network) Geoscience Portal. Results from the NVCL underpin GSNSW's mineral system studies in the Cobar region and will comprise an important component of GSNSW's participation in the MinEx Cooperative Research Centre.

### **Mineral potential mapping**

The Mineral Potential Mapping project, a collaboration between GSNSW and Kenex, aims to understand the areas of NSW with the most potential to host significant mineralisation. Built-for-purpose mineral system models are prepared and used to distil the vast knowledge and data available into scientifically defensible maps. These maps can be used for land-use planning, improved mineral system studies, and the reduction of exploration risk by generating targets and prospective tracts.

The project began in 2016–17 and will conclude in 2019–20. In the reporting period the mineral potential of the Riverina and Cobar regions have been investigated. The results will be available in digital reports and spatial data, as well as maps on MinView.

## **Environment, Energy and Science**

The Department's Environment, Energy and Science group leads an innovative research and development program. Environment, Energy and Science partners with a range of external institutions to solve problems and deliver environmental science, evidence and insights and for NSW as well as Australia.

Environment, Energy and Science is developing a Knowledge Strategy to guide research and development, to increase organisational foresight, partnerships, policy and decision making. The strategy will concentrate on four key themes:

1. Biodiversity, conservation and land use
2. Climate change and energy
3. Healthy waterways and coasts
4. Environment protection science.

Our research directly supports Environment, Energy and Science objectives, including:

- producing the best available scientific evidence and tools to help us make decisions affecting the health of the NSW environment
- building on our knowledge and our research through partnerships with government colleagues, universities and the broader science research community
- working with communities, businesses and governments to protect and strengthen the NSW natural environment.

In 2019–20, Environment, Energy and Science delivered over 30 peer-reviewed articles, sharing the results of various projects and collaborations and showcasing our industry leading work.

### **Biodiversity, conservation and land use**

During the 2019–20 bushfires, our Bushfire Science Taskforce rapidly produced data, information and communication products to support conservation actions and public understanding of the effects. All data produced during this time, as well as the existing datasets used in our analyses, assessments and advice, are available through the central resource for Sharing and Enabling Environmental Data (SEED) in [an accessible compendium](#).<sup>73</sup>

Building on our work with NSW Rural Fire Service, we brought the Google Earth Engine Burnt Area Map (GEEBAM) and Fire Extent and Severity Mapping (FESM) online. These data products were used to inform urgent conservation actions and wildlife care in fire-affected areas. The maps identify areas with usable refuges for wildlife habitat inside the fire ground, and areas where we can release injured wildlife. These data products were used to support rapid responses at the height of the crisis.

Our assessment methods for the prioritisation of post-fire recovery for species and ecological communities was developed into a national framework.

We quickly created models for post-fire soil sheet erosion as the result of heavy rain, helping WaterNSW take preventative actions to protect water quality.

Working with NSW Health, our air-quality monitors and emergency monitoring stations were able to provide near-real time data to local communities, giving accurate and timely advice.

To support South Coast oyster growers and local councils in their post-fire recovery efforts and the heavy rains that followed, we rapidly assessed catchments for risk of water-quality impacts and started monitoring at very high-risk sites.

Environment, Energy and Science leverages its partnership with the NSW Bushfire Risk Management Hub, based at the University of Wollongong. This hub is a unique, state-focused collaboration between the Department of Planning, Industry and Environment; leading research institutions; fire management agencies; and bushfire experts.

This year, the hub has produced cutting-edge research to support the NSW Bushfire Inquiry. Ongoing analysis includes an assessment of the effect of the fires on all ecological communities, to prioritise communities for monitoring and recovery action. An assessment of the potential for future fire effects on threatened plant species, and research into fire severity and spread are also contributing to NSW's future responses to bushfire catastrophe.

<sup>73</sup> [www.seed.nsw.gov.au/need-help/finding-and-using-data/bushfire-related-datasets](http://www.seed.nsw.gov.au/need-help/finding-and-using-data/bushfire-related-datasets)



Environment, Energy and Science released the first [Biodiversity Outlook Report](#)<sup>74</sup> as part of the world-leading [Biodiversity Indicator Program](#),<sup>75</sup> marking the first time NSW has assessed biodiversity at a statewide scale. The release of the Outlook Report was accompanied by the [Fire and the Environment Summary](#),<sup>76</sup> which provided an outline of NSW biodiversity and landscape data and analyses following the 2019–20 fires.

Through the Saving our Species program, Environment, Energy and Science launched several [citizen science projects on the Australia Museum's DigiVol platform](#).<sup>77</sup> These programs enabled the swift categorisation of images from wildlife surveillance camera, providing invaluable data for conservation actions and sharing our science with the community.

Environment, Energy and Science supported the Premier's priority for [Greening our City](#),<sup>78</sup> part of the broader goal to plant [five million trees in Greater Sydney by 2030](#).<sup>79</sup> We developed a [tool to help prioritise sites](#)<sup>80</sup> within local government areas that will inform councils and local governments in tree planting and canopy creation efforts.

## Climate change and energy

Environment, Energy and Science undertakes research and monitoring to better understand our current climate and how it may change in the future. We study the effects of climate on the environment and our communities to help us better understand the effects of [climate change on biodiversity](#),<sup>81</sup> the effects of climate change on natural hazards and the risks to infrastructure. This information is used to develop appropriate adaptation responses across all regions of NSW and all sectors of the economy. Our research about climate change and its effects will be important for sectors to assess and prioritise their climate change risks, identify vulnerability and develop adaptation response strategies.

Environment, Energy and Science is developing new, fine-scale climate projections for NSW and the ACT, extending our regional climate model (NARClIM) to the end of the 21st century and covering additional emissions scenarios. NARClIM improves our ability to predict changes in temperature, wind and rainfall in NSW. This in turn provides critical information to manage the effects of climate change on health, settlements, agriculture, weather extremes and services, such as water and energy supplies.

Environment, Energy and Science is contributing to the *Net Zero Plan Stage 1: 2020–30*, the foundation for NSW's action on climate change, by providing the underlying emissions modelling that supports program design. The Net Zero Emissions Modelling team models all sectors of the NSW economy. The team works to identify optimal emissions reductions pathways that will support a strong and growing economy while meeting our target of a 35% reduction in emissions by 2030 and placing us on track to meet the NSW Government's long-term target of net zero emissions by 2050.

## Healthy waterways and coasts

Environment, Energy and Science delivered the Kosciuszko National Park Groundwater Monitoring Program. This investigated groundwater chemistry near former landfills to determine ongoing risks.

<sup>74</sup> [www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/biodiversity-indicator-program/results-from-first-assessment-of-biodiversity-indicator-program](http://www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/biodiversity-indicator-program/results-from-first-assessment-of-biodiversity-indicator-program)

<sup>75</sup> [www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/biodiversity-indicator-program](http://www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/biodiversity-indicator-program)

<sup>76</sup> [www.environment.nsw.gov.au/research-and-publications/publications-search/fire-and-the-environment-2019-20-summary](http://www.environment.nsw.gov.au/research-and-publications/publications-search/fire-and-the-environment-2019-20-summary)

<sup>77</sup> [www.environment.nsw.gov.au/news/volunteers-can-solve-conservation-crime-scene-from-the-luxury-of-their-living-rooms](http://www.environment.nsw.gov.au/news/volunteers-can-solve-conservation-crime-scene-from-the-luxury-of-their-living-rooms)

<sup>78</sup> [www.dpie.nsw.gov.au/premiers-priorities/greening-our-city](http://www.dpie.nsw.gov.au/premiers-priorities/greening-our-city)

<sup>79</sup> [www.planning.nsw.gov.au/Policy-and-Legislation/Open-space-and-parklands/5-million-trees](http://www.planning.nsw.gov.au/Policy-and-Legislation/Open-space-and-parklands/5-million-trees)

<sup>80</sup> <https://webmap.environment.nsw.gov.au/Html5Viewer291/index.html?viewer=GreeningOurCity>

<sup>81</sup> [www.environment.nsw.gov.au/biodiversity/climatechange.htm](http://www.environment.nsw.gov.au/biodiversity/climatechange.htm)

The program also investigated the presence of groundwater invertebrates (stygo fauna) as a measure of ecosystem health.

Innovative eDNA techniques were applied to investigate pollution sources at Rose Bay Beach and Terrigal, in collaboration with University of Technology Sydney. This research focused remediation efforts in the catchment and will help local councils design and implement management strategies to resolve water quality issues.

Environment, Energy and Science recently developed and published new methods to improve coastal erosion hazard forecasts that use the recently collected high-resolution (LiDAR) seabed mapping for NSW. The mapping will improve our ability to predict shoreline change through the modelling comparison of coastal erosion before, and after the LiDAR mapping.

Our science contributes to policy and actions to conserve and manage NSW's biodiversity. Pelicans from Lake Brewster, in the Murray–Darling Basin, have been banded with uniquely coded bands as part of a collaborative research project to learn more about their movements, the threats they face and whether they return to breed at this site. Four banded birds have been reported to date, including a bird sighted 650 km away in St George, Queensland, and another bird reported in June 2020 that had travelled around 570 km, spotted by members of the public near Moree.

Environment, Energy and Science developed methods and completed a field validation study on the accuracy of High Ecological Value Waterway mapping. This study supports adoption of a blue grid<sup>82</sup> into planning frameworks. It includes a comprehensive assessment of fish communities in urban streams in the Sydney Growth Area and development of a method for rapid survey of potential fish habitat. Rapid surveys have been undertaken in South Creek, Western Sydney and Northern Beaches.

Community-led monitoring has been established in the catchment of Tilba Tilba Lake on the NSW south coast. It assesses the success of stream and lake shore fencing and rehabilitation works. This includes community water-quality and stream-bank monitoring that is supported by a scientific study characterising water quality and riparian and aquatic vegetation. The scientific study provides important quality assurance for the more intensive community monitoring.

## Environment protection science

Our onsite analysis for intelligence gathering at pollution incidents is an ongoing collaboration with Western Sydney University, NSW Environment Protection Authority, NSW Fire and Rescue, and the National Forensics Science Technology Center (Florida, USA). It collaborates with University of NSW, assessing the capacity of microorganisms to degrade dioxins in Sydney Harbour sediments as part of a broader study of dioxin biodegradation for harbour sediment remediation.

Similarly, we are collaborating with the Environment Protection Authority to investigate groundwater effects from black slag used throughout the Lake Macquarie region. Environment, Energy and Science delivers research results to help our communities, such as the Crookwell landfill project which is investigating the potential impacts of the site on an adjacent rural property. The project involves groundwater, soil, sediment and surface water sampling to measure key contaminant indicators of landfill impacts.

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<sup>82</sup> Network of waterways

## Water

**Table A16–1. Research and development by the Department's Water group in 2019–20<sup>1</sup>**

Division/Branch	Institution	Research	Funding
Water Utilities Branch	Cooperative Research Centre for Water Sensitive Cities	Re-joining the Cooperative Research Centre for Water Sensitive Cities (CRCWSC) as a participant organisation	\$10,000
Regional Water Strategies	Manly Hydraulics Lab	Guide for in-situ accuracy testing for flow meters that we commissioned Manly Hydraulics Lab to prepare to address knowledge gaps about suitable methods for determining the accuracy of flow meters in-situ.	\$90,000
Water Science/Groundwater	CSIRO	Lower Namoi land subsidence: using INSAR technology to detect any land compaction on the Namoi Alluvium. Project now completed.	\$149,600
Water Science/Groundwater	CSIRO	Murrumbidgee and Lachlan land subsidence: using INSAR technology to detect any land compaction on the Namoi Alluvium. Project started 2019–20, to be completed this year.	\$259,050
Water Analytical	Data61	Water Sharing Plan Transparency Initiative Investigating new options for extracting data from water sharing plans, licenses and rules.	\$245,000 plus GST
Water Analytical (Remote Sensing)	UNSW (the University of New South Wales)	Tracking Environmental flows/inundation	\$75,000
Water Analytical (Remote Sensing)	UNSW	Satellite Radar R&D with UNSW	\$50,000
Water Analytical (Spatial Team)	ANU (Australian National University) Canberra	Research and Development for river reach water balance assessment	\$150,000

<sup>1</sup>Unless otherwise stated, all costs are inclusive of GST.

## NSW Department of Primary Industries

The NSW Department of Primary Industries<sup>83</sup> manages a significant research portfolio with a total expenditure of more than \$100 million per year. About half of the investment comes from partnerships, alliances and collaborations. These arrangements make the Department the largest primary industries research organisation in Australia, with many of NSW Department of Primary Industries' scientists leading their field internationally.

<sup>83</sup> NSW Department of Primary Industries was part of the Department of Planning, Industry and Environment until 2 April 2020.

The Department's partnerships and collaborations enhance its capacity to provide research that underpins and drives productivity growth in the state's primary industries and to address key environmental and social issues within primary industries.

The Department's research activities play a key role in preparing the state's primary industries for the challenges of the future. Our research programs are focused on projects that will improve the productivity and profitability of plants and livestock industries. This includes:

- projects targeting animal and plant genetics
- farm and non-farm production systems
- precision agriculture and processing innovations
- biosecurity protection and monitoring.

We also undertake projects to support natural resource productivity and sustainability. We research seasonal conditions, cross-sectoral factors and supply chains to inform producer decisions for managing risk and building resilience.

The NSW Department of Primary Industries is involved with various cooperative research centres—see *Current involvement with cooperative research centres (CRCs) 2019–20* below—that, along with over 100 significant co-investors—see *Co-investors (greater than \$50,000)*—contribute to research activities. We further collaborate with a wide range of universities within and outside of Australia, the CSIRO<sup>84</sup> and state departments from other jurisdictions. Several of these arrangements have been formalised in significant alliances (see Table A16–2. Major alliances).

#### **Current involvement with cooperative research centres (CRCs) 2019–20**

- Centre for Invasive Species Solutions
- CRC for High Performance Soils
- Food Agility CRC
- Plant Biosecurity CRC
- Pork CRC
- Sheep Industry Innovations CRC.

#### **Co-investors (greater than \$50,000)**

- Agrifutures Australia
- Animal Health Australia
- Aquaculture Trust
- Australian Coal Association Research Program (ACARP)
- Australian Grape & Wine Authority
- Australian Meat Processors Corporation
- Australian Melon Association Inc
- Australian Pork Limited
- Australian Wool Innovations
- AusCitrus

- Australian Eggs Limited
- Bayer Australia
- Berries Australia Limited
- Centre for Invasive Species Solutions
- Charles Sturt University
- Charles Darwin University
- Cotton Research & Development Corporation
- Crawford Fund
- CSIRO
- Department of Agriculture and Fisheries
- Department of Agriculture and Food WA
- Department of Agriculture and Water Resources (Cwlth)
- Department of Economic Development, Jobs, Transport and Resources (Vic.)
- Department of the Environment and Energy (Cwlth)
- Department of Industry, Innovation and Science

<sup>84</sup> Commonwealth Scientific and Industrial Research Organisation

- Dairy Australia Ltd
- Eco Logical Australia Pty Ltd
- EH Graham Centre (Charles Sturt University)
- Environment Protection Authority
- Environmental Research Trust/Environment Australia
- Fisheries Research & Development Corporation
- Forestry Corporation NSW
- Forest & Wood Products Australia
- Freshwater Trust
- Grains Research & Development Corporation
- Horticulture Innovation Australia
- Intervet
- Irrigated Cropping Council
- James Cook University
- Living Farm
- Local Land Services
- McGarvie Smith Institute
- Meat & Livestock Australia
- Murray–Darling Basin Authority
- Murdoch University
- Plant Biosecurity CRC
- Office of Environment & Heritage (NSW)
- Plant Health Australia
- Queensland University of Technology
- Ricegrowers' Association of Australia
- Rice Research Australia Pty Ltd
- Roads and Maritime Services
- Saltwater Trust
- South Australian Research Development Institute (SARDI)
- Southern Cross University
- Surf Life Saving NSW
- University of Adelaide
- University of Canberra
- University of Newcastle
- University of New England
- University of Queensland
- University of Southern Queensland
- University of Tasmania
- University of Technology, Sydney
- University of Western Australia
- Other partners.

**Table A16–2. Major alliances**

Alliance	Key partner
Animal Genetics and Breeding Unit	University of New England
AusGem—Australian Centre for Genomic Epidemiological Microbiology	University of Technology, Sydney
Australian Cotton Research Institute	CSIRO
Centre for Organics Research	Southern Cross University
EH Graham Centre for Agricultural Innovation	Charles Sturt University
National Grape and Wine Industry Centre	Charles Sturt University
NSW Centre for Animal & Plant Biosecurity	University of Sydney
Synthetic Biology Collaboration	Macquarie University

Alliance	Key partner
University of Newcastle and Department of Primary Industries Centre for Balanced Land Use	University of Newcastle

## Basal Food Resource

This is a \$401,000, 1.5-year project funded by the Department's Water group that will be coordinated by La Trobe University, but will also include the University of New England and Southern Cross University. The NSW Department of Primary Industries' Fisheries Branch and Biodiversity and Conservation Branch, the Murray–Darling Basin Authority, and the Commonwealth Environmental Water Holder will also be involved in the project.

This Basal Food Resources project was approved in early June 2019 and is at the scoping stage. It is designed to give the NSW Department of Primary Industries greater ability to predict how aquatic food chains respond to flow, and on how tributary flows influence primary production.

## Understanding the role of dissolved organic carbon in primary production

The Department's Water group engaged the University of Technology (UTS) for a \$27,000, multi-year project to examine the relationship between environmental flows, nutrients, dissolved organic carbon levels and the ecological health of rivers. UTS received \$10,000 in September 2017 and \$17,000 in April 2018.

UTS, the NSW Department of Primary Industries' Fisheries Branch and the former NSW Department of Industry's Water group collaborated for the study. The departments focused on modelling of river discharge models, including the effect of Namoi River Supplementary Flows. UTS focused on food webs and (ecological) productivity in relation to river discharge. The Fisheries Branch looked at native fish recruitment, health and community structure in response to river discharge and food web triggers. The data collected is being used to better understand fish responses to increased nutrient and dissolved organic carbon levels.

## Use of environmental DNA to detect threatened fish species in the Murray–Darling Basin

The Department's Water group is collaborating with the University of Canberra to investigate the use of environmental DNA (eDNA) to detect threatened fish species in the Murray–Darling Basin. The Department's total contribution is \$90,700 over 1.5 years.

This project is developing and trialling a method to exclude the eDNA of carp from analysis. Carp eDNA is detected in large quantities in the Murray–Darling Basin and this can prevent the detection of the eDNA of rarer species. It is hoped that excluding carp from the DNA replication process will improve the ability to detect more threatened fish species.

## Hunter River Recovery Project

The first stage of the project has been completed and delivered a Strategic Prioritisation Tool that uses geomorphological knowledge to prioritise recovery expenditure. This project has been the result of collaboration between the Department's Water, Fisheries and Conservation and Biodiversity branches, Local Land Services, and Griffith, Macquarie, and Wollongong universities. The Department's contribution since 2016 has largely included in-kind support in the form of data and research.

The Strategic Prioritisation Tool is now being refined for use in catchments around NSW.



## Appendix 17. Overseas travel

NSW Department of Planning, Industry and Environment

**Table A17–1. Officers and their reasons for travel**

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Aquatic Environment	Marcel Green	Program Leader Shark Strategy & Threat	New Zealand	Present paper on community sentiments towards shark management at the NZ Marine Sciences Society & Oceania Chondrichthyan Society 2019 Conference.	02/07/2019	06/07/2019
DPI—Fisheries Research	Paul Butcher	Fisheries Scientist	New Zealand	Present a paper on research components (SMART drumlines, tagging and tracking, drones, whale burial etc) from the NSW Shark Management Strategy at the NZ Marine Sciences Society & Oceania Chondrichthyan Society 2019 Conference.	02/07/2019	06/07/2019
Water Group	Ashraf El-Sherbini	Director Metropolitan Water	New Zealand and Singapore	<p>I have been sponsored by the Public Service Commission and the Department of Industry to undertake the Executive Master of Public Administration delivered through the Australia &amp; New Zealand School of Government.</p> <p>As part of this course, one of the subjects is delivered in Singapore by the Lee Kuan Yew School of Public Policy. The course is called 'Designing Public Policies and Programs'.</p>	14/07/2019	23/07/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Biosecurity and Food Safety	Katie Eager	Coordinator Molecular Genetics	Spain	Attend the 37th International Society of Animal Genetics (ISAG) conference. This biannual conference includes an extensive scientific program, as well as running a series of workshops organised by the ISAG standing committees.	05/07/2019	21/07/2019
DPI—Plant Systems	Mike Sissons	Cereal Chemist	USA & Canada	Attend and present two papers at the 1st International Wheat Congress. Before the conference visit two cereal quality groups, (USDA and Univ. Saskatchewan) to discuss research opportunities and issues facing the durum wheat industry worldwide. Present a seminar to staff of USDA Regional Wheat Quality Laboratory, Pullman.	14/07/2019	29/07/2019
Water	Aaron Grimston	Principal Spatial Analyst	Thailand	Participate in the United Nations Food and Agriculture workshop on technologies in Agriculture as the Australian delegate, at the invitation of The Australian Water Partnership.	15/07/2019	20/07/2019
DPI—Plant Systems	Felicity Harris	Research Scientist Crop Physiologist	Canada	Attend the 1st International Wheat Congress, Saskatoon Canada from 21 to 26 July. The conference is the first of its kind, and encompasses six key areas of wheat research, incorporating evolution and breeding, genomics, physiology, production systems, yield protection, grain usage and function.	20/07/2019	29/07/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	Alison Bowman	Group Director Plant Systems	USA	Attend a study tour of the soybean industry in the United States, the information gained from this tour will be influential in setting future directions for NSW DPI's investment in soybean breeding and the soy industry.	21/07/2019	04/08/2019
DPI—Plant Systems	Nathan Ensbey	Technical Officer Soybean Agronomy	USA	Attend a study tour of the soybean industry in the United States, the information gained from this tour will be influential in setting future directions for NSW DPI's investment in soybean breeding and the soy industry.	21/07/2019	04/08/2019
DPI—Fisheries Research	Sikdar Rasel	Fisheries Scientist	Japan	Attend and present a paper (abstract accepted) at the International Geo-Science and Remote Sensing Symposium (IGARSS 2019).	26/07/2019	04/08/2019
DPI—Plant Biosecurity & Product Integrity	Ainsley Seago	Technical Manager Insect Collection	USA	Attend the Lepidoptera Course at the Southwestern Research Station in Portal, Arizona. This class is jointly operated by taxonomists from the California Academy of Sciences and the American Museum of Natural History, and offers professional-level training in identifying butterflies and moths. This will contribute to the DPI strategic goals of improving resilience in primary industries and managing risks for natural resources and farming by enabling faster, more confident identification of lepidopteran pest species.	31/07/2019	16/08/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Livestock Systems	Steph Fowler	Research Officer	Germany	Attend the 65th International Congress of Meat Science and Technology (ICoMST) in Potsdam, Germany, and present 3 conference papers on the novel research NSW DPI meat scientists are completing.	01/08/2019	14/08/2019
DPI—Livestock Systems	David Hopkins	Research Officer	Germany & Norway	The purpose of this travel is twofold. 1) To present 5 papers at the 65th International Congress of Meat Science and Technology (ICoMST) to be held in Berlin, Germany and to represent NSW DPI and the journal of Meat Science, 2) To visit Norway as an invited guest of the Norwegian University of Life (NULS) Sciences and the meat processor Fatland Ølen to view the production base (farms) and processing system for lamb utilised by Fatland in conjunction with my supervision of PhD student Muhammad Azher Bhatti who is enrolled at the NULS.	03/08/2019	16/08/2019
DPI—Livestock Systems	Hannah Salvin	Livestock Research Officer	Norway	Attend and present an oral paper at the International Society for Applied Ethology conference in Bergen, Norway 'Development of a novel fear test in sheep — the startle response'.	03/08/2019	12/08/2019
DPI—Biosecurity and Food Safety	Pedro Pinczowski	Coordinator Biosecurity Pathology Services	USA	Sit the second phase of the American College of Veterinary Pathologist (ACVP) board exam, in order to achieve the title of specialist.	07/08/2019	17/08/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Fisheries Research	Geoffrey Liggins	Manager Scientific Services	New Zealand	Attend and present at the 2019 Trans-Tasman Rock Lobster Industry Conference in Queenstown (NZ) and participate in associated meetings.	10/08/2019	15/08/2019
DPI—Commercial Fisheries & Aquaculture	Nicholas Giles	Fisheries Manager	New Zealand	Attend 2019 Trans-Tasman Rock Lobster Conference and informal Australian Jurisdictional Rock Lobster management and research meeting.	11/08/2019	15/08/2019
Regions, Industry, Agriculture & Resources	Gary Barnes	Coordinator General	USA	Accompany the Deputy Premier in his capacity as Minister for Regional NSW and Minister for Trade and Industry. Due to the focus on regional development, agriculture, drought and water productivity, and defence and aerospace, the Coordinator-General has been identified as the most appropriate senior executive to attend and implement learnings from the visit in regional NSW.	24/08/2019	31/08/2019
DPI—Plant Systems	Joop Van Leur	Pulse Pathologist	Ethiopia	The travel is part of the ACIAR-funded project 'Faba Bean in Ethiopia—Mitigating disease constraints to improve productivity and sustainability', which started in December 2018 and will end July 2022. The project is executed in collaboration between the Ethiopian Institute of Agricultural Research (EIAR), the University of Western Australia (commissioned organisation), NSW DPI and the International Centre for Agricultural Research in the Dry Areas (ICARDA).	30/08/2019	11/09/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	Fay Haynes	Acting Leader Southern Horticulture Systems	Hong Kong	Persimmon international industry development. This mission will research the potential export opportunities for persimmons in Asian markets. The target event and markets will be Asia Fruit Logistica, Hong Kong, and China fruit and vegetable markets, wholesalers and e-commerce enterprises. This mission offers the opportunity for Persimmon Australia to liaise with international government agencies, industry associations and key market participants in the Asian markets.	31/08/2019	11/09/2019
DPI—Fisheries Research	Matthew Taylor	Senior Research Scientist	Chile	Further develop an international collaborative relationship with fisheries enhancement researchers at the Institut° de Foment° Pesquero (IFOP, Institute for Fisheries Development) in Chile (the equivalent of CSIRO Marine and Atmospheric Research in Australia).	31/08/2019	09/09/2019
DPI—Invasive Plants & Animals	Andrew McConnachie	Research Officer Invasive Plants & Animal	Madagascar	A key area of research in the Weed Research Unit (WRU) is to provide management tools for NSW's high priority weeds, through access to biological control agents. Biological control requires intensive collaboration with international researchers. This is a regular recurring trip to Madagascar for Dr McConnachie to meet with his PhD student Tahina Rajoanera and conduct project work (biocontrol of mother-of-millions, <i>Bryophyllum delagoense</i> ) in Madagascar.	02/09/2019	14/09/2019



Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	Suzy Rogiers	Research Physiologist	New Zealand	Invitation by the Chief Scientist, Dr Richard Newcomb, of the Zealand Institute for Plant & Food Research Limited to be part of a science review panel for grape and kiwifruit vine physiology. Plant & Food Research is a New Zealand government-owned Crown Research Institute. It is a global leader in the research of grapes and kiwifruit.	02/09/2019	06/09/2019
DPI—Livestock Systems	Paul Greenwood	Research Officer	Brazil	Guest Speaker and attendee at the 6th European Association of Animal Production (EAAP) International Symposium on Energy and Protein Metabolism and Nutrition (ISEP 2019), 9–12 September 2019, Belo Horizonte, Brazil.	06/09/2019	17/09/2019
DPI—Livestock Systems	Malcolm McPhee	Senior Research Scientist	Brazil	The purpose of this travel is threefold: (1) To present a paper at the 6th European Association of Animal Production (EAAP) International Symposium on Energy and Protein Metabolism and Nutrition; (2) To present a paper at the 9th Workshop on Modelling Nutrition Digestion and Utilization in Farm Animals; and 3) To visit Tiago Albertini with Dr Bob Sainz from University of California Davis about their machine vision project.	07/09/2019	21/09/2019
DPI—Forestry Policy Research & Development	Angus Carnegie	Principal Research Scientist	New Zealand	Build on previous collaboration between New Zealand and Australian researchers on important exotic pest threats to plant and forest industries and the native environment.	08/09/2019	11/09/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	SP Singh	Research Horticulturist	United Arab Emirates, Saudi Arabia, Bahrain & Kuwait	Participate as a Food Safety Expert in the Australian melon industry's export delegation to the Middle East markets.	13/09/2019	21/09/2019
DPI—Fisheries Research	Craig Boys	Fisheries Scientist	Laos & Germany	<p>This trip has two components:</p> <ol style="list-style-type: none"> <li>1. Travel to Lao PDR to present final research results to district irrigation agencies. This is the final contracted overseas travel that needs to be completed for this ACIAR funded project which concludes at the end of September 2019.</li> <li>2. Travel to Munich as part of the Australia-Germany Joint Research Co-Operation Scheme with two CSU colleagues to undertake a bi-lateral exchange between senior German (Technical University of Munich) and Australian academics.</li> </ol>	15/09/2019	29/09/2019
Science, Economics and Insights Division	Duc Nguyen	Senior Scientist, Climate Atmospheric Research	New Zealand	Present at the International Clean Air and Environment Conference.	15/09/2019	19/09/2019
Water	Rachel Connell	Executive Director RWS	New Zealand	As part of membership of the Jeff Whalan Acacia Executive Learning Group (an executive development forum for Australian and New Zealand senior executives), attend meeting held in Wellington, New Zealand, on 18-20 September 2019.	18/09/2019	20/09/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—International Engagement	Ryoko Uchida	Senior Project Officer Industry Analyst	Japan	Lead and work with Ministry of Agriculture, Forestry and Fisheries Japan (MAFF) on the first activity (Sydney Fish Market visit to Japan) under the Memorandum of Cooperation (MoC)—EIF 08/11/2018.	22/09/2019	06/10/2019
DPI—Plant Systems	Tahir Khurshid	Research Horticulturist	Japan, South Korea & China	This overseas trip is a contracted component of the newly funded Persimmon project 'National Persimmon Varietal Evaluation Program'—PR17000—and forms part of a contracted deliverable.	24/09/2019	13/10/2019
DPI—Forestry Policy Research & Development	Angus Carnegie	Principal Research Scientist	Brazil	Attend IUFRO (International Union of Forest Research Organizations) World Congress and present as invited speaker at Myrtle Rust Symposium and as Coordinator/Chair of IUFRO Working Party 7.02.13 Forest Health in Southern Hemisphere Commercial Plantations. Attend workshop on improving sirenix wood wasp biological control in Pinus plantations.	27/09/2019	06/10/2019
DPI—Climate	Annette Cowie	Tech Special Climate Policy	India	Annette Cowie has been accepted as a lead author of the IPCC Sixth Assessment Report, in the Working Group III chapter on Cross sectoral perspectives. Annette will participate in the second lead authors' meeting.	28/09/2019	06/10/2019
DPI—Plant Systems	Jamie Ayton	Oils Chemist	Spain	Participate in the International Olive Council Chemists' meeting.	28/09/2019	08/10/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	Soumi Paul Mukhopadhyay	Research Off Sensory & Consumer Science	New Zealand	Attend and judge the 2019 New Zealand Extra Virgin Olive Oil Awards in Auckland, New Zealand as an international Judge invited by Olives NZ.	28/09/2019	02/10/2019
DPI—Business Development and Innovation	Krista Mentjox	Principal Project Officer	India	Conduct start up Exchange program. In support of the NSW DPI strategic plan of understanding and supporting export trade and the NSW Premier announced 2-year partnership between India to create tech jobs, DPI Gate and IEU staff members will accompany 5 NSW Ag-tech startups to India.	07/10/2019	21/10/2019
Natural Resources Access Regulator	Chris Salkovic	Director Dam Safety CEO Dam Safety NSW	New Zealand	Attend National annual Dams Conference - ANCOLD (Australian National Committee on Large Dams) on 9–11 October 2019.	07/10/2019	11/10/2019
DPI—International Engagement	Jayne Annis-Brown	Senior Project Officer Industry Dev	India	Conduct start up Exchange program. In support of the NSW DPI strategic plan of understanding and supporting export trade and the NSW Premier announced 2-year partnership between India to create tech jobs, DPI Gate and IEU staff members will accompany 5 NSW Ag-tech startups to India.	07/10/2019	20/10/2019
Natural Resources Access Regulator	Peter Boyd	Program Lead Risk-Based Regulation	New Zealand	Attend National annual Dams Conference—ANCOLD (Australian National Committee on Large Dams) on 9–11 October 2019.	07/10/2019	11/10/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Fisheries Research	Melinda Coleman	Principal Research Scientist	Oman	Conduct field research on a kelp species that is present in both Oman and NSW waters. The kelp forests are persisting in the warm waters of Oman representing conditions that will be characteristic of NSW under future climate change scenarios. Ecological data and biological material collected from the kelp forests in Oman will be compared to the kelp forests in NSW that are in decline and are at risk from climate change.	14/10/2019	26/10/2019
Natural Resources Access Regulator	Grant Barnes	Chief Regulatory Officer	New Zealand	Attend and participate as a guest speaker at G-REG conference 2019 in NZ held over 3 locations (Wellington, Auckland and Christchurch).	16/10/2019	30/10/2019
Biodiversity Conservation Trust	Catherine Gallery	Manager, Agreements & Technical Services	USA	Attend the Land Trust Alliance Rally 2019, a national private land conservation conference.	16/10/2019	22/10/2019
DPI—Livestock Systems	Dr Mark Norton	Research Officer	Morocco	Attend the 16th FAO/CIHEAM Mediterranean forages Subnetwork Conference which is being held for the first time in Meknes, Morocco. Present the paper, 'Ameliorating soil acidity improves the resilience of pasture production under extended drought' (notification of paper acceptance email attached).	19/10/2019	29/10/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	Ben Ovenden	Plant Pathologist	China	Study visit through the Australia-China Young Scientists Exchange Program (YSEP) 2019. This Prestigious program aims to increase early to mid-career Australian and Chinese researchers' understanding of the cultures, particularly the science and research practices and systems, of the two countries.	19/10/2019	04/11/2019
DPI—Fisheries Research	Stewart Fielder	Research Scientist	Cambodia	Conduct a combined workshop with Dr Igor Pirozzi on marine fish hatchery and finfish nutrition research methods at the Marine Aquaculture Research and Development Center (MARDeC).	20/10/2019	26/10/2019
DPI—Fisheries Research	Igor Pirozzi	Research Scientist	Cambodia	Conduct a workshop at the Marine Aquaculture Research and Development Center (MARDeC) to provide specialised training in aquaculture feed formulation and manufacture.	20/10/2019	26/10/2019
Mine Safety Technology Centre	David Walker	Senior Electrical Engineer	New Zealand	Client audit as part of Certification (IECEX/ANZEx) that is granted by the Mine Safety Technology Centre.	22/10/2019	25/10/2019
DPI—Plant Systems	Rajneet Uppal	Crop Physiologist	Vietnam	This travel is part of a 5-year ACIAR co-funded project (2019-2024) 'Farming Options for Crops Under Saline conditions' (FOCUS Project) in which NSW DPI is an invited collaborator. The FOCUS Project will include trials using different crop options in both Vietnam and Australia (NSW).	27/10/2019	02/11/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI— Agricultural Resources	Susan Orgill	Leader Soils South	Vietnam	This travel is part of a 5-year ACIAR co-funded project (2019-2024) 'Farming Options for Crops Under Saline conditions' (FOCUS Project) in which NSW DPI is an invited collaborator. The FOCUS Project will include trials using different crop options in both Vietnam and Australia (NSW).	27/10/2019	02/11/2019
DPI—Fisheries Research	Matt Taylor	Senior Research Scientist	USA	Co-run a workshop at Dauphin Island Sea Lab titled Passing the torch: An intergenerational meeting to revisit concepts and controversies in tidal marsh ecology.	01/11/2019	16/11/2019
Water	Jim Bentley	Deputy Secretary, Water	Israel & UK	To accompany the Minister for Water, Property and Housing to Israel and the United Kingdom to engage with key stakeholders and gain comparative knowledge of issues relevant to the recently established Housing and Property Group and Water Portfolio.	01/11/2019	10/11/2019
Housing and Property Group	Alison Frame	Group Deputy Secretary, Housing and Property/CEO Property NSW	Israel & UK	To accompany the Minister for Water, Property and Housing to Israel and the United Kingdom to engage with key stakeholders and gain comparative knowledge of issues relevant to the recently established Housing and Property Group and Water Portfolio.	01/11/2019	10/11/2019
Water	Anna Bailey	Director Water Policy Delivery	New Zealand & Singapore	Attend the ANZSOG Executive Fellows program.	02/11/2019	23/11/2019



Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
Natural Resources Access Regulator	Grant Barnes	Chief Regulatory Officer	New Zealand and Singapore	Attend the ANZSOG Executive Fellows program	02/11/2019	23/11/2019
Water	Mitchell Isaacs	Director Strategic Relations	New Zealand & Singapore	Attend the ANZSOG Executive Fellows program.	03/11/2019	22/11/2019
DPI—Plant Systems	Jeremy Bright	Development Officer Macadamias	China	Attend and present at the International Macadamia Research and Development Centre (IMSC) Annual Conference.	03/11/2019	11/11/2019
DPI—Plant Systems	Ruth Huwer	Entomologist	China	Attend and present at the International Macadamia Research and Development Centre (IMSC) Annual Conference.	03/11/2019	11/11/2019
Environment, Energy and Science	Andrew Lewis	Executive Director Energy Consumers and Programs	New Zealand & Singapore	Attend the Australia & New Zealand School of Government (ANZSOG) Executive Fellows Program.	03/11/2019	23/11/2019
Environment Protection Authority	Stephen Beaman		New Zealand & Singapore	Attend the Australia & New Zealand School of Government (ANZSOG) Executive Fellows Program.	03/11/2019	23/11/2019
Biodiversity & Conservation	Michelle Dumazel	Executive Director	New Zealand and Singapore	Attend the Australia & New Zealand School of Government (ANZSOG) Executive Fellows Program.	04/11/2019	22/11/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
Housing and Property Group	Chris Reynolds	Deputy Secretary Strategy & Portfolio	New Zealand	Participate in a professional executive learning group session as part of membership in the Jeff Whelan executive development program. This session is located in New Zealand to provide direct access to senior public officials in the NZ public sector and learning from their current approach to reforms, challenges and implementing changes across the Service to improve performance and customer service.	06/11/2019	08/11/2019
DPI—Fisheries Research	Alistair Becker	Fisheries Scientist	USA	Present a publication at the ISSESR titled 'Stocking of a key sportfish within a highly urbanised estuary: will the release of a mobile species enhance local recreational fisheries?'; Establish new collaborations with international researchers, particularly those with experience in working with stocking of sportfish species.	08/11/2019	17/11/2019
DPI—Invasive Plants & Animals	Sebastien Comte	Research Officer Deer Management	New Zealand	One of the world's leading exponents of Bayesian statistics is running a course at the University of Otago. Bayesian statistical methods are intrinsically complex and demanding. This course provides a unique opportunity to greatly enhance the research unit's capacity to overcome difficult analytical problems and to get the greatest value from future research projects.	09/11/2019	15/11/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Invasive Plants & Animals	Andrew Bengsen	Research Officer Hunting	New Zealand	One of the world's leading exponents of Bayesian statistics is running a course at the University of Otago. Bayesian statistical methods are intrinsically complex and demanding. This course provides a unique opportunity to greatly enhance the research unit's capacity to overcome difficult analytical problems and to get the greatest value from future research projects.	09/11/2019	15/11/2019
Office of Environment and Heritage—Infrastructure Assessments	Danille Flakelar	Manager Aboriginal Heritage Partnerships	Nepal	Attend and present at the 9th World Ranger Congress in Nepal.	10/11/2019	19/11/2019
Office of Environment and Heritage—Local Government Planning Policy	Jamie Tarrant	Visitor Services Assistant	Nepal	Attend and present at the 9th World Ranger Congress in Nepal.	10/11/2019	19/11/2019
Environment, Energy & Science	Tegan Burton	NPWS Ranger	Nepal	Attend and present at the 9th World Ranger Congress in Nepal.	10/11/2019	25/11/2019
Environment, Energy & Science	Nadia Ross	NPWS Ranger	Nepal	Attend and present at the 9th World Ranger Congress in Nepal.	10/11/2019	19/11/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Food Safety	Lisa Szabo	Group Director Food Safety & CEO Food Au	New Zealand	Attend meeting of the Australia and New Zealand Ministerial Forum (the Forum) on Food Regulation (copy of agenda below) in Christchurch, New Zealand on 15 November 2019. The Forum comprises Ministers responsible for deciding food policy and approving food standards. It oversees a bi-national food regulation system that applies consistent food laws across Australia and a single Australia New Zealand Food Standards Code in all jurisdictions.	13/11/2019	16/11/2019
DPI—Livestock Systems	Warwick Badgery	Leader Rangelands & Tropical Pastures	China	The main purpose of the trip is for Dr Badgery to fulfil obligations as a fully supported Adjunct Professor at CAU in Beijing, which involves advising graduate students, collaborating on research and giving lectures.	13/11/2019	22/11/2019
DPI—International Engagement	Josh Gordon	Snr Project Officer Industry Development	Israel	Attend an Israeli Government Trade Commission organised mission. To meet water and agriculture industries participating in the Watec 2019 conference. Develop government and industry relationships to further agricultural water use research and trade.	13/11/2019	26/11/2019
DPI—Biosecurity & Food Safety	Trudy Sharp	Research Officer	New Zealand	Attend the International Society for Applied Ethology (ISAE) Regional Meeting and Understanding Animals Forum to be held in Wellington, New Zealand on November 21 and 22. I will be giving a presentation titled: Using audience segmentation to understand Australians'.	20/11/2019	23/11/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
Local Land Services	Sarah Maher	District Vet	Nepal	Attend foot-and-mouth disease (FMD) real-time training. This training is jointly organised by the Department of Agriculture and Water Resources (DAWR), United Nations Food and Agricultural Organization (FAO) and the European Commission for the Control of Foot-and-Mouth Disease (EuFMD).	23/11/2019	01/12/2019
Environment, Energy and Science	James Goodwin	Director Bushfire Recovery North	New Zealand	Attend Designing Public Policies and Programs subject as part of the Australia and New Zealand School of Government (ANZSOG) Executive Master of Public Administration (EMPA) program.	24/11/2019	28/11/2019
Environment Protection Authority	Jacquelyn Miles	Manager Forestry Policy	New Zealand	Attend Designing Public Policies and Programs subject as part of the Australia and New Zealand School of Government (ANZSOG) Executive Master of Public Administration (EMPA) program.	24/11/2019	28/11/2019
Environment, Energy and Science	Janet Sparrow	A/Manager Bushfire Recovery North	New Zealand	Attend Designing Public Policies and Programs subject as part of the Australia and New Zealand School of Government (ANZSOG) Executive Master of Public Administration (EMPA) program.	24/11/2019	28/11/2019
Water Group	Ashraf El-Sherbini	Director Metroplitan Water	New Zealand	Attend the Australia & New Zealand School of Government (ANZSOG) Executive Fellows Program.	24/11/2019	28/11/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Plant Systems	Andrew Creek	Development Officer Citrus	China	Lead a delegation of 10 export accredited packing facilities and China certified citrus growers on an Austrade supported mission to examine and gain a greater understanding of the Chinese citrus industry.	27/11/2019	06/12/2019
Local Land Services	Eve Hall	District Vet	Nepal	Participate in European Commission for the Control of FMD (EuFMD) Foot and Mouth Disease preparedness and response training, sponsored by the United Nations Food and Agriculture Organisation (FAO) and the Australian Government's Department of Agriculture, Fisheries and Forestry (DAFF).	30/11/2019	09/12/2019
DPI—Biosecurity & Food Safety	Cathie Savage	Veterinary Policy & Project Officer	Nepal	Attend foot-and-mouth disease (FMD) real-time training. This training is jointly organised by the Department of Agriculture and Water Resources (DAWR), United Nations Food and Agricultural Organization (FAO) and the European Commission for the Control of Foot-and- Mouth Disease (EuFMD).	30/11/2019	08/12/2019
Regional Economic Development	Ian Smith	Director Regional Development	Japan	Present at the Japan Oil, Gas and Metals National Corporation conference. While in Japan, the Coordinator General and Deputy Secretary would also take the opportunity to meet key contacts in the Japanese government and industry with a focus on opportunities for investment in regional NSW.	09/12/2019	14/12/2019
Resources and Geoscience	Michael Wright	Deputy Secretary Resources & Geoscience	Japan	Attend the Japan Oil, Gas and Metals National Corporation (JOGMEC) Conference.	09/12/2019	14/12/2019

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
Regions, Industry, Agriculture and Resources	Ian Smith	Director Regional Development	Japan	Attend the Japan Oil, Gas and Metals National Corporation (JOGMEC) Conference.	09/12/2019	14/12/2019
Climate Change & Sustainability	Carlos Floreslenero	Director, NABERS and Building Sustainability	New Zealand	Meet with NABERS NZ and discuss the renewal of licencing and partnership.	10/12/2019	13/12/2019
DPI—Biosecurity & Food Safety	Paul Meek	Research Officer Vertebrate Pests	New Zealand	Meet with and provide supervision to a PhD student (a previous NSW DPI graduate employee) working with an NGO — Birdlife International, undertaking research on the ecology of the endangered Eld's Deer and their interactions with free-roaming dogs.	14/12/2019	24/12/2019
DPI—Regions Industry Agriculture & Resources	Gary Barnes	Coordinator General	New Zealand	The Coordinator-General is accompanying the Deputy Premier in his capacity as Minister for Regional NSW and Minister for Trade and Industry. The study tour to Queenstown and Wanaka, New Zealand is to support research and investigations for the Go Jindabyne Masterplan and Snowy Mountains Special Activation Precinct. The Coordinator-General has been identified as the most appropriate senior executive to attend and implement Learnings from the visit in Regional NSW.	28/01/2020	02/02/2020



Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Fisheries Research	Meaghan Duncan	Freshwater Fish Ecologist	Indonesia	Co-supervise an Indonesian PhD student whose project is assessing the impact of a dam on the population genetic structure and diversity of migratory fish in the Komering River, Sumatra. The purpose of the trip is to select sampling sites and to train the student in genetic sample collection.	01/02/2020	09/02/2020
DPI—Regions Industry Agriculture & Resources	Peter Snell	Rice Breeder	Brazil & Uruguay	Attend and present at the 7th International Temperate Rice Conference (ITRC).	07/02/2020	17/02/2020
DPI—Agriculture	Bhupinderpal Singh	Research Officer Soils	New Zealand	Participate in the third and final project workshop as per the contractual agreement (CONT17/680). This workshop is hosted by Prof. Surinder Saggar, Leader of this GPLER Project (SOW15-Spikey-LCR), and DPI is a major partner. This workshop will have discussions about project outcomes/outputs, publications write up, project final reporting under Milestones 3 and 4, and future research directions.	09/02/2020	14/02/2020

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Agriculture	Promil Mehra	Technical Officer	New Zealand	Participate in the third and final project workshop as per the contractual agreement (CONT17/680). This workshop is hosted by Prof. Surinder Saggar, Leader of this GPLER Project (SOW15-Spikey-LCR), and DPI is a major partner. This workshop will have discussions about project outcomes/outputs, publications write up, project final reporting under Milestones 3 and 4, and future research directions.	09/02/2020	14/02/2020
DPI—Biosecurity & Food Safety	Nerida Donovan	Plant Pathologist	Lao People's Democratic Republic	Dr Nerida Donovan will be travelling to Lao PDR in her role as NSW DPI Citrus Pathologist and key mentor with The Crawford Fund Lao PDR program. Identify and advise on diseases and disorders of citrus, and increase the capability of local staff at all levels.	15/02/2020	26/02/2020
DPI—Regions Industry Agriculture & Resources	Steven Falivene	Development Officer Citrus	China	Participate in a study tour to Haingshen Fruit Company orchards in China. Assess the potential for a long-term collaboration with this major Chinese citrus producer with the purpose of gaining greater understanding of their citrus production systems and management of orchards affected by Huanglongbing (HLB) citrus disease (not yet found in Australia).	16/02/2020	22/02/2020

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
DPI—Regions Industry Agriculture & Resources	Polychronis Rempoulakis	Leader Entomology	Vietnam	Attend the inaugural meeting for the International Atomic Energy Agency Regional Coordination Agreement Project, Entitled: Promoting Food Irradiation by Electron Beam and X Ray Technology to Enhance Food Safety, Security and Trade (RCA), in Hanoi, Viet Nam from 09 to 13 March 2020.	09/03/2020	13/03/2020
DPI—Regions Industry Agriculture & Resources	Andrew McConnachie	Research Officer Invasive Plants&Animal	Namibia & Switzerland	Attend project meetings with Rhodes University. This university is sub-contracted to NSW DPI to deliver research on two major and emerging weeds in NSW; leaf cactus and African lovegrass.	20/03/2020	04/04/2020

Key: DPI = Department of Primary Industries

## NSW Land and Housing Corporation

Table A17–2. Officers and their reason for travel

Office	Name of officer	Position title	Destination	Purpose of travel	Travel start date	Travel end date
Land and Housing Corporation	Peter Anderson	Executive Director	London, England	The Minister for Water, Property and Housing approved participation in the Western Sydney Leadership Dialogue—International Study Tour. This was an opportunity to study the urban transformation and regeneration deployed in the boroughs of East London, drawing similarities with Greater Western Sydney and informing the regeneration of disadvantaged social housing communities.	31/08/2019	09/09/2019

## Aboriginal Housing Office

Aboriginal Housing Office staff did not travel overseas in 2019–20.

## Appendix 18. Consultants

NSW Department of Planning, Industry and Environment

**Table A18–1. Consultants 2019–20—engagements costing \$50,000 or more**

Consultant	Cost (\$)	Title/Nature
Open Lines Consulting	1,294,800	Strategic Planning and Assessment Report for Western Sydney
The Grex Group Pty Ltd	586,312	Regional Digital Connectivity Program—Strategic Business Case, including technical design, commercial and financial models, procurement strategy and packages
Arup Pty Ltd	527,890	Develop a strategic masterplan for Macquarie Park
KPMG	437,559	Independent Review and Evaluation of the Crown Lands Strategic Land Sales Program
Deloitte Consulting Pty Ltd	422,228	Development of business case for ePlanning Stage 4
Deloitte Access Economics Pty Ltd	388,237	Regional Digital Connectivity Strategic Business Case and the Mobile Coverage Technical Study
KPMG (engaged through Infrastructure NSW)	339,470	Delivery of the Strategic Business Case for the Development of Smart Regional Places and Regional ICT Programs
Aurecon Australasia Pty Ltd	318,019	Wagga Wagga Special Activation Precinct concept design and estimate
PricewaterhouseCoopers	317,500	Parkes Special Activation Precinct Final Business Case
S&O Consulting Group	313,675	Review of Parks Eco Pass Program
Nous Group Pty Ltd	292,161	Development of Crown Lands Strategic Plan
L.E.K. Consulting Australia Pty Ltd	288,445	Snowy Mountains Special Activation Precinct Feasibility
KPMG	249,575	Water Reform Implementation—accounting, fiscal and separation analysis
KPMG	207,196	Independent Evaluation of NSW Holiday Park Crown Land Manager
Ernst & Young	201,988	Delivery of technical reports; consultation and analysis in developing the long-term futures strategy
GTA Consultants (NSW) Pty Ltd	201,873	Development of a Strategic Framework for Go Jindabyne Master Plan

Consultant	Cost (\$)	Title/Nature
Nous Group Pty Ltd	200,000	Strategic assessment to benchmark state-significant developments and state-significant investment processes of NSW against other states
Whitella Consulting*	200,000	Review of <i>NSW Cemeteries and Crematoria Act 2013</i>
Deloitte Touche Tohmatsu	199,230	Options Study for Central Darling Shire Council
AlphaBeta Advisors Pty Ltd	197,460	Economic Impact of Drought
Deloitte Financial Advisory Pty Ltd	196,575	Upper Hunter Futures Project—Economic, Planning and Social Strategy
Customer Science Pty Ltd	186,300	Crown Lands Customer Services Strategy
KPMG	180,302	Smart Western City Program Market Engagement
Nous Group Pty Ltd	171,500	Strategic Review of the Environmental Trust
Hill PDA Pty Limited	169,591	Review and Develop a 2036 Master Plan for Jindabyne Locals and Tourism
PricewaterhouseCoopers	157,469	Financial and economic analysis to complete the Greater Parramatta to the Olympic Peninsula business case
KPMG	151,756	Streamlining Water Delivery Options
Kathy Jones & Associates Pty Ltd	144,045	Communications and stakeholder support for the Special Activation Precincts
DAH Contracting Pty Ltd*	130,275	Review of <i>NSW Cemeteries and Crematoria Act 2013</i>
Nous Group Pty Ltd	100,011	Advice on Crown Lands licensing process
Nous Group Pty Ltd	96,275	Crown Lands debt recovery management and licencing arrangements
Strategic Small Business Solutions	94,532	First Nation Consulting
Nous Group Pty Ltd	90,256	Regional Water Strategy
Cox Architecture	85,045	Development of Land Use and Infrastructure Implementation Plan for Greater Penrith to Eastern Creek (GPEC)
Ernst & Young	84,108	Delivery Snowy Region Futures Strategy
WSP	81,283	Research on Wentworthville and Westmead Planned Precinct Traffic and Transport Studies

Consultant	Cost (\$)	Title/Nature
Deloitte Touche Tohmatsu	79,888	Development of strategic business case for the Smart Western Sydney Program
Sevenseas Creative Australia Pty Ltd	79,848	First Nation Consulting
Deloitte Consulting Pty Ltd	79,600	Development of funding proposal for planning reforms, including cost benefit analysis
E3 Advisory Pty Ltd	77,430	Strategic Advisory Services to support Regional Growth Development Corporation in developing a commercial framework
Ausvet Pty Ltd	76,600	Epidemiology Strategy to support the implementation of the Biosecurity and Food Safety Strategy
Umwelt Pty Ltd	74,662	Central Coast Strategic Conservation Plan
9yards Consulting	73,291	Enterprise Resource Planning Solution review
Nine-Squared Pty Ltd	73,066	Strategic Review of the functions & operations of the economic population & land analytics business within the Department
9yards Consulting	66,200	Digital Strategy and Roadmap
Macroplan Holdings Pty Ltd	65,000	Albury Spatial Supply Chain Analysis
Clarivate Analytics (UK)	61,423	Benchmarking and analytics
Macroplan Holdings Pty Ltd	55,000	Newcastle Airport—Employment & Area Analysis
Centre For International Economics	53,942	Review and Analysis of End Markets
Fairway Boulevard Pty Ltd	52,000	Strategic Review of Regional Growth Fund
Gregory Kenneth Claydon	51,300	Review and Assessment of the Management of 2020 Northern Basin First Flush Event
<b>Total</b>	<b>10,322,191</b>	N/A

\*Included in 'fees for services' in note 2(b) of financial statements



**Table A18–2. Consultants 2019–20—engagements costing less than \$50,000**

Category	Cost (\$)	Number of engagements
Economics, analytics & research	114,303	5
Environmental	199,119	5
Information technology	65,007	2
Management services	367,291	14
Organisational review	20,800	1
Planning	61,067	3
<b>Total</b>	<b>827,587</b>	<b>30</b>

## NSW Land and Housing Corporation

### Consultancies equal to or over \$50,000

There were no consultancies equal to or over \$50,000 for the NSW Land and Housing Corporation.

### Consultancies under \$50,000

**Table A18–3. Consultants 2019–20—engagements costing less than \$50,000**

Consultant	Number of engagements	Amount (\$)¹	Category
Colliers International Consultancy	1	27,071	Management Services
Deloitte Touche Tohmatsu	1	24,485	Management Services

¹ Amount includes GST and is rounded to nearest dollar

## Aboriginal Housing Office

There were no consultancy expenses for the Aboriginal Housing Office.

# Appendix 19. Payment of accounts and time for payment

## NSW Department of Planning, Industry and Environment

In 2019–20, the Department paid 92.8% of invoices due on time. This figure excludes immediate payments made by purchase cards.

The Department is actively promoting the NSW Government policy to adopt purchase cards for the payment of low dollar value transactions. Departmental policy is to use purchase cards for all but a limited number of expense categories, where the supplier accepts purchase cards and the transaction is \$10,000 or less in value. While this payment method results in immediate payment to supplier, it is not included in the analysis of payments made through the Department's accounts payable system.

The Department joined the NSW Government response to the COVID-19 pandemic by implementing the Faster Payment Initiative and since April 2020 has paid all suppliers with an immediate payment term.

### Small business payment performance

Pursuant to the NSW Government policy for payments to small businesses, the Department has a monthly process to identify and flag small business suppliers who have registered with the Office of the Small Business Commissioner. In December 2019, the Department reduced the payment term for small businesses suppliers from 20 days to 5 days, in line with the Faster Payment Terms policy, which is aimed at improving the speed of payments to registered small businesses.

In the 2019–20 financial year, 67.1% of invoices received from small business suppliers (excluding immediate payments made by purchase cards) were paid on time. This is largely a result of adjusting to the new five-day payment term as reflected below in Table A19–4.

### Aged analysis of payments made by payment quarter

Below is a schedule of the dollar amount of payments made during 2019–20 by the Department of Planning, Industry and Environment. Also included is the time these invoices were paid, in relation to the due date.

**Table A19–1. Payments by quarter to all suppliers**

Quarter	By due date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2019	\$773,831,875	\$85,806,297	\$3,329,422	\$928,648	\$1,399,303
December 2019	\$837,362,088	\$72,100,554	\$7,015,532	\$3,069,015	\$2,032,002
March 2020	\$1,176,247,286	\$147,772,769	\$6,317,166	\$1,771,802	\$2,364,178
June 2020 <sup>85</sup>	\$1,090,864,344	\$89,525,122	\$6,652,345	\$1,011,800	\$5,413,531

**Table A19–2. Payments by quarter to small business suppliers**

Quarter	By due date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2019	\$6,183,936	\$1,587,708	\$4,428	\$19,805	\$100,480
December 2019	\$11,167,908	\$2,042,340	\$201,092	\$36,016	\$61,372

<sup>85</sup> On 2 April 2020, Administrative Orders were issued that established the Department of Regional NSW (DRNSW), which included the Regions, Industry, Agriculture, and Resources group of Department of Planning, Industry and Environment (DPIE). DRNSW continued to operate within the DPIE Enterprise Resource Planning (ERP) until it was formally separated within the underlying ERP systems on 1 July 2020. Due to the combined nature of the operations, it was not possible to separately report on DRNSW payments during the June 2020 quarter. Therefore, the information for the June 2020 quarter represents the combined performance for DPIE/DRNSW.

Quarter	By due date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
March 2020	\$9,106,845	\$6,830,724	\$851,146	\$47,248	\$8,759
June 2020 <sup>85</sup>	\$18,362,521	\$9,309,036	\$699,722	\$124,449	\$68,976

### Accounts paid on time each quarter

Below is a schedule displaying the number and percentage of payments paid by the due date excluding payments made by purchase card.

**Table A19–3. Accounts paid within each quarter—all suppliers**

Measure	September 2019	December 2019	March 2020	June 2020	Full year
Invoices due for payment	36,981	40,050	37,280	42,804	157,115
Invoice paid on time	34,923	37,376	33,198	40,267	145,764
Percentage paid on time	94.4%	93.3%	89.1%	94.1%	92.8%
Amount due for payment	865,295,545	921,579,191	871,840,872	1,724,079,446	4,382,795,055
Amount paid on time	773,831,875	837,362,088	757,967,248	1,662,611,876	4,031,773,087
Percentage paid on time	89.4%	90.9%	86.9%	96.4%	92.0%
Number of payments of interest on overdue accounts	0	0	0	0	0
Interest paid on late accounts	0	0	0	0	0

**Table A19–4. Accounts paid within each quarter—small business suppliers**

Measure	September 2019	December 2019	March 2020	June 2020	Full year
Invoices due for payment	1,240	2,110	2,368	3,221	8,939
Invoice paid on time	1,046	1,834	1,438	2,195	6,513
Percentage paid on time	84.4%	86.9%	60.7% <sup>86</sup>	68.1%	72.9%
Amount due for payment	7,896,357	13,508,727	16,844,722	28,564,705	66,814,511
Amount paid on time	6,183,936	11,167,908	9,106,845	18,362,521	44,821,210
Percentage paid on time	78.3%	82.7%	54.1% <sup>86</sup>	64.3%	67.1%
Number of payments of interest on overdue accounts	0	0	0	0	0
Interest paid on late accounts	0	0	0	0	0

## NSW Land and Housing Corporation

The payment of accounts for goods and services is closely monitored by each entity to ensure accounts are paid in accordance with NSW Treasury directions. Process improvements across the Department of Planning, Industry and Environment and related entities are being undertaken to further improve payment-on-time performance. Accounts payable policies and procedures are in accordance with the guidelines established by the NSW Small Business Commissioner.

### Aged analysis at the end of each quarter

**Table A19–5. All suppliers**

Measure	September 2019	December 2019	March 2020	June 2020
Current not yet due (\$)	39,384,772	17,157,827	3,613,468	6,461,649
Overdue 1–30 days (\$)	179,995	8,226	311,940	38,048

<sup>86</sup> Faster Payment Term Policy commenced 31 December 2020

Measure	September 2019	December 2019	March 2020	June 2020
Overdue 31–60 days (\$)	62,468	5,014	241	17,983
Overdue 61–90 days (\$)	61,684	1,366	539	12,884
Overdue 91 days and over (\$)	46,334	16,594	42,828	14,897

**Table A19–6. Small business suppliers**

Measure	September 2019	December 2019	March 2020	June 2020
Current not yet due (\$)	269,863	133,831	31,085	1,944
Overdue 1–30 days (\$)	0	0	0	0
Overdue 31–60 days (\$)	0	0	0	0
Overdue 61–90 days (\$)	0	0	0	0
Overdue 91 days and over (\$)	0	0	0	0

Source: Underlying payment reports of the Land and Housing Corporation's financial accounting system

## Accounts due or paid within each quarter

**Table A19–7. All suppliers**

Measure	Unit	September 2019	December 2019	March 2020	June 2020
Accounts due for payment	Number	193,852	158,141	155,478	184,800
Accounts paid on time	Number	193,774	157,978	155,368	184,725
Accounts paid on time (based on number of accounts)	Per cent	99.96%	99.90%	99.93%	99.96%
Accounts due for payment	\$	288,159,125	303,905,572	262,249,020	437,433,859
Accounts paid on time	\$	286,391,543	302,159,724	261,372,489	435,958,795
Accounts paid on time (based on \$)	Per cent	99.39%	99.43%	99.67%	99.66%

Measure	Unit	September 2019	December 2019	March 2020	June 2020
Payments for interest on overdue accounts	Number	0	0	0	0
Interest paid on overdue accounts	\$	0	0	0	0

**Table A19–8. Small business suppliers**

Measure	Unit	September 2019	December 2019	March 2020	June 2020
Accounts due for payment	Number	506	560	575	582
Accounts paid on time	Number	485	553	556	576
Accounts paid on time (based on number of accounts)	Per cent	95.85%	98.75%	96.69%	98.97%
Accounts due for payment	\$	2,131,068	2,220,165	2,206,015	2,979,824
Accounts paid on time	\$	1,945,722	2,139,067	2,065,036	2,958,937
Accounts paid on time (based on \$)	Per cent	91.30%	96.35%	93.61%	99.30%
Payments for interest on overdue accounts	Number	0	0	0	0
Interest paid on overdue accounts	\$	0	0	0	0

Source: Underlying payment reports of Land and Housing Corporation's financial accounting system

## Aboriginal Housing Office

### Aged analysis at the end of each quarter

**Table A19–9. All suppliers**

Measure	September 2019	December 2019	March 2020	June 2020
Current not yet due (\$)	659,900	597,492	1,111,864	598,059
Overdue 1–30 days (\$)	0	0	760	0
Overdue 31–60 days (\$)	0	0	0	0
Overdue 61–90 days (\$)	0	0	0	0
Overdue 91 days and over (\$)	0	0	0	0

**Table A19–10. Small business suppliers**

Measure	September 2019	December 2019	March 2020	June 2020
Current not yet due (\$)	1,300	0	41,693	294,451
Overdue 1–30 days (\$)	0	0	760	0
Overdue 31–60 days (\$)	0	0	0	0
Overdue 61–90 days (\$)	0	0	0	0
Overdue 91 days and over (\$)	0	0	0	0

**Accounts due or paid within each quarter****Table A19–11. All suppliers**

Measure	Unit	September 2019	December 2019	March 2020	June 2020
Accounts due for payment	Number	1,291	1,418	1,283	2,377
Accounts paid on time	Number	1,279	1,416	1,259	2,340
Accounts paid on time (based on number of accounts)	Per cent	99.1	100.0	98.1	98.4
Accounts due for payment	\$	19,822,207	22,984,898	17,259,949	44,521,668
Accounts paid on time	\$	19,817,175	22,984,228	17,230,230	44,198,746
Accounts paid on time (based on \$)	Per cent	100.0	100.0	99.8	99.3
Payments for interest on overdue accounts	Number	0	0	0	0
Interest paid on overdue accounts	\$	0	0	0	0



**Table A19–12. Small business suppliers**

Measure	Unit	September 2019	December 2019	March 2020	June 2020
Accounts due for payment	Number	192	137	171	409
Accounts paid on time	Number	181	135	150	378
Accounts paid on time (based on number of accounts)	Per cent	94.3	100.0	87.7	92.4
Accounts due for payment	\$	207,225	150,366	447,080	2,238,115
Accounts paid on time	\$	204,393	149,696	434,275	1,987,905
Accounts paid on time (based on \$)	Per cent	98.6	100.0	97.1	88.8
Payments for interest on overdue accounts	Number	0	0	0	0
Interest paid on overdue accounts	\$	0	0	0	0

## Appendix 20. Land disposal

### NSW Department of Planning, Industry and Environment

Through its Crown Lands team, the Department sold two properties, returning \$3.6 million in the 2019–20 financial year. Sales supported an aged care facility and a commercial development.

The Department also disposed a parcel of land that had vested in the Minister for Energy and Environment under the *National Parks and Wildlife Act 1974* to a local council in exchange for some of their land. This land transfer facilitated improved koala conservation outcomes.

A further 88 properties were acquired from Crown Lands by other agencies, returning \$6.1 million to the Department. These acquisitions facilitated public sector investment in transport and service infrastructure and services for the people of NSW.

One vesting took place under the *Crown Land Management Act 2016*. There were two vestings to local councils of land previously vested in the Minister for Energy and Environment under the *National Parks and Wildlife Act 1974* and four vestings under other legislation, providing a range of benefits, including support to disability services.<sup>87</sup>

Documents relating to land disposals can be obtained under the *Government Information (Public Access) Act 2009*.

### NSW Land and Housing Corporation

The sale of properties support portfolio management. Factors which may lead to a decision to sell a property include the:

- ongoing suitability for public housing
- condition of the property
- cost to repair
- ongoing maintenance and the benefit of reinvesting sale proceeds to the overall financial sustainability of the portfolio.

The following land with a value greater than \$5 million was disposed by NSW Land and Housing Corporation in 2019–20.

**Table A20–1. Land disposed**

Land disposed	Deposited Plan	Land size	Sale price (\$)	Purchaser
1 and 3 Merinda St and 15 Willandra St, Lane Cove North	Lot 47, 46 & 38 DP 35865	1,771 m <sup>2</sup>	\$6,603,000	Willandra Lane Cove Pty Ltd

The subject site is part of a 2,225 m<sup>2</sup> project area identified for residential development to provide a mix of social housing and private homes. This development is a sale and buy-back initiative. The development will replace outdated original houses with new, fit-for-purpose and sustainable dwellings.

Note: Access to documents relating to property disposals may be obtained under the *Government Information (Public Access) Act 2009*.

<sup>87</sup> These figures do not include any vestings that may have occurred under the Land Negotiation Program.

## Aboriginal Housing Office

There were no sales of \$5 million or more in 2019–20 other than by tender or public auction.

There were no family or business connections between any of the parties involved in property sales.

## Appendix 21. Capital works

### NSW Department of Planning, Industry and Environment

The following tables contain details of the NSW Department of Planning, Industry and Environment's major capital works in progress as at 30 June 2020.

**Table A21–1. Capital works expenditure (all figures in \$'000)**

No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
1	4PSQ Relocation	2020	66,422	1,007	46,596	47,603
2	Acquisition of satellite imagery	2030	86,484	29,105	932	30,037
3	Adaptive reuse of short stay accommodation	2020	2,850	601	899	1,500
4	Clarence Colliery Remediation Works	2021	230	145	27	172
5	Commemorating the meeting of two cultures at Kamay Botany Bay National Park	2020	22,580	933	4,531	5,464
6	Commonwealth conservation bushfire recovery	2021	190	0	0	0
7	Energy efficiency capital programs	2022	16,018	5,890	222	6,112
8	Enhance Our National Parks	2021	4,103	3,854	5	3,859
9	ePlanning software portal (stage 3)	2020	18,997	17,925	9,061	26,986
10	ePlanning software portal (stage 4)	2023	9,700	0	0	0
11	Fire management in National Parks	2026	51,414	42,882	3,629	46,511
12	Fire trails in National Parks	2029	68,392	0	1,794	1,794

No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
13	Great southern nature walk - Wattamolla visitor precinct	2020	3,900	3,621	252	3,873
14	Heritage Stoneworks Bunker Mason Bays	2020	1,000	0	1,683	1,683
15	ICT Systems Upgrade - Implement New Crown Lands Legislation	2020	7,000	3,300	2,306	5,606
16	Improving Access to National Parks	2023	149,600	0	12,476	12,476
17	Infrastructure Investment in National Parks to Increase NSW Tourism	2025	42,923	1,119	3,217	4,336
18	Land Purchases - Annual provision	2021	193,160	124,736	9,024	133,760
19	Light to Light Great Walk	2022	7,948	203	258	461
20	MHL Asbestos Removal	2020	2,500	0	615	615
21	Minnamurra Rainforest Centre - Infrastructure and Experience Invigoration	2020	4,700	3,431	1,056	4,487
22	Murramarang South Coast walk	2021	3,689	193	235	428
23	National Australian Built Environment Rating System	2021	1,794	1,394	456	1,850
24	National Parks digital strategy	2020	5,741	3,141	456	3,597
25	Orange Accommodation Strategy	2020	19,940	525	12,345	12,870
26	Rural Assistance Authority business system upgrade	2021	700	0	350	350

No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
27	Remote sensing water compliance support	2021	4,498	50	364	414
28	Wombeyan Caves tourism project	2023	9,611	0	0	0
29	Reverse osmosis Bourke and Walgett	2021	2,750	0	2,513	2,513
30	Royal Coast Track improvement	2020	11,203	9,811	519	10,330
31	Saving our Species—on-park threatened species infrastructure	2020	2,594	2,394	250	2,644
32	Snowies iconic great walk	2022	20,807	2,941	2,416	5,357
33	Special Infrastructure Contributions (SIC) business system project	2021	8,000	2,251	4,405	6,656
34	Suicide prevention	2020	775	388	185	573
35	Thredbo valley track extension	2020	9,908	1,961	1,872	3,833
36	Water monitoring framework	2020	22,810	7,930	11,758	19,688
37	Water reform in the Murray–Darling Basin	2020	7,393	5,716	2,184	7,900

Table A21–2. Capital works expenditure (all figures in \$'000)—AASB 16 Lease capitalisations

No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
38	Private leases—Fleet	2030	54,380	0	8,618	8,618
38	Property leases—Government Property Leases	2030	1,004,108	0	632,928	632,928

**Table A21–3. Projects transferred to Transport for NSW's Maritime Infrastructure Delivery Office (MIDO)**

No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
39	Coastal infrastructure program (2015-2019)	2020	41,400	35,675	2,264	37,939
39	Coffs Harbour boat maintenance facility	2020	2,700	0	0	0
39	Critical infrastructure upgrades	2020	8,550	0	5,528	5,528
39	Eden Wave Attenuator Project	2025	18,437	3,032	9	3,041
39	Port Macquarie Maritime Facility	2020	1,800	0	1,338	1,338
39	Port of Eden Breakwater Wharf Extension	2020	42,000	40,662	525	41,187
39	Tuncurry slipway upgrade	2020	1,000	0	0	0
39	Tweed Heads slipway	2020	1,800	0	0	0

**Table A21–4. Projects transferred to Department of Regional New South Wales**

No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
40	2017 Research and development partnership with the Grains Research and Development Corporation	2027	20,000	767	913	1,680
40	Doppler radar in Central and West NSW	2022	24,400	14,688	18	14,706
40	First Class Food and Fibre	2022	50,000	3,501	4,950	8,451



No.	Capital works in progress	Announced completion date	Announced Estimate Total Cost (ETC)	Expenditure in previous years	2019–20 expenditure	Total project expenditure to 30 June 2020
40	Game Licensing Unit Business Information System	2020	1,200	547	0	547
40	Marine Estate Management Strategy	2023	12,426	156	289	445
40	Offshore Artificial Reef - Long Term Strategy	2020	4,400	1,714	460	2,174
40	Regional digital connectivity program	2023	400,000	0	691	691
40	Transforming Gaden Trout Hatchery into an educational tourism destination	2023	3,353	0	0	0

Footnotes explaining delays and price changes are required to comply with the Annual Reports (Departments) Regulation 2015. Numeric references below link to the items in the table above.

1. *4PSQ relocation*—Project completion was delayed due to changes in scope to manage the new office guidelines and delays due to COVID.
2. *Acquisition of satellite imagery—annual provision*—The project was delayed due to the late delivery of key hardware components and difficulties in sourcing installers.
3. *Adaptive reuse of short stay accommodation*—The project completion was delayed due to competing staff priorities during the bushfire response on the north and south coasts.
4. *Clarence Colliery remediation works*—The project is ongoing with budget allocated to 2020-21.
5. *Commemorating the meeting of two cultures at Kamay Botany Bay National Park*—The project budget has been reprofiled to align with the project agreement between the Commonwealth and NSW governments.
6. *Commonwealth conservation bushfire recovery*—The project was added to urgently intervene to protect threatened plants and animals, their habitats and other natural assets.
7. *Energy efficiency capital programs*—The project is ongoing with budget allocated to 2021-22.
8. *Enhance our National Parks*—The project is ongoing with budget allocated to 2020-21.
9. *ePlanning software portal (stage 3)*—The project required additional funding due to changes in scope to deliver additional functionality of State Significant Infrastructure and State Significant Development Assessments.
10. *ePlanning software portal (stage 4)*—The project was added to improve digital access to planning services across NSW. In 2019-20, its budget was allocated to Stage 3 to fund changes in scope.
11. *Fire management in National Parks*—The project is ongoing with budget allocated to 2025-26.
12. *Fire trails in National Parks*—The project was delayed due to access issues during the bushfires.
13. *Great southern nature walk—Wattamolla visitor precinct*—The project was completed within budget this year.
14. *Heritage Stoneworks banker mason bays*—The project was completed this year.

15. *ICT systems upgrade*—The project completion was delayed due to competing staff priorities during the bushfire response.
16. *Improving access to National Parks*—The project was delayed due to competing staff priorities during the bushfire response.
17. *Infrastructure Investment in National Parks to increase NSW tourism*—The project was delayed due to competing staff priorities during the bushfire response.
18. *Land purchases—annual provision*—The land acquisition for the Koala Strategy was delayed due to the bushfires and other restrictions.
19. *Light to Light Great Walk*—The project is ongoing with budget allocated to 2021-22.
20. *MHL asbestos removal*—The project completion was delayed due to an increase in scope to address work health and safety issues.
21. *Minnamurra Rainforest Centre—infrastructure and experience invigoration*—The project was completed within budget this year.
22. *Murramarang South Coast walk*—The project is ongoing with budget allocated to 2021-22.
23. *National Australian Built Environment Rating System*—The project is ongoing with budget allocated to 2021-22.
24. *National parks digital strategy*—The project completion was delayed due to competing staff priorities during the bushfire response.
25. *Orange accommodation strategy*—The project completion was delayed due to procurement delays.
26. *Rural Assistance Authority business system upgrade*—The project is ongoing with budget allocated to 2021-22.
27. *Remote sensing water compliance support*—The project was delayed due to flying restrictions that limited the aerial mapping activities.
28. *Wombeyan Caves tourism project*—The project was added to reinvigorate experience and deliver new nature-based tourism opportunities.
29. *Reverse osmosis Bourke and Walgett*—The project was added to deliver safe and secure water.
30. *Royal Coast Track improvement*—The project completion was delayed due to competing staff priorities during the bushfire response.
31. *Saving our Species—on-park threatened species infrastructure*—The project was completed this year.
32. *Snowies iconic great walk*—The project was delayed due to competing staff priorities during the bushfire response.
33. *Special Infrastructure Contributions (SIC) business system project*—The project was delayed due to improvements to the project delivery plan.
34. *Suicide prevention*—The project completion was delayed due to competing staff priorities during the bushfire response.
35. *Thredbo Valley Track extension*—The project completion was delayed due to an increase in scope to address geotechnical issues.
36. *Water monitoring framework*—The project completion was delayed due to fire damage and heavy rainfall preventing access to drilling sites.
37. *Water reform in the Murray–Darling Basin*—The project completion was delayed due to competing staff priorities to complete the eWater Source Modelling platform.
38. *AASB 16 - lease capitalisations*—The lease capitalisations were delayed due to deferred lease contract approvals.

39. *Capital projects transferred to Transport for NSW Maritime Infrastructure Delivery Office*—These project completions were delayed due to competing staff priorities during the bushfire response. These projects were transferred to Transport for NSW effective 1 July 2020.
40. *Capital projects transferred to the Department of Regional New South Wales*—These projects were transferred to the new Department of Regional NSW, effective 2 April 2020.

## NSW Land and Housing Corporation

This section lists major works in progress, including the cost of those works to date and the estimated dates of completion. It also includes details of any significant delays, cancellations or cost overruns in major works.

**Table A21–5. New works**

Project description	Total estimated cost (\$'000) <sup>1</sup>	Cost up to 30 June 2020 (\$'000) <sup>2</sup>	Expected completion	Completed, in progress, delays, cancellation or cost overruns
Office accommodation and administrative assets	2,647	2,131	2020	Completed
Social housing—asset improvement	131,110	202,397	2020	Completed
Social housing—new supply	27,869	15,079	2030	In progress

**Table A21–6. Works in progress**

Project description	Total estimated cost (\$'000)	Cost up to 30 June 2020 (\$'000)	Expected completion	Completed, in progress, delays, cancellation or cost overruns
Social housing—new supply	2,043,180	204,361	2030	In progress

1. Total estimated cost is the estimated cost for the whole project.
2. Cost up to 30 June 2020 is the total cost from project inception through to 30 June 2020.

## Appendix 22. Disclosure of controlled entities

### NSW Department of Planning, Industry and Environment

The Department controls the following entities pursuant to the *Public Finance and Audit Act 1983* and Australian Accounting Standards Board 10 (AASB 10) *Consolidated Financial Statements*:

- Water Administration Ministerial Corporation
- Lands Administration Ministerial Corporation.

Until 1 April 2020, Fisheries Administration Ministerial Corporation was also a controlled entity of the Department. As part of changes effected by the Administrative Arrangements (Administrative

Changes—Regional NSW and Independent Planning Commission) Order 2020, Fisheries Administration Ministerial Corporation was transferred to the Department of Regional NSW on 2 April 2020.

### **Water Administration Ministerial Corporation**

The Water Administration Ministerial Corporation (WAMC) is constituted by the *Water Management Act 2000* as a Ministerial Corporation and has the following functions to:

- construct, maintain and operate water management works, gauging stations and other monitoring equipment
- conduct research, collect information and develop technology in relation to water management
- acquire rights to water, whether within or beyond New South Wales
- do anything for the purpose of enabling the objects of the *Water Management Act 2000* to be attained.

The Department undertakes these functions via delegations.

### **Lands Administration Ministerial Corporation**

The Lands Administration Ministerial Corporation (LAMC) is constituted by the *Crown Land Management Act 2016* (previously *Crown Lands Act 1989*) and has the following functions:

- to enter into an agreement with a third party to undertake development or construction on Crown land
- to enter into an agreement with a third party to act as agent for the sale or lease of Crown land
- to enter into an agreement with a third party for the provision of services or information
- other functions as conferred by or under the *Crown Land Management Act 2016* or any other Act.

The Department undertakes these functions via delegations.

Under the *Crown Land Management Act 2016*, LAMC can be appointed as a Crown land manager, which enables staff from the Department to undertake this role under delegation. At 30 June 2020, LAMC was the manager for a number of reserve trusts including Bondi Baths Trust, Yasmar Reserve Trust, Rawson Reserve Trust and Crown Lands Reserve Trust.

### **Fisheries Administration Ministerial Corporation (controlled entity until 1 April 2020)**

The Fisheries Administration Ministerial Corporation (FAMC) is constituted by the *Fisheries Management Act 1994* for the purpose of exercising the following functions:

- to acquire land for the purposes of the *Fisheries Management Act 1994*, (including an interest in land) by agreement or compulsory process in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*
- to acquire land for purposes of a future lease grant
- to carry out or assist research
- to accept gifts of Land
- to acquire and deal with fishing assets, and enter into contracts or other arrangements, in connection with Aboriginal fishing assistance programs
- other functions as conferred by or under the *Fisheries Management Act 1994* or any other Act.

The Department undertook these functions via delegations.

## NSW Land and Housing Corporation

The NSW Land and Housing Corporation is a NSW Government entity. It is a statutory body and has no controlled entities.

Separate financial statements are prepared for the Land and Housing Corporation, as it was a non-controlled entity within the Department of Planning, Industry and Environment cluster for the year ending 30 June 2020.

## Appendix 23. Disclosure of subsidiaries

The NSW Department of Planning, Industry and Environment had no subsidiaries in 2019–20.

## Appendix 24. Major project determinations

For a summary, refer to *Determining major projects*, page 33.

**Table A24–1. Major project determinations by industry**

Industry	Applications	Modification applications	Capital investment value (in \$m)	Construction jobs	Operational jobs
Education, health and safety	33	61	\$3,274.31	15,028	5,831
Energy	10	19	\$7,171.48	4,165	196
Entertainment, tourism and recreation	10	25	\$3,178.40	3,285	3,066
Manufacturing	2	23	\$51.21	220	191
Mining	3	40	\$533.22	404	1,039
Residential and commercial	19	74	\$3,547.77	7,411	10,192
Transport and logistics	8	36	\$3,354.64	5,363	7,446
Waste and sewerage	9	12	\$175.94	198	141
Water and telecommunications	1	3	\$120.00	60	5
Agriculture	2	1	\$177.36	180	355
<b>Total</b>	<b>97</b>	<b>294</b>	<b>\$21,584.33</b>	<b>36,314</b>	<b>28,462</b>

## Improved educational and health facilities

Determinations for new and upgraded public schools include:

- Kent Road Public School
- Alex Avenue Public School
- Young High School
- Catherine Field Primary School
- Estella Road Public School
- Marsden Park Public School
- Jordan Springs Public School
- Parramatta West Public School
- Lake Cathie Public School
- Samuel Gilbert Public School Redevelopment
- New Warnervale Public School
- Meadowbank Education and Employment Precinct Schools Project.

Four projects in metropolitan and regional universities worth over \$411 million were also approved. These included approvals for tertiary facilities at Western Sydney and the University of NSW. A new university was also approved Newcastle. These approvals will ensure places across broader NSW will continue to play an important role in Australia's growing knowledge- and innovation-based economy.

The Department completed its assessment of four applications for new and improved health facilities across Sydney and regional areas, with a total investment value of \$1.06 billion. These included government projects for Tweed Valley, Prince of Wales, Wyong and New Maitland hospitals.

### The Prince of Wales Hospital

NSW Health partnered with the University of NSW to develop the Integrated Acute Services Building (ASB). The new 10-storey addition will be used for health and education research by the university, in collaboration with the ASB. The activities include clinical innovation and research, biomedical engineering, and clinical translational research laboratories co-located with clinical staff providing acute healthcare services. The development will provide a new facility for the integration of health education, training and research initiatives with acute healthcare services, in partnership with the university. This will allow research results to rapidly translate to bedside care.

### New Tweed Valley Hospital

The new Tweed Valley Hospital will deliver critical health infrastructure for Northern NSW, expanding the region's services and improving the health network's resilience. It will also provide significant investment in Northern NSW and boost the number of operational jobs upon its completion.

### Sydney Football Stadium

The Department's determination of Stage 2 of the Sydney Football Stadium will deliver strong social and economic benefits for NSW. The development includes a state-of-the-art stadium and public domain, as well as a sporting, tourist and entertainment precinct. It will boost participation in sports and receive more than \$670 million in investment, creating 900 jobs throughout construction

and operation. The project will also boost the area's tourism infrastructure, attracting national and international events, performers and visitors.

### **Moorebank Intermodal Terminal**

Throughout the year, the Department continued its assessment of the staged delivery of the Moorebank Intermodal Terminal, allowing for the next stages of a new freight hub to be created in south-west Sydney. The development connects Moorebank's new intermodal terminal to the Port Botany facility by rail, which will allow significant volumes of freight to be moved out of the city by rail.

The development makes worthwhile reuse of former Department of Defence land and significantly benefits the Greater Sydney region by reducing the number of heavy vehicles on Sydney's roads and by generating employment.

When complete, the combined stages of the project will bring significant investment to the region in both construction and operational jobs. The assessments were determined by the Independent Planning Commission. The Department's assessment considered noise, air quality, traffic and ecological impacts.

### **Nihon University Newcastle Campus**

This adaptive reuse of the former Newcastle Courthouse delivers a Nihon University Newcastle Campus with student accommodation. The project included demolition, tree removal, remediation, construction of two 4-storey buildings, minor internal alterations, parking and landscaping. The development will introduce a new tertiary education facility into the Newcastle Town Centre.

## **Appendix 25. Implementation of price determination**

The Department's Water group, the Natural Resources Access Regulator (NRAR) and WaterNSW deliver water management services in NSW on behalf of the Water Administration Ministerial Corporation (WAMC). The Water group is broadly responsible for setting water management rules that establish water property rights and share water between users, communities and the environment. WaterNSW implements the water management framework through its licensing functions, water infrastructure operation and customer management. NRAR enforces the water management framework through its compliance management activities, as well as undertaking some licensing functions.

The Independent Pricing and Regulatory Tribunal (IPART) regulates the prices that can be charged to water users for these services. IPART last determined prices in 2016 for a four-year period and subsequently agreed to extend the period for an additional year to 30 June 2020.

The water management agencies have implemented the prices IPART determined over the regulatory period 2016–20. The agencies have carried out their water management responsibilities and WaterNSW has billed water licence holders according to IPART-determined prices.

IPART has now begun its review of WAMC water management prices to determine prices for the next regulatory period. The next WAMC price determination will begin on 1 July 2021.



## Appendix 26. Funds granted to non-government community organisations

### Showground Stimulus Program

The Department's grants to community groups is part of the NSW Government's Stimulus Package to help regional economies recover from the COVID-19 pandemic.

**Table A26–1. Funds granted for directly benefiting assets managed by grantees and for stimulating regional economies**

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Newcastle Agricultural Horticultural & Industrial Association	Newcastle Showground Stimulus Grant	\$572,364
Bathurst Showground Land Manager	Bathurst Showground Stimulus Grant	\$398,560
Dorrigo Showground & Public Recreation Land Manager	Dorrigo Showground Stimulus Grant	\$394,977
Narrabri Showground Land Manager	Narrabri Showground Stimulus Grant	\$381,314
Griffith Showground Trust	Griffith Showground Stimulus Grant	\$318,182
Junee Showground Land Manager	Junee Showground Stimulus Grant	\$313,216
Moree Showground Trust	Moree Showground Stimulus Grant	\$288,094
Grafton Showground Trust	Grafton Showground Stimulus Grant	\$284,498
Gloucester Agricultural Horticultural and Pastoral Association	Gloucester Showground Stimulus Grant	\$258,493
Gundagai Racecourse & Showground Land Manager	Gundagai Showground Stimulus Grant	\$256,968
Barellan Showground & Racecourse	Showground Stimulus Grant	\$244,992
Coffs Harbour Showground	Coffs Harbour Showground Stimulus Grant	\$231,957
The Trustee for Warialda	Warialda Showground Stimulus Grant	\$226,489
Northern Agricultural Association Inc	Singleton Showground Stimulus Grant	\$210,845
Kempsey Showground Land Manager	Kempsey Showground Stimulus Grant	\$199,545
Uralla Showground Trust	Uralla Showground Stimulus Grant	\$195,011
Narrandera Showground	Narrandera Showground Stimulus Grant	\$195,000

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Walcha Showground & Public Recreation Reserve Land Manager	Walcha Showground Stimulus Grant	\$168,729
Bellingen Showground Land Manager	Bellingen Showground Stimulus Grant	\$160,891
Luddenham Agricultural Horticultural and Industry Society Inc	Showground Stimulus Grant	\$151,960
Crookwell AP&H Society Incorporated	Crookwell Showground Stimulus Grant	\$151,185
Illabo Showground Land Manager	Illabo Showground Stimulus Grant	\$144,786
Canowindra Showground & Racecourse Land Manager	Canowindra Showground Stimulus Grant	\$135,634
Bega Showground Reserve Trust	Bega Showground Stimulus Grant	\$129,690
Dunedoo Showground Trust	Dunedoo Showground Stimulus Grant	\$128,928
Bribbaree Showground Land Manager	Bribbaree Showground Stimulus Grant	\$120,419
Hunter River Agricultural & Horticultural Association	Maitland Showground Stimulus Grant	\$117,930
North Coast National A & I Society	Lismore Showgrounds Stimulus Grant	\$113,636
The Armidale Showground Reserve Trust	Armidale Showground Stimulus Grant	\$108,221
Manning River Agricultural & Horticultural Society	Taree Showground Stimulus Grant	\$108,090
Gresford Park Land Manager	Gresford Showground Stimulus Grant	\$108,071
Inverell Showground Trust	Inverell Showground Stimulus Grant	\$99,109
Camden Haven Pastoral Agricultural Horticultural and Industrial Society Incorporated	Kendall Showground Stimulus Grant	\$98,505
Wagga Wagga Show Society	Wagga Wagga Showground Stimulus Grant	\$95,393
Glen Innes Showground Land Manager	Glen Innes Showground Stimulus Grant	\$92,727
Tumut Showground Land Manager	Tumut Showground Stimulus Grant	\$88,182
Hillston Showground Land Manager	Hillston Showground Stimulus Grant	\$88,000

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Murwillumbah Showground Land Manager	Murwillumbah Showground Stimulus Grant	\$84,527
Tooraweenah P. A. & H Association	Tooraweenah Showground Stimulus Grant	\$78,051
Wee Waa Showground Land Manager	Wee Waa Showground Stimulus Grant	\$76,853
Upper Hunter Show Inc	Muswellbrook Showground Stimulus Grant	\$75,455
Cowra Showground Racecourse & Paceway Trust	Cowra Showground Stimulus Grant	\$75,000
Gosford Showground Land Manager	Gosford Showground Stimulus Grant	\$70,773
Wingham Showground Trust	Wingham Showground Stimulus Grant	\$63,078
Carcoar Pastoral and Agricultural Association	Carcoar Showground Stimulus Grant	\$59,135
Nambucca River District Agricultural Association	Macksville Showground Stimulus Grant	\$59,091
Manildra Showground and Public Recreation Reserve Land Manager	Manildra Showground Stimulus Grant	\$58,464
Cessnock & District Agricultural Association	Cessnock Showground Stimulus Grant	\$54,545
Grenfell Showground Land Manager	Grenfell Showground Stimulus Grant	\$51,475
Temora Showground Land Manager	Temora Showground Stimulus Grant	\$49,960
Bungendore Racecourse & Camping/Caravan Park	Bungendore Showground Stimulus Grant	\$45,111
Borambil Recreation Reserve Land Manager	Bonalbo Showground Stimulus Grant	\$43,545
Bemboka Showground Land Manager	Bemboka Showground Stimulus Grant	\$42,006
Yass Show Society Inc	Yass Showground Stimulus Grant	\$34,701
Trundle Showground Land Manager	Trundle Showground Stimulus Grant	\$34,700
Neville Showground & Recreation Land Manager	Neville Showground Stimulus Grant	\$33,000
Jingellic Hub Inc	Jingellic Showground Stimulus Grant	\$28,630

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Comboyne Agricultural & Horticultural Society	Comboyne Showground Stimulus Grant	\$28,295
Mendooran P.A. & H Association Inc	Mendooran Showground Stimulus Grant	\$27,595
Young Showground Trust	Young Showground Stimulus Grant	\$27,500
Dapto Agricultural & Horticultural Society	Dapto Showground Stimulus Grant	\$24,375
Robertson Showground Land Manager	Robertson Showground Stimulus Grant	\$20,212
Nimbin Agricultural & Industrial Society Inc	Nimbin Showground Stimulus Grant	\$20,000
Bedgerabong Showground & Racecourse	Bedgerabong Showground Stimulus Grant	\$20,000
Cobargo Showground Land Manager	Cobargo Showground Stimulus Grant	\$19,642
Murrumburrah Showground Land Manager	Harden Showground Stimulus Grant	\$19,315
Mullumbimby Showground Land Manager	Mullumbimby Showground Stimulus Grant	\$17,069
Ganmain Show Ground Land Manager	Ganmain Showground Stimulus Grant	\$15,674
Moss Vale & District A.H. & I. Society Incorporated	Moss Vale Showground Stimulus Grant	\$15,668
Koorawatha Showground Land Manager	Koorawatha Showground Stimulus Grant	\$14,545
Forbes Pastoral Agricultural & Horticultural Association	Forbes Showground Stimulus Grant	\$14,439
Tenterfield Showground Land Manager	Tenterfield Showground Stimulus Grant	\$13,220
Morongla Creek Showground Land Manager	Morongla Showground Stimulus Grant	\$12,893
Alstonville Agricultural Society	Alstonville Showground Stimulus Grant	\$10,150
Coonabarabran Showground Land Manager	Coonabarabran Showground Stimulus Grant	\$6,364
Gulgong Showground Land Manager	Gulgong Showground Stimulus Grant	\$6,050
Rye Park Showground Land Manager	Rye Park Showground Stimulus Grant	\$6,000

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Corowa Racecourse & Showground Trust	Corowa Showground Stimulus Grant	\$4,235

## Increasing resilience to climate change

These grants were provided to organisations to transition/deliver projects that increase preparedness and adapting to climate change and variability.

**Table A26–2. Funds granted for increasing resilience to climate change**

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Armidale Tree Group Incorporated	Contribution towards adapting revegetation and bushland management to a hotter and drier climate.	\$23,890
Bowning-Bookham Districts Landcare Group	Contribution towards building community and landscape resilience in the Yass Valley.	\$24,000
Friends of Foresthaven Incorporated	Contribution to assist youth led initiatives & resilience training workshops	\$24,000
Kandos School of Cultural Adaptation	Contribution to assist the delivery of climate resilience initiatives for rural land restoration in Land Studio Pilot project	\$24,000
Pari Incorporated	Contribution to assist teaching of practical and creative responses to climate change to Western Sydney's diverse communities	\$24,000
Port Macquarie Community Gardens	Contribution towards building climate change resilience and adaptive capacity through knowledge sharing	\$24,000
Scarf Incorporated	Contribution towards building emerging community resilience to natural disaster emergencies in a climate of change focusing on the Illawarra region	\$24,000
Small Farms Network Capital Region	Contribution towards increasing small farm resilience to extreme heat, drought and bushfires	\$24,000

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Tamworth Manilla Landcare Association	Contribution to support producers and farmers transition to practices that build resilience to climate change	\$24,000
Z-Net Uralla Incorporated	Contribution towards establishing a water blueprint for the Uralla Shire to support necessary changes to water supply	\$24,000
Dharriwaa Elders Group	Contribution towards reinvigorating a water resilient community garden at the Walgett Aboriginal Medical Service.	\$23,984
Brunswick Valley Landcare Incorporated	Contribution to create a planting guide for the Northern Rivers region in NSW to assist in adapting to climate variability.	\$23,883
Upper Shoalhaven Landcare Council	Contribution towards healing country & community with Good Fire Practices	\$20,000
Gwymac Incorporated	Contribution to assist climate adaptation processes in Inverell and New England North West region through adoption of regenerative agricultural methods	\$19,854
Petaurus Education Group Incorporated	Contribution to assist in demonstrating ways to enhance habitat resilience to climate change at Wirraminna	\$18,746
Mid Coast 2 Tops Landcare	Contribution towards recovery planning for the sub- catchment to rebuild community and landscape resilience	\$16,965
Bermagui Pre School Co-Operative	Contribution to assist an urban and indigenous agriculture project as well as a bushfire recovery project.	\$9,200
Lions Club Of Shoalhaven Heads Incorporated	Contribution towards extreme heat management processes in greening Jerry Bailey Oval	\$8,000

## Organics—food donation education and top up

These grants were provided to community groups to support education and communication to secure more surplus food for donation.

**Table A26–3. Funds granted for food donation education and top up programs**

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Addison Road Centre for Arts	Organics - Food Donation Education and Top Up	\$44,889
Healthy People Illawarra Incorporated	Organics - Food Donation Education and Top Up	\$24,038
Winmalee Neighbourhood Centre Incorporated	Organics - Food Donation Education and Top Up	\$19,231
Camden Community Connections	Organics - Food Donation Education and Top Up	\$16,202
Central Coast Community Council	Organics - Food Donation Education and Top Up	\$6,410
Agape Outreach Incorporated	Organics - Food Donation Education and Top Up	\$6,410
Bay City Care	Organics - Food Donation Education and Top Up	\$6,410
Bucketts Way Neighbourhood Group Incorporated	Organics - Food Donation Education and Top Up	\$6,410
Christian Community Aid Service	Organics - Food Donation Education and Top Up	\$6,410
Coast Shelter	Organics - Food Donation Education and Top Up	\$6,410
Griffith Meals on Wheels Incorporated	Organics - Food Donation Education and Top Up	\$6,410
Mid-Richmond Neighbourhood Centre Incorporated	Organics - Food Donation Education and Top Up	\$6,410
Parkes Shire Food Service Incorporated	Organics - Food Donation Education and Top Up	\$6,410
Tharawal Aboriginal Corporation	Organics - Food Donation Education and Top Up	\$6,410
The Food for Change Foundation	Organics - Food Donation Education and Top Up	\$6,410



Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Yarrahapinni Adventist Youth Centre	Organics - Food Donation Education and Top Up	\$6,410
Carevan Wagga Incorporated	Organics - Food Donation Education and Top Up	\$4,910

## Saving our Species

These grants were provided to organisations towards conservation projects/programs required to save threatened plants and animals in the wild in NSW.

**Table A26–4. Funds granted for Saving our Species programs**

Recipient organisation	Program/Program area	Amount 2019–20
Greening Australia	Contribution to conservation project targeting superb parrots	\$186,147
Bush Heritage Australia	Contributions towards the extension and enhancement of a White Box woodland and threatened woodland bird habitat in the Tarcutta Hills.	\$154,641
Molonglo Conservation Group	Contribution towards Saving our Species conservation co-funding scheme - for the landscape- species conservation pink-tailed legless lizard habitat in the Googong-Burra region and developing monitoring, evaluation and reporting plans	\$150,000
Bush Heritage Australia	Contribution towards Saving our Species conservation co-funding scheme.	\$137,661
Nature Conservation Council of NSW	Contribution towards a conservation project targeting large forest owls within the Richmond Clarence lowlands	\$65,016
Foundation for National Parks & Wildlife	Saving our Species contribution to K2 Glideways—Quolls and Gliders	\$35,000
Foundation for National Parks & Wildlife	Contribution to the trails for tails agreement under the Saving our Species scheme - alerts for lyrebird and marbled frogmouth	\$20,000

Recipient organisation	Program/Program area	Amount 2019–20
Mid Lachlan Landcare Incorporated	Contribution to facilitate the Saving our Species conservation activities required at identified management sites in the State to secure the Glossy Black-Cockatoo species in the wild	\$5,000

## Drought Stimulus Package

The Department's grants to community groups is part of the NSW Government's Drought Stimulus Package to support regional economies and to mitigate the employment and income effects of the current drought in regional NSW.

**Table A26–5. Funds granted under drought stimulus package**

Recipient organisation	Program/Program area	Amount 2019–20
Ashford Show Society Inc	Drought Stimulus	\$5,000
Baradine P.A. & H. Association	Drought Stimulus	\$5,000
Batlow Agricultural Show Society Inc	Drought Stimulus	\$5,000
Bellinger River Agricultural Society	Drought Stimulus	\$5,000
Blayney A. & P. Association Inc	Drought Stimulus	\$5,000
Bombala Exhibition Society Inc	Drought Stimulus	\$5,000
Camden Haven P.A.H. & I. Society Inc.	Drought Stimulus	\$5,000
Carcoar Pastoral and Agricultural Association	Drought Stimulus	\$5,000
Coffs Harbour Show Society Inc	Drought Stimulus	\$5,000
Comboyne Agricultural & Horticultural Society	Drought Stimulus	\$5,000
Cooma Pastoral & Agricultural Society	Drought Stimulus	\$5,000
Comboyne Agricultural & Horticultural Society	Drought Stimulus	\$5,000
Coonamble Show Society Inc	Drought Stimulus	\$5,000
Cowra Show Society Inc	Drought Stimulus	\$5,000
Crookwell A.P. & H. Society Inc	Drought Stimulus	\$5,000
Dalgety Show Society Inc	Drought Stimulus	\$5,000

Recipient organisation	Program/Program area	Amount 2019–20
Dunedoo P.A.H. & I. Association Inc	Drought Stimulus	\$5,000
Forbes Pastoral Agricultural & Horticultural Inc	Drought Stimulus	\$5,000
Gloucester Agricultural Horticultural Association	Drought Stimulus	\$5,000
Goulburn Agricultural Pastoral Inc	Drought Stimulus	\$5,000
Gresford District Agricultural Society	Drought Stimulus	\$5,000
Griffith Show Society Inc	Drought Stimulus	\$5,000
Gulargambone Show Society Inc	Drought Stimulus	\$5,000
Gulgong Show Society Inc	Drought Stimulus	\$5,000
Gundagai Pastoral & Agricultural Inc	Drought Stimulus	\$5,000
Gunnedah Show Society Inc	Drought Stimulus	\$5,000
Gunning Pastoral Agricultural & Industrial Society	Drought Stimulus	\$5,000
Hay Show Society Inc.	Drought Stimulus	\$5,000
Henty Show Society Inc	Drought Stimulus	\$5,000
Holbrook Show Society Inc.	Drought Stimulus	\$5,000
Jerrawa Show Society Inc	Drought Stimulus	\$5,000
Kangaroo Valley A & H Association Inc	Drought Stimulus	\$5,000
Lake Cargelligo Show Society Inc	Drought Stimulus	\$5,000
Leeton Show Society Inc	Drought Stimulus	\$5,000
Mendooran P.A. & H. Association Inc	Drought Stimulus	\$5,000
Merriwa P.A.H & I. Association Inc	Drought Stimulus	\$5,000
Milton Show Society Inc	Drought Stimulus	\$5,000
Moree Show Society Inc	Drought Stimulus	\$5,000
Mudgee Show Society Inc	Drought Stimulus	\$5,000
Nambucca River District Agricultural Association	Drought Stimulus	\$5,000

Recipient organisation	Program/Program area	Amount 2019–20
Narromine Agricultural Show Inc	Drought Stimulus	\$5,000
Neville Show Society Inc	Drought Stimulus	\$5,000
Nowra Show Society Inc	Drought Stimulus	\$5,000
Oberon Show Society Inc	Drought Stimulus	\$5,000
Parkes Pastoral Agricultural & Horticultural Association Inc	Drought Stimulus	\$5,000
Robertson Agricultural & Forestry	Drought Stimulus	\$5,000
Royal Agricultural Society of NSW	Drought Stimulus	\$5,000
Rydal & District Agricultural Horticultural Pastoral Association Inc	Drought Stimulus	\$5,000
Taralga A. P. & H Association Inc	Drought Stimulus	\$5,000
Tenterfield Show Society Inc	Drought Stimulus	\$5,000
The Pastoral & Agricultural Society	Drought Stimulus	\$5,000
Tooraweenah P. A. & H. Association	Drought Stimulus	\$5,000
Trundle Pastoral & Agricultural Society	Drought Stimulus	\$5,000
Tullamore P.A. & H Association Inc	Drought Stimulus	\$5,000
Tumba Pastoral Agricultural & Horticultural Society	Drought Stimulus	\$5,000
Tumut Show Society Inc	Drought Stimulus	\$5,000
Ungarie Show Society Inc	Drought Stimulus	\$5,000
Walcha Show Society Inc	Drought Stimulus	\$5,000
Walgett Show Society Inc	Drought Stimulus	\$4,820
Wallamba District Agricultural & Pastoral Society	Drought Stimulus	\$5,000
Warren Pastoral & Agricultural Association	Drought Stimulus	\$5,000
Weethalle Show Society Inc	Drought Stimulus	\$5,000
Wellington Show Society Inc	Drought Stimulus	\$5,000

Recipient organisation	Program/Program area	Amount 2019–20
Wingham Show Society Inc	Drought Stimulus	\$5,000
Woodstock Memorial Show Inc	Drought Stimulus	\$5,000
Yass Show Society Inc	Drought Stimulus	\$5,000
Yeoval P.A. & H. Society Inc	Drought Stimulus	\$5,000

## Recreational fishing programs

Recreational Fishing Trusts, freshwater and saltwater, receive funds through the sale of fishing licences in NSW. The Trusts provided funding to the Department, which paid grants to organisations for projects to rehabilitate fish habitat in freshwater and saltwater areas of NSW. The Trust funding also provides grants to organisations to improve local recreational fishing facilities and undertake research related to recreational fishing across NSW.

**Table A26–6. Funds granted for recreational fishing programs**

Recipient organisation	Program/Program area	Amount 2019–20
Botany Bay Game Fishing Club Inc	Recreational Fishing Programs	\$1,800
Cattai Public School P&C Association	Recreational Fishing Programs	\$1,800
Euro Fishing Association Inc	Recreational Fishing Programs	\$1,800
Guyra Troutfest Inc.	Recreational Fishing Programs	\$1,024
Lavington Anglers Club Inc	Recreational Fishing Programs	\$1,800
Mungindi RSL & Two-Mile Fishing Club	Recreational Fishing Programs	\$1,980
Nambucca Heads Offshore Fishing	Recreational Fishing Programs	\$2,000
Oatley Fishing & Tennis Inc	Recreational Fishing Programs	\$1,916
Royal Motor Yacht Club Broken Bay	Recreational Fishing Programs	\$1,800
Trangie Action Group Inc	Recreational Fishing Programs	\$1,440
Wallerawang Branch Central	Recreational Fishing Programs	\$2,000

## Regional communities programs

Grants under this program were provided by the Department to help improve the well-being of people and communities in regional communities and financially support projects that revitalise regional NSW.

**Table A26–7. Funds granted under regional communities programs**

Recipient organisation	Program/Program area	Amount 2019–20
Binnaway P. A. H and I Assoc Inc	Regional Communities Development	\$36,000
Cooma Monaro Railway Inc	Regional Communities Development	\$75,000
Dubbo Golf Club Ltd	Regional Communities Development	\$780,000
Kellyville Soccer Club Inc.	Regional Communities Development	\$6,499
Makerspace & Company Foundation Ltd	Regional Communities Development	\$33,000
Muswellbrook R S L Sub-Branch Club	Regional Communities Development	\$756,522
North Broken Hill Bowling Club Inc	Regional Communities Development	\$223,400
Northern NSW Local Health District	Regional Communities Development	\$200,000
Oatley RSL Youth Club Inc	Regional Communities Development	\$11,060
The Australian & New Zealand Diocese	Regional Communities Development	\$60,000
Tuross Head Country Club Ltd	Regional Communities Development	\$10,600
Woolgoolga Surf Life Saving Club Inc	Regional Communities Development	\$199,670
107 Projects Inc	My Community Program	\$66,413
Albury Wodonga Regional Foodshare	My Community Program	\$35,000
Anglican Church Property Trust	My Community Program	\$589,760
Arts Mid North Coast	My Community Program	\$31,392
Association of Haryanvis In Australia	My Community Program	\$60,749
Australian Design Centre	My Community Program	\$17,600
Balgowlah North Public School P&C	My Community Program	\$35,000
Baptistcare NSW & ACT	My Community Program	\$137,126
Baulkham Hills Football Club Inc	My Community Program	\$23,477
Beacon Hill P&C Association	My Community Program	\$29,045

Recipient organisation	Program/Program area	Amount 2019–20
Beecroft Primary School P&C	My Community Program	\$180,000
Beyond Church Inc	My Community Program	\$99,990
Binnaway P. A. H & I Association Inc	My Community Program	\$60,000
Blacktown Ponds Lions Club Inc	My Community Program	\$86,554
Blaxland High P&C Association	My Community Program	\$200,000
Blue Datto Foundation Ltd	My Community Program	\$35,200
Breakfast Point Men's Shed Inc	My Community Program	\$56,000
Burraneer Bay Public School Parents Association	My Community Program	\$200,000
Burwood Community Welfare Services	My Community Program	\$33,970
Byron Bay Community Association Inc	My Community Program	\$26,824
Byron Youth Service Inc	My Community Program	\$58,493
Camp Breakaway Inc	My Community Program	\$90,000
Campbelltown Eagles Rugby League	My Community Program	\$44,509
Cancer Patients Assistance Society	My Community Program	\$46,000
Carevan Wagga Inc	My Community Program	\$38,405
Christian Outreach Centre	My Community Program	\$90,000
Community Power Agency Co- Operative	My Community Program	\$36,786
Coptic Orthodox Church	My Community Program	\$135,294
Darul Ulum Sydney Inc	My Community Program	\$62,920
Diocese of Maitland-Newcastle	My Community Program	\$111,500
Dunedoo & District Development Group	My Community Program	\$47,610
Eco Minds Community Care	My Community Program	\$57,645
Friends of The James Theatre Inc	My Community Program	\$40,000
Friends of The Koala	My Community Program	\$45,226
Gerringong Rugby League Football Cl	My Community Program	\$93,500



Recipient organisation	Program/Program area	Amount 2019–20
Girl Guides Association of NSW	My Community Program	\$50,000
Guyra Junior Rugby League	My Community Program	\$60,000
Hills Football Inc	My Community Program	\$100,000
HORCC	My Community Program	\$48,400
Hornsby Berowra Men's Shed Inc	My Community Program	\$86,584
Humanity Matters Inc	My Community Program	\$81,490
Hunters Hill High School P&C Association	My Community Program	\$50,000
Inner West Neighbour Aid Incorporated	My Community Program	\$42,585
Iskcon Radha Govinda Temple Sydney	My Community Program	\$100,000
Kahibah Public School Parents & Citizens	My Community Program	\$100,100
Kellyville Soccer Club Inc.	My Community Program	\$25,995
Lakeside Lions Junior	My Community Program	\$25,600
Laughing Bird Arts Association Inc	My Community Program	\$85,800
Lismore Rugby Club Inc	My Community Program	\$132,271
Little Heroes Swim Academy Ltd	My Community Program	\$16,000
Lucas Gardens School P&C	My Community Program	\$43,296
Lynwood Park Parent's & Citizen's	My Community Program	\$55,000
Macarthur Centre For Sustainable Living	My Community Program	\$40,318
Macquarie University	My Community Program	\$86,140
Mahboba's Promise Inc	My Community Program	\$44,275
Manly Food Co-Operative	My Community Program	\$18,363
Neighbourhood Watch Australasia Ltd	My Community Program	\$20,000
New Vine Church Inc	My Community Program	\$56,000
Newbridge Hts Primary School P&C	My Community Program	\$129,000
North Shoalhaven Meals Co- Operative	My Community Program	\$35,899

Recipient organisation	Program/Program area	Amount 2019–20
North Wagga Residents Association Inc	My Community Program	\$60,436
North Western Model Engineers Inc.	My Community Program	\$100,000
Oatley RSL Youth Club Inc	My Community Program	\$44,240
Open Local Ltd	My Community Program	\$22,000
Orange Cycle and Triathlon Club Inc	My Community Program	\$88,000
Orange Mountain Bike Club	My Community Program	\$70,000
Our Community Cares Inc	My Community Program	\$40,000
Pacific Palms Public School Parents	My Community Program	\$79,500
Peninsula Environment Group	My Community Program	\$63,409
Petersham Public School P&C Association	My Community Program	\$40,000
Pratten Park Community Sports & Bowling Club	My Community Program	\$21,565
Prosper (Project Australia) Inc.	My Community Program	\$22,000
Pulse Club - Combined Waterfront	My Community Program	\$51,547
Revesby South Public School P&C	My Community Program	\$135,000
Revive Lake Cathie Inc	My Community Program	\$20,000
Richmond Players Inc	My Community Program	\$45,375
Rotary Club of Grafton Midday Inc	My Community Program	\$17,912
Rotary Club of Lower Blue Mountains	My Community Program	\$44,000
Rotary Club of Newcastle Enterprise	My Community Program	\$95,150
RSM Community Transport Incorporated	My Community Program	\$56,779
San Remo Neighbourhood Centre Inc	My Community Program	\$78,100
Sanctuary Point Community Pride Inc	My Community Program	\$94,000
Scone Neighbourhood Resource	My Community Program	\$60,610
Seventh-Day Adventist Aged Care	My Community Program	\$16,000
Seventh-Day Adventist Schools	My Community Program	\$43,488

Recipient organisation	Program/Program area	Amount 2019–20
Skillset Workforce	My Community Program	\$99,086
Southern Highlands Botanic Gardens	My Community Program	\$100,000
Souths Cares Pbi Ltd	My Community Program	\$62,370
Spring Farm Public School P & C	My Community Program	\$129,063
St Clair and District Men's Shed	My Community Program	\$52,000
St John Ambulance Aust NSW	My Community Program	\$38,789
Stanwell Park Arts Theatre Inc	My Community Program	\$39,600
Stingrays Football Club Shellharbour	My Community Program	\$44,669
Story Factory Inc	My Community Program	\$58,600
Suffolk Park Progress Assoc Inc	My Community Program	\$78,150
Sunnyfield	My Community Program	\$79,391
Sutherland Shire Netball Association	My Community Program	\$38,679
Sylvania Heights Community & Youth Club	My Community Program	\$100,000
Tharawal Aboriginal Corporation	My Community Program	\$100,000
The Armidale Playhouse Inc	My Community Program	\$95,540
The Australian & New Zealand Diocese	My Community Program	\$100,000
The Bower Re-Use & Repair Centre	My Community Program	\$38,400
The Muslim League of NSW Inc	My Community Program	\$65,000
The Rotary Club of Wahroonga Inc	My Community Program	\$72,558
The Scout Association of Australia	My Community Program	\$36,000
Thirroul Junior Football Club Inc	My Community Program	\$76,133
Transition Newcastle Inc	My Community Program	\$25,433
Trustees of The Roman Catholic Chur	My Community Program	\$52,800
TTF Catholic Care Sydney Trust	My Community Program	\$82,500
TTF Sydney Community Foundation	My Community Program	\$100,000

Recipient organisation	Program/Program area	Amount 2019–20
Tuntable Falls Community Primary School	My Community Program	\$60,000
Umina Surf Life Saving Club Inc	My Community Program	\$22,500
University of Technology Sydney	My Community Program	\$101,000
Vietnamese Community in Australia	My Community Program	\$20,232
Wagga Wagga Country Club Ltd	My Community Program	\$54,000
Wakakirri Story-Dance Association	My Community Program	\$16,000
Warrigal Care	My Community Program	\$48,576
West Tamworth Tennis Club Inc	My Community Program	\$50,030
Western Sydney Multicultural Family	My Community Program	\$98,661
Westside Church Inc	My Community Program	\$60,000
Windara Communities Ltd	My Community Program	\$63,200
Wisemans Forgotten Valley Association	My Community Program	\$28,000
Wylies Baths Trust Inc	My Community Program	\$58,193
All Sustainable Futures Inc	My Community Program	\$140,000
Allegri Singers Inc	Revitalise Regional NSW	\$7,000
Apex Foundation	Revitalise Regional NSW	\$20,000
Aussie Leathercrafters Inc Group	Revitalise Regional NSW	\$1,000
Bathurst Observatory Research Facility	Revitalise Regional NSW	\$5,000
Boggabri Business Promotions Association	Revitalise Regional NSW	\$15,000
Canowindra Challenge Inc	Revitalise Regional NSW	\$40,000
Binnaway P. A. H & I Assoc Inc	Revitalise Regional NSW	\$4,958
Boorowa Show Society Inc	Revitalise Regional NSW	\$5,000
Bourke Pastoral & Agricultural Association	Revitalise Regional NSW	\$5,000
Cumnock Show Society Inc	Revitalise Regional NSW	\$5,000

Recipient organisation	Program/Program area	Amount 2019–20
Glen Innes Show Society Inc	Revitalise Regional NSW	\$5,000
Lithgow Show Society Inc	Revitalise Regional NSW	\$5,000
Manilla Show Society	Revitalise Regional NSW	\$5,000
Moss Vale & District A H & I Society	Revitalise Regional NSW	\$5,000
Muswellbrook R S L Sub-Branch Club	Revitalise Regional NSW	\$216,149
Nyngan Show Society Inc	Revitalise Regional NSW	\$5,000
Rylstone Kandos Show Society Inc.	Revitalise Regional NSW	\$5,000
Sofala & District Agricultural & Horticultural Show Society	Revitalise Regional NSW	\$5,000
Upper Hunter Show Inc	Revitalise Regional NSW	\$5,000
Warialda P & A Association Inc	Revitalise Regional NSW	\$5,000
Woolgoolga Surf Life Saving Club Inc	Revitalise Regional NSW	\$798,677
Port Kembla Baptist Church	Revitalise Regional NSW	\$7,480
Port Kembla Cricket Association Inc	Revitalise Regional NSW	\$43,775
Bangalow Lions Club Inc	Communities Grants Programs	\$114,000
Friends of The Koala	Communities Grants Programs	\$35,000
Gidget Foundation Australia	Communities Grants Programs	\$375,000
Lightning Ridge Opal & Fossil Centre	Communities Grants Programs	\$1,016,855
Northern Rivers Wildlife Hospital	Communities Grants Programs	\$5,000
Oxley Vale Lifelong Learning Centre	Communities Grants Programs	\$340,000
Police Citizens Youth Clubs NSW Ltd	Communities Grants Programs	\$84,167

## Shark Management Strategy

Grants under this program were provided by the Department to organisations to provide shark management and meshing at NSW beaches.

**Table A26–8. Funds granted for shark management strategy**

Recipient organisation	Program/Program area	Amount 2019–20
Charles Sturt University	Shark Management Strategy	\$46,000
University of Technology Sydney	Shark Management Strategy	\$36,778
Southern Cross University	Shark Management Strategy	\$35,430
University of Sydney	Shark Management Strategy	\$19,000
University of Queensland	Shark Management Strategy	\$4,794

## Office of the NSW Chief Scientist and Engineer

The Department provides grants to support science and engineering research programs in New South Wales.

**Table A26–9. Funds granted for research programs**

Recipient organisation	Program/Program area	Amount 2019–20
University of Sydney	Quantum Computing Fund	\$3,100,000
Macquarie University	Research Attraction and Acceleration Program	\$1,000,000
University of Technology Sydney	Research Attraction and Acceleration Program	\$1,000,000
University of Sydney	Research Attraction and Acceleration Program	\$1,000,000
University of Technology Sydney	Research Attraction and Acceleration Program	\$1,000,000
Western Sydney University	Research Attraction and Acceleration Program	\$890,000
University of Wollongong	Research Attraction and Acceleration Program	\$838,500
University of New South Wales	Research Attraction and Acceleration Program	\$838,500
University of Newcastle	Research Attraction and Acceleration Program	\$800,000

Recipient organisation	Program/Program area	Amount 2019–20
University of Sydney	Research Attraction and Acceleration Program	\$700,000
Macquarie University	Research Attraction and Acceleration Program	\$600,000
Sydney Institute of Marine Science	Research Attraction and Acceleration Program	\$600,000
Macquarie University	Research Attraction and Acceleration Program	\$473,000
University of Newcastle	Research Attraction and Acceleration Program	\$330,000
University of Sydney	Research Attraction and Acceleration Program	\$200,000
Sydney Children's Hospitals Network	Research Attraction and Acceleration Program	\$200,000
The Sax Institute	Research Attraction and Acceleration Program	\$175,000
Western Sydney University	Research Attraction and Acceleration Program	\$160,000
Australian Nuclear Science	Research Attraction and Acceleration Program	\$140,000
University of Sydney	Research Attraction and Acceleration Program	\$112,500
Australian Nuclear Science	Research Attraction and Acceleration Program	\$110,000
Engineers Australia	Research Attraction and Acceleration Program	\$100,000
University of Newcastle	Research Attraction and Acceleration Program	\$100,000
University of Technology Sydney	Research Attraction and Acceleration Program	\$100,000
University of New South Wales	Research Attraction and Acceleration Program	\$100,000
University of New South Wales	Research Attraction and Acceleration Program	\$100,000



Recipient organisation	Program/Program area	Amount 2019–20
University of New South Wales	Research Attraction and Acceleration Program	\$100,000
University of Sydney	Research Attraction and Acceleration Program	\$100,000
University of Sydney	Research Attraction and Acceleration Program	\$100,000
University of New South Wales	Research Attraction and Acceleration Program	\$50,000
University of New South Wales	Research Attraction and Acceleration Program	\$50,000
University of New South Wales	Research Attraction and Acceleration Program	\$50,000
Australian Science Media Centre Inc	Research Attraction and Acceleration Program	\$37,908
Australian Science Media Centre Inc	Research Attraction and Acceleration Program	\$37,164
University of Sydney	Research Attraction and Acceleration Program	\$15,000
Science Teachers Association of NSW	Research Attraction and Acceleration Program	\$10,000
Norwest Christian College Ltd	Research Attraction and Acceleration Program	\$10,000

## Miscellaneous programs

The Department provides grants to support community groups against a range of other programs that are included in the table below.

**Table A26–10. Funds granted for the following programs**

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Barkandji Native Title Group Aboriginal Corporation	Native Title Support Grant	\$513,993
Foundation for National Parks & Wildlife	Contribution to fund the needs of volunteers in accordance with priorities laid out in the NSW volunteer wildlife rehabilitation sector strategy	\$335,000

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Barkandji Native Title Group Aboriginal Corporation	Water reform projects	\$300,000
Foundation for National Parks & Wildlife	Contribution to fund the acquisition of large durable strategic assets for the wildlife rehabilitation sector, including those lost in the recent fires	\$200,000
Foundation for National Parks & Wildlife	Contribution to provide for the immediate operational response needs of wildlife rehabilitators responding to fires	\$120,000
NTSCORP Ltd	Native Title Support Grant	\$83,000
Foundation for National Parks & Wildlife	Annual contribution towards the administration of the Foundation for National Parks and Wildlife	\$50,000
Ethnic Communities Council of NSW	Contribution towards providing support and advice to the business to help them implement recommended actions to reduce waste to landfill and increase recycling	\$46,620
Women for Election Australia	Conduct seven workshops to encourage women to stand for election in the 2021 NSW local government ordinary elections	\$45,000
Port Stephens Koala & Wildlife Preservation Society Limited	Contribution towards purchase of koala rescue and rehabilitation equipment	\$44,970
Seabin Foundation Limited	Contribution to build capacity of community groups to target litter in local litter hotspots	\$27,828
Take 3 Limited	Contribution to build capacity of community groups to target litter in local litter hotspots	\$27,520
Friends of the Koala Incorporated	Contribution towards wildlife carers group	\$26,887
NSW Wildlife Council	Annual contribution to enable the NSW Wildlife Council, the peak body for the wildlife rehabilitation sector, to acquire insurance for their members	\$25,000
Native Animal Trust Fund Incorporated	Contribution towards purchase of koala rescue and rehabilitation equipment	\$24,309
Black Star Aboriginal Corporation	Contribution towards koala habitat restoration on Aboriginal land through a tree planting program involving site preparation, weed works and planting 5000 koala food trees.	\$20,000

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
Ethnic Communities Council Of NSW	Contribution to build capacity of community groups to target litter in local litter hotspots	\$18,236
Total Environment Centre Incorporated	Contribution to build capacity of community groups to target litter in local litter hotspots	\$15,006
Women for Election Australia	Workshop to encourage women into Local Government	\$15,000
Linton Boyd Howarth	Local Aboriginal Land Council Support	\$14,400
Friends of the Koala Incorporated	Contribution to deliver a koala habitat restoration project through the creation of a koala food tree corridor on the Wyrallah flood plain	\$10,000
Tathra Surf Lifesaving Club	Contribution to build capacity of community groups to target litter in local litter hotspots	\$6,965
Macarthur Diversity Services Initiative	Contribution to build capacity of community groups to target litter in local litter hotspots	\$5,775
Macquarie Shore Swimming Club	Contribution to build capacity of community groups to target litter in local litter hotspots	\$5,500
WINC (Wildlife in Need of Care) Incorporated	Contribution towards purchase of koala rescue and rehabilitation equipment	\$2,450
Friends of the Koala Incorporated	Contribution towards koala tree planting through creating additional capacity in the form of Aboriginal rangers to assist with planting koala food trees during COVID-19	\$1,140
Northern Tablelands Wildlife Carers Incorporated	Contribution towards purchase of koala rescue and rehabilitation equipment	\$900
Charles Sturt University	Research towards increasing productivity of primary production in regional economies	\$156,318
ICARDA	Research towards increasing productivity of primary production in regional economies	\$69,000
Western Sydney University	Research towards increasing productivity of primary production in regional economies	\$39,459
Animal Health Australia	Animal biosecurity & welfare	\$821,586
University of Queensland	Research towards increasing productivity of primary production in regional economies	\$56,040

Recipient organisation	Program/Program area	Amount 2019–20 (\$)
University of Technology Sydney	Research towards increasing productivity of primary production in regional economies	\$24,675
The University of New England	Scientific research towards increasing productivity of primary industries in regional economies	\$123,197
Southern Cross University	Climate research towards increasing productivity of primary industries in regional economies	\$22,797
University of New South Wales	Climate research towards increasing productivity of primary industries in regional economies	\$39,474
Foodbank NSW & ACT Ltd	Supply of food and supplies to bushfire affected areas	\$420,000
Gidget Foundation Australia	Supply of food and supplies to bushfire affected areas	\$225,000
Tulgeen Group	Supply of food and supplies to bushfire affected areas	\$600,000
Central West Farming Systems Inc	Research projects to improve primary production productivity	\$30,000
Irrigated Cropping Council Inc	Research projects to improve primary production productivity	\$30,000
Irrigation Research & Extension	Research projects to improve primary production productivity	\$30,000
Blazeaid Inc	Provision of food and supplies to support regional communities impacted by bushfires	\$1,000,000
National Farmers' Federation Ltd	Provision of food and supplies to support regional communities impacted by bushfires	\$2,000,000

## Aboriginal Housing Office

The Aboriginal Housing Office funds and delivers Aboriginal social and affordable housing assistance through the National Partnership Agreement on Remote Indigenous Housing, the National Affordable Housing Agreement and the Aboriginal Housing Office's own rental income and capital works program. This is done to:

- deliver new housing and upgrade existing housing
- repair and maintain dwellings for the Aboriginal Community Housing sector and improve the quality of housing available to Aboriginal people
- strengthen the Aboriginal Community Housing sector.

**Table A26–11. Funds granted by the Aboriginal Housing Office**

<b>Name of recipient organisation</b>	<b>Total (\$GST exclusive)*</b>
Barriekneal Housing & Community	502,497
Bogan Aboriginal Corporation	28,050
Browns Flat Aboriginal Corporation	56,100
Bundjalung Tribal Society	21,450
Bunjum Aboriginal Corporation	18,150
Cooramah Housing And Enterprise Aboriginal Corporation	28,050
Gunida Gunyah Aboriginal Corporation	372,600
Illawarra Aboriginal Corporation	39,475
Management And Advisory Services Aboriginal Corporation	175,573
Many Rivers Regional Housing Management Service— Aboriginal Corporation	934,060
Mid Lachlan Aboriginal Housing Management Cooperative Ltd	2,193,950
Moych Aboriginal Corporation	23,050
Mrangalli Aboriginal Corporation	40,000
Murdi Paaki Regional Housing Corporation Ltd	749,056
Ngalawi Housing Co-Operative Limited	9,900
NSW Federation Of Housing Associations Inc	198,415
Searms Aboriginal Corporation	190,164
Twofold Aboriginal Corporation	14,850
Wahgunyah (Housing) Aboriginal Corporation	24,750
Woomera Aboriginal Corporation	42,900

## Appendix 27. Government Resource Efficiency Policy

The NSW Government Resource Efficiency Policy (GREP) sets out actions, targets and minimum standards for resource efficiency in NSW Government operations. The Department of Planning, Industry and Environment's GREP report for 2019–20 will be published in December 2020 at the website for [CASPER](#),<sup>88</sup> a database of GREP data.

## Appendix 28. Reports required under the *Wilderness Act 1987*

The *Wilderness Act 1987* provides the legislative framework for the nomination, assessment, identification and declaration of wilderness areas and their management. There are over two million hectares of declared wilderness in NSW, representing about 2.6% of the state and 30% of the NSW National Parks Estate.

There were no wilderness additions in 2019–20.

A plan of management covering Curracabundi National Park was adopted in late 2019. It permits horse riding in the Curracabundi Wilderness as a two-year trial in conjunction with a monitoring framework. At the conclusion of the pilot, an assessment of the outcomes of the pilot will be undertaken. Decisions about the continuation of horse riding in the wilderness area following the end of the trial will be undertaken in consultation with the National Parks and Wildlife Advisory Council.

## Appendix 29. Reports required under Part 4A *National Parks and Wildlife Act 1974*

### Biamanga National Park Board of Management

The Biamanga Board of Management, together with the Gulaga Board, has been implementing the Yuin Bangguri (Mountain) Parks Plan of Management, which was approved in 2014 and which relates to both Biamanga National Park and Gulaga National Park. Consistent with the plan, in 2019–20 the Biamanga Board:

- conducted a review of the plan of management priorities, progress and actions
- conducted a lease review
- worked with Bega Valley Shire Council to implement an alcohol-free zone within the Biamanga Cultural Area (BCA) to reduce inappropriate visitor behaviour
- installed new picnic tables in the BCA
- conducted concept planning to enhance visitor safety and experience in the BCA
- participated in koala surveys and multi-agency cultural burn planning within the neighbouring Murrah Flora Reserves cultural landscape.

In 2020, the South Coast fires affected 11,500 hectares (more than 84%) of Biamanga National Park. The picnic area within the BCA was not affected, but the walking track and lookout were, and these assets will be replaced. The BCA remains closed until it is safe for visitors. As part of the fire recovery, the Biamanga Board, with the support of the National Parks and Wildlife Service Partnerships, Planning and Heritage Branch, completed an Aboriginal cultural heritage post-fire survey and site protection report. Assessments of hazardous trees and tree treatments along the road and fire trail maintenance were also completed.

<sup>88</sup> Centralised Analysis System for Performance of Energy and Resources, [www.environment.nsw.gov.au/casper/](http://www.environment.nsw.gov.au/casper/)

## Gulaga National Park Board of Management

The Gulaga Board of Management (together with the Biamanga Board) has been implementing the Yuin Bangguri (Mountain) Parks Plan of Management, which was approved in 2014 and which relates to both Gulaga National Park and Biamanga National Park. Consistent with the plan, in 2019–20 the Gulaga Board:

- conducted a review of the plan of management priorities, progress and actions
- conducted a lease review
- completed the Bellbrook walking track, pending an opening activity and installation of interpretive signs
- delivered weed management supported by the Saving our Species program, which continued protection of the threatened plant Warty Zieria
- collaborated with Merrimans and Wagonga Local Aboriginal Land Councils on the Digmans Creek revegetation project and an education, training and employment plan
- conducted planning with Heritage NSW for a Back to Country celebration of the Aboriginal Places declared on the South Coast in the last few years. Aboriginal Places recognise and legally protect land deemed to have special significance for Aboriginal culture in NSW.

In 2020, the South Coast fires affected 589 hectares (more than 12%) of Gulaga National Park. As part of the fire recovery, the Gulaga Board, with the support of the National Parks and Wildlife Service Partnerships, Planning and Heritage Branch, completed an Aboriginal cultural heritage post-fire survey and site protection report. Assessments of hazardous trees and tree treatments along the road and fire trail maintenance were also completed.

## Gaagal Wanggaan (South Beach) National Park Board of Management

The Gaagal Wanggaan National Park Board of Management has been implementing statutory requirements including continuing to prepare and adopt governance policies and procedures, preparing for the preparation of a plan of management, and progressing the first lease review. Preparation for 2020–24 Gaagal Wanggaan Board appointments are well underway. This will be the third Gaagal Wanggaan National Park Board to be appointed by the Minister for Energy and Environment.

The National Parks and Wildlife Service has begun negotiations on behalf of the Gaagal Wanggaan Board for the purchase of culturally and environmentally significant land for addition to the Part 4A park. This purchase will future-proof the park against climate change and rising sea levels and return to the Gumbaynggirr People a parcel of land that has significant cultural values and assets.

The primary focus of the Gaagal Wanggaan Board has been Indigenous Land Use Agreement (ILUA) negotiations with Gumbaynggirr native title holders that began in 2019, and the board has held combined meetings with the native title prescribed body corporate.

## Mt Grenfell Historic Site Board of Management

The Mt Grenfell Board has created a 'Junior Board' to give younger members of the Aboriginal community the opportunity to gain experience from shadowing them, so as to have younger people ready to become future Mt Grenfell Board members. In November 2019, the Junior Board was approved to work with the Cobar Museum to undertake restoration of artefacts of significance to the Ngiyampaa people. These artefacts were reviewed and moved to secure locations to protect them during the restoration works. The museum curator, and the Junior Board—with support from mentors and Mt Grenfell Board members—learnt how to identify, handle, label and store artefacts.

During May 2020, facilities in the Mumboana quarters at Mt Grenfell Homestead precinct were upgraded to support the Mt Grenfell Board holding meetings and other community activities. In



addition, the National Parks and Wildlife Service installed two large tanks that provide water for ongoing management and firefighting provisions for the historic site.

The Mt Grenfell Board approved the purchase of a dedicated keeping place where significant Aboriginal artefacts can be kept and protected. The small facility located in a secure location on the historic site makes provision for future management of historic items of significance to the Ngiyampaa people.

In 2019–20, the National Parks and Wildlife Service and the Mt Grenfell Board provided additional upgraded entry signage to the site.

Feral goat numbers were significantly reduced through goat removal contracts to reduce grazing pressures on the site and provided income for the Mt Grenfell Board. National Parks and Wildlife Service staff continued with weed and feral animal management, and provision of fencing to neighbours.

The management of the day-use area, visitor facilities and art site are a priority of the Mt Grenfell Board to ensure facilities are managed in accordance with COVID-19 guidelines and are in good condition for visitation.

## Mutawintji National Park Board of Management

On 4 September 2019, the Minister for Energy and Environment the Hon. Matthew Kean visited the Nuntherungie Ochre Site to announce its gazettal as a State Conservation Area, and its subsequent addition to the Mutawintji Part 4A lands. Members of the Mutawintji Board of Management, the Mutawintji Local Aboriginal Land Council (LALC), and family and friends were all invited to help celebrate.

On 28 September 2019, the 21st handback anniversary was celebrated at Mutawintji National Park. This marked 21 years since the park was handed back to the Aboriginal Owners.

During June 2020, the Mutawintji National Park Thunka (cemetery) was registered with Cemeteries and Crematoria NSW. The cemetery was established to give Wiimpatja and members of their families the option of being buried on these lands.

The Mutawintji Board engaged Mutawintji LALC staff to work on a variety of projects during the year. A record number of local Wiimpatja people were engaged to help National Parks and Wildlife Service staff with:

- pest control (building goat traps and yards)
- stone collection to help rebuild the homestead on the park after it burnt down in 2012
- catering and events (the Minister for Energy and Environment's visit to Nuntherungie, and 21 anniversary of the handback)
- general labouring (including meeting preparation) and site surveying.

In addition, the Mutawintji Board granted five contracts to muster goats.

## Worimi Conservation Lands Board

The Worimi Conservation Lands were established in 2007 and the Worimi Board is implementing a plan of management that was approved in 2015. Consistent with plan, in 2019–20 the Worimi Board continued to implement programs including sand fencing to stabilise the vulnerable frontal dunes, midden recording in the Recreation Vehicle Area, and site protection.

Two key low-intensity hazard reduction burns were completed in collaboration with the NSW Rural Fire Service, and \$200,000 was spent on upgrading firetails to Rural Fire Service standards.

New access infrastructure (cable and bollards, gates and signage) was installed at the three park entrances at a cost of \$150,000.

Beach vehicle access, commercial operations and camping were curtailed due to the COVID-19 crisis in the last two quarters. Despite this, a highly successful media campaign with Destination Port Stephens was very popular with park visitors and the local community.

Efficient management of major incidents was a feature of the year. These included the removal of a 40-tonne whale, debris clean up from 20 ship containers lost overboard along the beach, and short-term closures of beach vehicle driving due to storm events.

The fifth year of the weed removal program, and rubbish and asbestos removal costing \$900,000 was successfully completed under the Fern Bay Voluntary Planning Agreement.

In collaboration with the Commonwealth Department of Defence, unexploded ordinance hazards were removed at Anna Bay.

## Appendix 30. Mineral Resources Fund reports

### Minerals and Petroleum Administrative Fund

The Division of Resources and Geoscience's<sup>89</sup> expenditure from the Minerals and Petroleum Administrative Fund was \$24.035 million in the 2019–20 financial year ending 31 March 2020, when Resources and Geoscience became Mining, Exploration and Geoscience. The fund usage shown in Table A30–1 reflects the period when Resources and Geoscience and the NSW Resources Regulator were part of the Department of Planning, Industry and Environment.

**Table A30–1. Financial year 2019–20 (ending 31 March)**

Activity	Expenditure (\$000)
Rehabilitation of legacy mines	2,281
Environmental regulation of minerals, petroleum and mining activities	5,571
Compliance and enforcement of obligations created by the grant of a right to explore, extract or produce petroleum or minerals	
Enhanced communication and community liaison functions	450
Other regulatory and administrative activities including titles, geoscience land use and overheads in relation to the minerals and petroleum industries.	11,808
Titles Management System Development	3,925
<b>Total</b>	<b>24,035</b>

As at 1 July 2019, the opening balance of the fund was \$16.9 million.

In 2019–20, the Administrative Fund collected \$22.2 million based on a calculation method set in the *Mining Act 1992* (Part 14A Division 4) requiring all titleholders (whether for mining or petroleum, production or exploration) to contribute 1% of the value of their required security deposit for each authorisation on an annual basis. In addition, the Administrative Fund had accumulated

<sup>89</sup> Resources and Geoscience has become Mining, Exploration and Geoscience within the Department of Regional NSW, which was established 2 April 2020.

\$0.1 million in interest. The total costs spent from the Administrative Fund was \$24.1 million. These expenditure activities related to mining and petroleum administrative costs associated with Resources and Geoscience and the Resources Regulator NSW.

As at 30 March 2020, the closing balance of the Administrative Fund was \$15.1 million.

## Minerals and Petroleum Investment Fund

The Division of Resources and Geoscience's expenditure from the Minerals and Petroleum Investment Fund was \$3.271 million in 2019–20 financial year ending 31 March 2020, when Resources and Geoscience became Mining, Exploration and Geoscience. The fund usage shown in Table A30–2 reflects the period when Resources and Geoscience was part of the Department of Planning, Industry and Environment:

**Table A30–2. Financial year 2019–20 (ending 31 March)**

Activity	Expenditure (\$000)
Explore NSW	25
MinEx CRC	539
Acquisition & Synthesis—Minerals	1,060
Geoscience Information	1,054
Acquisition & Synthesis - Petroleum	580
Cooperative Drilling	13
<b>Total</b>	<b>3,271</b>

As at 1 July 2019, the opening balance of the Investment Fund was \$3.4 million.

In 2019–20, the Investment Fund collected \$4.8 million based on a calculation method set in the *Mining Act 1992* (Part 14A Division 3), requiring an annual rental fee to be paid on the grant of a mining authorisation. In addition, the Investment Fund accumulated \$0.02 million of interest. The total expenditure from the Investment Fund was \$3.3 million. The expenditure funded Resources and Geoscience programs such as the New Frontiers minerals and energy exploration initiative and geoscience information initiatives.

As at 30 March 2020, the closing balance of the Investment Fund was \$4.9 million.

## Small-scale Titles Levy Fund

Resources and Geoscience incurred expenditure of \$0.023 million, which was funded from the Small-Scale Titles Levy Fund. The break-up of the expenditure is as follows:

**Table A30–3. Financial year 2019–20 (ending 31 March)**

Activity	Expenditure (\$000)
Road works	11
Rehabilitation works	3
Mullock Dump works	9
<b>Total</b>	<b>23</b>

As at 1 July 2019, the opening balance of the Small-Scale Titles Fund was \$811,000.

In 2019–20, the Small-Scale Titles Fund collected \$89,000 based on the *Mining Act 1992* (Part14AA) requiring a levy order to be paid by a Small-Scale titleholder. In addition, the Small-scale Titles Fund accumulated \$5,000 of interest. The total expenditure from the Small-Scale Titles Fund was \$23,000. This was for road works, rehabilitation works and mullock dump works.

As at 30 March 2020, the closing balance of the Small-Scale Titles Fund was \$882,000.

## Appendix 31. Fisheries trust fund reports

### Commercial Fishing Trust Fund

The NSW Department of Primary Industries<sup>90</sup> provides a range of monitoring, scientific, compliance and administrative services to the commercial fishing industry. The Department's expenditure on commercial fishing activities is funded from consolidated revenue, with a contribution from the Commercial Fishing Trust Fund. Charges are levied for services such as licence administration and management but are not project specific.

The Commercial Fishing Trust Fund also contributes to research and uses funds to leverage research and development support from other sources. The NSW abalone and rock lobster fisheries are subject to cost recovery of attributable costs, although there is still some degree of government contribution and budgets are negotiated in detail with the relevant management advisory committees.

In 2019–20, the Commercial Fishing Trust Fund contributed \$3.605 million to the Department's commercial fishery-related programs.

### Aquaculture Trust Fund

The NSW Department of Primary Industries provides a range of monitoring, scientific, compliance and administrative services to the aquaculture industry. The aquaculture industry is subject to full cost recovery for administration charges only and charges are not project specific. The Department's expenditure for aquaculture management and policy development is funded from consolidated revenue, with a contribution from the Aquaculture Trust Fund.

The Aquaculture Trust Fund also contributes to research and uses funds to leverage research and development support from other sources (for example, Fisheries Research & Development Corporation, Seafood CRC).

In 2019–20, the Aquaculture Fishing Trust Fund contributed \$1.024 million to the Department's aquaculture-related programs.

<sup>90</sup> NSW Department of Primary Industries was part of the Department of Planning, Industry and Environment until 2 April 2020.

## Fish Conservation Trust Fund

In 2019–20, the Fish Conservation Trust contributed \$0.245 million toward fisheries conservation projects to enhance, maintain or protect fish habitats.

## Aboriginal Fishing Trust Fund

The Aboriginal Fishing Trust Fund provides grants and loans for the enhancement, maintenance and protection of Aboriginal cultural fishing as well as for Aboriginal communities to develop businesses associated with fisheries resources throughout NSW.

In 2019–20, the Aboriginal Fishing Trust contributed \$0.203 million towards fisheries conservation projects.

## Recreational and Charter Fishing Trust Funds

The NSW Department of Industry received grants from the Recreational and Charter Fishing Trust Funds to undertake various programs during the year as follows.

**Table A31–1. Grants received**

Fish trust fund	Grant received by NSW Department of Industry 2019–20 (\$'000)
Recreational Fishing (Saltwater) Trust Fund	9,944
Recreational Fishing (Freshwater) Trust Fund	5,345
Charter Fishing Trust Fund	0

From 1 July 2019 to 30 June 2020, funds from the Recreational Fishing (Saltwater) Trust Fund were used for the following projects:

**Table A31–2. Projects funded**

Project	Total available	Expenses	Carry forward
Offshore artificial reefs	1,531	1,483	48
Coastal fish habitat protection and management	196	188	8
Coastal fish habitat restoration grants program (before 2018–19)	180	161	19
Ecohuts for recreational fishers	40	0	40
Expenditure committee meeting expenses	18	25	–7
External large grants	514	495	19
Flagship habitat program	479	424	55
Fish aggregation devices (FADs)	254	262	–8
Fishcare volunteer program	602	596	6

Project	Total available	Expenses	Carry forward
Fisheries officers (9 coastal officers)	1,193	1,059	134
Fisheries officers (mobile squads)	506	545	–39
Gamefish tagging program	164	165	–1
Great swordfish race	20	3	17
Integrated monitoring program: statewide fishing and charter surveys	703	699	4
Integrating recreational fishery data into harvest strategies for multi-species fisheries	0	22	–22
Marine stocking of key recreational fish species in coastal waters	295	301	–6
Recreational fisheries enhancement (artificial reefs and FADs coordination)	213	216	–3
Recreational fishing access (coastal)	144	143	1
Recreational fishing trust executive officer	193	190	3
Research angler program	191	171	20
Research on offshore artificial reefs and stocking	446	447	–1
Research on recreational bait species: worms, pipis and yabbies	35	37	–2
Research on variable nature of blue swimmer crabs	50	50	0
Small grants program	39	31	8
Trust grants governance enhancement project	136	134	2
<b>Total</b>	<b>8,142</b>	<b>7,847</b>	<b>295</b>

The total available 2019–20 consists of grants from the trust fund in 2019–20 and amounts carried forward from grants in 2018–19.

From 1 July 2019 to 30 June 2020, funds from the Recreational Fishing (Freshwater) Trust Fund were used for the following projects:

**Table A31–3. Projects funded**

Project	Total available	Expenses	Carry forward
Bigger fish for Snowy Lakes	30	24	6

Project	Total available	Expenses	Carry forward
Dollar-for-dollar native fish stocking program	141	141	0
Enhanced fish production at hatcheries for stocking (Port Stephens Narrandera and Dutton)	400	402	–2
Expenditure committee meeting expenses	17	21	–4
External large grants	171	190	–19
Fishcare volunteer program	308	299	9
Fisheries officers (inland)	892	785	107
Freshwater recreational management program	186	185	1
Fuel cards for fish stocking	0	3	–3
Gaden trout hatchery	685	673	12
Inland fish habitat restoration grants program (prior to 2018/19)	44	35	9
Inland stocking management	114	98	16
Nodavirus testing for fish stocking	4	4	0
Open top pyramid net program	29	26	3
Population status of native fish, trout and threatened frogs in the Central Tablelands	11	11	0
Recreational fishing access (inland)	321	315	6
Regional inland fish habitat protection and management	171	171	0
Research on freshwater recreational fishery in NSW	698	725	–27
Screens for streams	100	100	0
Small grants program	55	51	4
Supporting fish hatchery trainees	2	1	1
<b>Total</b>	<b>4,379</b>	<b>4,260</b>	<b>119</b>

The total available 2019–20 consists of grants from the trust fund in 2019–20 and amounts carried forward from grants in 2018–19.



In 2019–20, grant funds from the Recreational Fishing (Saltwater and Freshwater) Trust Fund were used for the following projects:

**Table A31–4. Projects funded**

Project	Total available	Expenses	Carry forward
Advisory Council meeting expenses	28	36	–8
Fishing competitions and events: responsible recreational fishing promotion	151	123	28
Fishing fee awareness	11	11	0
Government Licensing Service transaction fees	0	750	–750
Get Hooked...it's Fun to Fish schools program	398	388	10
Habitat action program 2019/20	667	633	34
NSW gone fishing day	237	237	0
NSW fishing workshops	56	49	7
NSW fishway strategy for fish passage remediation	412	401	11
NSW recreational fishing environmental assessment	260	135	125
Recreational fisher research database	49	38	11
Recreational fisheries infrastructure management program	165	156	9
Recreational fishing fee administration project	1,335	1,331	4
Recreational fishing fee renewal notice system	123	122	1
Recreational fishing guides	80	80	0
Recreational fishing publications program	137	158	–21
<b>Total</b>	<b>4,109</b>	<b>4,648</b>	<b>–539</b>

The total available 2019–20 consists of grants from the trust fund in 2019–20 and amounts carried forward from grants in 2018–19.

## Appendix 32. Native game birds

Table A32–1 summarises the number of each species of native game birds harvested by authorised game hunting licence holders during the 2019–20 financial year, under the authority of a Native Game Bird Management (owner-occupier) Licence under *the Game and Feral Animal Control Act 2002*.

**Table A32–1. Native game birds harvested by game hunting licence holders during 2019–20**

Species	Number
Mountain Duck	0
Wood Duck	161
Black Duck	378
Blue-winged Shoveler	0
Chestnut Teal	0
Grey Teal	165
Hardhead	5
Pink-eared Duck	0
Water Whistling Duck	0
Grass Whistling Duck	3
<b>2018–19 total harvest</b>	<b>712</b>

## Appendix 33. Implementation of recovery and threat abatement plans

Recovery plans for threatened fish and marine vegetation are prepared under the *Fisheries Management Act 1994*. The plans identify the actions required to enable the species to survive in nature. Similarly, threat abatement plans are prepared to address key threatening processes listed under the Act, and to identify what needs to be done to reduce the effect of those threats.

The NSW Department of Primary Industries<sup>91</sup> is the lead implementation agency; however, each plan also identifies other government agencies, authorities, councils and community groups that have a role and responsibility to contribute to implementing recovery and threat abatement actions. In their annual reports to the Parliament of New South Wales, public authorities are required to report on what they have done to implement measures for which they are responsible. This report only relates to actions taken by NSW Department of Primary Industries to implement measures identified in recovery and threat abatement plans.

<sup>91</sup> NSW Department of Primary Industries was part of the Department of Planning, Industry and Environment until 2 April 2020.

A [Priorities Action Statement](#)<sup>92</sup> is located on the Department's website, listing prioritised recovery actions and threat abatement actions for all threatened species and key threatening process listings under the *Fisheries Management Act 1994*.

Activities are undertaken each year to benefit threatened fish species. Surveys of populations of threatened species are completed as part of broader fish community assemblage surveys, as well as the NSW Department of Primary Industries' threatened fish monitoring program. Habitat improvement works are also undertaken to benefit threatened species and aquatic biodiversity more generally. Threatened species compliance operations continue as does the distribution of information brochures.

In the 2019–20 reporting period, the Department launched a new and improved online reporting tool for [community sightings of threatened species in NSW](#).<sup>93</sup> The online tool is available on the Department's website and via a link on the Department's FishSmart App. The reports received can be accessed to generate regular reports on community sightings.

In the lead up to the 2019–20 summer, the Department undertook multiple fish rescues and relocations, including for several threatened fish species, as part of the NSW Department of Primary Industries—Fisheries response to the unprecedented drought, bushfires and floods.

A summary of the specific recovery activities undertaken for each threatened species is provided below.

### Eastern Freshwater Cod (*Maccullochella ikei*)

The Department rescued Eastern Freshwater Cod from isolated pools of the Nymboida and Mann River systems and relocated the majority into nearby secure water storage locations, whilst holding some fish at Grafton Fisheries Centre as an insurance population. The fish held in captivity may be used to underpin a breeding program for the species in the future. Details of the rescue operation were included on the Department's threatened species webpage.

A seasonal (August, September and October) ban on all forms of fishing continues in the Mann–Nymboida River system to minimise disturbance of Eastern Freshwater Cod during the breeding season. Targeted compliance operations were undertaken during the year.

A new sign for the Eastern Freshwater Cod closure was produced and distributed to relevant Fisheries Officers for installation.

### Oxleyan Pygmy Perch (*Nannoperca oxleyana*)

The NSW Department of Primary Industries continued to work with NSW Roads and Maritime Services to implement the Threatened Fish Management Plan for the Woolgoolga to Ballina Pacific Highway Upgrade. This plan is ensuring minimal impact on Oxleyan Pygmy Perch during road construction.

A population survey for Oxleyan Pygmy Perch was undertaken at several previously established long-term monitoring sites in north-eastern NSW. The survey detected Oxleyan Pygmy Perch at less than half of the sites surveyed possibly due to reasons such as the drought and restricted sampling conditions. Further monitoring of the population is proposed.

In December 2019 to January 2020, Oxleyan Pygmy Perch were rescued from several waterbodies in the Clarence and Richmond River Catchments affected by the drought and/or bushfires and were relocated to Grafton Fisheries Centre. The fish are being held as an insurance population to help negate the effects of further losses from the wild and will be used to start a

<sup>92</sup> [www.dpi.nsw.gov.au/fishing/threatened-species/priorities-action-statement](http://www.dpi.nsw.gov.au/fishing/threatened-species/priorities-action-statement)

<sup>93</sup> [www.dpi.nsw.gov.au/fishing/species-protection/report-it](http://www.dpi.nsw.gov.au/fishing/species-protection/report-it)

captive breeding program. Information on the rescue operation was included on the Department's [threatened species website](#).<sup>94</sup>

### Silver Perch (*Bidyanus bidyanus*)

The conservation stocking program for Silver Perch was suspended in 2019 due to severe drought conditions at the proposed stocking sites. Efforts were instead redirected to undertaking rescues and relocations for the species at several locations throughout NSW affected by the drought. Silver Perch broodstock were also collected from drying pools in the Lower Darling and Namoi catchments and relocated to government and private hatcheries.

### Trout Cod (*Maccullochella macquariensis*)

The NSW Department of Primary Industries produced a total of 28,000 Trout Cod fingerlings at the Narrandera Fisheries Centre in 2019. Because of the severe drought conditions in the Macquarie catchment, it was decided to stock all 28,000 fish into Talbingo Dam for recreational fishing purposes. A review a stocking sites will be undertaken in the near future.

The Department worked with Murray Local Land Services, providing advice on a Trout Cod habitat restoration project where more than 65 large logs from fire-affected trees were used as river 'snags' at Lighthouse Crossing Reserve near Towong. The Department has commenced monitoring at the site to document the effects of the re-snagging project on Trout Cod.

The Department updated signs for the Trout Cod Protection Area and distributed them for placement on the Victorian side of the Murray River.

### River Snails (*Notopala sublineata* and *Notopala hanleyi*)

The last known population of the River Snail (*Notopala hanleyi*) was discovered in the 2019–20 reporting year at Island Creek Weir in the Lachlan Catchment. In February 2020, the NSW Department of Primary Industries visited the site with a view to relocating up to 50 snails into secure aquaria. Unfortunately, Island Creek Weir was unable to be sampled at the time because of high water levels. We propose to revisit the site when conditions improve to collect the species for use in a captive breeding program.

The Department and Macquarie University are working collaboratively to develop a captive breeding program for River Snails. The captive breeding program will act as a backup insurance population for longer term recovery and will provide an opportunity to undertake research into the species.

### Black Rockcod (*Epinephelus daemeli*)

Surveys of long-term monitoring sites for abundance and size of Black Cod were undertaken in 2019 and 2020. Black cod abundance was similar in northern NSW when compared to previous years; however, there was a decline in Black Cod abundance at Lord Howe Island when compared with the 2011 survey. It is proposed to undertake repeat surveys of the long-term monitoring sites from 2012–13 to assess if Black Cod populations are showing signs of recovery.

### Removal of large, woody debris—a key threatening process

The removal of large woody debris is listed as a key threatening process because it negatively affects two or more threatened species, specifically the endangered Eastern Freshwater Cod (*Maccullochella ikei*), Trout Cod (*Maccullochella macquariensis*) and Macquarie Perch (*Macquaria australasica*), as well as the vulnerable Silver Perch (*Bidyanus bidyanus*). Multiple large woody debris projects were funded under the Habitat Action Grants and were completed in 2019–20 reporting period. The completion of these projects resulted in the installation of approximately 200

<sup>94</sup> [www.dpi.nsw.gov.au/fishing/threatened-species/threatened-species-distributions-in-nsw](http://www.dpi.nsw.gov.au/fishing/threatened-species/threatened-species-distributions-in-nsw)

timber snags across three different locations including the Hunter River Estuary, Raymond Terrace; Macquarie River, Dubbo and Wapengo Creek, Tathra.

### Joint management agreements

The Minister for Agriculture and Western New South Wales may enter into a joint management agreement under Part 7A of the *Fisheries Management Act 1994* with one or more public authorities for the management, control, regulation or restriction of an action that is jeopardising the survival of a threatened species, population or ecological community. There was one joint management agreement in force during the 2019–20 year for the NSW Shark Meshing (Bather Protection) Program.

The agreement is between the Minister for Primary Industries and the Coordinator General Environment, Energy and Science (formerly Chief Executive of the Office of Environment and Heritage). The Fisheries Scientific Committee and the Scientific Committee must conduct an annual review of the performance of the parties to the joint management agreement and advise the relevant minister of any deficiencies in the implementation of the agreement.

The 2019–20 Performance Report for the NSW Shark Meshing (Bather Protection) Program, and the Fisheries Scientific Committee's response to this report, are available on the Department's website, [www.dpi.nsw.gov.au](http://www.dpi.nsw.gov.au)

## Appendix 34. Fishcare volunteer program

The Fishcare program involves 240 volunteers across NSW. They are dedicated to helping the NSW Department of Primary Industries<sup>95</sup> foster positive changes in community attitudes about responsible fishing practices and ethics.

In 2019–20, volunteers participated in 309 registered events, making 41,297 contacts and dedicating 6,300 hours of service (around 900 days) to the program. The volunteers were generally aged 44–70 years, with 4% coming from culturally and linguistically diverse (CALD) communities.

Major achievements and key figures for the program in 2019–20:

- Nominee training was undertaken in Tamworth and Shellharbour. 11 new volunteers completed the course and were certified as Fishcare volunteers.
- Sydney region undertook 90 events, making 17 000 contacts. Of these, 36 were run and managed by volunteers without the Education Officer attending. These include Long Reef Events, Sydney International Regatta Centre Events (Public Fishing), Fishing for Sport and Scouts, Elderly and Isolated Fishing.
- New Family Fishing Days, designed to lift community spirit after the devastation of drought and bushfires, were trialled at Tenterfield (Western NSW), with 124 family members attending and at Merimbula (Coastal NSW), with 76 family members attending.
- Gone Fishing was run at six NSW sites with 20,000 visitors. 61 volunteers assisted.
- In western New South Wales, 63 events were undertaken, and 10,300 people contacted.

During 2019–20, volunteers partnered with local councils, clubs and groups to teach around 4,000 children between the ages of 8 and 14 years the basics of fishing. Partner groups included Guides, Scouts, Department of Education (senior and junior fishing for sport), Sydney International Regatta Centre (SIRC) weekly fishing open days, retirees, and Land Learn students. Volunteers also helped the NSW Department of Primary Industries to run statewide paid and free fishing workshops. A total of 313 children attended a paid fishing workshop, and 480 children attended free workshops. All revenue raised goes back to the Recreational Fishing Trust to assist with the program.

### ‘Get hooked ... it’s fun to fish’ primary schools education program

The ‘*Get Hooked...it’s fun to fish*’ program teaches students at an early age (Stages 2 and 3) about the importance of aquatic habitats and introduces them to safe and responsible fishing practices. Schools register for a calendar year. In the 2020 calendar year, 40 schools (28 coastal and 12 inland) were registered, with 1,700 students participating.

Fishcare volunteers are essential to the running of the get hooked program. In 2019, volunteers assisted at 79 registered schools undertaking 6 incursions, involving 251 students. They assisted at 31 fishing workshops across New South Wales, teaching and mentoring 2,500 students safe responsible practical fishing.

## Appendix 35. Exemptions from reporting provisions

The Department has not been exempted from the annual reporting provisions for 2019–20.

<sup>95</sup> NSW Department of Primary Industries was part of the Department of Planning, Industry and Environment until 2 April 2020.

## Appendix 36. Register of annual sponsorship commitments

**Table A36–1. Sponsorships given by the NSW Department of Planning, Industry and Environment**

Ref.	Sponsorship/Event name	Event date	Amount	Business area
19021	NSW Farmers Annual Conference	23–25 July 2019	\$16,500	DPI—E&IA
19050	Sydney Fish Markets' Seafood Excellence Awards	25–July 2019	\$20,000	DPI—Fisheries
19032	Ricegrowers' Association of Australia Annual Conference	1–2 August 2019	\$2,000	DPI—Agriculture
19039	Love Seafood Tastes Port Stephens	1–31 August 2019	\$3,000	DPI—Fisheries
19056	National Carbon Farming Conference and Expo	5–8 August 2019	\$4,400	DPI—Agriculture
19057	RAS NSW AgVision	7 August 2019	\$5,000	DPI—Agriculture
19012	Australian Agronomy Conference	25–29 August 2019	\$15,000	DPI—Agriculture
N/A	20th NSW Weeds Biennial Conference	26–29 August 2019	\$5,500	DPI—BFS & Agriculture
19037	Australian Association of Cotton Scientists (AACS) Conference	28–30 August 2019	\$2,500	DPI—Agriculture
19059	Australian Rangelands Biennial Conference	2–5 September 2019	\$7,500	DPI—Agriculture
19058	Risks & Rewards: Farming in a Changing Climate Conference	10 September 2019	\$6,500	DPI—Agriculture
N/A	BaleUp—NSW Women in Dairy Conference	10–12 September 2019	\$5,000	DPI—Agriculture
19031	Lismore City Council's 2019 Lismore Biodiversity Awards	12 September 2019	\$1,000	DPI—BFS
19019	7th International Symposium on Soil Organic Matter (SOM2019)	6–11 October 2019	\$9,091	DPI—Agriculture
N/A	NSW Wine Industry Awards—Graham Gregory Award	18 October 2019	\$15,000	DPI—Agriculture



Ref.	Sponsorship/Event name	Event date	Amount	Business area
18046	2019 Rural Women's Gathering—Walcha	1 November 2019	\$30,000	DPI—Agriculture
19061	Australian Alternate Varieties Wine Show (AAVWS) Talk & Taste	8 November 2019	\$5,000	DPI—Agriculture
19020	Renewables in Agriculture Conference and Expo	14 November 2019	\$13,636	DPI—Agriculture
20001	Global Cities After Dark	15 November 2019	\$15,000	Place, Design and Public Spaces
N/A	2019 Australasian Plant Pathology Society (APPS) Conference	26–28 November 2019	\$5,500	DPI—Agriculture
19042	Local Government Excellence in the Environment Awards	3 December 2019	\$5,000	DPI—BFS
20006	NSW/ACT Regional and Community Awards (RACA)	2020, 2021 and 2022	\$120,000	Crown Lands Management
20002	Trees for Liveable Cities Conference	21 February 2020	\$2,000	Place, Design and Public Spaces
20011	PFA NSW Taste of Seafood Festivals—Hawkesbury	8 March 2020	\$1,750	DPI—Fisheries
20007	Australian Organics Recycling Association (AORA) Conference	1–3 April 2020	\$10,000	Organics Infrastructure
20004	RAS NSW Sydney Royal Easter Show (postponed to 2021)	3–14 April 2020	\$144,860	DPI—E&IA
20003	Orange F.O.O.D Week—Forage (postponed to 2021)	4 April 2020	\$20,000	DPI—E&IA
20017	NPWS Junior Rangers Program	22 June 2020	In-kind	NPWS
19023	2019 LGNSW Water Management Conference	2–4 September 2019	\$10,000 plus GST	DPIE—Water, Water Utilities Branch
N/A	PIANC inaugural APAC Conference (albeit rescheduled to 30 November 2020)	30 November 2020	\$3,049.50 <sup>1</sup>	DPIE—Water, Manly Hydraulic Laboratory
N/A	NSW Coastal Conference 2019	30 October–1 November 2019	\$1,320.00 <sup>1</sup>	DPIE—Water, Manly Hydraulic Laboratory

Ref.	Sponsorship/Event name	Event date	Amount	Business area
N/A	Australasian Coasts and Ports Conference 2019	10 September–13 September 2019	\$5,500.00 <sup>1</sup>	DPIE—Water, Manly Hydraulic Laboratory
<b>N/A</b>	<b>Total</b>	<b>N/A</b>	<b>\$510,606.50</b>	<b>N/A</b>

Key:

DPI = NSW Department of Primary Industries

DPIE = Department of Planning, Industry and Environment

BFS = Biosecurity and Food Safety

E&IA = Engagement and Industry Assistance

<sup>1</sup>Unless otherwise stated, all DPIE—Water costs are inclusive of GST.

## Appendix 37. Annual report external production costs

The Department incurred no external costs in producing this report.

In keeping with Premier's Memorandum [M2013-09 Production Costs of Annual Reports](#),<sup>96</sup> the Department has minimised production costs by performing all copy writing, editing, proofreading and graphic design in-house.

## Appendix 38. Membership of boards for statutory bodies

The NSW Land and Housing Corporation did not have any board structures in place in the financial year ended 30 June 2020.

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<sup>96</sup> <https://arp.nsw.gov.au/m2013-09-production-costs-annual-reports>

# Financial statements

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Parramatta Park,  
Parramatta.  
Credit: Destination NSW.



## INDEPENDENT AUDITOR'S REPORT

### Department of Planning, Industry and Environment

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Department of Planning, Industry and Environment (the Department), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information of the Department and the consolidated entity. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department and the consolidated entity as at 30 June 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Department and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 30 June 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
<b>Machinery of Government (MoG) changes</b>	
<p>The Department was mainly impacted by two Administrative Arrangement Orders in 2019–20:</p> <ul style="list-style-type: none"> <li>effective on 1 July 2019, the new Department was created. The majority of the functions and staff, together with associated assets and liabilities from the former Department of Planning and Environment, the former Department of Industry, the former Office of Environment and Heritage and the former Office of Local Government were transferred to the Department.</li> <li>effective on 2 April 2020, the Department of Regional NSW (DRNSW) was created. Certain functions and staff, together with associated assets and liabilities from the Department were transferred to DRNSW.</li> </ul> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>the values of assets and liabilities transferred to and from the Department as a result of the MoG changes is financially significant to the Department</li> <li>of the complexity and judgement involved in assessing the completeness and accuracy of the: <ul style="list-style-type: none"> <li>transfer of assets and liabilities at fair value</li> <li>migrated financial data</li> <li>aggregation exercise undertaken by the Department of separate ledgers.</li> </ul> </li> <li>MoG changes could significantly disrupt and create gaps in the Department's internal control environments.</li> </ul> <p>Details of the MoG changes and the recognition and measurement of assets and liabilities are disclosed in Note 1(a) and Note 23 respectively.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>obtained an understanding of how: <ul style="list-style-type: none"> <li>staff, assets and liabilities were identified and transferred among agencies</li> <li>financial data was aggregated between transferred in agencies to the Department's financial statements</li> <li>financial data extracted from the systems was used to prepare the Department's financial statements</li> </ul> </li> <li>assessed the reasonableness of the fair value of assets and liabilities transferred into and out of the Department</li> <li>reviewed delegation instruments to ensure they were up to date and reflect the Department's structure</li> <li>obtained inter-entity confirmations for transferred/split functions, funds and activities</li> <li>evaluated the design and implementation of relevant controls over the aggregation process</li> <li>reviewed the mapping of general ledger accounts between trial balances for consistency</li> <li>reviewed the appropriateness of the disclosures in the financial statements arising from the MoG changes.</li> </ul>
<b>Fair value measurement of property, plant and equipment</b>	
<p>At 30 June 2020, the Department reported \$13.1 billion in property, plant and equipment measured at fair value.</p> <p>Crown land, national parks and reserves and infrastructure assets account for 96.2 per cent of the total property, plant and equipment balance.</p> <p>The Department performed a comprehensive revaluation of its Crown land and other land assets in 2019–20.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessed the accuracy and completeness of assets included in the revaluation</li> <li>assessed the competence, capability and objectivity of management's external valuation experts</li> <li>assessed significant judgments made in determining the valuation approach for unique assets</li> </ul>

Key Audit Matter	How my audit addressed the matter
<p>I considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> <li>financial significance of the assets revalued</li> <li>unique nature of the assets, particularly the Crown land</li> <li>judgement and complexities associated with the application of AASB 13 'Fair Value Measurement' requirements</li> <li>extent of significant management judgements underpinning key assumptions used in the valuation process.</li> </ul> <p>Details on the valuation techniques, inputs and processes for major asset classes are disclosed in Note 14 and Note 17.</p>	<ul style="list-style-type: none"> <li>assessed the sufficiency and appropriateness of the valuation methodology against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions</li> <li>evaluated the nature and extent of management's oversight of the revaluation process including their review of fair values determined by external valuation experts</li> <li>compared management's fair value assessments against independent information we obtained and: <ul style="list-style-type: none"> <li>assessed the appropriateness of the assumptions adopted, including those regarding assets' useful lives</li> <li>agreed valuation amounts to those recorded in the Department's ledgers</li> </ul> </li> <li>assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.</li> </ul>
<b>Implementation of AASB 16 'Leases'</b>	
<p>The Department adopted the new Australian Accounting Standard AASB 16 'Leases' for the first time in 2019–20. The Department has recognised:</p> <ul style="list-style-type: none"> <li>right-of-use assets of \$605 million and lease liabilities of \$670 million at 30 June 2020</li> <li>a \$58.5 million impairment loss against its right-of-use assets in 2019–20.</li> </ul> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>right-of-use assets and lease liabilities are financially significant to the Statement of Financial Position</li> <li>the recognition and measurement of leases including lease payments, lease extension options, discount rates, and impairment involved significant management judgements and assumptions</li> <li>of the extent of leasing information that impacts on the complete and accurate recognition and measurement of leases.</li> </ul> <p>A description of the key assumptions and judgements is disclosed in Note 15.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>evaluated the design and implementation of key controls over leases processes and systems</li> <li>tested the completeness, validity and accuracy of lease data in the lease calculations</li> <li>reviewed the reasonableness of methodologies, management judgements and assumptions in the lease calculations including impairment</li> <li>tested the mathematical accuracy of the lease calculations including impairment</li> <li>assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer's Directions.</li> </ul>

## Other Information

The Department's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Secretary of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the signed statement by the Secretary.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.



In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **Secretary's Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Department and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar5.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Margaret Crawford  
Auditor-General for New South Wales

21 October 2020  
SYDNEY

# Department of Planning, Industry and Environment

## **Financial Statements** *for the year ended 30 June 2020*

**Department of Planning, Industry and Environment  
Statement by the Secretary  
for the year ended 30 June 2020**

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) The accompanying financial statements have been prepared in accordance with:
- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
  - the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
  - the financial reporting directions issued under the *Public Finance and Audit Act 1983*;
- (b) The statements and notes exhibit a true and fair view of the financial position as at 30 June 2020 and performance for the year then ended of the Department of Planning, Industry and Environment; and
- (c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed.....

Jim Betts  
Secretary  
Department of Planning, Industry and Environment

Dated: 20/10/20

	Notes	CONSOLIDATED		PARENT	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2020 \$'000	Budget 2020 \$'000
<b>Expenses excluding losses</b>					
Operating expenses					
Employee related expenses	2(a)	1,502,112	1,485,885	1,501,780	1,485,885
Other operating expenses	2(b)	794,725	898,635	771,994	896,441
Depreciation and amortisation	2(c)	263,973	279,588	257,423	274,546
Grants and subsidies	2(d)	2,127,267	2,494,214	2,114,692	2,492,311
Finance costs	2(e)	10,870	5,763	10,870	5,763
<b>Total expenses excluding losses</b>		<b>4,698,947</b>	<b>5,164,085</b>	<b>4,656,759</b>	<b>5,154,946</b>
<b>Revenue</b>					
Appropriation	3(a)	3,009,671	3,183,305	3,009,671	3,183,305
(Transfer to the Crown Entity)	3(i)	(54,529)	(62,534)	(54,411)	(62,434)
Sale of goods and services from contracts with customers	3(b)	388,354	1,092,006	362,040	1,043,465
Investment revenue	3(c)	93,043	18,966	88,084	18,238
Retained taxes, fees and fines	3(d)	122,034	8,764	122,034	8,764
Personnel services revenue	3(e)	323,470	-	323,470	-
Grants and other contributions	3(f)	683,539	768,780	683,379	817,146
Other revenue	3(g)	236,235	92,868	236,092	92,868
Acceptance by the Crown Entity of employee benefits and other liabilities	3(h)	75,805	52,237	75,805	52,237
<b>Total revenue</b>		<b>4,877,622</b>	<b>5,154,392</b>	<b>4,846,164</b>	<b>5,153,589</b>
<b>Gains / (losses) on disposal</b>	4	(28,539)	20,711	(30,090)	20,711
<b>Other gains / (losses)</b>	5	(47,132)	(300)	(60,043)	(100)
<b>Net result</b>		<b>103,004</b>	<b>10,718</b>	<b>99,272</b>	<b>19,254</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to net result in subsequent periods</i>					
Change in revaluation surplus of property, plant & equipment	14	711,710	-	663,424	-
<i>Items that may be reclassified to net result in subsequent periods</i>					
Actuarial gains/(losses) on superannuation funds	21(b)	(15)	-	(15)	-
<b>Total other comprehensive income</b>		<b>711,695</b>	<b>-</b>	<b>663,409</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>814,699</b>	<b>10,718</b>	<b>762,681</b>	<b>19,254</b>

Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department of Planning, Industry and Environment, Lands Administration Ministerial Corporation, Water Administration Ministerial Corporation and Fisheries Administration Ministerial Corporation.

Refer note 26 for comparison between budget and actual.

The Department of Planning, Industry and Environment was created on 1 July 2019 and therefore there is no comparative information in respect of the previous year. Refer note 1 (g).

The accompanying notes form part of these financial statements.

	Notes	CONSOLIDATED		PARENT	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2020 \$'000	Budget 2020 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	1,012,783	1,132,135	968,245	1,091,879
Receivables	9	361,573	397,722	359,456	396,356
Financial assets at fair value	11	-	5,199	-	5,199
Inventories	12	821	5,035	821	5,035
Other financial assets	13	11,878	1,178	11,372	(2,287)
<b>Total current assets</b>		<b>1,387,055</b>	<b>1,541,269</b>	<b>1,339,894</b>	<b>1,496,182</b>
<b>Non-current assets</b>					
Receivables	9	12,063	134,481	12,063	128,169
Financial assets at fair value	11	6,548	10,854	6,548	10,854
Inventories	12	10,767	7,935	10,767	7,935
Property, plant and equipment	14				
Land and buildings		8,685,340	8,419,110	8,527,064	8,265,189
Infrastructure systems		4,287,581	4,504,314	3,524,492	3,717,486
Other property, plant and equipment		131,621	250,253	131,540	249,914
<b>Total property, plant and equipment</b>		<b>13,104,542</b>	<b>13,173,677</b>	<b>12,183,096</b>	<b>12,232,589</b>
Right-of-use assets	15	605,140	-	605,140	-
Intangible assets	16	485,180	487,224	484,790	486,843
Other financial assets	13	155,127	40	125,280	40
<b>Total non-current assets</b>		<b>14,379,367</b>	<b>13,814,211</b>	<b>13,427,684</b>	<b>12,866,430</b>
<b>Total assets</b>		<b>15,766,422</b>	<b>15,355,480</b>	<b>14,767,578</b>	<b>14,362,612</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Contract liabilities	10	31,463	-	31,463	-
Payables	19	294,313	565,096	292,940	559,584
Borrowings	20	32,778	59,955	32,778	59,955
Provisions	21	183,275	205,772	183,157	205,668
Other	22	11,054	87,623	10,707	84,571
<b>Total current liabilities</b>		<b>552,883</b>	<b>918,446</b>	<b>551,045</b>	<b>909,778</b>
<b>Non-current liabilities</b>					
Payables	19	964	-	964	-
Borrowings	20	661,837	165,510	661,837	165,510
Provisions	21	32,993	35,891	32,993	35,891
Other	22	-	13	-	13
<b>Total non-current liabilities</b>		<b>695,794</b>	<b>201,414</b>	<b>695,794</b>	<b>201,414</b>
<b>Total liabilities</b>		<b>1,248,677</b>	<b>1,119,860</b>	<b>1,246,839</b>	<b>1,111,192</b>
<b>Net assets</b>		<b>14,517,745</b>	<b>14,235,620</b>	<b>13,520,739</b>	<b>13,251,420</b>
<b>EQUITY</b>					
Reserves		768,403	182,722	638,880	52,747
Accumulated funds		13,749,342	14,052,898	12,881,859	13,198,673
<b>Total equity</b>		<b>14,517,745</b>	<b>14,235,620</b>	<b>13,520,739</b>	<b>13,251,420</b>

Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department of Planning, Industry and Environment, Lands Administration Ministerial Corporation, Water Administration Ministerial Corporation and Fisheries Administration Ministerial Corporation. Refer note 26.

The Department of Planning, Industry and Environment was created on 1 July 2019 and therefore there is no comparative information in respect of the previous year. Refer note 1 (g).

The accompanying notes form part of these financial statements.

**CONSOLIDATED**

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
<b>Balance at the beginning of the year</b>		-	-	-
Changes in accounting policy	1(i)	(9,877)	-	(9,877)
Restated balance at 1 July 2019		(9,877)	-	(9,877)
<b>Net result for the year</b>		103,004	-	103,004
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment	14	-	711,710	711,710
Actuarial gains/(losses) on superannuation funds	21(b)	(15)	-	(15)
<b>Total other comprehensive income</b>		<b>(15)</b>	<b>711,710</b>	<b>711,695</b>
<b>Total comprehensive income for the year</b>		<b>102,989</b>	<b>711,710</b>	<b>814,699</b>
<b>Transactions with owners in their capacity as owners</b>				
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset		24,544	(24,544)	-
Increase/(decrease) in net assets from consolidated controlled entities	23	869,831	81,237	951,068
Increase/(decrease) in net assets from equity transfers	23	12,761,855	-	12,761,855
<b>Balance at 30 June 2020</b>		<b>13,749,342</b>	<b>768,403</b>	<b>14,517,745</b>

The accompanying notes form part of these financial statements.

**PARENT**

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
<b>Balance at the beginning of the year</b>		-	-	-
Changes in accounting policy	1(i)	(9,877)	-	(9,877)
Restated balance at 1 July 2019		(9,877)	-	(9,877)
<b>Net result for the year</b>		99,272	-	99,272
<b>Other comprehensive income</b>				
Net change in revaluation surplus of property, plant and equipment	14	-	663,424	663,424
Actuarial gains/(losses) on superannuation funds	21(b)	(15)	-	(15)
<b>Total other comprehensive income</b>		<b>(15)</b>	<b>663,424</b>	<b>663,409</b>
<b>Total comprehensive income for the year</b>		<b>99,257</b>	<b>663,424</b>	<b>762,681</b>
<b>Transactions with owners in their capacity as owners</b>				
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset		24,544	(24,544)	-
Increase/(decrease) in net assets from equity transfers	23	12,767,935	-	12,767,935
<b>Balance at 30 June 2020</b>		<b>12,881,859</b>	<b>638,880</b>	<b>13,520,739</b>

The accompanying notes form part of these financial statements.



	Notes	CONSOLIDATED		PARENT	
		Actual	Budget	Actual	Budget
		2020	2020	2020	2020
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Payments</b>					
Employee related		(1,497,567)	(1,430,215)	(1,496,366)	(1,430,215)
Grants and subsidies		(2,141,547)	(2,364,027)	(2,137,199)	(2,363,587)
Finance costs		(8,902)	(4,881)	(8,902)	(4,881)
Suppliers of goods and services		(923,190)	(969,548)	(921,289)	(922,574)
<b>Total payments</b>		<b>(4,571,206)</b>	<b>(4,768,671)</b>	<b>(4,563,756)</b>	<b>(4,721,257)</b>
<b>Receipts</b>					
Sale of goods and services		440,652	1,089,484	439,556	1,040,943
Fees and fines		122,034	(200)	122,034	-
Interest received		19,136	19,757	18,360	19,030
Appropriation		3,009,681	3,182,337	3,009,681	3,182,337
(Transfer to the Crown Entity)		(69,084)	(63,481)	(69,084)	(62,434)
Grants and contributions		663,404	757,089	663,245	761,674
Lease and rental income		72,975	-	69,724	-
Other		576,116	151,693	575,912	151,653
<b>Total receipts</b>		<b>4,834,914</b>	<b>5,136,679</b>	<b>4,829,428</b>	<b>5,093,203</b>
<b>Net cash flows from operating activities</b>					
	27	<b>263,708</b>	<b>368,008</b>	<b>265,672</b>	<b>371,946</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment and infrastructure systems		18,575	43,044	18,996	42,544
Purchases of property, plant and equipment and infrastructure systems		(193,132)	(416,231)	(193,268)	(416,231)
Purchase of intangibles		(32,299)	(29,376)	(32,299)	(29,376)
<b>Net cash flows from investing activities</b>		<b>(206,856)</b>	<b>(402,563)</b>	<b>(206,571)</b>	<b>(403,063)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings and advances	21	-	-	1,494	-
Repayment of borrowings and advances		(2,300)	(60,015)	(2,300)	(60,015)
Repayment of principal portion of lease liabilities		(48,506)	-	(48,506)	-
<b>Net cash flows from financing activities</b>		<b>(50,785)</b>	<b>(60,015)</b>	<b>(49,312)</b>	<b>(60,015)</b>
<b>Net increase/(decrease) in cash</b>					
Opening cash and cash equivalents		6,067	(94,570)	9,789	(91,132)
Cash from controlled entities	23	-	401,273	-	357,578
Cash transferred in / (out) as a result of administrative restructuring and equity transfer		48,587	-	-	-
		958,129	825,433	958,456	825,433
<b>Closing cash and cash equivalents</b>	8	<b>1,012,783</b>	<b>1,132,136</b>	<b>968,245</b>	<b>1,091,879</b>

The Department of Planning, Industry and Environment was created on 1 July 2019 and therefore there is no comparative information in respect of the previous year. Refer note 1 (g).

The accompany notes form part of these financial statements.

## 1. Summary of significant accounting policies

### (a) Reporting entity

The Department of Planning, Industry and Environment (the Department) is a NSW Government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Department is a not-for-profit entity (as profit is not its principal objective).

The Department was established on 1 July 2019 under the *Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2019* and *Administrative Arrangements (Administrative Changes—Public Service Agencies) Amendment Order 2019*. Therefore, there is no comparative information in respect of the previous year for all amounts reported in the financial statements.

(i) The employees, functions, assets, rights and liabilities of the following abolished NSW Government entities were transferred to the Department with effect from 1 July 2019:

- Department of Planning and Environment (DPE) except for persons principally involved in the administration of Arts related legislation. The functions, assets, rights and liabilities relating to the division of Create NSW were transferred to the Department of Premier and Cabinet;
- Department of Industry (DOI) except for:
  - NSW Trade and Investment, the Office of the Small Business Commissioner and those persons principally involved in the administration of legislation allocated to the Minister of Jobs, Investment, Tourism and Western Sydney, who were transferred to NSW Treasury;
  - Those persons principally involved in the administration of legislation allocated to the Minister for Skills and Tertiary Education, who were transferred to the Department of Education; and
  - Liquor & Gaming NSW, persons and functions were transferred to the Department of Customer Service.
- Office of Environment and Heritage (OEH) except for functions and the persons principally involved in the administration of Heritage legislation, which were transferred to the Department of Premier and Cabinet.
- Office of Local Government (OLG).

(ii) The employees, functions, assets, rights and liabilities of the following NSW Government entities were transferred to the Department with effect from 1 July 2019:

- Department of Customer Service (formerly Department of Finance, Services and Innovation) - functions and persons principally involved in the administration of legislation allocated to the Minister for Water, Property and Housing were transferred to the Department; and
- Department of Premier and Cabinet - functions and persons principally involved in the administration of legislation allocated to the Deputy Premier, Minister of Regional New South Wales, Industry and Trade were transferred to the Department.

(iii) Since the creation of the Department on 1 July 2019, the following Machinery of Government (MoG) changes have been implemented:

- Effective from 1 September 2019, under the *Administrative Arrangements (Administrative changes - transfer of EPA Staff) Order 2019*, employees of the Container Deposit Scheme branch and the Strategy and Programs branch of the Environment Protection Authority Staff Agency were transferred to the Department. Staff transferred undertake relevant EPA statutory functions under appropriate delegations. Refer note 23.
- Under the *Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order 2020*, dated 2 April 2020, Department of Regional NSW (DRNSW) was established. Persons employed in the Regions, Industry, Agriculture and Resources Group within the Department were transferred to the newly formed Department on that date.

Refer to note 23 for more information relating to the assets and liabilities transferred to or from the Department.

## 1. Summary of significant accounting policies (continued)

### (a) Reporting entity (continued)

The Department is a reporting entity. The financial statements include separate financial statements for the Department of Planning, Industry and Environment as the parent entity and the consolidated entity consisting of the following entities:

- Department of Planning, Industry and Environment
- Water Administration Ministerial Corporation
- Lands Administration Ministerial Corporation
- Fisheries Administration Ministerial Corporation

Fisheries Administration Ministerial Corporation was transferred to the Regional NSW Cluster on 2 April 2020.

In preparing financial statements for the consolidated entity, all intra-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

During the period, the Department provided personnel services to a number of entities. The recipients of personnel services are separate reporting entities and are not controlled by the consolidated entity. Refer notes 2(a) and 3(e).

The financial statements of the consolidated entity are part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the Secretary on the date the accompanying statement by the Secretary was signed.

### (b) Basis of preparation

The consolidated entity's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Regulation 2015* and the *Public Finance and Audit Act 1983*; and
- Treasurer's Directions issued under the Act.

Property, plant and equipment and certain financial assets are measured at fair value. Other financial statement items are measured in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars, except for superannuation defined benefit disclosures in note 21(b), which are rounded to whole dollars. All amounts are expressed in Australian currency, which is the consolidated entity's presentation and functional currency.

### (c) Statement of compliance

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

### (d) Administered activities

The consolidated entity administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources resulting from these transactions for the achievement of the consolidated entity's own objectives.

Transactions and balances relating to the administered activities are not recognised as the consolidated entity's revenues, expenses, assets, and liabilities but are disclosed in the accompanying schedules as "administered revenues", "administered expenses", "administered assets" and "administered liabilities". Refer to note 31.

The accrual basis of accounting and applicable accounting standards have been adopted for these activities.

## 1. Summary of significant accounting policies (continued)

### (e) Accounting for interests in joint arrangements

The consolidated entity's share of assets, liabilities, revenue and expenses of joint arrangements have been incorporated in the financial statements under the appropriate headings. Details of the joint arrangements are set out in note 32.

### (f) Accounting for the goods and services tax (GST)

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

- amount of GST incurred by the consolidated entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

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

### (g) Comparative information

The Department was created on 1 July 2019 (refer note 1(a)). The 2019-20 financial statements are the first set of statements of the consolidated entity and of the parent entity. Therefore, there is no comparative information in respect of the previous year for all amounts reported in the financial statements. Refer note 23 for the details on transfer of assets and liabilities to the Department on its creation on 1 July 2019.

### (h) Going concern

The financial statements of the consolidated entity have been prepared on a going concern basis. Refer note 1(j).

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards

#### (i) Effective for the first time in 2019-20

Several new accounting standards, amendments and interpretations apply for the first time in the 2019-20 financial year including:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for Profit Entities*
- AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*
- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014 -2016 Cycle and Other Amendments*
- AASB 2017-6 *Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation*
- AASB 2018-1 *Annual Improvements to IFRS Standards 2015-2017 Cycle*
- AASB 2018-3 *Amendments to Australian Accounting Standards - Reduced Disclosure Requirements*

## 1. Summary of significant accounting policies (continued)

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

#### (i) Effective for the first time in 2019-20 (continued)

The consolidated entity applied AASB15 *Revenue from Contracts with Customers* (AASB 15), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), and AASB 16 *Leases* (AASB 16) for the first time in 2019-20. The nature and effect of the changes as a result of adoption of these new accounting standards on the opening balances of the consolidated entity, including on the transferred functions to the Department are described below.

The other new accounting standards, amendments and interpretations listed above did not have any material effect on the accounting policies adopted by consolidated entity.

#### AASB 15

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the consolidated entity has adopted AASB 15 retrospectively with the cumulative effect of initially adopting the standard recognised at the date of initial application, i.e. 1 July 2019. The consolidated entity has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all the modifications that occur before 1 July 2019 when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligations

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The statement of changes in equity reflects a \$9.877 million adjustment to the opening balance due to the impact of AASB 15, representing revenue recognised that was included in the unearned income balance equity transferred in at 1 July 2019.

## 1. Summary of significant accounting policies (continued)

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

#### (i) Effective for the first time in 2019-20 (continued)

##### AASB 15 (continued)

The effect of adopting AASB 15 is as follows:

Impact on the statement of comprehensive income (increase / (decrease)):

	CONSOLIDATED AND PARENT		
	30 June 2020 \$'000	30 June 2020 \$'000 without adoption of AASB 15	30 June 2020 \$'000 Impact of AASB 15
<b>Revenue</b>			
Sales of goods and services	61,037	66,451	(5,414)
Grants and contributions	327,274	342,878	(15,604)
Other income	48,423	58,868	(10,445)
<b>Operating result</b>	<b>436,734</b>	<b>468,197</b>	<b>(31,463)</b>
<b>Net result</b>	<b>436,734</b>	<b>468,197</b>	<b>(31,463)</b>

Impact on statement of financial position (increase / (decrease)):

	CONSOLIDATED AND PARENT		
	30 June 2020 \$'000	30 June 2020 \$'000 without adoption of AASB 15	30 June 2020 \$'000 Impact of AASB 15
<b>Liabilities</b>			
Contract liabilities	31,463	-	31,463
<b>Total adjustment to equity</b>	<b>31,463</b>	<b>-</b>	<b>31,463</b>

The adoption of AASB 15 did not have an impact on the statement of cash flows for the financial year.

##### AASB 1058

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with customer (accounted for under AASB 15).

## 1. Summary of significant accounting policies (continued)

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

#### (i) Effective for the first time in 2019-20 (continued)

##### AASB 1058 (continued)

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- When the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- Immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, the consolidated entity has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. The consolidated entity has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have an impact on other comprehensive income, the statement of financial position, or the statement of cash flows for the financial year.

##### AASB 16

AASB 16 supersedes AASB 117 *Leases* (AASB 117), Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on balance sheet.

##### *Lessor accounting*

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

##### *Lessee accounting*

AASB 16 requires the entity to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the consolidated entity recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The consolidated entity has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised in 1 July 2019 transferred balances.

In relation to leases that had previously been classified by agencies whose functions, assets and liabilities were transferred to the Department as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.76%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position of the transferred functions as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.



## 1. Summary of significant accounting policies (continued)

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

#### (i) Effective for the first time in 2019-20 (continued)

##### AASB 16 (continued)

For leases previously classified as finance leases by the transferor entities, the consolidated entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

The consolidated entity elected to use the practical expedient to expense lease payments for lease contracts that at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

In applying AASB 16 for the first time, the consolidated entity has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and interpretation 4.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognising a lease liability and right-of-use asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The effect of adopting AASB 16 as at 1 July 2019 (increase / (decrease)) is, as follows:

	CONSOLIDATED \$'000	PARENT \$'000
<b>Assets</b>		
Right-of-use assets	135,934	135,934
<b>Total assets</b>	<b>135,934</b>	<b>135,934</b>
<b>Liabilities</b>		
Borrowings	135,934	135,934
<b>Total liabilities</b>	<b>135,934</b>	<b>135,934</b>

## 1. Summary of Significant Accounting Policies (continued)

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

#### (ii) Issued but not effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise.

The following new Australian Accounting standards have not been applied and are not yet effective:

- AASB 1059 *Service Concession Arrangements: Grantors* (effective 1 January 2020)
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059* (effective 1 January 2020)
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business* (effective 1 January 2020)
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* (effective 1 January 2020)
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework* (effective 1 January 2020)
- AASB 2019-2 *Amendments to Australian Accounting Standards – Implementation of AASB 1059* (effective 1 January 2020)
- AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform* (effective 1 January 2020)
- AASB 2019-7 *Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations* (effective 1 January 2020)

The consolidated entity has assessed the impact of the new standards and interpretations on issue but not yet effective where relevant and considers the impact to be not material, including from the application of AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059). This standard is effective for financial periods commencing on or after 1 January 2020. This means it will apply for NSW Government agencies with the 30 June year end cycle from the 2020-21 financial year.

AASB 1059 applies to service concession arrangements where an operator:

- provides public services related to a service concession asset on behalf of a grantor; and
- the operator manages at least some of those public services under its own discretion, rather than at the discretion of the grantor.

### (j) COVID-19, natural disasters, delayed 2020-21 NSW Budget and going concern

The impact of COVID-19 and natural disasters has been included in the financial statements based on evidence available at the balance date. The consolidated entity assessed the impact on the fair value of its financial assets, such as receivables, right of use assets and borrowings. Where appropriate, the consolidated entity recognised, a credit loss to reflect historical credit loss evidence adjusted for forward looking economic outlook and conditions. The fair value of right of use assets has been impaired to reflect decrease in commercial rents primarily in Sydney metropolitan and Parramatta regions. The fair value assessment of property, plant and equipment at 30 June 2020 by independent valuers concluded that there was no evidence at balance date to suggest any material impact due to COVID-19. An appropriate impairment to reflect damage to property across national parks due to bushfires has been recognised. Refer notes 9, 13, 15, 17 and 34.

The consolidated entity receives its funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed and is anticipated to be tabled in Parliament in November/December 2020. However, pursuant to section 4.10 of the *Government Sector Finance Act 2018* (GSF Act), the NSW Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earlier of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 annual Appropriations Act. Therefore, it is appropriate for the 2019-20 financial statements to be prepared on a going concern basis.

## 2. Expenses excluding losses

### (a) Employee related expenses

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Salaries and wages (including recreation leave)	1,227,170	1,226,857
Superannuation - defined benefit plans	11,155	11,155
Superannuation - defined contribution plans	98,470	98,456
Long service leave	68,735	68,735
Workers' compensation insurance	9,738	9,733
Payroll tax and fringe benefits tax	76,552	76,552
Redundancy payments	10,209	10,209
Other	83	83
	<b>1,502,112</b>	<b>1,501,780</b>

The employee related expenses include \$323.5 million for the personnel services for entities. The recipients of personnel services are separate reporting entities and are not controlled by the consolidated entity. Refer to notes 1(a) and 3(e).

Employee related costs that have been capitalised, in particular property, plant and equipment and intangible asset accounts was \$4.7 million and are therefore excluded from above.

Employee related expense of \$2.1 million relates to the Independent Planning Commission.

Employee related expenses are recognised when they are incurred by the consolidated entity. Refer to note 21 for details on recognition and measurement policies on key employee related provisions and related expenses.

## 2. Expenses excluding losses (continued)

### (b) Other operating expenses

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Advertising and promotion	8,022	8,020
Assets under \$5,000	19,919	19,914
Auditor's remuneration – NSW Audit Office	1,727	1,583
Auditors remuneration - other	372	366
Bad debts	376	376
Computer costs	41,760	41,759
Consultancy	10,820	10,820
Contingent workers	44,825	44,812
Contractors - projects	193,444	193,194
Administration services	13,524	13,524
Cost of sales	39,435	39,435
Crown Land waivers, refunds and remissions	20,423	20,249
Expenses relating to short-term leases and low-value assets	24,319	24,319
Fees for services	127,146	127,133
Fleet costs	27,159	27,118
Freight and postage	4,135	4,135
Insurance	38,454	38,394
Legal costs	13,199	13,118
Maintenance *	48,685	48,355
Occupancy	36,424	36,238
Other expenses	12,207	12,053
Printing, stationery and stores	4,648	4,648
Responsible Pet Ownership Program payments	6,196	6,196
Telecommunications	10,905	10,899
Training and staff development	3,735	3,735
Travel	21,610	21,601
Water charges	21,256	-
	<b>794,725</b>	<b>771,994</b>

Other operating expenses of \$3.7 million relates to the Independent Planning Commission.

Other operating expenses of \$16.693 million relates to the staff transferred from the Environmental Protection Authority on 1 September 2019.

### Maintenance reconciliation

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Maintenance reconciliation</b>		
* Maintenance expense - contracted labour and other (non-employee related), as above	48,685	48,355
Employee related maintenance expense included in note 2(a)	58,581	58,581
<b>Total maintenance expense included in Note 2 (a) + 2 (b)</b>	<b>107,266</b>	<b>106,936</b>

### Recognition and measurement – key 'other operating expenses'

#### Maintenance expense

Day-to-day servicing or maintenance costs are charged as expenses are incurred, except where they relate to the replacement or enhancement of a part or component of an asset, in which case costs are capitalised and depreciated.

## 2. Expenses excluding losses (continued)

### (b) Other operating expenses (continued)

#### Recognition and measurement – key ‘other operating expenses’

##### Insurance

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

##### Lease expenses

The consolidated entity recognises the lease payments associated with the following types leases as an expense on a straight-line basis, instead of recognising them under AASB 16 (refer note 15 (a)(iii)):

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

### (c) Depreciation and amortisation

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	21,177	19,826
Infrastructure	128,332	123,265
Plant and equipment	31,885	31,832
Right of use - buildings	39,239	39,239
Right of use - plant & equipment	8,646	8,646
Amortisation of intangible assets	34,694	34,615
	<b>263,973</b>	<b>257,423</b>

Refer to note 14, 15, 16 and 17 for recognition and measurement policies on depreciation and amortisation.

## 2. Expenses excluding losses (continued)

### (d) Grants and subsidies

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<i>Grants to cluster agencies for normal business operations</i>		
Local Land Services	70,408	70,408
Water NSW	64,051	64,051
Rural Assistance Authority	20,473	20,473
Natural Resources Commission	6,999	6,999
Forestry Corporation	17,835	17,835
Sydney Olympic Park	32,649	32,649
Environment Protection Authority	119,526	119,526
Environmental Trust	44,345	44,345
Royal Botanic Gardens and Domain Trust	41,525	41,525
Biodiversity Conservation Trust	15,240	15,240
Hunter and Central Coast Development Corporation	13,497	13,497
Western Sydney Parklands Trust	38,041	38,041
Centennial Park and Moore Park Trust	6,649	6,649
Natural Resource Access Regulator	24,350	24,350
Planning Ministerial Corporation	3,500	3,500
Property NSW	31,415	31,415
Place Management NSW	44,925	44,925
Parramatta Park Trust	1,704	1,704
Taronga Zoo	15,910	15,910
	<b>613,042</b>	<b>613,042</b>
<i>Other grants funded from Consolidated Fund and other sources of funds:</i>		
Commonwealth government - not specified below	5,397	5,397
NSW government - not specified below	309,554	309,554
Local government - not specified below	145,723	138,654
Non-government organisations - not specified below	174,901	174,832
Grants - Energy (including low income household, pensioner, family & social)	316,700	316,700
Grants - Water (including low income household, pensioner, hardship)	142,068	142,068
Local Land Services - drought relief	23,000	23,000
Murray Darling Basin Authority for operations	29,662	24,250
Non-cash capital land grant	13,065	13,040
Rural Assistance Authority - drought relief	147,000	147,000
Local Infrastructure Renewal Scheme	9,349	9,349
Local Government - pensioner rebate scheme	75,322	75,322
Local Government - bush fire recovery relief	43,533	43,533
Special Infrastructure Contributions grants	58,827	58,827
Voluntary Planning Agreements grants	20,124	20,124
	<b>1,514,225</b>	<b>1,501,650</b>
	<b>2,127,267</b>	<b>2,114,692</b>

### **Recognition and measurement – grants and subsidies**

Grants are generally recognised as an expense when the consolidated entity transfers control of the contribution which is deemed to have transferred when the grant is paid or payable.

## 2. Expenses excluding losses (continued)

### (e) Finance costs

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Interest expense from financial liabilities at amortised cost	50	50
Interest expense from lease liabilities	10,025	10,025
Interest expense from financial liabilities not at fair value through profit or loss	774	774
Unwinding of discount on provisions	21	21
	<b>10,870</b>	<b>10,870</b>

### Recognition and measurement – finance costs

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate for not-for-profit NSW General Government Sector entities. Refer note 20 for interest expense on Treasury advances repayable – non-interest bearing. For interest on lease liabilities refer note 15 and for unwinding of discount on provisions refer note 21.



### 3. Revenue

Revenue is recognised in accordance with the requirements of AASB 15 or AASB 1058, dependent on whether there is a contract with a customer defined by AASB 15.

#### (a) Appropriations and transfers to the Crown Entity

Summary of Compliance	CONSOLIDATED AND PARENT		2020 \$'000 Variance
	2020 \$'000 Appropriation	2020 \$'000 Expenditure	
Original Budget per Appropriation Act	3,183,305		3,183,305
Other Appropriations / Expenditure			
Section 4.9 GSF Act - transfers of functions between entities	(279,197)	-	(279,197)
Section 4.11 GSF Act - Commonwealth specific purpose payments	48,533	-	48,533
Section 4.13 GSF Act Exigency of Government - expenditure for certain works and services	183,270	-	183,270
Exigency of Government (per Section 25(2) of the Appropriation Act)	-	-	-
Any transfers (per Section 25(3) of the Appropriation Act)	60,460	-	60,460
<b>Total annual Appropriations / Expenditure / Net Claim on Annual Appropriations</b>	<b>3,196,371</b>	<b>-</b>	<b>3,196,371</b>
Appropriations drawn down against Annual Appropriations *	3,009,671	3,009,671	-
Liability for Lapsed Appropriations drawn down			
* Comprising:			
Transfer payments	-	-	-
Equity appropriations	-	-	-
Appropriations (per Statement of Comprehensive Income) **	-	3,009,671	-
Appropriations drawn down	-	3,009,671	-
** Appropriations (per Statement of Comprehensive Income):			
Recurrent	2,715,762	(2,715,762)	-
Capital	293,909	(293,909)	-
	3,009,671	(3,009,671)	-

Notes:

The summary of compliance is based on the assumption that annual appropriations monies are spent first (except where otherwise identified or prescribed).

'Expenditure' refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1058.

If consolidated entity receives an equity appropriation this is disclosed in the summary of compliance as part of the appropriation.

If there is a 'liability for lapsed appropriations drawn down' (formerly known as 'liability to Consolidated Fund'), the consolidated entity represents the difference between the 'amount drawn down against annual appropriation' and the 'expenditure/net claim on annual appropriations'.

### 3. Revenue (continued)

#### (a) Appropriations and transfers to the Crown Entity (continued)

Movement of Section 4.7 GSF Act - deemed appropriations:	<b>2020</b>
	<b>\$'000</b>
Opening balance	423,007
Add: additions of deemed appropriations	1,410,650
Less: expenditure charged against deemed appropriations	(1,490,495)
Closing balance	<b>343,162</b>

#### Recognition and measurement

##### Parliamentary appropriations and contributions

Parliamentary appropriations and contributions are recognised in accordance with AASB 1058. Under AASB 1058 appropriations are recognised as income when the consolidated entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised under AASB 15 as they do not meet the technical definition on enforceability and sufficiently specific performance obligation.

Appropriations are not recognised as income in the following circumstances:

- 'Equity appropriations' to fund payments to adjust a for-profit entity's capital structure, which are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity.
- Lapsed appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount is not controlled by the Department.
- The liability is disclosed in note 22 as part of "Current liabilities – other" as this would be extinguished in the following financial year through the next annual Appropriations Act. There was no liability to the confund as at 30 June 2020. Any liability in respect of administered receipts and payments are disclosed in note 31.

#### (b) Sale of goods and services from contracts with customers

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Sale of goods</b>		
Sale of livestock and produce	5,601	5,601
Sales of minor goods	2,544	2,544
<b>Rendering of services</b>		
Corporate support and specialist services	91,855	92,848
Development application fees for planning projects	25,195	25,195
Education and training	4,900	4,900
Fees for services	29,756	29,201
Water management fees	43,337	16,620
Minor sales of services	11,911	11,876
Park entry and camping fees	36,937	36,937
Project and asset management services	71,728	71,728
Valuation services	64,590	64,590
	<b>388,354</b>	<b>362,040</b>

### 3. Revenue (continued)

#### (b) Revenue from contracts with customers / Sale of goods and services (continued)

##### Recognition and measurement

##### Sale of goods

In accordance with AASB 15, revenue from sale of goods is recognised when the consolidated entity satisfies a performance obligation by transferring the promised good. For example, when a publication is delivered to a customer. Payments are typically due to the consolidated entity upon satisfaction of its performance obligations.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

##### Rendering of services

Revenue from rendering of services is recognised when the consolidated entity satisfies the performance obligation by transferring the promised services. For example, development application fees are recognised by the consolidated entity upon issue of determination to the customer/applicant on a development application. The consolidated entity typically satisfies its performance obligations when it completes a milestone/delivers on services as agreed in the underlying contract/agreement with the customer. Significant judgements are made to determine whether an obligation is satisfied by the consolidated entity over a period of time (valuation services fees) or at a point in time (development application fees/park entry and camping fees). Payments are typically due to the consolidated entity upon satisfaction of its performance obligations.

Revenue is measured at the transaction price agreed under the contract, which is typically specified against each performance obligation/milestone. No element of financing is deemed present as payments are due when service is provided.

Refer note 10 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting year, and when the consolidated entity expects to recognise the unsatisfied portion as revenue.

#### (c) Investment revenue

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income from financial assets at amortised cost	6,179	5,696
Finance income on the net investment in the lease	13,067	12,664
Rental income	25,100	25,039
Crown land lease income	48,697	44,685
	<b>93,043</b>	<b>88,084</b>

##### Recognition and measurement

##### Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for the financial assets that subsequently become credit-impaired. For the financial assets that become credit impaired, the effective interest rate is to be applied to the amortised cost of the financial asset. (i.e. after deducting the loss allowance for expected credit losses.)

##### Leases and Rental Income

Crown land lease revenue and rental income are recognised in accordance with AASB 16 on a straight-line basis over the lease term. This may be offset by rebates.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position in an appropriate asset class based on their nature.

### 3. Revenue (continued)

#### (d) Retained taxes, licences, levies, fees and fines

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Levies, licences and permits	21,954	21,954
Annual rental and administration levy *	22,224	22,224
Planning reform fee	34,070	34,070
Investment levy *	4,771	4,771
Mine safety levy *	28,518	28,518
Others	3,148	3,148
Responsible Pet Ownership Program registration fees	7,349	7,349
	<b>122,034</b>	<b>122,034</b>

#### Recognition and measurement – retained taxes, levies, fees and fines

Revenue from levies, licences, permits, fines and royalties are recognised when cash is received by the consolidated entity.

\*Functions relating to the collection of annual rental and administration levy, investment levy and mine safety levy were transferred to the Department of Regional NSW, effective 2 April 2020.

#### (e) Personnel services revenue

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Aboriginal Housing Corporation	15,570	15,570
Land and Housing Corporation	72,267	72,267
Sydney Olympic Park Authority	28,843	28,843
Environment Protection Authority	6,677	6,677
NSW Rural Assistance Authority	4,970	4,970
Border Fence Maintenance Board	615	615
Natural Resources Access Regulator	19,663	19,663
Hunter and Central Coast Development Corporation	4,296	4,296
Planning Ministerial Corporation	3,187	3,187
Lord Howe Island Board	6,013	6,013
Centennial Park and Moore Park Trust	6,382	6,382
Jenolan Caves Reserve Trust	6,399	6,399
Waste Assets Management Corporation	1,240	1,240
Property NSW	38,719	38,719
Place Management NSW	8,466	8,466
Teacher Housing Authority	2,304	2,304
Parramatta Park Trust	1,281	1,281
Royal Botanic Gardens and Domain Trust	26,339	26,339
Taronga Conservation Society Australia	55,000	55,000
Western Sydney Parklands Trust	3,077	3,077
Biodiversity Conservation Trust	12,162	12,162
	<b>323,470</b>	<b>323,470</b>

#### Recognition and measurement

Reimbursement of employee benefits and related on-costs for the entities to which the consolidated entity supplies personnel services is recognised as revenue. Revenue is recognised when the service has been provided. Refer notes 1(a) and 2(a).

### 3. Revenue (continued)

#### (f) Grants and other contributions

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity	37,748	37,748
Other grants with sufficiently specific performance obligations / milestones	327,500	327,340
Grants without sufficiently specific performance obligations / milestones	298,936	298,936
Grants - land (non-cash)	19,355	19,355
	<b>683,539</b>	<b>683,379</b>

#### Recognition and measurement

Grants are received by the consolidated entity to support its service delivery objectives and the funding agreements typically specify purpose of grants. Some funding agreements have well defined milestones and funding is received by the consolidated entity upon completion of those milestones.

Revenue from grants to acquire/construct a recognisable non-financial asset to be controlled by the consolidated entity is recognised when the consolidated entity satisfies its obligations under the agreement. The consolidated entity satisfies performance obligations under the transfer to construct non-financial assets over time. Unless specified in the underlying funding agreement, grant revenue recognised by the consolidated entity equals cost incurred, because this reflects progress to completion based on cost recovery arrangements.

Revenue from grants with sufficiently specific milestones/performance obligations and agreed funding against each milestone is recognised as when the consolidated entity satisfies its performance obligation by transferring promised goods/achieving milestones.

Income from funding without sufficiently specific performance obligations is recognised when the consolidated entity obtains control over the granted assets (i.e. cash received). Where the total funding amount in a contract is not allocated to distinct milestones/performance obligations and specifies purpose only, revenue is recognised when the consolidated entity obtains control over the funds i.e. cash received.

No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. This is based on past experience and terms specified in the contract.

Refer note 10 for transaction price allocated to the performance obligations/milestones that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined, and the services would have been purchased if not donated. Volunteer services are measured at fair value. As at 30 June 2020, the consolidated entity did not recognise revenue from volunteer services as the services would not have been purchased, if not donated.

Land transferred to the consolidated entity, including land declared to be Crown or returned to Crown is recognised at fair value through equity (where transfer is within state sector) or revenue, as non-cash land grants (where transfer is from outside state sector), upon publication of the notice in the NSW Government Gazette.

### 3. Revenue (continued)

#### (g) Other revenue

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Developer contributions - cash	48,423	48,423
Special infrastructure contributions - cash	37,285	37,285
Insurance recoveries	89,529	89,529
Other revenues	21,554	21,411
Developer contributions - works-in-kind	5,332	5,332
Special infrastructure contributions - works-in-kind	34,112	34,112
	<b>236,235</b>	<b>236,092</b>

#### Recognition and measurement

##### Special infrastructure contributions (SIC)

The consolidated entity is responsible for the collection of special infrastructure contributions within the States growth centre precincts. These contributions refer to the levy paid by developers on lands to be developed within these precincts.

The consolidated entity recognises these contributions as revenue when received, and as grants expense when they are paid out. Monies are held within the consolidated entity's dedicated bank account and recognised as a restricted cash asset until paid out. Refer notes 18 and 19.

The consolidated entity also enters into works-in-kind agreements with developers, whereby developers undertake infrastructure development and receive special infrastructure contributions credit offsets. Works-in-kind completed during the year are treated as revenue to an amount equal to the original assessment payable by the developer and as a grant expense when the asset is transferred to the relevant authority.

When the value of works-in-kind is greater than the original assessment, a liability is recognised accordingly for the consolidated entity because the developer earns a credit, which can be used to offset levies that may be payable on future development projects.

##### Developer contributions - voluntary planning agreements (VPAs)

As part of its normal operations, as provided under Division 6 of the *Environmental Planning and Assessment Act 1979*, the consolidated entity enters into voluntary planning agreements with developers and associated parties, which provide for monetary contributions for public works. These contributions are generally recognised when invoiced.

The consolidated entity also enters into works-in-kind agreements with developers, whereby developers undertake infrastructure development. Works-in-kind completed during the year are treated as revenue to an amount equal to the original assessment payable by the developer and as a grant expense when the asset is transferred to the relevant authority.

When the value of works-in-kind is greater than the original assessment, a liability is recognised accordingly, because the developer earns a credit, which can be used to offset contributions that may be payable on future development projects.

##### Insurance recoveries

Insurance recoveries are recognised as revenue when payment on claims are approved by the insurer. The amount of recovery in a year is subject to the insurance activity, such as bushfire activity in that year. Insurance recoveries also include hindsight payments received by the consolidated entity, which are recognised on receipt of funds from the TMF.

### 3. Revenue (continued)

#### (h) Acceptance by the Crown Entity of employee benefits and other liabilities

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
The following liabilities and / or expenses have been assumed by the Crown Entity:		
Long service leave	64,086	64,086
Payroll tax	579	579
Superannuation	11,140	11,140
	<b>75,805</b>	<b>75,805</b>

#### (i) Transfer to Crown Entity

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contribution from Crown leaseholds	(54,529)	(54,411)
	<b>(54,529)</b>	<b>(54,411)</b>

#### **Recognition and measurement**

The consolidated entity operates a number of activities which make contributions to the Consolidated Fund of NSW, under differing arrangements.

Crown land sale proceeds and lease income received by the consolidated entity, excluding receipts from the statutory land managed by Lands Administration Ministerial Corporation, are distributed to the Consolidated Fund. These distributions are paid and do not include moneys held as deposits, held in trust, or funds which have yet to be credited against customer accounts. Transfer to the Crown Entity is recognised in the statement of comprehensive income and not administered receipts and payments. This is because funds transferred by the consolidated entity are from assets it owns and controls, the consolidated entity is not an agent acting on behalf of the Crown.

### 4. Gain / (loss) on disposal

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Gain/(loss) on disposal of property, plant and equipment and intangibles</b>		
Proceeds from disposal	18,348	18,347
Written down value of assets disposed	(46,887)	(48,437)
<b>Net gain/(loss) on disposal of property, plant and equipment and intangibles</b>	<b>(28,539)</b>	<b>(30,090)</b>

Written down value of assets include assets that are decommissioned due to obsolescence and/or where they no longer support operational requirements of the Department. It also includes estimated fair value of roads on crown lands, that are sold but not spatially defined. Sale price for crown land roads is based on Valuer General amounts at date of application rather than the current mass valuation method.



## 5. Other gains / (losses)

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Gains / (losses) on financial assets at fair value through profit and loss	(935)	(915)
Gain / (impairment) on finance lease revaluation	14,070	462
Gain / (impairment) of receivables	(6,401)	(5,724)
Gain / (impairment) of loans	(907)	(907)
Gain / (impairment) of right-of-use assets	(58,503)	(58,503)
Gain/(impairment) on intangibles	5,544	5,544
	<b>(47,132)</b>	<b>(60,043)</b>

### Recognition and measurement

#### Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the consolidated entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in the following notes:

Property, plant and equipment - note 14

Right-of-use assets – note 15

Intangible assets - note 16

Trade receivables – note 9

Contract assets – note 10

## 6. Transfer payments

### Commonwealth Government

Federal financial assistance grants are provided to councils under the *Commonwealth Local Government (Financial Assistance) Act 1995*. The consolidated entity administers Commonwealth transfer payments through the Local Government Grants Commission. The total amount disbursed to councils by way of financial assistance grants is \$795.5 million. These grants are provided for the purposes of improving the financial capacity of local governing bodies to provide residents with an equitable level of services.

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Payments</b>		
Local government - federal financial assistance grants	795,539	795,539
	<b>795,539</b>	<b>795,539</b>
<b>Receipts</b>		
Local government - federal financial assistance grants	795,539	795,539
	<b>795,539</b>	<b>795,539</b>

## 7. State outcome statements

The consolidated entity is responsible for the delivery of the following state outcomes program groups.

### Program groups of the consolidated entity

Initiative	Description
Sustainable and productive regional industries and communities	Supporting strong and resilient regional communities through economic development, investment in infrastructure, innovation and risk management in primary industries, safe and sustainable access to geological resources and enhanced biodiversity, biosecurity and food safety outcomes.
Resilient and sustainable environment and energy	Protecting and preserving our environment to support a healthy New South Wales while securing an affordable, reliable and sustainable energy future.
Create a strong and liveable NSW	Planning for attractive places that create the conditions for prosperity, economic development, innovation and jobs, delivering infrastructure and a diverse housing mix which responds to the needs of communities, and securing environmental sustainability and safe and inclusive public spaces that brings communities together.
Maximise community benefit from government land and property	Delivering a cross-agency strategic approach to the use of government owned property to maximise community benefits by delivering quality public spaces and diverse housing outcomes.
Sustainable and secure water resources	Enabling equitable use of and access to, water now and into the future to generate social, economic and environmental benefits for the State.

Not attributable - This group covers programs relating to the centralised, corporate support and cluster enabling functions of the consolidated entity. This includes items that are not directly attributable to any of the other State outcome groups within the consolidated entity, including, appropriation revenue. Cluster grant funding is also unlikely to be attributable to individual state outcomes. Consequently, cluster grant funding is also included in the “not attributable” column.

## 7. State outcome statements (continued)

Expense and income	CONSOLIDATED						Total
	Sustainable and productive regional industries and communities *	Resilient and sustainable environment and energy	Create a strong and liveable NSW	Maximise community benefit from government land and property	Sustainable and secure water resources	Not attributable	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>							
Operating Expenses							
Employee related expenses	324,156	774,005	157,732	165,848	80,371	-	1,502,112
Other operating expenses	84,157	382,013	108,582	86,987	132,986	-	794,725
Depreciation and amortisation	21,416	174,066	19,835	41,088	7,568	-	263,973
Grants and subsidies	126,753	165,611	672,036	509,489	170,473	482,905	2,127,267
Finance costs	1,117	6,729	1,110	935	979	-	10,870
<b>Total expenses excluding losses</b>	<b>557,599</b>	<b>1,502,424</b>	<b>959,295</b>	<b>804,347</b>	<b>392,377</b>	<b>482,905</b>	<b>4,698,947</b>
<b>Revenue</b>							
Appropriation (net of transfer payments)	-	-	-	-	-	3,009,671	3,009,671
(Transfers to Crown Entity)	-	-	-	(54,529)	-	-	(54,529)
Sale of goods and services	114,008	153,378	45,780	56,600	18,588	-	388,354
Investment revenue	2,358	25,276	2,505	62,396	508	-	93,043
Retained taxes, levies, fees and fines	6,395	39,637	59,787	15,201	1,014	-	122,034
Personnel services revenue	41,771	117,316	13,496	150,887	-	-	323,470
Grants and contributions	35,257	427,574	3,229	73,068	13,411	131,000	683,539
Other revenue	69,350	93,300	27,848	34,430	11,307	-	236,235
Acceptance by the Crown Entity of employee benefits and other liabilities	16,358	39,060	7,960	8,369	4,058	-	75,805
<b>Total revenue</b>	<b>285,497</b>	<b>895,541</b>	<b>160,605</b>	<b>346,422</b>	<b>48,886</b>	<b>3,140,671</b>	<b>4,877,622</b>
<b>Operating result</b>							
Gain/ (loss) on disposal	(981)	(3,559)	(3,076)	(20,924)	1	-	(28,539)
Other gains /(losses)	(4,243)	(31,903)	(6,962)	4,704	(8,728)	-	(47,132)
<b>Net result from operating activities</b>	<b>(277,326)</b>	<b>(642,345)</b>	<b>(808,728)</b>	<b>(474,145)</b>	<b>(352,218)</b>	<b>2,657,766</b>	<b>103,004</b>
<b>Other comprehensive income</b>							
Change in revaluation surplus of property, plant & equipment	34,365	63,530	172	556,341	57,302	-	711,710
Actuarial gains/(losses) on superannuation funds	-	(23)	7	1	-	-	(15)
<b>Total other comprehensive income</b>	<b>34,365</b>	<b>63,507</b>	<b>179</b>	<b>556,342</b>	<b>57,302</b>	<b>-</b>	<b>711,695</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(242,961)</b>	<b>(578,838)</b>	<b>(808,549)</b>	<b>82,197</b>	<b>(294,916)</b>	<b>2,657,766</b>	<b>814,699</b>

\* Outcome was transferred to the Department of Regional NSW on 2 April 2020, above reflects 9 months operations.

## 7. State outcome statements (continued)

Assets and liabilities	CONSOLIDATED						Total
	Sustainable and productive regional industries and communities *	Resilient and sustainable environment and energy	Create a strong and liveable NSW	Maximise community benefit from government land and property	Sustainable and secure water resources	Not attributable	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	-	422,035	176,474	205,041	209,233	-	1,012,783
Receivables	-	186,575	83,590	58,666	32,742	-	361,573
Inventories	-	723	-	98	-	-	821
Other financial assets	-	-	-	11,878	-	-	11,878
<b>Total current assets</b>	-	<b>609,333</b>	<b>260,064</b>	<b>275,683</b>	<b>241,975</b>	-	<b>1,387,055</b>
<b>Non-current assets</b>							
Receivables	-	6,213	2,719	2,062	1,069	-	12,063
Financial Assets at fair value	-	-	6,548	-	-	-	6,548
Inventories	-	-	5,148	2,781	2,838	-	10,767
Total Property Plant and Equipment	-	4,403,059	35,142	7,883,314	783,027	-	13,104,542
Right-of-use assets	-	404,986	79,003	81,605	39,546	-	605,140
Intangible assets	-	193,792	86,882	204,116	390	-	485,180
Other financial assets	-	-	-	155,127	-	-	155,127
<b>Total non-current assets</b>	-	<b>5,008,050</b>	<b>215,442</b>	<b>8,329,005</b>	<b>826,870</b>	-	<b>14,379,367</b>
<b>Total assets</b>	-	<b>5,617,383</b>	<b>475,506</b>	<b>8,604,688</b>	<b>1,068,845</b>	-	<b>15,766,422</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Contract liabilities	-	20,215	10,445	803	-	-	31,463
Payables	-	45,261	79,245	75,692	94,115	-	294,313
Borrowings	-	24,180	3,580	3,380	1,638	-	32,778
Provisions	-	95,769	34,006	37,742	15,758	-	183,275
Other	-	3,493	2,685	3,786	1,090	-	11,054
<b>Total current liabilities</b>	-	<b>188,918</b>	<b>129,961</b>	<b>121,403</b>	<b>112,601</b>	-	<b>552,883</b>
<b>Non-current liabilities</b>							
Payables	-	53	352	279	280	-	964
Borrowings	-	447,985	84,120	87,385	42,347	-	661,837
Provisions	-	18,903	5,520	5,966	2,604	-	32,993
<b>Total non-current liabilities</b>	-	<b>466,941</b>	<b>89,992</b>	<b>93,630</b>	<b>45,231</b>	-	<b>695,794</b>
<b>Total liabilities</b>	-	<b>655,859</b>	<b>219,953</b>	<b>215,033</b>	<b>157,832</b>	-	<b>1,248,677</b>
<b>NET ASSETS</b>	-	<b>4,961,524</b>	<b>255,553</b>	<b>8,389,655</b>	<b>911,013</b>	-	<b>14,517,745</b>

\* Outcome was transferred to the Department of Regional NSW on 2 April 2020.

## 7. State outcome statements (continued)

Administered expenses and liabilities	CONSOLIDATED						Not attributable	Total
	Sustainable and productive regional industries and communities	Resilient and sustainable environment and energy	Create a strong and liveable NSW	Maximise community benefit from government land and property	Sustainable and secure water resources			
	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Administered income</b>								
Consolidated Fund								
Taxes, fees and fines	3,189	548	-	-	-	-	-	3,737
<b>Total administered income</b>	<b>3,189</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,737</b>
<b>Administered income less expenses</b>	<b>3,189</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,737</b>

## 8. Cash and cash equivalents

### (a) Cash at bank or on hand

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	1,012,783	968,245
<b>Total cash and cash equivalents</b>	<b>1,012,783</b>	<b>968,245</b>

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank and short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value.

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

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents (per statement of financial position)	1,012,783	968,245
Closing cash and cash equivalents (per statement of cash flows)	1,012,783	968,245

Refer note 29 for details regarding credit risk and market risk arising from financial instruments.

Refer note 18 for details of restricted cash.

## 9. Current / non-current assets - receivables

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Current</b>		
Trade receivables	107,219	103,954
Less: allowance for expected credit losses	(15,502)	(13,707)
	<b>91,717</b>	<b>90,247</b>
Accrued income	105,368	105,332
Miscellaneous	48,458	47,722
Net GST	26,988	27,113
Personnel services	72,489	72,489
Prepayments	16,553	16,553
	<b>361,573</b>	<b>359,456</b>
<b>Non-current</b>		
Personnel services	12,063	12,063
	<b>12,063</b>	<b>12,063</b>
<b>Total Receivables</b>	<b>373,636</b>	<b>371,519</b>

### Movements in the allowance for expected credit losses

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Balance at beginning of the year	-	-
Amounts recovered during the year	(967)	(967)
Amount transferred in from controlled entities	1,198	-
Amount transferred in due to equity transfer	12,804	12,804
Increase/decrease in allowance recognised in net results	6,401	5,724
Amounts written off during the year	(3,934)	(3,854)
Balance at 30 June 2020	<b>15,502</b>	<b>13,707</b>

Details regarding credit risk of trade receivables that become past due not impaired are disclosed in note 29.

### Recognition and measurement

All 'regular way' purchases and sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

### Subsequent measurement

The consolidated entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

### Impairment

The consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at their fair value through profit and loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the consolidated entity expects to receive, discounted at the original effective interest rate.

## 9. Current / non-current assets - receivables (continued)

### Recognition and measurement (continued)

#### Impairment (continued)

For trade receivables, the consolidated entity applies a simplified approach in calculating ECLs. The consolidated entity recognises a loss allowance based on lifetime ECLs at each reporting date. In accordance with AASB 9, the consolidated entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable. The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- increased credit risk associated with debtors as a result of poor trading conditions.
- Higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of Government and/or late payment.
- Lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

## 10. Contract assets and liabilities

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract assets - current	-	-
	-	-
Contract liabilities - current	31,463	31,463
	<b>31,463</b>	<b>31,463</b>

### Recognition and Measurement

Contract assets relate to the consolidated entity's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date. Contract liabilities relate to the consolidated entity's obligation to satisfy performance obligations but where funds were received at 30 June 2020. The balance of contract assets and contract liabilities at 30 June 2020 was impacted by, the value and timing of the completion of performance obligations and invoicing, as well as terms of payment under the contract.

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	<b>9,877</b>	9,877
Revenue recognised from performance obligations satisfied in previous periods	<b>3,322</b>	3,322
Transaction price allocated to the remaining performance obligations from contracts with customers	<b>31,463</b>	31,463

The transaction price allocated to the remaining performance obligations relates primarily to development applications and grants income, which are expected to be recognised as revenue in the 2020-21 and the 2021-22 financial years.



## 11. Financial assets at fair value

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Non-Current</b>		
Shares	6,548	6,548
	<b>6,548</b>	<b>6,548</b>

The consolidated entity holds shares in the entities listed below at market value or fair value.

The value of shares represents holdings in:

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Silicon Quantum Computing Pty Ltd	6,548	6,548
	<b>6,548</b>	<b>6,548</b>

Refer note 29 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

On 24 November 2017 the former Department of Industry contributed \$8.7 million in equity to Silicon Quantum Computing Pty Limited ("Quantum"). This represents a 10.5% share. Other shareholders include the Department of Industry Innovation and Science, Commonwealth Bank, Telstra Corporation Limited and NSW Innovations Pty Ltd.

Quantum's objectives are to develop and commercialise a prototype 10 qubit silicon quantum integrated circuit. This would then lead to long-term development of a silicon based quantum computer in various applications. Quantum would benefit from any intellectual property arising from this development. The purpose of the Department investing in Quantum is to keep the technology and associated intellectual property in New South Wales.

### **Recognition and measurements**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### **Classification and measurement**

The consolidated entity's financial assets are recognised at fair value initially, and subsequently measured at either fair value through other comprehensive income or fair value through the profit and loss.

Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the net results. Transaction costs of financial assets carried at other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

#### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses).

## 12. Inventories

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Finished goods	821	821
	<b>821</b>	<b>821</b>
<b>Non-Current</b>		
Finished goods	7,986	7,986
Land developments	2,781	2,781
	<b>10,767</b>	<b>10,767</b>

### **Recognition and measurement**

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is either the purchase price/fair value of an item of inventory or is calculated by using “first in first out” method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the consolidated entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 13. Current / non-current assets – other financial assets

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Current</b>		
Receivable on finance leases as lessor (refer note 15)	8,598	8,281
Loans and deposits	3,784	3,595
Less: Loans impairment	(504)	(504)
	<b>11,878</b>	<b>11,372</b>
<b>Non-Current</b>		
Receivable on finance leases as lessor (refer note 15)	146,056	117,958
Loans and deposits	9,474	7,725
Less: Loans impairment	(403)	(403)
	<b>155,127</b>	<b>125,280</b>

Refer to note 29 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

#### Recognition and measurement

Financial assets are initially measured at fair value plus any transaction cost.

#### Financial assets at amortised cost

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

Amounts due from lessees under finance leases are recognised as other financial assets at the amount of the consolidated entity's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the consolidated entity's net investment outstanding in respect of the leases.

#### Impairment

The consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, the consolidated entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. At 30 June 2020, the consolidated entity recognised an impairment of \$0.9 million on loans given through other 'gains and losses' in the statement of comprehensive income.

## 14. Property, plant and equipment

CONSOLIDATED										
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total land and buildings \$'000	Plant & equipment \$'000	Collection assets \$'000	Total other assets \$'000	Infrastructure systems \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>										
Gross carrying amount	5,748,187	2,184,567	141,496	1,195,486	9,269,736	341,693	10,586	352,279	6,624,145	16,246,160
Accumulated depreciation and impairment	(289,318)	-	-	(701,136)	(990,454)	(205,595)	-	(205,595)	(2,260,269)	(3,456,318)
<b>Net carrying amount</b>	<b>5,458,869</b>	<b>2,184,567</b>	<b>141,496</b>	<b>494,350</b>	<b>8,279,282</b>	<b>136,098</b>	<b>10,586</b>	<b>146,684</b>	<b>4,363,876</b>	<b>12,789,842</b>
<b>At 30 June 2020 - fair value</b>										
Gross carrying amount	6,369,947	2,255,214	62,621	663,627	9,351,409	286,886	-	286,886	6,559,488	16,197,783
Accumulated depreciation and impairment	(302,216)	-	-	(363,853)	(666,069)	(155,265)	-	(155,265)	(2,271,907)	(3,093,241)
<b>Net carrying amount</b>	<b>6,067,731</b>	<b>2,255,214</b>	<b>62,621</b>	<b>299,774</b>	<b>8,685,340</b>	<b>131,621</b>	<b>-</b>	<b>131,621</b>	<b>4,287,581</b>	<b>13,104,542</b>

## 14. Property, plant and equipment (continued)

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting year is set out below:

	CONSOLIDATED									
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total land and buildings \$'000	Plant & equipment \$'000	Collection assets \$'000	Total other assets \$'000	Infrastructure systems \$'000	Total \$'000
<b>Year ended 30 June 2020</b>										
Net carrying amount at beginning of year	-	-	-	-	-	-	-	-	-	-
Transfer from controlled entities	106,829	-	239	34,587	141,655	274	-	274	740,807	882,736
Transfer due to administrative restructures - 1 July 2019	5,352,040	2,184,567	141,257	459,763	8,137,627	135,824	10,586	146,410	3,623,069	11,907,106
Adjusted net carrying amount at 1 July 2019	5,458,869	2,184,567	141,496	494,350	8,279,282	136,098	10,586	146,684	4,363,876	12,789,842
Additions	17,016	20,607	1,278	31,050	69,951	75,121	-	75,121	70,750	215,822
Disposals	(47,618)	-	(1,428)	(44)	(49,090)	(9,152)	-	(9,152)	(207)	(58,449)
Acquisitions/transfers through equity and administrative transfers	32,224	1	(106,768)	(210,375)	(284,918)	(37,038)	(10,586)	(47,624)	(39,778)	(372,320)
Net revaluation increments less revaluation decrements	607,240	50,969	27,577	2,952	688,738	221	-	221	22,751	711,710
Depreciation expense	-	-	-	(21,177)	(21,177)	(31,885)	-	(31,885)	(128,332)	(181,394)
Transfers between asset classes	-	(930)	466	3,018	2,554	(1,744)	-	(1,744)	(1,479)	(669)
<b>Net carrying amount at end of year</b>	<b>6,067,731</b>	<b>2,255,214</b>	<b>62,621</b>	<b>299,774</b>	<b>8,685,340</b>	<b>131,621</b>	<b>-</b>	<b>131,621</b>	<b>4,287,581</b>	<b>13,104,542</b>

## 14. Property, plant and equipment (continued)

	PARENT									Total \$'000
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total land and buildings \$'000	Plant & equipment \$'000	Collection assets \$'000	Total other assets \$'000	Infrastructure systems \$'000	
<b>At 1 July 2019 - fair value</b>										
Gross carrying amount	5,641,358	2,184,567	141,257	1,121,939	9,089,121	340,750	10,586	351,336	5,791,832	15,232,289
Accumulated depreciation and impairment	(289,318)	-	-	(662,176)	(951,494)	(204,926)	-	(204,926)	(2,168,763)	(3,325,183)
<b>Net carrying amount</b>	<b>5,352,040</b>	<b>2,184,567</b>	<b>141,257</b>	<b>459,763</b>	<b>8,137,627</b>	<b>135,824</b>	<b>10,586</b>	<b>146,410</b>	<b>3,623,069</b>	<b>11,907,106</b>
<b>At 30 June 2020 - fair value</b>										
Gross carrying amount	6,240,480	2,255,214	62,621	599,552	9,157,867	286,511	-	286,511	5,700,585	15,144,963
Accumulated depreciation and impairment	(302,216)	-	-	(328,587)	(630,803)	(154,971)	-	(154,971)	(2,176,093)	(2,961,867)
<b>Net carrying amount</b>	<b>5,938,264</b>	<b>2,255,214</b>	<b>62,621</b>	<b>270,965</b>	<b>8,527,064</b>	<b>131,540</b>	<b>-</b>	<b>131,540</b>	<b>3,524,492</b>	<b>12,183,096</b>

## 14. Property, plant and equipment (continued)

### Reconciliation

	PARENT									
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total land and buildings \$'000	Plant & equipment \$'000	Collection assets \$'000	Total other assets \$'000	Infrastructure systems \$'000	Total \$'000
<b>Year ended 30 June 2020</b>										
Net carrying amount at beginning of year	-	-	-	-	-	-	-	-	-	-
Transfer due to administrative restructure - 1 July 2019	5,352,040	2,184,567	141,257	459,763	8,137,627	135,824	10,586	146,410	3,623,069	11,907,106
Adjusted net carrying amount at 1 July 2019	5,352,040	2,184,567	141,257	459,763	8,137,627	135,824	10,586	146,410	3,623,069	11,907,106
Additions	17,016	20,607	1,342	30,958	69,923	74,814	-	74,814	69,933	214,670
Disposals	(47,618)	-	(1,372)	(44)	(49,034)	(9,141)	-	(9,141)	(207)	(58,382)
Acquisitions/transfers through equity and administrative transfers	34,342	1	(106,768)	(207,313)	(279,738)	(36,960)	(10,586)	(47,546)	(39,285)	(366,569)
Net revaluation increments less revaluation decrements	582,484	50,969	27,577	2,216	663,246	221	-	221	(43)	663,424
Impairment losses (recognised in 'other gains/losses')	-	-	-	-	-	-	-	-	(1,561)	(1,561)
Depreciation expense	-	-	-	(19,826)	(19,826)	(31,832)	-	(31,832)	(123,265)	(174,923)
Transfers between asset classes	-	(930)	585	5,211	4,866	(1,386)	-	(1,386)	(4,149)	(669)
<b>Net carrying amount at end of year</b>	<b>5,938,264</b>	<b>2,255,214</b>	<b>62,621</b>	<b>270,965</b>	<b>8,527,064</b>	<b>131,540</b>	<b>-</b>	<b>131,540</b>	<b>3,524,492</b>	<b>12,183,096</b>

## 14. Property, plant and equipment (continued)

Property, plant and equipment where the consolidated and parent entities are lessor under operating leases:

	<b>CONSOLIDATED</b> <b>Land and buildings</b> <b>\$'000</b>	<b>PARENT</b> <b>Land and buildings</b> <b>\$'000</b>
<b>At 1 July 2019 - fair value</b>		
Gross carrying amount	243,448	219,057
Accumulated depreciation and impairment	(3,402)	(324)
<b>Net carrying amount</b>	<b>240,046</b>	<b>218,733</b>
<b>At 30 June 2020 - fair value</b>		
Gross carrying amount	295,365	268,974
Accumulated depreciation and impairment	(4,486)	(646)
<b>Net carrying amount</b>	<b>290,879</b>	<b>268,328</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment subject to operating leases at the beginning and end of the current reporting year is set out below:

	<b>CONSOLIDATED</b> <b>Land and buildings</b> <b>\$'000</b>	<b>PARENT</b> <b>Land and buildings</b> <b>\$'000</b>
<b>Year ended 30 June 2020</b>		
Net carrying amount at beginning of year	-	-
Transfer from controlled entities	21,313	-
Transfer due to administrative restructures - 1 July 2019	218,733	218,733
Adjusted net carrying amount at 1 July 2019	240,046	218,733
Additions	2,480	71
Disposals	(7,138)	(6,796)
Net revaluation increments less revaluation decrements	55,888	56,336
Depreciation expense	(397)	(16)
<b>Net carrying amount at end of year</b>	<b>290,879</b>	<b>268,328</b>



## 14. Property, plant and equipment (continued)

### Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of the credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Also refer to note 23 for assets transferred as a result of an equity transfer.

### Capitalisation thresholds

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

### Major inspection costs

When a major inspection is performed, its cost is recognised in the fair value of the asset, if that cost satisfies recognition criteria.

### Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

## 14. Property, plant and equipment (continued)

### Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the consolidated entity.

All material separately identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The following useful lives have been determined for each class of depreciable assets:

Buildings	5 - 150 years
Infrastructure systems:	
Roads & access assets - earthworks	Unlimited
Roads & access assets - base	10 - 80 years
Roads & access assets - surface	10 - 80 years
Marine assets	20 - 60 years
Bridges	10 - 100 years
Utilities	10 - 150 years
Visitor amenities and facilities	25 - 40 years
Other infrastructure	7 - 120 years
Plant and equipment:	
Marine vessels	3 - 15 years
Vehicles and trailers	5 - 40 years
Aircraft	15 years
Furniture and fittings	3 - 15 years
Leasehold improvements	Period of lease
Other plant and equipment	1.5 - 20 years

An annual assessment of the useful life of each asset is carried out and the depreciation rate is derived accordingly.

From 1 July 2019, AASB 16 requires a lessee to recognise a right-of-use asset for most leases. The consolidated entity has elected to present right-of-use assets separately in the statement of financial position.

Therefore, at that date property, plant and equipment recognised under leases previously treated as finance leases under AASB 117 are derecognised. The right-of-use assets from these leases are recognised and included in the separate line item together with those right-of-use assets arising from leases previously treated as operating leases under AASB 117. Refer notes 1(i) and 15.

### **Recognition and measurement**

#### Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the “*Valuation of Physical Non-Current Assets at Fair Value Policy and Guidelines Paper* (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* (AASB 13) and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government.

## 14. Property, plant and equipment (continued)

### Recognition and measurement (continued)

#### Revaluation of property, plant and equipment (continued)

In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use. Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to note 17 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The consolidated entity conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment

The last comprehensive revaluations for each of the asset categories were completed as follows:

Asset category	Last comprehensive revaluation	Comprehensive valuation performed by
Land (Crown) *	31-Dec-19	Colliers International Valuation & Advisory Services Pty Ltd
Land (national parks & reserves)*	30-Jun-18	Opteon Solutions Pty Ltd
Land (other)*	31-Mar-20	Colliers International Valuation & Advisory Services Pty Ltd and CBRE valuations Pty Ltd
Buildings (legacy OEH)	30-Jun-18	Colliers International Valuation & Advisory Services Pty Ltd
Buildings (legacy DOI)	30-Jun-19	Azurium
Buildings (legacy DPE)	30-Jun-18	CBRE Valuations Pty Ltd
Buildings (transferred from DCS)	30-Jun-19	Crown Valuation Services
Infrastructure systems:		
Roads and other access assets	30-Jun-19	Sheldon Consulting Pty Ltd
Marine assets (legacy OEH)	30-Jun-19	Australis Asset Advisory Group
Bridges	30-Jun-19	Australis Asset Advisory Group
Utilities	30-Jun-17	Sheldon Consulting Pty Ltd
Visitor amenities and facilities **	31-Mar-20	Australis Asset Advisory Group
Infrastructure (other) (legacy DPE)	30-Jun-18	CBRE Valuations Pty Ltd
Infrastructure (other) (legacy DOI)	30-Jun-19	Azurium
Plant and equipment:		
Aircraft	30-Jun-17	Rodney Hyman Asset Services Pty Ltd
Historical furniture and fittings	30-Jun-17	Jonathan Alford Pty Ltd

Asset classes which had comprehensive revaluations completed at 31 March 2020, an update for 30 June 2020 was completed for those classes.

\*\* Desktop valuation in lieu of comprehensive revaluations due to bushfires and inability to access locations.

\*The consolidated entity has three broad categories of land assets:

**Crown land:** This category includes all parcels of Crown land leased out under operating leases, Crown reserves for which no formal statutory land manager has been established, unoccupied Crown land, certain Crown roads, land granted under Aboriginal land claims awaiting transfer, land under waterways and land within the three nautical mile zone. Crown land asset category does not include those parcels with finance lease arrangements in place. Refer notes 14 and 15(b). All parcels of land which are Crown reserves under management are excluded from land assets of the

## 14. Property, plant and equipment (continued)

### Recognition and measurement (continued)

#### Revaluation of property, plant and equipment (continued)

consolidated entity, except those consolidated as part of Land Administration Ministerial Corporation, or where no statutory land manager exists or the consolidated entity is the manager.

National parks and reserves: This includes land reserved as national park, nature reserve, state conservation area, regional park, historic site, karst conservation reserve and parks reserved under Part 4 of the *National Parks and Wildlife Act 1974*.

Other land: This includes land held under the coastal protection scheme and parcels of land where the consolidated entity has office buildings, depots, science laboratories and research stations situated, and any other land it holds for its business activities, other than the Crown land and national parks and reserves.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The consolidated entity used an external professionally qualified valuer to conduct the interim fair value assessment. Interim formal valuations were completed by the consolidated entity as at 30 June 2020 as follows:

Asset category	Interim valuation performed by
Land (national parks & reserves)	Colliers International Valuation & Advisory Services Pty Ltd
Buildings	Colliers International Valuation & Advisory Services Pty Ltd
Infrastructure systems:	
Roads and other access assets	Australis Asset Advisory Group
Marine assets	Australis Asset Advisory Group
Bridges	Australis Asset Advisory Group
Utilities	Australis Asset Advisory Group
Infrastructure (other)	Australis Asset Advisory Group

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The consolidated entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

## 14. Property, plant and equipment (continued)

### Recognition and measurement (continued)

#### Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment are carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The consolidated entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entities estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The consolidated entity records Aboriginal land claims as a full impairment against the carrying value of the land, in the year the claim is granted.

The consolidated entity has impaired the carrying value of land for "land claims" that have been granted to Local Aboriginal Land Councils as at 30 June 2020 under the *Aboriginal Land Rights Act 1983*, but not yet transferred. The amount, representing the fair value of land granted based on estimated size of the land, is treated as a revaluation decrease when granted. Until the land is surveyed, the precise area to be transferred is unknown.

The consolidated entity assessed the impact of bushfires on visitor facilities, walking tracks and trails, utilities and other infrastructure assets across national parks to determine whether the carrying amount exceeded their recoverable amount. These assets have been written down to their recoverable amount of nil, with an impairment loss of \$28m recognised during the financial year. Impairment loss is included in 'revaluations' as part of 'other economic flows – other comprehensive income' in the statement of comprehensive income. The valuation technique used in the fair value measurement is classified as level 3 according to AASB 13 fair value hierarchy.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

## 15. Leases

### (a) Entity as Lessee

The consolidated entity leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 3 to 20 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The consolidated entity does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the consolidated entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have been included in the lease liability where it is reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there were no revision of lease terms due to the exercise of extension and termination options.

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The consolidated entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly property.

The following table presents right-of use assets that do not meet the definition of investment property.

	<b>CONSOLIDATED</b>		
	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2019	120,013	15,921	135,934
Additions	660,787	19,326	680,113
Remeasurement due to change in variable rent and/or lease term	6,304	-	6,304
Depreciation expense	(39,239)	(8,646)	(47,885)
Disposals	(28,214)	(319)	(28,533)
Impairment	(58,503)	-	(58,503)
Acquisitions/transfers through administrative restructures	(79,642)	(2,648)	(82,290)
<b>Balance at 30 June 2020</b>	<b>581,506</b>	<b>23,634</b>	<b>605,140</b>

	<b>PARENT</b>		
	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2019	120,013	15,921	135,934
Additions	660,787	19,326	680,113
Remeasurement due to change in variable rent and/or lease term	6,304	-	6,304
Depreciation expense	(39,239)	(8,646)	(47,885)
Disposals	(28,214)	(319)	(28,533)
Impairment	(58,503)	-	(58,503)
Acquisitions/transfers through administrative restructures	(79,642)	(2,648)	(82,290)
<b>Balance at 30 June 2020</b>	<b>581,506</b>	<b>23,634</b>	<b>605,140</b>

## 15. Leases (continued)

### (a) Entity as Lessee (continued)

#### Lease liabilities

The following table presents liabilities under leases.

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>Lease liabilities</b>	<b>Lease liabilities</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2019	135,934	135,934
Additions	680,113	680,113
Interest expenses	10,025	10,025
Remeasurement due to change in variable rent and/or lease term	4,630	4,630
Payments	(48,268)	(48,268)
Disposals	(28,630)	(28,630)
Transfers through administrative restructures	(83,335)	(83,335)
<b>Balance at 30 June 2020</b>	<b>670,469</b>	<b>670,469</b>

#### Right-of-use assets under leases

The following amounts were recognised in the statement of comprehensive income for the year ended 30 June 2020 in respect of leases where the entity is the lessee:

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation expense of right-of-use assets	47,885	47,885
Interest expense on lease liabilities	10,025	10,025
Expense relating to short-term leases and low-value assets	24,319	24,319
<b>Total amount recognised in the statement of comprehensive income</b>	<b>82,229</b>	<b>82,229</b>
 Total cash outflows for leases	 (48,268)	 (48,268)

#### Recognition and measurement (under AASB 16 from 1 July 2019)

The consolidated entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

#### i. Right-of-use assets

The consolidated entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

## 15. Leases (continued)

### (a) Entity as Lessee (continued)

#### Recognition and measurement (under AASB 16 from 1 July 2019) (continued)

##### i. Right-of-use assets (continued)

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 2 to 22 years
- Motor vehicles and other equipment 2 to 5 years

If ownership of the leased asset transfers to the consolidated entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### *Impairment of right-of-use assets:*

The right-of-use assets are also subject to impairment. The consolidated entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

The COVID-19 outbreak that occurred throughout the 2019-20 financial year had an adverse impact on commercial rents, especially in Sydney metropolitan and Parramatta regions. The consolidated entity has undertaken an impairment assessment for right-of-use building assets, to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use buildings assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal (or value in use). An impairment loss of \$58.5 million was recognised in the 2019-20 financial assets in other net gains/(losses) in the statement of comprehensive income. There was no impairment loss assessed for right-of-use plant and equipment assets.

##### ii. Lease liabilities

At the commencement date of the lease, the consolidated entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the consolidated entity's leases, the lessee's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The consolidated entity's lease liabilities are included in borrowings. Refer note 20.



## 15. Leases (continued)

### (a) Entity as Lessee (continued)

#### Recognition and measurement (under AASB 16 from 1 July 2019) (continued)

##### iii. Short-term leases and leases of low-value assets

The consolidated entity applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the leases of low-value assets, such as for some office equipment. recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

##### iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment.

#### Recognition and measurement under AASB 117 until 30 June 2019 by functions transferred to the Department on 1 July 2019.

The determination of whether an arrangement was (or contained) a lease was based on the substance of the arrangement at the inception of the lease. The arrangement was, or contained, a lease if fulfilment of the arrangement was dependent on the use of a specific asset or assets and the arrangement conveyed a right to use the asset (or assets), even if that asset (or those assets) was not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the entity was classified as a finance lease.

Where a non-current asset was acquired by means of a finance lease, at the commencement of the lease, the asset was recognised at its fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability was established at the same amount. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of comprehensive income.

Property, plant and equipment acquired under finance leases were depreciated over the useful life of the asset. However, if there was no reasonable certainty that the entity would obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease was a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

## 15. Leases (continued)

### (b) Entity as lessor

Various Crown land parcels are leased under finance leases and operating leases with rentals payable. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Finance lease receivable has been calculated on a per-lease basis by the application of a model developed by an external accounting firm on behalf of the consolidated entity, and in accordance with instructions by the consolidated entity. In the calculation of the receivable, expert valuation advice has been received in relation to lease capitalisation rates, which are used in the valuation of land under tenure and finance lease receivables.

Gross investment in lease is calculated on the basis of perpetual leases being a term of 200 years consistent with the model developed. Perpetual leases do not have a life term and can pass in succession.

Term leases (\$69,410,984) - in the case of a term lease, the land will revert at the end of the term, and the valuation of these leases has therefore been assessed for sensitivity to changes in the long-term growth rate. The table below discloses the impact that an increase or decrease of 1% in the long-term growth rate would have on the finance lease receivable.

Perpetual Leases (\$85,243,058) - the value of a perpetual lease is calculated as a perpetuity (the discounted cash-flow of the perpetual stream of minimum net lease payments). All perpetual leases are individually calculated as perpetuities using the capitalisation rate as the discount rate. Additional calculations have been undertaken using a range of discount rates to ensure that the use of the capitalisation rate is reasonable. For perpetual leases, the value of the receivable is sensitive to changes in the discount rate. The table below discloses the impact that an increase or decrease of 1% in the capitalisation rate would have on the receivable.

Sensitivity of fair value of lease receivable to changes in significant assumptions used in the valuation modelling process:

	Change	2020 \$'000
Discount rate	+ 1%	(16,055)
Discount rate	- 1%	24,258
Capital gain on land	+ 1%	1,871
Capital gain on land	- 1%	(1,276)

### Lessor for finance leases

Future minimum rentals receivable (undiscounted) under non-cancellable finance lease as at 30 June 2020 are, as follows:

	CONSOLIDATED	PARENT
	2020 \$'000	2020 \$'000
Not later than one year after the current period	10,157	9,832
Later than one year and not later than five years	41,599	40,298
Later than 5 years	1,223,592	1,185,899
<b>Total (exclusive GST)</b>	<b>1,275,348</b>	<b>1,236,029</b>

### Reconciliation of net investment in leases

	CONSOLIDATED	PARENT
	2020 \$'000	2020 \$'000
Future undiscounted rentals receivable	1,275,348	1,236,029
Less: unearned finance income	(1,120,694)	(1,109,790)
<b>Net investment in finance leases</b>	<b>154,654</b>	<b>126,239</b>

## 15. Leases (continued)

### (b) Entity as lessor (continued)

#### Recognition and measurement - lessors for finance leases

Leases that the consolidated entity transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. From 1 July 2019, subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

At the lease commencement date, the consolidated entity recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

#### **Lessor for operating leases**

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June 2020 are as follows:

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year after the current period	26,415	25,780
Later than one year and not later than five years	78,755	76,350
Later than 5 years	270,583	264,239
<b>Total (exclusive GST)</b>	<b>375,753</b>	<b>366,369</b>

#### Recognition and measurement - lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Refer note 3(c).

## 16. Intangible assets

CONSOLIDATED				
	Software \$'000	Water licences \$'000	Easements \$'000	Total \$'000
<b>At 1 July 2019</b>				
Cost (gross carrying amount)	297,395	340,378	453	638,226
Accumulated amortisation and impairment	(143,819)	-	-	(143,819)
<b>Net carrying amount</b>	<b>153,576</b>	<b>340,378</b>	<b>453</b>	<b>494,407</b>
<b>At 30 June 2020</b>				
Cost (gross carrying amount)	290,930	341,912	453	633,295
Accumulated amortisation and impairment	(148,115)	-	-	(148,115)
<b>Net carrying amount</b>	<b>142,815</b>	<b>341,912</b>	<b>453</b>	<b>485,180</b>
PARENT				
	Software \$'000	Water licences \$'000	Easements \$'000	Total \$'000
<b>At 1 July 2019</b>				
Cost (gross carrying amount)	296,594	340,378	453	637,425
Accumulated amortisation and impairment	(143,487)	-	-	(143,487)
<b>Net carrying amount</b>	<b>153,107</b>	<b>340,378</b>	<b>453</b>	<b>493,938</b>
<b>At 30 June 2020</b>				
Cost (gross carrying amount)	290,129	341,912	453	632,494
Accumulated amortisation and impairment	(147,704)	-	-	(147,704)
<b>Net carrying amount</b>	<b>142,425</b>	<b>341,912</b>	<b>453</b>	<b>484,790</b>

### Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the current year reporting year is set out below:

CONSOLIDATED				
	Software \$'000	Water licences \$'000	Easements \$'000	Total \$'000
<b>Year ended 30 June 2020</b>				
Net carrying amount at beginning of year	-	-	-	-
Transfer due to administrative restructures – 1 July 2019	153,107	340,378	453	493,938
Transfer from controlled entities	469	-	-	469
Adjusted net carrying amount at 1 July 2019	153,576	340,378	453	494,407
Additions	37,053	-	-	37,053
Transfers through administrative restructures	(8,365)	-	-	(8,365)
Transfer between classes of assets	669	-	-	669
Disposals	(5,424)	-	-	(5,424)
Writeback of impairment	-	1,534	-	1,534
Amortisation expense	(34,694)	-	-	(34,694)
<b>Net carrying amount at end of year</b>	<b>142,815</b>	<b>341,912</b>	<b>453</b>	<b>485,180</b>

## 16. Intangible assets (continued)

Year ended 30 June 2020	PARENT			
	Software \$'000	Water licences \$'000	Easements \$'000	Total \$'000
Net carrying amount at beginning of year	-	-	-	-
Transfer due to administrative restructures – 1 July 2019	153,107	340,378	453	493,938
Adjusted carrying amount at 1 July 2019	153,107	340,378	453	493,938
Additions	37,053	-	-	37,053
Transfers through administrative restructures	(8,365)	-	-	(8,365)
Transfer between classes of assets	669	-	-	669
Disposals	(5,424)	-	-	(5,424)
Writeback of impairment	-	1,534	-	1,534
Amortisation expense	(34,615)	-	-	(34,615)
<b>Net carrying amount at end of year</b>	<b>142,425</b>	<b>341,912</b>	<b>453</b>	<b>484,790</b>

### Recognition and measurement

The consolidated entity recognises intangible assets only if it is probable that future economic benefits will flow to the consolidated entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the consolidated entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria, such as probable future economic benefits, are met.

The useful lives of intangible assets, excluding water licences and easements, are assessed to be finite.

The consolidated entities' intangible assets are amortised using the straight-line method. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

#### *Software*

Software is measured at cost less amortisation, as a substitute for fair value in accordance with AASB 138 *Intangible Assets* (AASB 138). These assets are amortised using the straight-line method over the useful lives of 3 - 20 years.

#### *Water Licences*

Water licences are measured at cost and tested for impairment annually. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Water licences held include those issued in the name of the Minister for Environment under the *Water Management Act 2000*, and those held via the consolidated entity's 26.67% share in the Living Murray Initiative Joint Venture.

These assets have indefinite useful lives.

## 16. Intangible assets (continued)

### Recognition and measurement (continued)

#### *Easements*

The consolidated entity acquires easements at 'nil' or 'nominal' cost. In accordance with AASB 138, the cost of these easements is their fair value, which is assessed by an independent valuer. The fair value is based on the price that the consolidated entity is expected to pay in the market to acquire these easements. Easements are considered to have indefinite useful lives, and therefore no amortisation, and test for impairment is required each year.

## 17. Fair value measurement of non-financial assets

### **Fair value measurement and hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring at fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the consolidated entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the consolidated entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

### **(a) Fair value hierarchy**

#### **2020**

	<b>CONSOLIDATED</b>			<b>Total fair value \$'000</b>
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	
Land (Crown)	-	129,467	5,938,264	6,067,731
Land (national park and reserves)	-	-	2,255,214	2,255,214
Land (other)	-	10,008	52,613	62,621
Buildings	-	-	299,774	299,774
Infrastructure systems	-	-	4,287,581	4,287,581
<b>Total fair value measurement of non-financial assets</b>	<b>-</b>	<b>139,475</b>	<b>12,833,446</b>	<b>12,972,921</b>

#### **2020**

	<b>PARENT</b>			<b>Total fair value \$'000</b>
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	
Land (Crown)	-	-	5,938,264	5,938,264
Land (national park and reserves)	-	-	2,255,214	2,255,214
Land (other)	-	10,008	52,613	62,621
Buildings	-	-	270,965	270,965
Infrastructure systems	-	-	3,524,492	3,524,492
<b>Total fair value measurement of non-financial assets</b>	<b>-</b>	<b>10,008</b>	<b>12,041,548</b>	<b>12,051,556</b>

## 17. Fair value measurement of non-financial assets (continued)

### (b) Reconciliation of recurring Level 3 fair value measurements

CONSOLIDATED							
	Land (Crown land) \$'000	Land (National parks & reserves) \$'000	Land (other) \$'000	Buildings	Infrastructure systems	Collection assets \$'000	Total \$'000
Fair value at beginning of the year	-	-	-	-	-	-	-
Equity transfers	5,386,382	2,184,567	115,382	476,621	4,324,711	298	12,487,961
Adjusted fair value at 1 July 2019	5,386,382	2,184,567	115,382	476,621	4,324,711	298	12,487,961
Additions	17,016	20,607	390	114,157	70,750	-	222,920
Disposals	(47,618)	-	(1,372)	(3,106)	(700)	-	(52,796)
Transfers to DRNSW	-	(929)	(89,035)	(267,543)	(4,151)	(298)	(361,956)
Revaluation - reserves	582,484	50,969	27,248	759	25,303	-	686,763
Impairment	-	-	-	-	(333)	-	(333)
Depreciation expense	-	-	-	(21,114)	(127,999)	-	(149,113)
<b>Fair value as at 30 June 2020</b>	<b>5,938,264</b>	<b>2,255,214</b>	<b>52,613</b>	<b>299,774</b>	<b>4,287,581</b>	<b>-</b>	<b>12,833,446</b>

PARENT							
	Land (Crown land) \$'000	Land (National parks & reserves) \$'000	Land (other) \$'000	Buildings	Infrastructure systems	Collection assets \$'000	Total \$'000
Fair value at beginning of the year	-	-	-	-	-	-	-
Equity transfers	5,386,382	2,184,567	126,432	442,034	3,583,904	298	11,723,617
Adjusted fair value at 1 July 2019	5,386,382	2,184,567	126,432	442,034	3,583,904	298	11,723,617
Additions	17,016	20,607	150	114,129	69,933	-	221,835
Disposals	(47,618)	-	-	(44)	(207)	-	(47,869)
Transfers	-	(929)	(77,428)	(267,543)	(4,269)	(298)	(350,467)
Revaluation - reserves	582,484	50,969	3,459	2,216	(1,604)	-	637,524
Depreciation expense	-	-	-	(19,827)	(123,265)	-	(143,092)
<b>Fair value as at 30 June 2020</b>	<b>5,938,264</b>	<b>2,255,214</b>	<b>52,613</b>	<b>270,965</b>	<b>3,524,492</b>	<b>-</b>	<b>12,041,548</b>

## 17. Fair value measurement of non-financial assets (continued)

### (c) Valuation techniques, inputs and processes

Non-financial assets	Category (level 2 or level 3)	Valuation technique	Inputs used
Crown land (excluding 3 nautical mile)	Level 2 & level 3	<p>Level 2: Valuation of Crown lands in Lands Administration Ministerial Corporation, a controlled entity of the Department, is valued using market evidence taking into account condition, location and comparability.</p> <p>Level 3: Crown lands in the Department is valued using mass valuation technique using the market approach.</p> <p>Within a local government area (LGA), each parcel is allocated to a single sub-classification. Each sub-class is then valued as a single component.</p>	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Sales price of comparable land to benchmark properties to arrive at a single rate per hectare for a component within each LGA.</li> <li>Benchmark properties are identified based on a methodology advised by an external property statistician.</li> <li>Current rating and taxing valuation data may be used in the absence of recent reliable market evidence.</li> <li>Discounts are applied as necessary, especially to land within waterways and those under undeveloped crown roads to reflect value in use.</li> </ul>
Land in national parks	Level 3	Market approach (discounted for restrictions on use)	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Sales price of comparable land adjusted for property attributes such as location, zoning, land size, topography, access, cleared or uncleared and discounted for restrictions on use. These factors are derived by the valuer based on the analysis of market evidence, experience and court precedent.</li> </ul>
Other land	Level 2 & level 3	Market approach	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Sales price of comparable land</li> <li>Land attributes including size, location, restrictions on use and zoning.</li> </ul>
Buildings	Level 3	Depreciated replacement cost	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Current construction cost estimates as published in the Rawlinson's Handbook.</li> <li>Actual comparable construction costs.</li> <li>Total and remaining useful life</li> <li>Gross floor area</li> <li>For heritage buildings, the replacement cost is determined by considering modern day equivalent materials and assets with the same size, design and function as the existing buildings, after taking into consideration and obsolescence.</li> </ul>



## 17. Fair value measurement of non-financial assets (continued)

### (c) Valuation techniques, inputs and processes (continued)

Non-financial assets	Category (level 2 or level 3)	Valuation technique	Inputs used
			<ul style="list-style-type: none"> <li>For the interim revaluation performed at 30 June 2020, ABS, Rawlinson's, Australian Institute of Quantity Surveyors and a basket of building indices were analysed to calculate a factor increase from 1 July 2019 to 30 June 2020. This factor was then applied to the gross replacement cost of each asset. The remaining useful life assessed at 30 June 2019 was then adjusted to reflect the time elapsed to 30 June 2020.</li> </ul> <p>Management assessed that this factor appropriately reflected the movement in the fair value of building assets.</p>
Land underwater – 3 nautical mile	Level 3	Market approach	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Sales price of low economic value land in remote areas of NSW</li> <li>For the part of the 3 nautical mile considered to have higher use, market price of adjacent dry land that is used for public recreation and commercial purposes.</li> <li>Discounts are applied to reflect value in use.</li> </ul>
Infrastructure systems – visitor amenities and facilities	Level 3	Depreciated Replacement Cost	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Full desktop valuation as at 30 June 2020 using current construction cost estimates as published in construction cost estimates, construction guides and handbooks.</li> <li>Actual comparable construction costs adjusted for location.</li> <li>Unit rates are used for each asset component and which depend among others, on the material, method of construction and installation costs.</li> <li>Total and remaining useful life.</li> </ul>
Infrastructure systems – roads, access assets, utilities and other infrastructure assets	Level 3	Depreciated replacement cost	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> <li>Current construction cost estimates as published in the Rawlinson's Handbook, adjusted by regional indices.</li> <li>Actual comparable construction costs.</li> <li>Total and remaining useful life.</li> <li>For the interim revaluation performed at 30 June 2020 cost indices were developed by asset type (civil structures, mechanical, electrical and reticulation) then a weighted composite index was applied to the gross replacement cost and fair value of the asset group.</li> <li>Management assessed that these indices appropriately reflected the movement in the fair value of these assets.</li> </ul>

## 17. Fair value measurement of non-financial assets (continued)

### (c) Valuation techniques, inputs and processes (continued)

The fair value assessment of non-financial assets at 30 June 2020 also considered the impact of recent natural disasters and COVID-19 as follows:

Land (Crown Lands, national parks, other land and land under water (3 nautical mile)): Based on the information gathered from specialist agribusiness sales agents, PRD nationwide network in NSW and assessment of land sales evidence by independent valuer from several sources (including RP Data, the Australian Bureau of Statistics and market assessment), the independent revaluation assessed that at the date of assessment there was no evidence of material movement in land values as a result of these events. While there may be isolated pockets of land that is seeing some reduction, overall this was not being extrapolated to lands similar to the Department's land portfolio.

Management assessed that this evaluation by an external valuer to be reasonable.

Buildings: The independent valuer advised that at 30 June 2020 it is too early to assess the likely impact of COVID-19 on construction costs. It is likely that supply chains will be disrupted in the short run if there is a high dependence on materials from overseas and/or higher priority to supply other industries, such as medical. However, the Department does not have a high degree of dependence on materials sourced from overseas, which are likely to be disrupted by COVID-19. Labour has also become more available due to rising unemployment.

Management assessed the above evaluation by independent valuer to be reasonable.

Damage as a result of recent natural disasters was separately assessed and an impairment was recognised in this asset class. Refer notes 1(j) and 14.

Infrastructure: The independent valuer advised that though COVID-19 is reportedly having notable effects on liquid markets (level 1 assets) and the economy, it is yet to fully present measurable threat/movement to the construction markets. He also advised that while a likely movement caused by this event in the construction and property industries is anticipated at some stage into the future, however with the event being recent and assumed short duration, any adjustments at 30 June 2020 were considered minor until further data becomes available. Management assessed the above evaluation by independent valuer to be reasonable.

Damage as a result of recent natural disasters was separately assessed and an impairment was recognised in this asset class. Refer notes 1(j) and 14.

## 18. Restricted assets

### (a) Restricted cash assets (included in cash and cash equivalents)

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Climate Change Fund	280,666	280,666
Special Infrastructure Contributions Fund	195,628	195,628
Voluntary Planning Agreements Fund	113,089	113,089
Crown Lands Homesite program	47,794	47,794
Crown Land Statutory Managers	42,671	-
Other contributions	141,593	141,593
	<b>821,441</b>	<b>778,770</b>

The above amounts are recognised as restricted assets as there are specific legislative/contractual conditions associated with the use of these funds or they are for a specific purpose only.

### (b) Restricted - Other assets:

Besides cash, the consolidated entity has under its control a wide range of assets, such as historic buildings, dedicated land and specified sites, which are subject to restrictions on their use by virtue of the *National Parks and Wildlife Act 1974* and *Crown Land Management Act 2018*. These restrictions may impact on the Departments capacity to dispose of the asset. Additional restrictions may be imposed by stakeholders as well as other legislation governing the use of historic sites, sites of cultural significance and buildings. The fair value of these assets reflects restriction on their use.

**19. Current / non-current liabilities – payables**

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries wages and on-costs	14,917	14,917
Accruals	129,190	128,851
Creditors	62,230	62,230
Bonds and deposits	9,472	9,472
Other taxes payable	5,438	5,438
Works-in-kind - received in advance (Voluntary Planning Agreements)	20,592	20,592
Works-in-kind - received in advance (Special Infrastructure Contributions)	19,337	19,337
Other	26,259	25,225
Payroll tax	6,878	6,878
	<b>294,313</b>	<b>292,940</b>
<b>Non-Current</b>		
Bonds and deposits	964	964
<b>Total payables</b>	<b>964</b>	<b>964</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 29.

**Recognition and measurement**

Payables represent liabilities for goods and services provided to the consolidated entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process. Also refer to note 3(g) for works-in-kind received in advance.

**20. Current / non-current liabilities – borrowings**

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Borrowings</b>		
Lease liability (refer note 15)	31,176	31,176
Treasury advances repayable - non-interest bearing	1,602	1,602
	<b>32,778</b>	<b>32,778</b>
<b>Non-Current Borrowings</b>		
Lease liability (refer note 15)	639,293	639,293
Treasury advances repayable - non-interest bearing	22,544	22,544
	<b>661,837</b>	<b>661,837</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 29.

## 20. Current / non-current liabilities – borrowings (continued)

### Recognition and measurement

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

### Finance leases and lease liabilities

Finance leases and lease liability are determined in accordance with AASB 16. Refer notes 1(i) and 15(a).

### Treasury advance repayable – non-interest bearing

Treasury advances repayable (non-interest bearing) are recognised at fair value, which is the present value of future repayments, discounted by using 10-year government bond rate. Unwinding of discount is recognised as finance cost. Refer note 2(e).

### Changes in liabilities arising from financing activities

	CONSOLIDATED		Total liabilities from financing activities
	Treasury advances repayable \$'000	Leases \$'000	\$'000
-			
Balance at beginning of the year	-	-	-
Recognised on adoption of AASB 16	-	135,934	135,934
<b>1 July 2019</b>	-	<b>135,934</b>	<b>135,934</b>
Cash flows	(2,300)	(48,268)	(50,568)
New leases	-	680,113	680,113
Net increase / (decrease) in liabilities from administrative restructure	25,700	(83,335)	(57,635)
Interest Expense	-	10,025	10,025
Other	746	(24,000)	(23,254)
<b>30 June 2020</b>	<b>24,146</b>	<b>670,469</b>	<b>694,615</b>

	PARENT		Total liabilities from financing activities
	Treasury advances repayable \$'000	Leases \$'000	\$'000
Balance at beginning of the year	-	-	-
Recognised on adoption of AASB 16	-	135,934	135,934
<b>1 July 2019</b>	-	<b>135,934</b>	<b>135,934</b>
Cash flows	(2,300)	(48,268)	(50,568)
New leases	-	680,113	680,113
Net increase / (decrease) in liabilities from administrative restructure	25,700	(83,335)	(57,635)
Interest Expense	-	10,025	10,025
Other	746	(24,000)	(23,254)
<b>30 June 2020</b>	<b>24,146</b>	<b>670,469</b>	<b>694,615</b>

## 21. Current / non-current liabilities – provisions

### (a) Employee benefits, related on-costs and other provisions

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Current</b>		
<b>Employee benefits and related on-costs</b>		
Recreation leave	100,524	100,524
Long service leave	28,207	28,207
Payroll tax	21,011	21,011
Super defined benefits - Refer note 21(b)	1,020	1,020
<b>Total employee benefits and related on-costs</b>	<b>150,762</b>	<b>150,762</b>
<b>Other provisions</b>		
Restoration costs	10,889	10,889
Other	7,713	7,713
Contribution to Crown Entity	13,911	13,793
<b>Total other provisions</b>	<b>32,513</b>	<b>32,395</b>
<b>Total current provisions</b>	<b>183,275</b>	<b>183,157</b>
<b>Non-current</b>		
<b>Employee benefits and related on-costs</b>		
Long service leave	4,374	4,374
Super defined benefits - Refer note 21(b)	19,639	19,639
<b>Total employee benefits and related on-costs</b>	<b>24,013</b>	<b>24,013</b>
<b>Other provisions</b>		
Restoration costs	8,980	8,980
<b>Total other provisions</b>	<b>8,980</b>	<b>8,980</b>
<b>Total non-current provisions</b>	<b>32,993</b>	<b>32,993</b>

#### Recreation leave

The liability at 30 June 2020 was \$100.5m. This is based on leave entitlements at 30 June 2020.

The value of recreational leave expected to be taken within 12 months is \$78.5m and \$22.0m after 12 months.

#### Long service leave

The liability at 30 June 2020 was \$32.6m. This is based on leave entitlements at 30 June 2020.

The value of long service leave expected to be taken within 12 months is \$4.92m and \$27.68m after 12 months.

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b><u>Aggregate employee benefits and related on-costs</u></b>		
Provisions - current	150,762	150,762
Provisions - non-current	24,013	24,013
Accrued salaries, wages and on-costs (refer note 19)	14,917	14,917
	<b>189,692</b>	<b>189,692</b>

## 21. Current / non-current liabilities – provisions (continued)

### (a) Employee benefits, related on-costs and other provisions (continued)

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Movements in provisions (other than employee benefits)</b>		
<b>Restoration costs</b>		
Carrying amount at beginning of financial year	-	-
Equity transfers - refer note 23	19,686	19,686
Additional provisions recognised	2,678	2,678
Amounts used	(1,128)	(1,128)
Unwinding/change in the discount rate	1,870	1,870
Write back of provision	(3,237)	(3,237)
<b>Carrying amount at 30 June 2020</b>	<b>19,869</b>	<b>19,869</b>
<b>Other provisions</b>		
Carrying amount at beginning of financial year - controlled entity	2,449	-
Equity transfers - refer note 23	629	629
Additional provisions recognised	7,260	7,260
Write back of provision	(2,625)	(176)
<b>Carrying amount at 30 June 2020</b>	<b>7,713</b>	<b>7,713</b>
<b>Contribution to Crown Entity</b>		
Carrying amount at beginning of financial year - controlled entity	1,473	-
Equity transfers	28,466	28,466
Additional provisions recognised	54,529	54,411
Amounts used	(70,557)	(69,084)
<b>Carrying amount at 30 June 2020</b>	<b>13,911</b>	<b>13,793</b>

### Recognition and measurement

#### Employee benefits and related on-costs

##### (a) *Salaries and wages, annual leave and sick leave*

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of an approach using nominal annual leave plus annual leave on the nominal liability (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The consolidated entity has assessed the actuarial advice based on the consolidated entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the consolidated entity does not expect to settle the liability within 12 months as it does not have an unconditional right to defer settlement.

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

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

## 21. Current / non-current liabilities – provisions (continued)

### (a) Employee benefits, related on-costs and other provisions (continued)

#### Recognition and measurement (continued)

##### Employee benefits and related on-costs (continued)

##### *(a) Salaries and wages, annual leave and sick leave (continued)*

##### *(i) Long service leave and superannuation*

Apart from staff assigned to the Taronga Conservation Society of Australia, Jenolan Caves Reserve Trust, Lord Howe Island Board and Land and Housing Corporation, the consolidated entity's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The consolidated entity accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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

##### *(ii) Consequential on-costs*

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

##### *(iii) Restoration and other provisions*

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the obligation.

If the effect of the time value of money is material, provisions are discounted at an appropriate percentage, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost. Refer note 2 (e).

### (b) Superannuation

Paragraphs referred to in note 21(b) are the relevant paragraphs in AASB 119 *Employee Benefits*.

Details of underlying assumptions are included below.

#### ***Nature of the benefits provided by the fund – Para 139(a)(i)***

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members.



## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### **Description of the regulatory framework - Para 139(a)(ii)**

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed at 30 June 2021.

#### **Description of other entities' responsibilities for the governance of the fund - Para 139(a)(iii)**

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles

- \* Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- \* Management and investment of the fund assets; and
- \* Compliance with other applicable regulations.

#### **Description of risks - Para 139(b)**

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- \* **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- \* **Longevity risk** – The risk that pensioners live longer than assumed, increasing future pensions.
- \* **Pension indexation risk** – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- \* **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- \* **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

#### **Description of significant events - Para 139(c)**

There were no fund amendments, curtailments or settlements during the year.

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### Reconciliation of the Net Defined Benefit Liability/(Asset) - Para 140(a)

Financial year to 30 June	SASS 2020 \$A	SANCS 2020 \$A	SSS 2020 \$A	Total 2020 \$A
<b>Net defined benefit liability/(asset) at start of year</b>	<b>(6,836)</b>	<b>349,723</b>	<b>19,997,628</b>	<b>20,340,515</b>
Current service cost	143,059	29,397	-	172,456
Net interest on the net defined benefit liability/(asset)	(666)	4,474	264,969	268,777
Actual return on fund assets less interest income	(59,733)	(3,615)	(136,520)	(199,868)
Actuarial (gains)/losses arising from changes in financial assumptions	95,594	24,317	104,410	224,321
Actuarial (gains)/losses arising from liability experience	(43,680)	(9,119)	10,063	(42,736)
Adjustment for effect of asset ceiling	181	-	3,654	3,835
Employer contributions	(87,186)	(21,514)	-	(108,700)
<b>Net defined benefit liability/(asset) at end of year</b>	<b>40,733</b>	<b>373,663</b>	<b>20,244,204</b>	<b>20,658,600</b>

<b>Super defined benefits</b>	<b>Total 30 June 2020 \$A'000</b>
Current provisions - Note 21(a)	1,020
Non-current provisions - Note 21(a)	19,639
	<b>20,659</b>

#### Reconciliation of the Fair Value of Fund Assets – Para 140(a)(i)

Financial year to 30 June	SASS 2020 \$A	SANCS 2020 \$A	SSS 2020 \$A	Total 2020 \$A
<b>Fair value of fund assets at beginning of the year</b>	<b>6,586,981</b>	<b>427,394</b>	<b>13,992,557</b>	<b>21,006,932</b>
Interest income	84,299	5,369	176,470	266,138
Actual return on fund assets less interest income	59,733	3,615	136,520	199,868
Employer contributions	87,186	21,514	-	108,700
Contributions by participants	53,498	-	-	53,498
Benefits paid	(855,981)	(87,565)	(1,193,230)	(2,136,776)
Taxes, premiums & expenses paid	(34,617)	(13,033)	64,830	17,180
<b>Fair value of fund assets at end of the year</b>	<b>5,981,099</b>	<b>357,294</b>	<b>13,177,147</b>	<b>19,515,540</b>

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### Reconciliation of the Defined Benefit Obligation – Para 140(a)(ii)

Financial year to 30 June	SASS 2020 \$A	SANCS 2020 \$A	SSS 2020 \$A	Total 2020 \$A
<b>Present value of defined benefit obligations at beginning of the year</b>	<b>6,480,569</b>	<b>777,117</b>	<b>33,929,355</b>	<b>41,187,041</b>
Current service cost	143,059	29,397	-	172,456
Interest cost	82,318	9,844	439,636	531,798
Contributions by participants	53,498	-	-	53,498
Actuarial (gains)/losses arising from changes in financial assumptions	95,595	24,317	104,411	224,323
Actuarial (gains)/losses arising from liability experience	(43,680)	(9,119)	10,063	(42,736)
Benefits paid	(855,981)	(87,565)	(1,193,230)	(2,136,776)
Taxes, premiums & expenses paid	(34,617)	(13,033)	64,830	17,180
<b>Present value of defined benefit obligations at end of the year</b>	<b>5,920,761</b>	<b>730,958</b>	<b>33,355,065</b>	<b>40,006,784</b>

#### Reconciliation of the effect of the Asset Ceiling - paragraph 140(a)(iii)

Financial year to 30 June	SASS 2020 \$A	SANCS 2020 \$A	SSS 2020 \$A	Total 2020 \$A
<b>Adjustment for effect of asset ceiling at beginning of the year</b>	<b>99,576</b>	<b>-</b>	<b>60,830</b>	<b>160,406</b>
Interest on the effect of asset ceiling	1,314	-	803	2,117
Change in the effect of asset ceiling	181	-	3,654	3,835
<b>Adjustment for effect of asset ceiling at end of the year</b>	<b>101,071</b>	<b>-</b>	<b>65,287</b>	<b>166,358</b>

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

#### Fair value of Fund assets - Para 142

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Asset category	As at 30 June 2020			
	Total \$'000	Quoted prices in active markets for identical assets	Significant observable inputs	Unobservable inputs
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Short Term Securities	4,096,298	1,889,511	2,206,787	-
Australian fixed interest	1,066,448	-	1,066,448	-
International fixed interest	1,909,424	30,408	1,879,015	-
Australian equities	7,294,211	6,901,927	392,284	-
International equities	11,950,330	11,487,308	463,022	-
Property	3,352,466	644,805	16,266	2,691,395
Alternatives	10,522,833	23,408	4,337,075	6,162,350
<b>Total</b>	<b>40,192,010</b>	<b>20,977,367</b>	<b>10,360,897</b>	<b>8,853,745</b>

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### *Fair value of Fund assets - Para 142 (continued)*

The percentage invested in each asset class at the reporting date is:

As at	30 June 2020
Short Term Securities	10.2%
Australian fixed interest	2.7%
International fixed interest	4.8%
Australian equities	18.1%
International equities	29.7%
Property	8.3%
Alternatives	26.2%
<b>Total</b>	<b>100.0%</b>

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

#### *Fair value of entity's own financial instruments - Para 143*

The disclosures below relate to the total assets of the Pooled Fund.

Please confirm with your auditor with regard to the sufficiency of the disclosure below.

The fair value of the Pooled Fund assets as at 30 June 2020 includes \$36.9 million in NSW Government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$340 million (30 June 2019: \$316 million).

- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$343 million (30 June 2019: \$331 million).

#### *Significant Actuarial Assumptions at the Reporting Date - Para 144*

As at	30-Jun-20
Discount rate	0.87% pa
Salary increase rate (excluding promotional increases)	3.2% pa
Rate of CPI increase	1.00% for 2019/20; 0.25% for 2020/21; 1.50% for 2021/22; 1.25% for 2022/23; 1.75% for 2023/24; 2.00% for 2024/25 and 2025/26; 2.25% pa to 2029/30; 2.50% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### *Sensitivity Analysis - Para 145*

The entity's total defined benefit obligation as at 30 June 2020 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2020.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

As at 30 June	2020		
	Base case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
<b>Defined benefit obligation (A\$)</b>	40,006,782	42,754,977	37,518,076

As at 30 June	2020		
	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
<b>Defined benefit obligation (A\$)</b>	40,006,782	42,609,260	37,631,288

As at 30 June	2020		
	Base case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
<b>Defined benefit obligation (A\$)</b>	40,006,782	40,149,046	39,870,742

As at 30 June	2020		
	Base case	Scenario G Higher mortality*	Scenario H Lower mortality**
<b>Defined benefit obligation (A\$)</b>	40,006,782	40,695,667	39,492,964

\*Assumes the short-term pensioner mortality improvement factors for years 2020-2023 also apply for years after 2023.

\*\*Assumes the long-term pensioner mortality improvement factors for years post 2023 also apply for the years 2020 to 2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

In light of the current environment due to Covid-19, there is increased volatility in terms of expected outcomes especially in the short to medium term.

For AASB 1056, separate sensitivities are not included. However, we note that the assumptions for CPI, Salary and demographics are broadly the same under both reporting standards. While the underlying liability amounts for AASB 1056 are lower than for AASB 119, the sensitivity of results under AASB 119 gives an indication to the directional and proportional impact of the changes in these assumptions.

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### *Sensitivity Analysis - Para 145 (continued)*

Scenarios A and B relate to sensitivity of the Total Accrued Benefits figure shown in the AASB 1056 results.

<b>30 June 2020</b>			
	<b>Base Case</b>	<b>Scenario A -0.5% discount rate</b>	<b>Scenario B +0.5% discount rate</b>
Expected rate of return on Fund assets backing current pension liabilities (discount rate)	7.0% pa	6.5% pa	7.5% pa
Expected rate of return on Fund assets backing other liabilities (discount rate)	6.0% pa	5.5% pa	6.5% pa
Rate of CPI increase	2.0% pa	as base case	as base case
Salary inflation rate	3.2% pa	as base case	as base case
Accrued Benefits (A\$)	\$10,911,561	\$11,294,613	\$10,554,429
<b>30 June 2019</b>			
	<b>Base Case</b>	<b>Scenario A -0.5% discount rate</b>	<b>Scenario B +0.5% discount rate</b>
Expected rate of return on Fund assets backing current pension liabilities (discount rate)	7.4% pa	6.9% pa	7.9% pa
Expected rate of return on Fund assets backing other liabilities (discount rate)	6.4% pa	5.9% pa	6.9% pa
Rate of CPI increase	2.2% pa	as base case	as base case
Salary inflation rate	3.2% pa	as base case	as base case
Accrued Benefits (A\$)	\$11,393,585	\$11,785,059	\$11,028,832

#### *Asset-Liability matching strategies - Para 146*

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset - liability matching strategy is used by the Trustee.

#### *Funding arrangements - Para 147(a)*

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually, and funding arrangements may be adjusted as required after each annual review.

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### *Surplus / deficit*

The following is a summary of the 30 June 2020 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard “*Superannuation Entities*”:

Financial year to 30 June	SASS 2020 \$A	SANCS 2020 \$A	SSS 2020 \$A	Total 2020 \$A
Accrued benefits*	4,603,546	497,095	15,738,785	20,839,426
Net market value of fund assets	(5,981,100)	(357,294)	(13,177,146)	(19,515,540)
<b>Net (surplus)/deficit</b>	<b>(1,377,554)</b>	<b>139,801</b>	<b>2,561,639</b>	<b>1,323,886</b>

\*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates

#### *Contribution recommendations*

Recommended contribution rates for the entity are:

Financial year to 30 June	SASS 2020	SANCS 2020	SSS 2020
Multiple of member contributions	1.9	N/A	0.0
% member salary	N/A	2.5	N/A

#### *Economic assumptions*

The economic assumptions adopted for 30 June 2020 AASB 1056 Accounting Standard “*Superannuation Entities*”:

Weighted average assumptions	2020 %
Expected rate of return on fund assets backing current pension liabilities	7.0% pa
Expected rate of return on fund assets backing other liabilities	6.0% pa
Expected salary increase rate (excluding promotional salary increases)	3.2% pa
Expected rate of CPI increase	2.0% pa

#### *Expected contributions - Para 147(b)*

Financial year to 30 June	SASS 2020 \$A	SANCS 2020 \$A	SSS 2020 \$A	Total 2020 \$A
Expected employer contributions	84,508	17,503	-	102,011

#### *Maturity profile of defined benefit obligation - Para 147(c)*

The weighted average duration of the defined benefit obligation is 13 years.

## 21. Current / non-current liabilities – provisions (continued)

### (b) Superannuation (continued)

#### Additional information

#### Profit or Loss Impact

	SASS	SANCS	SSS	Total
Financial year to 30 June	2020	2020	2020	2020
	\$A	\$A	\$A	\$A
Current service cost	143,059	29,397	-	172,456
Net interest	(666)	4,474	263,969	267,777
<b>Profit or loss component of the defined benefit cost</b>	<b>142,393</b>	<b>33,871</b>	<b>263,969</b>	<b>440,233</b>

#### Other Comprehensive Income

	SASS	SANCS	SSS	Total
Financial year to 30 June	2020	2020	2020	2020
	\$A	\$A	\$A	\$A
Actuarial (gains) losses on liabilities	51,914	15,198	114,474	181,586
Actual return on fund assets less interest income	(59,733)	(3,615)	(136,520)	(199,868)
Change in the effect of asset ceiling	181	-	3,654	3,835
<b>Total remeasurement in other comprehensive income</b>	<b>(7,638)</b>	<b>11,583</b>	<b>(18,392)</b>	<b>(14,447)</b>

## 22. Current / non-current liabilities – other

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
<b>Current</b>		
Deferred Income	11,054	10,707
	<b>11,054</b>	<b>10,707</b>

Deferred income includes lease revenue from Crown lands and national parks received in advance as at 30 June 2020.



## 23. Equity

### Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the consolidated entity's policy on the revaluation of property, plant and equipment as discussed in note 14.

### Accumulated funds

The category 'accumulated funds' included all current retained funds.

### Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. revaluation surplus).

### Increase / decrease in net assets from equity transfers

#### Recognition and measurement - equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure including not-for-profit and for-profit government entity are recognised by the transferor immediately prior to the restructure, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the consolidated entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising an internally generated intangible the consolidated entity does not recognise that asset.

Land transfers are recognised at fair value through consolidated equity, where it is within state sector upon publication of the notice in the NSW Government Gazette.

The consolidated entity was established under the *Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2019* and *Administrative Arrangements (Administrative Changes—Public Service Agencies) Amendment Order 2019*, effective from 1 July 2019.

Assets and liabilities of the following abolished and existing NSW Government entities were transferred to the consolidated entity with effect from 1 July 2019 as detailed in note 1.

- > Department of Planning and Environment (DPE)
- > Department of Industry (DOI)
- > Office of Environment and Heritage (OEH)
- > Office of Local Government (OLG).
- > Department of Customer Service, formerly Department of Finance, Services and Innovation (DFSI).
- > Department of Premier and Cabinet (DPC)
- > Department of Communities and Justice (DCJ)

Employee related liabilities of Container Deposit Scheme and the Strategy and Programs branches within the Environment Protection Authority (EPA) staff agency were transferred to the consolidated entity with effect from 1 September 2019 as detailed in note 1.

Assets and liabilities of Regions, Industry, Agriculture and Resources Group within the Department were transferred out to the Department of Regional NSW (DRNSW) on 2 April 2020 as detailed in note 1.

## 23. Equity (Continued)

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Transfer of assets within total state sector agencies*	33,194	39,274
Transfer of assets and liabilities as a result of administrative restructures	12,728,661	12,728,661
	<b>12,761,855</b>	<b>12,767,935</b>
<b>Transfer of assets within Total State Sector agencies</b>		
Transfers of land and other net assets*	33,194	39,274
	<b>33,194</b>	<b>39,274</b>

\* Includes \$327,000 of cash in parent.

On 30 June 2020, the Department transferred Eden Wharf from Crown Lands to the Port Authority. In accordance with the Treasury policy paper TPP09-03 *Contributions by Owners Made to Wholly Owned Public Sector Entities*, these assets were written down to \$1, the fair value of these assets to the Port Authority, before their transfer by the Department.

The consolidated entity includes the separate entities of Lands Administration Ministerial Corporation (LAMC) and Water Administration Ministerial Corporation (WAMC). These entities were not abolished on 1 July 2019 and hence have opening balances at 1 July 2019. Within the financial statements, balances at 1 July 2019 from LAMC and WAMC have been disclosed as assets/liabilities/equity from controlled entities. A summary is as follows:

	LAMC \$'000	WAMC \$'000	Total \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	48,587	-	48,587
Receivables	2,126	3,663	5,789
Other financial assets	352	-	352
Asset held for sale	-	6,973	6,973
<b>Total current assets</b>	<b>51,065</b>	<b>10,636</b>	<b>61,701</b>
<b>Non-current assets</b>			
Property, plant and equipment			
Land and buildings	141,416	239	141,655
Infrastructure systems	4,621	736,186	740,807
Other property, plant and equipment	209	65	274
Total property, plant and equipment	146,246	736,490	882,736
Intangible assets	-	469	469
Other financial assets	15,964	-	15,964
<b>Total non-current assets</b>	<b>162,210</b>	<b>736,959</b>	<b>899,169</b>
<b>Total assets</b>	<b>213,275</b>	<b>747,595</b>	<b>960,870</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	5,069	47	5,116
Provisions	1,497	2,449	3,946
Other	740	-	740
<b>Total current liabilities</b>	<b>7,306</b>	<b>2,496</b>	<b>9,802</b>
<b>Total liabilities</b>	<b>7,306</b>	<b>2,496</b>	<b>9,802</b>
<b>Net assets</b>	<b>205,969</b>	<b>745,099</b>	<b>951,068</b>
<b>EQUITY</b>			
Reserves	-	81,237	81,237
Accumulated funds	205,969	663,862	869,831
<b>Total equity</b>	<b>205,969</b>	<b>745,099</b>	<b>951,068</b>

## 23. Equity (continued)

	OLG \$'000	OEH \$'000	DPE \$'000	DOI \$'000	DPC \$'000	DCJ \$'000	DFSI \$'000	EPA \$'000	DRNSW \$'000	TOTAL \$'000
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents	3,899	348,347	361,870	335,520	-		25,400	-	(116,580)	958,456
Receivables	2,909	85,634	53,443	114,399	-	24,365	65,974	-	(125,582)	221,142
Inventories	-	709	-	322	-	-	-	-	(1,849)	(818)
Biological assets	-	-	-	2,778	-	-	-	-	(2,684)	94
Other financial assets	-	19	-	11,220	-	-	-	-	-	11,239
Contract assets	-	-	-	-	-	-	-	-	(3,334)	(3,334)
<b>Total current assets</b>	<b>6,808</b>	<b>434,709</b>	<b>415,313</b>	<b>464,239</b>	<b>-</b>	<b>24,365</b>	<b>91,374</b>	<b>-</b>	<b>(250,029)</b>	<b>1,186,779</b>
<b>Non-current assets</b>										
Receivables	-	-	-	65	-	-	-	-	(3)	62
Inventories	-	-	-	2,686	-	-	6,097	-	-	8,783
Financial assets at fair value	-	-	-	7,509	-	-	-	-	(46)	7,463
Biological assets	-	-	-	5,903	-	-	-	-	(5,703)	200
Other financial assets	-	-	-	128,441	-	-	-	-	-	128,441
Property, plant and equipment	347	4,352,124	48,102	7,471,664	1,633	-	33,237	-	(402,587)	11,504,520
Right-of-use assets	-	-	-	-	-	-	-	-	(82,290)	(82,290)
Intangibles	3,364	200,457	82,029	207,138	-	-	949	-	(8,365)	485,572
<b>Total non-current assets</b>	<b>3,711</b>	<b>4,552,581</b>	<b>130,131</b>	<b>7,823,406</b>	<b>1,633</b>	<b>-</b>	<b>40,283</b>	<b>-</b>	<b>(498,994)</b>	<b>12,052,751</b>
<b>Total assets</b>	<b>10,519</b>	<b>4,987,290</b>	<b>545,444</b>	<b>8,287,645</b>	<b>1,633</b>	<b>24,365</b>	<b>131,657</b>	<b>-</b>	<b>(749,023)</b>	<b>13,239,530</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Payables	3,276	52,676	153,784	145,789	-	-	91,036	-	(109,449)	337,112
Borrowings	-	1,554	-	130	-	-	-	-	(897)	787
Provisions	2,236	59,019	33,634	120,118	2,830	13,064	16,137	717	(69,400)	178,355
Other liabilities	-	98	10,246	34,972	-	-	5,457	-	(37,233)	13,540
<b>Total current liabilities</b>	<b>5,512</b>	<b>113,347</b>	<b>197,664</b>	<b>301,009</b>	<b>2,830</b>	<b>13,064</b>	<b>112,630</b>	<b>717</b>	<b>(216,979)</b>	<b>529,794</b>
<b>Non-current liabilities</b>										
Payables	-	-	1,023	-	-	-	26	-	(1,458)	(409)
Borrowings	-	24,146	-	1,404	-	-	-	-	(82,438)	(56,888)
Provisions	301	16,067	1,870	10,294	249	11,301	451	11	(2,172)	38,372
<b>Total non-current liabilities</b>	<b>301</b>	<b>40,213</b>	<b>2,893</b>	<b>11,698</b>	<b>249</b>	<b>11,301</b>	<b>477</b>	<b>11</b>	<b>(86,068)</b>	<b>(18,925)</b>
<b>Total liabilities</b>	<b>5,813</b>	<b>153,560</b>	<b>200,557</b>	<b>312,707</b>	<b>3,079</b>	<b>24,365</b>	<b>113,107</b>	<b>728</b>	<b>(303,047)</b>	<b>510,869</b>
<b>Net assets</b>	<b>4,706</b>	<b>4,833,730</b>	<b>344,887</b>	<b>7,974,938</b>	<b>(1,446)</b>	<b>-</b>	<b>18,550</b>	<b>(728)</b>	<b>(445,976)</b>	<b>12,728,661</b>

## 23. Equity (continued)

Detailed below are the operating results for the year ended 30 June 2019 for functions that transferred into the Department.

	OLG \$'000	OEH \$'000	DPE \$'000	DOI \$'000	DPC \$'000	DCJ \$'000	DFSI \$'000	TOTAL \$'000
<b>Expenses excluding losses</b>								
Operating expenses	-	311,824	205,558	294,734	-	-	-	812,116
Employee related expenses	16,695	452,444	307,048	444,055	17,704	91,049	62,983	1,391,978
Other operating expenses	11,370	-	-	16,514	10,556	-	90,640	129,080
Depreciation and amortisation	335	100,689	12,830	80,836	905	-	589	196,184
Grants and subsidies	227,845	180,135	1,912,876	1,698,142	114,652	-	6,382	4,140,032
Finance costs	-	1,003	35	6	14	-	-	1,058
<b>Total expenses excluding losses</b>	<b>256,245</b>	<b>1,046,095</b>	<b>2,438,347</b>	<b>2,534,287</b>	<b>143,831</b>	<b>91,049</b>	<b>160,594</b>	<b>6,670,448</b>
<b>Revenue</b>								
Appropriation (net of transfer payments)	-	-	2,199,269	3,272,828	-	-	-	5,472,097
Sale of goods and services	20	64,763	63,742	149,727	72	-	153,519	431,843
Investment revenue	-	21,231	5,537	17,784	-	-	-	44,552
Retained taxes, fees and services	7,297	16,734	-	-	-	-	-	24,031
Personnel services revenue	5,542	109,066	22,595	20,550	-	91,049	-	248,802
Grants and other contributions	242,110	795,742	16,419	199,146	23,642	-	37,928	1,314,987
Other revenue	403	56,708	331,154	7,475	-	-	2	395,742
Acceptance by the Crown Entity of employee benefits and other liabilities	589	23,069	17,709	40,731	627	-	5,162	87,887
(Transfer to the Crown Entity)	-	-	-	(70,595)	-	-	-	(70,595)
<b>Total revenue</b>	<b>255,961</b>	<b>1,087,313</b>	<b>2,656,425</b>	<b>3,637,646</b>	<b>24,341</b>	<b>91,049</b>	<b>196,611</b>	<b>7,949,346</b>
Gain / (loss) on disposal	-	(12,690)	(518)	34,470	-	-	(523)	20,739
Other gains	-	-	-	9,657	(2)	-	-	9,655
<b>Net result</b>	<b>(284)</b>	<b>28,528</b>	<b>217,560</b>	<b>1,147,486</b>	<b>(119,492)</b>	<b>-</b>	<b>35,494</b>	<b>1,309,292</b>

## 23. Equity (continued)

Detailed below are the operating results for the year ended 30 June 2020 for the EPA staff transferred into the Department, including functions carried on behalf of EPA.

	EPA		Total year ending 30/6/20 \$'000
	Period 1/7/19 - 31/8/19 (EPA) \$'000	Period 1/9/19 - 30/6/20 (Department) \$'000	
<b>Expenses excluding losses</b>			
Operating expenses			
Employee related expenses	1,647	7,959	9,606
Other operating expenses	2,178	16,693	18,871
Depreciation and amortisation	-	481	481
Grants and subsidies	697	21,885	22,582
<b>Total expenses excluding losses</b>	<b>4,522</b>	<b>47,018</b>	<b>51,540</b>
<b>Revenue</b>			
Retained taxes, fees and services	607	-	607
Grants and other contributions	-	3,184	3,184
Other revenue	4	-	4
<b>Total revenue</b>	<b>611</b>	<b>3,184</b>	<b>3,795</b>
Gain / (loss) on disposal	-	-	-
Other gains	-	-	-
<b>Net result</b>	<b>(3,911)</b>	<b>(43,834)</b>	<b>(47,745)</b>

## 24. Commitments for expenditure

### (a) Capital Commitments

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000
Aggregate capital expenditure for the acquisition of property, plant and equipment contracted for at reporting date and not provided for:		
Not later than one year	15,113	15,113
<b>Total (including GST)</b>	<b>15,113</b>	<b>15,113</b>

## 25. Contingent liabilities and contingent assets

### (a) Contingent liabilities

#### Contaminated land

Under guidance of the Contaminated Land Management Strategy, the consolidated entity is proactively assessing high risk categories of potentially contaminated land across the whole Crown land portfolio. This process identifies sites where further investigation is required, leading to remediation plans and where appropriate on ground remediation actions with future management determined by way of long-term management plans.

#### Aboriginal land claims

The Department has over 36,769 Aboriginal land claims (ALCs) to assess as at 30 June 2020. The former Department of Industry disclosed 35,855 as at 30 June 2019.

As at 30 June 2020, 1,505 ALCs were resolved. Additional resources have been allocated to the assessment of ALCs with a doubling of staff involved in the assessment process. The increased staffing will enable a more proactive and outcomes focused engagement with Local Aboriginal Land Councils to identify and prioritise claims for determination.

The detriment in land values due to potentially successful claims cannot be estimated at this point of time.

#### Bushfires

Recent bush fires across national parks have resulted in extensive property damages, which are being assessed and will require make safe, rectification and replacement works over the next few years.

The potential detriment in property values cannot be estimated at this point of time.

#### Other

There are a number of claims against the consolidated entity. As at 30 June 2020 these included:

- Civil lawsuit claiming compensation based on adverse possession of certain land for vesting in South Australia for the purposes of the River Murray Project.
- Potential liability for legal costs in connection with the Land and Environment Court proceedings in which the Department was unsuccessful. There is potential for claims for damages from the Department for injuries and/or damage to their personal property.
- Civil claims against the consolidated entity managed by TMF in relation to issues, such as negligence and public liability.

It is not practical to estimate the financial effect of these claims.

## 25. Contingent liabilities and contingent assets (continued)

### (b) Contingent assets

The consolidated entity may be entitled to receive fines and penalties from prosecutions under the *National Parks and Wildlife Act 1974*. It is not practical to estimate the financial amounts of this contingent asset.

The consolidated entity will be entitled to reimbursements from TMF that manages civil claims, which are disclosed as contingent liabilities above.

The consolidated entity is entitled to reimbursement of costs incurred on fighting bushfires across national parks from TMF. The Department has an approval to receive 80 percent of firefighting costs incurred and the remaining, up until the finalisation of claims, will be received subject to the provision by the Department of the formal supporting documentation. The consolidated entity is also entitled to reimbursements from TMF for future property rectification and replacement works, disclosed as contingent liabilities above.

It is not practical to estimate the financial effect of the financial value of these contingent assets.

## 26. Budget

### (a) Budget amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament for the Department, Lands Administration Ministerial Corporation (LAMC) and Water Administration Ministerial Corporation (WAMC) in respect of the reporting year. Fisheries Administration Ministerial Corporation (FAMC) does not have a published budget and has not been included. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts.

The published budget has been adjusted for consolidation of WAMC and LAMC as follows:

#### *Statement of comprehensive income*

	Department of Planning, Industry and Environment original published \$000	LAMC & WAMC original published \$000	Total \$000	Eliminate LAMC & WAMC transactions \$000	As reported \$000
Total expenses excluding losses	5,154,946	52,919	5,207,865	(43,780)	5,164,085
Total revenue	5,153,589	44,583	5,198,172	(43,780)	5,154,392
Gains / (losses)	20,611	(200)	20,411	-	20,411
Net result	19,254	(8,536)	10,718	-	10,718

#### *Statement of financial position*

	Department of Planning, Industry and Environment original published \$000	LAMC & WAMC original published \$000	Total \$000	Eliminate LAMC & WAMC transactions \$000	As reported \$000
Total Assets	14,362,612	992,868	15,355,480	-	15,355,480
Total Liabilities	1,111,192	8,668	1,119,860	-	1,119,860
Total Equity	13,251,420	984,200	14,235,620	-	14,235,620

#### *Statement of cash flows*

	Department of Planning, Industry and Environment original published \$000	LAMC & WAMC original published \$000	Total \$000	Eliminate LAMC & WAMC transactions \$000	As reported \$000
Net Cash Flows from Operating Activities	371,946	(3,938)	368,008	-	368,008
Net Cash Flows from Investing Activities	(403,063)	500	(402,563)	-	(402,563)
Net Cash flow from Financing Activities	(60,015)	-	(60,015)	-	(60,015)
Net Increase/(Decrease) in Cash	(91,132)	(3,438)	(94,570)	-	(94,570)



## 26. Budget (continued)

### (b) Budget review

The budget process is finalised prior to the beginning of each financial year. Events can arise after the budget is finalised that necessitate variations to the planned activities of the consolidated entity for that year. This in turn may cause variations to the financial activities. Major variations between the original budget and actual amounts are outlined below.

Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department, LAMC and WAMC.

Key significant events that impacted consolidated entity's performance in the 2019-20 financial year include natural disasters, COVID-19 and receipt of drought relief packages and economic stimulus packages from Treasury. Under the *Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order*, effective 2 April 2020 a new Department of Regional NSW (DRNSW) was established. Persons employed in the Regions, Industry, Agriculture and Resources Group within the Department were transferred to DRNSW on that date.

#### Net Result:

Net result of **\$103.0 million** was **higher** than the budget of \$10.7 million by **\$92.3 million**. Key variations are listed in the table below:

	\$ million
Lower than budgeted grants and subsidies expenses primarily relating to delayed land negotiation program in Crown Lands, delayed spending on Climate Change Fund and transfer of regional grants, including cluster grants to DRNSW, under the machinery of government (MoG) changes- refer above. Expenditure on delayed grants has been reallocated to future years either as part of the State Budget process or will be managed within the existing budget envelope of the Department in future years.	366.9
Other operating expenses were lower than the budget due to delays in planned programs as a result of drought and bushfires and transfer of regional expenses of the last quarter of the year to DRNSW under MoG. This was partly offset by higher than budgeted expenses of firefighting activities.	103.9
Lower than budgeted depreciation primarily due to transfer of assets that support functions of DRNSW, delays in completion of projects and lower than budgeted capital acquisitions.	15.6
<i>The above was partly offset by:</i>	
Lower revenue primarily due to transfer of revenue generating units and appropriation from the consolidation fund for the last quarter to DRNSW and loss of revenue due to bushfires and COVID-19. This was partly offset by additional funding received as part of bushfires and COVID-19 relief packages and higher than budgeted recoveries from the TMF for bushfires activities.	(276.7)
Higher than budgeted losses on disposals / other losses mainly due to impairment of right of use assets relating to office buildings in Sydney metropolitan and Parramatta regions, impairment on loans and receivables and higher than budgeted assets that are decommissioned due to obsolescence and/or where they no longer support operational requirements of the Department.	(96.1)
Higher than budgeted employee costs primarily due to additional bushfire related employee expenses offset by transfer of employees to DRNSW on 2 April 2020.	(16.2)
Higher than budgeted finance cost primarily due to increased interest on lease liabilities relating to accommodation at 4 Parramatta Square that was not included in the original budget.	(5.1)
<b>TOTAL</b>	<b>92.3</b>

## 26. Budget (continued)

### (b) Budget review (continued)

**Net assets of \$14.52 billion** were higher than the budget of \$14.24 billion **by \$280 million** primarily due to higher than budgeted asset revaluations, mainly in relation to Crown Lands partly offset by impairments of assets due to COVID 19/natural disasters and net assets transferred to DRNSW.

**Actual cash of \$1.013 billion** was **\$119 million** lower than the budget of \$1.132 billion. This was mainly due to transfer of cash to DRNSW as part of equity transfer on 2 April 2020 partly offset by unspent grants, particularly from external sources of funds, which have been reallocated to future years as part of the State Budget process.

## 27. Reconciliation of cash flows from operating activities to net result

	CONSOLIDATED	PARENT
	2020	2020
	\$'000	\$'000

Reconciliation of cash flows from operating activities to net result as reported in the statement of comprehensive income as follows:

<b>Net cash used on operating activities</b>	263,708	265,672
Depreciation and amortisation	(263,973)	(257,423)
Finance costs	(10,870)	(10,870)
Non-cash expenses	(23,592)	(17,256)
Non-cash grants	18,159	18,978
Gain/(loss) on disposal of property, plant and equipment	(28,539)	(30,090)
Other gain/(losses)	(47,132)	(60,043)
Increase / (decrease) in receivables	164,297	168,424
Increase / (decrease) in inventories	1,774	1,774
Increase / (decrease) in contract assets	(1,708)	(1,708)
Increase / (decrease) in other financial assets	1,524	877
Decrease / (increase) in payables	25,512	21,314
Decrease / (increase) in contract liabilities	(22,799)	(22,799)
Decrease / (increase) in provisions	(27,244)	(31,072)
Decrease / (increase) in other liabilities	53,887	53,494
<b>Net result</b>	<b>103,004</b>	<b>99,272</b>

## 28. Non-cash financing and investing activities

	2020	2020
	\$'000	\$'000
<b>Non-cash investing activities</b>		
Assets recognised for the first time	25,232	25,232
Assets written off	(7,284)	(7,284)
Equity transfers	11,851,700	11,851,700
Resources received free of charge	2,115	939
<b>Non-cash investing activities</b>	<b>11,871,763</b>	<b>11,870,587</b>
<b>Non-cash financing and investing activities</b>	<b>11,871,763</b>	<b>11,870,587</b>

## 29. Financial instruments

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

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

The Secretary has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse risks faced by the consolidated entity, to set risk limits and controls and to monitor risks. Compliance is reviewed by the Audit and Risk Committee.

### (a) Financial instrument categories

	Note	Category	CONSOLIDATED 2020 \$'000 Carrying Amount	PARENT 2020 \$'000 Carrying Amount
<b>Class: Financial Assets</b>				
Cash and cash equivalents	8	Amortised cost	1,012,783	968,245
Receivables <sup>1</sup>	9	Amortised cost	330,095	327,853
Financial assets at fair value	11	Fair value through profit and loss	6,548	6,548
Other financial assets	13	Amortised cost	167,005	136,652
			<b>1,516,431</b>	<b>1,439,298</b>
<b>Class: Financial Liabilities</b>				
Payables <sup>2</sup>		Financial liabilities measured at amortised cost	243,032	241,659
Borrowings	20	Financial liabilities measured at amortised cost	694,615	694,615
Other	22	Financial liabilities measured at amortised cost	11,054	10,707
			<b>948,701</b>	<b>946,981</b>

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

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

<sup>3</sup> While contract assets are also not formalised, they are explicitly included in the scope of AASB 7 for the purpose of the credit risk disclosure.

The consolidated entity determines the classification of its financial assets and liabilities after initial recognition and when allowed and appropriate, re-evaluates this at each financial year end.

### (b) De-recognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the consolidated entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the consolidated entity has transferred substantially all the risks and rewards of the asset; or
- the consolidated entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

## 29. Financial instruments (continued)

### (b) De-recognition of financial assets and financial liabilities (continued)

When the consolidated entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the consolidated entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the consolidated entity's continuing involvement in the asset. In that case, the consolidated entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the consolidated entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the consolidated entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

### (c) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### (d) Financial risks

#### (i) Credit Risk

Credit risk arises when there is the possibility of the counter party defaulting on their contractual obligations, resulting in a financial loss to the consolidated entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance credit losses or allowance for impairment).

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

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

#### *Cash and cash equivalents*

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

#### *Receivables – trade receivables*

#### *Accounting policy for impairment of trade receivables and other financial assets*

Collectability of trade receivables are on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand where necessary.

The consolidated entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

## 29. Financial instruments (continued)

### (d) Financial risks (continued)

#### (i) Credit Risk (continued)

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery.

The loss allowance for trade receivables as at 30 June 2020, was determined as follows:

<b>CONSOLIDATED</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>30 - 60 days</b>	<b>61 - 90 days</b>	<b>&gt; 91 days</b>	<b>Total</b>
Expected credit loss rate	2%	8%	3%	8%	30%	
Estimates total gross carrying amount at default	113,055	12,708	3,445	24,842	35,495	<b>189,545</b>
Expected credit loss	1,883	963	115	1,980	10,562	<b>15,503</b>

<b>PARENT</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>30 - 60 days</b>	<b>61 - 90 days</b>	<b>&gt; 91 days</b>	<b>Total</b>
Expected credit loss rate	2%	6%	3%	7%	28%	
Estimates total gross carrying amount at default	111,998	12,186	3,428	24,316	33,910	<b>185,838</b>
Expected credit loss	1,704	753	109	1,676	9,466	<b>13,708</b>

Note: The analysis excludes statutory receivables and prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in note 9.

The entity is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2020.

#### Authority deposits

The consolidated entity has no funds placed on deposit with TCorpIM.

#### (ii) Liquidity Risk

Liquidity risk is the risk that the consolidated entity will be unable to meet its payment obligations when they fall due. The consolidated entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current year there were no defaults or breaches of borrowings. No assets have been pledged as collateral. The consolidated entity's exposure to liquidity risk is deemed insignificant based on prior years' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Secretary may automatically pay the supplier simple interest.

The consolidated entity is not materially exposed to concentration of credit risk to a single debtor or group of debtors as at 30 June 2020.

## 29. Financial instruments (continued)

### (d) Financial risks (continued)

#### (ii) Liquidity Risk (continued)

The table below summarises the maturity profile of the consolidated entity's financial liabilities, based on contractual undiscounted payments together with the interest rate exposure.

#### Maturity Analysis and interest rate exposure of financial liabilities

2020	Weighted average effective interest rate	Interest rate exposure				Maturity dates		
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	< 1 year	1-5 years	> 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CONSOLIDATED</b>								
Payables	-	243,032	-	-	243,032	243,032	-	-
Borrowings:								
Advance repayable	-	24,146	-	-	24,146	1,602	11,500	11,044
Lease liabilities	2.34%	857,339	857,339	-	-	46,292	193,936	617,111
		<b>1,124,517</b>	<b>857,339</b>	<b>-</b>	<b>267,178</b>	<b>290,926</b>	<b>205,436</b>	<b>628,155</b>
<b>PARENT</b>								
Payables	-	241,659	-	-	241,659	241,659	-	-
Borrowings:	-	-	-	-	-	-	-	-
Advance repayable	-	24,146	-	-	24,146	1,602	11,500	11,044
Lease liabilities	2.34%	857,339	857,339	-	-	46,292	193,936	617,111
		<b>1,123,144</b>	<b>857,339</b>	<b>-</b>	<b>265,805</b>	<b>289,553</b>	<b>205,436</b>	<b>628,155</b>

#### (iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The consolidated entity's exposures to market risk are primarily through interest rate risk on the consolidated entity's borrowings. The consolidated entity has no exposure to foreign currency risk and does not enter into commodity contracts.

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

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the consolidated entity's interest-bearing liabilities. The consolidated entity does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The consolidated entity's exposure to interest rate risk is set out below.

## 29. Financial instruments (continued)

### (d) Financial risks (continued)

#### (iii) Market Risk (continued)

	\$'000				
	Carrying amount	Profit -1%	Equity	Profit +1%	Equity
<b>2020</b>					
<b>CONSOLIDATED</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,012,783	(10,128)	(10,128)	10,128	10,128
Receivables	330,095	(3,301)	(3,301)	3,301	3,301
Financial assets at fair value	6,548	(65)	(65)	65	65
Other financial assets	167,005	(1,670)	(1,670)	1,670	1,670
<b>Financial Liabilities</b>					
Payables	243,032	2,430	2,430	(2,430)	(2,430)
Borrowings	694,615	6,946	6,946	(6,946)	(6,946)
	Carrying amount	Profit -1%	Equity	Profit +1%	Equity
<b>2020</b>					
<b>PARENT</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	968,245	(9,682)	(9,682)	9,682	9,682
Receivables	327,853	(3,279)	(3,279)	3,279	3,279
Financial assets at fair value	6,548	(65)	(65)	65	65
Other financial assets	136,652	(1,367)	(1,367)	1,367	1,367
<b>Financial Liabilities</b>					
Payables	241,659	2,417	2,417	(2,417)	(2,417)
Borrowings	694,615	6,946	6,946	(6,946)	(6,946)

#### (iv) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

#### Fair value recognised in statement of financial position

Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

## 29. Financial instruments (continued)

### (e) Financial risks (continued)

#### (iv) Fair value compared to carrying amount

The consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

#### Consolidated

2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Loans receivable	-	12,351	-	12,351
Shares		6,548	-	6,548
	-	<b>18,899</b>	-	<b>18,899</b>

#### Parent

2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Loans receivable	-	10,413	-	10,413
Shares	-	6,548	-	6,548
	-	<b>16,961</b>	-	<b>16,961</b>

There were no transfers between level 1, 2 and 3 during the year ended 30 June 2020.

## 30. Trust funds

### (a) City West Housing Pty Ltd

The consolidated entity holds money which is used for developments in Ultimo-Pyrmont and Green Square under State Environmental Planning Policy Number 70 Affordable Housing (Revised Schemes). As the consolidated entity performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the consolidated entity's own objectives, these funds are not recognised in the financial statements.

The following is a summary of the transactions in the trust account:

	<b>CONSOLIDATED</b>
	<b>2020</b>
	<b>\$'000</b>
Cash balance at beginning of the financial year	10,015
Add: Receipts	24,106
Less: Payments	(21,066)
<b>Cash balance at end of the year</b>	<b>13,055</b>



### 30. Trust funds (continued)

#### (b) Minerals trust funds – deposits under the *Mining Act 1992*

The consolidated entity held the above as trust funds up until its transfer to the Department of Regional NSW on 2 April 2020, pursuant to *Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order 2020*.

Cash deposits were received by the consolidated entity in respect of various forms of titles issued under the provisions of the State's mining legislation. Such cash deposits were held during the currency of titles and were normally refunded to registered holders upon cessation, providing certain title conditions had been observed.

These monies have been excluded from the financial statements as the consolidated entity could not use them for the achievement of its objectives.

	<b>2020</b>
	<b>\$'000</b>
Refundable deposits balance at beginning of the year	52,175
Add: receipts	33,482
Less: refunds	(763)
Less: equity transferred out	(84,894)
Refundable deposits balance at end of the year	<u>-</u>

### 31. Administered receipts and payments

The following monies have been collected on behalf of the Crown Entity and forwarded to NSW Treasury.

	<b>CONSOLIDATED</b>
	<b>2020</b>
	<b>\$'000</b>
Fees	3,398
Fines	338
Licences	1
	<u><b>3,737</b></u>

Refer note 1(d) for details on recognition and measurement policies. Functions were transferred to DRNSW on 2 April 2020.

## 32. Joint arrangements

The consolidated entity is engaged with several joint arrangements.

As at the year ended 30 June 2020, the consolidated entity had an interest in the following joint arrangements:

- 26.67% share in the joint arrangement entities - Living Murray Initiative and the River Murray Operations. These assets are administered by the Murray-Darling Basin Authority.
- 50% share in the joint arrangement entity - Dumaresq-Barwon Border Rivers Commission.

An assessment of AASB 11 *Joint Arrangements* has determined that River Murray Operations, Living Murray Operations and Dumaresq-Barwon Borders Rivers Commission are all joint operations that require recognition of a share of assets and liabilities.

The numbers represented below are the reported amounts from the audited joint arrangement financial statements (left hand column) and the consolidated entity's share (right hand column).

### (a) Murray-Darling Basin Authority - Living Murray and River Murray Operations

Upon transition of the former Murray-Darling Basin Commission (MDBC) to the Murray-Darling Basin Authority two joint arrangements were established to hold the jurisdictional assets previously held by the MDBC on behalf of the jurisdictions. The joint arrangements were established through agreements called "asset agreement for River Murray operations assets" (River Murray Operations joint arrangement) and the "further agreement on addressing water over allocation and achieving environmental objectives in the Murray-Darling Basin - control and management of Living Murray assets" (Living Murray joint arrangement).

	2020	2020
	100%	26.67%
Reporting date	30 June	30 June

#### Summarised financial information

Statement of financial position	\$'000	\$'000
<b>Assets</b>		
<b>Non-current assets</b>		
Infrastructure assets	2,660,477	709,549
Property, plant and equipment	9,411	2,510
Intangibles	672,924	179,469
Other	28,366	7,565
<b>Net assets</b>	<b>3,371,178</b>	<b>899,093</b>
<b>Statement of comprehensive income</b>		
Revenues	20,789	5,544
Expenses	(45,826)	(12,222)
<b>Surplus / (deficit) for the year</b>	<b>(25,037)</b>	<b>(6,678)</b>
<b>Aggregate asset revaluation increment/(decrement) for the financial year</b>	<b>64,726</b>	<b>17,262</b>

## 32. Joint arrangements (continued)

### (b) Dumaresq-Barwon Border Rivers Commission

	2020 100% 30 June	2020 50% 30 June
Reporting date		
<u>Summarised financial information</u>		
<b>Statement of financial position</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,047	1,524
Receivables	501	251
<b>Non-current assets</b>		
Property, plant and equipment	158,140	79,070
<b>Total assets</b>	<b>161,688</b>	<b>80,845</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payables	1,216	608
<b>Total liabilities</b>	<b>1,216</b>	<b>608</b>
<b>Net assets</b>	<b>160,472</b>	<b>80,237</b>
<b>Statement of comprehensive income</b>		
Revenues	3,674	1,837
Expenses	(5,168)	(2,584)
<b>Surplus / (deficit) for the year</b>	<b>(1,494)</b>	<b>(747)</b>
<b>Aggregate asset revaluation increment/(decrement) for the financial year</b>	<b>24,329</b>	<b>12,165</b>

### 33. Related party disclosures

#### (a) Key management personnel compensation

The consolidated entity's key management personnel includes the following positions:

- Secretary of the Department;
- Deputy Secretary Corporate Service Partners;
- Coordinator General for Regions, Industry, Agriculture and Resources (until 2 April 2020);
- Deputy Secretary Water;
- Coordinator General Environment, Energy and Science;
- Deputy Secretary Strategy and Reform;
- General Counsel Governance and Legal;
- Group Deputy Secretary Place, Design and Public Spaces;
- Group Deputy Secretary Planning and Assessment;
- Deputy Secretary Housing and Property.
- Deputy Secretary People Performance and Culture;
- Deputy Secretary Aboriginal Strategy and Outcomes; and
- NSW Cross Border Commissioner and NSW Regional Water Supply Co-Ordinator.

The combined compensation for the key management personnel for the year ended 30 June 2020 is as follows:

	<b>CONSOLIDATED</b>	<b>PARENT</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries	5,010	5,010
Other long-term employee benefits	104	104
Post-employment benefits	187	187
<b>Total remuneration</b>	<b>5,301</b>	<b>5,301</b>

#### (b) Transactions with key management personnel

In 2019-20, the Department entered into transactions on arm's length terms and conditions with a company an interest in which was held by a key management personnel's close family members. These transactions were entered into in the Department's ordinary course of business, in accordance with the Department's policies and procedures, and the potential conflict of interest was appropriately managed and addressed during the year. The aggregate value of payments during the year was \$0.705 million.

#### (c) Transactions with Government related entities

During the year, the consolidated entity entered into the following individually significant arms' length transactions with other entities that are controlled by the NSW Government;

- Appropriation of \$3.01 billion received by the Department (principal Department in the Planning, Industry and Environment Cluster from the Consolidated Fund (note 3(a)).
- Consolidated funding of \$613 million was paid as cluster grants to agencies within the Planning, Industry and Environment cluster. A further \$310 million was paid to NSW government entities under a number of the Department's grants programs.
- Consolidated funding of \$172 million was transferred from the Department to the Department of Regional NSW pursuant to Treasurers determination

### 33. Related party disclosures (continued)

#### (c) Transactions with Government related entities (continued)

Department also entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions are conducted at arms-length and are not individually significant. This includes property leased from Property NSW, insurance arrangement with the NSW Self Insurance Corporation, corporate shared services and personnel services arrangements, transfer of IPART revenues, financing arrangement with NSW Treasury, processing of IVET payments for Department of Education and certain employee benefits assumed by the Crown. Refer notes 2(a), 2(b), 2(d), 2(e), 3(a), 3(e), 3(f), 3(g), 3(h), 3(i) and 6.

Further, the Department receives land from NSW government agencies free of cost for additions to its national parks and Crown land operations. The Department transfers land and other infrastructure assets surplus to its business and operational requirements. These transactions are reflected as equity adjustments. Refer note 23.

### 34. Events after reporting period

- Under the Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order 2020 dated 2 April 2020, the Office of the Independent Planning Commission was established as a separate Public Service agency, effective from 1 July 2020. Persons employed in the Department who were principally involved in providing support to the Independent Planning Commission were transferred to the Office of the Independent Planning Commission on 1 July 2020. The fair value of net assets at 30 June 2020 transferred was \$1.1 million.
- Effective from 1 July 2020, under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2020*, the Aboriginal Cultural Heritage Regulation Branch was transferred from the Department of Planning, Industry and Environment to the Department of Premier and Cabinet. Persons employed in the Department who were principally involved in the functions of the Aboriginal Cultural Heritage Regulation Branch were transferred to the Department of Premier and Cabinet on 1 July 2020.
- The transfer of coastal infrastructure functions from the Department to Marine Infrastructure Delivery Office (MIDO) within Transport for NSW is expected to finalise in 2020-21, following completion of a due diligence process. At the date of transfer of coastal infrastructure functions, related budgets, staff, assets and liabilities will also transfer to MIDO. As at 30 June 2020, the fair value of fixed assets to be transferred is estimated at \$870 million, receivables at \$0.3 million and staff related liabilities at \$0.2 million.
- As at 1 August 2020, employees with the Container Deposit Scheme Branch and the Circular Economy Branch within the Department were transferred to EPA in accordance with an agreement between the Secretary of the Department and the Chief Executive Officer of EPA. Employees and their related employee benefits and on-costs were transferred to EPA at the date of transfer.
- The Department is continually assessing the impact of COVID-19 on the fair value of its non-current physical and financial assets. These assets include land, buildings, infrastructure, receivables, loans provided, finance leases, lease liabilities and lease assets. Given continued uncertainty of the COVID-19 factor, there may be some new evidence that impacts the fair value assessment at 30 June 2020 materially. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.
- The Department applied a 2.5 percent wage increase in the calculation of leave provisions at 30 June 2020. The NSW government initiated action to suspend the annual increase from 1 July 2020, which went before the Industrial Relations Commission (IRC). The IRC recently ruled a 0.3 percent wage increase. The 30 June 2020 financial statements do not include the impact of this change in wage increment rate, which is estimated to be not material.

There are no other known events that would impact on the state of the consolidated entity or have a material impact on the financial statements.



## INDEPENDENT AUDITOR'S REPORT

### Lands Administration Ministerial Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Lands Administration Ministerial Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## Other Information

At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Secretary pursuant to section 45F of the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Secretary's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Secretary is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Min Lee  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 October 2020  
SYDNEY



# **LANDS ADMINISTRATION MINISTERIAL CORPORATION**

## **Financial Statements**

*for the year ended 30 June 2020*

## LANDS ADMINISTRATION MINISTERIAL CORPORATION

### STATEMENT BY THE SECRETARY

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Treasurer's Directions issued under the Act;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2020 and the financial performance of the Lands Administration Ministerial Corporation for the year ended 30 June 2020; and
- (c) at the date of signing I am not aware of any circumstances that would render the financial statements misleading or inaccurate.

Signed.....

**Jim Betts**  
**Secretary**  
**Department of Planning, Industry and Environment**

**Date:** 13/10/2020

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 2020**

		<b>Actual 2020 \$'000</b>	<b>Budget 2020 \$'000</b>	<b>Actual 2019 \$'000</b>
	<b>Notes</b>			
<b>Expenses excluding losses</b>				
Operating expenses				
Employee related	2(a)	177	-	194
Other operating expenses	2(b)	2,263	2,193	2,988
Depreciation and amortisation	2(c)	1,657	734	1,898
Grants and subsidies	2(d)	48	1,904	12,030
<b>Total expenses excluding losses</b>		<b>4,145</b>	<b>4,831</b>	<b>17,110</b>
<b>Revenue</b>				
Sale of goods and services	3(a)			5,092
Sale of goods and services from contracts with customers	3(a)	555	4,484	
Investment revenue	3(b)	4,916	728	1,238
Grants and contributions	3(c)	159	(4,308)	508
Transfers to NSW Treasury	3(d)	(118)	(100)	(425)
Other revenue	3(e)	143	-	426
<b>Total revenue</b>		<b>5,655</b>	<b>804</b>	<b>6,839</b>
<b>Gains / (losses) on disposal</b>	4	(11)	-	(10)
<b>Other gains / (losses)</b>	5	36,718	(200)	(3,477)
<b>Net result</b>		<b>38,217</b>	<b>(4,227)</b>	<b>(13,758)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Changes in revaluation surplus of property, plant and equipment	9	1,756	-	(2,591)
<b>Total other comprehensive income</b>		<b>1,756</b>	<b>-</b>	<b>(2,591)</b>
<b>Total comprehensive income</b>		<b>39,973</b>	<b>(4,227)</b>	<b>(16,349)</b>

The accompanying notes form part of these financial statements.

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	44,538	40,257	48,587
Receivables	7	1,506	2,106	2,126
Other financial assets	8	506	-	352
<b>Total current assets</b>		<b>46,550</b>	<b>42,363</b>	<b>51,065</b>
<b>Non-current assets</b>				
Receivables	7	-	6,312	-
Other financial assets	8	29,847	-	15,964
Property, plant and equipment	9			
- Crown land		129,467	106,829	106,829
- Buildings		28,809	40,361	34,587
- Plant and equipment		31	181	209
- Infrastructure systems		6,541	5,108	4,621
Total property, plant and equipment		164,848	152,479	146,246
<b>Total non-current assets</b>		<b>194,695</b>	<b>158,791</b>	<b>162,210</b>
<b>Total assets</b>		<b>241,245</b>	<b>201,154</b>	<b>213,275</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	12	918	616	5,069
Provisions	13	118	104	1,497
Other	14	347	603	740
<b>Total current liabilities</b>		<b>1,383</b>	<b>1,323</b>	<b>7,306</b>
<b>Total liabilities</b>		<b>1,383</b>	<b>1,323</b>	<b>7,306</b>
<b>Net assets</b>		<b>239,862</b>	<b>199,831</b>	<b>205,969</b>
<b>EQUITY</b>				
Reserves		1,756	-	-
Accumulated funds		238,106	199,831	205,969
<b>Total equity</b>		<b>239,862</b>	<b>199,831</b>	<b>205,969</b>

The accompanying notes form part of these financial statements.

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
<b>Balance at 1 July 2019</b>		205,969	-	205,969
<b>Restated balance at 1 July 2019</b>		<b>205,969</b>	-	<b>205,969</b>
<b>Net result for the year</b>		<b>38,217</b>	-	<b>38,217</b>
<b>Other Comprehensive Income:</b>				
Net changes in revaluation surplus of property, plant and equipment	9		1,756	1,756
<b>Total Other Comprehensive Income</b>		-	<b>1,756</b>	<b>1,756</b>
<b>Total Comprehensive Income for the Year</b>		<b>38,217</b>	<b>1,756</b>	<b>39,973</b>
<b>Transactions with owners in their capacity as owners</b>				
Increase / (decrease) in net assets from equity transfers	16	(6,080)	-	(6,080)
<b>Total transactions with owners in their capacity as owners</b>		<b>(6,080)</b>	-	<b>(6,080)</b>
<b>Balance at 30 June 2020</b>		<b>238,106</b>	<b>1,756</b>	<b>239,862</b>
<b>Balance at 1 July 2018</b>		221,565	2,591	224,156
Correction of prior period errors		556	-	556
Changes in accounting policy		(98)	-	(98)
<b>Restated balance at 1 July 2018</b>		<b>222,023</b>	<b>2,591</b>	<b>224,614</b>
<b>Net result for the year</b>		<b>(13,758)</b>	-	<b>(13,758)</b>
<b>Other Comprehensive Income</b>				
Net changes in revaluation surplus of property, plant and equipment	9	-	(2,591)	(2,591)
<b>Total Other Comprehensive Income</b>		-	<b>(2,591)</b>	<b>(2,591)</b>
<b>Total Comprehensive Income for the Year</b>		<b>(13,758)</b>	<b>(2,591)</b>	<b>(16,349)</b>
<b>Transactions with owners in their capacity as owners</b>				
Increase / (decrease) in net assets from equity transfers	16	(2,296)	-	(2,296)
<b>Total transactions with owners in their capacity as owners</b>		<b>(2,296)</b>	-	<b>(2,296)</b>
<b>Balance at 30 June 2019</b>		<b>205,969</b>	-	<b>205,969</b>

The accompanying notes form part of these financial statements.

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
<b>Cash flows from operating activities</b>				
<b>Payments</b>				
Employee related		(1,232)	-	(1,173)
Grants and subsidies		(4,348)	(440)	(8)
Payments to suppliers		(1,482)	(3,194)	(3,334)
<b>Total payments</b>		<b>(7,062)</b>	<b>(3,634)</b>	<b>(4,515)</b>
<b>Receipts</b>				
Sale of goods and services		708	4,484	6,503
Interest received		776	727	760
Lease and rental income		3,312	-	-
Cash transfers to NSW Treasury		(1,473)	(1,048)	-
Grants and contributions		159	(4,308)	34
Other		143	40	81
Retained taxes, fees and fines		-	(200)	-
<b>Total receipts</b>		<b>3,625</b>	<b>(305)</b>	<b>7,378</b>
<b>Net cash flows from operating activities</b>	15	<b>(3,437)</b>	<b>(3,939)</b>	<b>2,863</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment and infrastructure systems		594	500	370
Purchases of property, plant, equipment and infrastructure		(478)	-	(52)
<b>Net cash flows from investing activities</b>		<b>116</b>	<b>500</b>	<b>318</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Advances made		(401)	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(401)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>		<b>(3,722)</b>	<b>(3,439)</b>	<b>3,181</b>
Opening cash and cash equivalents		48,587	43,694	45,406
Cash transferred out as a result of equity transfer		(327)	-	-
<b>Closing cash and cash equivalents</b>	6	<b>44,538</b>	<b>40,255</b>	<b>48,587</b>

The accompanying notes form part of these financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Reporting entity

The Lands Administration Ministerial Corporation (LAMC) was constituted by the *Crown Lands Management Act 2016*, as a Ministerial Corporation, under the responsibility of the Minister.

The responsible Minister has delegated management functions to the Secretary of the Department of Planning, Industry and Environment.

LAMC is a NSW government statutory body and a separate reporting entity. There are no other entities under its control. LAMC is a not-for-profit entity (as profit is not its principal objective) and it has some cash generating units. LAMC is consolidated as part of Department of Planning, Industry and Environment and the NSW Total State Sector Accounts.

Under the *Crown Lands Management Act 2016*, LAMC can be appointed as a statutory land manager, which enables Department of Planning, Industry and Environment staff to undertake this role under delegation. At 30 June 2020, LAMC is the land manager of numerous reserves.

These financial statements for the year 30 June 2020 have been authorised for issue by the Secretary on the date the accompanying statement by the Secretary was signed.

### (b) Basis of preparation

LAMC's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Audit Regulation 2015* and
- Treasurer's Directions issued under the Act.

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

Property, plant and equipment, assets (or disposal groups) held for sale and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is LAMC's presentation and functional currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards (AAS), which include Australian Accounting Interpretations.

### (d) Accounting for the goods and services tax (GST)

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

- amount of GST incurred by LAMC as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

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

### (e) Comparative information

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Changes in accounting policies, including new or revised Australian Accounting Standards

- (i) Effective for the first time in the 2019-20 financial year.

LAMC applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in financial year 2019-20, but do not have an impact on the financial statements of LAMC.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers* (AASB 15) supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract, in addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, LAMC has adopted AASB 15 retrospectively with the cumulative effect of initially adopting the standard recognised at the date of initial application, i.e. 1 July 2019. LAMC has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all the modifications that occur before 1 July 2019 when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligations

The adoption of AASB 15 did not have any financial impact on statement of financial position and the statement of cash flows for the financial year. The adoption of AASB 15 resulted in the change of financial statement line items, i.e. the reclassification of crown lease revenue to investment revenue in statement of comprehensive Income.

#### **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- When the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by LAMC
- Immediately, for all other income within the scope of AASB 1058



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Changes in accounting policies, including new or revised Australian Accounting Standards (cont'd)

#### (i) Effective for the first time in the 2019-20 financial year (cont'd)

In accordance with the transition provisions in AASB 1058, LAMC has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. LAMC has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable LAMC to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have any financial impact on statement of financial position, statement of comprehensive income and the statement of cash flows for the financial year.

#### **AASB 16 Leases**

AASB 16 *Leases* (AASB 16) supersedes AASB 117 *Leases*, *Interpretation 4 Determining whether an Arrangement contains a Lease*, *Interpretation 115 Operating Leases – Incentives* and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on balance sheet.

##### Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where LAMC is the lessor.

##### Lessee accounting

AASB 16 requires LAMC to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, LAMC recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

LAMC has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

LAMC also elected to use the practical expedient to expense lease payments for lease contracts that at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

The adoption of AASB 16 did not have any financial impact on statement of financial position, statement of comprehensive income and the statement of cash flows for the financial year.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Changes in accounting policies, including new or revised Australian Accounting Standards (cont'd)

#### (ii) Issued but not yet effective

NSW public sector entities do not early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting standards have not been applied and are not yet effective:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059 AASB*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-2 *Amendments to Australian Accounting Standards – Implementation of AASB 1059*
- AASB 2019-7 *Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations*

LAMC has assessed the impact of the new standards and interpretations issued but not yet effective where relevant and considers the impact to be not material.

### (g) COVID-19, delayed 2020-21 NSW Budget and going concern

COVID-19 has not resulted in any significant impact on LAMC's operations. LAMC assessed the impact on the fair value of its financial assets and recognised a credit loss, where considered appropriate to reflect historical credit loss evidence adjusted for forward looking economic outlook and conditions. The fair value assessment of infrastructure assets at 30 June 2020 by independent valuers concluded that there was no evidence at balance date to suggest any material impact. Refer notes 7 and 11.

Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed and is anticipated to be tabled in Parliament in November/December 2020. However, pursuant to section 4.10 of the Government Sector Finance (GSF) Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earliest of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 annual Appropriations Act. LAMC also receives financial support, such as a proportion of personnel services from the Department of Planning, Industry and Environment. At the date of this report there is no reason not to expect the financial support to continue. Therefore, it is appropriate for the 2019-20 financial statements to be prepared on a going concern basis.

## 2. EXPENSES EXCLUDING LOSSES

### (a) Employee related expenses

	2020 \$'000	2019 \$'000
Salaries and wages (including recreation leave)	158	174
Superannuation - defined contribution plans	14	15
Workers' compensation insurance	5	5
	<b>177</b>	<b>194</b>

### (b) Other operating expenses include the following:

	2020 \$'000	2019 \$'000
Administration fees	31	31
Assets under \$5,000	5	25
Auditor's remuneration - audit of financial reports (Audit Office of NSW)	144	105
Auditor's remuneration - audit of financial reports (Other)	-	12
Cleaning	88	75
Consultancy	13	10
Contractors and other fees	179	319
Crown land waivers, refunds and remissions	174	153
Electricity	83	202
Insurance	60	48
Maintenance*	317	698
Other operating	152	262
Personnel services	1,000	1,018
Legal - Crown Solicitors	8	-
Rates and utilities	9	9
Reimbursement of rent	-	21
	<b>2,263</b>	<b>2,988</b>

## Recognition and Measurement

### **Personnel expense**

LAMC receives administrative, secretarial support and operational assistance from Department of Planning, Industry and Environment. LAMC has an arrangement with the Department of Planning, Industry and Environment to reimburse a proportion of Department's personnel services involved in the activities of LAMC.

### **Maintenance Expense**

Day-to-day servicing or maintenance costs are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

### **Insurance**

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

## 2. EXPENSES EXCLUDING LOSSES(CONT'D)

### (c) Depreciation and amortisation expense

	2020	2019
	\$'000	\$'000
Buildings	1,287	1,669
Infrastructure	333	200
Plant and equipment	37	29
	<b>1,657</b>	<b>1,898</b>

Refer to Note 9 for recognition and measurement policies on depreciation.

### (d) Grants and subsidies

	2020	2019
	\$'000	\$'000
Grants without sufficiently specific performance obligations;		
Grants to Government bodies	-	8
Non-cash land grants	23	7,777
Reserve Trusts (non-land)	25	4,245
	<b>48</b>	<b>12,030</b>

### Recognition and Measurement

#### **Non-cash land grants**

Land transferred to an entity which is not controlled by the NSW Government is recognised as an expense at the fair value of land when LAMC loses management and control of that land asset.

### 3. REVENUES

#### (a) Sale of goods and services from contracts with customers / Sale of goods and services

	2020 \$'000	2019 \$'000
<b>Sale of goods:</b>		
Minor sales of goods and services	-	102
<b>Rendering of services:</b>		
Fees	555	1,195
Leases		3,795
	<b>555</b>	<b>5,092</b>

Crown land lease revenue for 2020 is disclosed as investment revenue and not as sale under contract with customers per AASB 15. Refer Note 3(b).

#### Recognition and Measurement

##### Until 30 June 2019

##### **Sale of goods**

Revenue from sale of goods was recognised as revenue when LAMC transferred significant risks and rewards of ownership of the goods, usually on delivery of the goods.

##### **Rendering of services**

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

##### **Leases**

Lease revenue was recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term. This could be offset by rebates.

Lease income from operating leases, where LAMC is the lessor, was recognised in income on a straight-line basis over the lease term. The respective leased assets were included by LAMC in the statement of financial position based on their nature.

##### From 1 July 2019

##### **Sale of goods**

Revenue from sale of goods is recognised as when LAMC satisfies a performance obligation by transferring the promised goods. Revenue from the sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

##### **Rendering of services**

Revenue from rendering of services is recognised when LAMC satisfies the performance obligation by transferring the promised services.

##### **Fees**

Fees are typically in relation to camping and entry fees on reserves and mooring fees. LAMC typically satisfies its performance obligations when the customer utilises the service, that is, on entry to the reserve. Mooring fees are billed as utilised.

The revenue is measured at the transaction price agreed under the contract, fee charged on entry/usage. The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when service is provided.

### 3. REVENUES (CONT'D)

#### (b) Investment revenue

	2020	2019
	\$'000	\$'000
Interest income from financial assets at amortised cost	406	764
Finance income on the net investment in the lease	403	393
Crown land lease revenue	4,046	-
Rental income	61	81
	<b>4,916</b>	<b>1,238</b>

#### Recognition and Measurement

##### *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

##### *Leases and Rental Income*

Crown land lease revenue and rental income are recognised in accordance with AASB 16 on a straight-line basis over the lease term. This may be offset by rebates.

Lease income from operating leases, where LAMC is the lessor, is recognised in income on a straight-line basis over the lease term. The respective leased assets are included by LAMC in the statement of financial position in an appropriate asset class based on their nature.

#### (c) Grants and contributions

	2020	2019
	\$'000	\$'000
Grants - without specific performance obligations	159	52
Non-cash capital land grants	-	456
	<b>159</b>	<b>508</b>

#### Recognition and Measurement

##### Until 30 June 2019

##### *Grants and contributions*

Income from grants (other than contribution by owners) was recognised when LAMC obtained control over the contribution. LAMC was deemed to have assumed control when the grant was received or receivable.

Contributions were recognised at their fair value. Contributions of services were recognised when and only when a fair value of those services could be reliably determined and the services would be purchased if not donated.

##### *Non-cash capital land grants*

Land assets received free of charge were recognised as revenue at their fair value when LAMC received control of these assets, which were transferred by an entity not controlled by NSW Government.

### 3. REVENUES (CONT'D)

#### (c) Grants and contributions (cont'd)

##### Recognition and Measurement (cont'd)

##### From 1 July 2019

Income from grants without sufficiently specific performance obligations is recognised when LAMC obtains control over the granted asset i.e. cash.

Receipt of volunteer services is recognised when and only when the fair value of these services can be reliably determined and the services would have been purchased if not donated. Volunteer services have not been recognised by LAMC as they would not have been purchased if not donated.

##### **Non-cash capital land grants**

Land assets received free of charge are recognised as revenue at their fair value when LAMC receives control of these assets, which are transferred by an entity not controlled by NSW Government.

#### (d) Transfer to NSW Treasury

	2020	2019
	\$'000	\$'000
Transfer of Crown leasehold revenues to the Crown Entity	(118)	(425)
	<b>(118)</b>	<b>(425)</b>

##### Recognition and Measurement

##### **Transfers to NSW Treasury**

Cash received by LAMC, excluding receipts of the reserve trusts managed by LAMC, is distributed to the NSW Treasury. These distributions do not include money held on deposit, held in trust, or funds which are yet to be credited against customer accounts.

#### (e) Other revenue

	2020	2019
	\$'000	\$'000
Other revenue	143	426
	<b>143</b>	<b>426</b>

#### (f) Deemed appropriation

Section 4.7 of the Government Sector Finance (GSF) Act defines deemed appropriation money as government money that LAMC (a GSF agency) receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that:

- forms part of the Consolidated Fund: and
- is not appropriated under the authority of an Act

All receipts from LAMC's operations, other than those associated with its management of statutory land managers, fall under the category of deemed appropriations. All these receipts are required to be forwarded to Treasury.

The movement in the contribution to Crown entity (refer note 13) reflects deemed appropriation movement for LAMC.

#### 4. GAINS / (LOSSES) ON DISPOSAL

	2020 \$'000	2019 \$'000
<b>Gain/(loss) on disposal of property, plant and equipment</b>		
Proceeds from disposal	-	20
Written down value of assets disposed	(11)	(30)
	<b>(11)</b>	<b>(10)</b>

#### 5. OTHER GAINS / (LOSSES)

	2020 \$'000	2019 \$'000
Impairment of receivables	(677)	(8)
Revaluation / (devaluation) of property, plant and equipment	23,787	(3,495)
Finance lease revaluation	13,608	26
	<b>36,718</b>	<b>(3,477)</b>

Revaluation increment in 2020 reverses decrements previously recognised as expenses in statement of comprehensive income in respect of land assets. For recognition and measurement policy refer Notes 7, 9, 10 and 11.

#### 6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2020 \$'000	2019 \$'000
Cash at bank and on hand	44,538	48,587
	<b>44,538</b>	<b>48,587</b>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.

Restricted cash included cash at bank and on hand as at 30 June 2020 of \$42,670,591 (2019: \$46,838,027). Restricted cash is represented by funds held by the reserve trusts that are applied for their general purposes pursuant to the *Crown Lands Management Act 2016*.

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

	2020 \$'000	2019 \$'000
Cash and cash equivalents (per statement of financial position)	44,538	48,587
Closing cash and cash equivalents (per statement of cash flows)	44,538	48,587

Refer to Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.



## 7. CURRENT ASSETS – RECEIVABLES

	2020 \$'000	2019 \$'000
<b>CURRENT</b>		
Trade receivables	3,301	3,270
Less: allowance for expected credit losses	(1,795)	(1,198)
Prepayments	-	54
	<b>1,506</b>	<b>2,126</b>
 <b>Movements in the allowance for credit losses</b>		
Balance at beginning of the year	1,198	1,209
Amounts written off during the year	(80)	(19)
Increase / (decrease) in allowance recognised in net results	677	8
<b>Balance at end of year</b>	<b>1,795</b>	<b>1,198</b>

Details regarding credit risk of trade receivables, that are either past due or impaired, are disclosed in Note 17.

### Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

### Subsequent measurement

LAMC holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

### Impairment

LAMC recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that LAMC expects to receive, discounted at the original effective interest rate.

For trade receivables and crown land lease receivables, LAMC applies a simplified approach in calculating ECL's. LAMC recognises a loss allowance based on lifetime ECL's at each reporting date. LAMC has established a provision based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- increased credit risk associated with debtors as a result of poor trading conditions.
- Higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of Government and/or late payment.
- Lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

## 8. CURRENT / NON-CURRENT OTHER FINANCIAL ASSETS

	2020 \$'000	2019 \$'000
<b>CURRENT</b>		
Loans	189	35
Receivable on finance leases as lessor	317	317
	<b>506</b>	<b>352</b>
<b>NON-CURRENT</b>		
Loans	1,749	1,510
Receivable on finance leases as lessor	28,098	14,454
	<b>29,847</b>	<b>15,964</b>

Refer to Note 17 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Refer to Note 10 for further information regarding finance leases.

### Recognition and Measurement

Financial assets are initially measured at fair value plus any transaction cost.

### Subsequent Measurement

#### *Financial assets at amortised cost*

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains / (losses) together with foreign exchange gains and losses.

### Impairment

LAMC recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that LAMC expects to receive, discounted at the original effective interest rate.

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, LAMC considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. Refer Note 7.

## 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Crown land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Total \$'000
<b>At 1 July 2019- fair value</b>					
Gross carrying amount	106,829	73,545	590	9,643	190,607
Accumulated depreciation and impairment	-	(38,958)	(381)	(5,022)	(44,361)
<b>Net carrying amount</b>	<b>106,829</b>	<b>34,587</b>	<b>209</b>	<b>4,621</b>	<b>146,246</b>
<b>At 30 June 2020- fair value</b>					
Gross carrying amount	129,467	64,072	34	13,960	207,533
Accumulated depreciation and impairment	-	(35,263)	(3)	(7,419)	(42,685)
<b>Net carrying amount</b>	<b>129,467</b>	<b>28,809</b>	<b>31</b>	<b>6,541</b>	<b>164,848</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Crown land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Total \$'000
<b>Period ended 30 June 2020</b>					
Net carrying amount at start of year	106,829	34,587	209	4,621	146,246
Purchases of assets	-	28	307	143	478
Additions of right-of-use assets	-	-	-	-	-
Disposals	-	-	(11)	-	(11)
Acquisitions / (disposals) on equity transfer	(2,118)	(3,062)	(78)	(493)	(5,751)
Net revaluation increment less revaluation decrements through profit or loss	23,000	736	-	51	23,787
Net revaluation increment less revaluation decrements recognised in reserves	1,756	-	-	-	1,756
Transfer between asset classes	-	(2,193)	(359)	2,552	-
Depreciation expense	-	(1,287)	(37)	(333)	(1,657)
<b>Net Carrying amount at end of year</b>	<b>129,467</b>	<b>28,809</b>	<b>31</b>	<b>6,541</b>	<b>164,848</b>

## 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

	Crown land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Total \$'000
<b>Year ended 30 June 2019</b>					
Net carrying amount at start of year	116,507	41,231	238	5,350	163,326
Purchases of assets	466	52	-	-	518
Disposals	(7,807)	-	-	-	(7,807)
Acquisitions / (disposals) on equity transfer	(1,807)	-	-	-	(1,807)
Net revaluation increment less revaluation decrements through profit or loss	(530)	(2,674)	-	(291)	(3,495)
Net revaluation increment less revaluation decrements recognised in reserves	-	(2,353)	-	(238)	(2,591)
Depreciation expense	-	(1,669)	(29)	(200)	(1,898)
<b>Net Carrying amount at end of year</b>	<b>106,829</b>	<b>34,587</b>	<b>209</b>	<b>4,621</b>	<b>146,246</b>

Property, plant and equipment where the department is lessor under operating leases:

	Land and buildings \$'000
<b>At 1 July 2019 - fair value</b>	
Gross carrying amount	24,391
Accumulated depreciation	(3,078)
<b>Net carrying amount</b>	<b>21,313</b>
<b>At 30 June 2020 - fair value</b>	
Gross carrying amount	26,391
Accumulated depreciation	(3,840)
<b>Net carrying amount</b>	<b>22,551</b>

## 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Property, plant and equipment where the department is lessor under operating leases (cont'd):

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment subject to operating leases at the beginning and end of the current reporting year is set out below:

	Land and buildings
	\$'000
<b>Year ended 30 June 2020</b>	
Net carrying amount at beginning of year	21,313
Additions	2,409
Disposals	(342)
Net revaluation increments less revaluation decrements	(448)
Depreciation expense	(381)
<b>Net carrying amount at end of year</b>	<b>22,551</b>

	Land and buildings
	\$'000
<b>Year ended 30 June 2019</b>	
Net carrying amount at beginning of year	15,325
Additions	6,163
Equity transfer	(63)
Net revaluation increments less revaluation decrements	222
Depreciation expense	(334)
<b>Net carrying amount at end of year</b>	<b>21,313</b>

### Recognition and Measurement

#### *Acquisition of property, plant and equipment*

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 16).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

#### *Capitalisation Thresholds*

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

## 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### ***Depreciation of property, plant and equipment***

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to LAMC.

All material separately identifiable components of assets are depreciated over their shorter useful lives. Land is not a depreciable asset.

### ***Depreciation of property, plant and equipment (cont'd)***

The depreciation of buildings and infrastructure is calculated on a straight-line basis. Due to the nature and location of its activities, a useful life guide of 11 to 142 years is used for buildings, 7 to 122 years for infrastructure and 10 to 40 years for plant and equipment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

### ***Revaluation of property, plant and equipment***

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* (AASB 13) and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on the use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Refer Note 11 for further information regarding fair value.

LAMC re-values each class of property, plant and equipment with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

The last comprehensive revaluation on buildings and infrastructure was completed in March 2019 and was based on an independent assessment. Interim revaluation was completed in the 2020 financial year. Crown land has been independently valued at 31 March 2020 and updated for 30 June 2020.

The independent valuations were arrived at with particular reference to several factors including the location of the subject, property zoning, shape, contour, its utility and restrictions on use.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximated fair value. LAMC has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

## 9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### *Revaluation of property, plant and equipment (cont'd)*

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds. The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed at each financial year end.

### *Impairment of property, land and equipment*

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

LAMC assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, LAMC estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

## 10. LEASES

### *Entity as a lessor*

Various Crown land parcels are leased to tenants under finance leases and operating leases with rentals payable. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Finance lease receivable has been calculated on a per-lease basis by the application of a model developed by an external accounting firm on behalf of LAMC and in accordance with instructions by LAMC. In the calculation of the receivable, independent expert valuation advice has been received in relation to lease capitalisation rates, which are used in the valuation of land under tenure and finance lease receivables.

### **Lessor for finance leases**

Future minimum rentals receivable (undiscounted) under non-cancellable finance lease as at 30 June 2020 are, as follows:

	<b>2020</b>
	<b>\$'000</b>
Within one year	325
One to five years	1,301
Later than five years	37,693
<b>Total (exclusive GST)</b>	<b>39,319</b>

### **Reconciliation of net investment in leases**

	<b>2020</b>
	<b>\$'000</b>
Future undiscounted rentals receivable	39,319
Less: unearned finance income	(10,904)
<b>Net investment in finance leases</b>	<b>28,415</b>

The accumulated allowance for uncollectible minimum payments receivable for finance leases as at 30 June 2020 is \$nil.

Gross investment in leases and the present value of minimum lease payment receivables under non-cancellable finance lease as at 30 June 2019 were, as follows:

	<b>Gross investment</b>	<b>PV of minimum lease payments</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	325	317
One to four years	1,301	1,104
Later than five years	22,280	3,422
<b>Total (excluding GST)</b>	<b>23,906</b>	<b>4,843</b>

The accumulated allowance for uncollectible minimum payments receivable for finance leases as at 30 June 2019 was \$nil.



## . LEASES (CONT'D)

### Reconciliation of gross investment in finance leases

	<b>2019</b>
	<b>\$'000</b>
Present value of minimum lease payments	4,843
Unearned finance income	9,135
Unguaranteed residual amounts - undiscounted	9,928
<b>Gross investment in finance leases</b>	<b>23,906</b>

Leases that LAMC transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

At the lease commencement date, LAMC recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease Initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Term leases - in the case of a term lease, the land will revert at the end of the term, and the valuation of these leases has therefore been assessed for sensitivity to changes in the long-term growth rate. The table below discloses the impact that an increase or decrease of 1% in the long-term growth rate would have on the finance lease receivable.

*Sensitivity of fair value of lease receivable to changes in significant assumptions used in the valuation modelling process:*

	<b>Change</b>	<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>
Capital gain on land + 1%	+ 1%	458	458
Capital gain on land - 1%	- 1%	(346)	(346)

### Lessor for operating leases

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June 2020 are, as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	635	541
One to five years	2,404	1,958
Later than five years	6,345	5,390
<b>Total (exclusive GST)</b>	<b>9,384</b>	<b>7,889</b>

### Recognition and Measurement - lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, LAMC categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that LAMC can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

LAMC recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### (a) Fair value hierarchy

#### At 30 June 2020

	Level 1	Level 2	Level 3	Total Fair Value
Property, plant and equipment (Note 9)	\$'000	\$'000	\$'000	\$'000
Crown land	-	129,467	-	129,467
Buildings	-	-	28,809	28,809
Infrastructure	-	-	6,541	6,541
<b>Total</b>	<b>-</b>	<b>129,467</b>	<b>35,350</b>	<b>164,817</b>

#### At 30 June 2019

	Level 1	Level 2	Level 3	Total Fair Value
Property, plant and equipment (Note 9)	\$'000	\$'000	\$'000	\$'000
Crown land	-	106,829	-	106,829
Buildings	-	-	34,587	34,587
Infrastructure	-	-	4,621	4,621
<b>Total</b>	<b>-</b>	<b>106,829</b>	<b>39,208</b>	<b>146,037</b>

There were no transfers between level 1, 2 or 3 during the period.

Crown land has been valued using market evidence taking into account condition, location and comparability and is therefore categorised as level 2.

Buildings and infrastructure were valued on the basis of costs derived from quantity surveyor sourced material and from actual costs for recent capital works.

## 11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONT'D)

### (b) Reconciliation of recurring Level 3 fair value measurements

#### At 30 June 2020

Recurring Level 3 fair value measurements	Buildings	Infrastructure	Total Fair Value
	\$'000	\$'000	\$'000
<b>Fair value as at 1 July 2019</b>	34,587	4,621	39,208
Additions	28	143	171
Transfer between asset classes	(2,193)	2,552	359
Revaluation increment less revaluation decrements recognised in profit or loss	736	51	787
Acquisitions / (disposals) on equity transfer	(3,062)	(493)	(3,555)
Depreciation expense	(1,287)	(333)	(1,620)
<b>Fair value as at 30 June 2020</b>	<b>28,809</b>	<b>6,541</b>	<b>35,350</b>

#### At 30 June 2019

Recurring Level 3 fair value measurements	Buildings	Infrastructure	Total Fair Value
	\$'000	\$'000	\$'000
<b>Fair value as at 1 July 2018</b>	41,231	5,350	46,581
Additions	52	-	52
Revaluation increment less revaluation decrements recognised in profit or loss	(2,674)	(291)	(2,965)
Net revaluation increment less revaluation decrements recognised in reserves	(2,353)	(238)	(2,591)
Depreciation expense	(1,669)	(200)	(1,869)
<b>Fair value as at 30 June 2019</b>	<b>34,587</b>	<b>4,621</b>	<b>39,208</b>

The fair value assessment of non-financial assets at 30 June 2020 also considered the impact of recent natural disasters and COVID-19 as follows:

**Crown Land:** Based on the information gathered from specialist agribusiness sales agents, PRD nationwide network in NSW and assessment of land sales evidence by independent valuer from several sources (including RP Data, the Australian Bureau of Statistics and market assessment), the independent revaluation assessed that there was no evidence of material movement in land values as a result of these events. While there may be isolated pockets of land that is seeing some reduction, overall this was not being extrapolated to lands similar to LAMC's land portfolio. Management assessed that this evaluation by an external valuer to be reasonable.

**Buildings:** The independent valuer advised that at 30 June 2020 it is too early to assess the likely impact of COVID-19 on construction costs. It is likely that supply chains will be disrupted in the short run if there is a high dependence on materials from overseas and/or higher priority to supply other industries, such as medical. However, LAMC does not have a high degree of dependence on materials sourced from overseas, which are likely to be disrupted by COVID-19. Labour has also become more available due to rising unemployment. Management assessed the above evaluation by independent valuer to be reasonable.

**Infrastructure:** The independent valuer advised that though COVID-19 is reportedly having notable effects on liquid markets (level 1 assets) and the economy, it is yet to fully present measurable threat/movement to the construction markets. He also advised that while a likely movement caused by this event in the construction and property industries is anticipated at some stage into the future, however with the event being recent and assumed short duration, any adjustments at 30 June 2020 were considered minor until further data becomes available. Management assessed the above evaluation by independent valuer to be reasonable.

## 12. CURRENT LIABILITIES – PAYABLES

	2020 \$'000	2019 \$'000
<b>CURRENT</b>		
Creditors	-	53
Accruals	339	4,662
Sinking fund and other	454	219
Net GST	125	135
	<b>918</b>	<b>5,069</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 17.

### Recognition and measurement

Payables represent liabilities for goods and services provided to LAMC and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

### 13. CURRENT LIABILITIES – PROVISIONS

	2020 \$'000	2019 \$'000
<b>CURRENT</b>		
Contribution to Crown Entity	118	1,473
Recreational leave	-	20
Superannuation	-	4
	<b>118</b>	<b>1,497</b>
 <b><i>Movement in the contribution to Crown Entity</i></b>		
Carrying amount at beginning of financial year	1,473	1,048
Additional provisions recognised	118	425
Amounts used	(1,473)	-
<b>Carrying amount at end of financial year</b>	<b>118</b>	<b>1,473</b>

#### Recognition and Measurement

##### ***Employee benefits and related on-costs***

##### ***Salaries and wages, annual leave and sick leave***

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

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

##### ***Other provisions***

Provisions are recognised when LAMC has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When LAMC expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the statement of comprehensive income.

If the effect of the time value of money is material, provisions are discounted at an appropriate percentage, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. There were no provisions as at balance date with material time value of money (2019:Nil).

## 14. CURRENT LIABILITIES – OTHER

	2020 \$'000	2019 \$'000
<b>CURRENT</b>		
Unearned income	347	740
	<b>347</b>	<b>740</b>

Unearned income represents funds received for leases on reserves for future periods.

## 15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2020 \$'000	2019 \$'000
<b>Net cash flows used on operating activities</b>	<b>(3,437)</b>	<b>2,863</b>
Depreciation and amortisation	(1,657)	(1,898)
Non-cash grants	(23)	(7,321)
Decrease / (increase) in provisions	1,379	554
Increase / (decrease) in receivables	(679)	(128)
Increase / (decrease) in other financial assets	647	36
Decrease / (increase) in payables	4,210	(4,240)
Decrease / (Increase) in other liabilities	393	(137)
Net gain / (loss) on sale of plant and equipment	(11)	(10)
Other gain / (loss)	37,395	(3,477)
<b>Net result</b>	<b>38,217</b>	<b>(13,758)</b>

## 16. EQUITY

### **Revaluation surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with LAMC's policy on the revaluation of property, plant and equipment as discussed in Note 9.

### **Accumulated funds**

The category 'accumulated funds' includes all current and prior period retained funds.

### **Reserves**

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

### **Equity transfers**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Assets transferred to the Department of Planning, Industry and Environment		
Land	(2,118)	(562)
Finance lease receivable	-	(490)
Reserve land management - asset & liabilities	(3,962)	(1,244)
<b>Total equity transfers</b>	<b>(6,080)</b>	<b>(2,296)</b>

Transfers of land with controlled entities of the NSW Government are recognised as equity transfers in accordance with TPP09-03 Accounting Policy: *Contributions by owners made to wholly-owned Public Sector Entities*.

### **Recognition and measurement**

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

All other equity transfers are recognised at fair value.

## 17. FINANCIAL INSTRUMENTS

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

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

The Deputy Secretary Crown lands has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse risks faced by LAMC, to set risk limits and controls to monitor risks. Compliance with policies is reviewed by the LAMC on a regular basis.

### (a) Financial instrument categories

Financial assets	Note	Category	Carrying amount 2020 \$'000	Carrying amount 2019 \$'000
<b>Class:</b>				
Cash and cash equivalents	6	Amortised cost	44,538	48,587
Receivables <sup>1</sup>	7	Amortised cost	1,506	2,072
Other financial assets	8	Amortised cost	30,353	16,316
Financial liabilities	Note	Category	Carrying amount 2020 \$'000	Carrying amount 2019 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	12	Financial liabilities measured at amortised cost	793	4,934

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

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

### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if LAMC transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- LAMC has transferred substantially all the risks and rewards of the asset; or
- LAMC has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

Where LAMC has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of LAMC's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.



## 17. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Financial Risks

#### (i) Credit Risk

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

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

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

#### *Cash and cash equivalents*

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

#### *Accounting policy for impairment of trade receivables and other financial assets*

#### *Receivables - trade receivables*

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

LAMC applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery.

The loss allowance for trade receivables as at 30 June 2020 and 30 June 2019 was determined as follows:

	30 June 2020					Total \$'000
	Current \$'000	<30 days \$'000	30-60 days \$'000	61-90 days \$'000	>91 days \$'000	
Expected credit loss rate	16.93%	40.23%	35.29%	57.79%	69.15%	
Estimated total gross carrying amount at default	1,057	522	17	526	1,585	3,707
Expected credit loss	179	210	6	304	1,096	1,795
	30 June 2019					Total \$'000
	Current \$'000	<30 days \$'000	30-60 days \$'000	61-90 days \$'000	>91 days \$'000	
Expected credit loss rate	0.94%	9.68%	35.65%	30.55%	87.26%	
Estimated total gross carrying amount at default	764	46	10	34	1,344	2,198
Expected credit loss	7	4	4	10	1,173	1,198

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7.

LAMC is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020.

## 17. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Financial Risks (cont'd)

#### (ii) Liquidity Risk

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

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. LAMC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, LAMC may automatically pay the supplier simple interest. No interest was applied during the year (2019– Nil).

The table below summaries the maturity profile of LAMC's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities:

	Weighted Average Effective Int. Rate	Interest Rate Exposure			Non- interest bearing	Maturity Dates		
		Nominal Amount <sup>1</sup>	Fixed Interest Rate	Variable Interest Rate		< 1 year	1 -5 years	> 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>								
Payables	0.00%	793	-	-	793	793	-	-
<b>2019</b>								
Payables	0.00%	4,934	-	-	4,934	4,934	-	-

<sup>1</sup> The amounts disclosed are the contractual undiscounted cashflows of each class of financial liability based on the earliest date on which LAMC can be required to pay.

## 17. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Financial Risks (cont'd)

#### (iii) Market Risk

Market risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in market prices. LAMC's exposure to market risk is primarily through interest rate risk on LAMC's cash held. LAMC has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which LAMC operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through LAMC's interest bearing liabilities.

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

LAMC's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
<b>2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	44,538	(445)	(445)	445	445
Receivables	1,506	(15)	(15)	15	15
Other financial assets	30,353	(304)	(304)	304	304
<b>Financial liabilities</b>					
Payables	793	(8)	(8)	8	8
<b>2019</b>					
<b>Financial assets</b>					
Cash and cash equivalents	48,587	(486)	(486)	486	486
Receivables	2,072	(21)	(21)	21	21
Other financial assets	16,316	(163)	(163)	163	163
<b>Financial liabilities</b>					
Payables	4,934	(49)	(49)	49	49

### (d) Fair value measurement

Financial instruments are generally recognised at cost.

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

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## 18. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

### Net result

Net result was higher than budget by \$42.4million. This was primarily due to the significant movement in other gains with asset revaluation (\$23.8 million) and finance leases revaluation (\$13.6million). Asset revaluations were recognised through the statement of comprehensive income as it reversed decrements recognised in previous year. The fair value increase in finance lease, recognised through the statement of comprehensive income, was primarily due to increments in the value of underlying land asset. Expenses were \$0.69million lower than budget due to reduced expenses relating to reserve trust transfers. Revenue was \$4.85 million higher than was budgeted due to lower than expected land transfers free of cost.

### Asset and liabilities

Net assets were \$40 million higher than the budget. This was due to fixed assets and finance lease receivable revaluations, which were not budgeted and higher cash, primarily due to reduced grant payments. This was partly offset by lower receivables and transfer of land and net assets of two reserve trusts to the Department of Planning, Industry and Environment during the year.

### Cash flows

The net cash movement was a slight unfavourable variance of \$0.3million, consistent with the variances in cash related items in statement of comprehensive income and balance sheet.

## 19. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

LAMC is not aware of any contingent assets or contingent liabilities as at balance date (2019: Nil).

## 20. COMMITMENTS

LAMC did not have any capital or lease commitments at the balance date (2019: Nil).

## 21. RELATED PARTY DISCLOSURE

During the year, LAMC did not incur any expenses in respect of key management personnel services that are provided by the Department of Planning, Industry and Environment (2019: \$18,326).

During the year, LAMC did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, LAMC entered into transactions with other entities that are controlled/jointly controlled/ significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of LAMC's revenue and expenses, and the nature of these significant transactions are detailed below:

Entity	Nature of Transaction
Department of Planning, Industry and Environment	Provision of administrative, secretarial support and operational assistance
Forestry Corporation of NSW	Provision of leased land
Port Authority of NSW	Provision of leased land
NSW Transport	Provision of leased land
NSW Police Force	Provision of leased land
NSW Rural Fire Service	Provision of leased land
Health Administration Corporation	Provision of leased land
Department of Community Safety	Provision of leased land
Hunter Water Corporation	Provision of leased land
Trust Boards of numerous Reserve Trusts	Transfer of assets and liabilities upon revocation as Manager
NSW Treasury	Crown revenue remittance

## 22. EVENTS AFTER THE REPORTING PERIOD

As at 30 June 2020, LAMC assessed the impact of COVID-19 on the fair value of its non-current physical and financial assets. These assets include land, buildings, infrastructure, receivables, loans provided, finance leases, lease liabilities and lease assets. This was based on historical sales information, expectation of macroeconomic conditions and outlook at the time of assessment. Given continued uncertainty of the COVID-19 factor, it is possible that post 30 June 2020 there may be some new evidence that impacts this fair value assessment materially.

There are no other known events that would impact on the state of LAMC or have a material impact on the financial statements.

**End of audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### NSW Land and Housing Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the NSW Land and Housing Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## Other Information

The annual report of the Department of Planning, Industry and Environment (the Department) for the year ended 30 June 2020 includes other information in addition to the financial statements of the Corporation and my Independent Auditor's Report thereon. The Secretary of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by the Secretary.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Secretary's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Secretary is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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

A handwritten signature in dark ink, reading "S Bond .". The signature is written in a cursive, slightly informal style.

Sally Bond  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

22 September 2020  
SYDNEY



# **NSW Land and Housing Corporation**

## **Financial Statements**

### **For the Year ended**

**30 June 2020**

## STATEMENT BY THE SECRETARY

### For and on behalf of the NSW LAND AND HOUSING CORPORATION

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that in my opinion the accompanying financial statements of the NSW Land and Housing Corporation:

1. exhibit a true and fair view of the financial position of the NSW Land and Housing Corporation as at 30 June 2020 and its financial performance for the period ended; and
2. have been prepared in accordance with the Australian Accounting Standards (which includes Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and Treasurer's Directions issued under the Act.

I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Jim Betts  
Secretary of the Department of Planning, Industry and Environment  
For and on behalf of  
NSW Land and Housing Corporation  
10 September 2020

# NSW LAND AND HOUSING CORPORATION

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>Revenue</b>			
Rent and other tenant charges	2	776 602	852 431
Grants and other contributions	3	156 869	95 584
Investment revenue	4	3 324	5 465
Revenue from contracts with customers	5	10 160	12 232
Other income	6	23 649	17 307
<b>Total revenue</b>		<b>970 604</b>	<b>983 019</b>
<b>Expenses excluding losses</b>			
Repairs and maintenance	7	311 704	324 016
Council related charges		119 136	133 761
Water charges		81 353	94 274
Tenancy management	1e)	102 676	110 660
Personnel services	8	65 918	64 744
Depreciation and amortisation	10	542 598	501 001
Grants and subsidies	11	3 000	3 000
Finance costs	12	50 537	50 115
Other expenses	9	110 043	157 745
<b>Total expenses excluding losses</b>		<b>1 386 965</b>	<b>1 439 316</b>
<b>Operating result</b>		<b>(416 361)</b>	<b>(456 297)</b>
Loss on disposal of assets	13	(49 073)	(47 114)
Other losses	14	(2 813)	(4 728)
<b>NET RESULT</b>		<b>(468 247)</b>	<b>(508 139)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to net result in subsequent periods:</i>			
Net (decrease)/increase in property, plant and equipment asset revaluation reserve	20(i),(ii)	(1 764 525)	110 996
<b>Total other comprehensive income</b>		<b>(1 764 525)</b>	<b>110 996</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(2 232 772)</b>	<b>(397 143)</b>

The accompanying notes form part of these financial statements.

**NSW LAND AND HOUSING CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	393 527	458 270
Receivables	16	47 324	34 076
Other financial assets	17	129	155
Other	18	10 427	4 623
Non-current assets held for sale	19	40 734	55 642
<b>Total Current Assets</b>		<b>492 141</b>	<b>552 766</b>
<b>Non-Current Assets</b>			
Receivables	16	430 000	-
Other financial assets	17	474	521
Property, plant and equipment	20	51 369 200	54 035 646
Right-of-use assets	22	77 616	-
Intangible assets	23	2 681	1 974
<b>Total Non-Current Assets</b>		<b>51 879 971</b>	<b>54 038 141</b>
<b>TOTAL ASSETS</b>		<b>52 372 112</b>	<b>54 590 907</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	24	194 603	253 867
Borrowings	25	61 739	27 839
Provisions	26	6 633	6 530
Contract liabilities	28	19 183	-
<b>Total Current Liabilities</b>		<b>282 158</b>	<b>288 236</b>
<b>Non-Current Liabilities</b>			
Borrowings	25	619 570	610 896
Other	27	-	11 121
Contract liabilities	28	22 502	-
<b>Total Non-Current Liabilities</b>		<b>642 072</b>	<b>622 017</b>
<b>TOTAL LIABILITIES</b>		<b>924 230</b>	<b>910 253</b>
<b>NET ASSETS</b>		<b>51 447 882</b>	<b>53 680 654</b>
<b>EQUITY</b>			
Revaluation reserves		41 327 847	43 746 184
Accumulated funds		10 120 035	9 934 470
<b>TOTAL EQUITY</b>		<b>51 447 882</b>	<b>53 680 654</b>

The accompanying notes form part of these financial statements.

**NSW LAND AND HOUSING CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>2020</b>				
<b>Balance at 1 July</b>		9 934 470	43 746 184	53 680 654
<b>Net result for the year</b>		(468 247)	-	(468 247)
<b>Other Comprehensive Income:</b>				
Net decrease in property, plant and equipment asset valuations	20(i)	-	(1 764 525)	(1 764 525)
<b>Total other comprehensive income</b>		-	(1 764 525)	(1 764 525)
<b>Total comprehensive income for the year</b>		(468 247)	(1 764 525)	(2 232 772)
<b>Transfer between equity items:</b>				
Transfers on disposal of assets		653 812	(653 812)	-
<b>Total transfer between equity items</b>		653 812	(653 812)	-
<b>Balance at 30 June</b>		<b>10 120 035</b>	<b>41 327 847</b>	<b>51 447 882</b>
<b>2019</b>				
<b>Balance at 1 July</b>		10 079 693	43 998 104	54 077 797
<b>Net result for the year</b>		(508 139)	-	(508 139)
<b>Other Comprehensive Income:</b>				
Net increase in property, plant and equipment asset valuations	20(ii)	-	110 996	110 996
<b>Total other comprehensive income</b>		-	110 996	110 996
<b>Total comprehensive income for the year</b>		(508 139)	110 996	(397 143)
<b>Transfer between equity items:</b>				
Transfers on disposal of assets		362 916	(362 916)	-
<b>Total transfer between equity items</b>		362 916	(362 916)	-
<b>Balance at 30 June</b>		<b>9 934 470</b>	<b>43 746 184</b>	<b>53 680 654</b>

The accompanying notes form part of these financial statements.

# NSW LAND AND HOUSING CORPORATION

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>Cash flows from Operating Activities</b>			
<b>Receipts</b>			
Rent and other tenant charges		775 078	842 395
Grants and other contributions		156 869	95 584
Interest received		3 324	5 465
Revenue from contracts with customers		10 160	12 232
Other		27 101	13 452
<b>Total receipts</b>		<b>972 532</b>	<b>969 128</b>
<b>Payments</b>			
Property and residential tenancy		(604 114)	(613 737)
Tenancy management		(102 676)	(110 660)
Personnel Services		(62 081)	(58 772)
Finance costs		(35 700)	(36 332)
Grants and subsidies		(3 000)	(3 000)
Other		(83 786)	(62 379)
<b>Total payments</b>		<b>(891 357)</b>	<b>(884 880)</b>
<b>Net cash flows from Operating Activities</b>	32	<b>81 175</b>	<b>84 248</b>
<b>Cash flows from Investing Activities</b>			
<b>Receipts</b>			
Proceeds from sale of property, plant and equipment		223 334	323 222
<b>Total receipts</b>		<b>223 334</b>	<b>323 222</b>
<b>Payments</b>			
Purchase of property, plant and equipment		(306 938)	(316 289)
<b>Total payments</b>		<b>(306 938)</b>	<b>(316 289)</b>
<b>Net cash flows from Investing Activities</b>		<b>(83 604)</b>	<b>6 933</b>
<b>Cash flows from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from borrowings		-	120 000
<b>Total receipts</b>		<b>-</b>	<b>120 000</b>
<b>Payments</b>			
Repayments of borrowings		(31 398)	(31 363)
Payment of principal portion of lease liabilities		(30 916)	-
<b>Total payments</b>		<b>(62 314)</b>	<b>(31 363)</b>
<b>Net cash flows from Financing Activities</b>		<b>(62 314)</b>	<b>88 637</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(64 743)</b>	<b>179 818</b>
Opening cash and cash equivalents		458 270	278 452
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	15	<b>393 527</b>	<b>458 270</b>

The accompanying notes form part of these financial statements.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Reporting Entity

The NSW Land and Housing Corporation (LAHC) is a NSW Government entity with no controlled entities. It is a Statutory Body and is controlled by the State of NSW, as its ultimate parent.

LAHC is a *not-for-profit* entity as profit is not its principal objective and it has no cash generating units. It administers the *Housing Act 2001* (Housing Act) and its principal objective is to manage the State's housing portfolio on behalf of the New South Wales Government. In addition, LAHC administers the Housing Reserve Fund (HRF) which was established by the *Home Purchase Assistance Authority (HPAA) Act of 1993* and is now incorporated into the Housing Act.

From 1 July 2019, LAHC is a member of the Department of Planning, Industry and Environment (DPIE) cluster of agencies, but is not controlled by DPIE for financial reporting purposes. The financial statements of LAHC are consolidated with the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the Secretary of the Department of Planning, Industry and Environment on 10 September 2020.

### b) Basis of Preparation

LAHC's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- (ii) the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulations 2015*; and
- (iii) Treasurer's Directions issued under the Act.

Property, plant and equipment, assets held for sale and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimates made by management are disclosed in the relevant notes to the financial statements. Estimates and underlying assumptions are reviewed on an on-going basis.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is LAHC's presentation and functional currency.

### c) Statement of Compliance

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****d) Accounting for the Goods and Services Tax (GST)**

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

- (i) the amount of GST incurred by LAHC as a purchaser, that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item's expense; and
- (ii) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**e) Tenancy management**

Under the partnership agreement between DPIE and Department of Communities and Justice (formerly Department of Family and Community Services), LAHC engages Department of Communities and Justice (DCJ) to undertake tenancy management services including establishing and maintaining tenancies, management of tenant complaints and appeals, collection of rent and other charges, investigation of and drafting of responses to Ministerial and other enquires regarding delivery of services.

**f) Equity and reserves**

- (i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements arising from the revaluation of non-current assets. This is in accordance with LAHC's accounting policy on the revaluation of property, plant and equipment as discussed in note 20.

- (ii) Accumulated funds

Accumulated funds includes all current and prior periods' net results.

- (iii) Equity transfers

In accordance with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners made to Wholly-owned Public Sector Entities*, the transfer of net assets between NSW public sector entities as a result of an administrative restructure, within government, is designated as a contribution by owners and recognised as an adjustment to accumulated funds.

Transfers arising from an administrative restructure between not-for-profit and for-profit government entities are recognised at the amount at which they were recognised by the transferor department immediately prior to the restructure. In most instances, this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised by the transferor at amortised cost because there is no active market, LAHC recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, no asset is recognised by LAHC.

**g) Comparative information**

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



**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****h) New Australian Accounting Standards and Interpretations**

- (i) Effective for the first time in 2019-20

LAHC applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019-20, but do not have an impact on LAHC's financial statements.

**a. AASB 15 Revenue from Contracts with Customers**

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which LAHC expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires LAHC to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with its customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, LAHC has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. There is no material impact to LAHC on adopting the five-step model, prescribed by the standard. Disclosure of revenue arising from contracts with customers is provided in note 5.

The effect of adopting AASB 15 is as follows:

Impact on Statement of Financial Position (increase/(decrease)):

	Notes	30 June 2020 \$'000 AASB 15	30 June 2020 Without adoption of AASB 15	30 June 2020 Impact of AASB 15
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	24		19 183	(19 183)
Contract liabilities	28	19 183		19 183
<b>Non-Current Liabilities</b>				
Other	27		22 502	(22 502)
Contract liabilities	28	22 502		22 502
<b>Total adjustment to equity</b>				-

The adoption of AASB 15 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows for the financial year.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****h) New Australian Accounting Standards and Interpretations**

(i) Effective for the first time in 2019-20 (continued)

**b. AASB 1058 *Income of Not-for-Profit Entities***

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable LAHC to further its objectives and volunteer services. AASB 1058 adopts a residual approach, meaning that LAHC first applies other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income under AASB 1058. LAHC needs to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer are satisfied, for transfers to enable LAHC to acquire or construct a recognisable non-financial asset that will be controlled by LAHC; or
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, LAHC has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. There is no material impact to LAHC on adopting AASB 1058.

The adoption of AASB 1058 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows for the financial year.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****h) New Australian Accounting Standards and Interpretations (continued)****(i) Effective for the first time in 2019-20 (continued)****c. AASB 16 Leases**

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where LAHC is the lessor.

Lessee accounting

AASB 16 requires LAHC to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, LAHC recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or LAHC's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

As mandated by NSW Treasury, LAHC has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the incremental borrowing rate as prescribed by NSW Treasury at the date of initial application. The incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.42% and will be updated biannually, unless a significant change has incurred during the intervals.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at 30 June 2019.

For leases previously classified as finance leases, LAHC recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

LAHC elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****h) New Australian Accounting Standards and Interpretations (continued)****(i) Effective for the first time in 2019-20 (continued)**

In applying AASB 16 for the first time, the following practical expedients are permitted by the standard and mandated by NSW Treasury:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4;
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- not recognise a lease liability and right-of-use asset for short-term leases and low-value assets;
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adoption AASB 16 as at 1 July 2019 increase/ (decrease) is, as follows:

	<b>\$'000</b>
<b>Assets</b>	
Property, plant and equipment	(18 351)
Right-of-use assets	70 490
<b>Total assets</b>	<b>52 139</b>
<b>Liabilities</b>	
Borrowings	52 139
<b>Total liabilities</b>	<b>52 139</b>

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

Operating lease commitments* as at 30 June 2019	63 637
(Less): commitments relating to short-term leases	(10 758)
	52 879
Incremental borrowing rate as at 1 July 2019	1.42%
Discounted operating lease commitments as at 1 July 2019	52 139
Lease liabilities as at 1 July 2019	<b>52 139</b>

\*The commitments relate to an input taxed activity where GST cannot be claimed from the ATO.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****h) New Australian Accounting Standards and Interpretations (continued)****(ii) Issued but not yet effective**

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards (AAS), unless Treasury determines otherwise. The following new AAS have not been applied and are not yet effective:

<b>Standard</b>	<b>Summary of key requirements/ changes</b>	<b>Applicable to annual reporting periods beginning on or after</b>	<b>Expected impact to LAHC on initial application</b>
AASB 2018-7 <i>Amendments to Australian Accounting Standards - Definition of Material</i>	Clarifies the definition of material and aligns it across AASB Standards and other publications. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.	1 Jan 2020	Initial application of this standard is not expected to result in material changes to LAHC's financial statements.
AASB 2019-1 <i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i>	Amends the Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the revised Conceptual Framework for Financial Reporting (Conceptual Framework).	1 Jan 2020	Initial application of this standard is not expected to result in material changes to LAHC's financial statements.
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	Amends AASB 101 to clarify requirements for the presentation of liabilities in the Statement of Financial Position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.	1 Jan 2022	Initial application of this standard is not expected to have material impact to LAHC's existing classification of current or non-current liabilities.  However, further assessment of liability classification will be undertaken in 2021-22 FY.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****h) New Australian Accounting Standards and Interpretations (continued)****(ii) Issued but not yet effective (continued)**

The following new standards issued but not yet effective are not applicable to LAHC and thus, have no impact on LAHC's accounting policy:

- AASB 17 *Insurance Contracts*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059*
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2019-2 *Amendments to Australian Accounting Standards – Implementation of AASB 1059*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- AASB 2019-7 *Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 2: RENT AND OTHER TENANT CHARGES

	2020 \$'000	2019 \$'000
Market rent and other tenant charges (notional)	1 897 729	2 020 538
Less: rental subsidies to tenants (notional)	(1 155 246)	(1 205 709)
Water usage charges	34 119	37 602
<b>Total rent and other tenant charges</b>	<b>776 602</b>	<b>852 431</b>

#### Recognition and Measurement

Rent and other tenant charges is LAHC's income as a lessor of operating leases. As lessor accounting under AASB 16 is substantially unchanged from AASB 117, LAHC continues to recognise them on a straight line basis over the term of the lease. Accounting policies for the specific types of rental income are discussed below.

#### Social housing

LAHC is required to estimate the market rent applicable to the properties it owns. Social housing tenants are required to pay a rent amount equivalent to a pre-determined percentage of their household income that is subject to periodical reviews. The difference between market rent recognised and the rent payable by the tenants is referred to as a rental subsidy and accounted for as a notional offset to the market rent.

#### Community housing

LAHC enters into lease agreements with registered community housing providers, with varying lease terms at a nominal rent of \$1 per annum. No revenue is recognised due to the nature of these leases.

#### NOTE 3: GRANTS AND OTHER CONTRIBUTIONS

Grants with sufficiently specific performance obligations:

Department of Planning, Industry and Environment (DPIE)	5 400	3 487
Department of Communities and Justice (DCJ)	1 262	-
Sydney Water	171	-

Grants without sufficiently specific performance obligations:

Department of Planning, Industry and Environment (DPIE) (i)	17 267	-
Department of Communities and Justice (DCJ) (ii)	132 769	92 097

**Total grants and other contributions**

**156 869 95 584**

(i) COVID-19 Stimulus funding of \$12.3 million received to support additional cleaning of public infrastructure and \$5.0 million received to support loss of rental income.

(ii) Includes COVID-19 Stimulus funding of \$47.0 million received to support targeted planned and preventative maintenance programs and annual grants received for programs such as head leasing, repairs & maintenance on crisis accommodation and capital works.

#### Recognition and Measurement

##### Until 30 June 2019

Government grants are recognised as revenue when LAHC gains control over the grants. Control is normally obtained when cash is received. They are measured at the fair value of the consideration or contribution received or receivable.

##### From 1 July 2019

Revenue from grants with sufficiently specific performance obligations is recognised when LAHC satisfies a performance obligation by transferring the promised goods or services as specified under the relevant agreements. Revenue from these grants is recognised based on the amounts specified in the agreements to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied. Income from grants without sufficiently specific performance obligations is recognised when LAHC obtains control over the granted assets, usually when cash is received.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 4: INVESTMENT REVENUE

	2020 \$'000	2019 \$'000
Interest earned by LAHC:		
Bank deposits	3 207	5 326
Other	117	139
<b>Total investment revenue</b>	<b>3 324</b>	<b>5 465</b>

#### Recognition and Measurement

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

#### NOTE 5: REVENUE FROM CONTRACTS WITH CUSTOMERS

Rendering of services:

Project management fees	1 722	3 896
Property management fees	2 451	2 451
Contract settlement proceeds	5 987	5 885
<b>Total revenue from contracts with customers</b>	<b>10 160</b>	<b>12 232</b>

#### Recognition and Measurement

Until 30 June 2019

Revenue from rendering of services is recognised on an accrual basis when services are provided and measured at the fair value of the consideration or contribution received or receivable.

From 1 July 2019

Revenue from rendering of services is recognised when LAHC satisfies its performance obligation by transferring the promised services as specified under the relevant contracts between LAHC and its customers. They are measured at the transaction price agreed under the contract. Depending on the term of the contracts, revenue can be recognised over time (based on labour hours and actual costs incurred to date for project management fees or pro-rata monthly for property management fees) or at a point in time (for contract settlement proceeds). No element of financing is deemed present as payments are due when service is provided.

Refer to note 28 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when LAHC expects to recognise the unsatisfied portion as revenue.

#### NOTE 6: OTHER INCOME

Long service leave accepted by the Crown (note 8)	3 500	4 143
Superannuation - defined benefit plan accepted by the Crown (note 8)	1 179	
Property related	1 732	2 920
Sundry	17 238	9 270
<b>Total other income</b>	<b>23 649</b>	<b>17 307</b>

#### Recognition and Measurement

LAHC's long service leave and superannuation defined benefit are assumed by the Crown and therefore, are recognised as revenue in accordance with TC18-13 *Accounting for Long Service Leave and Annual Leave*.

As sundry income is received without sufficiently specific performance obligations, it is recognised under AASB 1058 when LAHC obtains control over the granted assets.



# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 7: REPAIRS AND MAINTENANCE

	2020 \$'000	2019 \$'000
Residential properties	310 975	323 238
Commercial properties	421	715
Other	308	63
<b>Total repairs and maintenance</b>	<b>311 704</b>	<b>324 016</b>

#### Recognition and Measurement

LAHC expenses the cost of routine repairs and maintenance as incurred to maintain its property portfolio at certain standards, except where they relate to the replacement or an enhancement of a part or component of an asset in which case the costs are capitalised and depreciated.

#### NOTE 8: PERSONNEL SERVICES

Salaries	48 486	45 498
Annual leave and leave loading	4 876	4 848
Long service leave accepted by the Crown (note 6)	3 500	4 143
Superannuation - defined benefit plan accepted by the Crown (note 6)	1 179	974
Superannuation - defined contribution plan	3 769	4 905
Workers compensation insurance	399	439
Payroll tax and fringe benefits tax	3 622	3 826
Other	87	111
<b>Total personnel services</b>	<b>65 918</b>	<b>64 744</b>

#### Recognition and Measurement

The personnel services expense is the expense incurred by LAHC on personnel services provided to it by DPIE. As LAHC is not an employer, the disclosure requirements of AASB 119 *Employee Benefits* in respect of employee benefits do not apply. Accordingly, LAHC does not recognise any provision for employee entitlements. The cost of personnel services reported in note 8 is net of a capitalised cost of \$11.0 million (2019: \$9.9 million). Refer to note 20 for accounting policy on capitalised personnel services.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 9: OTHER EXPENSES

	2020 \$'000	2019 \$'000
Management and other fees	18 473	21 239
Operating lease rental expense - minimum lease payments (i)	-	61 015
Expense relating to short-term leases (ii)	24 908	-
Property related expenses	13 270	13 324
Motor vehicle, travel & telecommunications	1 791	2 074
Professional services and contractors	25 250	29 019
Auditor's remuneration - audit of the financial statements	411	400
Other audit assurance services	348	291
Shared services (iii)	14 579	14 224
Other	11 013	16 159
<b>Total other expenses</b>	<b>110 043</b>	<b>157 745</b>

#### Recognition and Measurement

- (i) Operating lease rental expense - minimum lease payments  
LAHC leases residential properties from the private market to supplement its housing stock in order to support client demand for social housing. These leased residential properties are sub-let to eligible clients. Up to 30 June 2019, all operating lease payments are recognised as an expense on a straight-line basis over the lease term in the Statement of Comprehensive Income.
- (ii) Expense relating to short-term leases  
From 1 July 2019, only those leases that meet the AASB 16 definition of short term (i.e. where the lease term at commencement of the lease is 12 months or less) or the underlying asset is of low value when new (i.e. \$10,000 or less) are recognised as an expense on a straight-line basis over the lease term in the Statement of Comprehensive Income.
- (iii) Shared services  
The services provided to LAHC by DCJ (under its partnership agreement with DPIE) include corporate support services in respect of finance transactions, information technology and human resource functions. Expenses are recognised on an accrual basis and measured at the fair value of the consideration paid or payable.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 10: DEPRECIATION AND AMORTISATION

	2020 \$'000	2019 \$'000
<b>Depreciation</b>		
Residential properties	509 910	495 055
Commercial properties	353	341
Community purpose built properties	537	492
Controlled assets under lease	-	2 695
Right-of-use assets	30 558	-
Computer hardware	6	15
Office furniture and equipment	1	2
Leasehold improvements	618	556
<b>Total depreciation</b>	<b>541 983</b>	<b>499 156</b>
<b>Amortisation</b>		
Intangible assets	615	1 845
<b>Total amortisation</b>	<b>615</b>	<b>1 845</b>
<b>Total depreciation and amortisation</b>	<b>542 598</b>	<b>501 001</b>

#### Recognition and Measurement

Refer to note 20 and 23 for recognition and measurement policies on depreciation and amortisation.

#### NOTE 11: GRANTS AND SUBSIDIES

DCJ - other programs	3 000	3 000
<b>Total grants and subsidies expense</b>	<b>3 000</b>	<b>3 000</b>

#### NOTE 12: FINANCE COSTS

Interest expense from financial liabilities at amortised cost:

State advances – Commonwealth loans	42 750	43 917
NSW Treasury Corporation (TCorp) loans	6 577	7 032
State advance – Crown Entity	1 751	423
Other loans	219	241
Amortisation of discount on TCorp loans	(1 607)	(1 498)
Interest expense from lease liabilities (note 22)	847	-
<b>Total finance costs</b>	<b>50 537</b>	<b>50 115</b>

#### Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. They are recognised as expenses in the period in which they are incurred.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 13: LOSS ON DISPOSAL OF ASSETS

	2020 \$'000	2019 \$'000
<b>(i) Sale of assets</b>		
<b><i>Residential properties</i></b>		
Sale proceeds	151 509	169 525
Less: selling expenses	(6 277)	(11 048)
Net proceeds	145 232	158 477
Less: carrying amount of assets sold	(153 973)	(186 833)
<b>(Loss)</b>	<b>(8 741)</b>	<b>(28 356)</b>
<b><i>Community Purpose Properties</i></b>		
Sale proceeds	-	690
Less: selling expenses	-	(8)
Net proceeds	-	682
Less: carrying amount of assets sold	-	(602)
<b>Gain</b>	<b>-</b>	<b>80</b>
<b><i>Land</i></b>		
Sale proceeds	33 672	55 575
Less: selling expenses	(1 977)	(274)
Net proceeds	31 695	55 301
Less: carrying amount of assets sold	(28 243)	(62 006)
<b>Gain/(Loss)</b>	<b>3 452</b>	<b>(6 705)</b>
<b>Total asset sales of property, plant and equipment</b>		
Sale proceeds	185 181	225 790
Less: selling expenses	(8 254)	(11 330)
Net proceeds	176 927	214 460
Less: carrying amount of assets sold (note 20 (i) & (ii))	(182 216)	(249 441)
<b>(Loss)</b>	<b>(5 289)</b>	<b>(34 981)</b>
<b>(ii) Assets demolished</b>		
Carrying amount of demolished properties (note 20 (i) & (ii))	<b>(30 922)</b>	<b>(43 218)</b>
In accordance with LAHC's strategic asset management program, properties that meet certain criteria may be demolished for redevelopment.		
<b>(iii) Assets written off and impaired</b>		
Property, plant and equipment (note 20 (i) & (ii))	(4 823)	(3 335)
Impairment – non-current assets classified as held for sale (note 19 (i) )	(858)	(1 321)
<b>Assets written off and impaired</b>	<b>(5 681)</b>	<b>(4 656)</b>
<b>Loss on disposal of property, plant and equipment</b>	<b>(41 892)</b>	<b>(82 855)</b>

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 13: LOSS ON DISPOSAL OF ASSETS (continued)

	2020 \$'000	2019 \$'000
<i>(iv)</i> <b>Sale of assets held for sale</b>		
<b>Residential properties</b>		
Sale proceeds	43 617	99 180
Less: selling expenses	(781)	(1 119)
Net proceeds	42 836	98 061
Less: carrying amount of assets sold	(50 176)	(64 457)
<b>(Loss)/Gain</b>	<b>(7 340)</b>	<b>33 604</b>
<b>Commercial Properties</b>		
Sales proceeds	-	25
Less: selling expenses	-	-
Net proceeds	-	25
Less: carrying amount of assets sold	-	(22)
<b>Gain</b>	<b>-</b>	<b>3</b>
<b>Vacant Land</b>		
Sale proceeds	3 599	8 311
Less: selling expenses	(31)	(56)
Net proceeds	3 568	8 255
Less: carrying amount of assets sold	(3 409)	(6 121)
<b>Gain</b>	<b>159</b>	<b>2 134</b>
<b>Total sale of assets held for sale</b>		
Sale proceeds	47 216	107 516
Less: selling expenses	(812)	(1 175)
Net proceeds	46 404	106 341
Less: carrying amount of assets sold (note 19 (i))	(53 585)	(70 600)
<b>(Loss)/Gain on sale of assets held for sale</b>	<b>(7 181)</b>	<b>35 741</b>
<b>Total loss on disposal of assets</b>	<b>(49 073)</b>	<b>(47 114)</b>

#### Recognition and Measurement

The gain or loss on disposal of assets is recognised in the Statement of Comprehensive Income when LAHC transfers the risks or rewards of the asset for a reliably measurable price and it is probable that LAHC will receive the benefits. When property assets are sold, the gain or loss from the disposal is recognised at the contract settlement date.

#### NOTE 14: OTHER LOSSES

Impairment losses on receivables	(2 611)	(4 537)
Loss on TCorp debt restructuring	(244)	(191)
Gain on termination of right-of-use assets (note 22)	42	-
<b>Total other losses</b>	<b>(2 813)</b>	<b>(4 728)</b>

#### Recognition and Measurement

Impairment losses may arise on non-financial assets held by LAHC from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in the following notes:

Receivables - note 16

Loss on debt restructuring - note 25

Gain on termination of right-of-use assets - note 22

**NOTE 15: CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	393 527	458 270
<b>Total cash and cash equivalents (i)</b>	<b>393 527</b>	<b>458 270</b>

(i) Cash and cash equivalents include amounts that have been restricted in terms of their use as follows:

Housing Reserve Fund (HRF) (note 1a)	107 188	102 404
Housing Affordability Fund (HAF) (ii) and security deposits	1 990	1 978
Millers Point Restricted Funds (note 29)	152 411	180 555
<b>Restricted cash and cash equivalents</b>	<b>261 589</b>	<b>284 937</b>

(ii) In prior years, LAHC entered into a number of HAF agreements with the former Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs.

**Recognition and Measurement**

Cash and cash equivalents include cash at bank, cash on hand and restricted cash which are subject to an insignificant risk of changes in value. Refer to note 33 for details regarding the credit risk and market risk arising from financial instruments.

**NOTE 16: CURRENT/NON-CURRENT ASSETS – RECEIVABLES****Current**

Receivables from contracts with customers	2 896	-
Other receivables (rental and sundry debtors)	65 557	55 731
	<u>68 453</u>	<u>55 731</u>
Less allowance for expected credit losses (i) :		
- Receivables from contracts with customers	-	-
- Other receivables (rental and sundry debtors)	(21 129)	(21 655)
Total expected credit losses	<u>(21 129)</u>	<u>(21 655)</u>
<b>Total current receivables</b>	<b><u>47 324</u></b>	<b><u>34 076</u></b>

**Non-current**

Social dwellings under Project Delivery Agreement	430 000	-
<b>Total non-current receivables</b>	<b><u>430 000</u></b>	<b><u>-</u></b>
<b>Total receivables</b>	<b><u>477 324</u></b>	<b><u>34 076</u></b>

(i) The movement in the aggregate allowance for expected credit losses in receivables is as follows:

Balance, beginning of year	21 655	20 514
Amounts written off during the year	(3 137)	(3 256)
Increase in allowance for expected credit losses recognised in net result	2 611	4 397
<b>Balance at end of year</b>	<b><u>21 129</u></b>	<b><u>21 655</u></b>

Details of credit risk on receivables that are neither past due or impaired are disclosed in note 33.

**NOTE 16: CURRENT/NON-CURRENT ASSETS – RECEIVABLES (continued)****Recognition and Measurement**

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

LAHC holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the period when impaired, derecognised or through the amortisation process.

**Impairment**

LAHC recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that LAHC expects to receive, discounted at the original effective interest rate.

For trade receivables, LAHC applies a simplified approach in calculating ECLs. LAHC recognises a loss allowance based on lifetime ECLs at each reporting date. LAHC has established a provision matrix based on its historical credit loss experience for trade receivables, considering any forward-looking factors specific to the receivables.

**Amounts written off during the year**

Uncollectible amounts are recognised as bad debts and written off when one of the following conditions in the Treasurer's Directions *450.05 Recovery of Debts to the State* is met:

- (a) the debtor cannot be located;
- (b) it is uneconomical to finalise recovery action due to the relatively small value of the debt;
- (c) the medical, financial or domestic circumstances of a particular debtor do not warrant the taking of further recovery action; or
- (d) legal proceedings through the courts have proved, or on legal advice, would prove unsuccessful.

**Non-current receivable**

LAHC, as the owner of the land of the Ivanhoe estate (Macquarie Park), has entered into a Project Delivery Agreement (PDA) with a third party developer to develop the site into a mix of private, affordable and social housing units. Under the PDA, LAHC is entitled to receive a minimum number of social dwellings in the future as consideration for transferring control of the land to the developer.

Control of the land was transferred from LAHC to the developer as at 30 June 2020. As a result, LAHC derecognised Macquarie Park (Ivanhoe) land and buildings at their fair value, i.e. market value on an 'As Is' basis and recognised a non-current, non-financial receivable being the expected value of social dwellings to be delivered in the future. On delivery of these dwellings, expected to occur in stages, LAHC will derecognise the non-financial receivable and recognise property, plant and equipment to the value of dwellings received.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 17: CURRENT/NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

	2020 \$'000	2019 \$'000
<b>Current</b>		
Mortgage Assistance Scheme	279	312
Less: allowance for expected credit losses (i)	(150)	(157)
<b>Total current other financial assets</b>	<b>129</b>	<b>155</b>
<b>Non-current</b>		
Mortgage Assistance Scheme	474	521
<b>Total non-current other financial assets</b>	<b>474</b>	<b>521</b>
<b>Total other financial assets</b>	<b>603</b>	<b>676</b>

(i) The movement in the allowance for expected credit losses in other financial assets is as follows:

<b>Current</b>		
Balance, beginning of year	157	17
(Decrease)/increase in allowance for expected credit losses recognised in net result	(7)	140
<b>Balance at end of year</b>	<b>150</b>	<b>157</b>

Refer to note 33 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

#### Recognition and Measurement

Refer to note 16 as recognition and measurement policies of receivables also apply to LAHC's other financial assets.

#### NOTE 18: CURRENT ASSETS – OTHER

Head leasing	4 783	4 251
Prepaid expenditures	5 644	372
<b>Total other assets</b>	<b>10 427</b>	<b>4 623</b>

#### Recognition and Measurement

##### Prepaid expenditures

When expenses are prepaid, they are initially recognised as current assets and subsequently expensed on a straight line basis over the period covered.



# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 19: NON-CURRENT ASSETS HELD FOR SALE

	2020 \$'000	2019 \$'000
Residential properties	38 356	50 176
Vacant land	2 378	5 466
<b>Total assets classified as held for sale</b>	<b>40 734</b>	<b>55 642</b>
 (i) Reconciliations of the total carrying amount of assets classified as held for sale at the beginning and end of the year are set out below:		
Carrying amount, beginning of year	55 642	73 578
Sale of assets – carrying amount (note 13 (iv) )	(53 585)	(70 600)
Impairment loss (note 13 (iii) )	(858)	(1 321)
Reclassified from non-current assets to assets held for sale (note 20 (i) & (ii) )	40 311	53 985
Reclassified from assets held for sale to non-current assets (note 20 (i) & (ii) )	(776)	-
<b>Carrying amount at end of year</b>	<b>40 734</b>	<b>55 642</b>

#### Recognition and Measurement

LAHC has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets are expected to be sold in the following financial year through a number of disposal options including auctioning the properties. Assets held for sale are recognised at the lower of carrying amount and fair value less costs of disposal.

Any loss on initial classification of a non-current asset as held for sale and subsequent gains or losses on re-measurement are recognised in the net result. Gains on re-measurement are recognised in the net result only to the extent of the cumulative impairment loss that has been recognised.

Assets classified as 'held for sale' are not depreciated while the held for sale classification criteria continues to be met. The technique to determine fair value less costs to sell for each type of asset held for sale is consistent with the technique used for residential properties, commercial properties and vacant land and so the fair value measurements are categorised within Level 3 of the fair value hierarchy. Further details regarding fair value measurement are disclosed in note 21.

#### Impairment

An impairment loss on the measurement of assets classified as held for sale to fair value less cost to sell has been recognised and is included in Assets written off and impaired (refer note 13 (iii)) .

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2020 \$'000	2019 \$'000
<b>Property</b>		
<b>Residential properties</b>		
Land, at gross carrying amount	26 835 412	28 898 109
Buildings, at gross carrying amount	23 733 774	24 157 185
Less: Accumulated depreciation	(36 132)	(12 594)
Buildings - net carrying amount	23 697 642	24 144 591
<b>Residential properties – net carrying amount</b>	<b>50 533 054</b>	<b>53 042 700</b>
<b>Commercial properties</b>		
Land, at gross carrying amount	39 030	37 760
Buildings, at gross carrying amount	17 722	17 561
Less: Accumulated depreciation	(180)	(246)
Buildings - net carrying amount	17 542	17 315
<b>Commercial properties – net carrying amount</b>	<b>56 572</b>	<b>55 075</b>
<b>Controlled assets under lease</b>		
Controlled assets under lease	-	19 198
Less: Accumulated depreciation	-	(847)
Buildings - net carrying amount	-	18 351
<b>Controlled assets under lease – net carrying amount</b>	<b>-</b>	<b>18 351</b>
<b>Community purpose built properties</b>		
Land, at gross carrying amount	98 535	117 428
Buildings, at gross carrying amount	27 183	26 569
Less: Accumulated depreciation	(274)	(299)
Buildings - net carrying amount	26 909	26 270
<b>Community purpose built properties – net carrying amount</b>	<b>125 444</b>	<b>143 698</b>
<b>Land for redevelopment</b>	<b>483 392</b>	<b>561 439</b>
<b>Vacant land</b>	<b>59 336</b>	<b>56 447</b>
<b>Land under roads</b>	<b>8 887</b>	<b>22 206</b>
<b>Work in progress, at gross carrying amount</b>	<b>101 067</b>	<b>133 912</b>
<b>Leasehold improvements</b>		
Leasehold improvements, at cost	4 401	4 207
Less: Accumulated depreciation	(2 970)	(2 409)
<b>Leasehold improvements</b>	<b>1 431</b>	<b>1 798</b>
<b>Total property – net carrying amount</b>	<b>51 369 183</b>	<b>54 035 626</b>

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

	2020 \$'000	2019 \$'000
<b>Plant and Equipment</b>		
<b>Computer hardware</b>		
Computer hardware, at gross carrying amount	118	115
Less: Accumulated depreciation	(101)	(96)
<b>Computer hardware – net carrying amount</b>	<b>17</b>	<b>19</b>
<b>Office furniture and equipment</b>		
Office furniture and equipment, at gross carrying amount	29	29
Less: Accumulated depreciation	(29)	(28)
<b>Office furniture and equipment – net carrying amount</b>	<b>-</b>	<b>1</b>
<b>Total plant and equipment – net carrying amount</b>	<b>17</b>	<b>20</b>
<b>Total property, plant and equipment – net carrying amount</b>	<b>51 369 200</b>	<b>54 035 646</b>

#### Recognition and Measurement

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset, such as cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction, or where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

The cost of self-constructed assets includes:

- (a) the cost of materials and direct labour;
- (b) any other costs directly attributable to bringing the asset to a working condition for its intended use; and
- (c) the costs of dismantling and removing the items and restoring the site on which they are located.

LAHC recognises a liability when it has a legal or constructive obligation to restore an asset.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received if an asset is sold in an orderly transaction between market participants at a measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

Residential properties acquired are recognised as property, plant and equipment upon settlement.

#### Capitalisation

Property, plant and equipment, including leasehold improvements, generally over \$5,000 are capitalised if it is probable that the future economic benefits will flow to LAHC and the cost of the asset can be reliably measured. Capitalised costs include personnel services amounting to \$11.0 million (2019: \$9.9 million). The cost of personnel services reported in note 8 is net of this capitalised amount.

**NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)**Subsequent costs

## (a) Major inspection costs

The labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part or component of an asset, when the asset recognition criteria are satisfied.

## (b) Repairs and maintenance

LAHC expenses the cost of routine repairs and maintenance as incurred to maintain its property portfolio at certain standards, except where they relate to the replacement or an enhancement of a part or component of an asset in which case the costs are capitalised and depreciated.

## (c) Capital improvements

LAHC incurs costs necessary to bring aged dwellings within its property portfolio to LAHC's standard condition. These costs are capitalised when the improved dwellings exceed their original standard as a result of the work undertaken.

Depreciation

Property, plant and equipment, other than land, are depreciated on a straight line basis. The residual values and useful lives of assets are reviewed at each balance date and adjusted, if appropriate. LAHC undertakes ongoing maintenance and upgrading in order to maintain properties at a certain standard. The estimated useful lives of the depreciable assets are:

<b>Asset class</b>	<b>Estimated useful life for the current and previous year</b>
Residential properties, except: - marked for demolition - controlled assets under lease (2019)*	50 years 1 to 5 years shorter of the lease term or the life of the underlying assets
Right-of-use assets	shorter of the lease term or the life of the underlying assets
Commercial properties	50 years
Community purpose built properties	50 years
Computer hardware	3 years
Office furniture and equipment	3 years
Leasehold improvement	shorter of the estimated useful life and the unexpired term of the lease

\*Existing controlled assets under lease as at 30 June 2019 were reclassified as right-of-use assets on 1 July 2019.

Right-of-use assets acquired by lessees (under AASB 16 from 1 July 2019)

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires LAHC, as a lessee, to recognise a right-of-use asset for most leases. LAHC has elected to present right-of-use assets separately in the Statement of Financial Position. Refer to note 22 for further information on right-of-use assets.

**NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)**Revaluation

Physical non-current assets are valued in accordance with the *Valuation of Physical Non-Current Assets at Fair Value Policy and Guidelines Paper* (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Refer to note 21 for further information regarding fair value.

LAHC revalues land and buildings annually to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

For non-specialised property, plant and equipment with short useful lives, depreciated historical cost is considered to approximate fair value. LAHC has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets, the accumulated depreciation balance of an asset as at the revaluation date is credited to that asset's account balance. The resulting net balance in the asset account is increased or decreased to bring the asset's value to fair value.

COVID-19 has created uncertainty in all sectors of the State's economy including the housing market. At the time of preparing these financial statements, management is unable to measure reliably the financial impact, if any, on LAHC's property, plant and equipment as at 30 June 2020. LAHC's residential property portfolio represents the majority of its total property, plant and equipment and fair value is determined by the market approach, primarily comparable recent market sales. Management has made enquires of external parties and has not been made aware of any evidence of a material change in residential property values as a result of COVID-19 that would result in an adjustment to fair value as at 30 June 2020.

Revaluation increments/decrements

Revaluation increments are recognised in other comprehensive income and credited directly to the Asset Revaluation Reserve, except that, to the extent an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except that, to the extent a credit balance exists in the Asset Revaluation Reserve in respect of the same class of assets, they are debited directly to the Asset Revaluation Reserve.

As LAHC is a not-for-profit entity, the revaluation increment or decrement relating to individual assets within an asset class are offset against one another, but not against assets that belong to a different asset class.

Where an asset that has previously been revalued is disposed of, any balance remaining in the Asset Revaluation Reserve in respect of that asset is transferred to Accumulated Funds.

**NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)****Impairment**

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. This means that for an asset already measured at fair value, impairment can only arise if disposal costs are material. Disposal costs are regarded as immaterial.

LAHC assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, LAHC estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

**NSW LAND AND HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)**

The following tables reflect transfers between all classes of property, plant and equipment.

*i) Reconciliation of the net carrying amounts of each class of property, plant and equipment*

		Residential Properties	Commercial Properties	Controlled Assets under Lease	Community Purpose Built Properties	Land held for Redevelop- ment	Vacant Land	Land under Roads	Work in Progress	Leasehold Improve- ments	Computer Hardware, Office Furniture & Equipment	Total
2020	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at beginning of year		53 042 700	55 075	18 351	143 698	561 439	56 447	22 206	133 912	1 798	20	54 035 646
Additions/capital improvements		195 103	553	-	-	7 294	-	-	112 146	251	4	315 351
Transfers to completed properties		130 840	-	-	-	404 377	24 999	-	(560 216)	-	-	-
Reclassified from non-current assets to assets held for sale	19(i)	(39 207)	-	-	-	(1 044)	(60)	-	-	-	-	(40 311)
Reclassified from assets held for sale to non-current assets	19(i)	-	-	-	-	776	-	-	-	-	-	776
Carrying amount of assets sold	13(i)	(153 973)	-	-	-	(13 148)	(15 095)	-	-	-	-	(182 216)
Transfers between classes		(335 796)	963	-	(20 965)	(47 649)	(4 038)	(12 563)	420 048	-	-	-
Demolitions	13(ii)	(30 922)	-	-	-	-	-	-	-	-	-	(30 922)
Write-off or impaired – asset owned	13(iii)	-	-	-	-	-	-	-	(4 823)	-	-	(4 823)
Transfer to non-current receivables		-	-	-	-	(430 000)	-	-	-	-	-	(430 000)
Transfer to right-of-use assets		-	-	(18 351)	-	-	-	-	-	-	-	(18 351)
Revaluation increment/(decrement)		(1 765 781)	334	-	3 248	1 347	(2 917)	(756)	-	-	-	(1 764 525)
Depreciation expense	10	(509 910)	(353)	-	(537)	-	-	-	-	(618)	(7)	(511 425)
<b>Net carrying amount at end of year</b>		<b>50 533 054</b>	<b>56 572</b>	<b>-</b>	<b>125 444</b>	<b>483 392</b>	<b>59 336</b>	<b>8 887</b>	<b>101 067</b>	<b>1 431</b>	<b>17</b>	<b>51 369 200</b>

**NSW LAND AND HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 20: NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)**

ii) *Reconciliation of the net carrying amounts of each class of property, plant and equipment (continued)*

		Residential Properties	Commercial Properties	Controlled Assets under Lease	Community Purpose Built Properties	Land held for Redevelop- ment	Vacant Land	Land under Roads	Work in Progress	Leasehold Improve- ments	Computer Hardware, Office Furniture & Equipment	Total
2019	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at beginning of year		53 383 281	50 178	70 017	119 630	556 252	42 224	73 176	148 972	2 168	19	54 445 917
Additions/capital improvements		120 736	330	-	-	7 765	-	-	198 833	186	18	327 868
Transfers to completed properties		256 502	-	-	-	1 810	49 638	-	(307 950)	-	-	-
Reclassified from non-current assets to assets held for sale	19(i)	(50 461)	-	-	-	(3 477)	(47)	-	-	-	-	(53 985)
Carrying amount of assets sold	13(i)	(186 833)	-	-	(602)	(24 279)	(37 727)	-	-	-	-	(249 441)
Transfers between classes		(56 765)	-	-	(44)	(4 324)	217	(33 141)	94 057	-	-	-
Demolitions	13(ii)	(42 803)	-	-	(415)	-	-	-	-	-	-	(43 218)
Write-off or impaired	13(iii)	(3 145)	-	-	-	-	-	(190)	-	-	-	(3 335)
Revaluation increment/(decrement)		117 243	4 908	(48 971) <sup>1</sup>	25 621	27 692	2 142	(17 639)	-	-	-	110 996
Depreciation expense	10	(495 055)	(341)	(2 695)	(492)	-	-	-	-	(556)	(17)	(499 156)
<b>Net carrying amount at end of year</b>		<b>53 042 700</b>	<b>55 075</b>	<b>18 351</b>	<b>143 698</b>	<b>561 439</b>	<b>56 447</b>	<b>22 206</b>	<b>133 912</b>	<b>1 798</b>	<b>20</b>	<b>54 035 646</b>

1. The (\$48,971) revaluation decrement represents the de-recognition of the revaluation surplus of leasehold interests held by LAHC that were assigned to the Community Housing Sector as part of the Social Housing Management Transfer program.



**NOTE 21: FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, LAHC categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets/liabilities LAHC can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable either directly or indirectly (observable inputs).
- Level 3: inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**a) Fair value hierarchy of Property, Plant and Equipment**

Management has determined that as a result of a range of significant inputs in the property portfolio being classified as unobservable plus the substantial value of the residential portfolio, the entire property assets class will be categorised as level 3 for the purpose of the fair value hierarchy table.

**NSW LAND AND HOUSING CORPORATION**  
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**NOTE 21: FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)**

*i) Disclosure of the gross carrying amount and accumulated depreciation for each class of property, plant and equipment*

	Residential Properties	Commercial Properties	Controlled Assets under Lease	Community Purpose Built Properties	Land held for Redevelop- ment	Vacant Land	Land under Roads	Assets Held for Sale	Total
<b>Fair Value Hierarchy:</b>	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2019 - fair value</b>									
Gross carrying amount	53 055 294	55 321	19 198	143 997	561 439	56 447	22 206	55 642	53 969 544
Accumulated depreciation and impairment	(12 594)	(246)	(847)	(299)	-	-	-	-	(13 986)
Net carrying amount	53 042 700	55 075	18 351	143 698	561 439	56 447	22 206	55 642	53 955 558
<b>At 30 June 2020 - fair value</b>									
Gross carrying amount	50 569 186	56 752	-	125 718	483 392	59 336	8 887	40 734	51 344 005
Accumulated depreciation and impairment	(36 132)	(180)	-	(274)	-	-	-	-	(36 586)
Net carrying amount	50 533 054	56 572	-	125 444	483 392	59 336	8 887	40 734	51 307 419

**NSW LAND AND HOUSING CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 21: FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)**

ii) *Disclosure of the gross carrying amount and accumulated depreciation for each class of property, plant and equipment (continued)*

	Residential Properties	Commercial Properties	Controlled Assets under Lease	Community Purpose Built Properties	Land held for Redevelop- ment	Vacant Land	Land under Roads	Assets Held for Sale	Total
<b>Fair Value Hierarchy:</b>	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2018 - fair value</b>									
Gross carrying amount	53 399 646	50 345	70 323	119 868	556 252	42 224	73 176	73 578	54 385 412
Accumulated depreciation and impairment	(16 365)	(167)	(306)	(238)	-	-	-	-	(17 076)
Net carrying amount	53 383 281	50 178	70 017	119 630	556 252	42 224	73 176	73 578	54 368 336
<b>At 30 June 2019 - fair value</b>									
Gross carrying amount	53 055 294	55 321	19 198	143 997	561 439	56 447	22 206	55 642	53 969 544
Accumulated depreciation and impairment	(12 594)	(246)	(847)	(299)	-	-	-	-	(13 986)
Net carrying amount	53 042 700	55 075	18 351	143 698	561 439	56 447	22 206	55 642	53 955 558

**NOTE 21: FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)****b) Valuation techniques, inputs and processes**

LAHC's property portfolio is a large dynamic portfolio with property assets being acquired, sold, redeveloped or refurbished on an ongoing basis. The most significant class of assets for which fair values are required is residential land and buildings (residential properties). All assets in this class are categorised within Level 3 of the fair value hierarchy where the valuation incorporates significant inputs not based on observable market data (unobservable inputs). These inputs are generally derived and extrapolated from observable inputs of the relevant market LAHC operates within.

In developing the valuation methodology, LAHC management aims to minimise the use of significant unobservable inputs. Given the large number of residential properties within LAHC's property portfolio (over 98% of the portfolio), management has determined that the application of a mass appraisal valuation methodology is appropriate.

<b>Asset Class</b>	<b>Fair value hierarchy</b>	<b>Valuation technique</b>	<b>Inputs used to measure fair value</b>
Residential properties	Level 3	Market approach	<ul style="list-style-type: none"> <li>• Comparable recent market sales</li> <li>• Property attributes of benchmark properties</li> <li>• Uplift market movement provided by an accredited valuer</li> <li>• Block title adjustment <sup>(i)</sup></li> </ul>
Commercial properties	Level 3	Market approach or income capitalisation method	<ul style="list-style-type: none"> <li>• Comparable recent market sales</li> <li>• Adopted capitalisation rates</li> </ul>
Community Purpose properties	Level 3	Market approach or depreciated replacement cost	<ul style="list-style-type: none"> <li>• Comparable recent market sales</li> <li>• Consumed economic benefit/obsolescence of assets</li> <li>• Construction industry replacement cost</li> </ul>
Land held for redevelopment & vacant land	Level 3	Valuer General of NSW unimproved capital value	<ul style="list-style-type: none"> <li>• Land value per square metre</li> </ul>
Land under roads	Level 3	Valuer General of NSW unimproved capital value discounted by a factor	<ul style="list-style-type: none"> <li>• Land value per square metre</li> <li>• Appropriate Discount factor used to reflect the valuation on an englobo (pre-subdivision) basis</li> </ul>
Controlled assets under lease (2019) <sup>(ii)</sup>	Level 3	Market approach or income capitalisation method	At the date of initial recognition: <ul style="list-style-type: none"> <li>• Comparable recent market sales</li> <li>• Adopted capitalisation rates</li> </ul>

(i) Refers to a reduction in the valuation of a large super-lot or block of properties to incorporate anticipated costs of sub-division or strata. The amount of the adjustment is dependent upon a cost matrix of four variable factors, 1) titling costs, 2) remedial costs, 3) the developers selling expense percentage and 4) the developers profit and risk allowance percentage to undertake a sub-division.

(ii) Properties under long term lease arrangements that have significantly below-market terms and conditions held principally to enable LAHC to further its objectives. These properties were reclassified as right-of-use assets on 1 July 2019 under AASB 16.

The table below explains the valuation techniques and key inputs used to measure fair value.

Market approach	A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable sales.
Income capitalisation method	This method involves assessing the total net market income receivable from a property and capitalising this in perpetuity to derive a capital value. Adopted capitalisation rate reflects the nature, location and tenancy profile of the property.
Depreciated replacement cost	Under this method, the estimated cost to replace the asset is calculated and then adjusted to take into account the consumed economic benefit, represented by accumulated depreciation.
Valuer General of NSW's unimproved capital value	The Valuer General of NSW's assessed value of the land without any structures or improvements.

**NOTE 21: FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)****b) Valuation techniques, inputs and processes (continued)****i) Residential properties**

Fair values are determined by the application of a mass appraisal methodology using a rolling benchmark valuation approach. One-third of LAHC's benchmark properties (approximately 1,900) are valued annually by accredited property valuers by reference to comparable market sales to calculate a market movement index and the market movement index is then applied to the remaining two-thirds of the benchmark properties. All benchmark properties are grouped within thirteen geographical reporting regions. The benchmark property median value index movement in each geographical group is then applied to the remaining properties within each geographical region. Adjustments are made to each property for any significant variations in characteristics to the benchmark properties. The rolling benchmark valuation process is performed annually with a valuation date 31 December. An update to the market movement factors ('uplift') is provided each year by an accredited valuer for the six month period ending 30 June each year. A block title adjustment has been applied to approximately 60% of the properties in the residential portfolio with an estimated discount to the overall valuation of \$8,723 million (2019: \$8,916 million). Where LAHC has a partial interest in a property, the valuation is calculated by applying LAHC's ownership percentage.

**ii) Commercial properties**

The fair value of each asset within this class is determined annually by accredited property valuers with recent experience in the location and class of the property being valued. Valuation methods used to determine the fair value include market sales comparisons and capitalisation rates (ranging from 4.5% to 9.5%). All methodologies adjust fair values for any differences in quality or nature of the building, location, occupancy rate and lease / tenant profile.

**iii) Community purpose properties**

This class of properties consists of specialised properties across various asset types, equity interest and concession lease arrangements and undertakings. Due to the special purpose for which these properties are held, each asset is valued annually by accredited property valuers. The methodology in valuing each asset varies and includes market sales comparison or current replacement cost where comparable sales data is not available.

**iv) Land held for redevelopment / vacant land**

Land held for redevelopment and vacant land (that has a registered title) is revalued annually and based on the Valuer General of NSW property information contained in the valuation database for rating and taxation purposes.

**v) Land under roads**

Land under roads is revalued annually and although it has no feasible alternative use, the asset class is valued at existing use based on an englobo approach. The initial value is based on the average of the Valuer General of NSW property information contained in the valuation database for rating and taxation purposes for an entire Local Government Area (LGA). The resulting value is discounted by an appropriate factor to reduce the value to an englobo rate to reflect the asset at its existing use. The current discount factor as assessed by an accredited property valuer is 80%.

**vi) Controlled assets under lease (2019)**

Controlled assets under lease represents properties not owned by LAHC but are under long term lease arrangements whereby substantially all the risks and rewards incidental to ownership of the assets have been transferred to LAHC as lessee. These assets are initially brought to account at fair value and depreciated over the shorter of the lease term or the useful life of the underlying asset. Existing controlled assets under lease as at 30 June 2019 were reclassified as right-of-use assets on 1 July 2019 under AASB 16 and reported as leases that have significantly below-market terms and conditions principally to enable LAHC to further its objectives (significantly-below market leases).

**vii) Plant and Equipment**

Plant and equipment assets are non-specialised assets with short useful lives and are measured at depreciated historical cost as an approximation of fair value. They do not require AASB 13 fair value hierarchy disclosures.

**NOTE 22: CURRENT/NON-CURRENT RIGHT-OF-USE ASSETS****a) LAHC as a lessee**

LAHC leases a number of residential properties from the private market to supplement its housing stock in order to support client demand for social housing. Lease contracts are typically made for fixed periods up to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. LAHC does not provide residual value guarantees in relation to leases.

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires LAHC as a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases. LAHC has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less.

**Right-of-use assets under leases**

The following table presents right-of-use assets that do not meet the definition of investment property.

	<b>Land and buildings</b>	<b>Significantly below-market leases <sup>(i)</sup></b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2019	52 139	18 351	70 490
Additions	47 984	-	47 984
Depreciation expense	(29 793)	(765)	(30 558)
Other movements	(10 300)	-	(10 300)
<b>Balance at 30 June 2020</b>	<b>60 030</b>	<b>17 586</b>	<b>77 616</b>

(i) Properties under long term lease arrangements that have significantly below-market terms and conditions held principally to enable LAHC to further its objectives. These properties were reported in property, plant and equipment as controlled assets under lease as at 30 June 2019. The lease term is generally more than 50 years with annual peppercorn rent of \$1.

**Lease liabilities**

The following table presents lease liabilities associated with the right-of-use assets.

	<b>Lease liabilities</b>
Balance at 1 July 2019	52 139
Additions	47 985
Other movements	(10 343)
Interest expenses (note 12)	847
Payments	(30 916)
<b>Balance at 30 June 2020 <sup>(ii)</sup> (note 25)</b>	<b>59 712</b>

(ii) This balance comprises of \$32.7 million current and \$27.0 million non-current.

The following amounts were recognised in the Statement of Comprehensive Income for the year ended 30 June 2020 in respect of leases where LAHC is the lessee:

Depreciation expense of right-of-use assets (note 10)	30 558
Interest expense on lease liabilities (note 12)	847
Expense relating to short-term leases (note 9)	24 908
Gain arising from termination of leases (note 14)	(42)
<b>Total amount recognised in the Statement of Comprehensive Income</b>	<b>56 271</b>

LAHC had total cash outflows for leases of \$55.8 million in FY 2019-20.

**NOTE 22: CURRENT/NON-CURRENT RIGHT-OF-USE ASSETS (continued)****a) LAHC as a lessee (continued)**

Future minimum lease payments under non-cancellable leases as at 30 June 2019 are, as follows:

	<b>Operating lease</b>
Within one year	33 067
Later than one year and not later than five years	30 570
Later than five years	-
Total (including GST*)	<u>63 637</u>

\*GST cannot be claimed from the ATO as they directly relate to an input taxed activity.

**Recognition and Measurement (under AASB 16 from 1 July 2019)**

LAHC assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

LAHC recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term and low-value assets leases.

**i) Right-of-use assets**

LAHC recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are subsequently measured at cost. Land and buildings right-of-use assets are generally depreciated over 1 to 3 years.

The right-of-use assets are also subject to impairment. LAHC assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, LAHC estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

**ii) Lease liabilities**

At the commencement date of the lease, LAHC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate, as prescribed by NSW Treasury. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments. LAHC's lease liabilities are included in borrowings (note 25).

**iii) Short term leases**

LAHC applies the short-term lease recognition exemption to its short-term leases of land and buildings (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

**NOTE 22: CURRENT/NON-CURRENT RIGHT-OF-USE ASSETS (continued)****a) LAHC as a lessee (continued)**

iv) Leases that have significantly below-market terms and conditions principally to enable LAHC to further its objectives (significantly below-market leases)

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable LAHC to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment.

**Recognition and Measurement (under AASB 117 until 30 June 2019)**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to LAHC was classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Controlled assets under lease

Existing controlled assets under lease as at 30 June 2019 were reclassified as right-of-use assets on 1 July 2019 under AASB 16. These assets were measured at fair value and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, subject to impairment. They are not subject to revaluation. They were included in property, plant and equipment as at 30 June 2019.

**b) LAHC as a lessor**

LAHC's properties are mainly leased to social housing tenants with rentals payable weekly. Lease payments are subject to annual market rent review, but there are no other variable lease payments that depend on an index or rate. Social housing tenants are required to pay a rent amount equivalent to a pre-determined percentage of their household income that is subject to periodical reviews. The difference between market rent recognised and the rent payable by the tenants is referred to as a rental subsidy and accounted for as a notional offset to the market rent.

**Lessor for operating leases**

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are, as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	741 209	745 470
Later than one year and not later than five years	3 058 415	3 034 573
Later than five years	4 028 605	4 793 656
Total (excluding GST)	<b>7 828 229</b>	<b>8 573 699</b>

**Recognition and Measurement - lessor for operating leases**

An operating lease is a lease other than a finance lease. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature.



**NOTE 23: INTANGIBLE ASSETS**

	<b>Software<sup>1</sup></b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2019</b>		
Cost (gross carrying amount)	7 273	7 273
Accumulated amortisation and impairment	(5 299)	(5 299)
Net carrying amount	<b>1 974</b>	<b>1 974</b>
<b>At 30 June 2020</b>		
Cost (gross carrying amount)	8 595	8 595
Accumulated amortisation and impairment	(5 914)	(5 914)
Net carrying amount	<b>2 681</b>	<b>2 681</b>
<b>Year ended 30 June 2020</b>		
Net carrying amount at beginning of year	1 974	1 974
Additions	1 322	1 322
Amortisation (note 10)	(615)	(615)
Net carrying amount at end of year	<b>2 681</b>	<b>2 681</b>
<b>At 1 July 2018</b>		
Cost (gross carrying amount)	6 354	6 354
Accumulated amortisation and impairment	(3 454)	(3 454)
Net carrying amount	<b>2 900</b>	<b>2 900</b>
<b>At 30 June 2019</b>		
Cost (gross carrying amount)	7 273	7 273
Accumulated amortisation and impairment	(5 299)	(5 299)
Net carrying amount	<b>1 974</b>	<b>1 974</b>
<b>Year ended 30 June 2019</b>		
Net carrying amount at beginning of year	2 900	2 900
Additions	919	919
Amortisation (note 10)	(1 845)	(1 845)
Net carrying amount at end of year	<b>1 974</b>	<b>1 974</b>

<sup>1</sup>The only intangible asset that LAHC has is computer software.

**NOTE 23: INTANGIBLE ASSETS (continued)****Recognition and Measurement**

Intangible assets costing \$5,000 and above are capitalised if it is probable that future economic benefits will flow to LAHC and the cost of the asset can be reliably measured.

The cost method of accounting is used in the initial recording of intangible assets acquired or developed by LAHC. However, intangible assets acquired at no or nominal cost are measured at fair value as at the date of acquisition.

For computer software developed internally by LAHC, research costs are expensed while development costs that meet specific criteria are capitalised provided they are directly attributable to the asset. Where externally acquired computer software forms an integral part of the related computer hardware, it is considered to form part of the computer hardware and is classified as property, plant and equipment.

However, where externally acquired computer software does not form an integral part of the related computer hardware, it is classified as an intangible asset. As there are no active markets for LAHC's intangible assets, they are carried at cost less accumulated amortisation and impairment losses.

Amortisation of intangible assets is calculated on a straight line basis over the assets' estimated useful lives, which are assessed each period. The current estimated useful life for intangible assets is 3 years. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount of an intangible asset is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

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# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 24: CURRENT LIABILITIES – PAYABLES

	2020 \$'000	2019 \$'000
Trade creditors	6 545	51 644
Rent received in advance	48 271	48 063
Development revenue received in advance*	-	15 969
Other creditors - credit balances in sundry debtors*	-	3 558
DPIE - personnel services	11 801	12 644
Accrued operating expenditure	62 099	60 852
Accrued capital expenditure	59 487	49 752
DCJ - other	1 808	1 699
Other creditors	4 592	9 686
<b>Total current payables</b>	<b>194 603</b>	<b>253 867</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 33.

#### Recognition and Measurement

Payables represent liabilities for goods and services received by LAHC. Payables are recognised initially at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, long term trade and other payables are measured at amortised cost using the effective interest method.

Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

\*In accordance with AASB 15, the development revenue received in advance and other creditors - credit balances in sundry debtors as at 30 June 2019 are disclosed as current contract liabilities as at 1 July 2019 (note 28).

#### NOTE 25: CURRENT/NON-CURRENT LIABILITIES – BORROWINGS

##### Current - unsecured

State advances - Commonwealth loans	15 426	15 317
NSW Treasury Corporation	13 154	12 063
Other	476	459
Lease liability (note 22)	32 683	-
<b>Total current interest bearing liabilities</b>	<b>61 739</b>	<b>27 839</b>

##### Non-current - unsecured

State advances - Commonwealth loans	327 689	343 115
NSW Treasury Corporation	140 991	143 445
State advance - Crown Entity (note 29)	120 000	120 000
Other	3 861	4 336
Lease liability (note 22)	27 029	-
<b>Total non-current interest bearing liabilities</b>	<b>619 570</b>	<b>610 896</b>

<b>Total interest bearing liabilities (i)</b>	<b>681 309</b>	<b>638 735</b>
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(i) The nominal value of borrowings is reconciled to the balance reported in the Statement of Financial Position as follows:

Nominal value of borrowings	899 115	870 427
Less: re-measurement adjustment	(217 806)	(231 692)
<b>Balance reported in Statement of Financial Position</b>	<b>681 309</b>	<b>638 735</b>

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 25: CURRENT/NON-CURRENT LIABILITIES – BORROWINGS (continued)

(ii) The nominal value of borrowings is expected to be repaid as follows:

	Principal \$'000	Interest \$'000	Total \$'000
<b>2020</b>			
Not later than one year	77 921	34 099	112 020
Later than one year but no later than five years	363 989	107 676	471 665
Later than five years	457 205	146 702	603 907
<b>Total cash outflow</b>	<b>899 115</b>	<b>288 477</b>	<b>1 187 592</b>
<b>2019</b>			
Not later than one year	43 461	35 920	79 381
Later than one year but no later than five years	326 929	114 112	441 041
Later than five years	500 037	166 932	666 969
<b>Total cash outflow</b>	<b>870 427</b>	<b>316 964</b>	<b>1 187 391</b>

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in note 33.

#### Recognition and Measurement

Borrowings, including low interest loans, are measured initially at fair value net of directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. Gains or losses arising from debt restructuring are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

(iii) Changes in liabilities arising from financing activities:

	1 July 2019	Cash Flows	Amortisation	Loss on Debt Restructuring	Non-cash	30 June 2020
State advances -						
Commonwealth loans	358 432	(30 940)	15 623	-	-	343 115
NSW Treasury Corporation	155 508	-	(1 607)	244	-	154 145
State advance - Crown Entity	120 000	-	-	-	-	120 000
Other	4 795	(458)	-	-	-	4 337
Lease liability	52 139	(30 916)	-	-	38 489	59 712
Total liabilities from financing activities	<b>690 874</b>	<b>(62 314)</b>	<b>14 016</b>	<b>244</b>	<b>38 489</b>	<b>681 309</b>
	<b>1 July 2018</b>	<b>Cash Flows</b>	<b>Amortisation</b>	<b>Loss on Debt Restructuring</b>	<b>Non-cash</b>	<b>30 June 2019</b>
State advances -						
Commonwealth loans	373 950	(30 905)	15 387	-	-	358 432
NSW Treasury Corporation	156 815	-	(1 498)	191	-	155 508
State advance - Crown Entity	-	120 000	-	-	-	120 000
Other	5 253	(458)	-	-	-	4 795
Total liabilities from financing activities	<b>536 018</b>	<b>88 637</b>	<b>13 889</b>	<b>191</b>	<b>-</b>	<b>638 735</b>

Pursuant to the *Government Sector Finance Act*, the Treasurer provided approval for LAHC to enter into a financial arrangement (borrowings) with the National Housing Finance Investment Corporation (NHFIC). Under the arrangement, LAHC will be able to access \$58 million of loans as well as \$17 million of grants to fast-track housing enabling infrastructure allowing projects to be delivered earlier than planned.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 26: CURRENT LIABILITIES – PROVISIONS

	2020 \$'000	2019 \$'000
Third party claims	6 633	6 530
<b>Total current provisions</b>	<b>6 633</b>	<b>6 530</b>

This provision is an estimate of LAHC's liability in respect of current insurance and legal claims.

The movement in current provisions for third party claims is as follows:

Carrying amount at beginning of year	6 530	6 302
Amounts used	(3 025)	(10 588)
Additional provisions recognised	3 128	10 816
<b>Balance at end of year</b>	<b>6 633</b>	<b>6 530</b>

#### Recognition and Measurement

A provision is recognised if, as a result of a past event, LAHC has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

#### NOTE 27: NON-CURRENT LIABILITIES – OTHER

Unearned revenue	-	11 121
<b>Total non-current other liabilities</b>	<b>-</b>	<b>11 121</b>

#### Recognition and Measurement

Consideration received or receivable in advance for goods or services yet to be provided is reported as unearned revenue and will be recognised as revenue once LAHC satisfies its performance obligations. Unearned revenue is measured at the fair value of the consideration or contribution received or receivable.

In accordance with AASB 15, unearned revenue as at 30 June 2019 is disclosed as non-current contract liabilities as at 1 July 2019 (note 28).

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 28: CURRENT/NON-CURRENT LIABILITIES – CONTRACT LIABILITIES

	2020 \$'000	1 July 2019 adjusted for AASB 15* \$'000
<b>Current</b>		
Development revenue received in advance	15 449	15 969
Other creditors - credit balances in sundry debtors	3 734	3 558
<b>Total current contract liabilities</b>	<b>19 183</b>	<b>19 527</b>
<b>Non-current</b>		
Unearned revenue	22 502	11 121
<b>Total non-current contract liabilities</b>	<b>22 502</b>	<b>11 121</b>
<b>Total contract liabilities</b>	<b>41 685</b>	<b>30 648</b>

\*Development revenue received in advance and other creditors - credit balances in sundry debtors are disclosed as current liabilities - payables (note 24) for the year ended 2019. Unearned revenue is disclosed as non-current liabilities - other (note 27) for the year ended 2019.

The movement of contract liabilities is as follows:

Balance at 1 July 2019 (adjusted for AASB 15)	30 648
Recognised as revenue	(3 527)
Performance obligations not yet satisfied	14 564
<b>Balance at end of year</b>	<b>41 685</b>

#### Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers in respect of revenue and instalments from development agreements and deposits on sales not yet settled. They will be recognised as other revenue from contracts with customers (note 5) and sale proceeds (note 13), respectively upon settlement.

Performance obligations relating to the current balance are expected to be satisfied within 12 months.  
Performance obligations relating to the non-current balance are likely to be satisfied in FY2022-23.

The amount of \$3.5 million included in the contract liability balance (adjusted for AASB 15) at the beginning of the year has been recognised as revenue in the current financial year.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 29: MILLERS POINT RESTRICTED FUNDS BANK ACCOUNT

	2020 \$'000	2019 \$'000
<b>Statement of Cash Receipts and Payments</b>		
<b>Receipts</b>		
Net proceeds from Millers Point property sales (i)	999	66 158
Interest	1 126	1 580
Net instalment from development agreement	19 286	-
State advance - Crown Entity (ii) (note 25)	-	120 000
<b>Total receipts</b>	<b>21 411</b>	<b>187 738</b>
<b>Payments</b>		
Expenditures relating to Millers Point Accommodation Plan (iii)	1 272	3 439
Expenditures relating to reinvestment (iv)	46 109	81 274
Interest on State advance - Crown Entity	2 174	-
<b>Total payments</b>	<b>49 555</b>	<b>84 713</b>
<b>Movement for the year (v)</b>	<b>(28 144)</b>	<b>103 025</b>
<b>Opening balance of bank account</b>	<b>180 555</b>	<b>77 530</b>
Movement for the year	(28 144)	103 025
<b>Closing balance of bank account (note 15 (i) )</b>	<b>152 411</b>	<b>180 555</b>

A dedicated bank account was established to hold funds associated with Millers Point sales and their reinvestments to the supply of over 1,500 new dwellings.

- (i) Net proceeds from sales reflect gross sale proceeds less selling expenses.
- (ii) \$120 million State Advance received will fund and support LAHC's social housing building program pending the sale of the balance of Millers Point properties.
- (iii) Expenditures relating to Millers Point accommodation plan represent the costs incurred to bring Millers Point properties to sale, including infrastructure and titling, tenancy relocation and marketing costs.
- (iv) Expenditures relating to reinvestment represent the costs of new dwellings. Commitments to new dwellings are approved by the respective Minister as part of LAHC's annual budget process.
- (v) Movement for the year reflects the overall movement of the Millers Point bank account.

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 30: COMMITMENTS

The commitments reported below are inclusive of Goods and Services Tax.

	2020 \$'000	2019 \$'000
<b>(i) Capital commitments</b>		
Aggregate capital project costs, contracted for at balance date and not provided for:		
Within one year	163 779	100 090
Later than 1 year but not later than 5 years	82 249	81 103
Later than 5 years	-	20
	<b>246 028</b>	<b>181 213</b>

#### (ii) Headleasing

##### **LAHC as Lessee**

Future minimum rentals payable under non-cancellable leases as at 30 June are, as follows:

Within one year	7 566	33 067
Later than 1 year but not later than 5 years	5 192	30 570
Later than 5 years	-	-
	<b>12 758</b>	<b>63 637</b>

- (i) These commitments relate primarily to capital project costs attributable to LAHC properties which will be used in the provision of rental accommodation. The costs are GST inclusive as they directly relate to an input taxed activity where GST cannot be claimed from the ATO. During the year, LAHC has entered into sale and buyback arrangements where LAHC has sold its existing social housing dwellings and vacant land and committed \$13.9 million (2019: \$12.7 million) to buyback a fixed number of new social housing dwellings.
- (ii) This represents rent expenditure of residential properties leased from the private market under a term of 12 months or less and leases not yet commenced but LAHC as a lessee has committed. The commitments are to supplement LAHC's housing stock which are sub-let to eligible tenants and as they relate to an input taxed activity, GST cannot be claimed from the ATO.



**NOTE 31: CONTINGENT ASSETS / CONTINGENT LIABILITIES****Contingent Assets**

LAHC has contingent assets from outstanding claims, caveats or rights on assets which are subject to third party conditions and long term leases which LAHC has granted to third parties. Whilst the outcomes of these are uncertain and cannot be reliably measured at balance date, the net outstanding claims from private sector parties and property caveats have been estimated at \$11.9 million (2019: \$7.9 million) and the long term leases at \$23.6 million (2019: \$23.9 million).

**Contingent Liabilities**

As at the end of the reporting period, LAHC is not aware of any contingent liability for which LAHC may be liable that may materially affect its financial position. There are potential claims of \$0.1 million (2019: nil) for which LAHC may be liable.

**NOTE 32: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT**

	2020 \$'000	2019 \$'000
<b>Net result</b>	<b>(468 247)</b>	<b>(508 139)</b>
Other non-cash items	1 249	(2 424)
Loss/(Gain) on sale of assets (note 13(i), (iv))	12 470	(760)
Assets demolished (note 13(ii) )	30 922	43 218
Assets written off (note 13(iii) )	5 681	4 656
Depreciation and amortisation (note 10)	542 598	501 001
Re-measurement adjustment of borrowings	13 886	14 381
(Decrease)/Increase in provision for expected credit losses of receivables	(526)	1 141
(Increase)/Decrease in receivables	(12 722)	1 858
Increase in other provisions	103	228
(Decrease)/Increase in payables	(68 999)	15 061
(Decrease)/Increase in non-current liabilities - other	(11 121)	11 121
Increase in contract liabilities	41 685	-
(Increase)/Decrease in other assets	(5 804)	2 906
<b>Net cash used on operating activities</b>	<b>81 175</b>	<b>84 248</b>

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 33: FINANCIAL INSTRUMENTS

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

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

Risk management policies have been established to identify and analyse the risks faced by LAHC, to set risk limits and controls and to monitor risks. Compliance with the policies are reported to and reviewed by the Executive and the Audit and Risk Committee on a regular basis.

#### a) Financial Instrument categories

			Carrying Amount	
			2020	2019
Class	Note	Category	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	15	N/A	393 527	458 270
Current receivables <sup>1</sup>	16	Amortised cost	47 034	32 819
Other financial assets	17	Amortised cost	603	676
Financial Liabilities				
Payables <sup>2</sup>	24	Financial liabilities measured at amortised cost	146 332	189 835
Borrowings	25	Financial liabilities measured at amortised cost	681 309	638 735

#### Notes

1. Excludes statutory receivables of \$0.3 million in 2020 (2019: \$1.3 million) and prepayments (not within scope of AASB 7).

2. Excludes unearned revenue of \$48.3 million (2019: \$64.0 million) (not within scope of AASB 7).

LAHC determines the classification of its financial instruments after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

#### b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if LAHC transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- LAHC has transferred substantially all the risks and rewards of the asset; or
- LAHC has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

Where LAHC has neither transferred nor retained substantially all the risks and rewards or transferred control, financial assets are recognised only to the extent of LAHC's continuing involvement in the assets.

Financial liabilities are derecognised when the obligations specified in the contracts expire, are discharged or cancelled. Gains or losses are recognised in the net result when liabilities are derecognised through early repayment of debt.

**NOTE 33: FINANCIAL INSTRUMENTS (continued)****c) Financial risks****(i) Credit Risk**

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

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

Credit risk associated with LAHC's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. This is in accordance with LAHC's treasury management policy and NSW Treasury guidelines.

**Cash**

Cash comprises cash on hand and bank balances within NSW Treasury Banking System held with Westpac Banking Corporation. Interest earned is based on the Reserve Bank of Australia's prevailing cash rate.

**Receivables - trade debtors****Accounting policy for impairment of trade debtors and other financial assets**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Trade debtors are written off when there is no reasonable expectation of recovery.

LAHC applies the AASB 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade debtors have been grouped based on shared credit risk characteristics and the days past due. LAHC has established a provision matrix based on its historical credit loss experience, considering forward-looking factors specific to the receivables. LAHC is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020.

The loss allowance for trade debtors as at 30 June 2020 and 2019 was determined as follows:

	<b>\$'000</b>				
	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>61-90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
<b>30 June 2020</b>					
Expected credit loss rate	3%	19%	33%	98%	82%
Estimated total gross carrying amount at default <sup>1</sup>	3 374	569	404	21 285	25 632
Expected credit loss	108	109	134	20 778	21 129
<b>30 June 2019</b>					
Expected credit loss rate	3%	16%	31%	96%	83%
Estimated total gross carrying amount at default <sup>1</sup>	2 800	578	381	22 262	26 021
Expected credit loss	94	94	120	21 347	21 655

**Notes**

The analysis excludes statutory receivables, prepayments (as these are not within the scope of AASB 7) and receivables from other government entities as they are not subject to credit risk. Therefore, the 'total' will not reconcile to the receivables total in note 16.

1. The majority of the balance that was overdue more than 91 days relate to receivables from tenants who have ended their lease agreements with NSW Land and Housing Corporation ('former tenants').

**NOTE 33: FINANCIAL INSTRUMENTS (continued)****c) Financial risks (continued)****(ii) Liquidity Risk**

Liquidity risk is the risk that LAHC will be unable to meet its payment obligations when they fall due. LAHC continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. LAHC's exposure to liquidity risk has been managed in accordance with LAHC's Treasury Management Policy.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Effective from 1 December 2018, the *Faster Payment Terms Policy* issued by NSW Small Business Commissioner replaces the NSW Government's 30 Days to Pay Policy published in NSW Treasury Circular 11/12 *Payment of Accounts*. Although LAHC is excluded from the requirement to pay registered small business suppliers within five days, the faster payment terms policy removes the requirement of interest on late payments. Therefore, no interest was paid to small business suppliers during the year (2019: 9.96%).

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 33: FINANCIAL INSTRUMENTS (continued)

The table below summarises the maturity profile of LAHC's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

#### Maturity analysis and interest rate exposure of financial liabilities

2020	Weighted Avg. Effective Interest Rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed	Variable	Non-interest	< 1 yr	1-5 yrs	> 5 yrs
			Interest Rate \$'000	Interest Rate \$'000	bearing \$'000			
Financial liabilities (i)								
Payables (ii) :								
DPIE - personnel services	-	11 801	-	-	11 801	11 801	-	-
Trade creditors	-	6 545	-	-	6 545	6 545	-	-
Accrued operating expenditure	-	62 099	-	-	62 099	62 099	-	-
Accrued capital expenditure	-	59 487	-	-	59 487	59 487	-	-
Other	-	6 400	-	-	6 400	6 400	-	-
Borrowings:								
Commonwealth loans	4.52	565 898	565 898	-	-	31 005	122 888	412 005
NSW Treasury Corporation loans	3.13	148 335	148 335	-	-	13 154	92 001	43 180
Crown Entity	1.57	120 000	120 000	-	-	-	120 000	-
Other	4.66	4 337	4 337	-	-	476	1 841	2 020
Lease Liability	1.42	60 545	60 545	-	-	33 286	27 259	-
Total financial liabilities		1 045 447	899 115	-	146 332	224 253	363 989	457 205

Notes:

(i) The amounts disclosed are the contractual undiscounted cash flows of financial liabilities. Hence they do not reconcile to the Statement of Financial Position.

(ii) Excludes statutory payables and unearned revenue (ie. not within the scope of AASB 7).

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 33: FINANCIAL INSTRUMENTS (continued)

The table below summarises the maturity profile of LAHC's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

#### Maturity analysis and interest rate exposure of financial liabilities

2019	Weighted Avg. Effective Interest Rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed	Variable	Non-interest	< 1 yr	1-5 yrs	> 5 yrs
			Interest Rate \$'000	Interest Rate \$'000	bearing \$'000			
Financial liabilities (i)								
Payables (ii) :								
Personnel Services	-	12 644	-	-	12 644	12 644	-	-
Trade creditors	-	51 644	-	-	51 644	51 644	-	-
Accrued operating expenditure	-	60 852	-	-	60 852	60 852	-	-
Accrued capital expenditure	-	49 752	-	-	49 752	49 752	-	-
Other	-	14 943	-	-	14 943	14 943	-	-
Borrowings:								
Commonwealth loans	4.52	596 837	596 837	-	-	30 939	123 835	442 063
NSW Treasury Corporation loans	3.38	148 795	148 795	-	-	12 063	81 214	55 518
Crown Entity	1.57	120 000	120 000	-	-	-	120 000	-
Other	4.67	4 795	4 795	-	-	459	1 880	2 456
Total financial liabilities		1 060 262	870 427	-	189 835	233 296	326 929	500 037

Notes:

(i) The amounts disclosed are the contractual undiscounted cash flows of financial liabilities. Hence they do not reconcile to the Statement of Financial Position.

(ii) Excludes statutory payables and unearned revenue (ie. not within the scope of AASB 7).

**NOTE 33: FINANCIAL INSTRUMENTS (continued)****(iii) Market Risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. LAHC's exposures to market risk are primarily through interest rate risk on borrowings. LAHC has no exposure to foreign currency risk and does not enter into commodity contracts.

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

**(iv) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through LAHC's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW Treasury Corporation. LAHC does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income or available for sale. Therefore, for these financial instruments, a change in interest rates would not affect net result or equity. A reasonably possible change of interest rates of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	\$'000			
	+1%		-1%	
	<u>Net Result</u>	<u>Equity</u>	<u>Net Result</u>	<u>Equity</u>
<b>2020</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3 935	3 935	(3 935)	(3 935)
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost :</i>				
Current - NSW Treasury Corporation loans	(132)	(132)	132	132
<b>2019</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4 583	4 583	(4 583)	(4 583)
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost :</i>				
Current - NSW Treasury Corporation loans	(121)	(121)	121	121

**NOTE 33: FINANCIAL INSTRUMENTS (continued)****d) Fair value measurement**

Except where specified below, the amortised cost of the financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term maturities of many of the financial instruments. The following table details the financial instruments where the fair value differs from the carrying amount.

	Net Carrying Amount		Fair Value	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Financial liabilities</b>				
NSW Treasury Corporation loans	154 145	155 508	168 344	168 198

**NOTE 34: RELATED PARTY DISCLOSURES****a) Key Management Personnel (KMP)**

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of LAHC, directly or indirectly. This comprises persons who during the relevant reporting period occupied the positions of Minister for Water, Property and Housing, Secretary of DPIE, Group Deputy Secretary of Housing and Property Group, Deputy Secretary of LAHC (to 29/09/2019) and Chief Executive of LAHC (from 30/09/2019).

During the year, LAHC incurred the following expenditures in respect of KMP services that were provided by a separate management entity, i.e. DPIE.

	2020 \$'000	2019 \$'000
Short-term employee benefits (i)	430	436
Other long-term employee benefits	-	-
Post-employment benefits	20	21
<b>Total KMP compensation(ii)</b>	<b>450</b>	<b>457</b>

- (i) Short-term employee benefits include salaries, paid annual leave and sick leave, other monetary allowances and non-monetary benefits.
- (ii) The amounts paid / payable for all personnel services provided by DPIE (including KMP) are disclosed in note 8 and 24.
- (iii) The NSW Legislature pays Ministerial compensation and LAHC is not obligated to reimburse NSW Legislature for those KMP services obtained. Therefore, any monetary benefits paid to NSW Ministers are excluded from the above disclosures (Ministerial compensation is disclosed in the Total State Sector Accounts). Similarly, disclosure required for the Secretary of DPIE and Group Deputy Secretary of Housing and Property Group are included in the principal department's financial statements.

**KMP related transactions**

During the year, LAHC did not enter into transactions with its KMP, their close family members and controlled or jointly controlled entities thereof.



**NOTE 34: RELATED PARTY DISCLOSURES (continued)****b) Other related party transactions**

LAHC is a controlled entity of the NSW Government. Refer to Note 1a) for further information on the nature of LAHC's relationship with the NSW Government.

During the year, LAHC entered into various transactions with other NSW government agencies in the normal course of its activities. In addition to the details provided in previous notes, qualitative disclosure of those material transactions are provided below.

- Department of Communities and Justice (under its partnership agreement with Department of Planning, Industry and Environment) provides LAHC with tenancy management services and corporate support services. LAHC provides consideration to Department of Planning, Industry and Environment for the services it receives.
- Department of Planning, Industry and Environment charges LAHC with personnel services expenses relating to employees principally involved in providing support to LAHC.
- Department of Communities and Justice and Department of Planning, Industry and Environment provide grants for LAHC's programs.
- Aboriginal Housing Office (AHO) engages LAHC for the acquisition and management of its social housing assets, generating property and project management fees revenue for LAHC.
- Landcom (a NSW State Owned Corporation) is engaged as the developer on urban transformation projects such as Airds Bradbury, Bonnyrigg and Claymore. These projects utilise land owned by LAHC to supply social housing.
- Department of Planning, Industry and Environment (Valuer General) provides LAHC with annual valuation services for its properties.
- NSW Treasury Corporation and NSW Treasury (Crown Entity) provide financial services to supply LAHC with the provision of finance and the management of its liabilities.
- Department of Planning, Industry and Environment (Property NSW) is managing the sale of government owned properties in Millers Point.
- Sydney Water (a NSW State Owned Corporation) is one of LAHC's main utility providers for water expenses.

**NOTE 35: EVENTS AFTER THE REPORTING DATE**

There has not been any matter or circumstance occurring subsequent to the end of the year that has significantly affected the operations, the results of those operations, or the state of affairs of LAHC in future financial years.

----- **END OF AUDITED FINANCIAL STATEMENTS** -----

# NSW LAND AND HOUSING CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### Register of Land Held

#### STATEMENT OF FINANCIAL POSITION

	2020	2019
	\$'000	\$'000
Residential properties	26 835 412	28 898 109
Land for redevelopment	483 392	561 439
Vacant land	59 336	56 447
Land under Roads	8 887	22 206
Commercial properties	39 030	37 760
Community purpose built properties	98 535	117 428
<b>Assets held for sale</b>		
Residential properties	21 662	39 556
Vacant Land	2 378	5 466
<b>Total</b>	<b>27 548 632</b>	<b>29 738 411</b>

Land values as per notes to the financial statements and in documentation supporting the notes.

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## INDEPENDENT AUDITOR'S REPORT

### Aboriginal Housing Office

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of the Aboriginal Housing Office (the Office), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of the Office and the consolidated entity. The consolidated entity comprises the Office and the entity it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office and the consolidated entity as at 30 June 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## Other Information

The annual report of the Department of Planning, Industry and Environment for the year ended 30 June 2020 includes other information in addition to the financial statements of the Office and my Independent Auditor's Report thereon. The Secretary of the Department of Planning, Industry and Environment is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by the Secretary.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Secretary's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Office and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Min Lee  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

9 October 2020  
SYDNEY

# **Aboriginal Housing Office**

## **Consolidated Financial Statements**

***For the year ended 30 June 2020***

## **ABORIGINAL HOUSING OFFICE**

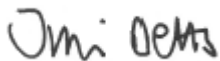
### **STATEMENT BY THE SECRETARY**

#### **For and on behalf of the ABORIGINAL HOUSING OFFICE**

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I, state that in my opinion:

1. the accompanying consolidated financial statements and notes thereto exhibit a true and fair view of the financial position of the Aboriginal Housing Office as at 30 June 2020 and its financial performance for the year then ended; and
2. have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and Directions issued by the Treasurer under Section 9(2) (n) of the Act.

As at 9 October 2020, I am not aware of any circumstances, which would render any particulars included in the consolidated financial statements to be misleading or inaccurate.



Jim Betts  
Secretary, Department of Planning, Industry and Environment  
For and on behalf of Aboriginal Housing Office

9 October 2020

		PARENT			CONSOLIDATED		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
	Notes						
<b>Expenses excluding losses</b>							
Personnel Services	2(a)	15,571	15,285	16,372	15,571	15,285	16,372
Operating expenses	2(b)	59,258	61,281	58,437	59,771	61,281	58,782
Depreciation	2(c)	20,825	21,318	20,204	20,902	21,318	20,273
Grants and subsidies	2(d)	13,159	25,019	17,983	12,646	25,019	17,638
Finance costs	2(e)	11	51	-	11	51	-
<b>Total expenses excluding losses</b>		108,824	122,954	112,996	108,901	122,954	113,065
<b>Revenue</b>							
Rent and other tenant charges	3(a)	56,131	55,984	55,401	56,131	55,984	55,401
Grants and contributions	3(b)	68,707	71,585	59,633	68,707	71,585	59,633
Other income	3(c)	33,660	-	34,809	33,660	-	34,809
<b>Total Revenue</b>		158,498	127,569	149,843	158,498	127,569	149,843
Losses on disposal	4	(9,811)	(900)	(7,380)	(9,811)	(900)	(7,380)
Impairment losses on financial assets	5	(988)	(553)	(185)	(988)	(553)	(185)
Impairment losses on right-of-use assets	10	(90)	-	-	(90)	-	-
<b>Net result</b>		38,785	3,162	29,282	38,708	3,162	29,213
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified to net result in subsequent periods</i>							
Changes in revaluation surplus of property, plant and equipment	9	(48,581)	(1,849)	7,723	(48,094)	(1,849)	7,876
<b>Total other comprehensive income</b>		(48,581)	(1,849)	7,723	(48,094)	(1,849)	7,876
<b>TOTAL COMPREHENSIVE INCOME</b>		(9,796)	1,313	37,005	(9,386)	1,313	37,089

The accompanying notes form part of these financial statements.



	Notes	PARENT			CONSOLIDATED		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	6	10,153	3,874	10,463	10,153	3,874	10,463
Receivables	7	3,726	1,500	6,239	3,726	1,500	6,239
<b>Total Current Assets</b>		13,879	5,374	16,702	13,879	5,374	16,702
<b>Non-Current Assets</b>							
Property, plant and equipment							
Land and buildings	9	2,138,068	2,149,049	2,151,569	2,143,450	2,149,049	2,156,541
Plant and equipment	9	214	1,140	287	214	1,140	287
Capital work in progress	9	21,361	15,209	14,404	21,361	15,209	14,404
Total property, plant and equipment		2,159,643	2,165,398	2,166,260	2,165,025	2,165,398	2,171,232
Right of Use Assets	10(a)	518	2,254	-	518	2,254	-
<b>Total Non-Current Assets</b>		2,160,161	2,167,652	2,166,260	2,165,543	2,167,652	2,171,232
<b>Total Assets</b>		2,174,040	2,173,026	2,182,962	2,179,422	2,173,026	2,187,934
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Payables	12	28,629	24,608	24,516	28,629	24,608	24,516
Unearned revenue	13	-	-	713	-	-	713
Borrowings	14	397	348	-	397	348	-
<b>Total Current Liabilities</b>		29,026	24,956	25,229	29,026	24,956	25,229
<b>Non-Current Liabilities</b>							
Provisions	15	538	515	541	538	515	541
Borrowings	14	230	1,577	-	230	1,577	-
<b>Total Non-Current Liabilities</b>		768	2,092	541	768	2,092	541
<b>Total Liabilities</b>		29,794	27,048	25,770	29,794	27,048	25,770
<b>Net Assets</b>		2,144,246	2,145,978	2,157,192	2,149,628	2,145,978	2,162,164
<b>EQUITY</b>							
Asset Revaluation Reserve		1,104,276	1,162,959	1,156,904	1,109,974	1,162,959	1,162,115
Accumulated funds		1,039,970	983,019	1,000,288	1,039,654	983,019	1,000,049
<b>Total Equity</b>		2,144,246	2,145,978	2,157,192	2,149,628	2,145,978	2,162,164

The accompanying notes form part of these financial statements.

<b>2020 PARENT</b>	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance as at 1 July 2019</b>	1(h)(i)	1,000,288	1,156,904	2,157,192
Changes in accounting policy		(3,150)	-	(3,150)
<b>Restated balance as at 1 July 2019</b>		997,138	1,156,904	2,154,042
<b>Net result for the year</b>	9	38,785	-	38,785
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment		-	(48,581)	(48,581)
<b>Total other comprehensive income</b>		-	(48,581)	(48,581)
<b>Total comprehensive income for the year</b>		38,785	(48,581)	(9,796)
<b>Transfer between equity items</b>				
Transfer arising from disposals of property plant and equipment		4,047	(4,047)	-
<b>Balance at 30 June 2020</b>		1,039,970	1,104,276	2,144,246

<b>2020 CONSOLIDATED</b>	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance as at 1 July 2019</b>	1(h)(i)	1,000,049	1,162,115	2,162,164
Changes in accounting policy		(3,150)	-	(3,150)
<b>Restated balance as at 1 July 2019</b>		996,899	1,162,115	2,159,014
<b>Net result for the year</b>	9	38,708	-	38,708
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment		-	(48,094)	(48,094)
<b>Total other comprehensive income</b>		-	(48,094)	(48,094)
<b>Total comprehensive income for the year</b>		38,708	(48,094)	(9,386)
<b>Transfer between equity items</b>				
Transfer arising from disposals of property plant and equipment		4,047	(4,047)	-
<b>Balance at 30 June 2020</b>		1,039,654	1,109,974	2,149,628

<b>2019 PARENT</b>	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance as at 1 July 2018</b>	9	966,908	1,153,279	2,120,187
<b>Net result for the year</b>		29,282	-	29,282
<b>Other comprehensive income:</b> Net change in revaluation surplus of property, plant and equipment			7,723	7,723
<b>Total other comprehensive income</b>		-	7,723	7,723
<b>Total comprehensive income for the year</b>		29,282	7,723	37,005
<b>Transfer between equity items</b> Transfer arising from disposals of property plant and equipment		4,098	(4,098)	-
<b>Balance at 30 June 2019</b>		1,000,288	1,156,904	2,157,192

<b>2019 CONSOLIDATED</b>	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance as at 1 July 2018</b>	9	966,738	1,158,337	2,125,075
<b>Net result for the year</b>		29,213	-	29,213
<b>Other comprehensive income:</b> Net change in revaluation surplus of property, plant and equipment		-	7,876	7,876
<b>Total other comprehensive income</b>		-	7,876	7,876
<b>Total comprehensive income for the year</b>		29,213	7,876	37,089
<b>Transfer between equity items</b> Transfer arising from disposals of property plant and equipment		4,098	(4,098)	-
<b>Balance at 30 June 2019</b>		1,000,049	1,162,115	2,162,164

The accompanying notes form part of these financial statements.

		PARENT			CONSOLIDATED		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
	Notes						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Personnel services		(12,526)	(15,285)	(13,477)	(12,526)	(15,285)	(13,477)
Suppliers for goods and services		(60,840)	(61,380)	(63,197)	(60,840)	(61,380)	(63,197)
Grants and subsidies		(12,646)	(25,019)	(17,638)	(12,646)	(25,019)	(17,638)
<b>Total payments</b>		(86,012)	(101,684)	(94,312)	(86,012)	(101,684)	(94,312)
<b>Receipts</b>							
Rent and other tenant charges		58,656	55,984	56,613	58,656	55,984	56,613
Grants and contributions		65,557	71,585	59,633	65,557	71,585	59,633
Insurance Income		10,355	-	4,300	10,355	-	4,300
Other Income		3,330	(624)	1,015	3,330	(624)	1,015
<b>Total receipts</b>		137,898	126,945	121,561	137,898	126,945	121,561
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	18	51,886	25,261	27,249	51,886	25,261	27,249
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from sale of property, plant and equipment, net of disposal costs		1,185	1,960	1,829	1,185	1,960	1,829
Purchases of property, plant and equipment		(52,981)	(35,312)	(38,820)	(52,981)	(35,312)	(38,820)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(51,796)	(33,352)	(36,991)	(51,796)	(33,352)	(36,991)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Payment of principal portion of lease liabilities	10(b)	(400)	(329)	-	(400)	(329)	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		(400)	(329)	-	(400)	(329)	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(310)	(8,420)	(9,742)	(310)	(8,420)	(9,742)
Opening cash and cash equivalents		10,463	12,294	20,205	10,463	12,294	20,205
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	10,153	3,874	10,463	10,153	3,874	10,463

The accompanying notes form part of these financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) The Reporting Entity

The Aboriginal Housing Office (AHO) is a statutory authority established in 1998 pursuant to the Aboriginal Housing Act 1998. The AHO as a reporting entity, comprises the parent entity and the controlled entity, the Dunghutti Aboriginal Elders Tribal Council Trust (Trust). In the process of preparing the consolidated financial statements for the economic entity consisting of the AHO and the Trust, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for using uniform accounting policies.

The AHO is responsible for planning and administering the policies, programs and asset base for Aboriginal public housing in New South Wales. This includes resource allocation, sector wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal public housing sector.

The AHO is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The AHO is a not-for-profit entity for financial reporting purposes (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

As at 30 June 2019, the AHO was within the cluster of the Department of Family and Community Services (DFACS), now known as Department of Communities and Justice (DCJ). From 1 July 2019, the AHO has moved to the cluster of the Department of Planning, Industry and Environment (DPIE). In both instances, the AHO is not a controlled entity.

The financial statements for the year ended 30 June 2020 have been authorised for issue by the DPIE Secretary on 9 October 2020.

### (b) Basis of Preparation

The AHO's financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulation 2015*; and
- Treasurer's Directions issued under the Act.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared under the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the AHO's presentation and functional currency.

### (c) Statement of compliance

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

### (d) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the AHO as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Equity and reserves

#### (i) Asset Revaluation reserve

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the AHO's policy on the revaluation of property, plant and equipment as discussed in Note 9.

#### (ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

### (f) Equity transfer

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible asset has been recognised at (amortised) cost by the transferor because there is no active market, the AHO recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the AHO does not recognise that asset.

### (g) Comparative information

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

### (h) Changes in accounting policy, including new or revised Australian Accounting Standards

#### (i) Effective for the first time in 2019-2020

The AHO applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the AHO.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)

(i) Effective for the first time in 2019-2020 (cont'd)

### **AASB 15 Revenue from Contracts with Customers (cont'd)**

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the AHO has adopted AASB 15 under the partial retrospective approach, with the cumulative effect of initially adopting the standard recognised at the date of initial application, i.e. 1 July 2019. The AHO has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all the modifications that occur before 1 July 2018 when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligations

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The effect of adopting AASB 15 is as follows:

Impact on the Statement of Comprehensive Income (increase / (decrease)):

		30 June 2020	30 June 2020	30 June 2020
			Without adoption of	Impact of adoption
	Notes	AASB 15 \$'000	AASB 15 \$'000	AASB 15 \$'000
<b>Revenue</b>				
Grants from DPIE	3(b)	4,888	1,738	3,150
Small-Scale Technological Certificates Revenue	3(c)	2,089	2,089	-
<b>Operating result</b>		<b>6,977</b>	<b>3,827</b>	<b>3,150</b>
<b>Net result</b>		<b>6,977</b>	<b>3,827</b>	<b>3,150</b>

The adoption of AASB 15 did not have an impact on Other Comprehensive Income, the Statement of Financial Position and the Statement of Cash Flows for the financial year.

The nature of these adjustments is described below:

The AHO has an existing Memorandum of Understanding (MoU) with the Office of Environment and Heritage (OEI) signed in August 2018 for the AHO's solar project which requires AHO to install solar panels based on grant funding received. From 1 July 2019 onwards, the OEI has since merged with DPIE, with DPIE now being the new counter-party in the MoU.

Under the MoU, the AHO had previously received \$3.15m as part of the initial instalment of the funds in May 2019 and recognised this upfront amount as grants revenue for the year ended 30 June 2019.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)

#### (i) Effective for the first time in 2019-2020 (cont'd)

##### **AASB 15 *Revenue from Contracts with Customers* (cont'd)**

The AHO had not satisfied its performance obligations under the MoU in financial year 2019, and therefore based on the transition requirements under AASB 15 and Directions issued by the Treasurer, the AHO has recognised the full 'initial instalment' as an adjustment to the opening balance of the retained earnings and a corresponding contract liability as at 1 July 2019 (refer to Note 8). Revenue is recognised at a point in time when the AHO satisfies its performance obligation under the MoU. By 30 June 2020, all performance obligations required as part of this initial instalment of the funds have been satisfied, and correspondingly a grant revenue of \$3.15m has been recognised. In addition, \$1.74m grant was received as part of the MOU in this financial year, with all related projects completed. Overall, a total MOU grant revenue of \$4.9m from DPIE was recognised by 30 June 2020.

As part of the solar project, the AHO had also entered into a contract in July 2019 for the sale of the Small-Scale Technology Certificates (STCs) generated as part of the solar panel installations at a fixed price. The AHO recognises revenue from the sale of the STCs at a point in time when the STCs are generated in compliance with the regulatory requirements and sold.

##### **AASB 1058 *Income of Not-for-Profit Entities***

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, and AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- When the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- Immediately, for all other income within the scope of AASB 1058.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)

(i) Effective for the first time in 2019-2020 (cont'd)

### **AASB 1058 *Income of Not-for-Profit Entities* (cont'd)**

In accordance with the transition provisions in AASB 1058, the AHO has adopted AASB 1058 under the partial retrospective approach with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. The AHO has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the AHO to further its objectives, are not restated to their fair value.

The effect of adopting AASB 1058 is as follows:

Impact on Statement of Comprehensive Income (increase/ (decrease))

		<b>30 June 2020 With adoption of AASB 1058 \$'000</b>	<b>30 June 2020 Without adoption of AASB 1058 \$'000</b>	<b>30 June 2020 Impact of AASB 1058 \$'000</b>
	<b>Notes</b>			
<b>Revenue</b>				
Grants and contributions	3(b)	50,307	50,307	-
Assets recognised for the first time	3(c)	19,975	19,975	-
Covid-19 Economic Response Stimulus Grant	3(b)	13,500	13,500	-
Insurance income	3(c)	10,355	10,355	-
Other miscellaneous income	3(c)	1,241	1,241	-
Other Grants	3(b)	12	12	-
<b>Operating result</b>		<b>95,390</b>	<b>95,390</b>	<b>-</b>
<b>Net result</b>		<b>95,390</b>	<b>95,390</b>	<b>-</b>

The above shows the income streams that were recognised upon adoption of AASB 1058, with no impact on the Statement of Comprehensive Income.

The adoption of AASB 1058 also did not have an impact on Other Comprehensive Income, the Statement of Financial Position and the Statement of Cash Flows for the financial year.

Refer to Note 3 for details of each revenue stream.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (h) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)
- (i) Effective for the first time in 2019-2020 (cont'd)

### **AASB 16 Leases**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on balance sheet.

#### *Lessor accounting*

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the AHO is the lessor.

#### *Lessee accounting*

AASB 16 requires the AHO to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the AHO recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right of use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The AHO has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.42%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

The AHO elected to use the practical expedient to expense lease payments for lease contracts that at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)

(i) Effective for the first time in 2019-2020 (cont'd)

### AASB 16 *Leases* (cont'd)

In applying AASB 16 for the first time, the AHO has used the following practical expedients permitted by the standard:

- Not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and interpretation 4.
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- Not recognising a lease liability and right-of-use asset for short-term leases that end within 12 months of the date of initial application
- Excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The effect of adoption of AASB16 as at 1 July 2019 (increase / (decrease)) is, as follows:

	<b>\$'000</b>
<b>Assets</b>	
Right-of-use assets	992
<b>Total assets</b>	<b>992</b>
<b>Liabilities</b>	
Lease incentive liability	(24)
Borrowings	1,016
<b>Total Liabilities</b>	<b>992</b>
<b>Equity</b>	
Accumulated funds	-
<b>Total Equity</b>	<b>-</b>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Changes in accounting policy, including new or revised Australian Accounting Standards (cont'd)

#### (i) Effective for the first time in 2019-2020 (cont'd)

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	<b>\$'000</b>
Operating lease commitments as at 30 June 2019 (GST included)	1,049
(Less): GST included in operating lease commitments	(95)
Operating lease commitments as at 30 June 2019 (GST excluded)	954
Weighted average incremental borrowing rate as at 1 July 2019	1.42%
Discounted operating lease commitments as at 1 July 2019	936
Add: contracts re-assessed as lease contracts	80
Lease liabilities as at 1 July 2019	1,016

#### (ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective:

- AASB 17 Insurance Contracts (effective 1 January 2021)
- AASB 1059 Service Concession Arrangements: Grantors (effective 1 January 2020)
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059 (effective 1 January 2020)
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business (effective 1 January 2020)
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (effective 1 January 2020)
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

The AHO's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the AHO.

AASB 1059 Service Concession Arrangements: Grantor (AASB 1059) is effective for financial reporting periods commencing on or after 1 January 2020. Therefore, for the AHO, AASB 1059 will be effective from 1 July 2020.

Based on the entity's assessment, it is expected that the first-time adoption of AASB 1059 will not have a material impact on the transactions and balances recognised in the financial statements for the year ending 30 June 2021.

#### (i) Change in accounting policies

The only change in accounting policies for the financial year relates to the adoption of AASB 15, AASB 1058 and AASB 16 mentioned in 1(h) (i).

	PARENT		CONSOLIDATED	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>2. Expenses excluding losses</b>				
<b>(a) Personnel services</b>				
Salaries and wages (including annual leave)	13,239	12,087	13,239	12,087
Superannuation - defined contribution plans	913	770	913	770
Superannuation - defined benefit plans	152	2,294	152	2,294
Salary and wages (Temporary Staff)	-	1	-	1
Long service leave	474	398	474	398
Workers' compensation insurance	96	284	96	284
Payroll tax and fringe benefit tax	673	562	673	562
Other	24	(24)	24	(24)
Fee for personnel services	15,571	16,372	15,571	16,372

The AHO's personnel services fee includes a component of 2020: \$0.141M (2019: \$2.262M) for the actuarial superannuation liability.

#### Recognition and measurement

##### Personnel services and payable for personnel services

The AHO does not have any employees. Personnel services to the AHO are provided and charged by DPIE. DPIE also assume the Annual leave and Long service leave provisions of employees providing Personnel services to the AHO. These charges include:

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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits*. The AHO has assessed the actuarial advice based on the AHO's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

##### (ii) Long service leave and superannuation

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using Commonwealth government bond rate of 0.87% (2019: 1.32%) at the reporting date.

##### - Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. In the case of the AHO, this refers specifically to benefits provided to employees through superannuation schemes. Superannuation schemes are classified as either defined contribution or defined benefit.

## 2. Expenses excluding losses (continued)

### a) *Personnel services (continued)*

#### *- Defined contribution superannuation schemes*

The AHO contributes to the First State Superannuation Scheme, a defined contribution scheme in the NSW public sector, as well as other private schemes to a lesser extent. Contributions to these schemes are recognised as an expense in net result as incurred. The liability recognised at the reporting date represents the contributions to be paid to these schemes in the following month.

#### *- Defined benefit superannuation schemes*

The AHO contributes to three defined benefit superannuation schemes in the NSW public sector Pooled Fund. These are: State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and State Authorities Non-Contributory Superannuation Scheme (SANCS).

The AHO's net obligation in respect of these schemes is calculated separately for each scheme by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior reporting periods. That benefit is discounted to determine its present value, and the fair value of any scheme assets is deducted.

The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating to the terms of the AHO's obligations. Calculations are performed by the Pooled Fund's actuary using the projected unit credit method and they are advised to individual agencies for recognition and disclosure purposes in their financial statements.

Where the present value of the defined benefit obligation in respect of a scheme exceeds the fair value of the scheme's assets, a liability for the difference is recognised in the statement of financial position. Where the fair value of a scheme's assets exceeds the present value of the scheme's defined benefit obligation, an asset is recognised in the statement of financial position.

Any superannuation asset recognised is limited to the total of any unrecognised past service and the present value of any economic benefits that may be available in the form of refunds from the schemes or reductions in future contributions to the schemes, as advised by the Pooled Fund's actuary.

Re-measurements of the net defined benefit liability or asset are recognised in other comprehensive income (directly through accumulated funds) in the reporting period in which they occur. Such re-measurements include actuarial gains or losses, the return on plan assets (excluding amounts included in net interest on the defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined benefit liability or asset).

#### *(iii) Consequential on-costs*

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

	PARENT		CONSOLIDATED	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>2. Expenses excluding losses (continued)</b>				
<b>(b) Operating expenses</b>				
Auditor's remuneration - audit of the financial report	82	87	89	87
Advertising and promotions	163	281	163	281
Data processing services	456	243	456	243
Other contractors	9,302	8,141	9,673	8,386
DCJ Business Services fee	1,613	1,686	1,613	1,686
Fee for services rendered (i)	7,561	7,436	7,561	7,436
Insurance	646	515	646	515
Office maintenance	6	1	6	1
Minor equipment purchases	31	20	31	20
Motor vehicle expenses	58	47	58	47
Motor vehicle leasing costs	78	89	78	89
Rent and accommodation expense	254	628	254	628
Telephone	70	106	70	106
Postage and freight	30	23	30	23
Printing and stationery	47	43	47	43
Training and development expense	469	760	469	760
Travelling, removal and subsistence	558	655	569	655
Building maintenance and utilities expense	36,246	36,205	36,344	36,267
Other	1,588	1,471	1,614	1,509
	<b>59,258</b>	<b>58,437</b>	<b>59,771</b>	<b>58,782</b>

(i) This relates to expenses charged to the AHO by DCJ for tenancy management services, as well as by Land and Housing Corporation for contract administration, professional and technical advice, repairs and maintenance and related reporting services. Please refer to Note 23(b) for further details.

## Recognition and Measurement

### Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

### Insurance

The AHO's insurance activities relating to its operations and property portfolio are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. AHO are self-insured against property and liability damage (fire damage, vehicle impact and tempest) less than \$250,000 on their property portfolio. Based on past experience and research, this option is considered to be the most economical.

## 2. Expenses excluding losses (continued)

### (b) Operating expenses (cont'd)

#### Recognition and Measurement (cont'd)

#### Lease expense (up to 30 June 2019)

##### Operating leases

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

#### Lease expense (from 1 July 2019)

From 1 July 2019, the AHO recognises the lease payments associated with the following types leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

### (c) Depreciation

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>				
Buildings	<b>20,329</b>	20,101	<b>20,406</b>	20,170
Right-of-use assets	<b>384</b>	-	<b>384</b>	-
Leasehold improvements	<b>112</b>	103	<b>112</b>	103
	<b>20,825</b>	20,204	<b>20,902</b>	20,273

### (d) Grants and subsidies

The Commonwealth National Partnership Agreement on Remote Indigenous Housing (NPARIH) provides funds towards the repair and maintenance of Aboriginal community housing and the support of the Aboriginal Community Housing Providers (ACHP).

The expenditure below relates to recurrent expenditure provided to the ACHPs.

National Partnership Agreement on Remote Indigenous Housing (NPARIH)	<b>4,271</b>	10,075	<b>4,271</b>	10,075
Other grants	<b>8,888</b>	7,908	<b>8,375</b>	7,563
	<b>13,159</b>	17,983	<b>12,646</b>	17,638

Other grants by the AHO as the Parent entity included \$0.513m (2019: \$0.345m) of forgiven debt owed by the Trust to the AHO.



	PARENT		CONSOLIDATED	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>2. Expenses excluding losses (continued)</b>				
(e) <i>Finance Costs</i>				
Interest expense from lease liabilities	11	-	11	-
	<b>11</b>	<b>-</b>	<b>11</b>	<b>-</b>

**Recognition and Measurement**

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

**3. Revenue****Recognition and Measurement**

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

	PARENT		CONSOLIDATED	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<b>(a) Rent and other tenant charges</b>				
Market rental	82,518	80,377	82,518	80,377
Less: Rental rebates	(29,320)	(27,831)	(29,320)	(27,831)
	<b>53,198</b>	<b>52,546</b>	<b>53,198</b>	<b>52,546</b>
Tenant charges	2,933	2,855	2,933	2,855
	<b>56,131</b>	<b>55,401</b>	<b>56,131</b>	<b>55,401</b>

**Recognition and Measurement**

Rent is charged one week in advance and recognised as revenue on an accrual basis, on a straight-line basis over the lease term.

The AHO charges rent for tenants, subject to individual limitations. Tenants, however, are only charged an amount equivalent to a pre-determined percentage of their household income. The difference between the market rent and the amount tenants are charged is referred to as a rental rebate. Estimated market rent and other tenant related charges, net of estimated rental rebates, are recognised and reported in the Statement of Comprehensive Income as Rent and other tenant charges.

Management has assessed the COVID-19 situation and noted that there were no evidence to suggest the AHO's rental income would be impacted. Management will continue to monitor any changes to the market conditions after 30 June 2020.

	PARENT		CONSOLIDATED	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(b) Grants and contributions</b>				
<b>Grants without sufficiently specific performance obligations</b>				
State Social Housing	4,487	4,487	4,487	4,487
National Housing and Homelessness Agreement (NHHA)	29,864	29,239	29,864	29,239
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	6,643	15,127	6,643	15,127
Covid-19 Economic Response Stimulus Grant	13,500	-	13,500	-
Strong Family, Strong Communities	9,313	7,630	9,313	7,630
Other Grants	12	-	12	-
<b>Grants with sufficiently specific performance obligations</b>				
Grants from DPIE	4,888	3,150	4,888	3,150
	<b>68,707</b>	<b>59,633</b>	<b>68,707</b>	<b>59,633</b>

Grants are received through NSW Treasury from the Commonwealth Government under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) and National Housing and Homelessness Agreement (NHHA). Additional contribution is also received from the State Government under State Social Housing.

As part of an economic response to the COVID-19 situation, a \$13.5m stimulus grant was approved for the AHO to maintain social housing infrastructure through addressing critical asset condition needs and support employment in the construction/trade industry. This work was successfully delivered by 30 June 2020.

Grants from DPIE includes \$4.9m of funding received from the Office of Environment & Heritage (OEH), which has since merged with DPIE from 1 July 2019. The funding was part of a Memorandum of Understanding (MoU) which is accounted for under AASB 15 as mentioned in note 1(h)(i).

### Recognition and Measurement

Until 30 June 2019, income from grants (other than contribution by owners) is recognised when the AHO obtains control over the contribution. The AHO is deemed to have assumed control when the grant is received or receivable. Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

From 1 July 2019, income from grants to acquire/construct a recognisable non-financial asset to be controlled by the AHO is recognised when the AHO satisfies its obligations under the transfer. The AHO satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Revenue from grants with sufficiently specific performance obligations is recognised as when the AHO satisfies a performance obligation by transferring the promised goods. For the current financial year, this mainly relates to the completion of the installation of solar panels. The AHO typically satisfies its performance obligations when solar panels are installed, upon which AHO would recognise any grants received or STC rebates arising from the project as revenue.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied. Income from grants without sufficiently specific performance obligations is recognised when the AHO obtains control over the granted assets (e.g. cash).

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(c) Other income</b>				
Assets recognised for the first time	<b>19,975</b>	29,495	<b>19,975</b>	29,495
Insurance Income	<b>10,355</b>	4,299	<b>10,355</b>	4,299
Small-Scale Technological Certificates Revenue	<b>2,089</b>	-	<b>2,089</b>	-
Other Income	<b>1,241</b>	1,015	<b>1,241</b>	1,015
	<b>33,660</b>	34,809	<b>33,660</b>	34,809

The AHO received Ministerial approval to transfer ownership of government-owned properties purchased under the Housing Aboriginal Communities Program (HACP) to AHO-registered Aboriginal Community Housing Providers (ACHPs). The AHO invited Expressions of Interest (EOI) from AHO-registered ACHPs that believed that they met the requirements for transfer of title of HACP properties. The AHO had met with each provider who submitted an EOI to discuss their application and assessed the evidence submitted. As part of the process, it was determined that there were 33 properties (2019: 85) that were deemed not eligible for transfer for the financial year ended 30th June 2020. There were also 17 additional properties recognised upon execution of new management agreements with the ACHPs.

As a result of the above, 50 properties were recognised for the first time in 2020 at a value of \$20.0m (2019: \$29.5m).

The following were also recognised during the year:

- (i) \$10.4m insurance income received for properties lost through fire or structural damage.
- (ii) \$2.1m from the sale of Small-Scale Technology Certificate (STC) at a fixed price as part of the AHO's solar project. The AHO had entered into a contract in July 2019 for the sale of the Small-Scale Technology Certificate (STC) at a fixed price.

### Recognition and Measurement

Income from assets recognised for the first time is recorded when it has been determined that AHO:

- (i) have ownership over these properties; and
- (ii) could now demonstrate control given the confirmation that these properties will not be transferred and there are valid management agreements in place;

These properties are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Consequently, the income recognised would be equal to the fair value of the properties.

Insurance income is accounted for under AASB 1058 as mentioned in 1(h) (i), whereby revenue is recorded upon receipt of cash.

STC income is accounted for under AASB 15 as mentioned in note 1(h) (i). The AHO recognises revenue from the sale of the STCs at a point in time when the STCs are generated in compliance with the regulatory requirements and sold.

	PARENT		CONSOLIDATED	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>4. (i) Gain/(Losses) on disposal</b>				
Proceeds from disposal	1,213	1,850	1,213	1,850
Disposal costs	(28)	(21)	(28)	(21)
Carrying amount of assets disposed – Note 9	(7,269)	(5,218)	(7,269)	(5,218)
Net Loss on disposal of property	(6,084)	(3,389)	(6,084)	(3,389)
<b>(ii) Loss on transfers/demolitions and retirements</b>				
Written down value of assets demolished – Note 9	(3,727)	(3,721)	(3,727)	(3,721)
Written down value of assets written-off – Note 9	-	(270)	-	(270)
	(3,727)	(3,991)	(3,727)	(3,991)
	(9,811)	(7,380)	(9,811)	(7,380)

### Recognition and Measurement

#### Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the AHO from time-to-time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in Note 9.

	PARENT		CONSOLIDATED	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>5. Impairment losses on financial assets</b>				
Increase in allowance for impairment of receivables - refer Note 7	(988)	(185)	(988)	(185)
	(988)	(185)	(988)	(185)
<b>6. Current assets - cash and cash equivalents</b>				
Cash at bank and on hand	10,153	10,463	10,153	10,463
	10,153	10,463	10,153	10,463

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and cash at bank. There is an amount of \$213,289 for 2020 (2019: \$213,289) which relates to restricted cash held for purchase of replacement properties for the ACHPs.

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

Cash and cash equivalents (as per Statement of Financial Position)	10,153	10,463	10,153	10,463
Closing cash and cash equivalents (as per Statement of Cash Flows)	10,153	10,463	10,153	10,463

Refer to Note 19 for details regarding credit risk and market risk arising from financial instruments.

## 7. Current assets – receivables

Rental debtors	4,370	4,142	4,370	4,142
Sundry debtors	317	142	317	142
Receivables from DCJ	6	23	6	23
Receivables from DPIE	409	-	409	-
Receivables from Land and Housing Corporation	1,425	3,693	1,425	3,693
Less: Allowance for expected credit losses*	(3,404)	(2,698)	(3,404)	(2,698)
	<u>3,123</u>	<u>5,302</u>	<u>3,123</u>	<u>5,302</u>
Prepayments - Other	265	62	265	62
GST receivable (net)	338	875	338	875
Total receivables	<u>3,726</u>	<u>6,239</u>	<u>3,726</u>	<u>6,239</u>

### \*Movement in the allowance for expected credit losses

Balance at beginning of the period	(2,698)	(3,019)	(2,698)	(3,019)
Amounts written off during the year	282	506	282	506
Increase in allowance recognised in net result	(988)	(185)	(988)	(185)
Balance at end of the period	<u>(3,404)</u>	<u>(2,698)</u>	<u>(3,404)</u>	<u>(2,698)</u>

Details regarding credit risk of receivables that are either past due or impaired are disclosed in Note 19.

### Recognition and measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

### Subsequent measurement

The AHO holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

### Impairment

The AHO recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the AHO expects to receive, discounted at the original effective interest rate.

For trade receivables, the AHO applies a simplified approach in calculating ECLs. The AHO recognises a loss allowance based on lifetime ECLs at each reporting date. The AHO has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Management has assessed the COVID-19 situation and noted that there is limited evidence to suggest that the AHO's receivables balances would be impacted. Rental debtors have not been impacted based on assessment of recent rental arrears, while the impact on the remaining receivables balances is expected to be minimal as these are held with other government agencies. As approximately 10% of tenants do not rely on Commonwealth transfer payments and may be impacted by loss of income due to the COVID-19 induced economic conditions, the ECL was increased accordingly. Management will continue to monitor any changes to the market conditions after 30 June 2020.

**8. Contract assets and liabilities**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>1 July 2019 adjusted for</b>		<b>1 July 2019 adjusted for</b>	
	<b>2020</b>	<b>AASB 15</b>	<b>2020</b>	<b>AASB 15</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities - current	-	3,150	-	3,150
	<b>-</b>	<b>3,150</b>	<b>-</b>	<b>3,150</b>

**Recognition and measurement**

Contract assets relate to the AHO's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date. The AHO does not have any contract assets as at 30 June 2020.

The 1 July 2019 adjusted balance of \$3.15m relates to the MoU with DPIE under the AHO's solar project. The initial instalment from the MoU was received upfront in May 2019 and recognised as a grant income for the year ended 30 June 2019. Upon transition to AASB 15, an adjustment was made to the opening balance of the retained earnings and a contract liability was recognised for the initial instalment received upfront. Upon the satisfaction of the performance obligation under the MoU during the year, the liability balance has been de-recognised with a corresponding grant revenue recognised.

**9. Non-current assets – property, plant and equipment**

<b>2020 PARENT</b>	<b>Land and Buildings</b>		<b>Plant and Equipment</b>	<b>Capital Work in Progress</b>	<b>Total</b>
	<b>Tenanted*</b>	<b>Not Tenanted</b>			
	<b>\$'000</b>	<b>\$'000</b>			
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	2,133,800	17,822	715	14,404	2,166,741
Accumulated depreciation and impairment	(53)	-	(428)	-	(481)
Net Carrying Amount	2,133,747	17,822	287	14,404	2,166,260
<b>At 30 June 2020 - fair value</b>					
Gross carrying amount	2,120,409	17,780	754	21,361	2,160,304
Accumulated depreciation and impairment	(121)	-	(540)	-	(661)
Net Carrying Amount	2,120,288	17,780	214	21,361	2,159,643

\*This relates to properties where the AHO is the lessor under operating leases.

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

## 9. Non-current assets – property, plant and equipment (continued)

2020 PARENT	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2020</b>					
Net Carrying Amount at start of year	2,133,747	17,822	287	14,404	2,166,260
Additions	30,263	-	45	23,124	53,432
Assets recognised for the first time	19,975	-	-	-	19,975
Make good	-	-	(6)	-	(6)
Transfers from work in progress	14,621	1,546	-	(16,167)	-
Disposals	(6,303)	(966)	-	-	(7,269)
Demolition	(3,727)	-	-	-	(3,727)
Net revaluation decrement	(47,959)	(622)	-	-	(48,581)
Depreciation expense	(20,329)	-	(112)	-	(20,441)
<b>Net Carrying Amount at end of year</b>	<b>2,120,288</b>	<b>17,780</b>	<b>214</b>	<b>21,361</b>	<b>2,159,643</b>

\*This relates to properties where the AHO is the lessor under operating leases.

2019 PARENT	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2018 - fair value</b>					
Gross carrying amount	2,099,649	14,259	696	10,011	2,124,615
Accumulated depreciation and impairment	(161)	-	(324)	-	(485)
Net Carrying Amount	2,099,488	14,259	372	10,011	2,124,130
<b>At 30 June 2019 - fair value</b>					
Gross carrying amount	2,133,800	17,822	715	14,404	2,166,741
Accumulated depreciation and impairment	(53)	-	(428)	-	(481)
Net Carrying Amount	2,133,747	17,822	287	14,404	2,166,260

\*This relates to properties where the AHO is the lessor under operating leases.

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

**9. Non-current assets – property, plant and equipment (continued)****2019 PARENT**

	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2019</b>					
Net Carrying Amount at start of year	2,099,488	14,259	372	10,011	2,124,130
Additions	12,000	85	-	22,221	34,306
Assets recognised for the first time	29,495	-	-	-	29,495
Make good	-	-	18	-	18
Transfers from work in progress	15,645	2,183	-	(17,828)	-
Disposals	(4,918)	(300)	-	-	(5,218)
Write-off	(269)	-	-	-	(269)
Demolition	(3,721)	-	-	-	(3,721)
Net revaluation increment	6,128	1,595	-	-	7,723
Depreciation expense	(20,101)	-	(103)	-	(20,204)
Net Carrying Amount at end of year	2,133,747	17,822	287	14,404	2,166,260

\*This relates to properties where the AHO is the lessor under operating leases.

**2020 CONSOLIDATED**

	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	2,137,332	19,262	715	14,404	2,171,713
Accumulated depreciation and impairment	(53)	-	(428)	-	(481)
Net Carrying Amount	2,137,279	19,262	287	14,404	2,171,232
<b>At 30 June 2020 - fair value</b>					
Gross carrying amount	2,124,437	19,134	754	21,361	2,165,686
Accumulated depreciation and impairment	(121)	-	(540)	-	(661)
Net Carrying Amount	2,124,316	19,134	214	21,361	2,165,025

\*This relates to properties where the AHO is the lessor under operating leases.

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:



## 9. Non-current assets – property, plant and equipment (continued)

### 2020 CONSOLIDATED

	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2020</b>					
Net Carrying Amount at start of year	2,137,279	19,262	287	14,404	2,171,232
Additions	30,263	-	45	23,124	53,432
Assets recognised for the first time	19,975	-	-	-	19,975
Make good	-	-	(6)	-	(6)
Transfers from work in progress	14,621	1,546	-	(16,167)	-
Disposals	(6,302)	(967)	-	-	(7,269)
Demolition	(3,727)	-	-	-	(3,727)
Net revaluation decrement	(47,387)	(707)	-	-	(48,094)
Depreciation expense	(20,406)	-	(112)	-	(20,518)
Net Carrying Amount at end of year	2,124,316	19,134	214	21,361	2,165,025

\*This relates to properties where the AHO is the lessor under operating leases.

### 2019 CONSOLIDATED

	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2018 - fair value</b>					
Gross carrying amount	2,102,997	15,799	696	10,011	2,129,503
Accumulated depreciation and impairment	(161)	-	(324)	-	(485)
Net Carrying Amount	2,102,836	15,799	372	10,011	2,129,018
<b>At 30 June 2019 - fair value</b>					
Gross carrying amount	2,137,332	19,262	715	14,404	2,171,713
Accumulated depreciation and impairment	(53)	-	(428)	-	(481)
Net Carrying Amount	2,137,279	19,262	287	14,404	2,171,232

\*This relates to properties where the AHO is the lessor under operating leases.

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

## 9. Non-current assets – property, plant and equipment (continued)

### 2019 CONSOLIDATED

	Land and Buildings		Plant and Equipment	Capital Work in Progress	Total
	Tenanted*	Not Tenanted			
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Period ended 30 June 2019</b>					
Net Carrying Amount at start of year	2,102,836	15,799	372	10,011	2,129,018
Additions	12,000	85	-	22,221	34,306
Assets recognised for the first time	29,495	-	-	-	29,495
Make good	-	-	18	-	18
Transfers from work in progress	15,645	2,183	-	(17,828)	-
Disposals	(4,918)	(300)	-	-	(5,218)
Write-off	(269)	-	-	-	(269)
Demolition	(3,721)	-	-	-	(3,721)
Net revaluation increment	6,381	1,495	-	-	7,876
Depreciation expense	(20,170)	-	(103)	-	(20,273)
Net Carrying Amount at end of year	2,137,279	19,262	287	14,404	2,171,232

\*This relates to properties where the AHO is the lessor under operating leases.

### Recognition and measurement

#### (i) Capitalisation threshold

Property, plant and equipment, including leasehold improvements costing \$5,000 and above are capitalised, if it is probable that future economic benefits will flow to the AHO and the cost of the asset can be reliably measured. Grouped assets forming part of a network costing more than \$5,000 are capitalised.

#### (ii) Recognition and measurement

The cost method of accounting is used in the initial recording of all asset acquisitions controlled by the AHO. Property, plant and equipment are subsequently revalued at fair value less accumulated depreciation and impairment.

Cost includes expenditures that are directly attributable to the acquisition of the asset, such as cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction, or where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards. The present value of the expected cost of dismantling and removing an asset and restoring the site on which they are located is included in the cost of an asset, to the extent that it is recognised as a liability. The AHO recognises a liability when it has a legal and constructive obligation to restore the asset.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is price that would be received to sell an asset in an orderly transaction between market participants at measurement date. Where the payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, with the net amount being recognised within the Statement of comprehensive income.

## 9. Non-current assets – property, plant and equipment (continued)

### Property, plant and equipment (Continued)

#### (iii) Subsequent costs

##### a) Major inspection costs

The cost of performing major inspections is capitalised as an addition to the asset, when the recognition criteria is satisfied.

##### b) Repairs and maintenance

The AHO expenses the cost of routine repairs and maintenance necessarily incurred to maintain its property portfolio at pre-determined standards, except where they relate to replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

A percentage of repairs and maintenance on properties costing in aggregate more than \$10,000 are capitalised. Individual repairs and maintenance costing more than \$5,000 are capitalised.

Value of unpaid repairs and maintenance at reporting date is accrued. The AHO estimates this accrual by applying a pre-determined percentage of the value of works orders issued to maintenance contractors. The pre-determined percentage is assessed every year depending on the status of the works orders as at reporting date.

##### c) Capital improvements

The AHO incurs costs necessary to bring older dwellings within its property portfolio to the benchmark condition. When the work undertaken results in the improved dwellings exceeding the original standard of the dwellings, the costs incurred are capitalised.

#### (iv) Revaluation

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 11 for further information regarding fair value.

The AHO revalue its lands and buildings annually to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the reporting date.

## 9. Non-current assets – property, plant and equipment (continued)

### Property, plant and equipment (Continued)

#### (v) Revaluation (Continued)

For non-specialised assets with short useful lives, these are measured at depreciated historical cost as an approximation of fair value. The AHO has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets the accumulated depreciation of an asset at the revaluation date is credited to the asset's account. The resulting net balance in the asset account is increased or decreased to bring the asset's value to fair value.

Revaluation increments are credited directly to revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result. The remaining balance is directly credited to the revaluation reserve.

Revaluation decrements relating to an asset class is first offset against the existing credit balance in the revaluation reserve for that asset class. The remaining balance is recognised as an expense in the net result reported in the Statement of Comprehensive Income.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not against assets that belong to a different asset class.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation reserve in respect of that asset is transferred to accumulated funds.

#### (vi) Depreciation

Property, plant and equipment, other than land is depreciated on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life. All material identifiable components of assets are depreciated separately over their useful lives. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. The AHO undertakes ongoing maintenance and upgrades in order to maintain properties at a certain standard.

The depreciation rates are as follows:

	2020 % Rate	2019 % Rate
<b>Property</b>		
Building	2	2
<b>Plant &amp; Equipment</b>		
Office furniture and fittings	33	33
Office equipment	14	14
Computer equipment	25	25

## 9. Non-current assets – property, plant and equipment (continued)

### Property, plant and equipment (Continued)

#### (vi) Depreciation (continued)

Leasehold improvements are amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

#### (vii) Leases

##### **Finance leases acquired by lessees (Under AASB 117 until 30 June 2019)**

Until 30 June 2019, AASB 117 Leases (AASB 117) distinguished between finance leases that effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards. At 30 June 2019, the AHO did not have any property, plant and equipment acquired under finance lease.

##### **Right-of-Use Assets acquired by lessees (under AASB 16 from 1 July 2019)**

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The AHO has elected to present right-of-use assets separately in the Statement of Financial Position.

Therefore, at that date property, plant and equipment recognised under leases previously treated as finance leases under AASB 117 are derecognised. The right-of-use assets arising from these leases are recognised and included in the separate line item together with those right-of-use assets arising from leases previously treated as operating leases under AASB 117.

Further information on leases is contained at Note 10.

#### (viii) Transfer of Assets

On a regular basis, the NSW Land and Housing Corporation (LAHC) transfers properties (including legal title) to the AHO to assist in meeting Aboriginal housing needs. The AHO also transfers properties to LAHC, such as when the relevant properties no longer meet the requirements of Aboriginal households. The AHO and LAHC regularly undertake a reconciliation of the value of property transfers in and out (quantity and dollar values).

The AHO records as revenue the value of properties transferred from LAHC and records as an expense the value of properties transferred to LAHC.

## 9. Non-current assets – property, plant and equipment (continued)

### Property, plant and equipment (Continued)

#### (viii) Impairment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The AHO assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the AHO estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

## 10. Leases

The AHO leases various offices for operational use. Lease contracts are typically made for fixed periods of 5 to 6 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The AHO does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the AHO and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$2.5m have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the AHO. During the current financial year, the financial effect of revising lease terms to reflect the effect of not exercising extension and termination options was nil.

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The AHO has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

**10. Leases (continued)****(a) Right-of-use assets under leases**

The following tables presents right-of-use assets that do not meet the definition of investment property.

<b>Parent/Consolidated</b>	<b>Buildings \$'000</b>	<b>Total \$'000</b>
<b>Restated balance at 1 July 2019 upon adoption of AASB 16</b>	992	992
Additions	-	-
Depreciation expense	(384)	(384)
Impairment on right-of-use assets	(90)	(90)
<b>Balance at 30 June 2020</b>	<b>518</b>	<b>518</b>

**(b) Lease liabilities**

The following table presents liabilities under leases

<b>Parent/Consolidated</b>	<b>Total \$'000</b>
<b>Restated balance at 1 July 2019 upon adoption of AASB 16</b>	1,016
Additions	-
Interest expenses	11
Payments	(400)
<b>Balance at 30 June 2020</b>	<b>627</b>

As at 30 June 2020, the AHO's lease liabilities were made up of \$0.397m that are current and \$0.230m that are non-current. Refer to Note 14 for details.

**(c) Right-of-use expenses under leases**

The following amounts were recognised in the statement of comprehensive income for the year ended 30 June 2020:

	<b>\$'000</b>
Depreciation expense of right-of-use assets	384
Impairment on right-of-use assets	90
Interest expense on lease liabilities	11
<b>Total amount recognised in the statement of comprehensive income</b>	<b>485</b>

The AHO had total cash outflows for leases of \$0.400m in FY2019-20.

## 10. Leases (continued)

### c) *Right-of-use expenses under leases (continued)*

Future minimum lease payments under non-cancellable leases as at 30 June 2019 are, as follows:

	<b>Operating lease \$'000</b>
Within one year	397
Later than one year and not later than five years	652
Total (including GST)	<b>1,049</b>
Less: GST recoverable from the Australian Tax Office	(95)
<b>Total (excluding GST)</b>	<b>954</b>

### Recognition and measurement (under AASB 16 from 1 July 2019)

The AHO assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The AHO recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

#### i. Right-of-use assets

The AHO recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (50 years for office buildings).

As the lease terms for the AHO's right-of-use assets is usually 5 years which is shorter than the useful lives of the assets, these assets are depreciated over the lease term.

If ownership of the leased asset transfers to the AHO at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The AHO assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the AHO estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

#### ii. Lease liabilities

At the commencement date of the lease, the AHO recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;



## 10. Leases (continued)

### ii. Lease Liabilities (continued)

- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the AHO; and
- payments of penalties for terminating the lease, if the lease term reflects the AHO exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the AHO's leases, the lessee's incremental borrowing rate is used, being the rate that the AHO would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The AHO's lease liabilities are included in borrowings. Refer to Note 14.

### iii. Short-term leases and leases of low-value assets

The AHO applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. The AHO does not have such leases as at 30 June 2020.

### iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the AHO to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment. The AHO does not have such leases as at 30 June 2020.

### v. Recognition and measurement (under AASB 117 until 30 June 2019)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the AHO was classified as a finance lease.

Where a non-current asset was acquired by means of a finance lease at the commencement of the lease, the asset was recognised at its fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability was established at the same amount. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of comprehensive income.

## 10. Leases (continued)

### v. Recognition and measurement (under AASB 117 until 30 June 2019) (continued)

Property, plant and equipment acquired under finance leases was depreciated over the useful life of the asset. However, if there is no reasonable certainty that the AHO will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

## 11. Fair value measurement of non-financial assets

### (a) Fair value hierarchy

2020	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>PARENT</b>					
<b>Property, plant and equipment</b>					
Land and buildings	9	-	-	2,138,068	2,138,068
		-	-	<b>2,138,068</b>	<b>2,138,068</b>
<b>2020</b>					
<b>CONSOLIDATED</b>					
<b>Property, plant and equipment</b>					
Land and buildings	9	-	-	2,143,450	2,143,450
		-	-	<b>2,143,450</b>	<b>2,143,450</b>

There were no transfers between Level 1 or 2 during the period.

2019	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>PARENT</b>					
<b>Property, plant and equipment</b>					
Land and buildings	9	-	-	2,151,569	2,151,569
		-	-	<b>2,151,569</b>	<b>2,151,569</b>
<b>2019</b>					
<b>CONSOLIDATED</b>					
<b>Property, plant and equipment</b>					
Land and buildings	9	-	-	2,156,541	2,156,541
		-	-	<b>2,156,541</b>	<b>2,156,541</b>

There were no transfers between Level 1 or 2 during the period.

### Recognition and measurement

#### Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

## 11. Fair value measurement of non-financial assets (continued)

### (a) Fair value hierarchy (continued)

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the AHO categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the AHO can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The AHO recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### (b) Valuation techniques, inputs and processes

Fair values are determined by applying an annual rolling benchmark valuation approach whereby a third of the benchmark properties are valued by accredited property valuers with reference to market sales comparisons to calculate a market movement index. The market movement index is applied to the remaining two-thirds of the benchmark properties. This has the advantage of engaging an independent assessment annually. All benchmark properties are grouped within thirteen geographical reporting regions. The median value increase in each geographical group is then applied to the entire property portfolio. Adjustments to each property are made for any significant different characteristic from benchmark properties. The rolling benchmark valuation process is calculated annually as at 31 December. As such, an uplift market movement factor is provided from a registered valuer for the six months period ended 30 June 2020.

The uplift/(downward) market movement for the six months ended 30 June 2020 is nil. This methodology involves a physical independent valuation each year of one-third of the benchmark properties.

COVID-19 has created uncertainty in all sectors of the State's economy including the housing market. At the time of preparing these financial statements, management is unable to measure reliably the financial impact, if any, on The AHO's property, plant and equipment as at 30 June 2020. The AHO's residential property portfolio's fair value is determined by the market approach, primarily comparable recent market sales. Management has made enquires of external parties and has not been made aware of any evidence of a material change in residential property values as a result of COVID-19 that would result in an adjustment to fair value as at 30 June 2020. Management will continue to monitor any changes to the market conditions after 30 June 2020.

#### Significant inputs

- Market sales comparison approach utilising recent sales of comparable properties.
- Adjustments for any different attributes to benchmark properties- number of bedrooms, street appeal, aspect, dwelling size, yard size, internal condition and car accommodation, land size and zoning restrictions
- Where a single title exists over multiple properties, a block title adjustment is made to reflect the required costs for sub-division.
- Market movement for six months ended 30 June.

#### Inter-relationship between significant inputs and fair value measurement

- Higher (lower) market sales values reflect higher (lower) valuations.
- Better / (lesser) attributes for location, condition, size, aspect and street appeal over benchmark properties result in higher / (lower) valuation.
- Depending on the complexity of the conversion to single title, valuations are reduced by conversion costs.
- Higher / (lower) six monthly uplift market movement will result in higher / (lower) valuation.

Due to the extent of extrapolation and calculations for block title adjustments and uplift factors, management considers that an overall type 3 input level is appropriate.

### (c) Reconciliation of Level 3 fair value measurements

Please refer to Note 9 for a reconciliation of the Level 3 fair value measurements for land & building.

	PARENT		CONSOLIDATED	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>12. Current liabilities – payables</b>				
Payable for personnel services - inter-agency	14,890	11,835	14,890	11,835
Creditors - trade	3,043	3,463	3,043	3,463
Creditors – sundry	2,460	2,285	2,460	2,285
Payable to the NSW Treasury	2,200	-	2,200	-
Payable to Crown Finance Entity	82	-	82	-
Accrued operating expenditure	2,685	3,567	2,685	3,567
Accrued capital expenditure - LAHC	2,854	2,818	2,854	2,818
Accrued capital expenditure - Others	415	-	415	-
Creditors - inter agency	-	548	-	548
	<b>28,629</b>	<b>24,516</b>	<b>28,629</b>	<b>24,516</b>

The AHO had \$2.2m of consideration received in advance from NSW Treasury in the form of a grant relief in anticipation that AHO's rental revenue will be impacted for the current year as a result of the COVID-19 situation. As there was no evidence of an impact by 30 June 2020, this grant has to be returned to NSW Treasury and hence recorded as a payables. Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are included in Note 19.

#### Recognition and measurement

##### Trade and other payables

These represent liabilities for goods and services provided to the AHO and other amounts. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. However, short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest method.

Gains and losses are recognised in the net result when the liabilities are de-recognised as well as through the amortisation process.

#### 13. Current liabilities – unearned revenue

Unearned revenue	-	713	-	713
	<b>-</b>	<b>713</b>	<b>-</b>	<b>713</b>

Unearned revenue for the prior year relates to insurance proceeds that were received in advance. There were no such proceeds received in advance as at 30 June 2020.

#### 14. Current/Non-Current Liabilities – Borrowings

Current lease liability - see Note 10(b)	397	-	397	-
Non-current lease liability - see Note 10(b)	230	-	230	-
	<b>627</b>	<b>-</b>	<b>627</b>	<b>-</b>

Details regarding liquidity risk, including a maturity analysis of the above borrowings are in Note 19.

#### Recognition and measurement

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process. Finance lease liabilities are determined in accordance with AASB 117 until 30 June 2019. From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

**15. Non-current liabilities – provisions**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Property replacement cost	<b>213</b>	213	<b>213</b>	213
Restoration	<b>325</b>	328	<b>325</b>	328
<b>Total Provisions</b>	<b>538</b>	541	<b>538</b>	541

**Reconciliation**

A reconciliation of the provision movements for the current year is set out below:

**2020 PARENT**

	<b>Property replacement</b>	<b>Restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at beginning of the financial year	<b>213</b>	<b>328</b>	<b>541</b>
Additional provision recognised	-	(6)	(6)
Unwinding/Change in the discount rate	-	3	3
Carrying amount at the end of the financial year	<b>213</b>	<b>325</b>	<b>538</b>

**2020 CONSOLIDATED**

	<b>Property replacement</b>	<b>Restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at beginning of the financial year	<b>213</b>	<b>328</b>	<b>541</b>
Additional provision recognised	-	(6)	(6)
Unwinding/Change in the discount rate	-	3	3
Carrying amount at the end of the financial year	<b>213</b>	<b>325</b>	<b>538</b>

**Reconciliation**

A reconciliation of the provision movements for the previous year is set out below:

**2019 PARENT**

	<b>Property replacement</b>	<b>Restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at beginning of the financial year	<b>213</b>	<b>302</b>	<b>515</b>
Additional provision recognised	-	20	20
Unwinding/Change in the discount rate	-	6	6
Carrying amount at the end of the financial year	<b>213</b>	<b>328</b>	<b>541</b>

**2019 CONSOLIDATED**

	<b>Property replacement</b>	<b>Restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at beginning of the financial year	<b>213</b>	<b>302</b>	<b>515</b>
Additional provision recognised	-	20	20
Unwinding/Change in the discount rate	-	6	6
Carrying amount at the end of the financial year	<b>213</b>	<b>328</b>	<b>541</b>

## 15. Current / non-current liabilities – provisions (continued)

### Recognition and measurement

#### Provisions

The AHO has no employees and therefore has no employee related provisions.

A provision is recognised if, as a result of a past event, the AHO has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

Restoration costs provision is the present value of the AHO's obligation to make-good leased premises at the reporting date. The assumed settlement is based on contractual lease term. The amount and timing of each estimate is reassessed annually.

Provision for property replacements cost relates to the AHO's obligation to purchase suitable replacement properties for the ACHPs. This amount is reassessed on an annual basis.

## 16. Commitments for expenditure

### Capital commitments

Aggregate capital expenditure contracted for the purpose of providing housing for Aboriginal people at balance date and not provided for:

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Within one year	<b>9,133</b>	5,727	<b>9,133</b>	5,727
Later than one and not later than five years	-	8	-	8
Total (including GST)	<b>9,133</b>	5,735	<b>9,133</b>	5,735

## 17. Contingent Liabilities and Contingent Assets

As part of the HACP program, there were 15 properties that the AHO does not have definitive control over as at 30 June 2020 (2019- 40 properties). As a result, they will not be recognised until such time as full control is established. The value of these properties is \$4.80m. (2019- \$20.3m).

There were no contingent liabilities for the AHO as at 30 June 2020 (2019 - \$Nil).

**18. Reconciliation of cash flows from operating activities to net result**

	<b>PARENT</b>		<b>CONSOLIDATED</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash from operating activities</b>	<b>51,886</b>	27,249	<b>51,886</b>	27,249
Losses on disposal	(9,811)	(7,380)	(9,811)	(7,380)
Depreciation and amortisation	(20,825)	(20,204)	(20,902)	(20,273)
Finance costs	(11)	-	(11)	-
Assets recognised for the first time	19,975	29,495	19,975	29,495
Impairment loss on right-of-use assets	(90)	-	(90)	-
Increase in allowance for impairment	(988)	(185)	(988)	(185)
Unwinding of discount on make good provision	(3)	(6)	(3)	(6)
Increase / (decrease) in receivables	1,422	1,425	1,422	1,425
Decrease / (increase) in payables	(3,686)	(441)	(3,686)	(441)
Decrease / (increase) in unearned revenue	713	(713)	713	(713)
Increase / (decrease) in prepayments and other assets	203	42	203	42
<b>Net result</b>	<b>38,785</b>	29,282	<b>38,708</b>	29,213

**19. Financial instruments**

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

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

The Secretary has the overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the AHO, to set risk limits and controls and to monitor risks. The AHO works closely with DPIE and participates in the DPIE risk management process to manage these risks. Compliance with policies is reviewed by AHO on a continuous basis.

**(a) Financial instrument categories for parent and consolidated entity**

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2020</b>	<b>Carrying amount 2019</b>
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	6	Amortised Cost	10,153	10,463
Receivables (1)	7	Amortised Cost Loans and Receivables	3,123	5,302
<b>Total financial assets</b>			13,276	15,765
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2020</b>	<b>Carrying amount 2019</b>
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Payables (2)	12	Financial liabilities measured at amortised cost	28,629	24,516
Borrowings	14	Financial liabilities measured at amortised cost	627	-
<b>Total financial liability</b>			29,256	24,516

## 19. Financial Instruments (continued)

### (a) *Financial instrument categories (continued)*

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

The AHO determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

#### **De-recognition of financial assets and liabilities**

##### (i) Financial assets

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire; or when the AHO transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) the AHO has transferred substantially all the risks and rewards of the asset; or
- b) the AHO has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When AHO has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the AHO has neither transferred nor retained substantially all the risks and rewards or transferred control, financial assets are recognised only to the extent of the AHO's continuing involvement in the asset. In that case, the AHO also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the AHO has retained.

##### (ii) Financial liabilities

Financial liabilities are de-recognised when the obligations specified in the contracts expire, are discharged or cancelled.

### (b) *Credit risk*

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

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

The AHO considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the AHO may also consider a financial asset to be in default when internal or external information indicates that the AHO is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the AHO.

#### *Cash and cash equivalents*

Cash comprises cash on hand and bank balances with Westpac Banking Corporation. Interest is earned on daily bank balances. Any interest income earned is pooled centrally and retained by NSW Treasury.

#### *Accounting policy for impairment of trade debtors and other financial assets*

##### *Receivables - trade debtors*

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The AHO applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.



## 19. Financial Instruments (continued)

### (b) Credit risk (continued)

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The AHO has identified the GDP, the unemployment rate and the Commonwealth government welfare transfer payments regime to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors was determined as follows:

30 June 2020						
\$'000						
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	-	-	60%	40%	83%	
Estimated total gross carrying amount at default	-	-	5	5	4,094	4,104
Expected credit loss			3	2	3,399	3,404

30 June 2019						
\$'000						
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	-	-	76%	67%	62%	
Estimated total gross carrying amount at default	-	-	5	6	4,331	4,342
Expected credit loss	-	-	4	4	2,690	2,698

Note: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the “total” will not reconcile to the receivables total in Note 7.

### (c) Liquidity risk

Liquidity risk is the risk that the AHO will be unable to meet its payment obligations when they fall due. The AHO continuously manages risk through monitoring future cash flows and commitments maturities. No assets have been pledged as collateral. The AHO’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC 11/12 allows the Minister to award interest for late payment. An amount of \$Nil interest for late payment was made during the 2020 year (2019: \$Nil).

## 19. Financial Instruments (continued)

### (c) Liquidity risk (continued)

The table below summarises the maturity profile of the AHO's parent and consolidated entities' financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

At 30 June 2020	Interest rate	Maturity dates			
	exposure				
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payable for personnel services	14,890	14,890	-	-	14,890
Creditors and accrual expenses	13,739	13,739	-	-	13,739
Borrowings	642	403	239	-	642
Total	29,271	29,032	239	-	29,271

At 30 June 2019	Interest rate	Maturity dates			
	exposure				
	Nominal Amount	<1 year	Between 1 and 5 years	> 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payable for personnel services	11,835	11,835	-	-	11,835
Creditors and accruals expenses	12,681	12,681	-	-	12,681
Borrowings	-	-	-	-	-
Total	24,516	24,516	-	-	24,516

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the AHO can be required to pay.

The AHO has access to the following line of credit with Westpac:

	\$'000 2020	\$'000 2019
Tape Negotiation Authority	20,000	20,000

This facility authorises the bank to debit the AHO's operating bank account up to the above limit when processing the electronic payroll and accounts payables.

	\$'000 2020	\$'000 2019
The AHO has access to the following credit card facility with Citibank	500	500

This facility was approved under the Public Authorities Financial Arrangements Act by the Treasurer on 5 July 2018 as a maximum limit for the AHO's corporate credit cards.

## 19. Financial Instruments (continued)

### (d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The AHO's exposures to market risk are primarily through interest rate risk on cash and cash equivalents. The AHO has no exposure to foreign currency risk and does not trade in derivatives of any nature.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. This basis will be reviewed annually and amended where there is a structural change in the level of interest volatility. The AHO's parent and consolidated entities' exposure to interest rate risk is set out below.

#### 30 June 2020

	-1%		+1%	
Carrying amount	Net Result	Equity	Net Result	Equity
\$'000	\$'000	\$'000	\$'000	\$'000

#### Financial assets

Cash and cash equivalents	10,153	(102)	(102)	102	102
<b>Total increase/(decrease)</b>		(102)	(102)	102	102

#### 30 June 2019

	-1%		+1%	
Carrying amount	Net Result	Equity	Net Result	Equity
\$'000	\$'000	\$'000	\$'000	\$'000

#### Financial assets

Cash and cash equivalents	10,463	(105)	(105)	105	105
<b>Total increase/(decrease)</b>		(105)	(105)	105	105

### (e) Fair Value compared to carrying amount

The carrying values of financial asset less any impairment provision and financial liabilities are a reasonable approximation of their fair value due to their short term nature.

## 20. Budget review

### (a) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed on the primary financial statements are explained below.

#### Net Cost of Services (NCOS)

The Net Cost of Services (NCOS) was \$38.7m in surplus against the approved budget of \$3.2m. The NCOS was achieved.

The major variances to budget for revenue were:

Other grants – higher by \$15.8m as the AHO received a Budget Stimulus grant of \$13.5m for capital upgrades on 1,993 homes to be completed by 30 June 2020. This was completed on time and on budget and delivered an estimated 355 jobs, with at least 20% of these being for Aboriginal people.

There was also an additional \$3.2m worth of grants non-cash income from Office of Environment & Heritage as a result of the adoption of a new accounting standard (AASB 15 – Revenue from Contracts with Customer). This

standard only allows the recognition of revenue upon completion of performance obligations as per the contract. As a result, \$3.2m worth of grants could only be recognised this current year upon completion of the Solar Phase 2 installations, even though the cash was received back in June 2019.

Asset re-instatement – higher by \$20.0m for the 50 properties which have been recognised for the first time in AHO books.

Other income – higher by \$10.4m due to insurance claims received for fire damaged properties.

Offset by:

NPARIH (National Partnership Agreement Remote Indigenous Housing) Program funding – lower by \$15.8m due to the community upgrade program being extended as discussed below in grants expenditure.

The major variances to budget for expenditure were:

Grant expenditure – lower by \$12.4m due to the deferment of the completion of the NPARIH community upgrade works and the accompanying exit from headlease agreements with Local Aboriginal Land Councils (LALC's). This work will be carried out over the next 1-2 years as LALC's resume direct responsibility for their property and tenancy management, with the AHO to provide assistance on property condition. All funds have been approved for carry-over into future years, with no funds lost; and

Operating expenses – lower by \$1.5m mostly due to \$1.1m of lower recurrent repairs and maintenance expenditure, with the remainder caused by lower engagement of contractors under our Strong Family, Strong Communities (SFSC) programs due to delays in community face to face work arising from COVID-19. Please note that the overall repairs and maintenance budget was delivered, once capital upgrades are taken into account.

### **Assets and Liabilities**

The assets and liabilities balances remained fairly stable both against budget and year on year. The major variances were:

Cash - \$6.3m higher than budget due to higher than expected insurance proceeds, which is targeted for replacement stock for the AHO property portfolio.

Asset revaluation reserve - \$53.0m lower than budget. The actual revaluation was a decrease of \$48.1m, whereas the budget allowed for close to a breakeven situation. The other \$4.9m was due to the write-back of any accumulated revaluation increment attached to properties disposed of during the year.

### **Cash Flows**

As mentioned earlier, net cash was \$6.3m higher than budget due to higher than expected insurance proceeds, which will be targeted for replacement stock.

## **21. Program group statement**

The AHO operates and reports in one program group. The Statement of Comprehensive Income and Statement of Financial Position show the program group information of the AHO.

## 22. Defined benefit superannuation plans

DPIE

	SASS		SANCS		SSS		Total	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Member Numbers								
Contributors	-	-	-	-	-	-	-	-
Pensioners	-	-	-	-	-	-	-	-
Superannuation Position	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued liability	-	-	(1)	(2)	14,705	14,916	14,704	14,914
Estimated reserve account balance	(1)	(1)	(6)	(9)	(3,737)	(4,086)	(3,744)	(4,096)
Net liability recognised in statement of financial position	(1)	(1)	(7)	(11)	10,968	10,830	10,960	10,818

Details of the schemes and key assumptions on the actuarial assessments of the above superannuation position are disclosed in the financial statements of DPIE as employer of these employees.

DPIE provides personnel services to the AHO as AHO does not have employees.

## 23. Related party disclosures

A related party is a person or entity that is related to the AHO that is preparing financial statements. The AHO is a cluster agency of DPIE. As the AHO is a statutory authority 100% controlled by the NSW Government, AHO is a related party of all NSW Government controlled agencies and State Owned Corporations.

### (a) Key management personnel

In accordance with AASB 124 *Related parties* disclosures, Key Management Personnel 'KMP' are those having authority and responsibility for planning, directing and controlling the activities of the entity including whether executive or otherwise.

The Minister, the Secretary of DPIE and Chief Executive of the Aboriginal Housing Office have been identified as the KMP of the AHO.

#### Key management personnel compensation

Ministers are compensated by NSW Legislature and the AHO is not obligated to reimburse the Legislature. Ministerial compensation has been centrally compiled by Treasury and Department of Premier and Cabinet for distribution to agencies for inclusion in their financial statements. The AHO is not aware of any non-monetary benefits provided by the AHO to the Minister. The Secretary is remunerated by DPIE as the principal department of the cluster and therefore compensation for the Secretary is also excluded from the table below.

The AHO's key management personnel compensation is as follows:

	2020	2019
	\$'000	\$'000
Short-term employee benefits:	369	221
Post-employment benefits	-	12
Total remuneration	369	233

The above compensation disclosures are based on actual payments made to KMP during the year.

#### KMP Related party information

There were no other related party transactions that occurred during the year with KMP or close family members of KMP.

#### **(b) Other related party transactions**

##### Cluster agencies

A management agreement exists between the AHO and LAHC whereby LAHC provides contract administration and repairs and maintenance. During the period to 30 June 2020, the AHO incurred \$2.45m (2019: \$2.45m) as management fees and this amount is disclosed in Note 2 (b) Fee for services rendered.

A management agreement exists between the AHO, DPIE and the Department of Communities and Justice (DCJ), whereby DCJ provides tenancy and other housing assistance services. During the period to 30 June 2020, the AHO incurred \$5.11m (2019: \$4.99m) as management fees to DPIE and this amount is disclosed in Note 2 (b) Fee for services rendered.

A management agreement exists between the AHO, DPIE and DCJ whereby DCJ provides finance, human resources, and information technology and business services. During the period to 30 June 2020, the AHO incurred \$1.61m (2019: \$1.69m) as management fees to DPIE and this amount is disclosed in Note 2 (b) Business Services fee.

##### Other government agencies

The AHO transacts with other government entities in the normal course of business at arm's length.

##### Transaction with the Trust

As disclosed in Note 2(d), the AHO has recognised \$0.513m of other grants for forgiveness of liability to the Trust for the period ended 30 June 2020.

## **24. Events after the reporting period**

There were no other events subsequent to balance date which would significantly affect the disclosures of these financial statements.

## Other financial information

### NSW Land and Housing Corporation financial performance

#### Expenditure and revenue categories

The NSW Land and Housing Corporation is a statutory body within the Department of Planning, Industry and Environment cluster of government agencies and is responsible for managing the NSW Government's public housing portfolio. It is a public non-financial corporation responsible for administering the *Housing Act 2001*. It owns and manages land, buildings and other assets within the portfolio, valued at approximately \$51.4 billion.

#### Overview of 2019–20 financial activities

**Table Fin. Perf.–1. Revenue**

Revenue	2019–20 Actual (\$m)	2019–20 Budget (\$m)
Rent and other tenant charges	776.6	780.5
Grants and other contributions	156.9	89.2
Other revenue	37.1	21.3
<b>Total revenue</b>	<b>970.6</b>	<b>891.0</b>

**Table Fin. Perf.–2. Expenses and net result**

Expenses	2019–20 Actual (\$m)	2019–20 Budget (\$m)
Repairs and maintenance	311.7	271.5
Council and water rates	200.5	207.6
Personnel services and expenses	65.9	77.9
Depreciation and amortisation	542.6	522.7
Grants and subsidies	3.0	3.0
Other expenses (including loss on disposal of assets and other losses)	315.1	340.6
<b>Total expenses</b>	<b>1,438.8</b>	<b>1,423.3</b>
<b>Net result for the year</b>	<b>(468.2)</b>	<b>(532.3)</b>

**Table Fin. Perf.–3. Preliminary budget 2020–21**

Category	2020–21 Preliminary budget (\$m)
Revenue	874.2
Expenses	1,444.6
<b>Net budget result</b>	<b>(570.4)</b>

Source: Preliminary Land and Housing Corporation Budget 2020–21

## NSW Land and Housing Corporation investment performance

The Land and Housing Corporation did not have any investments for the financial year ended 30 June 2020.

## NSW Land and Housing Corporation liability management performance (only if debt is greater than \$20 million)

As at 30 June 2020, the nominal value of the Land and Housing Corporation's debt portfolio was \$838.5 million. This comprises \$685.9 million in advances from the Crown Finance Entity, \$148.3 million in loans payable to TCorp and \$4.3 million in loans from other sources.

During 2019–20, the Land and Housing Corporation repaid \$31.4 million of its debts, mainly to the Crown Finance Entity.

Land and Housing Corporation retained the services of TCorp to manage the tradable portion of the debt portfolio. A weighted average life (WAL) benchmark was adopted to measure Land and Housing Corporation's debt management performance. The actual WAL for the financial year ended 30 June 2020 was 4.3 years, within the allowable range of 3 to 6 years.

## Aboriginal Housing Office financial performance

### Expenditure and revenue categories

#### Overview of 2019–20 financial activities

**Table Fin. Perf.–4. Revenue**

Revenue	2019–20 Actual (\$m)	2019–20 Budget (\$m)
Rent and other charges	56.1	56.0
Grants and contributions	68.7	71.6
Other income	33.7	0.0
<b>Total revenue</b>	<b>158.5</b>	<b>127.6</b>



**Table Fin. Perf.–5. Expenses and net result**

Expenses	2019–20 Actual (\$m)	2019–20 Budget (\$m)
Property repairs, maintenance and utilities	23.3	24.2
Grants and subsidies	12.6	25.0
Personnel service costs	15.6	15.3
Other operating expense	18.3	18.9
Depreciation and amortisation	20.9	21.3
Property council rates, tenancy management and maintenance service	18.2	18.2
Other expenses	10.9	1.5
<b>Total expenses</b>	<b>119.8</b>	<b>124.4</b>
<b>Net result</b>	<b>38.7</b>	<b>3.2</b>

**Table Fin. Perf.–6. Preliminary budget 2020–21**

Category	2020–21 Preliminary budget (\$m)
Revenue	144.2
Expenses	130.0
<b>Net budget result</b>	<b>14.2</b>

## Aboriginal Housing Office investment performance

The Aboriginal Housing Office did not have any investments in 2019–20.

## Contact details

### NSW Department of Planning, Industry and Environment

Street address: 4 Parramatta Square,  
12 Darcy Street, Parramatta NSW 2150  
Post: Locked Bag 5022, Parramatta NSW 2124  
Phone: 1300 305 695  
Email: [information@planning.nsw.gov.au](mailto:information@planning.nsw.gov.au)  
Web: [www.dpie.nsw.gov.au](http://www.dpie.nsw.gov.au)

Business hours for the Department are 9 am to 5 pm Monday to Friday, excluding NSW public holidays.

#### Language assistance

Call 13 14 50 and ask for an interpreter in your language. Ask to be connected to 1300 305 695.

#### Media contacts for journalists

Phone: +61 (0)499 009 411  
Email: [media@dpie.nsw.gov.au](mailto:media@dpie.nsw.gov.au)

#### Access to the annual report

After it has been presented to the Parliament of NSW, this annual report will be available from the NSW Government's OpenGov NSW website, [www.opengov.nsw.gov.au](http://www.opengov.nsw.gov.au), and from the Department's website, [www.dpie.nsw.gov.au](http://www.dpie.nsw.gov.au)

### Other offices

#### Aboriginal Housing Office

Street address: Level 6, 33 Argyle Street  
Parramatta NSW 2150  
Post: PO Box W5 Westfield, Parramatta NSW 2150  
Phone: (02) 8836 9444  
Free call: 1800 727 555  
Email: [AHOEnquiries@fac.nsw.gov.au](mailto:AHOEnquiries@fac.nsw.gov.au)  
Web: [www.aho.nsw.gov.au](http://www.aho.nsw.gov.au)

#### NSW Land and Housing Corporation

Street address: 223–239 Liverpool Rd,  
Ashfield NSW 2131  
Post: Locked Bag 4009, Ashfield BC, NSW 1800  
Phone: (02) 8753 9000  
Email: [facinfo@fac.nsw.gov.au](mailto:facinfo@fac.nsw.gov.au)  
Web: [www.dpie.nsw.gov.au/housing-and-property/services/land-and-housing-corporation](http://www.dpie.nsw.gov.au/housing-and-property/services/land-and-housing-corporation)

#### National Parks and Wildlife Service

Street address: 4 Parramatta Square,  
12 Darcy Street, Parramatta NSW 2150  
Post: Locked Bag 5022, Parramatta NSW 2124  
Phone: 1300 072 757  
Email: [parks.info@environment.nsw.gov.au](mailto:parks.info@environment.nsw.gov.au)  
Web: [www.nationalparks.nsw.gov.au](http://www.nationalparks.nsw.gov.au)

#### NSW Chief Scientist and Engineer

Street address: Level 6, 66 Harrington Street,  
The Rocks NSW 2000  
Phone: 02 9338 6787  
Email: [nswchiefscientist@chiefscientist.nsw.gov.au](mailto:nswchiefscientist@chiefscientist.nsw.gov.au)  
Web: [www.chiefscientist.nsw.gov.au](http://www.chiefscientist.nsw.gov.au)

#### Office of Local Government

Street address: 5 O'Keefe Avenue, Nowra  
NSW 2541  
Post: Locked Bag 3015, Nowra NSW 2541  
Phone: (02) 4428 4100  
Email: [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au)  
Web: [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au)

## Annual report compliance checklist

This section matches the reporting requirements in the NSW Treasury checklist to the corresponding section of this report.

**Table 5. Reporting requirements and corresponding report sections**

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Requirement	Report section	Starts on page
Inclusion of unaudited financial statements	N/A	N/A
Investment performance (applies to NSW Land and Housing Corporation and Aboriginal Housing Office)	NSW Land and Housing Corporation investment performance	490
	Aboriginal Housing Office investment performance	491
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Requirement	Report section	Starts on page
Material information reported, logical sequence, appropriate layout, clear readable text	Throughout	Throughout
Appropriate captions for charts, diagrams or photos	Throughout	Throughout
Table of contents	Contents	iii
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Size: ISO A4	Document is in A4 format	N/A
<p>All production costs kept to a minimum by:</p> <ul style="list-style-type: none"> <li>• limiting content to recording performance and meeting statutory obligations</li> <li>• printing hard copies in house in black and white</li> <li>• not including unnecessary pictures and illustrations</li> <li>• eliminating external production costs.</li> </ul>	Throughout	N/A
A copy of the annual report must be made publicly available on the Department's website (or other relevant website) as soon as practicable after the hard copy report is presented in Parliament	Access to the annual report	492

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