



NSW Department of Planning, Industry and Environment

# Annual Report

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## 2020-21



Planning,  
Industry &  
Environment



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*Cover image and Images in section pages: Beach path - Byron Bay*

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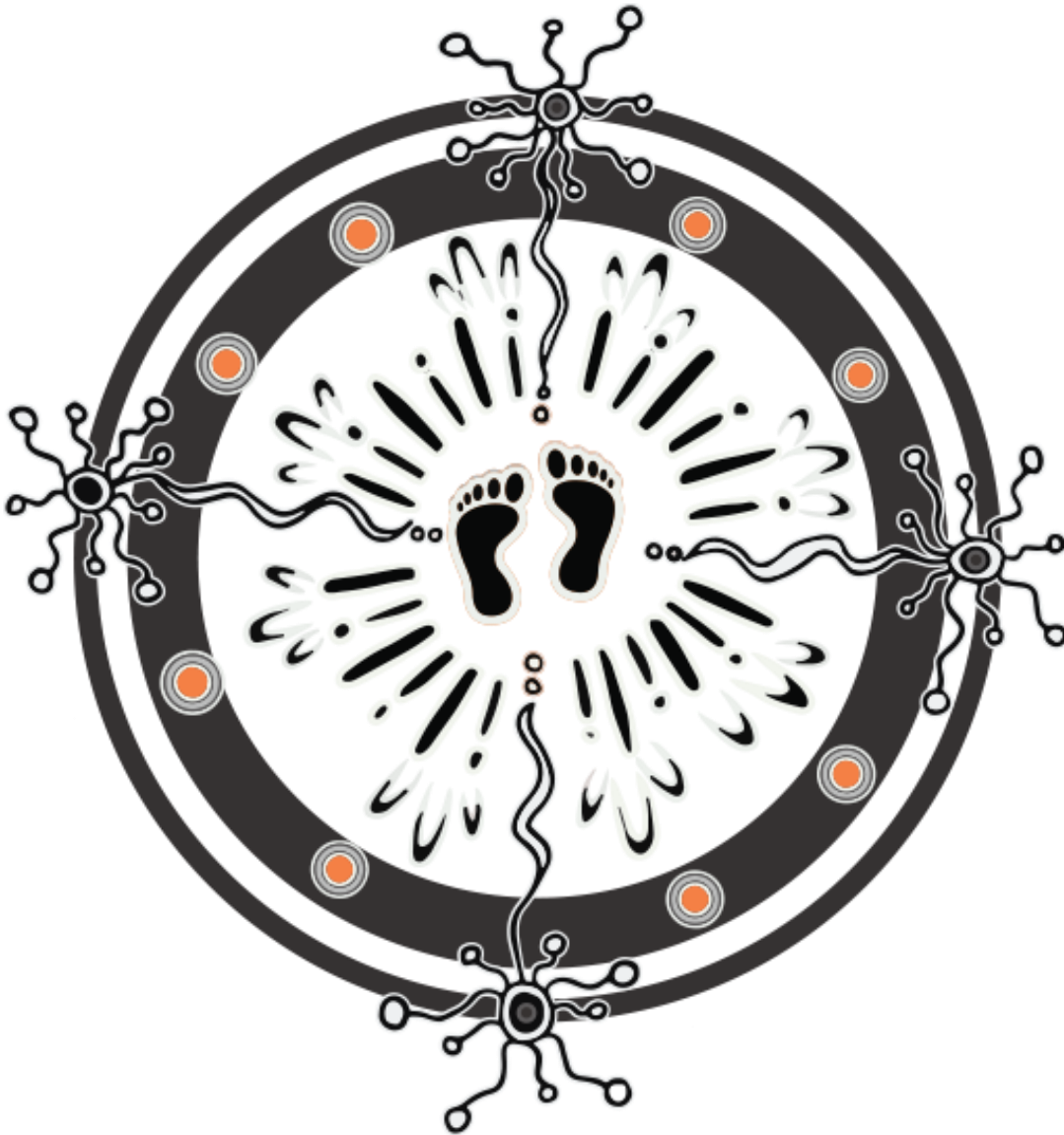
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## Acknowledgement of Country

The New South Wales Department of Planning, Industry and Environment (the Department) 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.

**Figure 1: People and Community symbol**



Artist - Nikita Ridgeway

The artwork at Figure 1 is a visual representation of the Aboriginal journey within and alongside Aboriginal people and communities, creating pathways and being connected to Country. Central to the design are the footprints which have a symbolic meaning, connected to being grounded, we must stay connected to land and our feet are always on Country, no matter where you are in New South Wales (NSW). Always was, always will be Aboriginal land.



# Letter of submission



Planning,  
Industry &  
Environment

## Office of the Secretary

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

Dear Minister

I have the pleasure of submitting the Annual Report for the NSW Department of Planning, Industry and Environment for the financial year ended 30 June 2021, for presentation to the NSW Parliament in accordance with the *Annual Reports (Departments) Act 1985*.

This volume reports on the operations and performance of the Department and the NSW Land and Housing Corporation, together with the consolidated financial statements for the period 1 July 2020 to 30 June 2021.

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

Yours sincerely,

**Kiersten Fishburn**  
**Secretary**

NSW Department of Planning, Industry and Environment

Encl: Department of Planning, Industry and Environment Annual Report 2020–21



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## Secretary's foreword



The last twelve months presented some of the most significant challenges that have tested the strength and resilience of the people of New South Wales (NSW), from drought, devastating bushfires and destructive floods, to the COVID-19 pandemic. These challenges have brought to the fore the importance of government and the public service in responding to these challenges and supporting the recovery of environments, economies and communities of NSW.

Through these challenging times, the Department has continued its stewardship of the natural and built environment to achieve great outcomes for communities all across NSW. We have also continued our work leading critical projects and policy reform across the state and maintained our resolute determination to tackle

longstanding yet urgent crises including climate change, Aboriginal outcomes, housing accessibility and water security.

In the past year, the Department has led the way for both the state and the nation in tackling climate change. We increased our 2030 NSW Net Zero Plan target from 35% to 50% emissions reduction below 2005 levels, an ambitious goal supported by the announcement of the ground-breaking NSW Electricity Infrastructure Roadmap, the \$750 million Net Zero Industry and Innovation Program and the \$490 million Electric Vehicle Strategy. The Department also released the NSW Waste and Sustainable Materials Strategy 2041 and the NSW Plastics Action Plan to deliver on our objective of transitioning to a circular economy and reducing waste.

The Department has made significant headway in protecting our native animals and reducing the risk of threatened species. NSW National Parks and Wildlife Service is the first in Australia to announce a zero-extinction target, and the Saving our Species Program has ensured 270 threatened species are on track to being secure in the wild in 100 years. We have also added 226,000 hectares of land to the State's National Parks.

We have continued to strive to meet the growing need for public space, good urban design and infrastructure and deliver high quality places to support health and well-being, cultural heritage, environmental resilience, and prosperous local economies. We are well on track to exceed our commitment to ensure more homes in urban areas are within 10 minutes' walk of public space by 2023, and on target to exceed our promise to plant one million trees by the end of 2022. The Department has also established Greater Sydney Parklands, Botanic Gardens NSW and Placemaking NSW to enhance the amenity and management of our parks and precincts, and delivered more walkable, connected and accessible public spaces through the Streets and Shared Spaces, Public Spaces Legacy and Parks for People Programs.

Work to address housing supply is ongoing, including our focus on affordable, social and Aboriginal housing. We have stood up a Regional Housing Task Force, launched the \$1.3 billion Housing Acceleration Fund, released the NSW Housing Strategy 2041 and led a structural and cultural transformation of the NSW planning system.

Following the 2019/20 drought and to safeguard future water security for both regional and metropolitan New South Wales, the Department released the NSW Water Strategy. The Town Water Risk Reduction Program was also established, and our Regional Water Strategies are on track to be finalised in 2022.

The Department has continued to strive towards the principles and objectives of the *Our Place on Country Strategy*, a sector-leading roadmap to empower Aboriginal voices, achieve better

outcomes for Aboriginal people and close the gap. We are working every day to increase Aboriginal communities' access to rights over and management of land, water and the natural environment, including handing back 15,000 hectares of land to Aboriginal owners in December 2020 to form the new Mt Grenfell National Park and State Conservation area. We are improving how the Department delivers initiatives in respectful partnership with Aboriginal people and organisations, including partnering with NSW Aboriginal Land Council and the Geographical Names Board to establish an Aboriginal Dual Names policy, and conducting joint community bushfire-threatened species recovery programs. And we are embedding respect for and celebration of the vital importance of Aboriginal culture and history in how we work as a Department, through initiatives like our Aboriginal Procurement Policy, National Parks and Wildlife Service Trainee Ranger Pilot, Aboriginal Mentoring Program and Aboriginal Cultural Capability Framework.

Commencing as Secretary in October 2021, I have the great pleasure of leading an organisation which is built on the values of kindness, daring, collaboration, creativity and inclusivity. The remarkable achievements outlined in this report are directly attributable to the many hard-working staff across the Department and the leadership of our outgoing Secretary, Jim Betts. In 2020-21, Jim led an expansive reform agenda across the water, planning, housing, environment and energy sectors. He also spearheaded our efforts to create an inclusive, values-based workplace culture that celebrates diversity and difference. I thank Jim for his leadership over 2020/21 and feel privileged to have the opportunity to build upon his legacy in the year ahead.

Finally, thank you to every member of the Department for your contribution to the outstanding accomplishments outlined in this report. Your expertise, resilience and ability to deliver in times of crisis make a huge difference in improving the lives and experiences of the people of New South Wales.

**Kiersten Fishburn**

Secretary, Department of Planning, Industry and Environment



## About this annual report

This annual report summarises the Department's activities and performance from 1 July 2020 to 30 June 2021.

The annual report also presents the activities and performance of the Land and Housing Corporation (LAHC) from 1 July 2020 to 30 June 2021. Where no specific content is provided for the LAHC, the information has been incorporated into the content for the Department.

## Machinery of government

The Department included the Office of the Chief Scientist & Engineer (OCSE) until 29 March 2021, at which time OCSE transferred to Investment NSW, an executive agency within the Department of Premier and Cabinet (DPC). This annual report includes OCSE activities from 1 July 2020 to 28 March 2021. For information on OCSE activities from 29 March to 30 June 2021, please refer to the annual report of DPC.

# About the department

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# About the Department

## Who we are

The Department was established on 1 July 2019.

We are here to serve the people of NSW 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; and
- 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 NSW a better place for all.

## What we do

The Department brings together specialists in urban and regional planning, natural resources, regulation, industry, the environment, Aboriginal and social housing, and regional 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 (LAHC)
- 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.

## 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 Department's priorities**



## Our values

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

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>

The values and their associated behaviours are *how* we work together to achieve the Department's priorities and vision. With such a wide-ranging and varied portfolio of responsibilities, it is vital the Department has a shared vision and consistent set of priorities throughout the organisation. This ensures effective prioritisation of projects and sound and informed decision-making to deliver on the Government's priorities for the people of NSW. It also drives employee productivity, engagement and performance by giving staff a better understanding of how their work contributes to the strategic goals of the Department.

## Bringing our values to life

In 2020–21, a campaign was delivered for each of the Department's Values. Staff were asked to discuss and celebrate each of the values in their teams and on Workplace, and the leadership team shared via video what selected values meant to them.

The most notable campaigns were the #BeCollaborative and #BeDaring campaigns in which staff were challenged to come up with ways to achieve our priorities. Finalist ideas included:

**Table 1: Daring Ideas Finalists**

Priority	Idea
World Class Public Service	Make the Darling River clear again
Embed Aboriginal Cultural Knowledge	A Reconciliation Action Plan that starts with Country rather than an organisation.
Government made easy	Using Workplace as a staff directory
Maximise community benefit from government land and property	A NSW Public Sector-wide photo ID pass to allow people to work from any NSW Government building or place. (like an Opal card for workplaces).
Sustainable, secure and healthy water resources	Utilise underwater Crown Land along our coastline for kelp/seaweed farming.
Create a strong and liveable NSW	Create a wellbeing budget where progress is reported on wellbeing indicators.

The finalists worked with their teams and a mentor pitch their idea to a panel of judges in a Shark Tank style Workplace live event, and 'World Class Public Service - Make the Darling River clear again' was nominated as the winner and a business case is being prepared.

## Ministerial reporting lines

The Department served the following four ministers in the 2020–21 financial year:

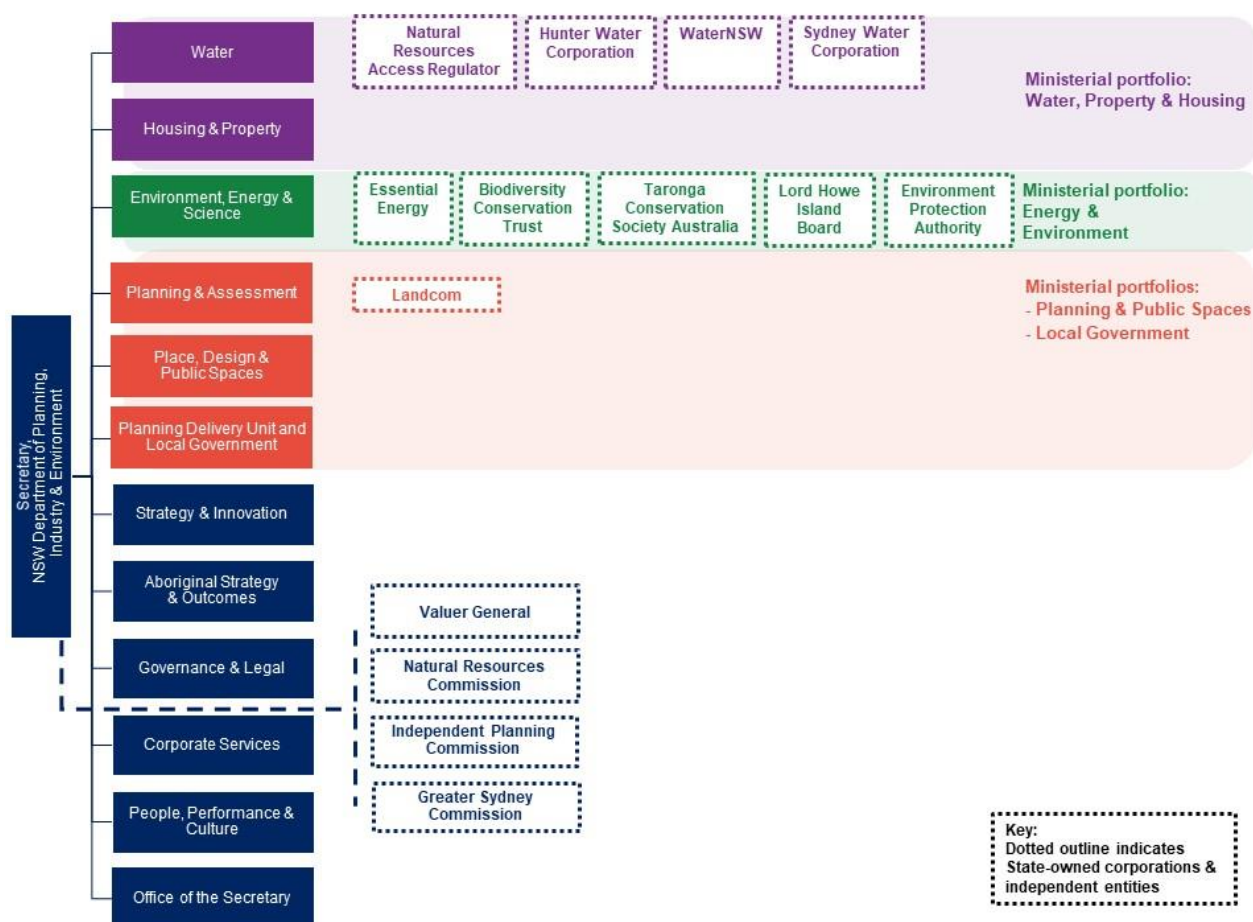
- The Hon. Rob Stokes MP, Minister for Planning and Public Spaces
- The Hon. Melinda Pavey MP, Minister for Water, Property and Housing
- The Hon. Matthew Kean MP, Minister for Energy and Environment
- The Hon. Shelley Hancock MP, Minister for Local Government

## Our structure

On 30 June 2021, the Department comprised six core delivery groups reporting to the Secretary, supported by six central and corporate enabling functions. Figure 4 shows the high-level structure of the Department.



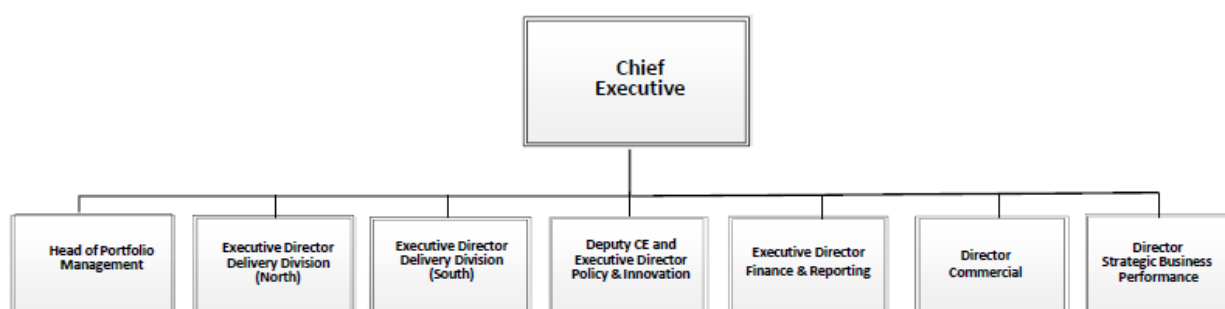
Figure 4: Figure High-level structure of the Department



## NSW Land and Housing Corporation

The structure of the executive of the LAHC is provided below.

Figure 5: LAHC executive structure



## Our principal officers

Principal officers and their qualifications as at 30 June 2021:

**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

**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

**Kiersten Fishburn**

Coordinator General, Planning Delivery and Local Government

**Tracy Mackey**

**BA (Hons), Masters in Housing (Hons)**

Chief Executive Officer, Environmental Protection Authority

**Alex O'Mara, MALP BA/LLB (Hons)**

Group Deputy Secretary, Place, Design and Public Spaces

**Michael Wright**

**BA, BSc Comm**

Group Deputy Secretary, Housing and Property

**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

This section summarises the operations and performance of the department from 1 July 2020 to 30 June 2021.

The Department 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 across the state.

## Environment, Energy and Science

The Department works to protect and preserve the quality of the environment through active stewardship 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 its customers, communities and stakeholders; and,
- provides rigorous, transparent and evidence-based advice.

### Accessing secure and sustainable energy

#### NSW Electricity Infrastructure Roadmap

The Electricity Infrastructure Roadmap (Roadmap), released in November 2020, provides a coordinated framework to deliver modern electricity infrastructure in NSW. The Roadmap will support \$32 billion of private investment in new infrastructure that will help avoid high wholesale electricity prices and reduce average NSW household electricity bills by around \$130 a year from 2023. The *Electricity Infrastructure Investment Act 2020* was passed in late 2020, and the NSW Government has committed \$380 million to implement the Roadmap.

#### Renewable Energy Zones

The Roadmap and the *Electricity Infrastructure Investment Act 2020* set out a framework to deliver NSW's first five Renewable Energy Zones (REZ) in the Central-West Orana, New England, South-West, Hunter-Central Coast, and Illawarra regions. REZs are modern-day power stations whose delivery will be overseen by the Energy Corporation of NSW.

Work is well underway on the three-gigawatt Central-West Orana REZ, which is expected to be 'shovel-ready' by the end of 2022.

#### Pumped Hydro

Launched in June 2021, this program will provide \$50 million in recoverable grants to project developers to assist with the cost of early and detailed feasibility studies for pumped hydro projects.

#### Energy Social Programs

The Department recognises the cost of living pressures facing households across the State and that maintaining an energy connection in homes is essential to wellbeing. We provided almost



\$300 million in 2020-21 across seven energy social programs to assist one million low income and vulnerable households in NSW to pay their energy bills.

## Supporting a sustainable and climate-resilient NSW

### Net Zero Plan

The NSW Government's Net Zero Plan<sup>1</sup>, launched in March 2020, will help NSW deliver a 35% cut in emissions by 2030 (compared to 2005 levels). The plan will encourage more than \$11.6 billion in new investment for NSW, including \$7 billion in regional NSW.

The \$750 million Net Zero Industry and Innovation Program was launched in March 2021 to accelerate development of clean technologies, create world-leading centres of research and development, and help existing industries future-proof their operations. The NSW Government's Electric Vehicle Strategy was also released in June 2021, with \$490 million in funding committed over four years under the Strategy.

## Encouraging a circular economy to better manage our resources

### NSW Waste and Sustainable Materials Strategy 2041 and Plastics Plan

In June 2021, the NSW Waste and Sustainable Materials Strategy 2041: Stage 1 – 2021-2027 and the NSW Plastics Action Plan were released. The Strategy outlines the NSW Government's approach to transitioning to a circular economy over 20 years. The Action Plan sets actions to address plastic throughout its lifecycle, including phasing out single-use plastics. The NSW Government will invest \$356 million for these initiatives over five years from July 2022.

## Nature and nature-based experiences

### NSW Koala Strategy

In 2020-21, the NSW Koala Strategy added 2,500 hectares to the State's protected koala habitat through conservation agreements with private landholders. In August 2020, the NSW Government gazetted the Guula Ngurra (Koala Country) National Park in the Southern Highlands and committed \$3 million to the new Port Stephens Koala Sanctuary and Hospital which opened in September 2020. In partnership with Taronga Conservation Society Australia, the NSW Government also delivered wildlife care training for more than 280 veterinarians and veterinary nurses.

## Conserving and presenting national parks

### Additions to national parks

In 2020-21, the NSW Government added 225,873 hectares to the state's national parks estate, bringing the total to 7.45 million hectares or 9.3% of NSW. This included reserving the largest ever addition of private land as the new Narriearra Caryapundy Swamp National Park.

### Feral animal control

In response to the 2019-20 bushfire season the National Parks and Wildlife Service (NPWS) delivered the largest feral animal control program in its history. This included 1,747 hours of aerial shooting, 32,765 kilometres of aerial baiting, targeted ground control operations and the removal of over 42,000 feral animals.

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<sup>1</sup> After the reporting period, the Premier announced a new objective to deliver a 50% cut in emissions by 2030 compared to 2005 levels.

## Strengthening the National Parks and Wildlife Act

In January 2021, the NSW Government declared the critically endangered Wollemi Pine population in Wollemi National Park the first Asset of Intergenerational Significance following amendments to the *National Parks and Wildlife Act 1974*.

## Return of regionally extinct species

Four endangered species -- the crest-tailed mulgara, greater stick-nest rat, numbat and Shark Bay bandicoot, all currently listed as extinct in NSW -- were reintroduced into large feral-free areas. In total, 6 regionally extinct species have now been returned to NSW National Parks.

## Visitor infrastructure

The NPWS delivered the largest capital investment in its history (three times higher than the 10-year average), with over \$100 million of new and upgraded visitor infrastructure. This included walking trails, lookouts, picnic areas, campgrounds and more. NPWS also launched its digital parks pass initiative, making it easier and more convenient for the public to visit national parks.

## Expanding joint management

In December 2020, the Premier and the Minister for Energy and Environment handed more than 15,000 hectares of land back to Aboriginal owners to form the new Mt Grenfell National Park and the Mt Grenfell State Conservation area. This area is home to the renowned Ngiyampaa rock art galleries and a rich cultural landscape.

## Fire management

NPWS recruited an additional 125 firefighters and exceeded the Government's target to increase the number of aerial-based remote area firefighting (RAFT) by 20 per cent. In 2020-21, over 75% of all hazard reduction burning activities in NSW (excluding stubble burning in western NSW) were conducted on national parks, led by NPWS in collaboration with the NSW Rural Fire Service and others. More than 93% of bushfires were contained within national park and 89% contained to less than ten hectares.

## Conserving biodiversity and nature

### Saving Our Species

The Saving our Species program aims to maximise the number of NSW threatened species that are secure in the wild for 100 years. Nearly \$100 million has been invested into the program over 2016-2021. Since 2016, the program has increased the number of plants and animals it manages by 400% and 228 of the threatened species and ecological communities managed are on track to survive in the wild for the next 100 years.

### Water for the Environment

The department 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 rain returns. In 2020-21, 956,000 mega litres of environmental water was delivered in collaboration with the Commonwealth Environmental Water holder.

### Implementation of the Biodiversity Offsets Scheme

The Biodiversity Offsets Scheme ensures biodiversity conservation is considered as part of development decisions for NSW and provides a framework for avoiding, minimising and offsetting impacts to biodiversity. Key achievements this year include the release of an updated Biodiversity Assessment Method "BAM2020", streamlining assessments and facilitation of \$38 million in biodiversity offset credit transactions. In total 27,483 hectares have been secured under biodiversity stewardship agreements to date (as at 30 June 2021).

## Responding to bushfires

The unprecedented 2019–20 bushfires affected 5.5 million hectares of land, including 2.72 million hectares of the NSW national parks estate. Bushfire response activities continued throughout 2020–21, including:

- finalising the *NSW Wildlife and Conservation Bushfire Recovery: Medium-term response plan* to guide the recovery of biodiversity over five years; and,
- providing expert advice on burnt area and fire extent severity mapping, on-ground water quality advice, soil erosion modelling and on-ground emergency air quality monitoring.

## Housing and Property

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

HAP 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 HAP, 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; and,
- regulates the interment industry in NSW.

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 2020–21 included:

- continued implementation of the Strategic Land and Property Framework – a system for all of Government to collectively evaluate the best use of underutilised land and property; and,
- establishing the Government Property Index, an online mapping tool that increases transparency of the State's property portfolio and encourages private investment on public land. The Index allows the public and industry to search for Government-owned land and put forward innovative proposals to improve its utilisation and deliver better economic, social, environmental and cultural outcomes.

## Supporting long-term strategies that benefit communities

In 2020–21, the Department released Housing 2041, the State's first ever long-term housing strategy. Housing 2041 outlines a 20-year vision for better housing outcomes across metropolitan and regional areas, with a focus on housing supply, diversity, affordability and resilience.

Housing 2041 is supported by an initial two-year action plan which includes a suite of initiatives including:

- establishing a Housing Evidence Centre to enable better access to housing data for councils, industry and the public;
- establishing a cross-sector Expert Housing Advisory Panel to guide delivery of Housing 2041;
- maximising the impact of government-owned land and information to develop new housing types, tenures and delivery models;



- strengthening relationships with local governments, the community housing sector and the private sector to trial new innovative housing solutions; and,
- partnering to trial ways of facilitating temporary supportive accommodation options for people experiencing homelessness.

## Managing the NSW Government's social housing portfolio

Through the LAHC the department is responsible for the NSW Government's social housing portfolio – the largest in Australia. LAHC's asset portfolio consists of more than 125,000 homes and is valued at more than \$50 billion.

The Department delivers the priorities outlined in the NSW Government's social housing policy, *Future Directions for Social Housing in NSW*. The policy is underpinned by three strategic priorities: more social housing; a better social housing experience; and more opportunities, support and incentives for people to avoid and/or transition out of social housing.

LAHC collaborates and partners with all levels of government, industry, developers, Community Housing Providers (CHPs) and Aboriginal CHPs to accelerate the supply of social housing.

LAHC's *Portfolio Strategy* articulates the 20-year vision and priorities to grow and change our portfolio, to provide people in need with the right type of safe housing, in the right areas, at the right time, and to improve our financial sustainability as a self-funded housing provider.

Key achievements in 2020–21 included:

- As part of the State Government COVID-19 economic stimulus funding, LAHC received \$348 million to deliver and acquire new dwellings, capital upgrades, such as new kitchens and bathrooms, deep cleaning works, and other initiatives, including commencement of an apprenticeship program, which is contributing economic benefits to the State through the creation of jobs in construction and maintenance of social housing;
- Delivered 408 new keys in doors across NSW, more than doubling the number of new dwellings delivered in 2019-20;
- Construction works commenced on a range of projects, including mixed tenure projects at Lidcombe, Liverpool, Wollongong and Corrimal, and social housing projects at Tweed, Gosford, Warwick Farm and St Marys;
- Civil construction works also commenced at Midtown (formerly Ivanhoe), Macquarie Park in November 2020. Building construction is scheduled to commence in mid to late 2021 for 785 new dwellings, including 259 social and 130 affordable. The conception and delivery of these pioneering mixed tenure communities is a pivotal example of LAHC's ambitious approach to create a sustainable supply of housing for people in need. By providing safe places to call home, it supports people to pursue education and employment opportunities;
- To support environmental sustainability, energy efficient systems were installed, including solar systems at 1,424 properties, and water efficiency upgrades to 1,550 properties, assisting in the reduction of tenant's bills;
- Completed fire safety works covering 2,018 dwellings across the state to improve existing fire safety measures, and tenant safety, under the Fire Safety Program;
- Completed the Greenway window restoration project named as the 2021 National Trust Heritage Award winner in the category of 'Conservation: Built Heritage'; and,
- Delivering new homes faster, under the Medium Density Pilot Program, which uses complying development to deliver 140 new one and two storey social housing dwellings on 57 sites across metropolitan and regional areas.

In line with LAHC's Portfolio Strategy and vision, the 2020-21 financial year marked a significant deepening of our partnership with the community housing sector to help accelerate the delivery of new and better homes.

Key outcomes included:

- The launch of new policies aimed at enabling CHPs to fast track the delivery of social housing on LAHC land. These include a policy for experienced CHP developers with an existing lease to put forward a proposal to redevelop leased and adjacent properties. A small scale direct dealing framework was also launched, inviting CHP proposals involving land transactions under \$5 million;
- LAHC converted more than 11,304 properties from three-year leases to 20 year leases, providing CHPs with greater certainty and secure long-term revenue streams to help grow and enhance their portfolios;
- Supporting CHPs to secure more than \$250 million in National Housing Finance and Investment Corporation (NHFIC) loans;
- Partnering with NHFIC and Cbus on an innovative pilot program to fast track community housing supply by providing innovative, low-cost finance to CHPs. The Community Housing Redevelopment program will see 96 new social and market homes delivered on LAHC land by a CHP; and,
- 31 successful bids by CHPs to deliver \$40 million in stimulus funding to upgrade more than 2,000 properties owned by the LAHC, with the majority in regional locations.

## Supporting 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, and HAP provides the Valuer General with administrative and operational support to this function.

In 2020-21, the Valuer General delivered 2.6 million annual land values to Revenue NSW for land tax purposes.

The Valuer General also published a review on the potential impact of rezonings on land values, using the Western Sydney Aerotropolis as a case study, to inform development of a policy on valuing land in areas subject to rezoning.

## Managing Crown land

Crown land constitutes 34 million hectares or approximately 42% of the area of NSW. It contributes to the economy, prosperity and social fabric of NSW by providing space for local parks and nature reserves, sporting grounds, public halls, showgrounds and community organisations.

Key achievements in 2020–21 included:

- completing the 2020–21 Crown Reserve Improvement Fund funding round, which included \$41.9 million being paid across 705 grants and loans to maintain and improve Crown reserves. This included \$40 million in stimulus funding. The fund directly benefits communities by building regional economies and contributing to the cultural, sporting, and recreational life of towns throughout NSW;
- the launch of *Crown land 2031*, NSW's first ever State Strategic Plan for Crown land. The Plan outlines the approach to grow tourism, support community groups, boost regional economies, advance Aboriginal interests, provide more green open space, and protect the environment; and,
- \$32.5 million of funding from the Showground Stimulus Program to support upgrades to showgrounds across NSW, providing immediate economic and social benefits to regional communities.

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

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

The AHO is a statutory body established under the *Aboriginal Housing Act 1998*, supported by an all Aboriginal Board, and which owns, funds and finances the delivery and access to affordable, quality, socially, and culturally appropriate housing, and other support services for Aboriginal and Torres Strait Islander people and families in remote, regional and metropolitan NSW. AHO owns 6,082 properties valued at \$2.3 billion.

The AHO is implementing *Strong Family, Strong Communities* which is the NSW Government's ten-year Aboriginal Housing Strategy and aims to create positive change and boost opportunities for Aboriginal families and communities in NSW.

Strong Family, Strong Communities is underpinned through four pillars:

1. Housing Solutions - delivering housing solutions with Aboriginal families based on demand for social and affordable housing;
2. Client Outcomes - achieving better outcomes with Aboriginal tenants and clients through partnerships with Aboriginal organisations, human services agencies, and by creating study, work and business opportunities;
3. Growing the Sector - strengthening and growing Aboriginal Community Housing Providers (ACHP) through sector investment, regulation and the transfer of housing and property management; and,
4. Data and evidence - improving data collection, evaluation and analysis to plan and invest in the future.

The AHO Board advises the Minister for Water, Property and Housing on policies and strategic direction and has defined responsibilities. The Board is comprised of nine members who are highly skilled Aboriginal people from a variety of backgrounds with expertise in health, communications, Aboriginal heritage research, law, architecture, business management, marketing, education and strategic policy. Members also have strong links to NSW communities and operate both professionally and personally across the state.

Key achievements in 2020-21 included the following.

### Capital Works, Stimulus and Upgrades

in 2020/21 the AHO:

- built a total of 82 new homes for Aboriginal people in NSW;
- upgraded 1,770 AHO homes; and,
- delivered \$75.2 million of new supply, capital and community upgrade work in regional communities as part of the Stimulus funding program.

### Client Outcomes

235 people and families were supported in 2020/21 across NSW through the *Services Our Way* program, which provides frontline Aboriginal-led services for Aboriginal families who are experiencing trauma to enable the continuance of tenancies, improve wellbeing and achieve their goals.

The AHO Home Ownership Options program, launched this year, supports a goal of 100 home ownership opportunities for Aboriginal people and families by 2022. In 2020/21, 16 Aboriginal families have bought their own home with support from the AHO and a further 14 Aboriginal people have had their grant applications approved and are in the process of buying their home.

The AHO is co-designing Leading Community Demonstration Sites:

- with Abcare at Coffs Harbour, developing a service to support vulnerable Aboriginal young people transitioning from out of home care into independent living; and,
- with Gunida Gunyah at Gunnedah developing a service to support vulnerable families with transitional accommodation and revitalisation of the Indigenous Community Hub.

In addition, 68 Aboriginal students have been awarded Tertiary Accommodation Grants across four Universities and TAFE.

### *Growing the Aboriginal Community Housing Sector*

During 2020/21 the AHO:

- Provided accredited registration for 18 Aboriginal Community Housing Providers (ACHP) including four Local Aboriginal Land Councils;
- Announced the transfer 1,500 homes to the management of ACHPs by June 2022; and,
- Published a Sector Investment Plan co-designed with the Aboriginal Peaks Reference Group to provide a road map for future investment within the Aboriginal Community Housing sector and to guide the approach and activities to build sector-wide capabilities amongst ACHPs.

### *Employment and Participation*

- 63% Aboriginal employment at the AHO
- 26% Aboriginal Participation in Construction across construction and maintenance programs

## Managing large-scale and complex real estate projects

Property & Development NSW (PDNSW) is responsible for the management and delivery of large scale or complex real estate projects, transactions, workplace strategy, design and delivery, and manages the state's significant property portfolio.

Key achievements in 2020–21 included:

- completion of The Store, Newcastle and budget approval for new government office hubs in Dubbo and Coffs Harbour;
- adaptive reuse of the Belrose waste facility as a world class bike park;
- achieving carbon neutral status and being ranked #1 (water) and #7 (energy) Australia-wide for NABERS, the only such rated Australian Government portfolio;
- expending approximately \$30m across over 170 capital projects utilising stimulus funding granted;
- assisting the Department of Education to acquire the site of the new Forest High School in Allambie Heights; and,
- securing approximately \$120m to progress the adaptive re-use of the Registrar General's Building as part of activation of the Macquarie Street East Precinct.

## Supporting and regulating the interment industry

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

In 2020–21 CCNSW started to progress regulatory reforms to achieve its vision that all people in NSW have access to sustainable, innovative, and culturally appropriate services provided by the interment industry in a consistent, transparent, and accountable manner.



These reforms consider the two most recent reviews of the sector, the statutory review of the *Cemeteries and Crematoria Act 2013* (The 11<sup>th</sup> Hour report, tabled in Parliament on 19 February 2021) and the IPART review on the costs and pricing of interment (released in June 2021).

In 2020-21 significant progress was achieved in the development of:

- A regulatory framework that outlines the regulatory role, approach and functions of CCNSW. It outlines CCNSW's approach to risk-based regulation, compliance, and enforcement; and,
- An Interment Industry Scheme under the Act that will apply to cemetery and crematoria operators. The scheme will be focused on providing an accessible, affordable and respectful interment industry for the people of NSW.

## Place, Design and Public Spaces

Through its Place, Design and Public Spaces (PDPS) group, the Department is:

- creating connected communities through place strategies and infrastructure planning to facilitate jobs, housing, infrastructure, services and good growth;
- enabling greener places and public spaces that are shared;
- putting place and design at the forefront of development to sustain healthy, thriving towns and communities into the future;
- enabling Sydney as a city within a park and designing a sustainable future; and,
- delivering vibrant urban places in key Sydney precincts and regional areas.

### Greener public spaces

Premier's Priority: Increase the proportion of homes in urban areas within a ten minutes walk of quality green, open and public space by 10% by 2023.

As at 30 June 2021, 131,150 homes had benefited from projects (well over 50% of the target) and about another 50,000 homes are expected to benefit from government-funded public space projects in the pipeline. The Department is on track to meet the target by June 2023 through programs and projects such as the:

- NSW Public Spaces Legacy Program (\$250 million) is delivering a lasting legacy of new and improved public spaces projects across NSW while accelerating the assessment of local developments and rezonings to ensure a steady pipeline of development projects. Fifty-seven funding agreements have been executed and the first round of funding has been released to councils to commence planning and design;
- Strategic Open Spaces Program (\$150 million), which includes the Parks for People Program, co-designing high-quality parks and open spaces for NSW's unique communities;
- Streets as Shared Spaces Program (\$15 million) and Your High Street Program (\$15 million), which supported communities and businesses during the COVID-19 pandemic by revitalising local streets;
- Festival of Place, which is a series of digital and on-the-ground events highlighting the importance and beauty of public spaces. Highlights under the Festival include:
  - Summer Fund (\$1.3 million), which supported councils to create free, safe activations and events in local centres following lockdown;
  - Public Space Ideas Competition, with over 500 public entries on how to transform public space across Greater Sydney;
  - Activations and projects such as Summer Night Walks, Falling in Love with Your Country, Stories from the Field, Dance Locale, Sydney Square Dance, Make Music Day, Remix Summit Partnership, and Funpark Festival;

- Everyone Can Play Program (\$20 million) for inclusive playgrounds;
- Draft NSW Public Spaces Charter to support the planning, design, management and activation of public spaces in NSW; and,
- Great Public Spaces Toolkit, is a collection of free resources to support local and state government, industry and the community.

## Greening our city

Premier's Priority: Increase the tree canopy and green cover across Greater Sydney by planting one million trees by 2022.

The Department is on track to deliver the target, with 574,328 trees planted and 269,520 procured for planting as at 30 June 2021. It has:

- allocated over \$25 million to 32 Greater Sydney councils for 110 tree planting and innovation projects to plant over 80,000 trees in the hottest parts of Sydney;
- launched the Greening the Great West Walk initiative, with almost \$1 million granted to Blacktown, Penrith and Parramatta councils to plant trees along the walk, with local community;
- given away over 35,000 trees to Sydney residents including through IndigiGrow, an Aboriginal-owned and run nursery;
- delivered the Cooling the Schools program in partnership with Greening Australia, with planting completed at over 40 Greater Sydney schools;
- delivered the Creating Canopies program in partnership with Landcare NSW, including planting over 4000 trees at Fairfield and Westmead hospitals; and,
- planted 60,000 trees at Western Sydney Parklands.

## Green infrastructure and public space

The COVID-19 pandemic has reinforced the importance of green, open space to health and wellbeing. Green, open space is also vital to providing urban ecosystem services and maintaining biodiversity in cities. The Department seeks to support sustainable and healthy population and urban growth by protecting the natural environment, facilitating increased access to green space and ensuring positive outcomes for local Aboriginal communities. In 2020-21, the Department:

- embedded green infrastructure principles and metrics in priority precincts, including Macquarie Park;
- began developing a sector-specific framework for valuing green infrastructure and public spaces. It will include guidance and endorsed valuation methods to monetise the costs and benefits of green infrastructure and public spaces;
- through the Office of Strategic Lands, acquired 116 hectares of land, totalling \$67 million, for open space, environmental conservation, and coastal lands protection. It also transferred 428 hectares to local councils and Western Sydney Parklands Trust for public open space; and
- undertook strategic conservation planning for Western Sydney and the Central Coast, including the development of the draft Cumberland Plain Conservation Plan. The Plan will help deliver the Western Parkland City and is one of the largest strategic conservation planning projects undertaken in Australia. The Department exhibited the draft in 2020 and is incorporating feedback to finalise the Plan.

The Department established Greater Sydney Parklands (GSP) to bring together Parramatta Park Trust, Western Sydney Parklands Trust, and Centennial Park and Moore Park Trust. GSP provides citywide strategic park planning, coordinated investment in new and better parks, and better outcomes for communities. GSP highlights in 2020-21 include:

- launching the final *A 50-Year Vision for Greater Sydney's Open Space and Parklands* and releasing *Parklands for People*, a white paper setting out proposed legislative reform to achieve the Vision and a unified GSP, for public consultation;
- bringing Callan Park and Fernhill Estate under the leadership of GSP;
- releasing the Fernhill Estate draft Plan of Management; and,
- commencing work on new green links through Western Sydney Parklands in Blacktown and a \$4.8 million upgrade of E.S. Marks Athletics Field.

The Department launched the Royal Botanic Gardens' Australian Institute of Botanical Science and progressed moving the National Herbarium of NSW to a new \$60 million state-of-the-art facility at Mount Annan. The three-year, \$3.6 million project to digitise the Herbarium Collection is estimated to finish in late 2021, with over one million specimens digitised. The Royal Botanic Gardens also continued its Community Greening program in social housing communities.

The Department established Placemaking NSW to provide a more proactive and integrated approach to the delivery of place-related functions across strategic planning, precinct management, design, public spaces, heritage, place management and place excellence for some of the most important government-held precincts in NSW. These include The Rocks, Darling Harbour, Luna Park, White Bay Power Station, Sydney Olympic Park, Honeysuckle in Newcastle, Cockle Creek in Lake Macquarie, Mount Penang Parklands and Leagues Club Park in Gosford.

**Note:** Parramatta Park Trust, Western Sydney Parklands Trust, Centennial Park and Moore Park Trust, and Royal Botanic Gardens and Domain Trust produce their own annual reports. Place Management NSW, Sydney Olympic Park Authority, and Hunter and Central Coast Development Corporation (all under Placemaking NSW) also produce their own annual reports.

## Strategic place and infrastructure

In 2020-21 the Department granted over \$407 million across 15 programs to help councils and NSW agencies improve local areas by delivering or improving essential infrastructure and creating or enhancing public and green spaces. These programs include Everyone Can Play, Five Million Trees, Local Infrastructure Growth Scheme, Parramatta Road Urban Amenity Improvement Program, Special Infrastructure Contributions, Voluntary Planning Agreements, Housing Acceleration Fund, Low Cost Loans Initiative, Metropolitan Greenspace Program, Precinct Support Scheme, Streets as Shared Spaces, Your High Street, Summer Fund, Accelerated Infrastructure Fund, and NSW Public Spaces Legacy Program.

Under a new approach to strategic planning the Department introduced Place Strategies that enable community engagement about a place's future, which are then implemented through land use planning tools. The Department finalised the Pymont Place Strategy and exhibited place strategies for Pymont, Bays West, Macquarie Park, Greater Macarthur, Ingleside, Rhodes, Westmead, St Leonards-Crows Nest, Aerotropolis (part), and Central Station (initial sites), working closely with councils to ensure jobs, housing and public spaces are embedded in local planning decisions.

Other key accomplishments in 2020-21 include:

- a five per cent reduction in planning proposal timeframes due to the streamlining of planning system processes as part of the Planning Reform Action Plan;
- determination of 156 Metro Planning Proposals. Of these, 133 were approved, which will potentially provide over 23,000 jobs and over 27,000 dwellings;
- establishment of a Precincts Coordination Committee to enable whole-of-government oversight of key precincts;
- creation of a new Precincts Hub website, which increases community engagement and transparency on precinct work
- progress towards finalising the Precinct Strategy and Practitioner's Guide

- investment of over \$36 million in development infrastructure under the Housing Acceleration Fund. Construction on five new projects commenced in 2020-21 and the fund supported the creation of 59,143 new homes;
- levy of \$73 million in developer contributions, including \$56.8 million in Special Infrastructure Contributions and \$15.6 million from Voluntary Planning Agreements;
- \$75.1 million in Special Infrastructure Contribution and Voluntary Planning Agreement grants were provided to NSW agencies and councils to deliver critical infrastructure in high-growth areas;
- 31 State Planning Agreements executed, securing \$431 million worth of contributions;
- 16 Local Housing Strategies assessed and approved; and,
- co-leadership with Transport for NSW of a cross-government group to deliver the *Practitioners Guide to Movement and Place* and *Movement and Place Evaluator's Guide* for piloting.

## 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. In 2020–21 this included:

- development of an Explanation of Intended Effect (EIE) for a new Design and Place State Environmental Planning Policy (SEPP) – This seeks to achieve better design and place outcomes to support good growth and sustain healthy, thriving communities. The SEPP's EIE was exhibited in early 2021, and work is under way to prepare the draft SEPP for exhibition;
- State Design Review Panel – A two-year pilot has been formalised and made permanent, with an expanded pool of 100 panellists and State Government Design Champions. The panel has reviewed 72 projects worth over \$7.5 billion;
- Connecting with Country Draft Framework – This establishes an approach for developing connections with Country that can inform the planning, design, and delivery of built environment projects. The draft is being tested on several infrastructure projects; and
- LAHC Centre for Design – *Good Design for Social Housing* and LAHC Dwelling Requirements were released in 2020, allowing developers to benefit from the NSW Government's contemporary visions for built environment design and social housing outcomes.

## Planning and Assessment

The Department's Planning and Assessment group was charged with building a better, more responsive planning system to support jobs as part of the NSW Government's economic response to the impacts of the COVID-19 pandemic. The group responded by delivering an unprecedented reform program to create a planning system that makes things happen by being simpler, faster and more transparent.

The reforms will:

- support jobs and the economy;
- strengthen communities and their environments; and,
- make life easier for the people of NSW.



## Supporting jobs and the economy

Through the Planning System Acceleration Program the Department accelerated determination of 101 major projects and planning proposals in 24 weeks, creating the opportunity for up to 50,000 jobs, 25,000 homes, \$25 billion in economic value and 400 hectares of open space.

The Department also delivered the Rapid Assessment Framework – the biggest reform to the major project assessment system since it was introduced in 2011 - to slash assessment times for major projects like hospitals and schools by at least 21 days. The Rapid Assessment Framework is a suite of system improvements that are designed to make major project assessments quicker and more efficient, while also improving assessment quality, engagement standards and customer service.

The Department is fast-tracking the assessment process for major projects and planning proposals in NSW. The Planning and Assessment team achieved the 116-day target for assessing major projects with timeframes at 113 days as at 30 June 2021. The average assessment timeframes for regionally significant DAs have also significantly decreased to 350 days. This timeframe reduction demonstrates the substantial input of case managers in bringing a large number of legacy projects to determination and strong partnerships with councils. The Department also reduced the average assessment timeframes for planning proposals to 445 days, exceeding the 542-day target.

Major projects and regionally significant DAs approved in 2020-21 will deliver more than 140,673 jobs, 27,147 homes and \$52.86 billion in economic value.

Building on the delivery of the Parkes Special Activation Precinct (SAP), providing up to 3,500 jobs, a \$140million construction contract has recently been awarded in Parkes, which aligns with the master plan to deliver trunk infrastructure to stimulate growth. Wagga SAP has been finalised which will provide up to 6,500 jobs, and delivery planning is well underway with a \$137million commitment from the NSW Government. Draft plans for Moree and Snowy Mountains SAPs have been finalised, with the engagement period coming to a close. Williamtown and Narrabri will both be completed in 2022. The SAP program frontloads the planning system to enable job creation and economic activity in Regional NSW.

The policy reform program to support economic recovery included specific COVID Response Ministerial directions to support the construction industry and enable businesses to adapt their business models. The program to simplify the system saw more than 40 amendments to State Environmental Planning Policy (SEPP) amendments and the repeal of 16 referral requirements, and two Ministerial directions, as well as the bonfiring of 156 redundant planning circulars. Work is continuing to identify further referral and concurrence provisions that are no longer required and can be repealed.

## Strengthening communities and their environments

The NSW planning system works to strengthen what matters - the community's way of life and the environment.

In 2020-21, the Department delivered the Koala Habitat Protection SEPP. The changes under this SEPP will help reverse the decline of koala populations by considering their habitats in the development assessment process and by supporting councils to develop koala plans of management.

The Department also began its review of regional plans. These plans are 20-year visions for the regions, developed in partnership with councils and driven by communities. The Department finalised the Illawarra Shoalhaven Regional Plan 2041, which covers 15 precincts and more than 2,300 hectares of land for employment, recreation, culture, housing and innovation to provide 45,000 jobs and 38,000 new homes.

The Department's reforms to Short Term Rental Accommodation help people enjoy holidays safely while protecting the peaceful enjoyment of local neighbourhoods and contributing to housing affordability.

## Making life easier

The reforms delivered in 2020-21 make it easier for the people of NSW to:

- build and renovate homes;
- get the home they need by providing more and different types of homes; and,
- lodge development applications.

To drive housing supply and make it easier for people to renovate their home, the Department continued to make improvements to complying development, making it simpler and faster for people and businesses to do straightforward development without needing council approval. This cuts the time it takes – saving time and money while supporting jobs and families.

The Department is providing for more affordable and diverse housing through the delivery of a new Housing SEPP. This will help provide more social housing and purpose-built rental accommodation. The build-to-rent housing provisions will facilitate large-scale, purpose-built rental housing held in single ownership and professionally managed. It will contribute to diversity in the rental market and supports changes to the taxation settings for build-to-rent that were introduced by NSW Treasury in July 2020.

The Regional Housing Taskforce was established to identify ways to boost supply in regional areas. Regional NSW is experiencing strong growth as NSW bounces back from the drought and more people work flexibly and remotely as a result of the COVID-19 pandemic. This puts pressure on housing supply, and the goal of the Taskforce is to make it easier for people to get into the type of home they want in the place they want to live.

The Department also worked with councils across NSW to build the ePlanning system. The NSW Planning Portal takes the paper out of planning – making it easier to lodge and track applications and find out information about the planning system. The ePlanning system delivered on the Premier's mandate to have all councils fully online by 1 July 2021. In 2020-21, more than 58,000 DAs were submitted through the Online Development Application Service, with an estimated total cost of development of \$77.26 billion.

The Department also worked to support communities devastated by natural disasters. Through the Planning and Assessment group it helped people access temporary accommodation, allowed businesses to operate from portable offices, waived fees associated with the rebuilding of homes, and set up the disaster recovery coordination service – completing 63 requests through peer to peer council support network. The Department supported councils by developing and introducing the new Natural Disasters Clause and setting up an education program on Planning for Bushfire Protection. The new clause gives councils the flexibility needed to make it easier for homeowners to rebuild or repair their homes after a natural disaster. This work has saved people time and money by removing the requirement to apply to vary development standards in order to get approval to rebuild. There are 33 councils already using the standard clause in their local environment plans, allowing them to approve appropriate applications to repair or rebuild homes after a natural disaster despite local provisions that may otherwise prevent them from doing so.

## The work continues

The work to support the NSW economy as it recovers from the impacts of the COVID-19 pandemic continues. The Department will build on and consolidate the reforms undertaken in 2020-21 to deliver a faster, simpler, better planning system that makes things happen for NSW.

# Planning Delivery Unit

## Overview

The Planning Delivery Unit (PDU) was established as part of the larger Planning Reform Program in July 2020. Through the PDU, the Department:

- proactively identifies and resolves bottlenecks in the planning system;
- ensures a better level of customer service for those who interact with the NSW planning system;
- facilitates entry to the planning system by major investors proposing projects of major strategic value to NSW; and,
- builds lasting relationships with industry, local government and the community of NSW.

In 2020-21 the PDU engaged on a total of 593 planning projects, helping unblock those stuck in the system. State agencies and councils are now proactively approaching the PDU for advice and mediation on complex projects and precincts. The PDU's work includes:

- Planning Concierge services;
- case management; and,
- planning reform coordination

## Planning Concierge services

The Planning Concierge provided a central point of contact for developers and investors to navigate the complexities of the planning system by offering expert guidance. Through the Planning Concierge, the PDU actively engaged with agency partners and stakeholders across the Department to mediate complex planning problems that arose. This collaborative and holistic approach ensured that industry was provided with the best possible support. Projects were kept moving through the planning system with this approach, enabling swifter resolutions.

In 2020-21, the Planning Concierge provided a proactive case management service for more than 140 projects. Collectively, these projects are worth more than \$100 billion and have the potential to create more than 90,000 construction jobs and unlock more than 150,000 ongoing jobs.

The Planning Concierge will continue to work with investors to provide a seamless planning pathway in NSW and pave the way for significant investment in infrastructure, jobs and the economy.

## Case management

The Case Management team provided services to assist the processing of delayed projects through the planning system, particularly in scenarios where several agencies were involved. Facilitation requests were received from developers, councils, and government agencies. The PDU acted as an independent voice at the table in these scenarios and worked to facilitate resolutions through:

- convening all parties to work together towards outcomes;
- establishing an agreed mediation process; and,
- liaising between the consent authority and applicant.

The development related caseload of NSW government agencies rose by 35% from 1 July 2020 to 30 June 2021. Despite the increased volume of requests, the PDU successfully worked with agencies to increase efficiency by 45%.

PDU case managers personally connected all 128 NSW councils to improve relationships and offered them support in resolving bottlenecks in the planning system, particularly in facilitating productive engagement across state government agencies.

Other achievements include:

- Addressing delays on the installation of tiger tails - The PDU hosted workshops with stakeholders including the Housing Industry Association (HIA), Ausgrid, SafeWork NSW and Transport for NSW (TfNSW) to identify solutions to reduce delays and provided funding to escalate a review on the Authorised Service Provider Scheme (ASP). As a result of this facilitation, HIA members were provided with a voice at the table and crucially, all agencies impacted by the delays were able to discuss the severity of the delays, work out solutions and maintain lasting relationships;
- Regional NSW Portal Grants Program - Issues surrounding digital infrastructure and literacy in regional councils were identified. To resolve this, PDU developed the Regional NSW Portal Grants program in consultation with four councils. Between July 2020 and June 2021, \$4.8 million was invested to help councils improve their digital software and hardware as well as provide human resources and staff training for upskilling. All 95 councils and Lord Howe Island met the grant criteria and received the \$50,000 grant to implement these improvements;
- NSW Planning Portal - As at July 2021, all 128 councils are using the NSW Planning Portal to process planning applications – this outcome was a specific mandate of the Premier. Case managers also reached out to all NSW councils to offer assistance; and,
- Woolworths National and Regional Distribution Centres, Moorebank - The PDU has an ongoing case management role to support planning and transport assessments in the Moorebank Intermodal Precinct. In late 2020 the PDU worked closely with the Department's Planning and Assessment group and TfNSW to help resolve transport concerns in the assessment of Woolworths' state significant development modification applications. The PDU hosted workshops with all key stakeholders which outlined constraints and developed satisfactory solutions. The project was approved in late 2020 on the condition that local traffic impacts would be appropriately managed. The development of the distribution centres is expected to generate \$1.1 billion in local investment, as well as create 1,300 jobs in the next four years.

The PDU will continue its work, including making legislative or policy changes to reduce the overall number of concurrence and referral requests by 25%.

## Planning reform coordination

The Planning Reform Action Plan outlines long term structural reform of the planning system and consists of a series of initiatives. The PDU plays a key role in coordinating and reporting on the progress of the Planning Reform Program to ensure a high level of visibility and transparency among decision makers.

The Planning Reform Team (PRT) was established and became operational in 2021. It introduced an improved governance model to provide greater oversight to decision makers and support project teams on reform initiatives. The PRT will continue to support the Planning Reform Program through its engagement and reporting functions.

## Water

### Promoting sustainable, secure and healthy water resources and services

The Department manages critical water resources to support environmental health across NSW and better service communities, customers, and the irrigated agriculture sector.



Through its Water group, the Department:

- leads the water sector in strategy development at state, region and metropolitan levels;
- manages the state's surface and groundwater;
- develops and implements plans for water security in NSW;
- manages regional and metropolitan water supply and usage, ensuring equitable sharing of water resources;
- ensures transparency in how water is shared, allocated and managed;
- delivers services and reforms which support sustainable and healthy environments, economies and societies;
- delivers major water infrastructure projects;
- builds a compliance and enforcement regime that ensures strong and certain regulation; and,
- works in collaboration with governments across the Murray Darling Basin to improve water security, river health and environmental outcomes;

## Water strategies

The NSW Government is developing and implementing long-term strategies for water management across regional NSW and in metropolitan areas. The NSW Water Strategy sets the vision, objectives and principles for water management and services statewide. It sets the framework for the 12 regional strategies and two metropolitan strategies – the Greater Sydney Water Strategy and the Lower Hunter Water Security Plan – which will be specific roadmaps to water management to 2040.

The strategies set the direction for water policy, planning and infrastructure decisions, putting water security and drought resilience on the same footing as other vital services. New modelling methods and data sets underpin the plans, to help prepare for climate variables alongside the future growth of NSW cities, towns and regions. The strategies look at diversification of water supply, including water recycling, desalination and new uses for stormwater, and guide water management to best support the NSW economy, maintain healthy communities, and protect and enhance the environment.

In the past year, the NSW Water Strategy was finalised after public consultation and is expected to be launched in the second half of 2021. The Department also consulted on eight Regional Water Strategies finalised the draft of the Greater Sydney Water Strategy and supported Hunter Water in developing the draft lower Hunter water Security Plan.

## Measuring and licencing floodplain harvesting

May 2021 saw the culmination of six years of work with the finalisation of floodplain harvesting regulations. Floodplain harvesting is the capture and use of water flowing across a floodplain. Using improved data and cutting-edge modelling, and after widespread consultation, the Department finalised Australian-first rules to licence and measure this kind of water take.

After going into effect, the rules were disallowed by the Legislative Council. Despite the disallowance, the NSW Government remains committed to regulating floodplain harvesting so that total water take within each valley is within legal limits to meet its legislative obligations, improve local environmental and connectivity outcomes, and provide clarity for all water users and the regulator.

## Water Infrastructure NSW

As part of broader reforms of the NSW water sector, a new water infrastructure agency, Water Infrastructure NSW was established in December 2021 as part of the Department's Water group.

It is responsible for leading the development and delivery of key government water infrastructure projects and programs across the state.

Water Infrastructure NSW will collaborate across the water sector, with industry partners and stakeholders, to deliver innovative infrastructure and water management solutions, with a focus on outcomes that support the health, well-being and prosperity of customers and communities as well as the natural environment.

Over the next ten years, the agency will deliver at least \$4 billion of new bulk water infrastructure into regional and metropolitan NSW.

## Accelerated SDLAM and rescoped projects

Operating under Water Infrastructure NSW, the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) program aims to recover 605 gigalitres of water each year from the Murray-Darling Basin river system through better constraints and operational management.

In April 2021, the Murray-Darling Basin Ministerial Council (MinCo), comprising Ministers responsible for Water in each Basin jurisdiction and the Australian Government, agreed to accelerate five SDLAM projects to secure their delivery by June 2024. These projects – Locks 8&9 Project, the Yanco Creek Modernisation Project, the Murrumbidgee & Murray National Park Project, the Koondrook- Perricoota FLOW Enabling Works project and the Mid-Murray Anabranches Constraints Demonstration Reach project – will deliver up to 45 gigalitres in water savings. This will mean that nearly 75% of the water savings target across the Basin will already have been achieved or will be on track to be achieved by 2024.

MinCo Ministers also agreed to rescope two critical projects at Yanco Creek and Menindee Lakes. The Department is examining potential changes to the projects including additional acceleration opportunities, amendments and identification of alternative projects to ensure the outcomes of the Murray-Darling Basin Plan are still met.

## Safe and Secure Water Program

To date, more than \$746 million has been approved for 178 water infrastructure projects.

The Safe and Secure Water Program is a \$1 billion infrastructure program that addresses key risks to water safety and security throughout regional NSW. Working with local water utilities, the program co-funds water and sewerage projects to improve public health, water security, environmental outcomes and social benefits, through the provision of safe, secure and sustainable water and wastewater services.

Through this program, the Department helped deliver water treatment works in Bourke, Nambucca and Cobar, helped the Nyngan and Condobolin communities access groundwater and supported Orange City Council in its work on stormwater harvesting.

## Improving water resource management

After three years of public consultation, NSW submitted 20 water resource plans to the Murray-Darling Basin Authority (MDBA) for accreditation in 2020. Each plan considers the different resources, environmental assets, development and geography that affect management of local water sources. The plans provide a clear management framework, ensuring healthy and resilient water ecosystems are maintained. The Department is working with the MDBA on its compliance feedback towards securing long-term sustainable water management.

Several NSW water sharing plans are also in the process of being replaced as part of adaptive management practices. These plans set the rules for how water is allocated for the next ten years, ensuring water is provided for the environment through a legally binding plan, and allowing licence holders such as irrigators to plan their business activities. The plans provide water users with a clear picture of when and how water will be available for extraction, protect the fundamental

environmental health of the water source and ensure the water source is sustainable in the long-term.

## Connecting rivers

In January 2021, the Department hit a major connectivity milestone when the Resumption of Flows Rule was activated for the first time after several dry months. Under the amended Water Sharing Plan for the Barwon-Darling, the rule required certain licence holders not to pump when flows first resumed, allowing water to replenish town supplies, refill fish reservoirs and fully connect the river system from Queensland to Menindee.

## Making water information more accessible

The July 2020 launch of the WaterNSW WaterInsights Portal saw the Department and WaterNSW collaborate to provide water users with world-class water information. WaterInsights is an all-inclusive portal providing real-time data on storage levels, announcements, trade and water usage rules, weather and climate information, visibility of groundwater and 30 years of historical water data. The service embodies a shared vision for transparent, accessible information for water users.

The Department also hosted interactive webinars with WaterNSW, outlining how water market information is managed to seek feedback on how water market platforms can be improved for customers.

The Department is preparing a program of works to address the issues and suggestions raised during consultation and in response to the Australian Competition and Consumer Commission's final report on the Murray–Darling Basin water markets inquiry.

## Leading the way with metering reform

The Department is continuing the rollout of the non-urban water metering framework across NSW, ensuring water measurement is smart, robust, accurate and consistent. The new framework is simplifying water management and by December 2023 will replace separate metering requirements for water sharing plan areas. The reform underpins the integrity of NSW's water management system, contributing to the sustainability of water use and protecting the interests of all water users, communities and the environment.

The NSW and Federal governments have invested a combined \$36.1 million to roll out metering programs across the state.

## Engaging the community

Engagement is essential to achieving better public policy, improved service delivery and enhanced customer satisfaction. To that end, the Department regularly engages with a broad range of stakeholders, including First Nations, councils, industry peak bodies and environmental organisations.

More than 160 Water group engagement activities were held between January and June 2021, despite the challenges of COVID-19 restrictions limiting face-to-face meetings and shifting many engagements online. In that period, the Department also received more than 1,300 customer enquiries. The Department conducted more than 500 engagement activities in 2020 and launched a new monthly Water Engagement Roundup format

## Reforming water management

The establishment of the Water Sector Leaders' Group is a major step forward in management reform, providing a forum for leaders from the Department's Water group, the NSW Treasury, the Department of Regional NSW and the State Owned Corporations to share knowledge and

oversee major strategy programs while delivering a more efficient, effective and collaborative approach to water management across the sector.

The Roles and Responsibilities Agreement signed by the Water group, WaterNSW and the Natural Resources Access Regulator (NRAR) is another reform milestone, designed to lift the sector's performance while respecting each water agency's governance.

The Agreement enables the agencies to work more collaboratively together, sets a framework for resolving issues, sharing data and reporting the performance of agencies against their responsibilities. It outlines how complex and intertwined responsibilities are managed, including impact assessments for licences and approvals, managing monitoring assets, managing environmental water and implementing the non-urban metering framework.

## Better water services

The Department is providing ongoing support to local water utilities for the operation and management of their water and sewerage services in Regional NSW. This includes working with local councils to deliver long-term strategic planning for water services, known as Integrated Water Cycle Management (IWCM) strategies. These comprehensive plans help council-run water utilities deliver critical water services to customers. Councils can access financial assistance through the Safe and Secure Water Program, with 63 councils and joint organisations applying as at 30 June 2021. The status of each council's IWCM strategy is now available on the Department's website.

Through the Town Water Risk Reduction Program, the Department is teaming up with councils to improve the regulatory framework and address critical skills shortages, encourage collaboration between utilities and consider alternative funding models. Every local water utility faces unique challenges and risks. The Department has engaged with more than 100 stakeholders and conducted virtual and regional workshops with local water utilities, to collaborate on the program and discuss how to improve the regulatory framework and best work together.

The Department's Water Utilities Team, in partnership with the NSW Aboriginal Land Council and Aboriginal Affairs, delivers operational, maintenance and asset renewal services to 63 remote and in-town aboriginal communities across Regional NSW. Addressing risks in some of the most remote and disadvantaged communities in the State, the Aboriginal Communities Water and Sewerage Program is a 25 year program aimed at improving health outcomes through improved drinking water quality and safer wastewater disposal.

## Water efficiency

As the Department plans for a growing population, a more variable climate, competing interests for water, the growing costs of water infrastructure and more cool, green urban places, ensuring water is used efficiently and effectively is vital.

With that aim, the Department has developed a new state-wide Water Efficiency Framework which will enable government, water utilities and communities to use water efficiently and help guide water infrastructure decisions.

The program will ensure transparent reporting of water efficiency for water utilities, increased capacity and capability to plan and implement water efficiency and consider end-to-end water use.

A draft will be launched for consultation in the second half of 2021.

The NSW Government is also investing \$12.5 million over three years to help local water utilities fix leaks across their networks, saving water and securing a safe supply for residents throughout the state. The Regional NSW Leakage Program is part of a suite of measures supported by the NSW Productivity Commission and is designed to boost the state's water security. It will address network leakage and water loss as a key part of the Water Efficiency Framework.



## Strategy and Innovation

Strategy and Innovation supports the delivery of future-focused initiatives. The group collaborates across the Department and the broader government to:

- provide data and analytics around population, housing, employment and commercial land use;
- explore the place-based application of smart city technologies;
- develop place-based, multi-agency business cases and delivery plans; and,
- support strategy development across sectors.

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

The group's 2020-21 achievements include:

- releasing the Sydney housing supply forecast and Employment Lands Development Monitor;
- providing the evidence base for projects on areas such as regional housing stress;
- developing the 2020 population projections and insights; and,
- delivering the first People and Places Population Forum.

### Implementing Greater Parramatta to Olympic Peninsula (GPOP)

GPOP is proceeding to implementation phase following government endorsement of a place-based strategic business case. This was the first of its kind, prepared collaboratively on behalf of ten proponent agencies to identify prioritised and optimised packages of infrastructure to support the growth of the major economic corridor for the Central River City.

### Delivering living infrastructure for the Western Parkland City

The vision and government commitment to restore and protect Wianamatta South Creek and form the cool, green spine of the Western Parkland City is realised through an integrated approach to land use and water cycle management.

### Infrastructure Australia priority listing

Strategy and Innovation played a key role in coordinating proposals for Infrastructure Australia's Infrastructure Priority List, which recognises projects and initiatives of national significance. Three departmental projects were recognised on the 2021 priority list: the Smart Western City Program, Greater Sydney Water Security and the NSW Social Housing Program.

### Implementing Smart Places

In August 2020, the NSW Government released its Smart Places Strategy. This is a first for an Australian state government and sets out a vision to deliver outcomes for citizens and businesses by applying a consistent, place-based approach to Smart Places implementation.

The Smart Places team achieved major milestones, including:

- establishment of the Smart Places Acceleration Program;
- developing the Smart Western City Program and 5G Strategy for the Western Parkland City; and,
- exhibition of the draft Smart Places Customer Charter.

Established in December 2020, the Smart Places Acceleration Program responds to Action 8 of the Smart Places Strategy and is designed to help place owners apply innovative smart

technologies and capabilities. The program has already released NSW Government co-contributions for partners to:

- deliver a dynamic 3D model to assist local planners;
- improve kerbside parking using digital technologies;
- analyse passenger connectivity along the rail network; and,
- generate insights into water consumption to drive greater water efficiencies.

Delivery of Smart Places initiatives is supported by a Smart Places Advisory Council set up in September 2020.

## Collaborating to support strategy development across the cluster

The Strategy and Innovation group led the development of the business case for the NSW Koala Strategy 2021-26, partnering with the department's Environment, Energy and Science group to secure funding for critical conservation efforts. The business case sought to advance thinking about inter-generational benefits and to lock in positive biodiversity outcomes.

## 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; and,
- ensuring sustainability of programs by identifying adequate resourcing.

As a new group, Aboriginal Strategy and Outcomes has devoted significant time in 2020–21 to establishment and strategic planning.

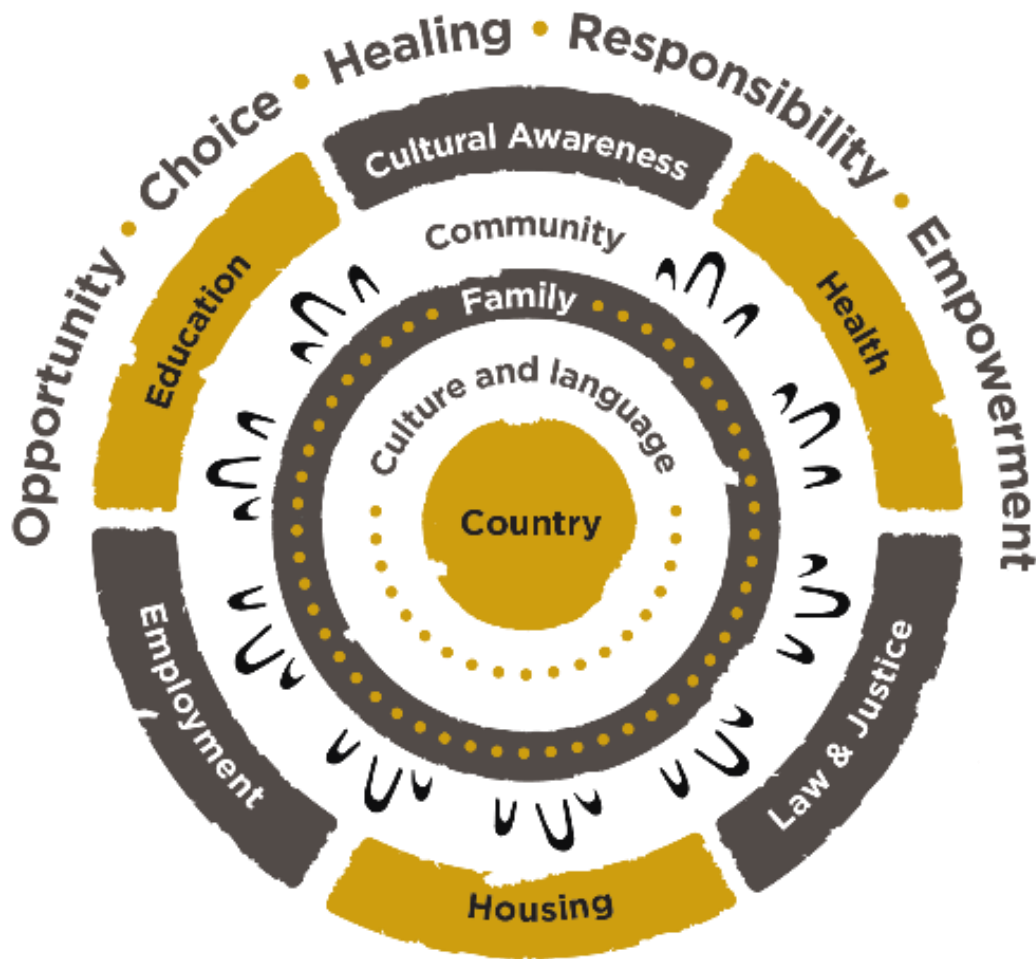
In February 2020, the Department launched its Aboriginal Strategy: 'Our Place on Country'. Our Place on Country (OPOC) provides a strategic framework to ensure the aspirations of Aboriginal communities are advanced through the work of the Department through genuine partnership, respect and embedding Aboriginal cultural knowledge into the work of the Department.

By setting a strategic direction that's in step with the NSW Government's OCHRE Plan, 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. To deliver this work, the Aboriginal Strategy and Outcomes group 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.

### Recognising we are always on Country

The OPOC Strategy recognises that we are always on Country, no matter where we are working or what we are doing. It also recognises that Country is at the core of every Aboriginal person's identity and sense of belonging. It is the place from which Aboriginal language and culture is derived. Aboriginal culture and language groups determine families and kinship. Aboriginal families and kinship systems make up communities.

Figure 6: Circle of impact



As illustrated in Figure 6, Aboriginal communities are often very busy prioritising the immediate needs of community within the outer circle of issues. These issues are symptomatic of the dispossession of Aboriginal people's lands and a lack of clear voice and contribution to managing Country.

The OPOC Strategy will help the Department do a better job of delivering its core business by:

- creating partnerships with Aboriginal people based on respect, co-design and collaboration; and,
- developing a better understanding of Aboriginal communities and integrating this knowledge into its work.

### Reporting framework for achieving Aboriginal outcomes

The Aboriginal Strategy and Outcomes Team developed five headlines (Figure 7) as the basis for the OPOC Reporting Framework, by distilling the various goals of the Strategy into distinct, measurable areas. These were tested, iterated and refined with Aboriginal staff and managers in early 2021.

Figure 7: Figure OPOC Headlines

	<b>1. Access to Country</b>	Increase <b>access to, rights over and management of land, water and the natural environment</b> for Aboriginal communities, recognising Aboriginal peoples' deep and interdependent relationship with Country
	<b>2. Respect and Value</b>	Continuously improve how the Department <b>respects, values and grows its understanding of Aboriginal cultures and communities</b> , and integrates this into its work
	<b>3. Economic Prosperity</b>	Increase <b>economic opportunities</b> and realise the <b>economic independence</b> of Aboriginal people and communities
	<b>4. Respectful Partnerships</b>	Improve <b>how the Department engages, involves, makes shared decisions and delivers initiatives in respectful partnership</b> with Aboriginal people and communities
	<b>5. Employer of Choice</b>	Improve the Department's reputation as an <b>employer of choice</b> for Aboriginal staff and communities

The OPOC Reporting Framework includes Aboriginal outcomes dashboard reports for the Leadership Team to provide regular visibility of progress and performance in delivering against the OPOC Aboriginal Strategy and inform future direction and decision-making.

### Our Place on Country priority workstreams

Since its initial launch the Strategy has established nine focused priority workstreams that reflect the Department's commitment to embed Aboriginal cultural knowledge into its work:

1. Aboriginal Dual Naming Policy
2. Cultural Fire Management Program
3. Local Aboriginal Land Council (LALC) Planners Pilot Project
4. Aboriginal Land Reform
5. Indigenous Cultural Intellectual Property
6. Department of Planning, Industry and Environment Aboriginal Outcomes Community of Practice
7. Cultural Capability Framework/Cultural Safety Framework
8. Aboriginal Procurement Policy
9. Monitoring, Evaluation & Reporting

The Aboriginal Strategy and Outcomes Team is responsible for priority workstreams 1, 2, 3, 4, 5 and 9. OPOC priority workstreams are in early stages of development and will continue to evolve as work progresses.

## NSW Chief Scientist & Engineer

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

The Office of the NSW Chief Scientist & Engineer (OCSE) 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 NSW Chief Scientist & 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 OCSE delivered formal advice on a range of issues in 2020-21, including:

- Advice on the protection of the Campbelltown Koala Population;
- NSW Decarbonisation Innovation Study – Final Report;
- Review of Water-Related Data Collections, Data Infrastructure and Capabilities;
- Australian Semiconductor Sector study: Capabilities, opportunities and challenges for NSW's meaningful participation in the global semiconductor value-chain;
- Assessment of Summer Preparedness for the NSW Energy Market;
- Assessment of Summer Preparedness for the NSW Energy Market Supplementary Material; and,
- Energy from Waste Report

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

These committees included:

- Waratah Research Network;
- NSW Koala Strategy Independent Expert Advisory Panel;
- Assessment of Summer Preparedness for the NSW Energy Market Expert Panel;
- NSW Decarbonisation Innovation Study Expert Panel;
- Energy from Waste Working Group;
- NSW PFAS (per- and poly-fluoroalkyl substances) Expert Panel;
- Independent Expert Panel – Review of the Climate Risk Method for Regional Water Strategies; and,
- Advisory Committee on Tunnel Air Quality.

The OCSE also sat on the following committees:

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

### Supporting research, innovation and commercialisation in NSW

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

In 2020-21, the NSW Government allocated \$14.9 million in funding to the Quantum Computing Fund and the Research Attraction and Acceleration Program (RAAP).



The Quantum Computing Fund allocation was \$4.3 million, paid to The University of Sydney to continue the development of the Sydney Quantum Academy in partnership with the University of NSW, Macquarie University and University of Technology Sydney. This was the third of five payments totaling \$15.4 million over five years.

The balance of \$10.6 million in funding was allocated to the RAAP together with additional funding of \$2.9 million, detailed below, bringing the total 2020-21 RAAP allocation to \$13.5 million.

RAAP funding was used for the purposes of leveraging, collaboration and technology development. This included providing co-investment support for NSW-based industry-led cooperative research centres (CRCs) and to support the OCSE-established innovation networks and the NSW Physical Sciences Fund.

The CRCs are long-term collaborations between research organisations, government and industry administered under the Australian Government program managed by the Department of Industry, Science, Energy and Resources. The centres are anticipated to deliver long-term benefits for NSW, including job creation, innovation and technological advances in priority areas. Co-funding of \$600,000 was provided to two NSW-based CRCs:

- Reliable and Clean Energy (RACE) for 2030 CRC, University of Technology Sydney; and,
- Smartcrete CRC, Macquarie University.

Co-funding of \$150,000 was provided to two Industrial Transformation Research Programs (ITRP). The ITRP centres provide specialised training and support to Higher Degree by Research and to Postdoctoral researchers in identified priority areas. The ITRP is run by the Federal Government's Australian Research Council (ARC). The successful ITRPs were:

- ARC Research Hub for Australian Steel Innovation, University of Wollongong; and,
- ARC Training Centre for the Global Hydrogen Economy, UNSW

Funding of \$3.05 million was provided to the NSW Research Networks, providing support for the:

- NSW Smart Sensing Network;
- NSW Defence Innovation Network; and,
- NSW Circular Economy Network (NSW Circular).

Funding of \$400,000 was provided for the development of the NSW Space Research Network.

An additional funding of \$2.9 million was provided to further investments in networks. The Space Research Network received \$1 million of this allocation, with the remaining funds shared between the Smart Sensing Network, Defence Innovation Network, and the NSW Circular.

The OCSE also held the second round of the NSW Physical Sciences Fund, a \$5-million program that supports the development and commercialisation of promising NSW technologies. Four applications received funding, their innovative technologies being:

- surface films printed with microstructures to reduce drag and produce anti-fouling, antibacterial and self-cleaning effects;
- a compact digital phased array ground station technology which can potentially link to hundreds of satellites simultaneously;
- a solar-powered Wi-Fi small cell to deliver connectivity to rural and remote areas; and,
- an integrated hardware and software platform that can track and analyse airborne crop disease in real time.

Funding of \$500,000 to undertake genomic sequencing research of NSW koala populations was announced in February 2021.

Funding of \$113,000 was provided to the NSW Cyber Security Innovation Node, which fosters and accelerates cyber capability and innovation.

Funding of \$50,000 was provided in annual sponsorship to the Newcastle Institute for Energy and Resources, as coordinating body for the Energy and Resources Knowledge Hub, which aims to deliver solutions that address real-life challenges in areas including resource productivity and efficiency, energy technologies and utilisation, advanced materials for industrial innovation and land, water, social impacts and sustainability.

Funding of \$50,000 was provided to undertake a Power to X feasibility study with the Particle Catalysis Research Group at UNSW Sydney. This study explored an industry-driven innovation platform to accelerate the commercialisation and deployment of P2X technologies for clean fuels and chemical production in NSW.

# Appendices



# Appendix 1. Legislation and legal change

## Acts passed

- *Electricity Infrastructure Investment Act 2020*
- *National Parks and Wildlife Legislation Amendment (Reservations) Act 2020*
- *Warnervale Airport (Restrictions) Repeal Act 2021*
- *Local Government Amendment Act 2021*
- *Prevention of Cruelty of Animals Amendment Act 2021*

## Regulations made

### Planning and Public Spaces regulations

- Environmental Planning and Assessment (Occupation Certificates) Regulation 2020
- Environmental Planning and Assessment Amendment (Construction Certificate Applications) Regulation 2020
- Environmental Planning and Assessment Amendment (COVID-19 Prescribed Period) Regulation 2020
- Environmental Planning and Assessment Amendment (Kensington and Kingsford Town Centres Development Consent Levies) Regulation 2020
- Environmental Planning and Assessment Amendment (Modification of Consent) Regulation 2020
- Environmental Planning and Assessment Amendment (Social Housing) Regulation 2020
- Environmental Planning and Assessment Amendment (Western Sydney Aerotropolis) Regulation 2020
- Environmental Planning and Assessment Amendment Regulation 2020
- Environmental Planning and Assessment Savings, Transitional and Other Provisions) Amendment (Certification) Regulation 2020
- Planning and Environment Legislation Amendment (COVID-19) Regulation 2020
- Royal Botanic Gardens and Domain Trust Regulation 2020
- Crown Land Management Amendment (Plan of Management) Regulation 2021 (note administered jointly with the Minister for Water, Property and Housing)
- Environmental Planning and Assessment (Development Contributions) Regulation 2021
- Environmental Planning and Assessment Amendment (Build-to-rent Housing) Regulation 2021
- Environmental Planning and Assessment Amendment (Flood Planning) Regulation 2021
- Environmental Planning and Assessment Amendment (Planning Portal) Regulation 2021
- Environmental Planning and Assessment Amendment (Short-term Rental Accommodation) Regulation 2021
- Environmental Planning and Assessment Amendment (Subdivision Certificates) Regulation 2021
- Environmental Planning and Assessment Amendment (Wingecarribee Shire Council Local Planning Panel) Regulation 2021

## Environment and Energy regulations

- Biodiversity Conservation Amendment (COVID-19) Regulation 2020
- Biodiversity Conservation Amendment (Exemptions) Regulation 2020
- Biodiversity Conservation Legislation Amendment Regulation 2020
- Electricity Supply (Corrosion Protection) Regulation 2020
- Electricity Supply (General) Amendment (Remote De-energisation and Re-energisation) Regulation (No 2) 2020
- Electricity Supply (General) Amendment (Remote De-energisation and Re-energisation) Regulation (No 3) 2020
- Electricity Supply Amendment (Energy Savings) Regulation 2020
- Gas Supply (Safety and Network Management) Amendment (Hydrogen Gas) Regulation 2020
- National Energy Retail Law (Adoption) Regulation 2020
- Protection of the Environment Operations (General) Amendment (COVID-19 Audio and Audio Visual Links) Regulation 2020
- Protection of the Environment Operations (General) Amendment (Native Forest Bio-material) Regulation 2020
- Protection of the Environment Operations (Waste) Amendment Regulation 2020
- Waste Avoidance and Resource Recovery (COVID-19) Regulation 2020
- Biodiversity Conservation Amendment (Cetacea) Regulation 2021
- Electricity Infrastructure Investment Regulation 2021
- National Parks and Wildlife Amendment Regulation 2021
- Protection of the Environment Operations (Clean Air) Amendment Regulation 2021
- Protection of the Environment Operations (General) Amendment (PFAS Firefighting Foam) Regulation 2021
- Dangerous Goods (Road and Rail Transport) Amendment (Model Law) Regulation 2020

## Water, Property and Housing regulations

- Crown Land Management Amendment (Reserve Trusts) Regulation 2021 (administered jointly with the Minister for Planning and Public Spaces)
- Crown Land Management Amendment (Reserve Trusts) Regulation (No 2) 2020 (administered jointly with the Minister for Planning and Public Spaces)
- Water Management (General) Amendment (COVID-19) Regulation 2020
- Water Management (General) Amendment (Lower Namoi and Border Rivers Floodplains) Regulation 2020
- Water Management (General) Amendment (Macquarie Valley Floodplain) Regulation 2020
- Water Management (General) Amendment (Metering Equipment) Regulation 2020
- Water NSW Regulation 2020
- Natural Resources Access Regulator Amendment (Relevant Agencies) Regulation 2021
- Water Industry Competition (General) Amendment (Water Industry Infrastructure) Regulation 2021
- Water Management (General) Amendment (Emergency Works Exemption) Regulation 2021
- Water Management (General) Amendment (Exemption for Rainfall Run-off Collection) Regulation 2021



- Water Management (General) Amendment (Exemption) Regulation 2021
- Water Management (General) Amendment (Floodplain Harvesting Access Licences) Regulation 2021
- Water Management (General) Amendment (Floodplain Harvesting Measurement) Regulation 2021
- Water Management (General) Amendment (Miscellaneous) Regulation 2021
- Water Management (General) Amendment (Water Supply Authorities) Regulation 2021
- Water Supply (Critical Needs) (Wyangala Dam and Dungowan Dam) Regulation 2021

## Local Government regulations

- Local Government (General) Amendment (Conduct) Regulation 2020
- Local Government (General) Amendment (COVID-19) Regulation (No 3) 2020
- Local Government (General) Amendment (Minimum Rates) Regulation 2020
- Local Government (General) Amendment (Tendering) Regulation (No 3) 2020
- Companion Animals Amendment (Registration Fees) Regulation 2021
- Local Government (General) Amendment (Exemption) Regulation 2021

## Other statutory instruments

Environmental planning instruments:

- 51 state environmental planning policies
- 319 local environment plans (Department of Planning, Industry and Environment and councils)
- Four Standard Instrument (Local Environmental Plans) amendment orders

Management plans:

- Two floodplain management plans
- 15 water sharing plans

## NSW Land and Housing Corporation

The *Residential Apartment Buildings (Compliance & Enforcement Powers) NSW Act 2020* commenced on 1 September 2020.

The Act provides the Secretary of the Department of Customer Service with new enforcement and investigative powers to regulate developers during the construction of residential apartment buildings. This is intended to prevent serious building defects in completed apartment buildings. It is also part of a wider NSW reform that is focused on improving the quality of buildings by increasing regulation of the delivery phase of construction projects. The Act also introduces a notification scheme where developers must advise the Secretary before applying for an occupation certificate.

The Act applies to residential apartment building work that is undertaken in accordance with a construction certificate or complying development certificate and therefore will apply to those projects in LAHC that are completed pursuant to receiving these certificates.

The State Environmental Planning Policy Amendment (Social Housing) 2020 made various amendments to the State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP) which commenced on 1 February 2021. For example, the Amendment introduced certain requirements which LAHC must comply with prior to undertaking residential development pursuant to section 40(1)(a) of the ARHSEPP.

The State Environmental Planning Policy (State and Regional Development) Amendment (Social Housing) 2021 commenced on 5 February 2021.

The Amendment declared development carried out by or on behalf of LAHC for the purposes of the *Housing Act 2001*, if the development has a capital investment value of more than \$100 million, to be state significant development at Schedule 1 of the State Environmental Planning Policy (State and Regional Development) 2011.

The State Environmental Planning Policy Amendment (Build-to-rent Housing) 2021 commenced on 12 February 2021.

The Amendment operates to declare certain build-to-rent housing to be state significant development. It also amends the ARHSEPP to include a number of specific provisions for build-to-rent housing. This includes provisions making build-to-rent property development permissible with consent on any land on which residential flat buildings are permissible as well as on land zoned B3 Commercial Core, B4 Mixed Use and B8 Metropolitan Centre.

This Amendment will assist LAHC to deliver more social housing on government owned land.

### **Amendments to Regulations in 2020–21**

The Design and Building Practitioners Amendment (Miscellaneous) Regulation 2021 was published on 25 June 2021 and clarifies how the *Design and Building Practitioners Act 2020* applies to Crown building work, being the majority of the work undertaken by LAHC.

## Appendix 2. Significant judicial decisions

### ***Landholder prosecuted for taking water without authorisation – Grant Barnes, Chief Regulatory Officer, Natural Resources Access Regulator v Brian Vance O’Haire***

The Natural Resources Access Regulator successfully prosecuted Mr O’Haire for taking water from the Murray River in breach of the *Water Management Act 2000*. Mr O’Haire pleaded guilty to eight charges of taking water without authorisation, totalling over 1,378 megalitres of water. The Land and Environment Court imposed a fine of \$131,250, a publication order and an order to pay the prosecutor’s costs of the proceedings.

### ***Validity of NSW native vegetation protection legislation upheld – Robert Alexander Houston v State of New South Wales***

The Federal Court summarily dismissed a challenge to the constitutional validity of the *Native Vegetation Act 2003*, the Biodiversity Conservation (Saving and Transitional) Regulation 2017, the *Local Land Services Act 2013* and the Land Management (Native Vegetation) Code 2018.

Mr Houston alleged that the legislation amounted to an acquisition of property that contravened section 51(xxxi) of the Constitution, and that the interpretation of this constitutional section should be broadened to prohibit the legislative powers of the federal and state governments.

The court held the challenge did not have reasonable prospects of establishing that the legislation constituted an ‘acquisition’ in the manner constrained by the Constitution. It also held the longstanding authority enabling state parliaments to enact laws to acquire property without compensation.

Mr Houston has sought leave to appeal to the High Court.

### ***Validity of the Coastal Management SEPP confirmed – Reysson Pty Ltd v Minister Administering the Environmental Planning and Assessment Act 1979***

The Court of Appeal unanimously rejected the appeal of Reysson Pty Ltd (Reysson) against a decision of the Land and Environment Court and upheld the validity of the State Environmental Planning Policy (Coastal Management) 2018 (Coastal Management SEPP). Reysson challenged the validity of the mapping of an area identified as ‘coastal wetlands and littoral rainforests area’ in the Coastal Management SEPP as it related to the land the company owned at Tweed Heads.

The court held that the power to make the Coastal Management SEPP does not depend on an objective jurisdictional fact about the characterisation of land forming part of the ‘coastal wetlands and littoral rainforests area,’ that the technique of imposing a generic proximity area or buffer zone is both rational and proportionate, and that the legislation does not impose any conditions on the process by which the Governor of New South Wales may make a SEPP that identifies a coastal management area.

### ***Wild horse management in Kosciuszko National Park confirmed lawful – Snowy Mountains Brumby Sustainability & Management Group Incorporated v State of NSW & Anor***

The Land and Environment Court dismissed judicial review proceedings challenging and seeking to restrain the proposed removal of about 4,000 horses from Kosciuszko National Park. The wild horse population at the park is reviewed and managed on an ongoing basis to ensure the park’s cultural and environmental values are protected.

Snowy Mountains Brumby Sustainability & Management Group Incorporated brought the proceedings on a number of grounds, including that the impact of the proposed horse removal program had not been properly examined and assessed as required under Part 5 of the *Environmental Planning and Assessment Act 1979*. It also alleged the program was not in accordance with the 2008 Kosciuszko National Park Horse Management Plan, resulting in a breach of section 81 of the *National Parks and Wildlife Service Act 1974*.

The court dismissed the proceedings and confirmed that the proposed horse removal program complies with the 2008 Kosciuszko National Park Horse Management Plan.

***Clearing of native vegetation convicted – Secretary, Department of Planning, Industry and Environment v Benjamin Nathan Traynor***

Mr Traynor pleaded guilty to one charge after he caused the clearing of approximately 327 hectares of native vegetation, of which 216 hectares was part of an endangered ecological community, on a property near Moree. The clearing reduced habitat connectivity along the wider floodplain of the Mehi River, caused the permanent loss of mature woodland trees, and removed habitat for 10 threatened species.

This was the first unlawful clearing conviction recorded under the *Local Land Services Act 2013*. The court found the offence was planned and executed with some degree of particularity. It convicted Mr Traynor and ordered him to pay a \$60,000 fine and the prosecutor's costs of the proceedings.

## NSW Land and Housing Corporation

There were no significant judicial decisions relevant to the LAHC in 2021–21.

## Appendix 3. Consumer response

### Dealing with complaints

The Department strives to ensure a timely and effective response to all complaints and its commitments and responsibilities in addressing these are set out under the External Service-Related Complaints Policy (the Complaints Policy). This policy is consistent with the NSW Ombudsman guidance on complaint handling.

The Department welcomes all feedback, including complaints and compliments. It is committed to making it easy for customers to give feedback. Customers can view more information about the complaints process, including how they can raise their concerns, on the Department's website.

Departmental staff continue to receive training and support on effective complaint handling, such as the specialist information and awareness session held for 50 employees across 16 business areas. The Department also conducted the Ombudsman training module on complaint handling for 650 employees. In September 2020, the Department updated its Complaints Policy to incorporate the most recent Ombudsman guidance and publicised the changes through its internal communications channels.

When people behave unreasonably in their dealings with the Department, their conduct can significantly affect an employee's wellbeing and the progress and efficiency of departmental functions. As a result, the Department will take action to manage any unreasonable conduct connected with complaints, consistent with the NSW Ombudsman's guidelines. Unreasonable complainant issues are managed centrally by the Department's Governance Division in consultation with the relevant business area. A specialist team supports employees in handling difficult customer relationships by providing advice, preparing correspondence and, as a last resort, managing communications through a central point.

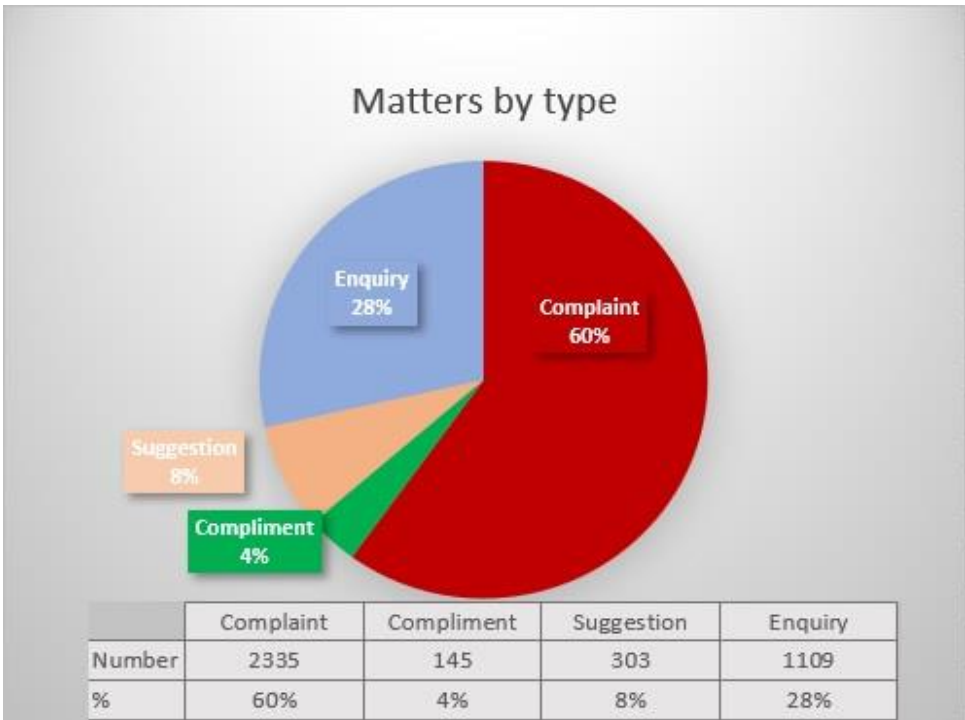
### Receiving complaints

The Department aims to resolve complaints quickly. Where a complaint requires investigation, customers receive an acknowledgement within three days that includes a tracking reference and information regarding the complaint handling process.

The Department and its agencies received 3,892 matters through the Feedback Assist platform for 2020–21, with 60% of these involving some form of complaint as shown in the following graph:



Figure 8: Matters by type



## Time taken to finalise complaints

In 2020–21, the Department finalised 2,303 complaints, most of which within 30 days, as shown in the following graph:

**Figure 9: Time taken to finalise complaints**

## Main areas of concern for complaints

The Department identified four main areas of concern from the complaints received in 2020–21, as shown in the following table:

**Table 2: Complaints – Top 4 reasons**

Complaint	Number	%
Pet registration issues	1,314	56
ePlanning issues: Access, user experience and submission	350	15
Concerns with service quality, responsiveness, delays and professionalism	227	10
Complaints on policies or decisions	74	3

## Finalising complaints

Of the 2,303 finalised complaints, the Department resolved 1,084 (47%) after initial assessment and 1,219 (53%) after further actions, as shown in the following table:

**Table 3: How the Department finalised complaints**

Action taken	Number	%
Finalised after initial assessment	1,084	47
Further actions	1219	53

All complaints receive an initial assessment. Some complaints are finalised and closed after the initial assessment stage. An initial assessment involves seeking further information from the complainant, referring it to another agency that can assist or providing information that answers a question. Where a complainant does not provide further information, the complaint is closed.

Depending on the issues, the response may involve further action such as providing information, an apology, correction of an error, review of an internal process or providing a refund. More details are in the following table.

**Table 4: Further actions on complaints**

Further actions	Subject
Providing information on	Park cleanliness and facilities
	Submissions and objections
	Noise policies
	Air quality data
	Free tree program
	Applications for the Energy Accounts Payment Assistance (EAPA) voucher scheme, appliance replacement scheme
	Regulatory requirements
	Points of contact
	ePlanning online payment, how to fill out forms, submission of development applications, troubleshooting tips
Apologies for	Pet Registry and ePlanning malfunctions
	Delays in providing services or lack of response
	Lack of professional behaviour
Correction	Of errors or issues identified
Review of processes	Such as the Accredited Service Provider (ASP) Scheme, procurement process to identify improvements, community consultation process
Refunds	Where there has been a mistake
Coordination	With councils to expedite actions

## Complaint per business area

The following table shows the number of complaints per business area:

**Table 5: Complaints per business area**

Business area	Number	%
Planning and Assessment	1,838*	79
Housing and Property	151*	6.5
Environment, Energy and Science	132	5.5
Place, Design and Public Spaces	116	5
Water and Natural Resources Access Regulator	49	2
Other	47	2
Corporate Services	2	0

\*A higher number of complaints about an agency should not be taken necessarily to indicate that the agency is providing poor service compared to others with lower numbers of complaints. For example, it might be reasonable to expect higher complaint numbers in respect of a business area that has high contact with large numbers of people, and where the services they provide have a significant impact on the daily lives of individuals.

## Complaints received by NSW National Parks and Wildlife Service

In May 2021, NSW National Parks and Wildlife Service (NPWS) aligned its complaint handling process with the Department's process and included a feedback platform on its website.

In addition to this new platform, NPWS proactively seeks feedback from its customers, which has contributed to the higher number of complaints received. As shown in the following table, NPWS received most of its complaints via the Post stay survey.

**Table 6: Complaints received by the NPWS**

Source	Number	%
Post stay survey	1,377	69
Booking experience survey	101	5
NPWS website feedback widget	20	1
Other*	496	25

\*Other includes, but is not limited to, the Service NSW call centre, Annual Passes mailbox, Enviroline, social media, ministerials and the Parks Info mailbox.

The following table shows that NPWS resolved most (94%) of the complaints it has received within 30 days.



**Table 7: Time taken to finalise complaints**

Time taken to finalise complaints	Number	%
Under one week	1,122	56
8 to 30 days	757	38
More than one month	115	6

Most complaints were about camping and accommodation (86%). Of those 86%, around 75% were about on-park issues and 25% about the booking process. The following two tables show the reasons of complaints and the actions taken to resolve them.

**Table 8: Reasons for complaints**

Reasons for complaints	Number	%
Camping and accommodation	1,726	86
Annual passes	135	7
Other	133	7

**Table 9: Actions taken on complaints by reason**

Reasons for complaints	Action taken
C/A – Maintenance, broken or missing items	Local office advised of issue. Customer receives apology and full or partial refund if the issue had a major impact on their stay and NPWS was at fault. If NPWS is not at fault, the customer receives an explanation for the issue or confirmation of repair, but no refund.
C/A – Cleanliness	
C/A – Behaviour of others, conflict	
C/A – On-ground information, signage and direction	Issues are monitored and followed up by the Distribution Team. Major and minor improvements to the booking system (DigitalRez) are constantly being worked on. Where a customer has made a genuine mistake, a refund or change to the booking outside of the terms and conditions may be granted.
C/A – Online booking system	
C/A – Introduction of booking fees for free campgrounds	Customer is provided information. Bookings were introduced at free campgrounds in June 2021 as the ongoing COVID-19 pandemic requires bookings for all campgrounds to assist with contact tracing and social distancing. The campgrounds remain free, but a flat \$6 booking fee was introduced to maintain booking equity (encouraging customers to book only what they need) and to cover booking system and labour costs.
C/A and Annual Passes: Terms and conditions	Customer is provided information on the terms and conditions they agreed to prior to booking accommodation or purchasing a pass. Extenuating circumstances (medical issue, death in the family) will receive a refund if proof is provided by the customer.
Annual Passes: Denied request for pass extensions or refunds due to COVID-19, flooding and bushfire closures	Customer is provided information on the terms and conditions they agreed to prior to booking accommodation or purchasing a pass.
Annual Passes: Introduction of Digital Pass in April 2021	Customer is provided information on the changes to Annual Passes as they became digital, especially Concession Passes. Concession Passes

are now linked to a vehicle rather than a person, this was deemed the fairest process to all customers. Alternative options are suggested - options for friends or family to get passes; utilise day fees rather than a pass; information given on parks without entry fees.

C/A - Camping and accommodation

## Tenant satisfaction, feedback and complaints for NSW Land and Housing Corporation

### Tenant satisfaction surveys

The Housing Contact Centre of the Department of Communities and Justice (DCJ) conducts Tenant Satisfaction Surveys monthly to independently gauge tenant satisfaction with completed maintenance works. The annual average of the Tenant Satisfaction Survey for 2020–21 was 91%, which is higher than the 75% benchmark required under the Asset Maintenance Services contract for that financial year.

### Feedback Assist

In 2020–21, the Department received 28 feedback items through Feedback Assist for the NSW Land and Housing Corporation (LAHC), as shown in the following table:

**Table 10: LAHC Feedback Assist data**

Matters by type	Number	%
Complaint	19	68
Compliment	2	7
Suggestion	5	18
Enquiry	2	7
<b>Total</b>	<b>28</b>	<b>100</b>

The 19 complaints received involve maintenance repair requests or delay in maintenance or repairs. The following table shows the time taken to finalise these complaints:

**Table 11: Time taken to finalise complaints**

Timeframe	Number	%
Under one week	3	16
8 to 30 days	3	16
More than one month	13	68

In addition to Feedback Assist, LAHC has internal arrangements to receive, register and resolve complaints, the majority of which are maintenance related complaints. The main avenues in place to receive maintenance complaints and feedback are:

- MP Maintenance Enquiry Line
- NCAT Matters (tenant initiated)
- Ministerials
- NSW Ombudsman's Office
- LAHC Minister's Office Priority.

**Table 12: Maintenance complaints received through internal arrangements**

Complaint data	Total	Percent age
<b>Total number of complaints and as a percentage of total work requests</b>	<b>6,534</b>	<b>0.5</b>
Complaints closed* (2020–21)	6,368	98
Complaints open and in progress (as at 30 June 2021)	166	2
<b>Total complaints actioned</b>	<b>6,534</b>	<b>100</b>

\*A complaint is considered closed based on the following criteria:

- A work order has been raised to address the maintenance issue
- An inspection has been completed and the tenant has been advised of the outcome (e.g. component assessed as functional and meets required standard with no works required)
- A contractor has rectified the issue
- An apology has been formally conveyed to the tenant, or
- DCJ housing (tenancy manager) takes coverage of the matter as it relates to tenancy activities.

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

### Government Information (Public Access) Act 2009 obligations

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 details of the information requirement for 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 annually assesses proactively released information. A survey of the Department's practices during the 2020-21 financial year revealed 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:

- Water resource plans;
- Grants News - a quarterly promotional newsletter on the Department's website and sent directly to subscribers including stories about upcoming grant rounds and updates on grants and grantees;
- Report on use of environmental water;
- Website updates about the Department's work on approving Local Housing Strategies;
- The Department's learnings from the review of managing groundwater extraction;
- The NSW Koala Monitoring Framework;
- Performance statistics for regionally significant development;
- Monthly updated map of compliance inspections and enforcement for state significant developments and infrastructure projects; and
- Fire management strategies for parks, reserves and protected areas.

### 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 2020–21.

The Department received 416 valid access applications in the 2020–21 reporting year (see Table 13 to Table 21 below). Sixty-one applications were carried forward from 2019–20. Refer to below for details on the matters dealt with by the Department.

Note that the departmental cluster includes public sector entities that are considered a subsidiary agency 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. Statistical information for these entities is included in the aggregated data in the tables below.





**Table 13: Number of applications by type of applicant and outcome\***

	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	5	2	2	0	1	0	0
Members of Parliament	5	13	1	2	0	1	0	0
Private sector business	22	21	1	10	2	0	0	4
Not-for-profit organisations or community groups	11	23	4	3	3	4	0	2
Members of the public (application by legal representative)	16	37	1	13	5	10	0	2
Members of the public (other)	32	56	4	12	7	16	0	5

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made of each such decision.

**Table 14: Number of applications by type of application and outcome**

	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	0	0	0	0	1	0	0
Access applications (other than personal information applications)	86	147	12	39	17	30	0	13
Access applications that are partly personal information applications and partly other	2	8	1	3	0	1	0	0

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made of each such decision.

**Table 15: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	14
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>14</b>
<b>Invalid applications that subsequently became valid applications</b>	<b>9</b>

**Table 16: Conclusive presumption of overriding public interest against disclosure: Matters listed in Schedule 1 of the GIPA Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	14
Executive Council information	1
Contempt	1
Legal professional privilege	19
Excluded information	1
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

\* More than one public interest consideration may apply to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

**Table 17: Other public interest considerations against disclosure: Matters listed in table to section 14 of the GIPA Act**

	Number of occasions when application not successful
Responsible and effective government	58
Law enforcement and security	9
Individual rights, judicial processes and natural justice	125
Business interests of agencies and other persons	59
Environment, culture, economy and general matters	9
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	1

\* More than one public interest consideration may apply to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

**Table 18: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	427
Decided after 35 days (by agreement with applicant)	46
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>473</b>



**Table 19: Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	12	7	19
Review by Information Commissioner*	13	10	23
Internal review following recommendation under section 93 of the GIPA Act	9	2	11
Review by the NSW Civil and Administrative Tribunal (NCAT)	2	6	8
<b>Total</b>	<b>36</b>	<b>25</b>	<b>61</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 20: Applications for review under Part 5 of the GIPA Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	59
Applications by persons to whom information the subject of access application relates (see section 54 of the GIPA Act)	5

**Table 21: Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer)**

Application type	Number of applications transferred
Agency-initiated transfers	14
Applicant-initiated transfers	69

## NSW Land and Housing Corporation

Under Schedule 3 of the GIPA Regulation the NSW Land and Housing Corporation (LAHC) is a subsidiary agency for the purposes of the GIPA Act. Therefore, all statistical information about access applications required to be included in an annual report regarding the LAHC, in compliance with section 125 of the GIPA Act and clause 8 of the GIPA Regulation, is included in the annual report for the Department.

## Appendix 5. Public interest disclosures

Under section 31 of the *Public Interest Disclosures Act 1994* (PID Act), each public authority is required to prepare an annual report on their obligations under the PID Act. Information for the Department on public interest disclosures for the period 1 July 2020 to 30 June 2021 is in accordance with clause 4 of the Public Interest Disclosures Regulation 2011.

**Table 22: Public interest disclosures for 1 July 2020 to 30 June 2021**

Type of public interest disclosure	Number
1. Public interest disclosures made by public officials in performing their day-to-day functions	5
2. Public interest disclosures not covered by (1) that are made under a statutory or other legal obligation	1
All other public interest disclosures	16
Number of public interest disclosures relating to possible or alleged:	
Corrupt conduct	21
Maladministration	1
Serious and substantial waste of public money	0
Government information contraventions	0
<b>Total number of public interest disclosures received</b>	<b>22</b>
<b>Total number of public interest disclosures finalised</b>	<b>18</b>

The Department has an internal public interest disclosure reporting policy which is consistent with the NSW Ombudsman's model policy. The Department acts to ensure that it meets staff awareness responsibilities under section 6E(1)(b) of the PID Act by having each of the following:

- a dedicated page on the Department's intranet and internet sites;
- training workshops by the NSW Ombudsman for Nominated Disclosure Officers on public interest disclosures, including guidance on how to discharge their responsibilities;
- a Statement of Commitment from the Secretary;
- a dedicated online whistle blower reporting tool for staff to report wrongdoing, including anonymously, which allows communications with a reporter without disclosing their identity; and
- a mandatory Code of Ethics and Conduct eLearning module that includes a component on public interest disclosures.

## NSW Land and Housing Corporation

These figures include the NSW Land and Housing Corporation.

## Appendix 6. Privacy management

### Legislative requirements

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.

### Compliance

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

In 2020–21, the Department provided 77 privacy advices, assisted business areas with 12 possible privacy breaches/complaints, and conducted 18 training sessions/presentations on privacy and/or the *Government Information (Public Access) Act 2009*.

Over the same period, the Department also received two applications under section 53 of the PPIP Act: one for the Aboriginal Housing Office, and one for the Land and Housing Corporation. In both cases, the Department found no evidence of any breach of privacy, or of any process or procedure that should be amended.

### NSW Land and Housing Corporation

The Department received one request for a privacy internal review for the NSW Land and Housing Corporation. The applicant believed that information used in legal proceedings, to which he was a party, had been inappropriately released to the other party in those proceedings. On review, the Department found that the information was released appropriately in response to a court-issued subpoena. Therefore, no breaches by the Department were identified and no process or procedure amendments were required.

## Appendix 7. Standing Order 52

Under Standing Order 52, the Parliament of NSW can order the production of Executive Government papers to the House.

In the 2020–21 financial year, 62 orders for papers were passed by the Legislative Council that required the Department to produce documents, a significant increase over previous reporting years: (22 in 2019–20, and one in 2018–19). The scope of orders required the production of differing numbers of documents, from very few to many thousands.

Assistance was provided in preparing and returning papers on behalf of:

- Natural Resources Access Regulator - *Water Management (General) Amendment*
- NSW Valuer General - Property acquisition for Western Sydney Airport and Aerotropolis
- Property NSW - Land or property sales or disposal targets
- Local Government Boundaries Commission - Snowy Valleys Council and Cootamundra Gundagai Regional Council demerger
- Biodiversity Conservation Trust - Biobanking

The following table shows the orders for papers the Department received in 2020–21 and the number of documents produced, with printing costs for each. The table does not include legal costs or the cost of internal staff resources.

**Table 23: Details on orders for papers**

Subject matter	Date passed	Number of documents	Printing cost (\$)
Brandy Hill Quarry	5/08/2020	9	0
Community Funds and Grants	5/08/2020	0	0
Stronger Country Communities Applications	5/08/2020	0	0
Water Infrastructure / Dam Infrastructure Projects	5/08/2020	22	722.69
Koala Habitats and Populations	5/08/2020	1,851	4,719.07
Drought modelling for the Lachlan River	25/08/2020	34	38.06
Bushfire inquiries	26/08/2020	2	0
Lower Hunter Water Plan	26/08/2020	63	86.11
Tallawarra Power Station	27/08/2020	9	0
The Stronger Communities Fund - further order	16/09/2020	0	0
NSW Commercial Fisheries Business Adjustment Program Barclay Report	16/09/2020	0	0
Renewable Energy Zones briefings	22/09/2020	4	12.20
Liddell Taskforce	23/09/2020	6	0
Government Asset Management Plan	23/09/2020	9	2,060.23
Sale of Macquarie Generation assets	14/10/2020	0	0
Daryl Maguire	21/10/2020	11	0
Daryl Maguire - further order	11/11/2020	133	88.94



Renewable Energy Zones (REZ) in NSW	11/11/2020	5	12.20
New Dubbo Bridge project	11/11/2020	0	0
Museum of Applied Arts and Sciences and Powerhouse Parramatta	11/11/2020	0	0
Dam Infrastructure Projects	18/11/2020	93	350.16
Floodplain Harvesting Regulation	18/11/2020	420	204.81
Property acquisition for Western Sydney Airport and Aerotropolis	18/11/2020	1134	1,086
Daryl Maguire #3	18/11/2020	0	0
Strathfield Mayor	18/11/2020	2	0
Raising the Warragamba Dam wall	24/11/2020	12	0
Koala Regulations	25/11/2020	2,900	2,294.19
Biorefinery project in Muswellbrook Shire	16/03/2021	113	296
Greater Parramatta and the Olympic Peninsula area	17/02/2021	3	6.60
Performance of current department secretaries	17/02/2021	13	6.60
Bushfire recovery grants for small business and primary producers	18/02/2021	0	0
Bushfire Local Economic Recovery Fund	17/02/2021	0	0
Western Sydney Airport rail links	17/02/2021	298	86.44
Sydney CBD based Government sector workers	18/02/2021	0	0
Bushfire season grants	17/02/2021	0	0
Water projects and modelling	18/02/2021	12	6.60
Monaro Farming Systems	17/03/2021	481	625
Ministerial Directive on tree clearance zones	17/03/2021	17	201.63
Water Management (General) Amendment	17/03/2021	200	226.73 NRAR: 322.51
Eastlakes Shopping Centre modification	5/05/2021	425	554.99
Sydney Metro Western Sydney Airport project	24/03/2021	288	180
Monaro Farming Systems - amendment	5/05/2021	0	0
Water modelling	5/05/2021	5,031	10,962.28
Sale of TAFE NSW campuses	24/03/2021	0	0
Snowy Valleys Council and Cootamundra Gundagai Regional Council demerger	5/05/2021	2,139	1,004.60
Dam Infrastructure projects – tabling of privileged documents	6/05/2021	2	0
North Wilton	12/05/2021	395	1,209.20
Biobanks	12/05/2021	3,139	Current
Councillor Antoine Doueihi, Mayor of Strathfield	12/05/2021	1	0
Forestry operation in public forests	12/05/2021	0	0
Transmission and connection lines for Snowy 2.0	12/05/2021	24	87.12

Land or property sales or disposal targets	12/05/2021	125	652.26
Senior executive roles and remuneration	12/05/2021	27	24.22
Grey Nurse Sharks	12/05/2021	0	0
Aerial shooting of wild pigs	12/05/2021	16	13
Statutory review of the Cemeteries and Crematoria Act 2013	9/06/2021	143	152.19
Public Inquiry into North Sydney Council	9/06/2021	33	31.41
Sydney Science Park proposal	9/06/2021	197	525.21
Snowy Valleys Council and Cootamundra Gundagai Regional Council demerger	9/06/2021	2,139	LGBC: 1,004.60
Redevelopment of the Sydney Fish Markets	23/06/2021	0	0
Dam infrastructure projects - further order	23/06/2021	217	294.21
Mice in New South Wales	23/06/2021	40	31.41
<b>TOTAL</b>		<b>22,237</b>	<b>29,598.82</b>

Note: Costs include printing costs only and does not include legal costs or the cost of internal staff resources.

## Appendix 8. Risk management, ethics and insurance activities

### Risk management and business continuity

In 2020–21, the Department continued to implement its enterprise-wide risk management framework across its business and the entities that make up the Planning, Industry and Environment cluster (the cluster). The framework reflects the Department's commitment to provide a consistent and systematic process to manage risks and is aligned with the international risk management standards (ISO 31000:2018) and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP20-08). It provides the principles and tools for risk management practice and culture within the Department and the cluster.

In December 2020 the revised Risk Management Procedure was published across the Department and cluster entities. The procedure includes a standard risk register template and is supported by the Department's Risk Management Policy, a summary guide and self-paced training material.

The enterprise-level risk register was completed and aligned with registers operating at the group, divisional and entity levels. Quarterly risk reporting to the Department's Audit and Risk Committee was standardised as was reporting from each group to the Secretary for the Quarterly Performance Conversation process.

The Department conducted risk reviews across groups, divisions and entities regularly during the year, involving senior management participation. Risk management services are delivered the Governance Division through a business partnering model. Specialist advice, small group training and coaching, and support for risk workshops and assessments were also provided.

During 2020–21 work began on a project to implement an enterprise governance, risk, and compliance system across the Department and entities. The project commenced the procurement phase, with the delivery of the production system expected in 2022. The system will improve information management and reporting for risk, audit, compliance and related governance activities.

In 2020–21 the Department developed and implemented a uniform Business Continuity Management (BCM) process based on ISO 22301:2019. The Department identified and developed 39 business continuity response plans during that period, along with six specialist response plans. Awareness training to support the teams responsible for the plans also commenced.

The BCM process includes a comprehensive document suite to support the preparation for, and response to, incidents and events that impact the Department's business operations. A key feature of the process is the Crisis Management Response Plan and related plans which were operationalised in 2020-21 through the Department's response to the COVID-19 pandemic.

BCM documentation includes 'preparation' documents, which are required to plan, coordinate and maintain the BCM process on an ongoing basis, and 'response' documents which are required to activate and guide an appropriate business continuity response when disruption occurs.

### NSW Land and Housing Corporation

The Department supports the NSW Land and Housing Corporation (LAHC) in managing risks. In 2020–21, the Department continued to implement its enterprise-wide risk management framework across its business and the cluster entities to which it provides risk management services.

Coordinated with the risk management processes and procedures outlined above, quarterly risk reporting to the Land and Housing Audit and Risk Committee was standardised and aligned with the Department's Enterprise Risk Register.

The Department supports risk management in the LAHC through a business partnering model operated from the Governance Division. The Department conducts risk reviews at the entity level quarterly during the year, involving senior management participation, and provides ad hoc advice and support as required.

## Ethics and Integrity

In 2020–21, the Department launched the Ethics Portal which provides an on-line, centralised and up-to-date resource for all employees to declare and comply with their obligations under the Code of Ethics and Conduct (Code), the NSW Fraud and Corruption Control Policy and Treasury Circular TC18-02.

During the development process, the Department consulted comprehensively and engaged with business units to ensure the Ethics Portal is accessible and relevant and to ensure a user friendly experience for employees. The Ethics Portal has strengthened reporting capabilities to support the Department's commitment to the highest standards of ethical conduct and integrity.

The Code is the core corporate policy and sets out the behaviours expected of staff in performing their duties ethically and in the public interest. The Code underpins the Department's compliance framework and links to supporting material such as frameworks, procedures and protocols which inform and support staff to operate in a transparent and impartial manner. The Department works to create an environment where staff are comfortable to raise workplace concerns and report wrongdoing.

The Department continues to work in collaboration with central agencies, to ensure leading practice guidance is developed and implemented. This includes the NSW Ombudsman, the Audit Office of New South Wales, the Independent Commission Against Corruption, NSW Procurement and NSW Treasury.

## NSW Land and Housing Corporation

The LAHC applies the Code and it identifies and monitors its strategies and controls for preventing fraud and corruption.

## Insurance activities

The Department is insured through the Treasury Managed Fund (TMF). Insurance risk exposure covered through TMF includes property, liability, miscellaneous, motor vehicle and workers compensation.

**Table 24: Property category: Summary of claims paid by the TMF in 2020–21**

Policy number	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	DPIE – Industry	1	\$8,001.00	0	\$8,001.00	0
MF101035	DPIE – Corporate	7	\$22,667.97	\$22,667.97	0	0
MF100908	DPIE – Crown Lands	4	\$9,890	0	\$9,890.00	0
MF101143	DPIE – Lands – Coastal Asset	0	0	0	0	0
MF101120	DPIE – Crown Lands – Reserve Trust	148	\$5,062,989.68	\$703,407.97	\$4,359,581.71	0
MF101140	DPIE – Water	1	\$1,951.55	\$1,951.55	0	0
MF100178	NPWS	611	\$9,327,398.93	\$786,723.17	\$8,540,675.76	0
MF100922	EES – Science	7	\$163,145.69	\$163,145.69	0	0
MF100863	EES – Policy Division	1	\$35,931.48	\$35,931.48	0	0
MF700301	EES –Biodiversity and Conservation Division (BCD)	4	\$34,651.00	0	\$34,651.00	0
MF700408	NPWS – Roads	49	\$3,653,438.73	\$215,456.93	\$3,437,981.80	0
MF100626	Sydney Olympic Park Authority (SOPA)	49	\$250,328.94	\$238,978.04	\$12,411	\$1,060.10
<b>Subtotals</b>		<b>882</b>	<b>\$18,570,394.97</b>	<b>\$2,168,262.80</b>	<b>\$16,403,192.27</b>	<b>\$1,060.10</b>

DPIE = Department of Planning, Industry and Environment

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 25: Liability category: Summary of claims paid by the TMF in 2020–21**

Policy number	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	DPIE – Industry	1	\$3,220.21	\$3,220.21	0	0
MF101033	DPIE – Corporate	10	\$974,948.00	\$117,931.82	\$857,016.18	0
MF100906	DPIE – Crown Lands	15	\$46,749.84	\$8,749.84	\$38,000.00	0
MF101138	DPIE – Water	0	0	0	0	0
MF100177	NPWS	27	\$1,664,803.57	\$165,611.99	\$1,499,191.58	0
MF100920	EES – Science	0	0	0	0	0
MF700299	EES – BCD	0	0	0	0	0
MF100033	SOPA	2	\$210,000.00	\$27,005.83	\$182,994.17	0
<b>Subtotals</b>		<b>55</b>	<b>\$2,899,721.62</b>	<b>\$322,519.69</b>	<b>\$2,577,201.93</b>	<b>\$0.00</b>

Abbreviations and meanings of columns as above.



**Table 26: Miscellaneous category: Summary of claims paid by the TMF in 2020–21**

<b>Policy number</b>	<b>Policy/Agency name</b>	<b>Number of claims</b>	<b>Sum of net incurred cost (1)</b>	<b>Sum of amount paid (2)</b>	<b>Sum of latest estimate (3)</b>	<b>Sum of amount recovered (4)</b>
MF100199	DPIE – Industry	1	\$1,000,000.00	\$6,231.72	\$993,768.28	0
MF100909	DPIE – Crown Lands	1	\$1,000.00	0	\$1,000.00	0
MF101141	DPIE – Water	0	0	0	0	0
MF100179	NPWS	12	\$2,770.56	\$2,770.56	0	0
MF100444	NPWS – Fire Fighting Fund	216	\$51,763.66	\$6,863.66	\$44,900.00	0
MF100923	EES – Science	0	0	0	0	0
MF100298	EES – BCD	0	0	0	0	0
MF100627	SOPA	11	\$1,553,917.75	\$1,172,917.75	\$381,000.00	0
<b>Subtotals</b>		<b>241</b>	<b>\$2,609,451.97</b>	<b>\$1,188,783.69</b>	<b>\$1,420,668.28</b>	<b>\$0.00</b>

Abbreviations and meanings of columns as above.

**Table 27: Motor Vehicle category: Summary of claims paid by the TMF in 2020–21**

Policy number	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)
MF101034	DPIE – Corporate	13	\$65,854.34	\$52,498.03	\$17,553.42	\$4,197.11
MF100028	DRNSW – DPI (legacy policy from DISRD)	89	\$225,841.80	\$164,659.10	\$69,973.22	\$8,790.52
MF100176	NPWS	250	\$1,189,533.73	\$911,691.65	\$350,589.03	\$72,746.95
MF700921	EES – Science	22	\$66,524.90	\$57,123.18	\$16,126.67	\$6,724.95
MF700300	EES – BCD	10	\$29,443.95	\$32,175.41	\$7,548.00	\$10,279.46
MF100632	SOPA	1	\$2,870.20	\$2,870.20	0	0
<b>Subtotals</b>		<b>385</b>	<b>\$1,580,068.92</b>	<b>\$1,221,017.57</b>	<b>\$461,790.34</b>	<b>\$102,738.99</b>

Abbreviations and meanings of columns as above.

DISRD = Department of Industry, Skills and Regional Development

**Table 28: Workers Compensation category: Summary of claims paid by the TMF in 2020–21**

Policy number	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	DPIE – Crown Lands	3	\$3,231.00	\$3,231.00	0	0
WC900304	NPWS	132	\$2,624,396.00	\$879,898.00	\$1,744,498.00	0
MWJ3333312	EES – Science	2	\$125,763.00	\$4,363.00	\$121,400.00	0
1TF20000063GWC	EES – BCD	8	\$37,322.00	\$17,573.00	\$19,749.00	0
<b>Subtotals</b>		<b>145</b>	<b>\$2,790,712.00</b>	<b>\$905,065.00</b>	<b>\$1,885,647</b>	<b>\$0</b>

**Table 29: Total claims**

	Number of claims	Sum of net incurred cost (1)	Sum of amount paid (2)	Sum of latest estimate (3)	Sum of amount recovered (4)
Totals for Table: 4.1 to Table: 8.1	1,708	\$28,450,349.48	\$5,805,648.75	\$22,748,499.82	\$103,799.09

The following table shows the trends of claims for the Department, Crown Lands, Crown Lands Coastal Assets and Crown Lands Reserve Trust over an eight-year period, based on data provided by Insurance and Care NSW (icare).

These claims and contribution amounts are point in time, and up to date can be accessed through the icare portal.

**Table 30: Trend of claims: DPIE, Crown Lands, Crown Lands Coastal Assets and Crown Lands Reserve Trust**

Property	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Number of claims	106	87	96	79	85	90	106	161
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	\$5,105,500
<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>	<b>\$728,026</b>

The decrease in cost of claims during 2020–21 is primarily due to the Department of Primary Industries (DPI) moving across to Department of Regional NSW (DRNSW) and its cost and claim data not being included.

**Table 31: Trend of claims: Lands and non-Lands**

Contribution	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Lands contribution (Crown Lands, Reserve Trusts and Coastal Infrastructure)	\$868,240	\$813,570	\$1,128,650	\$1,524,970	\$1,739,610	\$1,609,578	\$5,072,879
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	\$32,619

The decrease in 2020–21 is primarily due to DPI moving across to DRNSW and its data not being included.

The following table shows the trend of claims for National Parks and Wildlife Service and Environment Energy and Science Division over an eight-year period, based on data provided by icare. These claims and contribution amounts are point in time, and up to date can be accessed through the icare portal.

In 2019–20 there were a large number of claims lodged following the devastating bushfires in NSW. The majority of these claims have been resolved, with some ongoing as work is yet to be completed. In 2020–21, COVID-19 had a significant impact on many of the operations of National Parks. Rainstorm events also caused significant damage including landslides and access roads subsidence.

**Table 32: Trend of claims: NPWS and EES**

Property	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Number of claims	195	198	242	235	231	214	434	672
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	\$13,214,563
<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>	<b>\$1,201,255</b>

## NSW Land and Housing Corporation insurance activities

LAHC applies the Department's Risk Management Policy and Procedures which align to AS/NZS ISO 31000: 2018. The management regularly reviews and monitors business risks in LAHC.

The insurance policies for LAHC for 2020–21 were 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 2020–21 are provided through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies.

### **Sydney Olympic Park Authority insurance activities**

The Sydney Olympic Park Authority's insurance policies for 2020–21 are provided through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies.



## Appendix 9. Internal audit and the Audit and Risk Committee

### Internal Audit

The arrangements regarding internal audit for the Department and the LAHC are provided below.

#### The Department

The Internal Audit Branch located within the Department's Governance Division provides independent and objective assurance and advisory services to the Secretary, the Executive Leadership team and accountable authorities of agencies that sit within the Audit and Risk Committee (ARC) arrangements supported by the division. A key responsibility during 2020–21 was delivering the approved risk-based Internal Audit Plan for both the Department and the plans of the agencies supported by the division.

Audit and advisory services were delivered under a co-sourced delivery model involving both in-house and external service providers. Internal audit also provided support to three ARCs 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 ARCs in accordance with the relevant charters.

#### NSW Land and Housing Corporation

During the reporting period, the LAHC had an internal audit function in accordance with the NSW Treasury Policy TPP 20-08, the Internal Audit and Risk Management Policy for the General Government Sector. The internal audit function is governed by LAHC Internal Audit Charter approved by the Secretary.

The Chief Audit Executive and internal audit function for LAHC continue to be provided by the Department's Internal Audit Branch, Governance and Legal Group.

The internal audit function provides independent and objective review and advisory services designed to improve the operations, risk management, controls, and governance processes. LAHC had a risk based 2020–21 Internal Audit Plan endorsed by the ARC following consultation with management and approval by the Secretary. The Chief Audit Executive reported at each meeting about internal audit activities and the status of the engagements included in the approved 2020–21 Internal Audit Plan.

### Audit and Risk Committee

The arrangements regarding the ARC for the Department and the LAHC are provided below.

#### The Department

During the reporting period, the Department's Principal Department-led ARC continued to operate. The ARC operates in accordance with the requirements of NSW Treasury Policy Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08) and discharged its responsibilities outlined in its charter.

The ARC gives the Secretary, or other accountable authority, 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 ARC met six times in 2020–21, with the number of meetings each member attended outlined in the following table.

**Table 33: Audit and Risk Committee attendance DPIE**

Name	Role	Meetings attended
Penny Hutchinson	Independent Chair	6
Julie Elliott	Independent Member	6
Alan Zammit AM	Independent Member	6
Brian Blood	Independent Member	6

## NSW Land and Housing Corporation

The LAHC ARC is part of the Housing Collaborative Shared Audit and Risk Arrangement. The ARC monitors, reviews and provides oversight of the LAHC's governance processes, risk management, control frameworks, annual financial statements and internal audit function in accordance with the requirements of NSW Treasury Policy TPP 20-08, the Internal Audit and Risk Management Policy for the General Government Sector.

Five ARC meetings were held in 2020–21, with the number of meetings each member attended outlined in the following table.

**Table 34: Audit and Risk Committee attendance LAHC**

Name	Role	Meetings attended
Carol Holley	Independent Chair	5
Peter Scarlett	Independent Member	5
Alan Zammit	Independent Member	5

# Appendix 10. Internal Audit and Risk Management Attestation

## Internal Audit and Risk Management Attestation Statement for the 2020–2021 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 seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

### Core Requirements

#### Risk Management Framework

- |     |   |                  |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.  | <b>Compliant</b> |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | <b>Compliant</b> |

#### Internal Audit Function

- |     |  |                  |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.                                    | <b>Compliant</b> |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | <b>Compliant</b> |
| 2.3 | The Accountable Authority shall ensure 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 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | <b>Compliant</b> |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'.   | <b>Compliant</b> |

## Membership

The independent 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

## Shared Arrangements

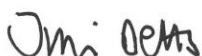
I, Jim Betts, Secretary, advise that the Department has entered into an approved shared arrangement comprising the following:

- NSW Department of Planning, Industry and Environment
- Environmental Trust and
- Lord Howe Island Board.

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and the internal audit function. The shared Audit and Risk Committee is a Principal Department Led Shared Audit and Risk Committee.

In addition, the Audit and Risk Committee provides oversight of the financial statements for the:

- Land Administration Ministerial Corporation
- Ministerial Development Corporation and
- Water Administration Ministerial Corporation.



Jim Betts

**Secretary**

Date: 9/9/2021

Agency Contact:

Simonne Daly  
Executive Director, Governance  
02 9585 6184

## Internal Audit and Risk Management Attestation Statement for the 2020–2021 Financial Year for the Land and Housing Corporation

I, Jim Betts, Secretary, am of the opinion that the Land and Housing Corporation has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

### Core Requirements

#### Risk Management Framework

- |     |   |                  |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.  | <b>Compliant</b> |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | <b>Compliant</b> |

#### Internal Audit Function

- |     |  |                  |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.                                    | <b>Compliant</b> |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | <b>Compliant</b> |
| 2.3 | The Accountable Authority shall ensure 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 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | <b>Compliant</b> |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'.   | <b>Compliant</b> |

### Membership

The independent chair and members of the collaborative 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

### Shared Arrangements

I, Jim Betts, Secretary advise that the Land and Housing Corporation has entered into an approved shared arrangement comprising the following agencies:

- Land and Housing Corporation
- Aboriginal Housing Office, and
- Teacher Housing Authority.

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



Jim Betts

**Secretary**

Date: 9/9/2021

Agency Contact:

Suzette Gay  
Director Audit  
02 9289 6912

## **Appendix 11. Cyber security policy attestation**





**Planning,  
Industry &  
Environment**

## Cyber Security Annual Attestation Statement for the 2020-2021 Financial Year for Department of Planning Industry and Environment

I, Jim Betts, am of the opinion that 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 and in alignment with DPIE's enterprise risk management framework.

Governance is in place to manage the cyber security 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 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 2020/2021 financial year (Certificate Number: IS 645082).

The DPIE Corporate Services has a Cyber Security Strategy in place to ensure continuous improvement and management of cyber security governance and resilience.

This attestation covers the following departments and agencies:

- Department of Planning, Industry and Environment
- Aboriginal Housing Office
- Biodiversity Conservation Trust
- Boundaries Commission
- Cape Byron Reserve Trust
- Coffs Coast Regional Park Trust Board
- Dumaresq-Barwon Border Rivers Commission
- Environmental Trust
- Lands Administration Ministerial Corporation
- Local Government Grants Commission
- Local Government Remuneration Tribunal
- National Parks under Part 4A
- 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

**Jim Betts**

**Secretary**

**NSW Department of Planning, Industry and Environment**

Date: 07/09/2021

## Appendix 12. Evaluation and improvement

The Department 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 2020–21:

- Empowering Homes (pilot energy initiative)
- Regional Community Energy
- Solar for Low Income Households Trial
- Hunter Valley Flood Mitigation Scheme
- Biodiversity and Conservation compliance program
- Environmental Water
- Roads to Home program (Aboriginal communities)
- Parramatta North Program
- Showgrounds Stimulus Funding Program
- Social Housing Maintenance - Stimulus Program 2020
- Water Drought Program
- Solar 2 - Solar PV systems and tenant education on energy efficiency for Aboriginal Housing Office dwellings
- Parks for People program
- Western Sydney plant science innovation and education hub
- South Western Sydney Housing Acceleration Fund
- Container Deposit Scheme “Return and Earn”

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 2020–21 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, and training on cost benefit analysis, monitoring, evaluation and learning, and business case development.

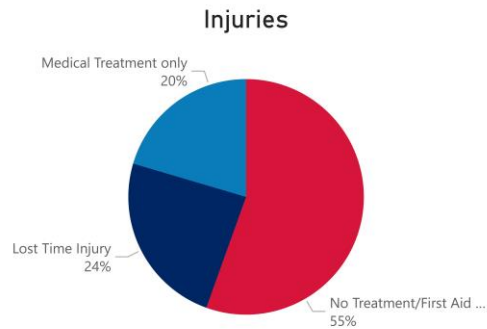
The Department continues to work with NSW Treasury on its evaluations, including in the context of the Evidence Bank initiative and outcomes-based budgeting. The Department is also enabling systems to ensure programs are actively responding to evaluation findings and recommendations to achieve program improvements, inform investment decisions and enable community benefits to be realised. The Department also has plans for future improvement, including the establishment of an evaluation and evidence register.

## Appendix 13. Work health and safety

### NSW Department of Planning, Industry and Environment

The following figure provides the workplace injury statistics at the Department in 2020–21.

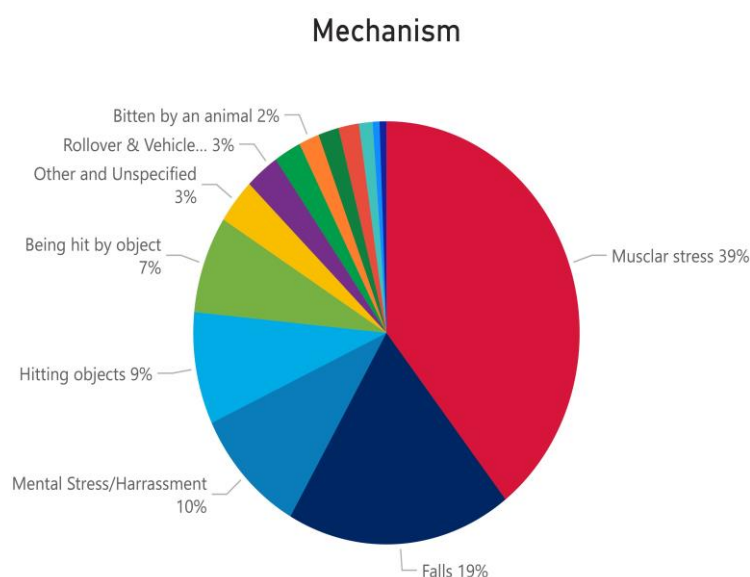
**Figure 10: Figure Workplace incidents**



**Workplace Incidents**

Lost time frequency rate*	5.49
Lost time incident rate#	0.71
Average lost time rate^	39.00
No. of lost time incidents	54
Lost time severity rate~	214.00

The following figure shows the Department's breakdown of the mechanism of injury in the incidents reported in 2020–21.

**Figure 11: Figure Mechanism of injury**

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

#The number of lost time incidents per 100 employees

^The average lost time rate is time lost in days divided by the number of lost time injuries

~The number of days lost per 1,000,000 hours worked.

Workplace Incidents and Mechanism data source: Icare Insurance for NSW as at 5 July 2021. Distribution of injuries reported to the Work Health and Safety Team in 2020-2021

## NSW Land and Housing Corporation

The NSW Land and Housing Corporation (LAHC) is required to provide a stand-alone analysis of its WHS performance for 2020–21.

LAHC's key achievements for the year include attaining an average of 3.3 WHS events reported each month, which is lower than its 5.7 monthly average in 2019–20. LAHC also completed 71% of its WHS investigations within 2 weeks of the event being reported.

The agency recorded a Lost Time Injury Frequency Rate (per million hours worked) of 1.1, a decrease from 4.3 in 2019–20. LAHC's lost time incident rate is below the NSW Government Administration benchmark of 4.9 (SafeWork Australia).

LAHC has not received any prosecutions under the *Work Health and Safety Act 2011* during the year.

### Workers compensation in LAHC

The LAHC recorded two workers compensation claims in 2020–21. One claim has been closed, while one is still active as at 30 June 2021. The active claim has total cost incurred (paid to date plus estimated future costs) of \$22,181, of which approximately \$19,411 has been paid in 2020–21.

There has been a significant improvement in claims, total costs and average cost of claims. The LAHC's incidence rate for work-related injury was 0.4 claims per 100 full-time equivalent staff members in 2020–21. This compares favourably against the primary pool rate of 2.8 claims per 100 full-time equivalent staff members.

**Table 35: Number of workers compensation claims, costs incurred and average cost**

Claims and costs	2017–18	2018–19	2019–20	2020–21
Total claims (reportable)	2	5	4	2
Total cost incurred (\$)	2,602	299,702	112,830	23,236
Average cost per claim (\$)	1,301	59,940	28,207	11,618

Source: icare for NSW reporting portal

## Appendix 14. Human resources

### Numbers and remuneration of senior executives

The following tables provide:

- the number of senior executives employed at the end of 2020–21 by band and gender.
- the average total remuneration package of senior executives in each band as at 30 June 2021.

**Table 36: Number of senior executives by gender**

	2020–21		
	Female	Male	Total
<b>Band 4 Secretary</b>	0	1	1
<b>Band 3 Group/Deputy Secretary</b>	8	11	19
<b>Band 2 Executive Director</b>	29	36	65
<b>Band 1 Director</b>	134	142	276
<b>Total</b>	<b>171</b>	<b>190</b>	<b>361</b>

Note: These are statistics on senior executives as at 30 June 2021. This data is based solely on senior executives in their substantive role and band level and this does not include statutory bodies and corporations.

**Table 37: Average remuneration of senior executives**

	2020–21	
	Range (\$)	Average remuneration (\$)
Band 4 Secretary	-	605,500
Band 3 Group/Deputy Secretary	349,406 - 487,050	420,103
Band 2 Executive Director	274,131 - 380,000	302,830
Band 1 Director	192,600 - 286,615	223,387

Note: 10.2% of the Department's employee-related expenditure in 2020–21 was related to senior executives.

## Staff profile by employment basis

The number of officers and employees by category for the past two years are provided in the following table:

**Table 38: Staff profile by employment basis**

	2020–21	2019–20
Ongoing	5,045	4,742
Temporary	1,712	1,513
Casual	228	208
Executive	361	285
Other	2	0
<b>TOTAL</b>	<b>7,348</b>	<b>6,748</b>

Note: For the purposes of annual reporting, the Department's headcount does not include the Aboriginal Housing Office, Biodiversity Conservation Trust, Cemeteries & Crematoria NSW, Centennial Park & Moore Park Trust, Dams Safety NSW, Environment Protection Authority, Hunter & Central Coast Development Corporation, Independent Planning Commission, Jenolan Caves Reserve Trust, Lord Howe Island Board, NSW Land and Housing Corporation, Parramatta Parklands Trust, Place Management NSW, Planning Ministerial Corporation, Property NSW, Royal Botanic Gardens and Domain Trust, Sydney Olympic Park Authority, Taronga Conservation Society Australia, Teacher Housing Authority of NSW, NSW Valuer General, Waste Assets Management Corporation, and Western Sydney Parklands Trust.

## Exceptional movements in remuneration

There were no exceptional movements in wages, salaries or allowances in 2020–21.

## NSW Land and Housing Corporation

**Table 39: Number of LAHC senior executives by gender**

	2020–21		
	Female	Male	Total
Band 4 Secretary	-	-	-
Band 3 Group/Deputy Secretary	0	1	1
Band 2 Executive Director	1	4	5
Band 1 Director	10	16	26
<b>Total</b>	<b>11</b>	<b>21</b>	<b>32</b>

Note: These are statistics on senior executives as at 30 June 2021. This data is based solely on senior executives in their substantive role and band level.



**Table 40: Average remuneration of LAHC senior executives**

2020–21		
	Range (\$)	Average remuneration (\$)
Band 4 Secretary	-	-
Band 3 Group/Deputy Secretary	-	486,439
Band 2 Executive Director	303,925 - 337,472	314,608
Band 1 Director	192,971 - 274,695	233,844

Note: 13.2% of LAHC employee-related expenditure in 2020-21 was related to senior executives.

## Appendix 15. Workforce diversity and disability inclusion action plans

The Department is committed to growing, developing and retaining a talented, diverse and inclusive workforce through initiatives such as:

- the creation of a Harmony Council that provides oversight and guidance on all matters relating to diversity and inclusion;
- launching the Department's Diversity and Inclusion Workforce Plan 2021–25 and Multicultural Plan 2021–25 on Harmony Day 2021;
- partnering with various divisions to develop bespoke Diversity and Inclusion action plans to support the achievement of the Premier's Priorities by 2025;
- providing support to employee groups and networks to encourage networking, peer learning, knowledge sharing and professional development. These include:
  - The Aboriginal Support Network
  - Disability Employee Network
  - The Rainbow Connection LGBTIQ+ Network
  - Women's Networks
  - Young Professionals Network
  - Cultural Diversity Network

The Department, in consultation with its Harmony Council, has developed a calendar of significant days of observance and it hosts events and encourage participation during:

- International Women's Day
- Harmony Day
- Mardi Gras
- IDAHOBIT (International Day Against Homophobia, Biphobia, Intersexism and Transphobia)
- National Reconciliation Week
- NAIDOC (National Aborigines and Islanders Day Observance Committee) Week
- International Day of People with Disability.

**Table 41: Trends in the representation of workforce diversity groups**

Workforce diversity group	Benchmark	2019	2020	2021
Women	50%	49.6%	50.9%	51.3%
Aboriginal and/or Torres Strait Islander People	3.3%	5.1%	5.4%	5.8%
People whose first language spoken as a child was not English	23.2%	11.7%	12.5%	12.9%
People with disability	5.6%	2.4%	2.4%	3.0%
People with disability requiring work-related adjustment	N/A	0.7%	0.7%	0.9%

Note 1: 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 Census does not provide information about first language but does provide information about the 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 2: In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the 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](#). The benchmark for people with disability requiring work-related adjustment was not updated.

**Table 42: Trends in distribution index for workforce diversity groups**

Workforce diversity group	Benchmark	2019	2020	2021
Women	100	102	104	105
Aboriginal and/or Torres Strait Islander People	100	68	70	71
People whose first language spoken as a child was not English	100	106	105	106
People with disability	100	100	101	104
People with disability requiring work-related adjustment	100	103	101	107

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.

## Diversity and inclusion

### Aboriginal people and culture

The Aboriginal People and Culture team's key objectives include improving cultural capability, consciousness and safety across the Department's workforce, understanding drivers and barriers to employment, growing Aboriginal career pathways, increasing the representation of Aboriginal employees in senior roles, and supporting Aboriginal business through procurement. These objectives are predominantly driven by both State and Federal government commitments including:

- Premier's Priority to double the number of Aboriginal senior leaders
- NSW Working together for a better future: The NSW public sector Aboriginal employment strategy 2019-2025
- *OCHRE*, the community focused plan for Aboriginal affairs in NSW
- National Agreement on Closing the Gap
- Our Place on Country: Aboriginal Outcomes Strategy 2020–23.

Since its establishment, the Aboriginal People and Culture team has progressed several key outcomes such as:

- continuing the campaign started in November 2020 for staff to update workforce diversity data
- promoting and encouraging nominations from the Department's divisions for the Career Trackers Intern program, with 20 placements for the summer intake
- continuing to promote and encourage nomination to the Aboriginal Career Leadership Development Program of the Public Service Commission
- piloting the First Peoples Leading Program
- implementing the Nguluway Aboriginal mentoring program
- working with the Department's divisions to establish Aboriginal career pathways and increase the number of Aboriginal and Torres Strait people in senior leadership roles
- launching the Our Mob on Country external webpage to encourage Aboriginal people to apply for roles at the Department
- creating a newsletter for Aboriginal job opportunities
- recruiting for identified and targeted roles across the Department.
- developing the Aboriginal Cultural Capability Framework, which is scheduled to launch in February 2022
- implementing targeted campaigns to improve Aboriginal cultural and psychosocial safety in the workplace

### People with disability

In line with its Disability Inclusion Action Plan, the Department supports people with disability in its workforce by implementing a Workplace Adjustment Policy. It also developed an online Workplace Adjustment Passport that will support disability inclusion and eliminate barriers at work for people with disability or who may acquire a disability. The Department will continue to support employees with disability by applying for JobAccess government funding to acquire tools and equipment necessary to maintain employment.

The Department also promotes disability inclusion through initiatives such as:

- launched the AbilityAware, a six-month campaign to challenge the way staff think and feel about disability and includes educational messages and videos on disability inclusion
- rolling out a campaign to encourage employees to share diversity information with a focus on staff with disability (Workplace posts, videos and a new intranet page are part of this initiative)
- implementing Program Elevate, a disability targeted employment program aimed at providing an additional level of support for both employees and managers during the recruitment process
- piloting disability awareness training through KnowledgeAbility, an educational program focusing on promoting disability awareness and understanding through immersive learning
- celebrating the International Day of People with Disability in December 2020
- reviewing current recruitment processes to ensure Disability Confident Recruiter status
- relaunching the Department's Disability Employee Network to include all employees following machinery of government changes in 2019
- launching the Age of Inclusion campaign started by the Public Service Commission to encourage all agencies to promote disability awareness
- partnering with JobAccess national disability recruitment coordinators to promote selected roles to an Australian-wide Disability Employment Services provider network
- launching the Workplace Adjustments passport in December 2020 resulting in a reduction of workplace adjustment costs by 78% compared to the previous financial year. The Department has 267 employees with an adjustment passport

## Women

The Department's support for women in its workforce encompasses aspects such as health and wellbeing, financial and retirement security, mentoring and leadership development. Its initiatives also include:

- establishing a Zero Tolerance Taskforce aimed at eliminating sexual harassment in the workplace
- a campaign relating to domestic and family violence to promote the support available for all staff, updating the Code of Conduct and providing information on the intranet
- ensuring all people managers and team leaders understand the current procedures relating to domestic and family violence
- improving the process and system for accessing the domestic and family violence leave for employees
- hosting live sessions with White Ribbon Australia, an organisation that works to eliminate gendered violence
- hosting a monthly 'Inspiring Women Series' featuring both internal and external inspiring women who have shared their stories to the employees of the Department
- coordinating the Women in Senior Leadership mentoring program which saw over one hundred aspiring female leaders pair up with existing senior executives for 12-months
- developing the Departmental specific 'Open Doors' program which was aimed at Senior Executive Band two female leaders being sponsored by a Senior Executive band three leader to assist them open doors for future growth and career development
- launched the Keeping in Touch program which is a parental support program navigating the parental leave journey
- celebrating International Women's Day in March 2021.

## NSW Land and Housing Corporation

The Land and Housing Corporation (LAHC) is firmly committed to initiatives put in place to ensure that people with disability can access services and participate fully in the community.

LAHC's maintenance contracts are focused on social outcomes and an average of 18.45% of the work was undertaken by disability enterprises and/or community service providers.



## Appendix 16. Multicultural Policies and Services Program and agreements with Multicultural NSW

The Department's Multicultural Plan 2021–25 builds on the former Planning and Environment Cluster Multicultural Plan 2018–2021 and broadens it to include all agencies that now make up the Department as a result of machinery of government changes in July 2019.

The plan sets out how the Department will implement initiatives to align with the Multicultural NSW principles, the Department's vision and values, and its broader diversity and inclusion strategy.

The Department:

- launched its Multicultural Plan 2021-2025 on Harmony Day 2021;
- incorporated the public sector employment targets for cultural diversity in divisional and strategic plans;
- provided multi-faith rooms for private religious observation requirements for employees with a view to integrating multicultural considerations into the Department's operations. This is part of a broad range of accommodation improvements undertaken in metropolitan and regional office locations;
- implemented Program Foorsah, an internship program for people of refugee backgrounds who are currently studying or have graduated recently with a TAFE or university qualification;
- released its Social Impact Assessment guideline, which puts people front and centre of policymaking and encouraging participation in decision making by giving meaningful voice to communities; and,
- engaged Auslan interpreters and held departmental events in accessible venues.

### Mainstream services delivered for everyone

**NSW Environment Protection Authority:** The Return and Earn Scheme container deposit scheme is a NSW Government initiative funded by contributions from the beverage industry. Since launching on 1 December 2017, the scheme has collected over 4 billion containers through over 600 return points and has helped reduce the volume of eligible drink container litter across the state. The Return and Earn website enables users to translate its content into Arabic and Chinese.

**Valuer General NSW:** The Valuer General NSW sets the standards and policies for the land valuation system and the determination of compensation in the compulsory acquisition process. It also monitors the quality of the land values and services provided to the community by Property NSW and provides professional leadership and stewardship to the valuation industry. The Valuer General NSW office translates its state-wide media release and newsletter into ten different languages available at: <https://www.valuergeneral.nsw.gov.au/languages>

**Energy Social Programs:** The NSW Government delivers six energy rebates programs and one energy bill crisis program that supported around 900,000 households with their energy costs in 2019–20. The programs provided around \$300 million in support for vulnerable and low-income households in 2019–20. The state government supported multicultural communities to access the energy rebates programs and energy bill crisis program by advertising the programs state-wide in key community languages; supporting the customers to apply using translation services both phone and digital translation; providing both digital

and non-digital ways for applying for the programs; and working with over 200 non-government organisations (NGO) from community groups that are either culturally and linguistically diverse (CALD) community groups or support CALD communities.

## Strong plans to deliver services

Where relevant, the Department integrates multicultural principles and goals into its business plans to ensure consideration of CALD communities and ensures that measures are put in place to address specific needs.

In recognising the value and importance of evidence-driven planning, the Department continues to use data from sources including the Australian Bureau of Statistics, Centrelink, and the Multicultural NSW Community Profile during early planning stages to understand local demographics and better inform program design, service delivery, and consultation.

- Planning and Assessment (July 2020): Place and Infrastructure, Central City was invited to an interview at SBS for their Cantonese-speaking audience. The topics included general planning matters, planning at NSW, infrastructure, opportunities, and challenges through pre-recorded interview conversation in Cantonese, and broadcast across Australia including to audiences in NSW. This was a proactive initiative with multicultural media for planning topics that most are interested in due to infrastructure construction and growth occurring recently that results in disruption to daily lives.

## Collaboration with diverse communities

The Department works in partnership with communities from culturally diverse backgrounds to understand their needs and ensure they provide meaningful input and feedback on policies, programs, and initiatives through collaboration and effective consultation.

Some examples of community engagement and collaboration include:

**Waterloo redevelopment project:** For this Land and Housing Corporation project, two independently engaged Russian and Chinese bilingual workers provided language support to Waterloo residents from 2017 to 2020. They supported the residents during the planning phase by delivering workshops and community events, drop ins and surveys. Newsletters, brochures, flyers, project information boards and surveys were translated into Russian and simplified Chinese. Engagement outcomes were captured in the visioning and options testing reports which supported the planning proposal lodged with the City of Sydney.

**Redfern redevelopment project:** Two bilingual workers were also engaged to consult and engage with the community and stakeholders on the preliminary concept plans for the Redfern redevelopment project. Project information packs and surveys were translated into Russian and simplified Chinese. The workers attended the community consultation sessions and assisted residents to complete surveys. Feedback was translated and incorporated into the community engagement report which supported the planning proposal lodged with the City of Sydney.

**Franklyn Street, Glebe and Explorer Street, Eveleigh redevelopment projects:** The Department included an interpreter service flyer with the letter reminding residents of remaining webinars and informing them of the Social Impact Assessment interviews. Vietnamese interpreters assisted residents at the interviews. Interpreter and bilingual speaking staff assisted residents with telephone enquiries. The engagement outcomes form part of the community engagement report and the SIA report for each project which will support the planning proposals to be lodged with the City of Sydney.

## Appendix 17. Requirements arising from employment arrangements

The Department provided personnel services in 2020–21 to the following entities:

- Aboriginal Housing Office
- Biodiversity Conservation Trust
- Centennial Park & Moore Park Trust
- Hunter & Central Coast Development Corporation
- Jenolan Caves Reserve Trust
- NSW Land and Housing Corporation
- Natural Resources Access Regulator
- 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

# Appendix 18. Research and development

## Water group

**Table 43: Research and development by the Water group**

Division/Branch	Institution	Research	Funding
Strategy / Regional Water Strategies	RPS Consulting Pty Ltd	Market sounding exercise for licence conversions driven by the Mole River Dam business case	\$100,000
Strategy / Regional Water Strategies	University of Adelaide	Analysis of climate non-stationarity (Assessment of climate drivers and pilot study for implications of non-stationarity for stochastic data generation in the Southern basin)	\$40,000
Water Infrastructure NSW (WINSW) / Program Management and Interfaces	Arthur Rylah Institute	Fish population modelling to provide quantitative estimates of likely medium to long term changes to native fish and carp populations by relaxing constraints in the Murray and Murrumbidgee rivers	\$149,850
WINSW / Program Management and Interfaces	Rivers and Wetlands	Hypoxic blackwater predictive to provide quantitative and spatially-explicit predictions of medium to long term occurrence of hypoxic blackwater by relaxing constraints in the Murray and Murrumbidgee rivers	\$24,200
WINSW / Program Management and Interfaces	La Trobe University	Generate predictive models to assess the influence of inundation regimes under specific flow constraints on the health of low-lying floodplain vegetation at floodplain sites on the Murray and Murrumbidgee rivers	\$194,605
WINSW / Program Management and Interfaces	La Trobe University	Predictive modelling providing quantitative and spatially explicit predictions of medium to long term changes in both basal production and food web structure, by relaxing constraints in the Murray and Murrumbidgee rivers	\$78,190
WINSW / Program Management and Interfaces	Cardno, Hydrographic & Cadastral Survey, and AAM	Bathymetric survey for the Murrumbidgee River and Yanco Creek watercourses	\$1,305,480
WINSW / Program Management and Interfaces	WaterNSW, Water Technology, WMAwater, Catchment Solution Simulations, Rhelm, GRC Hydro, BMT, and Haskoning Australia Pty Ltd	Murrumbidgee hydraulic model from Burrinjuck Dam to intersection with the Murray River, including the Yanco Creek system	\$1,569,700
WINSW / Program Management and Interfaces	Murray–Darling Basin Authority	Murray River hydraulic and hydrological model from Hume Dam to Wakool Junction, including anabranches	\$998.06

WINSW / Program Management and Interfaces	Manly Hydraulics Laboratory	Lower Darling River hydraulic model from Menindee Lakes to Wentworth	\$191,000
WINSW / Program Management and Interfaces	Spatial Services	Aerial imagery data capture of the Murrumbidgee River	\$6,866
Operations Division / Water Utilities	Cooperative Research Centre for Water Sensitive Cities (CRCWSC)	Rejoining the CRCWSC as a participant organisation	\$10,000
Operations Division / Hunter Valley Flood Mitigation Scheme (HVFMS)	University of Newcastle	Householder's Flood Preparedness - Intentions from Floodplain Locations (PhD scholarship)	\$35,000
Knowledge Division / Analytics	Water Technology	WaterSense demonstration of the water auditing application to estimate irrigated water use by irrigators	\$80,000
Knowledge Division / Analytics	Department of Customer Service	Lidar data capture is underway for southern valleys and it will also be extended to northern valleys	\$1,200,000
Knowledge Division / Analytics	University of New South Wales (UNSW)	Proof of concept – radar satellite images will be used to detect and measure changes in the volume of storages	\$75,000
Knowledge Division / Analytics	Deakin University and University of Melbourne	Proof of concept – artificial intelligence and machine learning to be applied for water management using remote sensing data	\$60,000
Knowledge Division / Analytics	University of Sydney	Pilot funded under the Technology Pilot program to collect spectral signatures of the major crops of NSW to enable crop type mapping using remote sensing technologies	\$50,000
Operations Division / Hunter Valley Flood Mitigation Scheme (HVFMS)	University of Newcastle	Householder's Flood Preparedness - Intentions from Floodplain Locations (PhD scholarship)	\$250,000
Knowledge Division / Analytics	WaterNSW, Data61 and Visualisedata Pty Ltd	Digitalising rules from water sharing plans (64 across the state) into a 'queriable' database, then setting up appropriate APIs (application programming interface) to allow easier data dissemination	\$50,000
Knowledge Division / Analytics	WaterNSW	Text mining of water accounting rules from water sharing plans (more targeted than the rules database)	\$17,000
Knowledge Division / Analytics	UNSW	Response to the recommendation by the Climate Science Independent Expert Panel to factor in the response of changes to runoff caused by changes in evapotranspiration patterns by vegetation	\$195,000
Knowledge Division / Analytics	UNSW	Developing a framework to generate hydrologic sequences for assessing the likelihood of severe long duration droughts.	\$195,000

Knowledge Division / Analytics	University of Newcastle	Response to the recommendation by Climate Science Independent Expert Panel to develop more regionally relevant palaeoclimate data sets	\$150,000
Knowledge Division / Analytics	University of Adelaide and University of Newcastle	Developing climate risk data sets for NSW regional water strategies	\$1,000,000
Knowledge Division / Water Science	UTS	Minimising persistent algal blooms in Barwon–Darling weir pools to inform water management	\$62,000
Knowledge Division / Water Science	UTS	Barwon–Darling tributary productivity to inform water sharing plan (WSP) rules	\$111,000
Knowledge Division / Water Science	Macquarie University	Providing a step change in knowledge of groundwater dependent ecosystems, their function and sensitivity to water level change, and a predictive model (Australian Research Council's Linkage Program funding of \$350,000)	\$150,000
Knowledge Division / Water Science	Macquarie University	Understanding water requirements for groundwater dependent ecosystems (GDEs) and developing an eDNA method to detect groundwater use	\$180,000
Knowledge Division / Water Science	Melbourne University	Informing low flow modelling for cease to pump in streams	\$100,000
Knowledge Division / Water Science	University of New England (UNE) and Local Land Services (LLS)	Using baited remote underwater videos to monitor endangered Bell's turtles	\$35,000
Knowledge Division / Water Science	Macquarie University	Coastal monitoring, evaluation and reporting (MER) to inform WSPs – fieldwork, analyses and reporting plus field validation for irrigation cropping	\$200,000
Knowledge Division / Water Science	La Trobe University	Using eDNA methodologies to identify best practice methods for identification of fish communities in coastal rivers	\$180,000
Knowledge Division / Water Science	University of Canberra	Establishing a Reference Genetic Database for threatened amphibian species/populations to inform a monitoring program	\$86,000
Knowledge Division / Water Science	Macquarie University	Using Raman spectrum remote sensing to measure water quality remotely	\$20,000
Knowledge Division / Water Science	Macquarie University	Providing a step-change in knowledge of GDE ecosystems, their function and sensitivity to water level change, and a predictive mode	\$150,000
Knowledge Division / Water Science	La Trobe University	Determining whether unregulated tributaries provide a greater source of carbon and other nutrients than releases of water from dams	\$70,000
Knowledge Division / Water Science	UTS	Minimising persistent algal blooms in Barwon–Darling weir pools to inform water management	\$62,000
Knowledge Division / Water Science	UTS	Barwon–Darling tributary productivity to inform WSP rules	\$111,000
Knowledge Division / Water Science	LLS and UNE	Using baited remote underwater videos to monitor endangered Bells turtles	\$35,000

Knowledge Division / Water Science	Melbourne University	Developing relationships between low flows and recruitment - Cease to Pump (CtP) rules in streams	\$100,000
Knowledge Division / Water Science	University of Sydney, UNSW, Australian National University (ANU) and Macquarie University	\$150,000 is from the Water group's stage 1 funding (total project funding is \$450,000 and the universities gave an additional \$400,000 in kind)	\$150,000
Knowledge Division / Water Science	UTS	Review of statistical and machine learning analysis tools to predict water level behaviours	\$80,000
Knowledge Division / Water Science	Australian Nuclear Science and Technology Organisation (ANSTO)	Laboratory analysis of groundwater samples collected during the groundwater quality baseline project	\$400,000
Knowledge Division / Water Science	ANU	Masters projects on the Mallee Cliff Salt Inception Scheme (SIS) providing insight into operational optimisation	In kind
Knowledge Division / Water Science	Geoscience Australia	AEM (aerial electromagnetic) data acquisition looking at palaeochannel – the data acquisition also covers (with a higher resolution) the Upper Darling SIS and the Big Perry Springs at the Great Artesian Basin	In kind
Knowledge Division / Water Science	Geological Survey of NSW (GSNSW)	GSNSW investigations of potential water resources near Cobar	In kind
Knowledge Division / Water Science	CSIRO	Use of InSAR (Interferometric Synthetic Aperture Radar) technology and survey locations to review the subsidence impact in the Lower Namoi	\$117,000
Knowledge Division / Water Science	CSIRO	Use of InSAR technology and survey locations to review the subsidence impact in the southern Murray–Darling Basin. If significant subsidence is to be detected, management of extraction will then need a review. Studies are a Water Resource Plan (WRP) requirement.	\$352,800
Knowledge Division / Water Science	NSW Smart Sensing Network (NSSN), University of Sydney, UNSW, Macquarie University and ANU	The <i>Where is all the water?</i> project combines existing data sets with the latest developments in low-cost sensing, quantum gravity sensing, gravity data sets and data fusion techniques to address gaps in the current knowledge of water location and movement in NSW.	\$150,000
Knowledge Division / Water Science	CSIRO, Hunter Hunter H <sub>2</sub> O and Tamworth Regional Council	CSIRO and Hunter H <sub>2</sub> O looking at integrated Forward Osmosis - Reverse Osmosis (FO-RO) treatment system for wastewater treatment and abattoir waste treatment	\$120,000
Water Group / Metropolitan Water Strategies	Institute for Sustainable Futures	This completed report aimed to identify water efficiency opportunities across all end users and a wide variety of end uses to inform the NSW Water Efficiency Program. This entailed a	\$27,000



desktop scan that included about 300 previously implemented demand management programs and 150 emerging technologies.

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## Office of the NSW Chief Scientist & Engineer

The following table provides the research development activities, both completed and continuing, in first three quarters of the 2020-21 financial year and the resources allocated to those activities. The DCP Annual Report 2020-21 provides information on the funding of grants paid in the last quarter 2020-21.

**Table 44: Research and Development by the OSCE**

Project	Description	Funding
NSW Physical Sciences Fund (PSF)	The PSF provides support for companies to make physical science devices and systems ready for commercialisation.	\$5,000,000
NSW Circular Economy Network (NSW Circular)	The NSW Circular, which is established by the OCSE, is building a network to accelerate the pace of innovation and transition towards a circular economy.	\$1,300,000
NSW Smart Sensing Network (NSSN)	The NSSN brings together expertise across government, academia and industry to help address problems where innovative sensing solutions can be applied.	\$950,000
NSW Defence Innovation Network (DIN)	The DIN aims to increase the state's capability in defence R&D by addressing identified problems facing industry and government. It brings together a network of NSW defence R&D capability across universities to increase collaboration and enhance the state's opportunities to participate in the Australian Government's defence R&D activities and leverage national and international R&D opportunities.	\$800,000
NSW Space Research Network (SRN)	The newly established Space Research Network (SRN) will bring universities, industry and government together to address space challenges. It will position NSW enterprise to compete in the space sector by connecting key stakeholders to undertake R&D activities with a focus on translation and impact.	\$400,000
Additional Network funding	The Department's Chief Financial Officer, through an in-year internal reprioritisation process, provided an additional funding of \$2.9 million for further investments in 4 NSW research networks. The department directed \$1 million of this funding to SRN and allocated the balance of \$1.9 million to the NSSN, DIN and NSW Circular.	\$2,900,000
Cooperative Research Centres (CRCs)	CRCs are long-term collaborations between research organisations, government and industry administered under the federal program managed by the Department of Industry, Science, Energy and Resources. The CRCs are anticipated to deliver long-term benefits for NSW, including job creation, innovation and technological advances in priority areas. In 2020–21, OCSE co-funded two NSW-based CRCs, namely Reliable and Clean Energy (RACE) for 2030 and Smartcrete.	\$600,000

Industrial Transformation Research Program (ITRP)	ITRP centres provide specialised training and support to Higher Degree by Research and Postdoctoral researchers in identified priority areas. The ITRP is run by the federal government's Australian Research Council (ARC). In 2020–21, OCSE co-funded two NSW-based ITRP centres: the ARC Research Hub for Australian Steel Innovation at the University of Wollongong and the ARC Training Centre for the Global Hydrogen Economy at UNSW Sydney.	\$150,000
NSW Cyber Security Node (NSWC SIN)	The NSWC SIN fosters and accelerates cyber capability and innovation across Australia. The OCSE previously funded the Node as a Network.	\$113,000
NSW Cyber Security Node (NSWC SIN)	The NSWC SIN fosters and accelerates cyber capability and innovation across Australia. The OCSE previously funded the Node as a Network.	\$50,000
Power to X Study	The OCSE engaged the Particle Catalysis Research Group at the University of New South Wales Sydney (UNSW) to conduct a feasibility study which will explore an industry-driven innovation platform to accelerate the commercialisation and deployment of P2X technologies for clean fuels and chemical production in NSW.	\$50,000
Research Impact Study	The OCSE has engaged an independent consultant to measure and evaluate the economic impacts of a select number of Research Attraction and Acceleration Program (RAAP) investments made over the last decade. This is the second and final instalment of funding which is to be used for further impact data calculations, meetings and presentations to government.	\$20,000
<b>Science outreach and engagement events</b>		
NSW Premier's Prizes for Science & Engineering	The NSW Premier's Prizes for Science & Engineering aims to recognise excellence in science and engineering. It rewards researchers and teachers for work that has generated economic, environmental, health, social or technological benefits for NSW.	\$136,000
NSW Science & Research Breakfast Seminars	The NSW Science & Research Breakfast Seminars is a 6-part series that showcases excellence in research and development to generate economic, environmental, social and technological benefits for NSW.	\$50,000
<b>Science outreach and engagement - Sponsorship of organisations, activities and events</b>		
Inspiring Australia (IA) NSW Manager position	Employment of the IA NSW Manager and associated on-costs at host the University of Sydney. The role is tasked with the organisation of science outreach events in NSW in National Science Week and year round, as well as one-off sponsorships. In 2020–21, discretionary funding of \$5,000 was allocated for online media training by three NSW science communication companies to help presenters during the 2020 National Science Week, held remotely due to the COVID-19 pandemic.	\$205,000
NSW Conference Sponsorship Program	The NSW Conference Sponsorship Program provides financial support to scientific conferences and meetings that align with NSW Government priorities and provides economic, environmental, social and technological benefits to NSW.	\$139,500

Engineers Australia STEM (science, technology, engineering and mathematics) Programs	Annual sponsorship of Engineers Australia's Sydney and Newcastle section.	\$134,000
Science and Engineering Challenge	Principal sponsorship provided to the University of Newcastle, which facilitates an annual national engineering competition between high schools.	\$100,000
One Giant Leap (OGL) Foundation	One-off sponsorship to provide administrative support for NSW students participating in the Kibo-Robot Programming Challenge, hosted by the Japanese Aerospace Exploration Agency. The Australian Space Agency nominated OGL as the point of contact for this program.	\$40,000
Australian Science Media Centre (AusSMC)	Annual sponsorship of AusSMC, a not-for-profit organisation which supports science journalists to report evidence based stories.	\$39,000
National Youth Science Forum (NYSF)	Funding to support the NYSF Year 12 Program in showcasing NSW STEM speakers and organisations. Approximately 27 per cent of participants were NSW students.	\$25,000
STEM Student Competition Sponsorship Program	A competitive funding program to support research by teams of NSW university students participating in domestic and international science and engineering competitions.	\$22,000
Royal Society of NSW and Four Academies Annual Forum	Sponsorship of the 2020 forum titled Living with Risk in Australia.	\$8,000

## Environment, Energy and Science group

The Department's Environment, Energy and Science (EES) group leads an innovative research and development program, partnering with a range of external institutions to solve problems and deliver environmental science, evidence and insights for NSW as well as Australia. The group's knowledge strategy, developed by Science, Economics and Insights Division, guides research and development to increase organisational foresight, partnerships, policy, and decision-making. The strategy concentrates on four key themes:

- biodiversity, conservation and land use
- climate change and energy
- healthy waterways and coasts
- environment protection science.

The group's research directly supports its objectives including:

- producing the best available scientific evidence and tools to help in making decisions affecting environmental health in NSW
- building on its knowledge and 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 2020–21, EES delivered over 100 peer-reviewed journal articles, book chapters, scientific reports and studies.

### **Biodiversity, conservation and land use**

Science, Economics and Insights Division continues to provide data, information, and communication products to support conservation actions and public understanding of the effects of the 2019–20 fires. All data are available through the central portal for Sharing and Enabling Environmental Data (SEED) in an accessible compendium.

The Division continues to work with cultural fire management practitioners across NSW to assist in the implementation of cultural burning activities. It implements and supports monitoring and evaluation programs to measure what the biophysical, social, and cultural responses are from this management practice and assess how fire management may impact cultural values.

Building on the group's work with the NSW Rural Fire Service, Science, Economics and Insights Division continues to support the Google Earth Engine Burnt Area Map (GEEBAM) and Fire Extent and Severity Mapping (FESM). These data products are 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 injured wildlife can be released. EES has also commenced a field program to investigate post-fire recovery for up to 100 threatened plant species.

Science, Economics and Insights Division is also leveraging its partnership with the NSW Bushfire Risk Management Hub based at University of Wollongong. This hub is a unique, state-focused collaboration between the department, leading research institutions, fire management agencies, and bushfire experts. The research delivered by the hub provides a better understanding of how planned burning can be effectively used to reduce bushfire risk.

Science, Economics and Insights Division works with NSW Health on the group's air-quality monitors and emergency monitoring stations, which continue to provide near-real time data to local communities and ensure accurate and timely advice.

The Saving our Species (SoS) program progressed several world-leading projects that help experts decide how to best prioritise resources for threatened species in 2020–21. These projects include:

- the Conservation Hotspots Tool, developed in partnership with the CSIRO, which finds conservation actions that benefit the most species
- the Diversi-phy project, which determines the most evolutionarily unique species in NSW to inform and support decisions
- the Persistence in Landscapes modelling project, which locates the species' most important patches of habitat and the corridors connecting them under future climate change, helping to focus efforts for species with a significantly large range.

Through the SoS program, EES launched several citizen science projects on the Australian Museum's DigiVol platform. These programs enabled the swift categorisation of images from wildlife surveillance cameras, providing invaluable data for conservation actions and promotes the sharing of science with the community.

Biodiversity research on Lord Howe Island in 2020–21 has revealed conservation success following the 2019 rodent eradication. Highlights include an almost 200% increase in the Lord Howe Island woodhen population and a recovery in breeding success of black-winged petrels from 2% to the expected 50%, with an increase in nest densities. Conservation actions funded by the SoS program, including artificial habitat installation, have also increased nesting opportunities for white-bellied storm-petrels for the first time in over 100 years.

### **Climate change and energy**

EES research and monitoring helps the group to better understand the current climate and how it may change in the future. Science, Economics and Insights Division studies the effects of climate on the environment and communities to better gauge how climate change can impact biodiversity, natural hazards and infrastructure risks. This information is used to develop appropriate adaptation responses across all regions of NSW and all sectors of the economy. This research about climate change and its effects is used by sectors to assess and prioritise their climate change risks, identify vulnerabilities and develop adaptation strategies.

The group's Cultural and Ecosystem Adaptation Team worked with the SoS program, NSW National Parks and Wildlife Service, The Royal Botanic Garden Sydney, PlantBank and World Wildlife Fund to deliver a world-leading climate change adaptation plan. The plan, funded through an Australian Heritage Grant, was for the outstanding universal values of the Gondwana World Heritage Rainforests.

The project supports the direct integration of climate change adaptation actions into on-ground national park management using the best available research to support evidence based decision-making. It identified actions for immediate implementation in the Tweed Caldera reserves within NSW including:

- protection of refugia or areas that will continue to provide key habitat in the event of climate change
- genetic rescue or the development of ex situ populations for key species which are anticipated to have little or no remaining suitable habitat with climate change
- supporting transition of habitats (including revegetation using species identified to have high levels of genetic diversity) to maximise the protection of Gondwana biodiversity.

This is the first on-ground application of holistic climate change adaptation measures undertaken in NSW, reflecting the importance the state places on these treasured World Heritage values.

Science, Economics and Insights Division continues to develop fine-scale climate projections for NSW and the ACT, extending the regional climate model known as NARClIM (NSW and ACT Regional Climate Modelling) to the end of the 21st century and covering additional emissions scenarios. NARClIM makes it easier 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.

Science, Economics and Insights Division also continues to contribute 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 major program design. The Net Zero Emissions Modelling team models all sectors of the NSW economy. Baseline greenhouse gas emission trajectories for NSW to 2050 indicate the level of effort required to meet the net zero emissions objective. The team works to identify optimal emissions reductions pathways that will support a strong and growing economy while meeting the target of a 35% reduction in emissions by 2030 and moving towards the NSW Government's long-term target of net zero emissions by 2050.

Fine-scale greenhouse gas accounts are being established to support NSW Government policies and programs and inform local action by councils and communities. Data governance and information management processes are being established to track and report NSW's progress towards meeting its net zero objectives.

### **Healthy waterways and coasts**

The Marine Estate Management Strategy has facilitated research into implementation of new technologies into monitoring of estuary health (eDNA for fish and phytoplankton), rapid faecal bacteria testing, fish activity monitoring (scavenging) and development of report cards for reporting results back to communities.

In 2020-21, Science, Economics and Insights Division completed seabed mapping of bathymetry and sediments at Forster-Tuncurry to underpin improved understanding of coastal erosion and inundation. This is part of a broader seabed mapping program which provides fundamental data to assist councils to develop coastal management programs. A complementary program has improved understanding of nearshore wave climates. These data can be used with recently developed methods to improve coastal erosion hazard forecasts.

The monitoring and risk assessments for marine debris continue to inform litter reduction initiatives through Marine Estate Management Strategy in partnership with the NSW Environment Protection Authority. This monitoring includes numbers and volumes of litter items in urban estuaries and at remote ocean beaches.

The available science contributes to policy and actions to conserve and manage NSW's iconic Murray-Darling Basin wetlands and important estuarine wetland (blue carbon) systems. The developing focus in 2020-21 was the assessment of wetland futures under climate change. Model (NARClIM1.5) climate projections were used to predict future floodplain wetland inundation in the Gwydir Valley over the next 80 years. On the coast, sophisticated machine learning techniques helped predict the potential distribution of mangroves and saltmarsh in 110 of NSW's estuaries for three sea level rise and three land use scenarios. Investigating the exchange of atmospheric greenhouse gasses with coastal wetlands under a variety of plant community types and inundation regimes is also underway.

Science, Economics and Insights Division has developed and is implementing a method for monitoring the impacts of feral horses on streams in northern Kosciuszko National Park. This work has been published in an international journal.

Along with its research partners, Science, Economics and Insights Division presented findings from the Thirlmere Lakes Research Program to community members and stakeholders in June 2021. This multi-disciplinary research program investigated the factors



affecting water levels in Thirlmere Lakes National Park to address community concerns about low lake water levels.

Community-led monitoring in the catchment of Tilba Tilba Lake on the NSW south coast 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.

To better understand how communities value and use their local waterways, EES conducted a state-wide community survey in 2020–21. The survey findings help update the NSW Water Quality Objectives, which are the long-term goals for protecting the health of the state's waterways.

EES undertook research to define performance criteria for protecting and restoring the blue grid in the Western Parkland City. Investigations focused on the impacts of altered water regimes on the structure, function and health of the many ecologically endangered and iconic plant and animal species in the area. The outcomes have been used to benchmark the extent of storm water infrastructure required in the Western Sydney Aerotropolis and Mamre Road precincts.

### **Environment protection science**

Research on onsite chemical 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 Florida-based National Forensics Science Technology Center.

EES continues to collaborate with UNSW to assess the capacity of microorganisms to degrade dioxins in Sydney Harbour sediments as part of a broader study of dioxin biodegradation for harbour sediment remediation.

## Appendix 19. Overseas travel

No employees from the Department or the NSW Land and Housing Corporation travelled overseas in the period 1 July 2020 to 30 June 2021.

## Appendix 20. Consultants

### NSW Department of Planning, Industry and Environment

**Table 45: Consultants — Engagements costing \$50,000 or more**

Consultant	Cost (\$)	Title/Nature
Jacobs Group (Australia) Proprietary Limited	732,919	Professional advice on engineering options for Greater Sydney water supply for the next 20–40 years
KPMG	690,616	Professional advice in developing energy infrastructure investment road map
Accenture Australia Proprietary Limited	667,162	Plan, design and develop strategies for the electricity infrastructure roadmap
Umwelt (Australia) Proprietary Limited	603,019	Develop Central Coast strategic conservation plan
EY Port Jackson Partners	539,500	Professional services for the development of waste strategy
KPMG	462,800	Strategic advice in relation to the set up of Water Infrastructure NSW and for the transitioning of agreed projects from Water NSW
Arup Proprietary Limited	374,780	Develop a strategic masterplan for Macquarie Park
HKA Global Limited	257,708	Strategic and professional advice on water infrastructure project delivery frameworks
Hill PDA Proprietary Limited	249,600	Preparation of state-led rezoning and strategic planning policy
Deloitte Touche Tohmatsu	248,125	Provide advice on financial implications of local council demerger proposal
KPMG	236,906	Energy Corporation organisational design
KPMG	226,575	Five-year strategic business plan and forward demand analysis for National Parks and Wildlife Services ParkAir
Aither Proprietary Limited	224,278	Prepare a detailed business case for water sector reforms
Spedding Torres & Associates Proprietary Limited	205,400	State Strategic Plan implementation review
Open Lines Consulting Proprietary Limited	192,271	Cumberland Plain Conservation Plan assessment report
Nous Group Proprietary Limited	184,095	Strategy development, planning and implementation of the Crown Lands State Strategic Plan project

Ernst & Young	158,580	Strategic advice in relation to the set up of Water Infrastructure NSW and for transitioning of agreed projects from Water NSW
Deloitte Touche Tohmatsu	155,000	NSW Cemeteries review
Deloitte Touche Tohmatsu	124,750	Provide advice on the refresh of the strategic plan for the ePlanning program
Ernst & Young	119,244	Review and advice on the model and assessment of the financial viability of the regional water business
KPMG	108,836	Provide commercial and technical advice in relation to hydrogen firming project
KPMG	106,628	Advice on developing a debt facility for a Crown land manager
KPMG	102,500	Provide commercial and technical advice on the design of grants program
Nous Group Proprietary Limited	98,250	Prepare professional advice and facilitate stakeholder engagement in relation to regulations for the electricity infrastructure roadmap
KPMG	81,659	Commercial and accounting advice on Sydney desalination plant operations in response to Sydney's changing water demands
KPMG	79,015	Provide advisory services for emerging energy program
Cox Inall Ridgeway Proprietary Limited	72,259	Preparation of First Nations engagement report on draft NSW public spaces charter
KPMG	70,000	Provide accounting advice in relation to the Energy Corporation
Cardno	66,128	Provide planning assessment on Riverstone West Precinct flooding and cut and fill strategy
ARUP Proprietary Limited	60,218	Provide Blue and Green Grid Strategic Opportunities report for the Hunter Region
Ernst & Young	58,500	Provide advice regarding gas peaker sensitivity, market modelling and strike price sensitivities
<b>Total</b>	<b>7,557,321</b>	

**Consultants — Engagements costing less than \$50,000**

Category	Cost (\$)	Number of engagements
Management services	453,403	22
Organisational review	183,020	10
Finance, accounting and tax	153,383	5
Planning services	119,100	8
Engineering	46,913	3
Information technology	35,900	3
Environmental	15,360	3
<b>Total</b>	<b>1,007,079</b>	<b>54</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 LAHC.

**Consultancies under \$50,000**

There were no consultancies equal to or below \$50,000 for the LAHC.

## Appendix 21. Payment of accounts and time for payment

### Payment of accounts

In 2020–21 the Department paid 97.1% of invoices on time.

This figure excludes immediate payments made by purchase cards. The Department's policy is to use purchase cards where the supplier accepts purchase cards and the transaction is \$10,000 or less. This payment method results in immediate payment to the supplier, and as a result payment times for these transactions are not included in the analysis of payment times 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 related to the payment of small businesses, the Department has a monthly process to identify and flag small business suppliers 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 five days in line with the Faster Payment Terms policy, which is aimed at improving the speed of payments to registered small businesses.

In the 2020–21, the Department paid 58% of invoices received from registered small business suppliers (excluding immediate payments made by purchase cards) on time.

### Aged analysis of payments made by payment quarter

The following tables provide a schedule of the dollar amount and payment times for payments in 2020–21.

**Table 46: Payments by quarter to all suppliers**

Quarter	Within date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2020 (\$)	1,047,059,323	81,116,263	36,302,352	2,186,315	3,719,417
December 2020 (\$)	1,053,342,304	123,625,008	17,160,888	4,369,696	7,138,546
March 2021 (\$)	1,234,751,046	148,424,132	18,449,887	8,584,014	8,935,268
June 2021 (\$)	3,715,072,322	157,463,096	37,167,427	8,470,184	35,116,089

**Table 47: Payments by quarter to small business suppliers**

Quarter	Within date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2020 (\$)	12,230,723	3,507,887	527,377	194,024	163,372
December 2020 (\$)	11,362,084	3,620,097	753,014	111,425	117,327
March 2021 (\$)	7,600,433	5,065,920	983,948	273,860	228,955
June 2021 (\$)	16,127,384	12,288,011	2,044,617	457,135	370,015

### Accounts paid on time each quarter

The following tables provide a schedule displaying the number and percentage of payments paid by the due date excluding payments made by purchase card. These tables also do not include small business invoices which are paid on Department-issued purchase cards, resulting in immediate payment.

**Table 48: Accounts paid within each quarter – all suppliers**

Measure	September 2020	December 2020	March 2021	June 2021	Full year
Invoices due for payment	217,244	194,326	199,014	221,618	832,202
Invoices paid on time	213,236	189,817	192,211	212,527	807,791
Percentage paid on time	98.2%	97.7%	96.6%	95.9%	97.1%
Amount due for payment (\$)	1,170,383,670	1,205,636,441	1,419,144,347	3,953,289,118	7,748,453,576
Amount paid on time (\$)	1,047,059,323	1,053,342,304	1,234,751,046	3,715,072,322	7,050,224,994
Percentage paid on time	89.5%	87.4%	87.0%	94.0%	91.0%
Number of payments of interest on overdue accounts	0	0	0	0	0
Interest paid on late accounts (\$)	0	0	0	0	0



**Table 49: Accounts paid within each quarter – small business suppliers**

Measure	September 2020	December 2020	March 2021	June 2021	Full year
Invoices due for payment	2,806	2,567	2,312	3,656	11,341
Invoices paid on time	2,012	1,704	1,152	1,715	6,583
Percentage paid on time (%)	71.7%	66.4%	49.8%	46.9%	58.0%
Amount due for payment (\$)	16,623,384	15,963,946	14,153,117	31,287,162	78,027,609
Amount paid on time (\$)	12,230,723	11,362,084	7,600,433	16,127,384	47,320,624
Percentage paid on time (%)	73.6%	71.2%	53.7%	51.5%	60.6%
Number of payments of interest on overdue accounts	0	0	0	0	0
Interest paid on late accounts (\$)	0	0	0	0	0

## Credit card certification

**Table 50: Agency head certification checklist for the Treasury purchase card policy**

TPP17-09 core requirement number	Description	Requirement met	Comments
1.1	Internal approval process is established	Yes	Approval process is driven by a CS Connect workflow
1.2	Internal approval process includes checking that: <ul style="list-style-type: none"> <li>- the employee has the appropriate delegation</li> <li>- the appropriate credit limit has been set for the employee</li> <li>- the agency is not exceeding the budget limit or funding allocation by issuing the purchasing card (PCard)</li> </ul>	Yes	<p>The Department's delegation instrument has a special delegation for PCard holders.</p> <p>Employee limits are set at the approved amount. This is reviewed as part of an annual stocktake.</p> <p>Total credit of issued PCards is maintained within the Department's financial arrangement under the <i>Government Sector Finance Act 2018</i>.</p>
1.3	Current PCard policy is in place and includes: <ul style="list-style-type: none"> <li>- eligibility criteria</li> <li>- roles and responsibilities</li> <li>- expenditure limits</li> <li>- restriction of use</li> <li>- training requirements</li> <li>- requirements for acquittal and approval of transactions</li> <li>- record management</li> <li>- cancellation of policy</li> <li>- fraud and corruption</li> <li>- infraction/issues management</li> <li>- process for review and continuous improvement of policy</li> </ul>	Yes	A new policy for the Department is in approval.
1.4	PCard holder register is maintained and must include: <ul style="list-style-type: none"> <li>- cardholder's name</li> <li>- confirmation that the cardholder has signed Statement of Responsibility</li> <li>- the last 4 digits of the card number</li> <li>- conditions attached to individual card (i.e. cash withdrawal limit)</li> <li>- cancellation date</li> </ul>	Yes	This information is maintained securely in CS Connect and Citi Manager.

1.5	Direct debit facilities are in place and statements are paid in full monthly	Yes	
1.6	Risks associated with PCards issued are managed	Yes	A yearly audit ensures controls in place are adequate. The Department is piloting a Continuous Controls Monitoring tool which reviews all transactions against a number of defined tests and highlights transactions requiring further investigation.
2.1	Cardholder use is compliant with the Department of Finance, Services and Innovation Circular DFSI-2015-02-Efficient Electronic Payment Methods	Yes	Cardholders are encouraged to use PCards for all low value transactions. All purchases are reviewed and approved by the cost centre owner.
2.2	Cardholders are responsible for: <ul style="list-style-type: none"> <li>- complying with policy</li> <li>- complying with terms and conditions of card issuer</li> <li>- knowing their conditions of use (i.e. limit, restrictions etc)</li> <li>- staying within credit limits</li> <li>- obtaining relevant documentation</li> <li>- ensuring timely acquittal of transactions.</li> </ul>	Yes	Cardholders complete a training and accreditation module before being issued with a PCard. This covers all cardholder responsibilities. The Expense Management Team monitors aged PCard acquittals and regular reminders are issued to cardholders.
2.3	Cardholders must immediately notify the administrator in the following circumstances: <ul style="list-style-type: none"> <li>- cessation of employment</li> <li>- change in role</li> <li>- change in responsibilities that no longer require a PCard to be issued</li> <li>- change to delegation limit</li> <li>- awareness of unauthorised transactions</li> <li>- card loss or theft</li> <li>- prolonged leave of absence</li> <li>- cancellation of PCard</li> </ul>	Yes	The Department has implemented an automated workflow that advises the Expense Management Team if an employee has left the Department, changed roles or started extended leave. Cardholders are advised of the requirement to contact the card issuer if their card is lost or stolen, or if they identify an unauthorised transaction. The cardholder or manager contacts the Expense Management Team if a card is to be cancelled for any reason.
2.4	Cardholders must complete a Statement of Responsibility.	Yes	This is done as part of the application process.

Note: TPP17-07 refers to the NSW Treasury's policy on the use and management of NSW Government purchasing cards.

## NSW Land and Housing Corporation

The NSW Land and Housing Corporation (LAHC) closely monitors its payment of accounts for goods and services to ensure accounts are paid in accordance with NSW Treasury directions. LAHC regularly improves its processes across all business units to achieve better payment-on-time performance. Accounts payable policies and procedures are in accordance with the guidelines established by the Office of the Small Business Commissioner.

### Aged analysis at the end of each quarter

**Table 51: All suppliers**

Measure	September 2020	December 2020	March 2021	June 2021
Current not yet due (\$)	2,891,358	2,950,956	6,058,043	12,983,805
Overdue 1–30 days (\$)	95,826	34,454	100,256	698,805
Overdue 31–60 days (\$)	8,208	496	66,934	0
Overdue 61–90 days (\$)	821	3,048	21,920	1,100
Overdue 91 days and over (\$)	66,536	16,365	30,208	4,101

**Table 52: Small business suppliers**

Measure	September 2020	December 2020	March 2021	June 2021
Current not yet due (\$)	8,026	0	27,921	0
Overdue 1–30 days (\$)	8,096	0	0	5,280
Overdue 31–60 days (\$)	6,600	0	0	0
Overdue 61–90 days (\$)	0	0	0	0
Overdue 91 days and over (\$)	27,630	0	0	0

Source: Underlying payment reports of the LAHC financial accounting system.

**Table 53: All suppliers**

Measure	September 2020	December 2020	March 2021	June 2021
Accounts due for payment	170,704	146,614	163,137	171,176
Accounts paid on time	170,614	146,474	163,032	170,998
Accounts paid on time – based on number of accounts (%)	99.95%	99.90%	99.94%	99.90%
Accounts due for payment (\$)	346,123,491	321,489,298	302,505,873	538,538,161
Accounts paid on time (\$)	345,404,014	320,843,222	301,875,524	535,493,493
Accounts paid on time – based on \$ (%)	99.79%	99.80%	99.79%	99.43%
Payments for interest on overdue accounts	0	0	0	1,205

Interest paid on overdue accounts (\$)	0	0	0	1
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**Table 54: Small business suppliers**

Measure	September 2020	December 2020	March 2021	June 2021
Accounts due for payment	613	607	482	666
Accounts paid on time	609	600	471	654
Accounts paid on time – based on number of accounts (%)	99.35%	98.85%	97.72%	98.12%
Accounts due for payment (\$)	4,696,124	5,307,982	2,970,410	4,496,092
Accounts paid on time (\$)	4,640,037	5,224,493	2,928,878	4,434,955
Accounts paid on time – based on \$ (%)	98.81%	98.43%	98.60%	98.64%
Payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts (\$)	0	0	0	0

Source: Underlying payment reports of LAHC financial accounting system.

### Accounts due or paid within each quarter

**Table 55: All suppliers**

Measure	September 2020	December 2020	March 2021	June 2021
Accounts due for payment	170,704	146,614	163,137	171,176
Accounts paid on time	170,614	146,474	163,032	170,998
Accounts paid on time – based on number of accounts (%)	99.95	99.90	99.94	99.90
Accounts due for payment (\$)	346,123,491	321,489,298	302,505,873	538,538,161
Accounts paid on time (\$)	345,404,014	320,843,222	301,875,524	535,493,493
Accounts paid on time – based on \$ (%)	99.79%	99.80%	99.79%	99.43%
Payments for interest on overdue accounts	0	0	0	1,205
Interest paid on overdue accounts (\$)	0	0	0	1

**Table 56: Small business suppliers**

Measure	September 2020	December 2020	March 2021	June 2021
Accounts due for payment	613	607	482	666
Accounts paid on time	609	600	471	654
Accounts paid on time – based on number of accounts (%)	99.35%	98.85%	97.72%	98.12%

Accounts due for payment (\$)	4,696,124	5,307,982	2,970,410	4,496,092
Accounts paid on time (\$)	4,640,037	5,224,493	2,928,878	4,434,955
Accounts paid on time – based on \$ (%)	98.81%	98.43%	98.60%	98.64%
Payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts (\$)	0	0	0	0

Source: Underlying payment reports of LAHC's financial accounting system.

## Appendix 22. Land disposal

### The Department

In 2020–21, some Crown roads and other Crown land parcels that were within, adjacent to or leased to landholders were sold to those landholders, returning \$11.7 million.

Other NSW Government agencies acquired a total of 25 properties from Crown Lands, returning \$2.4 million to the Department. These acquisitions facilitated public sector investment in transport and infrastructure services for the people of NSW.

There were also disposals and transfers for which the Department realised no revenue, namely:

- The Department disposed of some parcels of land vested in the Minister for Energy and Environment under Part 11 of the *National Parks and Wildlife Act 1974* to local councils. These disposals comprised of three parcels of land that were vested to a local council under the process of compulsory acquisition. Another three parcels of land that were sections of roads through national parks were dedicated as public roads and vested to two local councils.
- The Department also transferred a number of Crown reserves to local councils and Crown land managers due to the change in the reserve management arrangements under the *Crown Land Management Act 2016*.

There were no other disposals by the Department in 2020–21.

Documents relating to land disposals can be obtained under the *Government Information (Public Access) Act 2009*.

### NSW Land and Housing Corporation

The NSW Land and Housing Corporation reported no sales of \$5 million or more in 2020–21 other than by tender or public auction. There were no family or business connections between any of the parties involved in property sales.



## Appendix 23. Capital works

### The Department

The following tables contain details of the Department's major capital works in progress as at 30 June 2021.

**Table 57: Capital works expenditure (\$'000)**

N o.	Capital works in progress	Announced completion date	Announced Estimated Total Cost (ETC)	Expenditure in previous years	2020-21 expendit ure	Total project expendit ure
1	4 Parramatta Square – Building fit-out	2021	47,050	46,596	575	47,171
2	Acquisition of Satellite Imagery	2031	58,139	30,037	2,091	32,128
3	Adaptive Reuse of Short Stay Accommodation	2021	3,249	2,749	119	2,868
4	Annual Provision - Land Purchases	2031	195,030	142,694	23,250	165,944
5	Building and Infrastructure Upgrades	2022	12,600	-	-	-
6	Bushfire Hazard Reduction	2021	5,700	-	5,703	5,703
7	Bushfire Planning Strategy - Plant and Equipment Upgrade	2022	4,050	-	299	299
8	Coastal Lands Protection Scheme	2031	71,091	38,091	1,251	39,342
9	Commemorating the Meeting of Two Cultures at Kamay Botany Bay National Park	2023	22,580	5,812	1,125	6,937
10	Cyber Security Uplift Program	2022	2,445	-	-	-
11	Energy Efficiency Capital Programs	2022	18,189	5,890	1,528	7,418
12	Enhance Our National Parks	2021	3,968	3,859	30	3,889
13	ePlanning – software portal – Stage 4	2023	53,029	-	21,636	21,636
14	Fire Management in National Parks	2026	51,406	46,159	2,563	48,722
15	Heritage Stoneworks Water Treatment Plant Compliance Work	2021	1,000	-	1,064	1,064
16	ICT Systems Upgrade - Implement Crown Lands Legislation	2021	7,308	5,608	3,607	9,215
17	Improving Access to National Parks	2023	149,600	12,476	29,454	41,930

18	Infrastructure Investment in National Parks to Increase NSW Tourism	2025	43,020	4,432	5,509	9,941
19	Light to Light Great Walk	2023	7,948	4,242	532	4,774
20	Manly Hydraulics Laboratory (MHL) Asbestos Removal	2022	3,500	615	1,019	1,634
21	Murramarang South Coast Walk	2022	3,642	469	208	677
22	National Australian Built Environment Rating System (NABERS)	2021	2,050	1,850	1,124	2,974
23	National Parks - Rewilding and Land Acquisitions	2027	84,736	-	-	-
24	National Parks Digital Strategy	2022	5,547	3,597	940	4,537
25	NSW Pet Registry	2022	1,300	-	73	73
26	Orange Office Accommodation Strategy	2021	20,486	12,870	4,804	17,674
27	Remote Sensing Water Compliance Support	2022	4,127	414	1,263	1,677
28	Royal Coast Track Improvement	2021	11,251	10,376	898	11,274
29	Scientific Equipment	2031	26,886	13,686	1,356	15,042
30	Scientific Service Capacity Maintenance	2031	19,685	9,669	668	10,337
31	Snowies Iconic Great Walk	2022	17,174	5,772	6,111	11,883
32	Strategic Fire Trails Network - Safety and Compliance Works	2023	68,393	1,794	17,664	19,458
33	Infrastructure and signage upgrade	2021	585	335	292	627
34	The Wombeyan Caves Tourism Project	2024	9,611	-	159	159
35	Thredbo Valley Track Extension	2022	9,854	4,692	2,682	7,374
36	Toorale Water Infrastructure Project	2022	5,400	-	3,050	3,050
37	Water Monitoring Framework	2021	22,618	19,688	2,302	21,990
38	Water Reform in the Murray Darling Basin	2021	4,672	3,672	1,195	4,867
39	World and National Heritage Sites Infrastructure Upgrade	2022	3,177	-	535	535

**Table 58: Capital works expenditure (\$'000) - AASB 16 Lease capitalisation**

<b>40</b>	<b>Lease Acquisitions between \$250,000 and \$20 million - Property</b>	<b>2031</b>	<b>969,803</b>	<b>685,237</b>	<b>(243,067)</b>	<b>442,170</b>
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41	Lease for Office Hub in 105 Prince Street, Orange	2022	102,103	-	88,892	88,892
42	Lease for Office Hub in 854 Hunter Street, Newcastle	2021	31,977	-	31,977	31,977

The following text explains the delays and price changes that are required to comply with the Annual Reports Regulation - the numeric references link to the tables.

1. *4 Parramatta Square Building fit-out* – The Department's building fit-out cost for the office at 4 Parramatta Square as part of a broader commitment to 62,000sqm new hub in Western Sydney. The project was completed this year.
2. *Acquisition of Satellite Imagery* - The project was delayed due to reduced supply of hardware from overseas.
3. *Adaptive Reuse of Short Stay Accommodation* - This project includes the development of short stay visitor accommodation in Sydney Harbour National Park, South Head, Nielsen Park and Middle Head. The project also includes work to upgrade cabins at Bonnie Vale Camp Ground in the Royal National Park, and to upgrade cottages in Kosciuszko National Park. The project was completed this year.
4. *Annual Provision - Land Purchases* - Acquisition of land for addition to the NSW National Parks. The project is ongoing with allocated budget.
5. *Building and Infrastructure Upgrades* - The funding on this project has been spent as recurrent, not capital.
6. *Bushfire Hazard Reduction* - The project was completed this year.
7. *Bushfire Planning Strategy - Plant and Equipment Upgrade* - This project includes an initial 1 year investment to retrofit light, medium and heavy tankers to install fire suppression equipment including radiant heat curtains and single point spray systems and implementation of a new risk-based approach to multi-tenure hazard reduction planning. The project is ongoing with budget allocated to 2022-23.
8. *Coastal Lands Protection Scheme* - The project is on track with ongoing budget.
9. *Commemorating the Meeting of Two Cultures at Kamay Botany Bay National Park* - The project is ongoing with budget allocated to 2023-24.
10. *Cyber Security Uplift Program* - The project was approved in June 2021 and the actuals to be expended in 2022 financial year.
11. *Energy Efficiency Capital Programs* - The project is ongoing with budget allocated to 2021-22.
12. *Enhance Our National Parks* - The project was completed this year.
13. *ePlanning - Stage 4* - The project is on track with ongoing budget.
14. *Fire Management in National Parks* - The project is ongoing with budget allocated to 2025-26.
15. *Heritage Stoneworks Water Treatment Plant Compliance Work* - The project was completed in this year.
16. *ICT Systems Upgrade - Implement Crown Lands Legislation* - This project has been delayed due to changes in scope of the project and a lag in decommissioning of the legacy Crown Land Information Database (CLID).
17. *Improving Access to National Parks* - The project is ongoing with budget allocated to 2022-23.

18. *Infrastructure Investment in National Parks to Increase NSW Tourism* - The project is ongoing with budget allocated to 2024-25.
19. *Light to Light Great Walk* - The project is ongoing with budget allocated to 2023-24.
20. *Manly Hydraulics Laboratory (MHL) Asbestos Removal* - The project has delayed due to various factors, including delays in negotiation with other agencies, site contamination, structural conflicts and contractor disputes. A carry forward is requested as all funds are committed and project is expected to complete by 2021-22.
21. *Murrumang South Coast Walk* - The project is ongoing with budget allocated to 2022-23.
22. *National Australian Built Environment Rating System (NABERS)* - The project was completed this year.
23. *National Parks - Rewilding and Land Acquisitions* - The project was approved in June 2021 and the actuals to be commenced in 2022 financial year.
24. *National Parks Digital Strategy* - Digital ticketing component went live this year with the project due for completion in 2021-22.
25. *NSW Pet Registry* - The project is on track with ongoing budget.
26. *Orange Office Accommodation Strategy* - A carry forward was approved for this project and will be completed by December 2021.
27. *Remote Sensing Water Compliance Support* - The project was delayed due to flying restrictions that limited the aerial mapping activities. The project is on track to finish in 2021-22.
28. *Royal Coast Track Improvement* - The project was completed this year.
29. *Scientific Equipment* - The project is ongoing with allocated budget.
30. *Scientific Service Capacity Maintenance* - The project is ongoing with allocated budget.
31. *Snowies Iconic Great Walk* - The project is ongoing with budget allocated to 2022-23.
32. *Strategic Fire Trails Network - Safety and Compliance Works* - The project is ongoing with allocated budget.
33. *Infrastructure and signage upgrade* –Delivery of infrastructure projects to prevent suicides at suicide hotspots. Projects include the installation of physical barriers and signage that encourages people to seek help. The project was completed this year.
34. *The Wombeyan Caves Tourism Project* - The project is ongoing with budget allocated to 2023-24.
35. *Thredbo Valley Track Extension* - The project is ongoing with budget allocated to 2021-22.
36. *Toorale Water Infrastructure Project* - The project is ongoing with budget allocated to 2021-22.
37. *Water Monitoring Framework* - This project was completed this year.
38. *Water Reform in the Murray Darling Basin* - This project was completed this year.
39. *World and National Heritage Sites Infrastructure Upgrade* - The project is ongoing with budget allocated to 2021-22.
40. *Lease Acquisitions between \$250,000 and \$20 million – Property* - This project represents Department leases with Property & Development NSW and the figures were as advised by Property & Development NSW.

41. *Lease for Office Hub in 105 Prince Street, Orange* - This project represents Department leases with Property & Development NSW and the figures were as advised by Property & Development NSW.
42. *Lease for Office Hub in 854 Hunter Street, Newcastle* - This project represents Department leases with Property & Development NSW and the figures were as advised by Property & Development NSW.

## NSW Land and Housing Corporation

This section lists major works in progress for the LAHC, 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 those major works.

**Table 59: New works**

Project description	Total estimated cost (\$'000) <sup>1</sup>	Cost up to 30 June 2021 (\$'000) <sup>2</sup>	Expected completion	Completed, in progress, delays, cancellation or cost overruns
Office accommodation and administrative assets	3,724	3,003	2021	Completed
Social housing - Asset improvement	284,659	195,894	2022	In progress
Social Housing - New supply	1,497,715	144,645	2031	In progress

Note 1. Total estimated cost is the estimated cost for the whole project

Note 2. Cost up to 30 June 2021 is the total cost from project inception through to 30 June 2021

**Table 60: Works in progress**

Project description	Total estimated costs (\$'000)	Costs up to 30 June 2021 (\$'000)	Expected completion	Completed in progress, delays, cancellation or cost overruns
Social housing - New supply	654,644	224,541	2029	In progress

## Appendix 24. Disclosure of controlled entities

### The Department

The Department controls the following entities pursuant to the *Government Sector Finance Act 2018* and Australian Accounting Standards Board 10 (AASB 10) *Consolidated Financial Statements*:

- Water Administration Ministerial Corporation, and
- Lands Administration Ministerial Corporation.

The NSW Land and Housing Corporation

### Water Administration Ministerial Corporation

The Water Administration Ministerial Corporation 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
- to conduct research, collect information and develop technology in relation to water management
- to acquire rights to water, whether within or beyond NSW
- to 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 2021, LAMC was the manager for a number of reserves including Bondi Baths Reserve, Yasmar Reserve, Rawson Reserve, Line of Lode Reserve and Prince Henry Reserve.

### NSW Land and Housing Corporation

NSW Land and Housing Corporation is a NSW Government entity but not a controlled entity of the Department - it is a statutory body and has no controlled entities.

Separate financial statements are prepared for NSW 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 2021.

## **Appendix 25. Disclosure of subsidiaries**

Nil



## Appendix 26. Major project determinations

Table 61: Major project determinations in 2020–21

Industry	Applications (approved and refused)	Modifications (approved and refused)	Applications (approved only)	Modifications (approved only)	Approved	
					Capital investment value (\$million)	Total jobs
Mining	8	33	7	33	5,345	6,468
Education, health and safety	34	83	34	81	2,786	14,927
Energy	16	18	16	17	4,212	3,295
Residential and commercial	17	84	17	84	3,777	23,635
Waste and sewerage	5	10	5	10	164	396
Entertainment, tourism and recreation	9	25	9	25	860	3,918
Transport and logistics	22	42	22	42	21,079	34,359
Agriculture	-	4	-	4	-	15
Water and telecommunications	-	2	-	2	0.2	35
Manufacturing	2	12	2	12	360	1,853
Total	113	313	112	310	38,582	88,901

## Regionally significant development applications

**Table 62: Regionally significant development applications in 2020–21**

Panel	Determination s	Approved	Refused	CIV of approvals (in \$billion)	Jobs approved
Sydney Eastern City PP	47	41	6	2.47	6,221
Sydney Central City PP	96	76	20	4.49	17,129
Sydney Western City PP	54	47	7	1.64	5,516
Sydney North PP	63	56	7	3.00	8,348
Sydney South PP	30	27	3	0.88	5,506
Hunter and Central Coast RPP	34	22	12	0.71	2,004
Northern RPP	27	23	4	0.27	1,229
Southern RPP	28	26	2	0.63	4,575
Western RPP	19	17	2	0.17	1,000
<b>Total</b>	<b>398</b>	<b>335</b>	<b>63</b>	<b>14.26</b>	<b>51,528</b>

CIV - Capital investment value

PP - Planning Panel

RPP - Regional Planning Panel

**Table 63: Number of applications determined by type in 2020–21**

Type of development	Determined
CIV > \$30m	159
CIV > \$20m	20
CIV > \$5m – Council interest	35
CIV > \$5m – Crown development	25
CIV > \$5m – Eco-tourism	0
CIV > \$5m – Private infrastructure and community facilities	77
Crown – S4.33 referral	0
Coastal subdivision	1
Certain coastal protection works	0
Designated development – Extractive industry	11
Designated development – Marina	5
Designated development – Waste facility	16
LALC CIV > \$5m	1
Referral 120-day DA CIV \$10m–\$20m	0
S4.55(2) modification application	27
S4.56 modification application	17
Concept DA under State and Regional Development SEPP	4
<b>Total</b>	<b>398</b>

LALC - Local Aboriginal Land Council

## Policy initiatives

**Table 64: Policy initiatives in 2020–21**

Date	Exhibited / consulted	Made / released
July 2020	<ul style="list-style-type: none"> <li>Byron Bay Filming – State Environmental Planning Policy Amendment (Byron Filming) 2020</li> </ul>	<ul style="list-style-type: none"> <li>Byron Bay Filming – State Environmental Planning Policy Amendment (Byron Filming) 2020</li> <li>State Environmental Planning Policy (Housing for Seniors and People with a Disability) Amendment (Metropolitan Rural Areas Exemption) 2020</li> </ul>
August 2020	<ul style="list-style-type: none"> <li>Explanation of Intended Effect: Amendment to State Environmental Planning Policy (Infrastructure) 2007 – Extension of NSW border wild dog fence</li> <li>Natural disasters model clause</li> </ul>	<ul style="list-style-type: none"> <li>State Environmental Planning Policy (Vegetation in Non-Rural Areas) Amendment 2020</li> </ul>
September 2020	<ul style="list-style-type: none"> <li>Low Rise Housing Diversity Code minor amendments</li> <li>COVID-19 Response – extending end date of prescribed period</li> <li>Explanation of Intended Effect: Proposed State Environmental Planning Policy to amend the Newcastle Local Environmental Plan 2012 to temporarily extend trading hours in small bars and restaurants</li> </ul>	<ul style="list-style-type: none"> <li>State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Low Rise Housing Diversity Code) 2021</li> <li>State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (COVID-19 Special Provisions) 2020</li> <li>State Environmental Planning Policy Amendment (Newcastle Restaurants and Small Bars) 2020</li> <li>Environmental Planning and Assessment Amendment (COVID-19 Prescribed Period) Regulation 2020</li> </ul>
October 2020	<ul style="list-style-type: none"> <li>Explanation of Intended Effect: Proposed amendment to the Codes SEPP to temporarily allow outdoor dining as exempt development for small bars and pubs (City of Sydney)</li> <li>Explanation of Intended Effect: Proposed amendment to the Codes SEPP to temporarily allow outdoor dining as exempt development for small bars and pubs</li> <li>Market sounding for Building Business Back Better</li> <li>Webinar on changes proposed to residential conditions</li> </ul>	<ul style="list-style-type: none"> <li>State Environmental Planning Policy (Infrastructure) Amendment (Sydney Metro West Interim Corridor) 2020</li> <li>State Environmental Planning Policy (Infrastructure) 2007 (Amendment to Clause 44)</li> <li>State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (The Rocks Outdoor Dining) 2020</li> </ul>

		<ul style="list-style-type: none"> <li>• State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Outdoor Dining – City of Sydney) 2020</li> <li>• Standard Instrument (Local Environmental Plans) Amendment (Definitions) Order 2020</li> <li>• State Environmental Planning Policy Amendment (Definitions) 2020</li> <li>• Koala Habitat Protection Guideline (accompanied the State Environmental Planning Policy (Koala Habitat Protection) 2019</li> <li>• State Environmental Planning Policy Amendment (Tutti Fruitti Cafe) 2020</li> <li>• Standard Instrument Local Environmental Plan definitions of home business and home industry updated</li> </ul>
November 2020	<ul style="list-style-type: none"> <li>• Illawarra Shoalhaven Regional Plan</li> <li>• Explanation of Intended Effect: Local Character - Proposed a local character clause and exemption framework</li> <li>• Explanation of Intended Effect: State Environmental Planning Policy (Infrastructure) 2007 – Amendment – Health Services Facilities</li> <li>• Explanation of Intended Effect: Review of State Environmental Planning Policy (Education Establishments and Child Care Facilities) 2017</li> <li>• Natural Disaster Clause opt in period</li> <li>• Standard conditions program survey undertaken, workshops held and ePlanning testing program commenced</li> </ul>	<ul style="list-style-type: none"> <li>• State Environmental Planning Policy (Three Ports) Amendment (Shipping Containers) 2020</li> <li>• State Environmental Planning Policy (Koala Habitat Protection) 2020</li> <li>• State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Outdoor Dining) 2020</li> <li>• State Environmental Planning Policy Amendment (Concurrence and Referrals) 2020</li> <li>• Environmental Planning and Assessment Amendment Regulation 2020</li> <li>• Archived 156 planning circulars</li> <li>• Repeal of two section 9.1 Ministerial directions</li> <li>• Aboriginal Land SEPP Guideline released</li> </ul>
December 2020	<ul style="list-style-type: none"> <li>• Targeted stakeholder engagement with councils, industry and court users for development of a merit appeal in the Land and Environment Court for rezonings</li> <li>• 24-hour Economy –amendments to the Codes SEPP, all local environmental plans and the Liquor Amendment Act to support live music performance</li> </ul>	<ul style="list-style-type: none"> <li>• State Environmental Planning Policy (Infrastructure) Amendment (Dog-Proof Fences) 2020</li> <li>• State Environmental Planning Policy Amendment (Arts and Cultural Activity) 2020</li> <li>• State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Outdoor Events) 2020</li> <li>• State Environmental Planning Policy Amendment (Social Housing) 2020</li> </ul>

	<ul style="list-style-type: none"> <li>• Explanation of Intended Effect: Rosebery Estate - Proposed a temporary exclusion from the Low-Rise Housing Diversity Code and Housing Codes for the area identified as the Rosebery Estate</li> <li>• Explanation of Intended Effect: Rapid Assessment Framework Regulation and supporting SSD, SSI, technical and Registered Environmental Assessment Practitioner guidelines</li> <li>• Explanation of Intended Effect: Proposed State Environmental Planning Policy to amend the Sydney Local Environmental Plan 2012 to allow temporary outdoor events at Cathedral Square as exempt development</li> <li>• Targeted consultation on development assessment best practice and pre-DA meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Community Guide to Planning released</li> </ul>
February 2021	<ul style="list-style-type: none"> <li>• Upfront stakeholder and local government engagement to inform policy development for employment zone reform</li> <li>• Explanation of Intended Effect for a Design and Place SEPP</li> <li>• Building Business Back Better Targeted stakeholder engagement prior to EIE exhibition</li> <li>• Preliminary Regional Issues Assessment of 4 areas in Western NSW: Bancannia Trough, Pondie Range Trough, Neckaboo Trough and Yathong–Ivanhoe Trough</li> <li>• Targeted consultation undertaken on temporary COVID-19 measures</li> </ul>	<ul style="list-style-type: none"> <li>• Coffs Harbour Regional City Action Plan finalised</li> <li>• Environmental Planning and Assessment Amendment (Development Contributions) Regulation 2021</li> <li>• Planning Circular PS 21-002 – Reporting and accounting requirements for infrastructure contributions</li> <li>• State Environmental Planning Policy Amendment (Build-to-rent Housing) 2021</li> <li>• Improvement to infrastructure contributions - updates to practice notes and reporting requirements</li> </ul>
March 2021	<ul style="list-style-type: none"> <li>• Port Macquarie Regional City Action Plan</li> <li>• Explanation of Intended Effect: Agritourism and small-scale agriculture development</li> <li>• Explanation of Intended Effect: Varying Development Standards (Review of clause 4.6 of the Standard Instrument LEP)</li> <li>• Targeted sessions with councils on infrastructure contributions digital platform</li> <li>• Working group formed to respond to Ombudsman report into council conflicts of interest</li> <li>• Standard conditions program targeted workshops and interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Planning and Assessment Amendment (Subdivision Certificates) Regulation 2021</li> <li>• State Environmental Planning Policy (Koala Habitat Protection) 2021</li> <li>• State Environmental Planning Policy Amendment (Newcastle Restaurants and Small Bars) 2021</li> <li>• Declaration of SSI and CSSI (State Significant Infrastructure Guide)</li> <li>• Government response to the NSW Productivity Commission's Review of Infrastructure Contributions in NSW released</li> </ul>

April 2021	<ul style="list-style-type: none"> <li>• Explanation of Intended Effect: State Environmental Planning Policy (Infrastructure) 2007 – Amendment – Bulk Water Supply Infrastructure Corridors</li> <li>• Explanation of Intended Effect: Building Business Back Better</li> <li>• Proposed Natural Hazards Package</li> <li>• Explanation of Intended Effect: Agritourism and small-scale agriculture development – Proposed amendments to support farm business and regional economies</li> </ul>	<ul style="list-style-type: none"> <li>• State Environmental Planning Policy (State and Regional Development) Amendment (Warehouses and Data Storage Facilities) 2021</li> <li>• State Environmental Planning Policy (Infrastructure) Amendment (Health Services Facilities) 2021</li> <li>• Environmental Planning and Assessment Amendment (Short-term Rental Accommodation) Regulation 2021</li> </ul>
May 2021	<ul style="list-style-type: none"> <li>• Proposed Employment Zones Position Paper, draft Amendment Order and Implementation Plan</li> <li>• Rosebery Estate - Amendment for a temporary exemption from the Housing Code and the Low-Rise Housing Diversity Code for the Rosebery Estate Area</li> <li>• Key stakeholder and local government engagement to inform the policy development for the Housing SEPP</li> <li>• Targeted consultation undertaken on compliance levy and proposed new structure</li> </ul>	<ul style="list-style-type: none"> <li>• Illawarra Shoalhaven Regional Plan</li> <li>• State Environmental Planning Policy (Three Ports) Amendment (Shipping Containers) 2021</li> <li>• State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment 2021</li> <li>• State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Rosebery Estate) 2021</li> </ul>
June 2021	<ul style="list-style-type: none"> <li>• Preliminary Regional Issues Assessment of the Hawkins and Rumker areas</li> <li>• Tabling of the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 in Parliament cognate with the Appropriation Bill 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Updates to the NSW Planning Portal to allow councils and planning authorities to publish additional reporting on infrastructure contributions</li> <li>• Standard Instrument (Local Environmental Plans) Amendment (Natural Disasters) Order 2021</li> <li>• State Environmental Planning Policy Amendment (Natural Disasters) 2021</li> <li>• State Environmental Planning Policy (Housing for Seniors or People with a Disability) Amendment (Heritage Conservation Areas Exemption) 2021</li> </ul>



## Appendix 27. Implementation of price determination

### Water Administration Ministerial Corporation 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 two extensions of this period – the first to 30 June 2021 to allow for the establishment of NRAR, and the second to 30 September 2021 to undertake further consultations related to the implementation of metering reforms.

The 3 water management agencies have implemented prices and reported performance against the IPART determined prices over the regulatory period 2016–21. The agencies have carried out their water management responsibilities and WaterNSW has billed water licence holders according to IPART-determined prices.

IPART is finalising its review of WAMC water management prices to determine prices for the next regulatory period. The next WAMC price determination is expected to begin on 1 October 2021.

## Appendix 28. Funds granted to non-government community organisations

### Crown Lands stimulus program

The Department's range of grants to community groups is part of the NSW Government's funding package under a number of programs to support and stimulate regional and metro economies across the state to recover from the COVID-19 pandemic.

**Table 65: Funds granted for directly benefiting assets managed by grantees and for stimulating economies**

Recipient organisation	Program/Program area	Amount (\$)
The Scout Association of Australia	COVID-19 Recovery Support Program	7,758,000
Parkes Showground Land Manager	Stimulus Grants Program	3,918,427
Coffs Harbour Showground and Public Trust	Stimulus Grants Program	2,971,316
Bathurst Showground Land Manager	Stimulus Grants Program	2,750,455
Bathurst Thoroughbred Racing Limited	Regional NSW Stimulus Program	2,406,538
Inverell Showground Land Manager	Stimulus Grants Program	1,741,507
Kempsey Showground Land Manager	Stimulus Grants Program	1,731,818
Narrabri Showground Land Manager	Stimulus Grants Program	1,536,163
Reflections Holiday Parks	COVID-19 Recovery Support Program	1,400,000
Griffith Showground Trust	Stimulus Grants Program	1,234,449
Manning Valley Race Club Limited	Regional NSW Stimulus Program	1,208,000
Police Citizens Youth Clubs NSW Limited	COVID-19 Recovery Support Program	1,080,479
Scouts NSW	COVID-19 Recovery Support Program	1,020,759
Albury Showground Land Manager	Stimulus Grants Program	1,004,827
Girl Guides Association (New South Wales)	COVID-19 Recovery Support Program	1,000,000
Clarence River Jockey Club Limited	Regional NSW Stimulus Program	1,000,000
Australian Men's Shed Association	Capital and Maintenance Stimulus Program	1,000,000
North Coast National A and I Society	COVID-19 Recovery Support Program	963,864
Rydal Showground Trust	Stimulus Grants Program	810,420
Armidale Showground Reserve Land Manager	Stimulus Grants Program	802,596
Belmont Wetlands State Park Land Manager	COVID-19 Recovery Support Program	700,000
Gloucester Agricultural Horticultural and Pastoral Association Incorporated	Stimulus Grants Program	621,579
Bundarra Showground Land Manager	Stimulus Grants Program	610,526
Volunteer Marine Rescue NSW	Regional NSW Stimulus Program	600,000

Recipient organisation	Program/Program area	Amount (\$)
Surf Life Saving NSW	Regional NSW Stimulus Program	600,000
Hungry Point Reserve Land Manager	Capital and Maintenance Stimulus Program	500,000
Mendooran Pastoral Agricultural and Horticultural Association Incorporated	Stimulus Grants Program	467,063
Norah Head Lighthouse Reserve	COVID-19 Recovery Support Program	459,000
Alstonville Agricultural Society Incorporated	Stimulus Grants Program	453,725
Murwillumbah Showground Land Manager	Stimulus Grants Program	450,000
Tenterfield Showground Land Manager	Stimulus Grants Program	401,916
Grafton Showground and Recreation Reserve Trust	Stimulus Grants Program	359,330
Cowra Showground Racecourse and Paceway Land Manager	Stimulus Grants Program	347,057
Glen Innes Showground Land Manager	Stimulus Grants Program	338,182
Hunter River Agricultural and Horticultural Association	Stimulus Grants Program	324,487
Baradine Showground and Racecourse and Land Manager	Stimulus Grants Program	318,384
City of Dubbo Turf Club Limited	Regional NSW Stimulus Program	318,000
Mullumbimby Showground Land Manager	Stimulus Grants Program	303,938
Upper Hunter Show Incorporated	Stimulus Grants Program	302,988
Woodenbong Reserve Land Manager	Stimulus Grants Program	256,048
Gundagai Racecourse and Showground Land Management	Stimulus Grants Program	250,036
Murrumburrah Showground Land Manager	Stimulus Grants Program	228,270
The Ascent Group Australia Limited	COVID-19 Recovery Support Program	219,000
Candelo Showground Trust	Stimulus Grants Program	214,091
Hillston Showground Land Manager	Stimulus Grants Program	210,023
Norah Head Lighthouse Reserve	Regional NSW Stimulus Program	200,000
North Coast National Agricultural and Industrial Society	Stimulus Grants Program	181,818
Moruya Jockey Club Limited	Regional NSW Stimulus Program	174,000
Gilgandra Showground Land Manager	Stimulus Grants Program	169,738
Peak Hill Showground Trust	Stimulus Grants Program	155,800
Temora Showground Land Manager	Stimulus Grants Program	153,573
Bedgerabong Showground, Racecourse, Public Recreation and Public Hall Land Manager	Stimulus Grants Program	152,500
Wee Waa Showground Land Manager	COVID-19 Recovery Support Program	150,000

Recipient organisation	Program/Program area	Amount (\$)
Tooraweenah Pastoral Agricultural and Horticultural Association Incorporated	Stimulus Grants Program	148,500
Trundle Showground Land Manager	Stimulus Grants Program	140,096
Manning River Agricultural and Horticultural Society Taree Incorporated	Stimulus Grants Program	139,757
Broken Hill Regional Events	COVID-19 Recovery Support Program	136,364
Wingham Showground Trust	COVID-19 Recovery Support Program	135,955
Glen Innes Showground Land Manager	COVID-19 Recovery Support Program	135,900
Bedgerabong Showground, Racecourse, Public Recreation and Public Hall Land Manager	COVID-19 Recovery Support Program	135,000
Moss Vale and District Agricultural Horticultural and Industrial Society	Stimulus Grants Program	133,705
Broken Hill Historical Society Incorporated	COVID-19 Recovery Support Program	133,210
West Wyalong Showground Trust	Stimulus Grants Program	126,537
Robertson Showground Land Manager	Stimulus Grants Program	124,766
Glen Innes and District Historical Society	COVID-19 Recovery Support Program	119,091
Bega Showground Land Manager	COVID-19 Recovery Support Program	119,000
Uralla Showground Land Manager	Stimulus Grants Program	118,926
Glenreagh Public Recreation Reserve	COVID-19 Recovery Support Program	118,637
Gresford Park Land Manager	COVID-19 Recovery Support Program	118,438
Wagga Wagga Show Society	Stimulus Grants Program	110,182
Little Plain Recreation and Public Hall	Stimulus Grants Program	106,000
Moonan Brook Recreation Reserve	COVID-19 Recovery Support Program	103,936
Young Showground Land Manager	COVID-19 Recovery Support Program	103,400
Dirawong Reserve Land Manager	COVID-19 Recovery Support Program	103,113
Bellingen Showground Land Manager	Stimulus Grants Program	99,475
Tumut Showground Land Manager	Stimulus Grants Program	99,168
Young Showground Land Manager	Stimulus Grants Program	98,073
Comboyne Agricultural and Horticultural Society	Stimulus Grants Program	96,120
Byron Youth Service Incorporated	COVID-19 Recovery Support Program	96,104
Springhill Recreation Ground	COVID-19 Recovery Support Program	87,417
Wauchope Show Society Limited	Stimulus Grants Program	83,000
Bungendore Racecourse and Showground Trust	Stimulus Grants Program	80,141
Cessnock and District Agricultural Society Incorporated	Stimulus Grants Program	80,000

Recipient organisation	Program/Program area	Amount (\$)
Coolac Recreation Reserve and Public Hall Land Manager	COVID-19 Recovery Support Program	75,897
Ariah Park Showground Land Manager	Stimulus Grants Program	75,368
Forbes Pastoral Agricultural and Horticultural Association Incorporated	Stimulus Grants Program	72,745
Museum of Education Land Manager	Regional NSW Stimulus Program	66,000
Toongi Recreation Reserve and Hall	COVID-19 Recovery Support Program	65,510
Crookwell Agricultural Pastoral and Horticultural Society Incorporated	Stimulus Grants Program	64,704
Koorawatha Showground Land Manager	Stimulus Grants Program	64,503
Grafton Showground and Recreation Reserve Trust	COVID-19 Recovery Support Program	62,000
Patonga Public Hall and Bush Fire Brigade Land Manager	COVID-19 Recovery Support Program	57,600
Coonabarabran Showground Land Manager	Stimulus Grants Program	56,258
Cobargo Showground Land Manager	Stimulus Grants Program	55,305
Moree Showground Trust	Stimulus Grants Program	50,592
Dunoon Public Recreation and Public Hall	COVID-19 Recovery Support Program	42,350
Ganmain Show Ground Land Manager	Stimulus Grants Program	41,774
Tenterden Recreation Reserve	COVID-19 Recovery Support Program	40,830
Morongla Creek Showground Land Manager	Stimulus Grants Program	40,606
Grafton Showground and Recreation Reserve Trust	Capital and Maintenance Stimulus Program	38,022
Nimbin Agricultural and Industrial Society Incorporated	Stimulus Grants Program	38,000
Wattamondara Recreation Reserve	COVID-19 Recovery Support Program	37,802
Tomingley Racecourse and Recreation	Stimulus Grants Program	36,000
Towrang Community Hall Reserve	COVID-19 Recovery Support Program	35,000
Wandsworth Community Centre	COVID-19 Recovery Support Program	34,155
Leeton Showground Trust Land Manager	Stimulus Grants Program	33,030
Illabo Showground Land Manager	COVID-19 Recovery Support Program	30,948
Drury Lane theatre Incorporated	COVID-19 Recovery Support Program	30,000
Dooralong Community Reserve Trust	COVID-19 Recovery Support Program	29,931
Narrandera Showground	COVID-19 Recovery Support Program	29,728
Brocklehurst Horse and Pony Club Reserve	COVID-19 Recovery Support Program	28,990
Uralla Men's Shed Incorporated	COVID-19 Recovery Support Program	28,880
Taralga and Districts Showground and Recreation Co-Operative Limited	Stimulus Grants Program	28,105

Recipient organisation	Program/Program area	Amount (\$)
Tarana Valley Community Group Incorporated	COVID-19 Recovery Support Program	27,367
Ganmain Show Ground Land Manager	COVID-19 Recovery Support Program	27,277
Armidale Showground Reserve Land Manager	COVID-19 Recovery Support Program	27,200
Yass Show Society Incorporated	Stimulus Grants Program	25,000
The Trustee for Warialda	Stimulus Grants Program	23,511
Tullamore Pastoral Agricultural and Horticultural Association Incorporated	Stimulus Grants Program	22,000
Manildra Showground and Public Recreation Land Manager	Stimulus Grants Program	21,366
Gundaroo Park Land Manager	COVID-19 Recovery Support Program	20,469
Newcastle Historic Reserve Trust	COVID-19 Recovery Support Program	20,289
Cobargo Showground Land Manager	COVID-19 Recovery Support Program	20,218
Kyogle Showground and Public Recreation Land Manager	Stimulus Grants Program	19,327
Dorrigo Showground and Public Recreation Land Manager	COVID-19 Recovery Support Program	19,287
Borambil Recreation Reserve Land Manager	COVID-19 Recovery Support Program	19,277
The Nambucca River District Agricultural Association Limited	Stimulus Grants Program	18,905
Tirkandi Inaburra Cultural and Development Centre Incorporated	COVID-19 Recovery Support Program	18,781
Bendemeer Pre-School Incorporated	COVID-19 Recovery Support Program	17,495
Bendick Murrell Recreation Reserve	COVID-19 Recovery Support Program	17,352
Quandialla and Recreation and Public Showground	Stimulus Grants Program	15,200
Kingstown Public Hall Land Manager	COVID-19 Recovery Support Program	14,546
Dungog Common Recreation Reserve	COVID-19 Recovery Support Program	14,367
Dunedoo Showground Land Manager	COVID-19 Recovery Support Program	14,002
Narrandera Showground	Stimulus Grants Program	12,000
Gundillion Recreation Reserve	COVID-19 Recovery Support Program	9,755
Kempsey Showground Land Manager	COVID-19 Recovery Support Program	9,196
Cawongla Playhouse Incorporated	COVID-19 Recovery Support Program	9,065
Barellan Showground Land Manager	COVID-19 Recovery Support Program	8,800
Oberon Showground Land Manager	COVID-19 Recovery Support Program	8,233
Corindi Beach Reserve Land Manager	COVID-19 Recovery Support Program	8,200
Johns River Community Hall	COVID-19 Recovery Support Program	7,343
Camden Haven Community College Incorporated	COVID-19 Recovery Support Program	7,245

Recipient organisation	Program/Program area	Amount (\$)
Woodenbong Reserve Land Manager	COVID-19 Recovery Support Program	6,860
Neville Showground and Recreation Area	COVID-19 Recovery Support Program	6,763
Bermagui Flora and Fauna Reserve	COVID-19 Recovery Support Program	6,600
Gundy Crown Reserves Land Manager	COVID-19 Recovery Support Program	6,578
Tyalgum Community Hall Association	COVID-19 Recovery Support Program	6,068
Grenfell Showground Land Manager	COVID-19 Recovery Support Program	5,941
Hunter Care Limited	COVID-19 Recovery Support Program	5,656
Nyngan Baptist Fellowship	COVID-19 Recovery Support Program	5,400
The Manning Media Co-Operative Limited	COVID-19 Recovery Support Program	5,182
Oberne Recreation Reserve Land Manager	COVID-19 Recovery Support Program	5,158
Inverell Jockey Club Incorporated	COVID-19 Recovery Support Program	3,345
Autism Spectrum Australia (Aspect)	COVID-19 Recovery Support Program	3,189
Laggan Hall Land Manager	COVID-19 Recovery Support Program	2,289
Meerschaum Vale Community Hall Trust	COVID-19 Recovery Support Program	1,980



## Increasing resilience to climate change

These grants were provided to organisations to transition and deliver projects that increase preparedness and adaptation to climate change and variability.

**Table 66: Funds granted for increasing resilience to climate change**

Recipient organisation	Program/Program area	Amount (\$)
Kandos School of Cultural Adaptation	Contribution to assist the delivery of climate resilience initiatives for rural land restoration in Land Studio Pilot project	3,000
Tamworth Regional Landcare Association	Contribution to projects to increase resilience to climate change	3,000
Port Macquarie Community Gardens	Contribution towards building climate change resilience and adaptive capacity through knowledge sharing	3,000
Z-net Uralla Incorporated	Contribution towards establishing a water blueprint for the Uralla Shire to support necessary changes to water supply	3,000
Small Farms Network Capital Region Incorporated	Contribution towards increasing small farm resilience to extreme heat, drought and bushfires	3,000
Friends of Foresthaven Incorporated	Contribution to assist youth led initiatives and resilience training workshops	3,000
Pari Incorporated	Contribution to assist teaching of practical and creative responses to climate change to Western Sydney's diverse communities	3,000
Bowning and Bookham Districts Landcare Group	Contribution to Let's Try It! project to increase resilience to climate change	3,000
Scarf Incorporated	Contribution towards building emerging community resilience to natural disaster emergencies, in a climate of change focusing on the Illawarra region	3,000
Dharriwaa Elders Group Incorporated	Contribution towards reinvigorating a water resilient community garden at the Walgett Aboriginal Medical Service	2,998
Brunswick Valley Landcare Incorporated	Contribution to create a planting guide for the Northern Rivers in NSW to assist in adapting to climate variability	2,985
Armidale Tree Group Incorporated	Contribution towards adapting revegetation and bushland management to a hotter and drier climate	2,715
Beyond Zero Emission Incorporated	Contribution to projects to increase resilience to climate change	2,627
Upper Shoalhaven Landcare Council	Contribution towards healing country and community with Good Fire Practices	2,500
Gwymac Incorporated	Contribution to assist climate adaptation processes in Inverell and New England North West region through adaptation of regenerative agricultural methods	2,482
Petaurus Education Group	Contribution to assist in demonstrating ways to enhance habitat resilience to climate change at Wirraminna	2,343
Mid Coast 2 Tops Landcare Connection Incorporated	Contribution towards recovery planning for the sub catchment to rebuild community and landscape resilience	2,121

Recipient organisation	Program/Program area	Amount (\$)
Lions Club of Shoalhaven Heads Incorporated	Contribution towards extreme heat management processes in greening Jerry Bailey Oval	2,000

## Saving Our Species

Funds granted for Saving our Species programs were provided to organisations towards conservation projects and programs required to save threatened plants and animals in the wild in NSW.

**Table 67: Funds granted for Saving our Species programs**

Recipient organisation	Program/Program area	Amount (\$)
Bush Heritage Australia	Contribution toward partnership for landscape species and threatened ecological communities conservation	226,407
National Park Foundation	Contribution to support the rescue and rehabilitation of injured and displaced wildlife affected by bushfires	180,000
Molonglo Conservation Group	Contribution toward partnership for landscape species and threatened ecological communities conservation.	150,000
Big Scrub Rainforest Landcare	Contribution toward partnership for landscape species and threatened ecological communities conservation.	113,100
NSW Wildlife Information Rescue & Education Service Incorporated	Partnership with the James Moroney Correctional Facility for the management of surrendered, abandoned and seized reptiles through the Geoffrey Pearce Wildlife Care Centre	100,000
Nature Conservation Council of NSW	Contribution toward partnership for landscape species and threatened ecological communities conservation.	64,146
National Park Foundation	Annual contribution to administration of the Foundation for National Parks & Wildlife	50,000
Port Stephens Koala & Wildlife Preservation Society Ltd	Contribution toward purchase of koala rescue and rehabilitation equipment	49,486
Foundation for National Parks	Contribution to provide Q fever vaccinations	44,000
NSW Wildlife Council Incorporated	Annual contribution for wildlife rescue and rehabilitation policy body	25,000
Tweed Valley Wildlife Carers Incorporated	Contribution toward purchase of koala rescue and rehabilitation equipment	23,501
Greening Australia	Contribution toward partnership for landscape species and threatened ecological communities conservation.	22,706
Looking After Our Kosciusko Orphans	Contribution toward purchase of koala rescue and rehabilitation equipment	20,017
Australian Seabird Rescue Incorporated	Partnership contribution to reduce impacts on threatened and protected species	15,050
Wildlife Rescue South Coast Incorporated	Contribution toward purchase of koala rescue and rehabilitation equipment	8,766
Organisation for the Rescue and Research of Cetacean Australia (ORRCA) Incorporated	Partnership contribution to reduce impacts on threatened and protected species	6,059

Recipient organisation	Program/Program area	Amount (\$)
LAOKO - Looking After Our Kosciusko Orphans	Annual contribution for the care of Australian native wildlife	2,500
Illawarra Alpine Club	Contribution to 50-year celebration of partnership between Kosciuszko Huts Association, Illawarra Alpine Club and National Parks and Wildlife Services	2,000
Native Animal Trust Fund	Annual contribution for Wildfire Carers Group	1,500
Australian Seabird Rescue Incorporated	Annual contribution for Wildfire Carers Group	1,500
Wildlife in Need of Care Incorporated	Annual contribution for Wildfire Carers Group	1,500
FAWNA NSW Incorporated	Annual contribution for Wildfire Carers Group	1,500

## Office of the Chief Scientist & Engineer

The Department provides grants to support science and engineering research programs in NSW.

**Table 68: Funds granted for research programs**

Recipient organisation	Program/Program area	Amount (\$)
Zetifi	Research Attraction and Acceleration Program	1,471,000
University of New South Wales	Research Attraction and Acceleration Program	1,470,513
MicroTauPropriety Limited	Research Attraction and Acceleration Program	980,325
BioScout Propriety Limited	Research Attraction and Acceleration Program	627,000
Macquarie University	Research Attraction and Acceleration Program	300,000
Race For 2030 Limited	Research Attraction and Acceleration Program	300,000
The University of Newcastle	Research Attraction and Acceleration Program	153,000
University of Wollongong	Research Attraction and Acceleration Program	65,000
One Giant Leap Australia Foundation	Research Attraction and Acceleration Program	40,000
National Youth Science Forum	Research Attraction and Acceleration Program	25,000
The Royal Society of NSW	Research Attraction and Acceleration Program	8,000
The Australian Meteorological and Oceanographic Society	Research Attraction and Acceleration Program	6,000
Science Teachers Association of NSW	Research Attraction and Acceleration Program	5,500
Australian Citizen Science Association	Research Attraction and Acceleration Program	4,000
University of Technology Sydney	Research Attraction and Acceleration Program	3,500
The Florey Institute of Neuroscience and Mental Health	Research Attraction and Acceleration Program	3,000
ASN Conferences Propriety Limited	Research Attraction and Acceleration Program	2,531
AINSE Limited	Research Attraction and Acceleration Program	1,000
International Institute of Data and Analytics	Research Attraction and Acceleration Program	1,000

The above includes grants paid by the Office of Chief Scientist and Engineer from 1 July 2020 to 29 March 2021. Under the Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2021, the Office of Chief Scientist & Engineer was transferred from the Department of Planning, Industry and Environment to Investment NSW, which was created on 29 March 2021.

## Miscellaneous programs

The Department provides grants to support community groups against a range of other programs that are included in the table below.

**Table 69: Funds granted for the following programs**

Recipient organisation	Program/Program area	Amount (\$)
Barkandji Native Title Group Aboriginal Corporation RNTBC	Native Title Program	1,805,909
Greening Australia Limited	To facilitate tree planting in schools	750,000
Bandjalang Aboriginal Corporation	Native Title Program	382,273
Planet Ark Environmental Foundation	To facilitate tree planting in schools	210,000
Community Energy for Goulbourn Incorporated	Regional Communities Development	170,000
Bandjalang Aboriginal Corporation	Cultural Heritage Assessment Program	145,000
Barkandji Native Title Group RNTBC	Cultural Heritage Assessment Program	145,000
Githabul Nation Aboriginal Corporation RNTBC	Cultural Heritage Assessment Program	145,000
Ngullingah Jugun (Our Country) Aboriginal Corporation RNTBC	Cultural Heritage Assessment Program	145,000
Bundjalung of Byron Bay Aboriginal Corporation (Arakwal)	Cultural Heritage Assessment Program	135,000
Gumbaynggirr Wenonah Head Aboriginal Corporation	Cultural Heritage Assessment Program	100,000
NTS Corp Limited	Native Title Program	43,334
Wanggaan (Southern) Gumbaynggirr Nation Aboriginal Corporation RNTBC	Cultural Heritage Assessment Program	40,000
First Hand Solution Aboriginal Corporation	To supply native trees to households	36,000
Women for Election Australia	To support women participating in local government elections	9,545

## NSW Land and Housing Corporation

NSW Land and Housing Corporation (LAHC) provided grants to non-government community groups and other organisations as part of the NSW Government's stimulus program to invigorate the economy, boost employment in NSW and assist in the recovery from the COVID-19 pandemic.

**Table 70: Funds granted for LAHC programs**

Recipient organisation	Program / Program area	Amount (\$)
St George Community Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	5,640,065
Evolve Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	4,308,937
Argyle Community Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	3,864,128
Hume Community Housing	Community Housing Provider Stimulus Capital Maintenance Program	3,578,915
Master Builders Association Of NSW Pty Limited	Stimulus Apprenticeship Program	3,120,909
Homes North Community Housing	Community Housing Provider Stimulus Capital Maintenance Program	2,630,498
Housing Industry Association Limited	Stimulus Apprenticeship Program	2,613,636
NSW Federation Of Housing Associations Incorporated	Stimulus Apprenticeship Program	2,188,750
Mission Australia Housing	Community Housing Provider Stimulus Capital Maintenance Program	1,789,605
Link Wentworth Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	1,725,882
Housing Plus	Community Housing Provider Stimulus Capital Maintenance Program	1,542,200
Bridge Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	1,529,288
Compass Housing Services Co Limited	Community Housing Provider Stimulus Capital Maintenance Program	1,499,543
Pacific Link Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	1,290,856
Womens Housing Company Limited	Community Housing Provider Stimulus Capital Maintenance Program	1,170,021
Amelie Housing	Community Housing Provider Stimulus Capital Maintenance Program	1,109,286
Link Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	1,045,676
The Housing Trust	Community Housing Provider Stimulus Capital Maintenance Program	997,492

Recipient organisation	Program / Program area	Amount (\$)
Homes Out West	Community Housing Provider Stimulus Capital Maintenance Program	832,814
Community Housing Limited	Community Housing Provider Stimulus Capital Maintenance Program	780,775
The Salvation Army Community Housing	Community Housing Provider Stimulus Capital Maintenance Program	736,960
Wesley Community Services Limited	Community Housing Provider Stimulus Capital Maintenance Program	713,899
Southern Youth And Family Services	Community Housing Provider Stimulus Capital Maintenance Program	591,080
Common Equity NSW Limited	Community Housing Provider Stimulus Capital Maintenance Program	583,967
Project Youth	Community Housing Provider Stimulus Capital Maintenance Program	564,695
Aruma Services	Community Housing Provider Stimulus Capital Maintenance Program	346,756
Third Sector Australia Limited	Community Housing Provider Stimulus Capital Maintenance Program	321,497
Samaritans Foundation Diocese Of	Community Housing Provider Stimulus Capital Maintenance Program	317,344
Molonglo Support Services Limited	Community Housing Provider Stimulus Capital Maintenance Program	255,791
Anglicare North Coast	Community Housing Provider Stimulus Capital Maintenance Program	236,823
Warrina Domestic And Family Violence Specialist Services	Community Housing Provider Stimulus Capital Maintenance Program	222,802
North Coast Community Housing Company Limited	Community Housing Provider Stimulus Capital Maintenance Program	161,588
Metro Community Housing Co-Operative Limited	Community Housing Provider Stimulus Capital Maintenance Program	101,961
Taldumande Youth Services Incorporated	Community Housing Provider Stimulus Capital Maintenance Program	85,623

(\*) Grant amount rounded to nearest dollar. Source data: SAP vendor payments



## Appendix 29. Government Resource Efficiency Policy

### Government leading the way

The NSW Government Resource Efficiency Policy (GREP) aims to promote the efficient use of resources in state agencies, which in turn can help reduce their operating costs, by setting out actions, targets and minimum standards. The policy relates to aspects such as energy efficiency, water conservation, waste recycling and reuse, and reduction of harmful emissions from Government operations. The Department's GREP report for 2019–20 can be accessed at <https://www.environment.nsw.gov.au/topics/sustainability/sustainability-in-government/government-resource-efficiency-policy>.

## Appendix 30. Reports required under the Wilderness Act 1987

The *Wilderness Act 1987* (Act) provides the legislative framework for the nomination, assessment, identification and declaration of wilderness areas and their management. There are over 2 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 2020–21.

Under section 9 of the Act, wilderness areas are managed to restore (if applicable) and protect the unmodified state of the area and its plant and animal communities. Their purpose is to preserve the capacity of the area to evolve in the absence of significant human interference, and permit opportunities for solitude and appropriate self-reliant recreation (whether of a commercial nature or not). Management of natural and cultural heritage, introduced species and fire is carried out in wilderness areas as in other parts of the National Park estate, but with special attention to minimising impacts on wilderness values.

The New England Reserves plan of management and Cottan-Bimbang Group plan of management were adopted by the Minister for Energy and Environment in mid-2021 and are managed in accordance with the Act. Three-quarters (51,700 hectares) of New England National Park is dedicated wilderness which permits minimal impact recreational activities such as bushwalking and cycling.

Approximately 10,400 hectares of Cottan-Bimbang National Park is declared wilderness. It is part of the Mount Seaview Wilderness Area, which also includes the neighbouring Mount Seaview Nature Reserve, and forms part of a continuous corridor of declared wilderness including the Werrikimbe, Willi Willi, Kunderang and Macleay Gorges wilderness areas. Minimal impact bushwalking is permitted in the wilderness areas.

## Appendix 31. Reports required under Part 4A *National Parks and Wildlife Act 1974*

### Biamanga National Park Board of Management

The Biamanga National Park Board of Management, together with its Gulaga counterpart, has been implementing the Yuin Bangguri (Mountain) Parks Plan of Management. The plan was approved in 2014 and relates to both the Biamanga and Gulaga national parks. Consistent with the plan, in 2020–21 the Biamanga board:

- continued the review of the lease
- continued the internal (National Parks and Wildlife Service) review of the plan's priorities and actions
- participated in koala surveys and multi-agency cultural burn planning within the neighbouring Murrah Flora Reserves cultural landscape
- participated in NSW Rural Fire Service training to train youth for the cultural burning program
- supported the Geographical Names Board dual naming proposal for Mumbulla Mountain/Biamanga National Park, Mount Dromedary/Gulaga National Park, Montague Island/Barunguba Nature Reserve, and Little Dromedary/Najanuka mountain
- conducted planning with Heritage NSW, Department of Premier and Cabinet for a Back to Country celebration of the Aboriginal Places declared on the NSW south coast in the last few years
- participated in the NPWS NSW Joint Custodians meeting in Jindabyne in May 2021
- participated in the Office of the Registrar Aboriginal Land Rights Act (ORALRA) forum in Parramatta in March 2021
- held four board meetings, two joint board meetings and two Aboriginal owners meetings

In 2020, the South Coast fires affected 11,500 hectares (more than 84%) of Biamanga National Park. Replacement and repairs continued for the walking tracks and lookout in the Biamanga Cultural Area affected by the fires. The area remains closed until it is safe for visitors.

### Gulaga National Park Board of Management

In collaboration with its Biamanga counterpart, the Gulaga National Park Board of Management has been implementing the Yuin Bangguri (Mountain) Parks Plan of Management. Consistent with the plan, in 2020–21 the Gulaga board:

- continued the review of the lease
- continued the internal NPWS review of the plan's priorities and actions
- supported the Geographical Names Board dual naming proposal for Mumbulla Mountain/Biamanga National Park, Mount Dromedary/Gulaga National Park, Montague Island/Barunguba Nature Reserve, and Little Dromedary/Najanuka mountain
- conducted planning with Heritage NSW, Department of Premier and Cabinet to celebrate the gazetting of numerous Aboriginal Places declared on the south coast, including an historical gazettal in 1979
- commenced planning for a Back to Country celebration

- participated in the NPWS NSW Joint Custodians meeting in Jindabyne in May 2021
- participated in the Office of the Registrar Aboriginal Land Rights Act forum in March 2021
- held three board meetings, two joint board meetings and two Aboriginal owners meetings
- completed a COVID-19 Plan for Bellbrook Dairy Farm.

The board also hosted the Southern Regional Aboriginal Network meeting at the Bellbrook Dairy and Loop Track locations on 26 May 2021. Through storytelling and informal discussions, staff gained an increased understanding and appreciation of the cultural significance and nature conservation values of the Gulaga National Park and the Bellbrook Loop Track.

## Gaagal Wanggaan (South Beach) National Park Board of Management

The Gaagal Wanggaan National Park Board of Management has met its statutory requirements including preparation and adoption of governance policies and procedures required under the lease agreement for the park. A new board has been appointed for the 2020–24 term. This is the third Gaagal Wanggaan National Park Board appointed by the Minister for Energy and Environment.

The board began preparing a plan of management in late 2020–2021 and made a significant commitment by funding a planner for 12 months in 2021–2022.

The National Parks and Wildlife Service continued negotiations on behalf of the 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 board has been Indigenous Land Use Agreement negotiations with Gumbaynggirr native title holders that began in 2019. Negotiations have commenced and the board is a key stakeholder in the negotiations.

## Mount Grenfell Historic Site Board of Management

In November 2020, the area under joint management was increased following the reservation of a mix of national park (9,209 hectares) and state conservation area (6,148 hectares), bringing the total area of the Mount Grenfell lands to 18,186 hectares.

The Mount Grenfell Historic Site Board of Management adopted cultural protocols for undertaking business on Mount Grenfell lands as the site becomes more popular and there are more enquiries from commercial operators to include the site on itineraries. The board is finalising plan of management amendments to support outcomes of the business plan, additional land reservation and lease amendments. Community members also received a booklet celebrating the achievements at Mount Grenfell over the term of the current board.

In April 2021, a community meeting was held to discuss community matters and nominate representatives for a new board of management. The weekend also included a ‘family day’ on Mount Grenfell to celebrate lands being handed back to the Ngiyampaa people. More than 80 people attended the event, which included a small ceremony, children’s activities, traditional dancing and a BBQ lunch.

The board again renewed its commitment to the junior board to allow members to participate in activities that support cultural association with the lands. The junior board was very active in taking leadership roles as part of the April community meeting and family day.

Heritage NSW is leading a Rock Art Audit across the state to help support significant sites. Mount Grenfell has been included and will be one of the first sites reviewed and assessed.

ABC TV's *Back Roads* program aired a story in December 2020 about Cobar which included a visit to Mount Grenfell with one of the traditional owners, who talked about the importance of the historic site and the community's connection to the site and the rock art. The management of the day-use area, visitor facilities and art site is a priority of the board to ensure facilities are managed in accordance with COVID-19 guidelines and are in good condition for visitation. A new Keeping Place was also installed at Mumboana to provide a secure place for objects.

Feral goat numbers were significantly reduced through goat removal contracts to reduce grazing pressures on the site. National Parks and Wildlife Service staff continued with weed and feral animal management, and boundary fencing projects with neighbours.

## Mutawintji National Park Board of Management

The Mutawintji National Park Board of Management succeeded in gaining an NSW Environmental Trust Rehabilitation and Restoration Grant, submitted as the Mutawintji Country Repair: Paliirra Pantji, Paliirra Marnti Project.

'Paliirra Pantji, Paliirra Marnti' translates to 'good creeks and good soils'. The project will address soil erosion in part of the Homestead Creek sub-catchment. It aims to slow the movement of water and minimise erosion, rehydrate soils, encourage vegetation growth, improve biodiversity and repair ecological functions. The project also addresses the Marima Kiirra (care for country) high priority actions within the plan of management.

Board members were engaged to assist with Stage 1 of these works which provided local Wiimpatja employment and improved Wiimpatja presence at the park. Members worked alongside Local Land Services staff which gave them invaluable onsite training and transfer of knowledge in erosion control.

Board members, deputies and reserves received training such as an introduction to firearms and the 'Fly the wire and other obstructions' aviation training. These training opportunities enable local Wiimpatja to work with the National Parks and Wildlife Service when these skills are required and give them the skills and knowledge needed to gain employment on the Mutawintji Lands.

The board's vision of 'a great national park run by Wiimpatja', as stated in the plan of management, has been a major focus, with all positions at the Mutawintji National Park filled by Wiimpatja staff. This is a high priority action for the board and its plan of management. During 2020–21 there was a push to fill these positions to allow 'continued close contact with the Lands, to build and express Wiimpatja pride in Mutawintji, allow traditional knowledge to be applied and shared, develop the economic base and security of Wiimpatja families and grow peoples' personal confidence and abilities.'

The board approved the construction of a goat-proof fence that will enclose the western ridge, providing a safe haven for many species including the threatened Wangarru (yellow footed rock wallaby) and vegetation communities such as the inland acacia and casuarina shrublands. This project will provide local Wiimpatja with employment opportunities and training in fence construction delivered by a registered training organisation.

The board also approved the improvement of fire trails in and around the high visitor access precincts on the Mutawintji Lands. The road works will improve Wiimpatja and visitor access to the area and ensure that fire risk is managed within the high-use areas of the Mutawintji Lands.

## Worimi Conservation Lands Board

The Worimi Conservation Lands Board is implementing a plan of management approved in 2015 for the conservation lands, which was established in 2015. Consistent with the plan, in 2020–21 the board continued to implement a range of programs and initiatives:

- The completed sand fencing stabilised the vulnerable frontal dunes. Middens were also recorded in the recreation vehicle area
- The Worimi board and deputy members and National Parks and Wildlife Service (NPWS) staff completed two days of training in Aboriginal site identification
- Purchasing an excavator assisted with works on the conservation lands and other NPWS reserves in the Hunter Coast area, with a new truck from NPWS complementing this purchase
- The Ganyamalbaa camping area attracted more visitors, achieved a 90% satisfaction rate and benefited from the \$20,000 spent on frontal dune fencing for its rehabilitation
- The creation of a newsletter for registered Aboriginal owners improved the communication of updates about works on the conservation lands
- The board met multiple times with NPWS and the Worimi Local Aboriginal Land Council to thoroughly review the lease agreement for the conservation lands. The board has outlined items from this nearly-completed review that will be integral in its strategic plan
- The board has been working closely with NPWS to design the new office/depot for the Hunter Coast area. This includes providing input on the design features, working with the NPWS project officer and architect, and agreeing to a 50/50 cost-sharing for capital and ongoing maintenance costs
- The Aboriginal Owner Board members visited the conservation lands a number of times to identify a suitable camping area where Aboriginal owners can perform cultural practices and share knowledge. Work on developing this site will begin in 2021–22
- The board is working closely with the department's Environment, Energy and Science group on a Climate Change Adaptation project to mitigate any risks to cultural material on the conservation lands. This includes working through pathways to better protect cultural sites and determine triggers for action and intervention
- Capital and recurrent funding enabled the continuation of frontal dune rehabilitation works. NPWS also contributed an additional \$60,000 for frontal dune fencing on the conservation lands
- Funds from the trust account supported maintenance operations and major works such as graveling, grading and managing sand movement at the three public and commercial operator beach access points to the conservation lands

## **Appendix 32. Exemptions from reporting provisions**

The Department has not been exempted from any annual reporting provisions for the 2020–21 financial year.

## Appendix 33. Register of annual sponsorship commitments

**Table 71: Register of annual sponsorship commitments**

Reference	Sponsorship or event name	Event date	Sponsorship amount (\$)	Business unit
20006	NSW/ACT Regional Achievement and Community Awards	3 years	120,000 (3 years)	Crown Lands Management
20007	Australian Organics Recycling Association (AORA) 2020 conference 'Pathways to Sustainable Growth'	1–3 April 2020	10,000	Environment, Energy and Science
20009	Committee for Sydney - Public Space Ideas Competition	October 2020	115,000	Place, Design and Public Spaces
20016	2020 Local Government NSW (LGNSW) Water Management Conference	6–8 October 2020	10,000	Water
20017	National Parks and Wildlife Service (NPWS) Junior Rangers Program	-	In kind	NPWS
20021	Planet Ark - National Tree Day	2020–23	315,000 (3 years)	Place, Design and Public Spaces
20022	Australasian Emissions Reduction Summit	June 2021 (postponed to December 2021)	50,000	Environment, Energy and Science
20024	Planning Institute of Australia (PIA) Rural & Regional Planning Conference	17–19 November 2020	12,500	Planning and Assessment, and Place, Design and Public Spaces
20025	Western Sydney Leadership Dialogue - BOOMTOWN! Property & Infrastructure Summit	September 2020 to June 2021	30,000	Planning and Assessment, and Place Design and Public Spaces
20026	NSW/ACT Regional Achievement and Community Awards	2020	39,250	Crown Lands Management
20028	2021 Local Government NSW (LGNSW) Water Management Conference	7–9 July 2021	10,000	Water
20029	Total Field Day event	30 April to 2 May 2021	5,000	Natural Resources Access Regulator
20030	PIA National Congress 2021	National Planning Festival (24–28 May), NSW Awards for Planning Excellence (4 November), and NSW State Conference (15–17 September)	27,000	Planning and Assessment, and Place, Design and Public Spaces



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Reference	Sponsorship or event name	Event date	Sponsorship amount (\$)	Business unit
20033	Country Women's Association of NSW state conference	3 May 2021	1,650	Environment, Energy and Science
20036	LGNSW Annual Conference	8 May 2021	10,000	Planning and Assessment

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## **Appendix 34. Annual report external production costs**

Nil above existing resources.

# Annual report compliance checklist

This section matches the reporting requirements in the NSW Treasury *Annual Report Compliance Checklist September 2021* to the corresponding section of the report.

**Table 72: Table: Reporting requirements and corresponding report sections**

Requirement	Report section	Starts on page
Letter of submission	Letter of submission	ii
Application for extension of time	N/A	N/A
Charter (establishment and principal legislation)	About the Department	5
	Appendix 1. Legislation and legal change	38
	NSW Land and Housing Corporation	14
Aims and objectives (includes services)	About the Department	5
	NSW Land and Housing Corporation	14
Access	Contact details	435
Management and structure	Our principal officers	9
	Our structure	7
Summary review of operations	Thriving environments, communities and economies	10
Funds granted to non-government community organisations	Appendix 28. Funds granted to non-government community organisations	141
Legal change	Appendix 1: Legislation and legal change	38
Economic or other factors	Thriving environments, communities and economies	38
Management and activities	Thriving environments, communities and economies	38
	Appendix 12. Evaluation and improvement	
Research and development	Appendix 18. Research and development	101
Human resources	Appendix 14. Human resources	89
Consultants	Appendix 20. Consultants	114
Workforce diversity	Appendix 15. Workforce diversity and disability inclusion action plans	92
Disability Inclusion Action Plans	Appendix 15. Workforce diversity and disability inclusion action plans	92
Land disposal	Appendix 22. Land disposal	125
Promotion	Appendix 19. Overseas travel	113
Consumer response	Appendix 3. Consumer response	44
Payment of accounts	Appendix 21. Payment of accounts and time for payment	117
Time for payment of accounts	Appendix 21. Payment of accounts and time for payment	117
Risk management and insurance activities	Appendix 8. Risk management and insurance activities	67

Requirement	Report section	Starts on page
Internal audit and risk management policy attestation	Appendix 10. Internal audit and risk policy attestation	79
Disclosure of controlled entities	Appendix 24. Disclosure of controlled entities	131
Disclosure of subsidiaries	Appendix 25. Disclosure of subsidiaries	132
Multicultural Policies and Services Program	Appendix 16. Multicultural Policies and Services Program and agreements with Multicultural NSW	98
Agreements with Multicultural NSW	Appendix 16. Multicultural Policies and Services Program and agreements with Multicultural NSW	98
Work health and safety (WHS)	Appendix 13. Work health and safety	86
Budgets (applies to NSW Land and Housing Corporation)	Other financial information	431
	NSW Land and Housing Corporation financial performance	363
		374
Financial statements	Financial statements	167
Identification of audited financial statements	Financial statements	167
Inclusion of unaudited financial statements	N/A	
Investment performance (applies to NSW Land and Housing Corporation)	N/A	
Liability management performance (applies to NSW Land and Housing Corporation, only if debt is greater than \$20 million)	NSW Land and Housing Corporation liability management performance (only if debt is greater than \$20 million)	374
Statement of action taken by the Department in complying with the requirements of the <i>Privacy and Personal Information Protection Act 1998</i> and statistical details of any review conducted by or on behalf of the Department under Part 5 of the Act	Appendix 6. Privacy management	63
After-balance date events having a significant effect in succeeding year on financial operations, other operations, clientele/community served	Financial statements	167
Total external costs incurred in the production of the report	Appendix 34. Annual report external production costs	163
The website at which the report may be accessed	<a href="https://www.opengov.nsw.gov.au/publications">https://www.opengov.nsw.gov.au/publications</a> <a href="https://www.planning.nsw.gov.au/-/media/Files/DPE/Reports/annual-reports-and-corporate-plans/">https://www.planning.nsw.gov.au/-/media/Files/DPE/Reports/annual-reports-and-corporate-plans/</a>	
Exemptions	Appendix 32. Exemptions from reporting provisions	160
Numbers and remuneration of senior executives	Numbers and remuneration of senior executives	89

Requirement	Report section	Starts on page
Implementation of price determination	Appendix 27. Implementation of price determination	140
<i>Government Information (Public Access) Act 2009</i>	Appendix 4. <i>Government Information (Public Access) Act 2009</i>	54
Cyber Security Policy attestation	Appendix 11. Cyber security policy attestation	83
Public interest disclosures	Appendix 5. Public interest disclosures	62
Requirements arising from employment arrangements	Appendix 17. Requirements arising from employment arrangements	100
Material information reported, logical sequence, appropriate layout, clear readable text	Throughout	
Appropriate captions for charts, diagrams or photos	Throughout	
Table of contents	Contents	ii
Index	Index	431
Size: ISO A4	Document is in A4 format	
All production costs kept to a minimum by: <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	
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 will be provided on the Department's website and on OpenGov NSW	

# Financial statements

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# **Independent Auditor's Report—Department of Planning, Industry and Environment**



## 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 by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Department and the consolidated entity.

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 2021. 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>Fair value measurement of property, plant and equipment</b>	
<p>At 30 June 2021, 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 95.4 per cent of the total property, plant and equipment balance.</p> <p>In 2020–21, the Department performed a comprehensive revaluation of its national parks, park facilities and buildings.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>property, plant and equipment is financially significant to the Department</li> <li>the unique nature of the assets, particularly the Crown land and national parks</li> <li>the extent of significant management judgements underpinning key assumptions used in the valuation process</li> <li>the judgement and complexities associated with the application of AASB 13 'Fair Value Measurement' requirements.</li> </ul> <p>Details on the valuation techniques, inputs and processes for major asset classes are disclosed in Note 14 and Note 17.</p>	<p>Key audit procedures included:</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> <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>Recognition of Crown land assets</b>	
<p>At 30 June 2021, the Department reported Crown land assets totalling \$6.2 billion.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>the value of Crown land is financially significant to the Department</li> <li>there have been historical deficiencies in the accuracy and completeness of the recording of Crown land assets in the Crown Land Information Database (CLID) and the general ledger.</li> </ul> <p>Details on Crown land assets are disclosed in Note 14 and Note 17.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>gained an understanding of the Department's processes to manage and record Crown land assets</li> <li>reviewed and tested the reconciliation between CLID and the general ledger</li> <li>assessed the completeness and accuracy of CLID data</li> <li>examined and tested the Crown land asset movements during the financial year.</li> </ul>

### 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 GSF Act, GSF Regulations and Treasurer's Directions. The Secretary's responsibility also includes 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: [www.auasb.gov.au/auditors\\_responsibilities/ar5.pdf](http://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

6 October 2021  
SYDNEY

# Financial Statements - Department of Planning, Industry and Environment

# Department of Planning, Industry and Environment

**Financial Statements**  
*for the year ended 30 June 2021*

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**Department of Planning, Industry and Environment  
Statement by the Accountable Authority  
for the year ended 30 June 2021**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly the Department of Planning, Industry and Environment's financial position, financial performance and cash flows.



Signed.....

Jim Betts  
Secretary  
Department of Planning, Industry and Environment

Date: 29/09/2021



**Department of Planning, Industry and Environment**  
**Statement of Comprehensive Income**  
for the year ended 30 June 2021

	Notes	CONSOLIDATED			PARENT		
		Actual 2021 \$'000	Budget* 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>Expenses excluding losses</b>							
Operating expenses							
Employee related expenses	2(a)	1,148,940	1,224,518	1,502,133	1,148,934	1,224,518	1,501,780
Other operating expenses	2(b)	753,108	787,786	794,704	724,764	785,637	771,994
Depreciation and amortisation	2(c)	230,183	268,980	263,973	223,843	263,938	257,423
Grants and subsidies	2(d)	2,913,073	3,181,069	2,127,267	2,908,745	3,179,215	2,114,692
Finance costs	2(e)	17,004	20,239	10,870	17,004	20,239	10,870
Other expenses		-	22,484	-	-	22,484	-
<b>Total expenses excluding losses</b>		<b>5,062,286</b>	<b>5,505,056</b>	<b>4,698,947</b>	<b>5,023,290</b>	<b>5,496,031</b>	<b>4,656,759</b>
<b>Revenue</b>							
Appropriation	3(a)	3,319,149	3,680,784	3,009,671	3,319,149	3,680,784	3,009,671
(Transfer to the Crown)	3(i)	(61,699)	(62,323)	(54,529)	(61,281)	(62,223)	(54,411)
Sale of goods and services from contracts with customers	3(b)	316,896	873,954	389,162	291,590	825,414	362,882
Investment revenue	3(c)	85,484	17,605	94,933	81,314	16,888	89,940
Retained taxes, fees and fines	3(d)	56,128	9,150	121,102	55,671	9,150	121,192
Personnel services revenue	3(e)	289,891	-	323,470	289,891	-	323,470
Grants and other contributions	3(f)	567,224	468,391	683,539	557,713	512,555	683,379
Other income	3(g)	188,361	110,463	234,379	188,223	110,463	234,236
Acceptance by the Crown of employee benefits and other liabilities	3(h)	15,778	40,306	75,805	15,778	40,306	75,805
<b>Total revenue</b>		<b>4,777,192</b>	<b>5,138,330</b>	<b>4,877,622</b>	<b>4,738,048</b>	<b>5,133,337</b>	<b>4,846,164</b>
<b>Gain / (loss) on disposal</b>	4	<b>(20,625)</b>	<b>20,716</b>	<b>(28,539)</b>	<b>(23,225)</b>	<b>20,716</b>	<b>(30,090)</b>
<b>Other gains / (losses)</b>	5	<b>(11,437)</b>	<b>(300)</b>	<b>(47,132)</b>	<b>(11,247)</b>	<b>(100)</b>	<b>(60,043)</b>
<b>Net result</b>		<b>(317,156)</b>	<b>(346,310)</b>	<b>103,004</b>	<b>(319,714)</b>	<b>(342,078)</b>	<b>99,272</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	905,090	-	711,710	887,588	-	663,424
<i>Items that may be reclassified to net result in subsequent periods</i>							
Actuarial gains/(losses) on superannuation funds	21(b)	4,403	-	(15)	4,403	-	(15)
<b>Total other comprehensive income</b>		<b>909,493</b>	<b>-</b>	<b>711,695</b>	<b>891,991</b>	<b>-</b>	<b>663,409</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>592,337</b>	<b>(346,310)</b>	<b>814,699</b>	<b>572,277</b>	<b>(342,078)</b>	<b>762,681</b>

\*Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department of Planning, Industry and Environment (Department), Lands Administration Ministerial Corporation and Water Administration Ministerial Corporation.

Refer note 26 for comparison between budget and actual.

The accompanying notes form part of these financial statements.

**Department of Planning, Industry and Environment**  
**Statement of Financial Position**  
as at 30 June 2021

	Notes	CONSOLIDATED			PARENT		
		Actual 2021 \$'000	Budget* 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	1,041,491	785,868	1,012,783	995,774	738,389	968,245
Receivables	9	243,388	329,968	361,573	243,406	328,691	359,456
Contract assets	10	3,976	-	-	3,976	-	-
Inventories	12	789	821	821	789	821	821
Other financial assets	13	11,018	4,070	11,878	10,521	3,564	11,372
<b>Total current assets</b>		<b>1,300,660</b>	<b>1,120,727</b>	<b>1,387,055</b>	<b>1,254,466</b>	<b>1,071,465</b>	<b>1,339,894</b>
<b>Non-current assets</b>							
Receivables	9	12,267	129,257	12,063	12,267	129,233	12,063
Financial assets at fair value	11	-	9,079	6,548	-	7,322	6,548
Inventories	12	10,326	10,767	10,767	10,326	10,767	10,767
Property, plant and equipment	14						
Land and buildings		9,506,018	8,649,261	8,685,340	9,335,419	8,493,703	8,527,064
Infrastructure systems		3,467,159	4,376,750	4,267,581	2,701,499	3,617,683	3,524,492
Other property, plant and equipment		152,180	114,836	131,621	152,111	114,865	131,540
<b>Total property, plant and equipment</b>		<b>13,125,357</b>	<b>13,140,847</b>	<b>13,104,542</b>	<b>12,189,029</b>	<b>12,226,251</b>	<b>12,183,096</b>
Right-of-use assets	15	402,375	694,918	605,140	402,375	694,918	605,140
Intangible assets	16	497,088	502,169	485,180	491,367	501,863	484,790
Other financial assets	13	149,545	34,646	155,127	120,134	6,548	125,280
<b>Total non-current assets</b>		<b>14,196,958</b>	<b>14,521,683</b>	<b>14,379,367</b>	<b>13,225,498</b>	<b>13,576,902</b>	<b>13,427,684</b>
<b>Total assets</b>		<b>15,497,618</b>	<b>15,642,410</b>	<b>15,766,422</b>	<b>14,479,964</b>	<b>14,648,367</b>	<b>14,767,578</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Contract liabilities	10	29,939	31,747	31,463	29,939	31,747	31,463
Payables	19	466,034	303,036	294,313	465,769	302,240	292,940
Borrowings	20	45,751	44,495	32,778	45,751	44,495	32,778
Provisions	21	227,956	186,400	183,275	227,538	186,282	183,157
Other	22	19,061	48,084	11,054	18,590	47,737	10,707
<b>Total current liabilities</b>		<b>788,741</b>	<b>613,762</b>	<b>552,883</b>	<b>787,587</b>	<b>612,501</b>	<b>551,045</b>
<b>Non-current liabilities</b>							
Payables	19	1,305	-	964	1,305	-	964
Borrowings	20	485,584	743,133	661,837	485,584	743,133	661,837
Provisions	21	27,976	35,079	32,993	27,976	35,079	32,993
<b>Total non-current liabilities</b>		<b>514,865</b>	<b>778,212</b>	<b>695,794</b>	<b>514,865</b>	<b>778,212</b>	<b>695,794</b>
<b>Total liabilities</b>		<b>1,303,606</b>	<b>1,391,974</b>	<b>1,248,677</b>	<b>1,302,452</b>	<b>1,390,713</b>	<b>1,246,839</b>
<b>Net assets</b>		<b>14,194,012</b>	<b>14,250,436</b>	<b>14,517,745</b>	<b>13,177,512</b>	<b>13,257,654</b>	<b>13,520,739</b>
<b>EQUITY</b>							
Reserves		1,672,205	834,078	768,403	1,524,773	726,783	638,880
Accumulated funds		12,521,807	13,416,358	13,749,342	11,652,739	12,530,871	12,881,859
<b>Total equity</b>		<b>14,194,012</b>	<b>14,250,436</b>	<b>14,517,745</b>	<b>13,177,512</b>	<b>13,257,654</b>	<b>13,520,739</b>

\*Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department, Lands Administration Ministerial Corporation and Water Administration Ministerial Corporation. Refer note 26 for comparison between budget and actual.

The accompanying notes form part of these financial statements.



**Department of Planning, Industry and Environment**  
**Statement of Changes in Equity**  
for the year ended 30 June 2021

**CONSOLIDATED**

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Balance at 1 July 2020		13,749,342	768,403	14,517,745
Net result for the year		(317,156)	-	(317,156)
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	14	-	905,090	905,090
Actuarial gains/(losses) on superannuation funds	21(b)	4,403	-	4,403
Total other comprehensive income		4,403	905,090	909,493
Total comprehensive income for the year		(312,753)	905,090	592,337
Transactions with owners in their capacity as owners				
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset		1,288	(1,288)	-
Increase/(decrease) in net assets from equity transfers	23	(916,070)	-	(916,070)
Balance at 30 June 2021		12,521,807	1,672,205	14,194,012

**CONSOLIDATED**

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Balance at the beginning of the year		-	-	-
Changes in accounting policy		(9,877)	-	(9,877)
Restated balance at 1 July 2019		(9,877)	-	(9,877)
Net result for the year		103,004	-	103,004
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	14	-	711,710	711,710
Actuarial gains/(losses) on superannuation funds		(15)	-	(15)
Total other comprehensive income		(15)	711,710	711,695
Total comprehensive income for the year		102,989	711,710	814,699
Transactions with owners in their capacity as owners				
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
Balance at 30 June 2020		13,749,342	768,403	14,517,745

The accompanying notes form part of these financial statements.

**Department of Planning, Industry and Environment**  
**Statement of Changes in Equity**  
for the year ended 30 June 2021

PARENT	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Balance at 1 July 2020		12,881,859	638,880	13,520,739
Net result for the year		(319,714)	-	(319,714)
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	14	-	887,588	887,588
Actuarial gains/(losses) on superannuation funds	21(b)	4,403	-	4,403
Total other comprehensive income		4,403	887,588	891,991
Total comprehensive income for the year		(315,311)	887,588	572,277
Transactions with owners in their capacity as owners				
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset		1,695	(1,695)	-
Increase/(decrease) in net assets from equity transfers	23	(915,504)	-	(915,504)
Balance at 30 June 2021		11,652,739	1,524,773	13,177,512
PARENT	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Balance at the beginning of the year		-	-	-
Changes in accounting policy		(9,877)	-	(9,877)
Restated balance at 1 July 2019		(9,877)	-	(9,877)
Net result for the year		99,272	-	99,272
Other comprehensive income				
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)
Total other comprehensive income		(15)	663,424	663,409
Total comprehensive income for the year		99,257	663,424	762,681
Transactions with owners in their capacity as owners				
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
Balance at 30 June 2020		12,881,859	638,880	13,520,739

The accompanying notes form part of these financial statements.

**Department of Planning, Industry and Environment**  
**Statement of Cash Flows**  
for the year ended 30 June 2021

	Notes	CONSOLIDATED			PARENT		
		Actual 2021 \$'000	Budget* 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>Cash flows from operating activities</b>							
<b>Payments</b>							
Employee related		(1,100,277)	(1,183,898)	(1,497,587)	(1,100,271)	(1,183,898)	(1,496,388)
Grants and subsidies		(3,186,767)	(3,058,155)	(2,141,547)	(3,187,047)	(3,057,895)	(2,137,199)
Finance costs		(16,309)	(19,405)	(8,902)	(16,309)	(19,405)	(8,902)
Suppliers for goods and services		(891,511)	(808,811)	(923,190)	(881,946)	(782,382)	(921,289)
<b>Total payments</b>		<b>(4,974,864)</b>	<b>(5,069,867)</b>	<b>(4,571,206)</b>	<b>(4,945,573)</b>	<b>(5,023,178)</b>	<b>(4,563,756)</b>
<b>Receipts</b>							
Sale of goods and services		443,859	882,174	440,852	417,123	833,834	439,558
Fees and fines		58,128	(200)	122,034	55,871	-	122,034
Interest received		15,230	17,805	19,138	14,584	18,888	18,360
Appropriation		3,319,149	3,680,784	3,009,881	3,319,149	3,680,784	3,009,881
(Transfer to the Crown)		(22,241)	(62,323)	(69,084)	(22,123)	(62,223)	(69,084)
Grants and other contributions		738,322	481,182	863,404	738,292	481,182	863,245
Lease and rental income		70,234	-	72,975	66,730	-	69,724
Other		637,831	177,939	576,116	636,424	177,785	575,912
<b>Total receipts</b>		<b>5,258,512</b>	<b>5,177,141</b>	<b>4,834,914</b>	<b>5,225,850</b>	<b>5,128,010</b>	<b>4,829,428</b>
<b>Net cash flows from operating activities</b>	27	<b>283,648</b>	<b>107,274</b>	<b>263,708</b>	<b>280,277</b>	<b>104,832</b>	<b>265,672</b>
<b>Cash flows from investing activities</b>							
Proceeds from sale of property, plant and equipment and infrastructure systems		18,436	43,044	18,575	18,436	42,544	18,996
Purchase of property, plant and equipment and infrastructure systems		(185,649)	(281,591)	(193,132)	(188,788)	(281,591)	(193,268)
Purchase of intangibles		(49,162)	(41,793)	(32,299)	(43,831)	(41,793)	(32,299)
<b>Net cash flows from investing activities</b>		<b>(216,375)</b>	<b>(280,340)</b>	<b>(206,856)</b>	<b>(214,183)</b>	<b>(280,840)</b>	<b>(206,571)</b>
<b>Cash flows from financing activities</b>							
Proceeds from borrowings and advances		92	-	21	92	-	1,494
Repayment of borrowings and advances		(2,300)	(53,845)	(2,300)	(2,300)	(53,845)	(2,300)
Repayment of principal portion of lease liabilities		(34,451)	-	(48,508)	(34,451)	-	(48,508)
<b>Net cash flows from financing activities</b>		<b>(36,659)</b>	<b>(53,845)</b>	<b>(50,785)</b>	<b>(36,659)</b>	<b>(53,845)</b>	<b>(49,312)</b>
<b>Net increase/(decrease) in cash</b>		<b>30,614</b>	<b>(226,911)</b>	<b>6,067</b>	<b>29,435</b>	<b>(229,853)</b>	<b>9,789</b>
Opening cash and cash equivalents		1,012,783	1,012,779	-	988,245	988,242	-
Cash from controlled entities		-	-	48,587	-	-	-
Cash transferred in / (out) as a result of administrative restructuring and equity transfer		(1,906)	-	958,129	(1,906)	-	958,456
<b>Closing cash and cash equivalents</b>	8	<b>1,041,491</b>	<b>785,868</b>	<b>1,012,783</b>	<b>995,774</b>	<b>738,389</b>	<b>968,245</b>

\*Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department, Lands Administration Ministerial Corporation and Water Administration Ministerial Corporation. The accompany notes form part of these financial statements.

## Department of Planning, Industry and Environment

### Notes to the financial statements

for the year ended 30 June 2021

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#### 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*.

The Department works to maximise the long-term wellbeing of New South Wales. It helps ensure economic growth and job security and considers the environment and natural resources, as well as the character of the State's cities, neighbourhoods and communities. The functions of the Department revolve around stewardship of the 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 Department delivers against four State Outcomes being: connecting communities to resilient and sustainable energy and local environments; create a strong and liveable NSW; maximise community benefit from government land and property; and sustainable, secure and healthy water resources and services. Refer to note 7.

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

In preparing financial statements for the consolidated entity, all intra entity and inter entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

The financial statements of the consolidated entity are part of the NSW Total State Sector Accounts.

During the year, 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).

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Secretary on the date the accompanying statement by the Secretary was signed.

Refer to note 23 'equity' for details of administrative changes to the Department subsequent to 1 July 2020, as a result of machinery of government changes and transfers between NSW government agencies.

##### (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, which include Australian Accounting Interpretations;
- the requirements of the *Government Sector Finance Act 2018* (GSF Act);
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and certain financial assets are measured using the fair value basis. 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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

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**1. Summary of significant accounting policies (continued)**

**(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 in right of the State of New South Wales (the Crown). 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 receipts" and "administered payments". Refer to note 31.

The accrual basis of accounting and applicable accounting standards have been adopted for these activities.

**(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) Foreign currency translation**

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

**(h) 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.

## Department of Planning, Industry and Environment

### Notes to the financial statements

for the year ended 30 June 2021

#### 1. Summary of Significant Accounting Policies (continued)

The 2019–20 comparative information for both the consolidated and parent entity includes financial numbers, for the period from 1 July 2019 to 1 April 2020 relating to the functions that were transferred to the Department of Regional NSW (DRNSW) on 2 April 2020.

Under the *Administrative Arrangements (Administrative Changes—Regional NSW and Independent Planning Commission) Order 2020*, dated 2 April 2020, persons employed in the Regions, Industry, Agriculture and Resources Group within the Department were transferred to the newly created DRNSW on that date.

In the 2019–20 comparative details, the Department reclassified some items of revenue from 'retained taxes, fees and fines' to 'sale of goods and services from contracts with customers' and from 'other income' to 'investment revenue' and within 'grants and other contributions' to align with the nature of revenue items. There was also a reallocation of some items within the total of 'other operating expenses', 'sale of goods and services from contracts with customers', 'payables' and 'provisions'. Refer to note 2(b), note 3(b), note 3(d), note 3(f), note 3(g), note 19 and note 21(a) for details. Appropriate changes have also been made in the 2019–20 State Outcome statements (note 7), where relevant. There is no change to the total revenue, total expenses, net result and equity position of the Department or consolidated and parent entities for the 2019–20 financial year.

##### (i) Going concern

The financial statements of the consolidated entity and parent entity have been prepared on a going concern basis.

##### (j) Changes in accounting policy, including new or revised Australian Accounting Standards

###### (i) Effective for the first time in the 2020–21 financial year

The consolidated entity applied AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) for the first time in the 2020–21 financial year. This Standard along with several other amendments and interpretations apply from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: *Accounting for Privately Financed Projects* (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The consolidated entity assessed its existing contractual arrangements against the requirements of AASB 1059 and has determined that the application of this standard does not have an impact on the statement of comprehensive income, the statement of financial position, or the statement of cash flows. Further, there is no impact on the consolidated entity's financial statements due to the withdrawal of TPP06-8.

###### (ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise.

The following standards have been assessed for their possible impact on the financial statements, if any, in the year of their initial application. None of the standards listed below are likely to have any material impact:

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**1. Summary of Significant Accounting Policies (continued)**

- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures

**2. Expenses excluding losses**

**(a) Employee related expenses**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Salaries and wages (including recreation leave)	988,761	1,227,170	988,755	1,226,857
Superannuation - defined benefit plans	7,050	11,155	7,050	11,155
Superannuation - defined contribution plans	82,541	98,470	82,541	98,456
Long service leave	5,496	68,735	5,496	68,735
Workers' compensation insurance	9,026	9,738	9,026	9,733
Payroll tax and fringe benefits tax	51,511	76,552	51,511	76,552
Redundancy payments	3,943	10,209	3,943	10,209
Other	612	104	612	83
	<b>1,148,940</b>	<b>1,502,133</b>	<b>1,148,934</b>	<b>1,501,780</b>

Reduced long service leave expenses in 2020-21 were due to the lower year-end actuarial estimate of the liability and related on-cost factors, following the triennial review as well as due to the transfer of employees that supported the functions of DRNSW (refer note 1(h)). The employee related expenses include \$289.89 million (2020: \$323.5 million) for the personnel services provided to 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 \$3.6 million (2020: \$4.7 million) and are therefore excluded from above.

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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**2. Expenses excluding losses (continued)**

**(b) Other operating expenses**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Advertising and promotion	3,326	8,022	3,326	8,020
Assets under \$5,000	14,520	12,366	14,520	12,361
Auditors remuneration – NSW Audit Office	1,998	1,727	1,611	1,583
Auditors remuneration - Other	152	372	152	366
Bad debts	1,061	376	1,061	376
Computer costs	41,723	35,102	41,723	35,101
Consultancy	8,565	10,820	8,472	10,820
Contingent workers	41,027	44,825	41,027	44,812
Contractors - projects	207,877	199,747	206,962	199,497
Administration services	11,855	13,524	11,855	13,524
Cost of sales	1,183	18,129	1,183	18,129
Crown Land waivers refunds and remissions	22,629	20,423	22,374	20,249
Expenses relating to short-term leases and low value assets	4,642	21,171	4,642	21,171
Fees for services	128,850	125,358	128,848	125,345
Fleet costs	14,961	26,815	14,961	26,774
Freight and postage	916	4,488	916	4,488
Insurance	51,364	38,454	51,361	38,394
Legal costs	5,381	13,199	5,381	13,118
Maintenance*	67,373	48,685	67,266	48,355
Occupancy	25,088	39,916	24,974	39,730
Other expenses	17,874	13,735	17,803	13,581
Consumables, stationery and stores	14,197	21,036	14,192	21,036
Responsible Pet Ownership Program payments	8,394	6,194	8,394	6,194
Telecommunications	9,570	17,563	9,569	17,557
Training and staff development	7,463	5,620	7,463	5,641
Travel	7,559	21,610	7,556	21,601
Water charges and fees	33,558	25,427	7,172	4,171
	<b>753,106</b>	<b>794,704</b>	<b>724,764</b>	<b>771,994</b>

In 2020, other operating expenses of \$16.7 million related to the staff transferred from the Environment Protection Authority (EPA) on 1 September 2019. On 1 August 2020, certain staff undertaking waste functions were transferred back to EPA in accordance with the agreements between the EPA and Department.

For the 2019-20 comparative, an amount of \$7.6 million was reallocated from 'assets under \$5,000' to 'freight and postage' (\$0.4 million), 'other expenses' (\$1.1 million) and 'consumables, stationery and stores' (\$6.1 million). A further amount of \$21.3 million was reallocated from 'costs of sales' to 'consumables, stationery and stores' (\$10.3 million), 'contractors-projects' (\$6.3 million), 'water charges' (\$4.2 million), 'other expenses' (\$0.4 million) and 'fees for services' (\$0.1 million). Additional reallocations between line items have been made with no impact on total. Changes are to align comparatives with the nature of the expense. Refer note 1(h).

**Maintenance reconciliation**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Maintenance reconciliation</b>				
* Maintenance expense - contracted labour and other (non-employee related), as above	67,373	48,685	67,266	48,355
Employee related maintenance expense included in note 2 (a)	49,967	58,581	49,967	58,581
<b>Total maintenance expense included in note 2 (a) + 2 (b)</b>	<b>117,340</b>	<b>107,266</b>	<b>117,233</b>	<b>106,936</b>

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**2. Expenses excluding losses (continued)**

**(b) Other operating expenses (continued)**

**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.

**Insurance**

The consolidated entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme (TMF) 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 of 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 expense**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Buildings	13,640	21,177	12,428	19,826
Infrastructure	108,597	128,332	103,501	123,265
Plant and equipment	25,528	31,885	25,516	31,832
Right of use - buildings	37,855	39,239	37,855	39,239
Right of use - plant & equipment	8,700	8,646	8,700	8,646
Amortisation of intangible assets	35,843	34,694	35,843	34,615
	<b>230,163</b>	<b>263,973</b>	<b>223,843</b>	<b>257,423</b>

Refer to note 14, 15, 16 and 17 for recognition and measurement policies on depreciation and amortisation.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**2. Expenses excluding losses (continued)**

**(d) Grants and subsidies**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<i>Grants to cluster agencies from consolidated fund</i>				
Aboriginal Housing Office	29,382	-	29,382	-
Biodiversity Conservation Trust	20,406	15,240	20,406	15,240
Centennial Park and Moore Park Trust	24,409	6,649	24,409	6,649
Crown Reserves Improvement Fund*	40,750	-	40,750	-
Environment Protection Authority	148,095	119,526	148,095	119,526
Environmental Trust	59,527	44,345	59,527	44,345
Forestry Corporation	-	17,835	-	17,835
Hunter and Central Coast Development Corporation	12,382	13,497	12,382	13,497
Independent Planning Commission	7,350	-	7,350	-
Luna Park Reserve Trust	900	-	900	-
Local Land Services	-	70,408	-	70,408
Natural Resource Access Regulator	27,903	24,350	27,903	24,350
Natural Resources Commission	7,366	6,999	7,366	6,999
New South Wales Land and Housing Corporation*	382,533	-	382,533	-
Parramatta Park Trust	3,067	1,704	3,067	1,704
Place Management NSW*	154,463	44,925	154,463	44,925
Planning Ministerial Corporation	21,851	3,500	21,851	3,500
Property NSW*	56,558	31,415	56,558	31,415
Royal Botanic Gardens and Domain Trust	46,597	41,525	46,597	41,525
Rural Assistance Authority	-	20,473	-	20,473
Sydney Olympic Park Authority*	76,844	32,649	76,844	32,649
Taronga Conservation Society Australia	43,534	15,910	43,534	15,910
Teacher Housing Authority of New South Wales*	23,600	-	23,600	-
Water NSW*	116,659	64,051	116,659	64,051
Western Sydney Parklands Trust	10,176	38,041	10,176	38,041
	<b>1,314,352</b>	<b>613,042</b>	<b>1,314,352</b>	<b>613,042</b>
<i>Other grants funded from Consolidated Fund and other sources of funds:</i>				
Commonwealth government - not specified below	714	5,397	714	5,397
NSW government - not specified below	224,077	309,554	224,357	309,554
Local government - not specified below	339,802	145,723	339,802	138,654
Non-government organisations - not specified below	214,630	174,901	214,630	174,832
Grants - Energy (including low income household, pensioner, family & social)	371,351	316,700	371,351	316,700
Grants - Water (including low income household, pensioner, hardship)	164,629	142,068	164,629	142,068
Local Land Services - drought relief	-	23,000	-	23,000
Murray Darling Basin Authority for operations	28,639	29,662	28,639	24,250
Non-cash capital land grant	8,877	13,065	4,269	13,040
Rural Assistance Authority - drought relief	-	147,000	-	147,000
Local Infrastructure Renewal Scheme	28,494	9,349	28,494	9,349
Local Government - pensioner rebate scheme	74,753	75,322	74,753	75,322
Local Government - bush fire recovery relief	-	43,533	-	43,533
Special Infrastructure Contributions grants	115,414	58,827	115,414	58,827
Voluntary Planning Agreements grants	27,341	20,124	27,341	20,124
	<b>1,598,721</b>	<b>1,514,225</b>	<b>1,594,393</b>	<b>1,501,650</b>
	<b>2,913,073</b>	<b>2,127,267</b>	<b>2,908,745</b>	<b>2,114,692</b>

\*Increase in 2020-21 primarily relates to additional COVID 19 risk and stimulus funding.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**2. Expenses excluding losses (continued)**

(d) Grants and subsidies (continued)

**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.

(e) Finance costs

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest expense from financial liabilities at amortised cost	-	50	-	50
Interest expense from lease liabilities	16,309	10,025	16,309	10,025
Interest expense from financial liabilities not at fair value through profit or loss	777	774	777	774
Unwinding of discount on provisions	(82)	21	(82)	21
	<b>17,004</b>	<b>10,870</b>	<b>17,004</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 year 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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**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**

	CONSOLIDATED AND PARENT 2021 \$'000	CONSOLIDATED AND PARENT 2020 \$'000
Summary of Compliance	Appropriation	Appropriation
Original Budget per Appropriation Act	3,880,784	3,183,305
Other Appropriations / Expenditure		
Section 4.9 GSF Act - transfers of functions between entities	(18,121)	(279,197)
Section 4.11 GSF Act - Commonwealth specific purpose payments	98,400	48,533
COVID-19 pandemic and inflation (per Section 34 of the Appropriation Act)	77,500	-
Section 4.13 GSF Act Exigency of Government - expenditure for certain works and services	-	183,270
Any transfers (per Section 25(3) of the Appropriation Act)	-	60,460
<b>Total spending authority from parliamentary appropriations, other than deemed appropriations</b>	<b>3,838,563</b>	<b>3,196,371</b>
Add:		
Deemed appropriation money received during the year	1,400,672	1,410,650
Deemed appropriations balance brought forward from prior years	343,162	423,007
<b>Total spending authority from parliamentary appropriations</b>	<b>5,582,397</b>	<b>5,030,028</b>
<b>Less: total expenditure from parliamentary appropriations</b>	<b>4,710,793</b>	<b>4,500,166</b>
<b>Variance</b>	<b>871,604</b>	<b>529,862</b>
<b>Less: the spending authority from appropriations lapsed at 30 June</b>	<b>530,935</b>	<b>186,700</b>
<b>Deemed appropriations balance carried forward to following years</b>	<b>340,669</b>	<b>343,162</b>
Transfer payments	-	-
Equity appropriations	-	-
<b>Appropriations (per Statement of Comprehensive Income)</b>	<b>3,319,149</b>	<b>3,009,671</b>
<b>Total amount drawn down against Annual Appropriations</b>	<b>3,319,149</b>	<b>3,009,671</b>

**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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
 for the year ended 30 June 2021

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**3. Revenue (continued)**

**(a) Appropriations and transfers to the Crown (continued)**

Deemed appropriations is a legal concept under the GSF Act, that does not have a corresponding financial statement line item. Instead, deemed appropriations may come from various sources, such as sale of goods and services, and the corresponding revenue is disclosed in the relevant sections of these items in the financial statements.

**Recognition and measurement**

**Parliamentary appropriations other than deemed appropriations**

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, except as specified below, appropriations (other than deemed appropriations) are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised as income when they are in the nature of an 'equity appropriations' to fund payments to adjust a for-profit entity's capital structure. In this case, appropriations are recognised as equity injections (i.e. contribution by owners) on receipt from and equity withdrawals on payment to a for-profit entity.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**3. Revenue (continued)**

**(b) Sale of goods and services from contracts with customers**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Sale of goods</b>				
Sale of livestock and produce	-	5,601	-	5,601
Sales of minor goods	3,451	2,544	3,451	2,544
<b>Rendering of services</b>				
Corporate support and specialist services	65,961	91,855	67,041	92,848
Development application fees for planning projects	30,177	25,195	30,177	25,195
Education and training	815	5,083	815	5,083
Fees for services	42,736	35,490	42,736	34,935
Water management fees	44,177	43,337	17,791	16,620
Minor sales of services	5,702	9,507	5,702	9,506
Park entry and camping fees	48,301	34,232	48,301	34,232
Project and asset management services	15,846	71,728	15,846	71,728
Valuation services	59,730	64,590	59,730	64,590
	<b>316,896</b>	<b>389,162</b>	<b>291,590</b>	<b>362,882</b>

For the 2019-20 comparative, an amount of \$0.8 million was reallocated to 'park entry and camping fees' from 'planning reform fee' in note 3(d) to align with the nature of the revenue. Further reallocations between line items have been made with no impact on total. Refer note 1(h).

**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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**3. Revenue (continued)**

(c) Investment revenue

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest income from financial assets at amortised cost	2,296	6,179	2,094	5,696
Finance income on the net investment in the lease	12,934	13,067	12,490	12,664
Rental income	22,423	25,066	22,391	25,005
Crown land lease revenue	9,976	13,011	8,131	8,965
Crown land licence revenue	33,610	32,694	32,523	32,694
Crown land royalty revenue	4,225	4,916	3,685	4,916
	<b>85,464</b>	<b>94,933</b>	<b>81,314</b>	<b>89,940</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 other rental income, including from national parks, is recognised in accordance with AASB 16 on a straight-line basis over the lease term. This may be offset by rebates. The respective leased assets are included in the statement of financial position in an appropriate asset class based on their nature.

**Licence and royalty income**

Crown land licence revenue is recognised in accordance with AASB 15 and AASB 1058 on a straight-line basis over the term of the licence. This may be offset by rebates. The respective assets under licence are included in the statement of financial position in an appropriate assets class based on their nature. Royalty income is recognised at the transaction price under the lease or license agreement for extraction activities

(d) Retained taxes, licences, levies, fees and fines

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Levies, licenses and permits	5,760	21,954	5,303	21,954
Annual rental and administration levy*	-	22,224	-	22,224
Planning reform fee	32,395	33,228	32,395	33,228
Investment levy*	-	4,771	-	4,771
Mine safety levy*	-	28,518	-	28,518
Others	8,015	3,148	8,015	3,148
Responsible Pet Ownership Program registration fees	9,958	7,349	9,958	7,349
	<b>56,128</b>	<b>121,192</b>	<b>55,671</b>	<b>121,192</b>

\*Functions relating to the collection of annual rental and administration levy, investment levy and mine safety levy were transferred to DRNSW, effective 2 April 2020. Refer note 1(h). For the 2019-20 comparative, an amount of \$0.8 million was reallocated to 'park entry and camping fees' in note 3(b) from 'planning reform fee' to align with the nature of the revenue. Refer note 1(h).

**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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**3. Revenue (continued)**

**(e) Personnel services revenue**

	<b>CONSOLIDATED</b>		<b>PARENT</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Aboriginal Housing Corporation	15,768	15,570	15,768	15,570
Land and Housing Corporation	73,040	72,267	73,040	72,267
Sydney Olympic Park Authority	26,484	28,843	26,484	28,843
Environment Protection Authority	728	6,677	728	6,677
NSW Rural Assistance Authority	-	4,970	-	4,970
Border Fence Maintenance Board	-	615	-	615
Natural Resources Access Regulator	21,991	19,663	21,991	19,663
Hunter and Central Coast Development Corporation	3,920	4,296	3,920	4,296
Planning Ministerial Corporation	3,235	3,187	3,235	3,187
Lord Howe Island Board	4,808	6,013	4,808	6,013
Centennial Park and Moore Park Trust	5,831	6,382	5,831	6,382
Jenolan Caves Reserve Trust	6,289	6,399	6,289	6,399
Waste Assets Management Corporation	1,433	1,240	1,433	1,240
Property NSW	21,010	38,719	21,010	38,719
Place Management NSW	8,775	8,466	8,775	8,466
Teacher Housing Authority	1,648	2,304	1,648	2,304
Parramatta Park Trust	1,178	1,281	1,178	1,281
Royal Botanic Gardens and Domain Trust	25,964	26,339	25,964	26,339
Taronga Conservation Society Australia	50,523	55,000	50,523	55,000
Western Sydney Parklands Trust	3,335	3,077	3,335	3,077
Biodiversity Conservation Trust	13,931	12,162	13,931	12,162
	<b>289,891</b>	<b>323,470</b>	<b>289,891</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).

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**3. Revenue (continued)**

**(f) Grants and other contributions**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity	15,309	37,748	15,309	37,748
Other grants with sufficiently specific performance obligations / milestones	9,694	112,500	9,694	112,340
Grants without sufficiently specific performance obligations / milestones	510,211	513,936	510,181	513,936
Grants - assets (non-cash)	32,010	19,355	22,529	19,355
	<b>567,224</b>	<b>683,539</b>	<b>557,713</b>	<b>683,379</b>

For the 2019-20 comparative, an amount of \$215 million was reallocated to 'grants without sufficiently specific performance obligations / milestones' from 'other grants with sufficiently specific performance obligations / milestones' to align with the conditions within the grant agreement. Refer note 1(h).

**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 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 2021, 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 or earlier if the control of the land is transferred, prior to the publication NSW Government Gazette.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**3. Revenue (continued)**

(g) Other revenue

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Developer contributions - cash	16,240	48,423	16,240	48,423
Special infrastructure contributions - cash	56,749	37,285	56,749	37,285
Insurance recoveries	31,526	78,976	31,526	78,976
Other revenues	43,310	30,251	43,172	30,108
Developer contributions - works-in-kind	1,521	5,332	1,521	5,332
Special infrastructure contributions - works-in-kind	39,015	34,112	39,015	34,112
	<b>188,361</b>	<b>234,379</b>	<b>188,223</b>	<b>234,236</b>

For the 2019-20 comparative, an amount of \$10.5 million was reallocated to 'other revenues' from 'insurance recoveries' and \$1.86 million was allocated from 'other revenues' to 'investment revenue' to align with the nature of the revenue. Refer note 1(h).

**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 8 and 18.

The consolidated entity also enters into works-in-kind agreements with developers, whereby developers undertake infrastructure development and receive special infrastructure contributions as 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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**3. Revenue (continued)**

**(h) Acceptance by the Crown of employee benefits and other liabilities**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
The following liabilities and / or expenses have been assumed by the Crown:				
Long service leave	7,373	64,086	7,373	64,086
Payroll tax	381	579	381	579
Superannuation	8,024	11,140	8,024	11,140
	<b>15,778</b>	<b>75,805</b>	<b>15,778</b>	<b>75,805</b>

**(i) Transfer to Crown**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contribution from Crown leaseholds	(61,699)	(54,529)	(61,281)	(54,411)
	<b>(61,699)</b>	<b>(54,529)</b>	<b>(61,281)</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 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**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Gain/(loss) on disposal of property, plant and equipment and intangibles				
Proceeds from disposal	18,436	18,348	18,436	18,347
Written down value of assets disposed	(39,061)	(46,887)	(41,661)	(48,437)
<b>Net gain/(loss) on disposal of property, plant and equipment and intangibles</b>	<b>(20,625)</b>	<b>(28,539)</b>	<b>(23,225)</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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**5. Other gains / (losses)**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Gain/(Losses) on financial assets at fair value through profit and loss	(1,109)	(935)	(1,109)	(915)
Gain/(Impairment) on finance lease revaluation	335	14,070	383	462
Gain/(Losses) on sale - finance lease	17,444	-	17,444	-
Gain/(Impairment) of receivables	1,684	(6,401)	1,826	(5,724)
Gain/(Impairment) of loans	514	(907)	514	(907)
Gain/(Impairment) of right-of-use assets	(28,894)	(58,503)	(28,894)	(58,503)
Gain/(impairment) on intangibles	(1,411)	5,544	(1,411)	5,544
	<b>(11,437)</b>	<b>(47,132)</b>	<b>(11,247)</b>	<b>(60,043)</b>

The impairment of right-of-use assets is based on the movement in market indicators. The 2020-21 impairment is assessed at \$28.9 million, which compares to \$58.5 million in the 2019-20 financial year. This reduction from the 2019-20 year is primarily due to the reassessment of the Department's likelihood of exercising certain lease extension options in future.

**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 and 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 \$792.5 million (2020: \$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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Payments</b>				
Local government - federal financial assistance grants	792,486	795,539	792,486	795,539
	<b>792,486</b>	<b>795,539</b>	<b>792,486</b>	<b>795,539</b>
<b>Receipts</b>				
Local government - federal financial assistance grants	792,486	795,539	792,486	795,539
	<b>792,486</b>	<b>795,539</b>	<b>792,486</b>	<b>795,539</b>



## Department of Planning, Industry and Environment Notes to the financial statements for the year ended 30 June 2021

### 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.
Connecting communities to resilient and sustainable energy and local environments	Protecting and preserving the quality of our environment via active stewardship to support a healthy New South Wales while securing an affordable, reliable and sustainable energy future.
Create a strong and liveable NSW	Planning for great places that create the conditions for prosperity, economic development, innovation and jobs, delivering infrastructure and a diverse housing mix that responds to the needs of communities, and securing environmental sustainability, good design, greener places and safe and inclusive public spaces that bring communities together.
Maximise community benefit from government land and property	Delivering a coordinated, strategic approach to the use of government-owned property to maximise community benefits by delivering quality public spaces and diverse housing outcomes.
Sustainable, secure and healthy water resources and services	Providing confidence to communities and stakeholders through the transparent stewardship of water resources, provision of services and reforms that support sustainable and healthy environments, economies and societies across New South Wales.

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.

\* Functions relating to the delivery of the State Outcome were transferred to DRNSW on 2 April 2020. The 2019-20 numbers against this State Outcome are included for comparative purposes. Refer note 1(h).



Department of Planning, Industry and Environment  
Notes to the financial statements  
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7. State outcome statements (continued)

Expense and income	CONSOLIDATED											
	Sustainable and productive regional industries and communities			Connecting communities to resilient and sustainable energy and local environments			Create a strong and livable NSW			Maximise community benefit from government land and property		
	2021	2020	\$'000	2021	2020	\$'000	2021	2020	\$'000	2021	2020	\$'000
Expenses excluding losses												
Operating expenses	-	324,156		726,440	774,005		195,477	157,732		154,445	165,869	
Employee related expenses	-	-		266,553	382,013		271,436	108,582		150,106	86,966	
Other operating expenses	-	84,157		-	-		-	-		-	-	
Depreciation and amortisation	-	21,416		186,688	174,066		21,863	19,835		20,567	41,068	
Grants and subsidies	-	235,469		488,990	344,392		1,022,477	672,037		1,136,314	640,292	
Finance costs	-	1,117		11,375	6,729		2,590	1,110		2,133	935	
Total expenses excluding losses	-	668,315		1,690,046	1,891,175		1,515,833	959,295		1,465,565	935,734	
Revenue*	-	-		-	-		-	-		-	-	
Appropriations (net of transfer payments) (Transfer to the Crown)	-	108,716		306,831	175,751		7,350	-		883,512	131,387	
Sale of goods and services from contracts with customers	-	-		-	-		-	-		-	-	
Revenue from contracts with customers	-	114,008		138,075	153,344		65,368	46,622		56,600	44,177	
Rent, interest, fees, and fines	-	2,406		17,138	23,789		462	2,505		63,714	519	
Personal services	-	6,395		15,153	39,637		58,945	4,278		15,201	57	
Grants and contributions	-	41,771		134,578	117,316		4,668	13,496		150,887	190,887	
Other revenue	-	35,257		535,320	427,574		2,319	3,229		73,068	14,022	
Acceptance by the Crown of employee benefits and other liabilities	-	68,805		91,249	92,567		43,198	27,848		33,940	8,131	
Total revenue	-	16,358		9,976	39,090		2,684	7,960		8,369	997	
Operating result	-	353,716		1,248,320	1,074,038		162,690	160,605		1,177,352	478,537	
Gain / (loss) on disposal	-	(981)		(4,188)	(3,559)		(2)	(3,076)		(20,924)	2,600	
Other gains / (losses)	-	(4,243)		(19,450)	(31,903)		(4,919)	(6,902)		14,754	(1,525)	
Net result from continuing operations	-	(277,523)		(455,364)	(642,599)		(1,356,071)	(808,728)		(473,517)	(352,295)	
Other Comprehensive Income	-	-		-	-		-	-		-	-	
Change in revaluation surplus of property, plant & equipment	-	34,365		648,297	63,530		665	172		241,649	556,341	
Actuarial gains/(losses) on superannuation funds	-	-		2,828	(23)		-	7		1,575	1	
Total Other Comprehensive Income	-	34,365		651,125	63,507		665	179		243,224	558,342	
TOTAL COMPREHENSIVE INCOME	-	(243,158)		195,761	(579,092)		(1,355,406)	(808,549)		(48,270)	(83,925)	

\* Outcome was transferred to the Department of Regional NSW on 2 April 2020, above reflects 9 months operations.

Department of Planning, Industry and Environment  
Notes to the financial statements  
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7. State outcome statements (continued)

Assets and liabilities	CONSOLIDATED											
	Sustainable and productive regional industries and communities			Connecting communities to resilient and sustainable energy and local environments			Create a strong and livable NSW			Maximise community benefit from government land and property		
	2021	2020	\$'000	2021	2020	\$'000	2021	2020	\$'000	2021	2020	\$'000
<b>ASSETS</b>												
Current Assets												
Cash and cash equivalents	-	-	444,431	-	-	422,035	309,528	176,474	211,302	205,041	76,832	209,233
Receivables	-	-	63,131	-	-	186,575	55,747	83,590	79,036	58,666	45,172	32,742
Control of assets	-	-	-	-	-	-	-	-	3,976	-	-	-
Inventory	-	-	733	-	-	723	-	-	98	98	821	-
Other financial assets	-	-	-	-	-	-	-	-	11,018	11,878	-	-
Total current assets	-	-	608,295	-	-	609,333	365,273	260,064	305,388	275,833	121,304	241,975
Non-current assets												
Receivables	-	-	880	-	-	6,213	-	2,719	6,953	2,002	4,434	1,069
Financial assets at fair value	-	-	-	-	-	-	-	6,548	-	-	-	-
Investment	-	-	-	-	-	-	-	5,148	10,326	2,781	-	2,838
Total Property Plant and Equipment*	-	-	5,099,905	-	-	4,403,059	12,390	35,142	6,291,442	7,683,314	1,751,650	783,027
Right-of-use assets	-	-	291,490	-	-	404,895	65,969	79,003	51,178	81,005	23,738	39,546
Intangible assets*	-	-	193,669	-	-	193,792	76,991	86,882	221,413	204,116	6,015	390
Other financial assets	-	-	-	-	-	-	-	-	149,545	155,127	-	-
Total non-current assets	-	-	5,525,844	-	-	5,008,050	154,320	215,442	6,730,957	8,329,005	1,795,337	828,870
Total assets	-	-	6,034,239	-	-	5,617,383	519,593	475,506	7,036,345	8,604,838	1,907,141	1,069,845
<b>LIABILITIES</b>												
Current Liabilities												
Control of liabilities	-	-	17,508	-	-	20,215	12,001	10,445	-	803	-	-
Payables	-	-	130,887	-	-	45,261	205,193	79,245	94,862	75,692	35,062	94,115
Borrowings	-	-	32,022	-	-	24,180	6,594	3,590	4,894	3,380	2,271	1,638
Provisions	-	-	121,084	-	-	95,769	30,981	34,006	57,149	37,142	18,742	15,758
Other	-	-	7,332	-	-	3,493	-	2,695	11,729	3,766	-	1,090
Total current liabilities	-	-	309,283	-	-	188,918	254,769	129,981	168,604	121,403	56,106	112,601
Non-current liabilities												
Payables	-	-	-	-	-	53	1,305	352	-	279	-	280
Borrowings	-	-	319,630	-	-	447,995	77,351	84,120	60,469	87,385	28,084	42,347
Provisions	-	-	18,812	-	-	18,903	2,001	5,520	4,895	5,966	2,268	2,604
Total non-current liabilities	-	-	338,442	-	-	466,941	80,657	89,992	65,384	93,630	30,352	45,231
Total liabilities	-	-	647,725	-	-	655,859	335,426	219,973	233,988	215,033	86,457	157,832
NET ASSETS	-	-	5,386,514	-	-	4,961,524	184,167	255,533	6,802,357	8,389,805	1,820,684	911,013

Department of Planning, Industry and Environment  
Notes to the financial statements  
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7.State outcome statements (continued)

\*In 2020-21, the Department's share of property, plant and equipment and intangible assets in joint arrangements has been allocated to the 'sustainable, secure and healthy water resources and services' State outcome.

	CONSOLIDATED											
	Sustainable and productive regional industries and communities		Connecting communities to resilient and sustainable energy and local environments		Create a strong and liveable NSW		Maximise community benefit from government land and property		Sustainable, secure and healthy water resources and services		Not attributable	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Administered expenses and income	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses	-	-	-	-	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total administered expenses	-	-	-	-	-	-	-	-	-	-	-	-
Administered income	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Fund	-	3,189	582	548	-	-	-	-	-	-	582	3,737
Taxes, fees and fines	-	-	-	-	-	-	-	-	-	-	-	-
Total administered income	-	3,189	582	548	-	-	-	-	-	-	582	3,737
Administered income less expenses	-	3,189	582	548	-	-	-	-	-	-	582	3,737

**Department of Planning, Industry and Environment**  
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**8. Cash and cash equivalents**

(a) Cash at bank or on hand

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	1,041,491	1,012,783	995,774	968,245
<b>Total cash and cash equivalents</b>	<b>1,041,491</b>	<b>1,012,783</b>	<b>995,774</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:

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and cash equivalents (per statement of financial position)	1,041,491	1,012,783	995,774	968,245
Closing cash and cash equivalents (per statement of cash flows)	<b>1,041,491</b>	<b>1,012,783</b>	<b>995,774</b>	<b>968,245</b>

Refer note 29 for details regarding credit risk and market risk arising from financial instruments.

Refer note 18 for details of restricted cash.

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**9. Current / non-current assets - receivables**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Trade receivables	96,975	107,219	95,926	103,954
Allowance for expected credit losses	(10,121)	(15,502)	(9,094)	(13,707)
	<b>86,854</b>	<b>91,717</b>	<b>86,832</b>	<b>90,247</b>
Accrued income	23,639	105,368	24,709	105,332
Miscellaneous	17,193	48,458	16,155	47,722
Net GST	41,978	26,988	41,988	27,113
Personnel services	62,512	72,489	62,512	72,489
Prepayments	11,210	16,553	11,210	16,553
	<b>243,386</b>	<b>361,573</b>	<b>243,406</b>	<b>359,456</b>
<b>Non-current</b>				
Personnel services	12,267	12,063	12,267	12,063
	<b>12,267</b>	<b>12,063</b>	<b>12,267</b>	<b>12,063</b>
<b>Total Receivables</b>	<b>255,653</b>	<b>373,636</b>	<b>255,673</b>	<b>371,519</b>

**Movement in the allowance for expected credit losses**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of year	15,502	-	13,707	-
Amounts recovered during the year	(194)	(967)	(194)	(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	(1,684)	6,401	(1,826)	5,724
Amounts written off during the year	(3,503)	(3,934)	(2,593)	(3,854)
Balance at end of the year	<b>10,121</b>	<b>15,502</b>	<b>9,094</b>	<b>13,707</b>

Details regarding credit risk of trade receivables that are neither past due nor 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.



**Department of Planning, Industry and Environment**  
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**9. Current / non-current assets - receivables (continued)**

**Recognition and measurement (continued)**

**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. 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 change in trading conditions, especially due to recent COVID outbreaks.
- Higher receivables balances (i.e. exposure at default).
- Lost time value of money, if amounts are expected to be received later than when contractually due.

**10. Contract assets and liabilities**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract assets - current	3,976	-	3,976	-
	<b>3,976</b>	<b>-</b>	<b>3,976</b>	<b>-</b>
Contract liabilities - current	29,939	31,463	29,939	31,463
	<b>29,939</b>	<b>31,463</b>	<b>29,939</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 2021. The balance of contract assets and contract liabilities at 30 June 2021 was impacted by, the value and timing of the completion of performance obligations and invoicing, as well as terms of payment under the contract.

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	17,378	9,877	17,378	9,877
Revenue recognised from performance obligations satisfied in previous periods	5,989	3,322	5,989	3,322
Transaction price allocated to remaining performance obligations from contracts with customers	29,939	31,463	29,939	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 2021-22 and the 2022-23 financial years.

**Department of Planning, Industry and Environment**  
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**11. Financial assets at fair value**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-Current				
Shares	5,440	6,548	5,440	6,548
Transferred to Investment NSW	(5,440)	-	(5,440)	-
	-	6,548	-	6,548

The consolidated entity shareholding in Silicon Quantum Computing Pty Ltd was transferred to the newly created Investment NSW on 29 March 2021. Under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2021*, the Office of Chief Scientist and Engineer was transferred from the Department to Investment NSW, which was created on 29 March 2021. Refer note 23.

Refer note 29 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

**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.

**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).



**Department of Planning, Industry and Environment**  
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**12. Inventories**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Finished goods	789	821	789	821
	<b>789</b>	<b>821</b>	<b>789</b>	<b>821</b>
<b>Non-Current</b>				
Finished goods	7,463	7,986	7,463	7,986
Land developments	2,863	2,781	2,863	2,781
	<b>10,326</b>	<b>10,767</b>	<b>10,326</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.

**Department of Planning, Industry and Environment**  
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**13. Current / non-current assets – other financial assets**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Receivable on finance leases as lessor (refer note 15)	8,443	8,598	8,128	8,281
Loans and deposits	2,601	3,784	2,419	3,595
Loans impairment	(26)	(504)	(26)	(504)
	<b>11,018</b>	<b>11,878</b>	<b>10,521</b>	<b>11,372</b>
<b>Non-Current</b>				
Receivable on finance leases as lessor (refer note 15)	141,277	146,056	113,157	117,958
Loans and deposits	8,635	9,474	7,344	7,725
Loans impairment	(367)	(403)	(367)	(403)
	<b>149,545</b>	<b>155,127</b>	<b>120,134</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 2021, the consolidated entity recognised an impairment of \$0.4 million (2020: \$0.9 million) on loans given through other 'gains and losses' in the statement of comprehensive income.



Department of Planning, Industry and Environment  
Notes to the financial statements  
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**14. Property, plant and equipment (continued)**

(a) Total property, plant and equipment (continued d)

	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 2021</b>								
Net carrying amount at beginning of year	6,067,731	2,255,214	62,621	299,774	8,685,340	131,621	-	4,287,581
Additions	29,321	23,245	7,811	21,250	81,627	36,519	-	113,178
Disposals*	(39,672)	(89)	(3,029)	(2,209)	(44,999)	(5,433)	-	(3,502)
Acquisition/transfers through equity and administrative transfers	(37,184)	1,354	38	(1,169)	(36,961)	(1)	-	(874,538)
Net revaluation increments less revaluation decrements	229,013	523,001	7,828	88,976	848,818	-	-	64,491
Depreciation expense	-	-	-	(13,640)	(13,640)	(25,528)	-	(108,597)
Impairment recognised in reserves	-	-	-	(574)	(574)	-	-	(7,645)
Transfer between asset categories**	-	-	(1)	(13,592)	(13,593)	15,002	-	(3,809)
<b>Net carrying amount at end of the year</b>	<b>6,249,209</b>	<b>2,802,725</b>	<b>75,268</b>	<b>378,816</b>	<b>9,506,018</b>	<b>152,180</b>	<b>-</b>	<b>13,125,357</b>
<b>At 30 June 2021 - fair value</b>								
Gross carrying amount	6,531,670	2,802,725	75,268	708,127	10,117,790	305,321	-	5,434,146
Accumulated depreciation and impairment	(282,461)	-	-	(329,311)	(611,772)	(153,141)	-	(1,966,987)
<b>Net carrying amount</b>	<b>6,249,209</b>	<b>2,802,725</b>	<b>75,268</b>	<b>378,816</b>	<b>9,506,018</b>	<b>152,180</b>	<b>-</b>	<b>13,125,357</b>

\*\*Reclassified \$2.4 million to intangible assets. Refer note 16.



Department of Planning, Industry and Environment  
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**14. Property, plant and equipment (continued)**

(a) Total property, plant and equipment (continued)

	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
At 1 July 2019 - fair value										
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)
Net carrying amount	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
Year ended 30 June 2020										
Net carrying amount at beginning of year	-	-	-	-	-	-	-	-	-	-
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 beginning of year	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)
Acquisition/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)
Transfer between asset categories	-	(930)	585	5,211	4,866	(1,386)	-	(1,386)	(4,149)	(669)
Net carrying amount at end of year	5,938,264	2,255,214	62,621	270,965	8,527,064	131,540	-	131,540	3,524,492	12,183,096
At 30 June 2020 - fair value										
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)
Net carrying amount	5,938,264	2,255,214	62,621	270,965	8,527,064	131,540	-	131,540	3,524,492	12,183,096

Department of Planning, Industry and Environment  
Notes to the financial statements  
for the year ended 30 June 2021

**14. Property, plant and equipment (continued)**

(a) Total property, plant and equipment (continued)

	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 2021</b>								
Net carrying amount at beginning of year	5,938,264	2,255,214	62,821	270,965	8,527,064	131,540	-	131,540
Additions	29,311	23,245	1,250	20,486	74,292	36,519	-	36,519
Disposals*	(37,168)	(89)	(3,029)	(719)	(41,005)	(5,433)	-	(5,433)
Acquisition/transfers through equity and administrative transfers	(36,618)	1,354	38	(1,169)	(36,395)	(1)	-	(1)
Net revaluation increments less revaluation decrements	227,147	523,001	1,373	86,588	838,109	-	-	-
Depreciation expense	-	-	-	(12,428)	(12,428)	(25,516)	-	(25,516)
Impairment recognised in reserves	-	-	-	(574)	(574)	-	-	-
Transfer between asset categories**	-	-	(1)	(13,643)	(13,644)	15,002	-	15,002
<b>Net carrying amount at end of the year</b>	<b>6,120,936</b>	<b>2,802,725</b>	<b>62,252</b>	<b>349,506</b>	<b>9,335,419</b>	<b>152,111</b>	<b>-</b>	<b>152,111</b>
								<b>2,701,499</b>
								<b>12,189,029</b>
<b>At 30 June 2021 - fair value</b>								
Gross carrying amount	6,403,397	2,802,725	62,252	645,083	9,913,457	304,946	-	304,946
Accumulated depreciation and impairment	(282,461)	-	-	(295,577)	(578,038)	(152,835)	-	(152,835)
<b>Net carrying amount</b>	<b>6,120,936</b>	<b>2,802,725</b>	<b>62,252</b>	<b>349,506</b>	<b>9,335,419</b>	<b>152,111</b>	<b>-</b>	<b>152,111</b>
								<b>2,701,499</b>
								<b>12,189,029</b>

\*\*Reclassified \$2.4 million to intangible assets. Refer note 16.

Table 14b discloses assets that are held by the consolidated and parent entities to support their operations, while table 14c discloses assets that are leased out.

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**14. Property, plant and equipment (continued)**

(b) Property, plant and equipment held and used by the consolidated entity

	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
At 1 July 2019 - fair value										
Gross carrying amount	5,564,979	2,138,636	138,664	1,184,009	9,026,288	341,693	10,586	352,279	6,624,145	16,002,712
Accumulated depreciation and impairment	(289,318)	-	-	(697,734)	(987,052)	(205,595)	-	(205,595)	(2,260,269)	(3,452,916)
Net carrying amount	5,275,661	2,138,636	138,664	486,275	8,039,236	136,098	10,586	146,684	4,363,876	12,549,796
Year ended 30 June 2020										
Net carrying amount at beginning of year	-	-	-	-	-	-	-	-	-	-
Transfer from controlled entities	-	-	-	-	-	274	-	274	740,807	741,081
Transfer due to administrative restructures - 1 July 2019	5,275,661	2,138,636	138,664	486,275	8,039,236	135,824	10,586	146,410	3,623,069	11,808,715
Adjusted net carrying amount at beginning of year	5,275,661	2,138,636	138,664	486,275	8,039,236	136,098	10,586	146,684	4,363,876	12,549,796
Additions	14,536	20,607	1,278	31,050	67,471	75,121	-	75,121	70,750	213,342
Disposals	(40,480)	-	(1,428)	(44)	(41,952)	(9,152)	-	(9,152)	(207)	(51,311)
Acquisition/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	551,612	50,966	27,735	2,537	632,850	221	-	221	22,751	655,822
Depreciation expense	-	-	-	(20,780)	(20,780)	(31,885)	-	(31,885)	(128,332)	(180,997)
Transfers*	-	(930)	466	3,018	2,554	(1,744)	-	(1,744)	(1,479)	(669)
Net carrying amount at end of year	5,833,553	2,209,280	59,947	291,681	8,394,461	131,621	-	131,621	4,287,581	12,813,663
At 30 June 2020 - fair value										
Gross carrying amount	6,135,769	2,209,280	59,947	651,047	9,056,043	286,885	-	286,885	6,559,488	15,902,416
Accumulated depreciation and impairment	(302,216)	-	-	(359,366)	(661,582)	(155,264)	-	(155,264)	(2,271,907)	(3,088,753)
Net carrying amount	5,833,553	2,209,280	59,947	291,681	8,394,461	131,621	-	131,621	4,287,581	12,813,663



## 14. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the consolidated entity (continued)

		CROWN LAND	LAND AND BUILDINGS	PLANT AND EQUIPMENT	INFRASTRUCTURE SYSTEMS	TOTAL ASSETS	TOTAL LIABILITIES	NET ASSETS	NET CARRYING AMOUNT AT END OF YEAR
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2021									
Net carrying amount at beginning of year		5,833,553	2,209,280	-	-	-	-	8,042,833	12,813,663
Additions		25,458	7,811	36,519	113,178	36,519	(3,502)	227,370	227,370
Disposals		(17,535)	(89)	(5,433)	(3,502)	(5,433)	(3,502)	(31,797)	(31,797)
Acquisition/transfers through equity and administrative transfers		(35,009)	1,354	(1)	(874,538)	(1)	(874,538)	(909,325)	(909,325)
Net revaluation increments less revaluation decrements		224,543	523,944	844,488	64,491	-	-	908,979	908,979
Depreciation expense		-	-	(13,224)	(25,528)	(25,528)	(108,597)	(147,349)	(147,349)
Impairment recognised in reserves		-	-	(574)	(7,645)	-	(7,645)	(8,219)	(8,219)
Transfers*		3,161	40,718	15,002	(3,809)	15,002	(3,809)	41,479	41,479
Net carrying amount at end of the year		6,034,171	2,798,452	9,275,462	152,180	152,180	3,467,159	12,894,801	12,894,801
At 30 June 2021 - fair value									
Gross carrying amount		6,316,632	2,798,452	9,880,541	305,321	305,321	5,434,146	15,620,008	15,620,008
Accumulated depreciation and impairment		(282,461)	-	(605,079)	(153,141)	(153,141)	(1,966,987)	(2,725,207)	(2,725,207)
Net carrying amount		6,034,171	2,798,452	9,275,462	152,180	152,180	3,467,159	12,894,801	12,894,801

\*Includes transfers between notes 14(b) and 14(c).

Department of Planning, Industry and Environment  
Notes to the financial statements  
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**14. Property, plant and equipment (continued)**

(b) Property, plant and equipment held and used by the Department

	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>At 1 July 2019 - fair value</b>								
Gross carrying amount	5,471,735	2,138,636	138,425	1,121,268	8,870,064	340,750	10,586	351,336
Accumulated depreciation and impairment	(289,318)	-	-	(661,852)	(951,170)	(204,926)	-	(204,926)
<b>Net carrying amount</b>	<b>5,182,417</b>	<b>2,138,636</b>	<b>138,425</b>	<b>459,416</b>	<b>7,918,894</b>	<b>135,824</b>	<b>10,586</b>	<b>146,410</b>
								<b>3,623,069</b>
								<b>11,688,373</b>
<b>Year ended 30 June 2020</b>								
Net carrying amount at beginning of year	-	-	-	-	-	-	-	-
Transfer from controlled entities	-	-	-	-	-	-	-	-
Transfer due to administrative restructures - 1 July 2019	-	-	-	-	-	-	-	-
Adjusted net carrying amount at beginning of year	5,182,417	2,138,636	138,425	459,416	7,918,894	135,824	10,586	146,410
Additions	16,945	20,607	1,342	30,958	69,852	74,814	-	74,814
Disposals	(40,822)	-	(1,372)	(44)	(42,238)	(9,141)	-	(9,141)
Acquisition/transfers through equity and administrative transfers	34,342	1	(106,768)	(207,313)	(279,738)	(36,960)	(10,586)	(47,546)
Net revaluation increments less revaluation decrements	526,302	50,966	27,735	1,907	606,910	221	-	221
Impairment losses (recognised in 'other gains/losses')	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	(19,810)	(19,810)	(31,832)	-	(31,832)
Transfers*	-	(930)	585	5,211	4,866	(1,386)	-	(1,386)
<b>Net carrying amount at end of year</b>	<b>5,719,184</b>	<b>2,209,280</b>	<b>59,947</b>	<b>270,325</b>	<b>8,258,736</b>	<b>131,540</b>	<b>-</b>	<b>131,540</b>
								<b>3,524,492</b>
								<b>11,914,768</b>
<b>At 30 June 2020 - fair value</b>								
Gross carrying amount	6,021,400	2,209,280	59,947	598,266	8,888,893	286,511	-	286,511
Accumulated depreciation and impairment	(302,216)	-	-	(327,941)	(630,157)	(154,971)	-	(154,971)
<b>Net carrying amount</b>	<b>5,719,184</b>	<b>2,209,280</b>	<b>59,947</b>	<b>270,325</b>	<b>8,258,736</b>	<b>131,540</b>	<b>-</b>	<b>131,540</b>
								<b>3,524,492</b>
								<b>11,914,768</b>

Department of Planning, Industry and Environment  
Notes to the financial statements  
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**14. Property, plant and equipment (continued)**

(b) Property, plant and equipment held and used by the Department (continued)

	PARENT							
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total land buildings \$'000	Plant & equipment \$'000	Collection assets \$'000	Total other assets \$'000
							Infrastructure systems \$'000	Total \$'000
<b>Year ended 30 June 2021</b>								
Net carrying amount at beginning of year	5,719,184	2,209,280	59,947	270,325	8,258,736	131,540	-	131,540
Additions	25,448	23,245	1,250	20,486	70,429	36,519	-	36,519
Disposals	(15,031)	(89)	(3,029)	(719)	(18,868)	(5,433)	-	(5,433)
Acquisition/transfers through equity and administrative transfers	(34,443)	1,354	38	(1,169)	(34,220)	(1)	-	(1)
Net revaluation increments less revaluation decrements	222,702	523,944	1,240	86,317	834,203	-	-	-
Depreciation expense	-	-	-	(12,404)	(12,404)	(25,516)	-	(25,516)
Impairment recognised in reserves	-	-	-	(574)	(574)	-	-	-
Transfers*	-	40,718	(1)	(13,643)	27,074	15,002	-	15,002
Net carrying amount at end of the year	5,917,860	2,798,452	59,445	348,619	9,124,376	152,111	-	152,111
							2,701,499	11,977,986
<b>At 30 June 2021 - fair value</b>								
Gross carrying amount	6,200,321	2,798,452	59,445	643,557	9,701,775	304,946	-	304,946
Accumulated depreciation and impairment	(282,461)	-	-	(294,938)	(577,399)	(152,835)	-	(152,835)
Net carrying amount	5,917,860	2,798,452	59,445	348,619	9,124,376	152,111	-	152,111
							2,701,499	11,977,986

\*Includes transfers between notes 14(b) and 14(c).

Department of Planning, Industry and Environment  
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**14. Property, plant and equipment (continued)**

(c) Property, plant and equipment where the consolidated entity is lessor under operating leases

	CONSOLIDATED				
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	183,208	45,931	2,832	11,477	243,448
Accumulated depreciation and impairment	-	-	-	(3,402)	(3,402)
<b>Net carrying amount</b>	<b>183,208</b>	<b>45,931</b>	<b>2,832</b>	<b>8,075</b>	<b>240,046</b>
<b>Year ended 30 June 2020</b>					
Net carrying amount at beginning of year	-	-	-	-	-
Transfer from controlled entities	-	-	-	-	-
Transfer due to administrative restructures - 1 July 2019	183,208	45,931	2,832	8,075	240,046
Adjusted net carrying amount at beginning of year	183,208	45,931	2,832	8,075	240,046
Additions	2,480	-	-	-	2,480
Disposals	(7,138)	-	-	-	(7,138)
Acquisition/transfers through equity and administrative transfers	-	-	-	-	-
Net revaluation increments less revaluation decrements	55,628	3	(158)	415	55,888
Depreciation expense	-	-	-	(397)	(397)
Transfers*	-	-	-	-	-
<b>Net carrying amount at end of year</b>	<b>234,178</b>	<b>45,934</b>	<b>2,674</b>	<b>8,093</b>	<b>290,879</b>
<b>At 30 June 2020 - fair value</b>					
Gross carrying amount	234,178	45,934	2,674	12,580	295,366
Accumulated depreciation and impairment	-	-	-	(4,487)	(4,487)
<b>Net carrying amount</b>	<b>234,178</b>	<b>45,934</b>	<b>2,674</b>	<b>8,093</b>	<b>290,879</b>

\*Includes transfers between notes 14(b) and 14(c).

Department of Planning, Industry and Environment  
Notes to the financial statements  
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**14. Property, plant and equipment (continued)**

(c) Property, plant and equipment where the consolidated entity is lessor under operating leases (continued)

	CONSOLIDATED				
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total \$'000
<b>Year ended 30 June 2021</b>					
Net carrying amount at beginning of year	234,178	45,934	2,674	8,093	290,879
Additions	3,863	-	-	91	3,954
Disposals	(22,137)	-	-	-	(22,137)
Acquisition/transfers through equity and administrative transfers	(2,175)	-	-	-	(2,175)
Net revaluation increments less revaluation decrements	4,470	(943)	133	670	4,330
Depreciation expense	-	-	-	(416)	(416)
Transfers*	(3,161)	(40,718)	-	-	(43,879)
<b>Net carrying amount at end of the year</b>	<b>215,038</b>	<b>4,273</b>	<b>2,807</b>	<b>8,438</b>	<b>230,556</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	215,038	4,273	2,807	15,131	237,249
Accumulated depreciation and impairment	-	-	-	(6,693)	(6,693)
<b>Net carrying amount</b>	<b>215,038</b>	<b>4,273</b>	<b>2,807</b>	<b>8,438</b>	<b>230,556</b>

\*Includes transfers between notes 14(b) and 14(c).



Department of Planning, Industry and Environment  
Notes to the financial statements  
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**14. Property, plant and equipment (continued)**

(c) Property, plant and equipment where the Department is lessor under operating leases

	PARENT				
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	169,623	45,931	2,832	671	219,057
Accumulated depreciation and impairment	-	-	-	(324)	(324)
<b>Net carrying amount</b>	<b>169,623</b>	<b>45,931</b>	<b>2,832</b>	<b>347</b>	<b>218,733</b>
<b>Year ended 30 June 2020</b>					
Net carrying amount at beginning of year	-	-	-	-	-
Transfer from controlled entities	-	-	-	-	-
Transfer due to administrative restructures - 1 July 2019	169,623	45,931	2,832	347	218,733
Adjusted net carrying amount at beginning of year	169,623	45,931	2,832	347	218,733
Additions	71	-	-	-	71
Disposals	(6,796)	-	-	-	(6,796)
Acquisition/transfers through equity and administrative transfers	-	-	-	-	-
Net revaluation increments less revaluation decrements	56,182	3	(158)	309	56,336
Impairment losses (recognised in 'other gains/losses')	-	-	-	(16)	(16)
Depreciation expense	-	-	-	-	-
Transfers*	-	-	-	-	-
<b>Net carrying amount at end of year</b>	<b>219,080</b>	<b>45,934</b>	<b>2,674</b>	<b>640</b>	<b>268,328</b>
<b>At 30 June 2020 - fair value</b>					
Gross carrying amount	219,080	45,934	2,674	1,286	268,974
Accumulated depreciation and impairment	-	-	-	(646)	(646)
<b>Net carrying amount</b>	<b>219,080</b>	<b>45,934</b>	<b>2,674</b>	<b>640</b>	<b>268,328</b>

\*Includes transfers between notes 14(b) and 14(c).



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**14. Property, plant and equipment (continued)**

(c) Property, plant and equipment where the Department is lessor under operating leases (continued)

	PARENT				
	Crown Land \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Total \$'000
<b>Year ended 30 June 2021</b>					
Net carrying amount at beginning of year	219,080	45,934	2,674	640	268,328
Additions	3,863	-	-	-	3,863
Disposals	(22,137)	-	-	-	(22,137)
Acquisition/transfers through equity and administrative transfers	(2,175)	-	-	-	(2,175)
Net revaluation increments less revaluation decrements	4,445	(943)	133	271	3,906
Depreciation expense	-	-	-	(24)	(24)
Transfers*	-	(40,718)	-	-	(40,718)
<b>Net carrying amount at end of the year</b>	<b>203,076</b>	<b>4,273</b>	<b>2,807</b>	<b>887</b>	<b>211,043</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	203,076	4,273	2,807	1,526	211,682
Accumulated depreciation and impairment	-	-	-	(639)	(639)
<b>Net carrying amount</b>	<b>203,076</b>	<b>4,273</b>	<b>2,807</b>	<b>887</b>	<b>211,043</b>

\*Includes transfers between notes 14(b) and 14(c).

**Department of Planning, Industry and Environment**  
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**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.

**Department of Planning, Industry and Environment**  
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**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.

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.

Further information on leases is contained at note 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' (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.

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**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)*	31-Mar-21	CBRE Valuations Pty Ltd
Land (other)*	31-Mar-20	Colliers International Valuation & Advisory Services Pty Ltd and CBRE valuations Pty Ltd
Buildings	31-Mar-21	Australis Asset Advisory Group
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-21	Australis Asset Advisory Group
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

Comprehensive revaluations completed at 31 March 2021 have been updated for 30 June 2021.

\*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 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.



## Department of Planning, Industry and Environment

### Notes to the financial statements

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#### 14. Property, plant and equipment (continued)

##### Recognition and measurement (continued)

##### Revaluation of property, plant and equipment (continued)

**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 external professionally qualified valuers to conduct the interim fair value assessment.

Asset category	Interim valuation performed by
Land (Crown)	Colliers International Valuation & Advisory Services Pty Ltd
Land (other)	Australis Asset Advisory Group
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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**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 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.

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 2021 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. Refer note 25.

The consolidated entity has inspected and assessed the damage to physical assets as a result of recent floods. An amount of \$8.2 million of impairment has been included in the 30 June 2021 financial statements (Department: \$4.6 million; Water Ministerial Administration Corporation: \$3.6 million). In 2019-20, \$28 million of impairment due to bushfires was recognised. However physical inspection of assets during the 2020-21 financial year has identified an actual damage of \$13.2 million. The required adjustment to the fair value of assets has been presented under Change in revaluation surplus of property, plant & equipment under 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.



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**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 25 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 of \$461.9 million 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 lessee. During the current financial year, the impact of reassessment by the Department of the likelihood of it exercising lease options in relation to an office accommodation at Parramatta, was a decrease in the lease liabilities and right-of-use assets of \$274 million. 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 plant and equipment.

The following table presents right-of use assets that do not meet the definition of investment property.

CONSOLIDATED AND PARENT			
	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	581,506	23,634	605,140
Additions	157,610	6,268	163,878
Remeasurement due to change in variable rent and/or lease term*	(285,797)	288	(285,509)
Depreciation expense	(37,855)	(8,700)	(46,555)
Disposal	(5,230)	(455)	(5,685)
Impairment	(28,894)	-	(28,894)
Balance at 30 June 2021	381,340	21,035	402,375

\*Includes reassessment of \$274 million relating to the lease term options and office space at Parramatta.

CONSOLIDATED AND PARENT			
	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
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)
Disposal	(28,214)	(319)	(28,533)
Impairment	(58,503)	-	(58,503)
Acquisition/transfers through administrative restructures	(79,642)	(2,648)	(82,290)
Balance at 30 June 2020	581,506	23,634	605,140

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**15. Leases (continued)**

**(a) Entity as Lessee (continued)**

Lease liabilities

The following table presents liabilities under leases.

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at 1 July	670,469	135,934	670,469	135,934
Additions	163,878	680,113	163,878	680,113
Interest expenses	16,309	10,025	16,309	10,025
Remeasurement due to change in variable rent and/or lease term	(285,509)	4,630	(285,509)	4,630
Payments	(50,760)	(48,268)	(50,760)	(48,268)
Disposals	(5,596)	(28,630)	(5,596)	(28,630)
Transfers through administrative restructure	-	(83,335)	-	(83,335)
Balance at 30 June	508,791	670,469	508,791	670,469

Right-of-use assets under leases

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Depreciation expense on right-of-use assets	46,555	47,885	46,555	47,885
Interest expense on lease liabilities	16,309	10,025	16,309	10,025
Expense relating to short-term leases and low-value assets	4,642	21,171	4,642	21,171
Total amount recognised in the statement of comprehensive income	67,506	79,081	67,506	79,081
Total cash outflows for leases	(50,760)	(48,268)	(50,760)	(48,268)

Recognition and measurement

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

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**15. Leases (continued)**

**(a) Entity as Lessee (continued)**

commencement date, 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, as follows:

- Land and buildings 2 to 25 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.



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**15. Leases (continued)**

**(a) Entity as Lessee (continued)**

Recognition and measurement (continued)

i. Right-of-use assets (continued)

*Impairment of right-of-use assets (continued)*

As at 30 June 2021, there was an impairment loss of \$28.9 million (2020: \$58.5 million) assessed by the consolidated entity for its right-of-use assets in 'other net gains/(losses)' in the statement of comprehensive income. The impairment loss was due to the adverse impact of COVID-19 on commercial rents, especially in Sydney metropolitan and Parramatta regions. The lower impairment loss in 2020-21 was primarily due to reduced right-of-use asset following a reassessment by the Department of the likelihood of it exercising lease extension options in relation to an office accommodation lease at Parramatta. Refer note 5.

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.

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.

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**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 (\$71.35 million) (2020: \$69.41 million) - 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 (\$78.37 million) (2020: \$85.24 million) - 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	2021 \$'000	2020 \$'000
Discount rate	+1%	(15,187)	(16,055)
Discount rate	-1%	24,015	24,258
Capital gain on land	+1%	2,261	1,871
Capital gain on land	-1%	(1,587)	(1,276)

**Lessor for finance leases**

Future minimum rentals receivable (undiscounted) under non-cancellable finance lease as at 30 June are, as follows:

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Within one year	12,468	10,157	12,144	9,832
One to five years	38,670	41,599	37,375	40,298
Later than five years	1,122,862	1,223,592	1,085,834	1,185,899
<b>Total (excluding GST)</b>	<b>1,174,000</b>	<b>1,275,348</b>	<b>1,135,353</b>	<b>1,236,029</b>

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**15. Leases (continued)**

**(b) Entity as lessor (continued)**

**Reconciliation of net investment in leases**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Future undiscounted rentals receivable	1,174,000	1,275,348	1,135,353	1,236,029
Unearned finance income	(1,024,280)	(1,120,694)	(1,014,068)	(1,109,790)
<b>Net investment in finance leases</b>	<b>149,720</b>	<b>154,654</b>	<b>121,285</b>	<b>126,239</b>

**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. 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 leases are as follows:

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Within one year	24,840	26,415	24,330	25,780
Later than one year and not later than five years				
One to two years	22,162	16,829	22,162	16,829
Two to three years	18,375	26,049	17,420	24,779
Three to four years	17,235	18,157	16,797	17,587
Four to five years	16,308	17,720	15,934	17,155
Later than five years	254,474	270,583	249,974	264,239
<b>Total (excluding GST)</b>	<b>353,394</b>	<b>375,753</b>	<b>346,617</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 year in which they are earned. Refer note 3(c).



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**16. Intangible assets**

	CONSOLIDATED			
	Software \$'000	Water licenses \$'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>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 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)
Transfers 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>
<b>At 1 July 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>
<b>Year ended 30 June 2021</b>				
Net carrying amount at beginning of year	142,815	341,912	453	485,180
Additions	41,398	5,721	188	47,307
Transfers between classes of assets*	2,400	-	-	2,400
Disposals	(545)	-	-	(545)
Impairment	-	(1,411)	-	(1,411)
Amortisation expense	(35,843)	-	-	(35,843)
<b>Net carrying amount at the end of the year</b>	<b>150,225</b>	<b>346,222</b>	<b>641</b>	<b>497,088</b>
<b>At 30 June 2021</b>				
Cost (gross carrying amount)	328,781	346,222	641	675,644
Accumulated amortisation and impairment	(178,556)	-	-	(178,556)
<b>Net carrying amount</b>	<b>150,225</b>	<b>346,222</b>	<b>641</b>	<b>497,088</b>

\*Reclassified from property, plant and equipment. Refer note 14.

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**16. Intangible assets (continued)**

	PARENT			
	Software \$'000	Water licenses \$'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>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
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)
Transfers 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>
<b>At 1 July 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>
<b>Year ended 30 June 2021</b>				
Net carrying amount at beginning of year	142,425	341,912	453	484,790
Additions	41,398	-	188	41,586
Transfers between classes of assets*	2,400	-	-	2,400
Disposals	(155)	-	-	(155)
Impairment	-	(1,411)	-	(1,411)
Amortisation expense	(35,843)	-	-	(35,843)
<b>Net carrying amount at the end of the year</b>	<b>150,225</b>	<b>340,501</b>	<b>641</b>	<b>491,367</b>
<b>At 30 June 2021</b>				
Cost (gross carrying amount)	328,781	340,501	641	669,923
Accumulated amortisation and impairment	(178,556)	-	-	(178,556)
<b>Net carrying amount</b>	<b>150,225</b>	<b>340,501</b>	<b>641</b>	<b>491,367</b>

\*Reclassified from property, plant and equipment. Refer note 14.

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#### 16. Intangible assets (continued)

##### 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.

The increased carrying amount of an intangible asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss for an asset shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount in which case, any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase.

##### *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*, ones that are held and controlled by the Water Administration Ministerial Corporation and those held via the consolidated entity's 26.67% share in the Living Murray Initiative Joint Venture.

These assets have indefinite useful lives.

##### *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.

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**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**

**2021**

	CONSOLIDATED			Total fair value \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Land (Crown)	-	128,273	6,120,936	6,249,209
Land (national park and reserves)	-	-	2,802,725	2,802,725
Land (other)	-	24,896	50,372	75,268
Buildings	-	-	378,816	378,816
Infrastructure systems	-	-	3,467,159	3,467,159
<b>Total fair value measurement of non-financial assets</b>	<b>-</b>	<b>153,169</b>	<b>12,820,008</b>	<b>12,973,177</b>

**2020**

	CONSOLIDATED			Total fair value \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
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>



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**17. Fair value measurement of non-financial assets (continued)**

**(a) Fair value hierarchy (continued)**

2021	PARENT			Total fair value \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Land (Crown)	-	-	6,120,936	6,120,936
Land (national park and reserves)	-	-	2,802,725	2,802,725
Land (other)	-	11,880	50,372	62,252
Buildings	-	-	349,506	349,506
Infrastructure systems	-	-	2,701,499	2,701,499
<b>Total fair value measurement of non-financial assets</b>	<b>-</b>	<b>11,880</b>	<b>12,025,038</b>	<b>12,036,918</b>

2020	PARENT			Total fair value \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
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>

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**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 \$'000	Infrastructure systems \$'000	Collection assets \$'000	Total \$'000
Fair value at beginning of the year	5,938,264	2,255,214	52,613	299,774	4,287,581	-	12,833,446
Additions	29,311	23,245	-	21,437	113,178	-	187,171
Disposals	(37,168)	(89)	(3,029)	(2,209)	(3,502)	-	(45,997)
Transfers	(36,618)	1,354	37	(14,948)	(878,347)	-	(928,522)
Revaluation - reserves	227,147	523,001	751	88,976	64,491	-	904,366
Impairment	-	-	-	(574)	(7,645)	-	(8,219)
Depreciation expense	-	-	-	(13,640)	(108,597)	-	(122,237)
Fair value as at 30 June 2021	6,120,936	2,802,725	50,372	378,816	3,467,159	-	12,820,008

CONSOLIDATED							
	Land (Crown land) \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Infrastructure systems \$'000	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 as 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)
Fair value as at 30 June 2020	5,938,264	2,255,214	52,613	299,774	4,287,581	-	12,833,446



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**17. Fair value measurement of non-financial assets (continued)**

**(b) Reconciliation of recurring Level 3 fair value measurements (continued)**

	PARENT						Total \$'000
	Land (Crown land) \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Infrastructure systems \$'000	Collection assets \$'000	
Fair value at beginning of the year	5,938,264	2,255,214	52,613	270,965	3,524,492	-	12,041,548
Additions	29,311	23,245	-	20,673	111,729	-	184,958
Disposals	(37,168)	(89)	(3,029)	(719)	(2,978)	-	(43,983)
Transfers	(36,618)	1,354	37	(14,999)	(878,296)	-	(928,522)
Revaluation - reserves	227,147	523,001	751	86,588	54,087	-	891,574
Impairment	-	-	-	(574)	(4,034)	-	(4,608)
Depreciation expense	-	-	-	(12,428)	(103,501)	-	(115,929)
Fair value as at 30 June 2021	6,120,936	2,802,725	50,372	349,506	2,701,499	-	12,025,038

	PARENT						Total \$'000
	Land (Crown land) \$'000	Land (national parks & reserves) \$'000	Land (other) \$'000	Buildings \$'000	Infrastructure systems \$'000	Collection assets \$'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 as 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)
Fair value as at 30 June 2020	5,938,264	2,255,214	52,613	270,965	3,524,492	-	12,041,548

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**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. 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> <li>Current year indices were determined with regard to historical indicators including an analysis of real estate market transactions and up-to-date market information. Management assessed that this factor appropriately reflected movement in the fair value of Crown land.</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 characteristics including land size, proximity to towns, proximity to roads and waterways and physical and topographical features of each site and discounted for restrictions on use. These factors are derived by the valuer based on the analysis of market evidence, experience and sales evidence on the type of property used to derive the rate per hectare.</li> <li>The 2021 comprehensive revaluation is based on individual assessment and identification of the assets using the RP Data Property Information site, SIX maps, NSW Planning Portal and the NSW National Parks and Wildlife Service website. For the 2021 assessment, valuer physically inspected in excess of 20% of the number of assets, which equated to more than 70% of the value of the portfolio.</li> </ul>
Other land	Level 2 & level 3	Market approach	<p>Comprehensive 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> <li>Interim valuation used the last five years of median price data in each local government area and projected to 30 June 2021. The movement during the current year was then calculated and applied to the asset values as at</li> </ul>

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Non-financial assets	Category (level 2 or level 3)	Valuation technique	Inputs used
			30 June 2021. Management assessed that this factor appropriately reflected the movement in the fair value of other land assets.
Buildings	Level 3	Depreciated replacement cost	Valuation technique uses following inputs: <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>Gross floor area and total and remaining useful life (based on physical inspection of all buildings).</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 obsolescence.</li> <li>Management assessed that the above appropriately reflected the movement in the fair value of building assets.</li> </ul>
Land underwater – 3 nautical mile	Level 3	Market approach	Valuation technique uses following inputs: <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 is used for public recreation and commercial purposes.</li> <li>Discounts are applied to reflect value in use.</li> <li>Current year index was determined with regard to historical indicators including an analysis of real estate market transactions and up-to-date market information. Management assessed that this factor appropriately reflected the movement in the fair value of land underwater in the three nautical mile zone.</li> </ul>
Infrastructure systems – visitor amenities and facilities	Level 3	Depreciated Replacement Cost	Valuation technique uses following inputs: <ul style="list-style-type: none"> <li>Current construction cost estimates as published in construction guides and handbooks.</li> <li>Actual comparable construction costs incurred by the Department, adjusted for location, total and remaining useful life.</li> <li>Unit rates are used for each asset component, which depend on the material, method of construction and installation costs.</li> </ul>
Infrastructure systems – roads, access assets, utilities and other	Level 3	Depreciated replacement cost	Valuation technique uses following inputs: <ul style="list-style-type: none"> <li>Current construction cost estimates as published in the Rawlinson's Handbook, adjusted by regional indices.</li> </ul>

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Non-financial assets	Category (level 2 or level 3)	Valuation technique	Inputs used
infrastructure assets			<ul style="list-style-type: none"> <li>Actual comparable construction costs and total and remaining useful life.</li> <li>For the interim revaluation performed at 30 June 2021 cost indices were developed by asset type (civil structures, mechanical, electrical and reticulation) then a weighted composite index was determined and applied to the gross replacement cost and fair value of the asset group. Management assessed that these indices appropriately reflected the movement in the fair value of these assets.</li> </ul>

The fair value assessment of non-financial assets at 30 June 2021 also considered the impact of COVID-19.

The independent valuers have assessed that based on sales evidence, there is no material impact at this stage on the overall land portfolio of the consolidated entity as a result of COVID-19 factor. The sales trend indicate that the real estate market has not moved significantly and has remained relatively static across the 2020-21 financial year. The independent valuers also considered the effect of COVID-19 on supply disruption, cost fluctuation and labour shortages. Their investigations to date indicate that COVID-19 has not caused any material impact on their assessment of fair value of buildings and infrastructure.

Management assessed the above evaluation by independent valuers to be reasonable.

Given the current outbreak, there is continued uncertainty regarding future market movements of property values. Though the valuers have assessed that there is no material impact on the fair value of assets at 30 June 2021, the consolidated entity will continue to monitor the situation and any impact on the fair value of assets. Also refer note 34.



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**18. Restricted assets**

**(a) Restricted cash assets (included in cash and cash equivalents)**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Climate Change Fund	271,446	280,666	271,446	280,666
Special Infrastructure Contributions Fund	198,089	195,628	198,089	195,628
Voluntary Planning Agreements Fund	105,859	113,089	105,859	113,089
Crown Lands Homesite program	47,750	47,794	47,750	47,794
Crown Land Statutory Managers	45,717	42,671	-	-
National Parks and Wildlife Fund	59,348	23,911	59,348	23,911
Other contributions	181,322	117,682	181,322	117,682
	<b>909,531</b>	<b>821,441</b>	<b>863,814</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 consolidated entity's 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.

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**19. Current / non-current liabilities – payables**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Accrued salaries wages and on-costs	19,418	14,917	19,418	14,917
Accruals	136,937	139,065	137,743	138,726
Creditors	225,198	68,589	223,807	68,589
Bonds and deposits	2,665	9,472	2,665	9,472
Other taxes payable	4,630	5,438	4,630	5,438
Works-in-kind received in advance (Voluntary Planning Agreements)	19,149	19,337	19,149	19,337
Works-in-kind - received in advance (Special Infrastructure Contributions)	47,900	20,592	47,900	20,592
Other	4,012	10,025	4,332	8,991
Payroll tax	6,125	6,878	6,125	6,878
	<b>466,034</b>	<b>294,313</b>	<b>465,769</b>	<b>292,940</b>
<b>Non-current</b>				
Bonds and deposits	1,305	964	1,305	964
	<b>1,305</b>	<b>964</b>	<b>1,305</b>	<b>964</b>

For the 2019-20 comparative, an amount of \$16.2 million was reallocated from 'other' to 'accruals' (\$9.9 million) and 'creditors' (\$6.3 million) to align with the nature of the payable. Refer note 1(h).

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.



**Department of Planning, Industry and Environment**  
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for the year ended 30 June 2021

**20. Current / non-current liabilities – borrowings**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current borrowings</b>				
Lease Liability (refer note 15)	44,102	31,176	44,102	31,176
Treasury advances repayable - non-interest bearing	1,649	1,602	1,649	1,602
	<b>45,751</b>	<b>32,778</b>	<b>45,751</b>	<b>32,778</b>
<b>Non-current borrowings</b>				
Lease Liability (refer note 15)	464,689	639,293	464,689	639,293
Treasury advances repayable - non-interest bearing	20,895	22,544	20,895	22,544
	<b>485,584</b>	<b>661,837</b>	<b>485,584</b>	<b>661,837</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 29.

**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 note 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**

2021	CONSOLIDATED		Total liabilities from financing activities
	Treasury advances repayable	Leases	
Balance at beginning of the year	24,146	670,469	694,615
Cash flows	(2,300)	(50,760)	(53,060)
New leases	-	163,878	163,878
Net increase / (decrease) in liabilities from administrative restructure	-	-	-
Interest expense	698	16,309	17,007
Other	-	(291,105)	(291,105)
<b>Balance at 30 June 2021</b>	<b>22,544</b>	<b>508,791</b>	<b>531,335</b>

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**20. Current / non-current liabilities - borrowings**

2020

	CONSOLIDATED		Total liabilities from financing activities
	Treasury advances repayable	Leases	
Balance at beginning of the year	-	-	-
Recognised on adoption of AASB 16	-	135,934	135,934
<b>1 July 2019</b>	<b>-</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>Balance at 30 June 2020</b>	<b>24,146</b>	<b>670,469</b>	<b>694,615</b>

2021

	PARENT		Total liabilities from financing activities
	Treasury advances repayable	Leases	
Balance at beginning of the year	24,146	670,469	694,615
Cash flows	(2,300)	(50,760)	(53,060)
New leases	-	163,878	163,878
Net increase / (decrease) in liabilities from administrative restructure	-	-	-
Interest expense	698	16,309	17,007
Other	-	(291,105)	(291,105)
<b>Balance at 30 June 2021</b>	<b>22,544</b>	<b>508,791</b>	<b>531,335</b>

2020

	PARENT		Total liabilities from financing activities
	Treasury advances repayable	Leases	
Balance at beginning of the year	-	-	-
Recognised on adoption of AASB 16	-	135,934	135,934
<b>1 July 2019</b>	<b>-</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>Balance at 30 June 2020</b>	<b>24,146</b>	<b>670,469</b>	<b>694,615</b>

**Department of Planning, Industry and Environment**  
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**21. Current / non-current liabilities – provisions**

**(a) Employee benefits, related on-costs and other provisions**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
<b>Employee benefits and related on-costs</b>				
Recreation leave	118,658	100,524	118,658	100,524
Long service leave	33,147	34,702	33,147	34,702
Payroll tax	14,425	14,516	14,425	14,516
Super defined benefits - refer note 21(b)	1,044	1,020	1,044	1,020
<b>Total employee benefits and related on-costs</b>	<b>167,274</b>	<b>150,762</b>	<b>167,274</b>	<b>150,762</b>
<b>Other Provisions</b>				
Restoration costs	1,273	10,889	1,273	10,889
Other	6,040	7,713	6,040	7,713
Contribution to the Crown	53,369	13,911	52,951	13,793
<b>Total other provisions</b>	<b>60,682</b>	<b>32,513</b>	<b>60,264</b>	<b>32,395</b>
<b>Total current provisions</b>	<b>227,956</b>	<b>183,275</b>	<b>227,538</b>	<b>183,157</b>
<b>Non-current</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave	4,140	4,374	4,140	4,374
Recreation leave	6	-	6	-
Super defined benefits - refer note 21(b)	15,417	19,639	15,417	19,639
<b>Total employee benefits and related on-costs</b>	<b>19,563</b>	<b>24,013</b>	<b>19,563</b>	<b>24,013</b>
<b>Other Provisions</b>				
Restoration costs	8,413	8,980	8,413	8,980
<b>Total other provisions</b>	<b>8,413</b>	<b>8,980</b>	<b>8,413</b>	<b>8,980</b>
<b>Total non-current provisions</b>	<b>27,976</b>	<b>32,993</b>	<b>27,976</b>	<b>32,993</b>

For the 2019-20 comparative, an amount of \$6.5 million was reallocated to 'long service leave' from 'payroll tax' within employee benefits and related on-costs to align with the nature of the provision. Refer note 1(h).

Recreation leave

The liability at 30 June 2021 was \$118.7 million (2020: \$100.5 million) This is based on leave entitlements at 30 June 2021. The value of recreational leave expected to be taken within 12 months is \$73.4 million (2020: \$78.5 million) and \$45.3 million (2020: \$22.0 million) after 12 months.

Long service leave

The liability at 30 June 2021 was \$37.3 million (2020: \$39.1 million) This is based on leave entitlements at 30 June 2021. The value of long service leave expected to be taken within 12 months is \$5.6 million (2020: \$5.9 million) and \$31.7 million (2020: \$33.2 million) after 12 months.

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Aggregate employee benefits and related on-costs</b>				
Provisions	186,837	174,775	186,837	174,775
Accrued salaries, wages and on-costs (note 19)	19,418	14,917	19,418	14,917
	<b>206,255</b>	<b>189,692</b>	<b>206,255</b>	<b>189,692</b>

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**21. Current / non-current liabilities – provisions (continued)**

**(a) Employee benefits, related on-costs and other provisions (continued)**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Movements in provisions (other than employee benefits) - restoration costs</b>				
Carrying amount at beginning of financial year	19,869	-	19,869	-
Equity transfers - refer note 23	-	19,686	-	19,686
Additional provisions recognised	1,289	2,678	1,289	2,678
Amounts used	(4,747)	(1,128)	(4,747)	(1,128)
Unwinding/change in the discount rate	(82)	1,870	(82)	1,870
Write back of provision	(6,643)	(3,237)	(6,643)	(3,237)
<b>Carrying amount at end of the year</b>	<b>9,686</b>	<b>19,869</b>	<b>9,686</b>	<b>19,869</b>
<b>Movements in other provisions</b>				
Carrying amount at beginning of financial year - controlled entity	7,713	2,449	7,713	-
Equity transfers - refer note 23	-	629	-	629
Additional provisions recognised	3,065	7,260	3,065	7,260
Amounts used	(4,498)	-	(4,498)	-
Write back of provision	(240)	(2,625)	(240)	(176)
<b>Carrying amount at end of the year</b>	<b>6,040</b>	<b>7,713</b>	<b>6,040</b>	<b>7,713</b>
<b>Contribution to the Crown</b>				
Carrying amount at beginning of financial year - controlled entity	13,911	1,473	13,793	-
Equity transfers	-	28,466	-	28,466
Additional provisions recognised	61,700	54,529	61,282	54,411
Amounts used	(22,242)	(70,557)	(22,124)	(69,084)
<b>Carrying amount at end of the year</b>	<b>53,369</b>	<b>13,911</b>	<b>52,951</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 8.4% 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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**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 the Aboriginal Housing Office, the consolidated entity's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. 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 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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**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.



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**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		SANCBS		SSS		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$A	\$A	\$A	\$A	\$A	\$A	\$A	\$A
<b>Net defined benefit liability/(asset) at start of year</b>	<b>40,733</b>	<b>(8,838)</b>	<b>373,883</b>	<b>348,723</b>	<b>20,244,204</b>	<b>19,997,828</b>	<b>20,668,688</b>	<b>20,340,616</b>
Current service cost	109,800	143,059	26,655	29,397	-	-	136,457	172,456
Net interest on the net defined benefit liability/(asset)	(34)	(666)	3,164	4,474	176,116	264,969	179,247	268,777
Actual return on fund assets less interest income	(723,081)	(59,733)	(52,121)	(3,615)	(1,541,001)	(136,520)	(2,316,203)	(199,868)
Actuarial (gains)/losses arising from changes in demographic assumptions	116,727	-	10,544	-	(347,495)	-	(220,223)	-
Actuarial (gains)/losses arising from changes in financial assumptions	(220,035)	95,594	(44,749)	24,317	(1,417,435)	104,410	(1,692,219)	224,321
Actuarial (gains)/losses arising from liability experience	348,064	(43,680)	(28,216)	(9,119)	(734,813)	10,063	(414,964)	(42,737)
Adjustment for effect of asset ceiling	197,547	181	-	-	33,436	3,654	230,983	3,835
Employer contributions	(89,185)	(87,186)	(19,857)	(21,514)	-	-	(109,043)	(108,700)
<b>Net defined benefit liability/(asset) at end of year</b>	<b>(210,482)</b>	<b>40,733</b>	<b>288,083</b>	<b>373,883</b>	<b>18,413,013</b>	<b>20,244,204</b>	<b>18,482,893</b>	<b>20,668,688</b>

**Super defined benefits**

	Total	
	2021 \$A'000	2020 \$A'000
Current provisions - note 21(a)	1,044	1,020
Non-current provisions - note 21(a)	15,417	19,639
	16,461	20,659

*Reconciliation of the Fair Value of Fund Assets – Para 140(a)(i)*

Financial year to 30 June	SASS		SANCBS		SSS		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$A	\$A	\$A	\$A	\$A	\$A	\$A	\$A
<b>Fair value of fund assets at beginning of the year</b>	<b>6,981,088</b>	<b>6,688,981</b>	<b>367,284</b>	<b>427,384</b>	<b>13,177,147</b>	<b>13,992,667</b>	<b>18,616,640</b>	<b>21,008,832</b>
Interest income	50,540	84,299	2,945	5,369	109,148	176,470	162,633	266,138
Actual return on fund assets less interest income	723,081	59,733	52,121	3,615	1,541,001	136,520	2,316,203	199,868
Employer contributions	89,185	87,186	19,857	21,514	-	-	109,043	108,700
Contributions by participants	44,478	53,498	-	-	-	-	44,478	53,498
Benefits paid	(277,454)	(855,981)	(60,825)	(87,565)	(1,197,851)	(1,193,230)	(1,536,129)	(2,136,776)
Taxes, premiums & expenses paid	11,218	(34,617)	56,370	(13,033)	218,521	64,830	286,109	17,180
<b>Fair value of fund assets at end of the year</b>	<b>8,822,148</b>	<b>6,981,088</b>	<b>427,783</b>	<b>367,284</b>	<b>13,847,868</b>	<b>13,177,147</b>	<b>20,887,877</b>	<b>19,616,640</b>

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**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		SANCS		SSS		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$A	\$A	\$A	\$A	\$A	\$A	\$A	\$A
Present value of defined benefit obligations at beginning of the year	6,920,781	6,480,689	730,968	777,117	33,366,086	33,829,366	40,008,784	41,187,041
Current service cost	109,801	143,059	26,655	29,397	-	-	136,457	172,456
Interest cost	49,627	82,318	6,109	9,844	284,696	439,636	340,433	531,798
Contributions by participants	44,478	53,498	-	-	-	-	44,478	53,498
Actuarial (gains)/losses arising from changes in demographic assumptions	116,727	-	10,544	-	(347,495)	-	(220,223)	-
Actuarial (gains)/losses arising from changes in financial assumptions	(220,035)	95,595	(44,749)	24,317	(1,417,435)	104,411	(1,682,219)	224,323
Actuarial (gains)/losses arising from liability experience	348,064	(43,680)	(28,216)	(9,119)	(734,813)	10,063	(414,964)	(42,736)
Benefits paid	(277,454)	(855,981)	(60,825)	(87,565)	(1,197,851)	(1,193,230)	(1,536,129)	(2,136,776)
Taxes, premiums & expenses paid	11,218	(34,617)	56,370	(13,033)	218,521	64,830	286,109	17,180
Present value of defined benefit obligations at end of the year	8,165,180	6,920,781	888,847	730,968	33,180,889	33,366,086	38,980,728	40,008,784

*Reconciliation of the effect of the Asset Ceiling - paragraph 140(a)(iii)*

Financial year to 30 June	SASS		SANCS		SSS		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$A	\$A	\$A	\$A	\$A	\$A	\$A	\$A
Adjustment for effect of asset ceiling at beginning of the year	101,071	99,576	-	-	65,287	60,830	166,358	160,406
Interest on the effect of asset ceiling	879	1,314	-	-	568	803	1,447	2,117
Change in the effect of asset ceiling	197,547	181	-	-	33,436	3,654	230,983	3,835
Adjustment for effect of asset ceiling at end of the year	299,498	101,071	-	-	99,291	65,287	398,788	166,358

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 2021			
	Total	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Unobservable inputs Level 3
	\$'000	\$'000	\$'000	\$'000
Short Term Securities	5,108,370	2,398,668	2,709,702	-
Australian fixed interest	903,816	-	903,816	-
International fixed interest	1,755,026	45,227	1,709,799	-
Australian equities	8,310,657	8,308,316	2,341	-
International equities	13,889,680	13,884,532	5,148	-
Property	3,287,730	626,961	-	2,660,769
Alternatives	8,529,711	759	2,709,828	5,819,124
<b>Total</b>	<b>41,784,990</b>	<b>25,264,463</b>	<b>8,040,634</b>	<b>8,479,893</b>

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**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 2021
Short Term Securities	12.2%
Australian fixed interest	2.2%
International fixed interest	4.2%
Australian equities	19.9%
International equities	33.2%
Property	7.9%
Alternatives	20.4%
<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.

The fair value of the Pooled Fund assets as at 30 June 2021 includes \$41.4 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 \$328 million (30 June 2020: \$340 million).

- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$443 million (30 June 2020: \$343 million).

*Significant Actuarial Assumptions at the Reporting Date - Para 144*

As at	30-Jun-21
Discount rate	1.50% pa
Salary increase rate (excluding promotional increases)	2.74% pa 21/22 to 25/26; 3.2% pa thereafter
Rate of CPI increase	1.50% for 20/21; 1.75% for 21/22 and 22/23; 2.25% for 23/24, 24/25 and 25/26; 2.50% for 26/27; 2.75% for 27/28, 3.00% for 28/29; 2.75% for 29/30; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are those to be used for the 2021 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.

**Department of Planning, Industry and Environment**  
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**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 2021 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 2021.

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	2021		
	Base case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
Discount rate	as above	as above -0.5% pa	as above +0.5% 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>	36,960,724	39,315,318	34,817,690

As at 30 June	2021		
	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>	36,960,724	39,189,913	34,916,701

As at 30 June	2021		
	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>	36,960,724	37,093,108	36,833,941

As at 30 June	2021		
	Base case	Scenario G Higher mortality*	Scenario H Lower mortality**
<b>Defined benefit obligation (A\$)</b>	36,960,724	37,494,646	36,560,519

\*Assumes the short-term pensioner mortality improvement factors for years 2021-2026 also apply for years after 2026.

\*\*Assumes the long-term pensioner mortality improvement factors for years post 2026 also apply for the years 2021 to 2026.

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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**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.

30 June 2021	Base Case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
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	\$11,204,613	\$10,554,429
30 June 2020	Base Case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
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	\$11,204,613	\$10,554,429

**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.

**Department of Planning, Industry and Environment**  
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**21. Current / non-current liabilities – provisions (continued)**

**(b) Superannuation (continued)**

*Surplus / deficit*

The following is a summary of the 30 June 2021 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

Financial year to 30 June	SASS 2021 \$A	SANCS 2021 \$A	SSS 2021 \$A	Total 2021 \$A
Accrued benefits*	4,988,063	512,585	15,749,253	21,247,881
Net market value of fund assets	(6,622,150)	(427,783)	(13,847,965)	(20,897,878)
<b>Net (surplus)/deficit</b>	<b>(1,636,087)</b>	<b>84,802</b>	<b>1,901,288</b>	<b>350,003</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 2021	SANCS 2021	SSS 2021
Multiple of member contributions			
% member salary	1.9	2.5	0.0

*Economic assumptions*

The economic assumptions adopted for 30 June 2021 AASB 1056 Accounting Standard "Superannuation Entities":

Weighted average assumptions	2021 %
Expected rate of return on fund assets backing current pension liabilities	6.5% pa
Expected rate of return on fund assets backing other liabilities	5.7% pa
Expected salary increase rate (excluding promotional salary increases)	2.7% pa 21/22 to 25/26; 3.2% pa thereafter
Expected rate of CPI increase	2.0% pa

*Expected contributions - Para 147(b)*

Financial year to 30 June	SASS 2021 \$A	SANCS 2021 \$A	SSS 2021 \$A	Total 2021 \$A
Expected employer contributions	84,977	17,248	-	102,225

*Maturity profile of defined benefit obligation - Para 147(c)*

The weighted average duration of the defined benefit obligation is 10.6 years.



**Department of Planning, Industry and Environment**  
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**21. Current / non-current liabilities – provisions (continued)**

**(b) Superannuation (continued)**

*Additional information*

**Profit or Loss Impact**

	SASS 2021 \$A	SANCS 2021 \$A	SSS 2021 \$A	Total 2021 \$A
Financial year to 30 June				
Current service cost	109,801	26,655	-	136,456
Net interest	(34)	3,164	176,116	179,246
Profit or loss component of the defined benefit cost	109,767	29,819	176,116	315,702

**Other Comprehensive Income**

	SASS 2021 \$A	SANCS 2021 \$A	SSS 2021 \$A	Total 2021 \$A
Financial year to 30 June				
Actuarial (gains) losses on liabilities	244,757	(62,421)	(2,499,742)	(2,317,406)
Actual return on fund assets less interest income	(723,081)	(52,121)	(1,541,001)	(2,316,203)
Change in the effect of asset ceiling	197,547	-	33,436	230,983
Total remeasurement in other comprehensive income	(280,777)	(114,542)	(4,007,307)	(4,402,626)

**22. Current / non-current liabilities – other**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Deferred income	19,061	11,054	18,590	10,707
	19,061	11,054	18,590	10,707

Deferred income includes lease and licence revenue from Crown lands and national parks received in advance.

**Department of Planning, Industry and Environment**  
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**23. Equity**

**a) Transfers - other NSW Government agencies**

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Transfer of assets within total state sector agencies*	(6,361)	33,194	(7,410)	39,274
Transfer of assets and liabilities as a result of machinery of government changes**	(909,709)	12,728,661	(908,094)	12,728,661
	<b>(916,070)</b>	<b>12,761,855</b>	<b>(915,504)</b>	<b>12,767,935</b>

\* The above includes transfer of assets upon publication of notice in the NSW Government Gazette.

\*\*Refer to detailed tables below.

During 2020–21, the following Machinery of Government (MoG) changes and transfers between agencies have been implemented:

- Effective from 1 July 2020, under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2020*, the Aboriginal Cultural Heritage Regulation Branch (ACH) 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.
- Effective from 1 July 2020, the transfer of coastal infrastructure functions from the Department to Marine Infrastructure Delivery Office (MIDO) within Transport for NSW was finalised following completion of a due diligence process. At the date of transfer of coastal infrastructure functions, related budgets, staff, assets and liabilities were transferred.
- Effective from 1 July 2020, 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 (OIPC) was established as a separate Public Service agency. 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.
- Effective from 29 March 2021, under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order 2021*, the Office of the Chief Scientist and Engineer (OCSE) was transferred from the Department to Investment NSW.

Effective 1 July 2019, 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*.

Assets and liabilities from the following abolished and existing NSW Government entities were transferred to the consolidated entity with effect from 1 July 2019.

- > 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 (DFS).
- > 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. 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.

	<b>CONSOLIDATED</b>					
	A/CH \$'000	MIDO \$'000	O/CSE \$'000	O/I/P \$'000	2021 \$'000	2021 \$'000
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	-	(1,906)	-	-	(1,906)	(1,906)
Total current assets	-	(1,906)	-	-	(1,906)	(1,906)
Non-current assets						
Financial assets at fair value	-	-	(5,440)	-	-	(5,440)
Property, plant and equipment	-	(905,139)	-	-	(905,139)	(905,139)
Total non-current assets	-	(905,139)	(5,440)	-	(910,579)	(910,579)
Total assets	-	(907,045)	(5,440)	-	(912,485)	(912,485)
<b>LIABILITIES</b>						
Current liabilities						
Payables	-	(80)	-	-	(80)	(80)
Provisions	(182)	(1,904)	(538)	(72)	(2,696)	(2,696)
Total current liabilities	(182)	(1,984)	(538)	(72)	(2,776)	(2,776)
Total liabilities	(182)	(1,984)	(538)	(72)	(2,776)	(2,776)
Net assets	182	(905,061)	(4,902)	72	(908,709)	(908,709)
			PARENT			
<b>ASSETS</b>	A/CH \$'000	MIDO \$'000	O/CSE \$'000	O/I/P \$'000	2021 \$'000	2021 \$'000
Current assets						
Cash and cash equivalents	-	(1,906)	-	-	(1,906)	(1,906)
Total current assets	-	(1,906)	-	-	(1,906)	(1,906)
Non-current assets						
Financial assets at fair value	-	-	(5,440)	-	-	(5,440)
Property, plant and equipment	-	(903,524)	-	-	(903,524)	(903,524)
Total non-current assets	-	(903,524)	(5,440)	-	(908,964)	(908,964)
Total assets	-	(905,430)	(5,440)	-	(910,870)	(910,870)
<b>LIABILITIES</b>						
Current liabilities						
Payables	-	(80)	-	-	(80)	(80)
Provisions	(182)	(1,904)	(538)	(72)	(2,696)	(2,696)
Total current liabilities	(182)	(1,984)	(538)	(72)	(2,776)	(2,776)
Total liabilities	(182)	(1,984)	(538)	(72)	(2,776)	(2,776)
Net assets	182	(903,446)	(4,902)	72	(908,094)	(908,094)

Department of Planning, Industry and Environment  
Notes to the financial statements  
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23. Equity (continued)

	CONSOLIDATED AND PARENT									
	OLG \$'000	OEH \$'000	DPE \$'000	DOI \$'000	DPC \$'000	DCJ \$'000	DFSJ \$'000	EPA \$'000	DRNSW \$'000	2020 \$'000
ASSETS										
Current assets										
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)
Total current assets	6,808	434,709	415,313	464,239	-	24,365	91,374	-	(250,029)	1,186,779
Non-current assets										
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
Total non-current assets	3,711	4,552,581	130,131	7,823,406	1,633	-	40,283	-	(498,994)	12,052,751
Total assets	10,519	4,987,290	545,444	8,287,645	1,633	24,365	131,657	-	(749,023)	13,239,530
LIABILITIES										
Current liabilities										
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
Total current liabilities	5,512	113,347	197,664	301,009	2,830	13,064	112,630	717	(216,979)	529,794
Non-current liabilities										
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)	36,372
Total non-current liabilities	301	40,213	2,893	11,698	249	11,301	477	11	(86,068)	(18,925)
Total liabilities	5,813	153,560	200,557	312,707	3,079	24,365	113,107	728	(303,047)	510,869
Net assets	4,706	4,833,730	344,887	7,974,938	(1,446)	-	18,550	(728)	(445,976)	12,728,661



**Department of Planning, Industry and Environment**  
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**23. Equity (continued)**

**b) Transfers from controlled entities**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Increase in net assets from controlled entities	-	951,068	-	-
	-	951,068	-	-

The consolidated entity included 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:

	1 July 2019		
	LAMC \$'000	WAMC \$'000	Total \$'000
<b>ASSETS</b>			
Current assets			
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
Total current assets	51,065	10,636	61,701
Non-current assets			
Property, plant and equipment			
Land and buildings	141,418	239	141,655
Infrastructure systems	4,621	736,186	740,807
Other property, plant and equipment	209	65	274
Total property, plant and equipment	146,248	736,490	882,738
Intangible assets	-	469	469
Other financial assets	15,984	-	15,984
Total non-current assets	162,210	736,959	899,169
Total assets	213,275	747,595	960,870
<b>LIABILITIES</b>			
Current liabilities			
Payables	5,069	47	5,116
Provisions	1,497	2,449	3,946
Other	740	-	740
Total current liabilities	7,306	2,496	9,802
Total liabilities	7,306	2,496	9,802
Net assets	205,969	745,099	951,068
<b>EQUITY</b>			
Reserves	-	81,237	81,237
Accumulated funds	205,969	663,862	869,831
Total equity	205,969	745,099	951,068

**Recognition and measurement**

**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' includes all current and prior period retained funds.

## Department of Planning, Industry and Environment

### Notes to the financial statements

for the year ended 30 June 2021

#### 23. Equity (continued)

##### Recognition and measurement (continued)

###### 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

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. These transfers are included as 'transfer of assets within total state sector agencies'.

#### 24. Commitments for expenditure

##### (a) Capital Commitments

	CONSOLIDATED		PARENT	
	2021	2020	2021	2020
	\$'000	\$'000	\$'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	8,029	15,113	8,029	15,113
Total (including GST)	8,029	15,113	8,029	15,113

#### 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 had 38,095 (2020: 36,769) Aboriginal land claims (ALCs) to assess as at 30 June 2021.

In the 2020-21 financial year, 467 ALCs were resolved (2020: 1,505). Additional temporary 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 reduction in land values due to potentially successful claims cannot be estimated at this point of time.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
 for the year ended 30 June 2021

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**25. Contingent liabilities and contingent assets (continued)**

**(a) Contingent liabilities (continued)**

**Natural disasters**

An inspection program to estimate the damage to physical assets and repairs/clean up works as a result of March floods are in progress. A high level estimate of impairment has been included in the 30 June 2021 financial statements. It is possible that for damages outside the local government areas that are entitled to receive funding under the State and Commonwealth disaster recovery funding arrangements (DRFA), the consolidated entity may not be able to claim full reimbursement from TMF, especially relating to damages to some natural surfaces in national parks.

Further, the 2019-20 bush fires across national parks resulted in extensive property damages, which are being progressively assessed with the make safe, rectification and replacement works to conclude over the next few years.

The financial impact of the above cannot be reliably estimated at this point of time.

**Other**

There are a number of claims against the consolidated entity. As at 30 June 2021, 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.

- The Department may be called upon to settle a debt obligation in the future. This may occur if the borrower (a local council) is not able to service its debt. In the unlikely event of this occurring, the financial impact cannot be estimated at this stage.

**(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 reimbursements from TMF for future property rectification and replacement works as a result of 2019-20 bushfires disclosed as contingent liabilities above.

The consolidated entity is also entitled to reimbursement for property damages due to recent floods from TMF and for funding under DRFA. Refer to contingent liabilities above.

It is not practical to estimate the financial effect of the financial value of these contingent assets.

## Department of Planning, Industry and Environment

### Notes to the financial statements

for the year ended 30 June 2021

#### 26. Budget

##### (a) 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.

Budget reflects the budget for the consolidated entity, after eliminating transactions between the Department, LAMC and WAMC.

Key significant events that impacted the consolidated entity's performance in the 2020-21 financial year include receipt of additional funding, including from the Commonwealth for COVID risks; Flood Recovery & Clean-Up Programs and for early and pre-construction works for new dams. Further, there were transfers of functions out of the Department to the other NSW Government agencies. Refer note 23 for details.

##### Net Result:

Net result was a loss of **\$317 million** that was lower than the budgeted loss of \$346 million by **\$29 million**. This favourable variance was mainly due to:

	\$ million
Lower than budgeted grants and subsidies expenses, which were primarily due to delayed spending on programs, such as from the Climate Change Fund, including emerging energy market; Local Infrastructure Growth Scheme; Public Spaces Legacy Fund and delays in land negotiation program in Crown Lands. Underspends in grants have 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. Further, expenditure from the Climate Change Fund has been reallocated to future years to align with the delivery of the new renewable energy plan announced in November 2020.	268
Lower than budgeted employee related expenses were primarily due to reduced bushfire activity in national parks and transfer of functions to other entities under Administrative Arrangements. Lower employee related expenses were also due to reduction in the long service leave expenses following the year-end actuarial estimate of the liability and related on-costs factors.	76
Lower than budgeted operating and other expenses were primarily due to reduced bushfire activity in national parks and transfer of functions to other entities under Administrative Arrangements.	57
Lower than budgeted depreciation was in main due to the transfer of coastal infrastructure functions from the Department to Marine Infrastructure Delivery with Transport for NSW.	39
Higher than budgeted revenue (other than appropriation), which was in main due to increased grants (cash and assets transferred free of cost) from external agencies, additional camping fees, leases and licences revenue from national parks and crown lands; partly offset by lower acceptance by the Crown of employee liabilities; and minor variances across a number of other categories. Increase in revenue in national parks was driven by increased local and State tourism due to the existing international travel restrictions and improved trade conditions.	25

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## Department of Planning, Industry and Environment

### Notes to the financial statements

#### for the year ended 30 June 2021

*The above was partly offset by:*

Lower than budgeted appropriation primarily due to the reallocation of funding to future years under the State Budget process to correspond with the timing of expenses as well as to other agencies under the Administrative Arrangements, some of which were enacted post finalisation of the State Budget. This reduction was partly offset by additional funding received during the year for managing COVID risks, flood recovery and to fund preconstruction works relating to new dams. (362)

Higher than budgeted losses on disposals/other losses mainly due to the impairment of right-of-use assets relating to office buildings in Sydney Metropolitan and Parramatta regions, higher than budgeted impairment of intangibles, transfers/disposals of crown land roads and other minor variations. (74)

**TOTAL 29**

Net assets of \$14.194 billion were lower than the budget of \$14.250 billion by \$56 million primarily due to the following:

	\$ million
Higher than budgeted payables and other liabilities, which was mainly due to the timing of completion of projects and related payments to service providers by year-end. These creditors will be paid in early 2021-22 financial year. (168)	(168)
Lower than budgeted receivables net of financial and contract assets was primarily due to reduced bush fire activity, resulting in lower insurance claims receivable at year-end. (86)	(86)
Lower than budgeted right-of-use assets, net of lease liabilities due to the impairment of property leases, especially in Parramatta and Sydney Metro regions. Refer notes 5 and 15. (29)	(29)
Reduced property, plant and equipment and intangibles due to higher than budgeted net assets transferred out to other agencies (\$910.4 million), higher than budgeted assets transferred free of cost/disposed and other minor variations (\$9.2 million). This was partly offset by higher than budgeted asset revaluations, net of impairments (\$904.6 million) mainly in relation to national parks and Crown lands and reduced depreciation (\$39 million). (21)	(21)
Other minor variances (7)	(7)
The above was partly offset by higher than budgeted cash. Refer below. 255	255
<b>TOTAL (56)</b>	(56)

Actual cash of \$1.041 billion was \$255 million higher than the budget of \$786 million. This increase was mainly in restricted cash (refer note 18) due to unspent grants from external sources of funds, including the Climate Change Fund, which will be expended in future years on specified/approved programs.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**27. Reconciliation of cash flows from operating activities to net result**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'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>	283,648	263,708	280,277	265,672
Depreciation and amortisation	(230,163)	(263,973)	(223,843)	(257,423)
Finance costs	(695)	(10,870)	(695)	(10,870)
Non-cash expenses	(8,877)	(23,592)	(4,269)	(17,256)
Non-cash grants	32,010	18,159	22,529	18,978
Gain/(loss) on disposal of property, plant and equipment	(20,625)	(28,539)	(23,225)	(30,090)
Other gain/(losses)	(29,970)	(47,132)	(29,922)	(60,043)
Increase / (decrease) in receivables	(122,385)	164,297	(120,248)	168,424
Increase / (decrease) in inventories	(473)	1,774	(473)	1,774
Increase / (decrease) in contract assets	3,976	(1,708)	3,976	(1,708)
Increase / (decrease) in other financial assets	(2,616)	1,524	(2,151)	877
Decrease / (increase) in payables	(172,144)	25,512	(173,252)	21,314
Decrease / (increase) in contract liabilities	1,524	(22,799)	1,524	(22,799)
Decrease / (increase) in provisions	(42,359)	(27,244)	(42,059)	(31,072)
Decrease / (increase) in other liabilities	(8,007)	53,887	(7,883)	53,494
<b>Net result</b>	<b>(317,156)</b>	<b>103,004</b>	<b>(319,714)</b>	<b>99,272</b>

**28. Non-cash financing and investing activities**

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-cash investing activities</b>				
Assets recognised for the first time	32,010	25,232	22,529	25,232
Assets written off	(5,251)	(7,284)	(5,251)	(7,284)
Equity transfers	905,139	11,851,700	903,524	11,851,700
Resources received free of charge	-	2,115	-	939
<b>Total non-cash investing activities</b>	<b>931,898</b>	<b>11,871,763</b>	<b>920,802</b>	<b>11,870,587</b>



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**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.

**(a) Financial instrument categories**

Class: Financial Assets	Note	Category	CONSOLIDATED		PARENT	
			2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
			Carrying Amount		Carrying Amount	
Cash and cash equivalents	8	Amortised cost	1,041,491	1,012,783	995,774	968,245
Receivables <sup>1</sup>	9	Amortised cost	202,465	330,095	202,475	327,853
Contract assets <sup>3</sup>	10		3,976	-	3,976	-
Financial assets at fair value	11	Fair value through profit and loss	-	6,548	-	6,548
Other financial assets	13	Amortised cost	160,563	167,005	130,655	136,652
			<b>1,408,495</b>	<b>1,516,431</b>	<b>1,332,880</b>	<b>1,439,298</b>
<b>Class: Financial Liabilities</b>			<b>Carrying Amount</b>		<b>Carrying Amount</b>	
Payables <sup>2</sup>	19	Financial liabilities measured at amortised cost	389,535	243,032	389,270	241,659
Borrowings	20	Financial liabilities measured at amortised cost	531,335	694,615	531,335	694,615
			<b>920,870</b>	<b>937,647</b>	<b>920,605</b>	<b>936,274</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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
 for the year ended 30 June 2021

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**29. Financial instruments (continued)**

**(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.

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.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**29. Financial instruments (continued)**

**(d) Derivatives**

The consolidated entity uses derivatives for hedging purposes only and not for trading or as speculative instruments. In the 2020-21, the Department entered into a foreign exchange forward contract for the acquisition of a helicopter to increase its hazard reduction and bushfire response capability and to enable effective fire management activities. The acquisition is in accordance with Treasury policy TPP18-03 *NSW Government Foreign Exchange Risk Policy*.

Forward foreign exchange contracts are used to mitigate exchange rate exposure arising from firm commitments for the purchase of goods and services in foreign currency.

Forward foreign exchange has been designated as hedging instrument in cash flow hedges in accordance with AASB 9 *Financial Instruments*.

The following table indicates the periods in which the cash flow associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

		Expected cash flow					Total \$'000
		Weighted average exchange rate	Contract value \$'000	No later than 3 months \$'000	Later than 3 months and no later than 12 months \$'000	Later than 12 months \$'000	
<b>Consolidated</b>							
2021	Denominated in Euros	0.6342	3,256	-	3,256	-	3,256
	Foreign exchange contract		3,256	-	3,256	-	3,256
2020			-	-	-	-	-

All derivatives are measured at fair value. The information about the exposure to credit risk, foreign exchange risk, and the methods and assumptions used in determining fair value of the derivatives is provided in notes 29(e).

**(e) 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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**29. Financial instruments (continued)**

**(e) Financial risks (continued)**

**(i) Credit Risk (continued)**

*Receivables – trade receivables*

*Accounting policy for impairment of trade receivables and other financial assets*

Collectability of trade receivables are reviewed 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.

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 2021, was determined as follows:

30 June 2021						
\$'000						
CONSOLIDATED	Current	<30 days	30 - 60 days	61 - 90 days	>91 days	Total
Expected credit loss rate	0%	2%	2%	0%	29%	
Estimates total gross carrying amount	46,222	12,625	3,566	4,104	33,366	99,883
Expected credit loss	282	291	88	68	9,392	10,121

30 June 2020						
\$'000						
CONSOLIDATED	Current	<30 days	30 - 60 days	61 - 90 days	>91 days	Total
Expected credit loss rate	2%	8%	3%	8%	30%	
Estimates total gross carrying amount	113,055	12,708	3,445	24,842	35,495	189,545
Expected credit loss	1,883	963	115	1,980	10,561	15,502

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.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**29. Financial instruments (continued)**

**(e) Financial risks (continued)**

**(i) Credit Risk (continued)**

PARENT	30 June 2021 \$'000					Total
	Current	<30 days	30 - 60 days	61 - 90 days	>91 days	
Expected credit loss rate	0%	2%	2%	2%	27%	
Estimates total gross carrying amount	45,450	12,478	3,479	4,055	31,543	97,005
Expected credit loss	274	284	78	61	8,397	9,094

PARENT	30 June 2020 \$'000					Total
	Current	<30 days	30 - 60 days	61 - 90 days	>91 days	
Expected credit loss rate	2%	6%	3%	7%	28%	
Estimates total gross carrying amount	111,998	12,186	3,428	24,316	33,910	185,838
Expected credit loss	1,704	753	109	1,676	9,465	13,707

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 2021.

**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 applicable rate of interest for the year was 8.07% (2020: 9.08%). No interest was paid for the year ended 30 June 2021 (2020:nil). The consolidated entity is not materially exposed to concentration of credit risk to a single debtor or group of debtors as at 30 June 2021.

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**29. Financial instruments (continued)**

**(e) 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**

2021	Weighted average effective interest rate	Interest rate exposure				Maturity dates		
		Nominal Amount <sup>1</sup>	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	-	389,535	-	-	389,535	389,535	-	-
Borrowings:								
Advance repayable	-	22,544	-	-	22,544	1,850	7,099	13,795
Lease liabilities	2.10%	645,228	508,790	-	-	43,942	155,362	309,486
		<b>1,057,307</b>	<b>508,790</b>	<b>-</b>	<b>412,079</b>	<b>435,127</b>	<b>162,461</b>	<b>323,281</b>
<b>PARENT</b>								
Payables	-	389,270	-	-	389,270	389,270	-	-
Borrowings:								
Advance repayable	-	22,544	-	-	22,544	1,850	7,099	13,795
Lease liabilities	2.10%	645,228	508,790	-	-	43,942	155,362	309,486
		<b>1,057,042</b>	<b>508,790</b>	<b>-</b>	<b>411,814</b>	<b>434,862</b>	<b>162,461</b>	<b>323,281</b>

**Maturity Analysis and interest rate exposure of financial liabilities**

2020	Weighted average effective interest rate	Interest rate exposure				Maturity dates		
		Nominal Amount <sup>1</sup>	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	1,802	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	1,802	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>

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the statement of financial position



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**29. Financial instruments (continued)**

**(e) Financial risks (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. The consolidated entity's exposures to market risk are primarily through interest rate risk on the consolidated entity's borrowings.

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 the carrying value or interest paid/earned. 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.

	\$'000				
	Carrying amount	Profit -1%	Equity	Profit +1%	Equity
<b>2021</b>					
<b>CONSOLIDATED</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,041,491	(10,415)	(10,415)	10,415	10,415
Receivables	202,465	(2,025)	(2,025)	2,025	2,025
Other financial assets	160,563	(1,606)	(1,606)	1,606	1,606
<b>Financial Liabilities</b>					
Payables	389,535	3,895	3,895	(3,895)	(3,895)
Borrowings	531,335	5,313	5,313	(5,313)	(5,313)
	Carrying amount	Profit -1%	Equity	Profit +1%	Equity
<b>2021</b>					
<b>PARENT</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	995,774	(9,958)	(9,958)	9,958	9,958
Receivables	202,475	(2,025)	(2,025)	2,025	2,025
Other financial assets	130,655	(1,307)	(1,307)	1,307	1,307
<b>Financial Liabilities</b>					
Payables	389,270	3,893	3,893	(3,893)	(3,893)
Borrowings	531,335	5,313	5,313	(5,313)	(5,313)

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
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**29. Financial instruments (continued)**

(e) Financial risks (continued)

(iii) Market Risk

\$'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)

*Foreign exchange risk*

Exposure to foreign exchange risk arises primarily through the contractual commercial transactions denominated in a foreign currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity manages its foreign exchange risk by entering into forward exchange contracts in accordance with NSW Treasury policy TPP 18-03 *NSW Government foreign exchange risk policy*.

Foreign exchange risk related to the principal amount of overseas purchase commitments made, that are primarily dominated in Euros have been fully hedged using forward contracts that mature on the same dates as the forecast purchase are due for payment. These contracts are designated as cash flow hedges.

The consolidated entity's exposure to foreign exchange risk is set out in the table below, with all other variables being held constant. All underlying exposure and related hedges are taken into account. The impact on other comprehensive income is due to changes in the fair value of the financial instruments. The impact on equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

A sensitivity of 10% movement in the exchange rates has been selected for use in the sensitivity analysis at the reporting date, as this is considered reasonable, based on the current Australian dollar level and the historical volatility of the Australian dollar against other currencies. Based on the value of the Australian dollar at the reporting date as compared with the currencies below, adverse or favourable movements in the foreign exchange rates would result in an increase or decrease in the Australian dollar fair value respectively.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**29. Financial instruments (continued)**

**(e) Financial risks (continued)**

*Foreign exchange risk (continued)*

		+10%		-10%	
		Contract value	Net Result	Equity	Net Result
		\$'000	\$'000	\$'000	Equity
Consolidated					
2021	Denominated in Euros	3,256	-	(326)	-
	Foreign exchange contract	3,256	-	(326)	-
2020		-	-	-	-

(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).

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**29. Financial instruments (continued)**

**(e) Financial risks (continued)**

Fair value compared to carrying amount (continued)

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**

2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Loans receivable	-	10,843	-	10,843
Shares	-	-	-	-
	-	10,843	-	10,843
<b>2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets at fair value</b>				
Loans receivable	-	12,351	-	12,351
Shares	-	6,548	-	6,548
	-	18,899	-	18,899

**Parent**

2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Loans receivable	-	9,370	-	9,370
Shares	-	-	-	-
	-	9,370	-	9,370
<b>2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets at fair value</b>				
Loans receivable	-	10,413	-	10,413
Shares	-	6,548	-	6,548
	-	16,961	-	16,961

There were no transfers between level 1, 2 and 3 during the year ended 30 June 2021.

**30. Trust funds**

**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>2021 \$'000</b>	<b>2020 \$'000</b>
Cash at beginning of the financial year	13,055	10,015
Add: Receipts	20,190	24,106
Less: Payments	(18,069)	(21,066)
<b>Cash balance at end of the financial year</b>	<b>15,176</b>	<b>13,055</b>

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**30. Trust funds (continued)**

**Bonds held on behalf of Natural Resources Access Regulator (NRAR)**

At 30 June 2021, the consolidated entity held security bonds of \$3.4 million on behalf of NRAR.

A security bond is received pursuant to a condition imposed on a controlled activity approval granted by NRAR requiring the holder of the approval, before commencing the construction of any work or the carrying out of any activity, to provide security for the cost of performing the holder's obligations under the approval in the event that the holder fails to perform those obligations. As the consolidated entity performed 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.

**31. Administered receipts and payments**

The following monies have been collected on behalf of the Crown and forwarded to NSW Treasury.

	CONSOLIDATED	
	2021 \$'000	2020 \$'000
Fees	582	3,398
Fines	-	338
Licenses	-	1
	<b>582</b>	<b>3,737</b>

Refer note 1(d) for details on recognition and measurement policies. Functions relating to the collection of mining variable fees and small-scale title fees were transferred to DRNSW on 2 April 2020

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

### 32. Joint arrangements

The consolidated entity is engaged with several joint arrangements.

As at year ended 30 June 2021, 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).

	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000
Reporting date	100% 30 June	26.67% 30 June	100% 30 June	26.67% 30 June
<u>Summarised financial information</u>				
	\$'000	\$'000	\$'000	\$'000
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Infrastructure assets	2,676,592	713,847	2,660,477	709,549
Property, plant and equipment	11,980	3,195	9,411	2,510
Intangibles	667,638	178,059	672,924	179,469
Other	20,292	5,412	28,366	7,565
<b>Net assets</b>	<b>3,376,502</b>	<b>900,513</b>	<b>3,371,178</b>	<b>899,093</b>
<b>Statement of comprehensive income</b>				
Revenues	5,414	1,444	20,789	5,544
Expenses	(45,947)	(12,254)	(45,826)	(12,222)
<b>Surplus / (deficit) for the year</b>	<b>(40,533)</b>	<b>(10,810)</b>	<b>(25,037)</b>	<b>(6,678)</b>
<b>Aggregate asset revaluation increment/(decrement) for the financial year</b>	<b>45,855</b>	<b>12,230</b>	<b>64,726</b>	<b>17,262</b>

**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**32. Joint arrangements (continued)**

**(b) Dumaresq-Barwon Border Rivers Commission**

	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000
Reporting date	100% 30 June	50% 30 June	100% 30 June	50% 30 June
<u>Summarised financial information</u>				
	\$'000	\$'000	\$'000	\$'000
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	3,344	1,672	3,047	1,524
Receivables	72	36	501	251
<b>Non-current assets</b>				
Property, plant and equipment	157,891	78,945	158,140	79,070
<b>Total assets</b>	<b>161,307</b>	<b>80,653</b>	<b>161,688</b>	<b>80,845</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	1,138	569	1,216	608
<b>Total liabilities</b>	<b>1,138</b>	<b>569</b>	<b>1,216</b>	<b>608</b>
<b>Net assets</b>	<b>160,169</b>	<b>80,084</b>	<b>160,472</b>	<b>80,237</b>
<b>Statement of comprehensive income</b>				
Revenues	3,634	1,817	3,674	1,837
Expenses	(6,047)	(3,023)	(5,168)	(2,584)
<b>Surplus / (deficit) for the year</b>	<b>(2,413)</b>	<b>(1,206)</b>	<b>(1,494)</b>	<b>(747)</b>
<b>Aggregate asset revaluation increment/(decrement) for the financial year</b>				
	<b>2,110</b>	<b>1,055</b>	<b>24,329</b>	<b>12,165</b>



## Department of Planning, Industry and Environment

### Notes to the financial statements

for the year ended 30 June 2021

### 33. Related party disclosures

#### (a) Key management personnel compensation

The consolidated entity's key management personnel includes the following positions:

- Secretary of the Department;
- Group Deputy Secretary Corporate Services;
- Coordinator General Planning Delivery Unit;
- Deputy Secretary Water;
- Coordinator General Environment, Energy and Science;
- Group Deputy Secretary Strategy and Reform;
- Chief Legal Counsel;
- Group Deputy Secretary Place, Design and Public Spaces;
- Group Deputy Secretary Planning and Assessment;
- Deputy Secretary Housing and Property;
- Group Deputy Secretary People Performance and Culture;
- Group Deputy Secretary Aboriginal Strategy and Outcomes.

The combined compensation for the key management personnel is as follows:

	CONSOLIDATED		PARENT	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Salaries	4,541	5,010	4,541	5,010
Other monetary allowances	101	-	101	-
Other long-term employee benefits	9	104	9	104
Post-employment benefits	230	187	230	187
<b>Total remuneration</b>	<b>4,881</b>	<b>5,301</b>	<b>4,881</b>	<b>5,301</b>

#### (b) Transactions with key management personnel

In 2020-21, the Department entered into transactions with a company, in which the close family members of a key management personnel hold an interest. These transactions were entered into by the Department separately to the key management personnel, on arm's length terms and conditions and in the Department's ordinary course of business. The potential conflict of interest was documented and managed in accordance with the Department's policies and procedures.

#### (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 \$3.3 billion (2020: \$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 \$1.3 billion (2020: \$613 million) was paid as cluster grants to agencies within the Planning, Industry and Environment cluster. A further \$224 million (2020: \$310 million) was paid to NSW government entities under a number of the Department's grants programs.



**Department of Planning, Industry and Environment**  
**Notes to the financial statements**  
 for the year ended 30 June 2021

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**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. 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 (on behalf of Water Administration Ministerial Corporation), financing arrangement with NSW Treasury 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**

The consolidated entity is regularly 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 the continued uncertainty of COVID-19, there may be some new evidence that impacts the fair value assessment at 30 June 2021 materially. Refer note 17.

Under the *Water NSW Assets, Rights and Liabilities Transfer Order 2021*, all rights and liabilities of Water NSW, in the contracts, undertakings, representations, deeds, agreements and legally enforceable arrangements relating to specific projects were transferred into the Department on 1 September 2021. The impact of this transfer on the Department and the consolidated entity will be included in the 2021-22 financial statements.

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—Planning Ministerial Corporation**



## INDEPENDENT AUDITOR'S REPORT

### Planning Ministerial Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Planning Ministerial Corporation (the Corporation), which comprise the Statement by the Secretary, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows.

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.

#### 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, the GSF Act, GSF Regulations and Treasurer's Directions. The Secretary's responsibility also includes 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.

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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 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.



Reiky Jiang  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

7 October 2021  
SYDNEY

# Financial Statements - Planning Ministerial Corporation

# **Planning Ministerial Corporation**

## **Annual Financial Statements**

*for the year ended 30 June 2021*



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**Planning Ministerial Corporation**  
**Statement by the Secretary**  
for the year ended 30 June 2021

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Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly the Planning Ministerial Corporation's financial position, financial performance and cash flows.



Kiersten Fishburn  
A/Secretary  
Department of Planning, Industry and Environment

Date: 07/10/2021

**Planning Ministerial Corporation**  
**Statement of comprehensive income**  
for the year ended 30 June 2021

		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
	Notes			
<b>Expenses</b>				
Operating expenses				
Personnel services	2(a)	3,240	3,556	3,205
Other operating expenses	2(b)	10,872	12,534	11,661
Depreciation and amortisation	2(c)	1,623	1,166	2,212
Grants and subsidies	2(d)	16,156	59,000	12,111
Finance costs	2(e)	5,813	14,556	6,315
<b>Total expenses</b>		<b>37,704</b>	<b>90,812</b>	<b>35,504</b>
<b>Revenue</b>				
Investment revenue	3(a)	2,506	3,936	3,126
Grants and contributions	3(b)	30,831	35,243	14,571
Other revenue	3(c)	264	-	132
<b>Total revenue</b>		<b>33,601</b>	<b>39,179</b>	<b>17,829</b>
<b>Operating result</b>		<b>(4,103)</b>	<b>(51,633)</b>	<b>(17,675)</b>
Gains / (losses) on disposal	4	(684)	18,596	66,565
<b>Net result</b>		<b>(4,787)</b>	<b>(33,037)</b>	<b>48,890</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Net increase / (decrease) in property, plant and equipment revaluation surplus	10	54,275	-	42,034
<b>Total other comprehensive income</b>		<b>54,275</b>	<b>-</b>	<b>42,034</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>49,488</b>	<b>(33,037)</b>	<b>90,924</b>

The accompanying notes form part of these financial statements.

**Planning Ministerial Corporation**  
**Statement of financial position**  
as at 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	65,317	101,674	82,316
Receivables	6	2,838	2,203	51,642
Other financial assets	8	4,280	4,266	4,266
<b>Total current assets</b>		<b>72,435</b>	<b>108,143</b>	<b>138,224</b>
<b>Non-current assets</b>				
Receivables	6	-	905	911
Property, plant and equipment				
Land and buildings	10	1,817,033	1,747,717	1,707,485
Plant and equipment	10	539	688	718
<b>Total property, plant and equipment</b>		<b>1,817,572</b>	<b>1,748,405</b>	<b>1,708,203</b>
Intangible assets	12	16,330	16,330	16,330
<b>Total non-current assets</b>		<b>1,833,902</b>	<b>1,765,640</b>	<b>1,725,444</b>
<b>Total assets</b>		<b>1,906,337</b>	<b>1,873,783</b>	<b>1,863,668</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	14	17,150	21,460	20,842
Contract liabilities	7	-	19	19
Borrowings	15	23,035	33,150	23,150
Provisions	16	11,068	56	56
<b>Total current liabilities</b>		<b>51,253</b>	<b>54,685</b>	<b>44,067</b>
<b>Non-current liabilities</b>				
Borrowings	15	145,657	178,852	146,558
Provisions	16	16,330	17,240	17,241
<b>Total non-current liabilities</b>		<b>161,987</b>	<b>196,092</b>	<b>163,799</b>
<b>Total liabilities</b>		<b>213,240</b>	<b>250,777</b>	<b>207,866</b>
<b>Net assets</b>		<b>1,693,097</b>	<b>1,623,006</b>	<b>1,655,802</b>
<b>EQUITY</b>				
Reserves	17	1,007,493	945,807	966,624
Accumulated funds		685,604	677,199	689,178
<b>Total equity</b>		<b>1,693,097</b>	<b>1,623,006</b>	<b>1,655,802</b>

The accompanying notes form part of these financial statements

**Planning Ministerial Corporation**  
**Statement of changes in equity**  
for the year ended 30 June 2021

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Available- for-sale reserve \$'000	Total \$'000
<b>Balance at 1 July 2020</b>		689,178	966,624	-	1,655,802
<b>Net result for the year</b>		(4,787)	-	-	(4,787)
<b>Other comprehensive income</b>					
Changes in revaluation reserve of property, plant and equipment	10	-	54,275	-	54,275
<b>Total other comprehensive income</b>		-	54,275	-	54,275
<b>Total comprehensive income for the year</b>		(4,787)	54,275	-	49,488
<b>Transfers to accumulated funds</b>		13,406	(13,406)	-	-
<b>Transactions with owners in their capacity as owners</b>					
Increase / (decrease) in net assets from equity transfers	17	(12,193)	-	-	(12,193)
<b>Balance at 30 June 2021</b>		<b>685,604</b>	<b>1,007,493</b>	<b>-</b>	<b>1,693,097</b>

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Available- for-sale reserve \$'000	Total \$'000
<b>Balance at 1 July 2019</b>		767,235	920,560	5,265	1,693,060
<b>Net result for the year</b>		48,890	-	-	48,890
<b>Other comprehensive income</b>					
Changes in revaluation reserve of property, plant and equipment	10	-	42,034	-	42,034
<b>Restated total other comprehensive income</b>		-	42,034	-	42,034
<b>Total comprehensive income for the year</b>		<b>48,890</b>	<b>42,034</b>	<b>-</b>	<b>90,924</b>
<b>Transfers to accumulated funds</b>		1,235	4,030	(5,265)	-
<b>Transactions with owners in their capacity as owners</b>					
Increase / (decrease) in net assets from equity transfers	17	(128,182)	-	-	(128,182)
<b>Balance at 30 June 2020</b>		<b>689,178</b>	<b>966,624</b>	<b>-</b>	<b>1,655,802</b>

The accompanying notes form part of these financial statements.

**Planning Ministerial Corporation**  
**Statement of cash flows**  
for the year ended 30 June 2021

		<b>Actual 2021 \$'000</b>	<b>Budget 2021 \$'000</b>	<b>Actual 2020 \$'000</b>
	<b>Notes</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services		(3,240)	(3,556)	(3,205)
Grants and subsidies		(4,006)	(4,000)	(11,430)
Finance costs		(5,869)	(14,556)	(6,334)
Other payments		(11,617)	(16,534)	(18,942)
<b>Total payments</b>		<b>(24,732)</b>	<b>(38,646)</b>	<b>(39,911)</b>
<b>Receipts</b>				
Grants and contributions		30,783	26,526	14,571
Sale of goods and services		-	904	-
Interest received		137	3,032	251
Other receipts		9,684	62,572	22,053
<b>Total receipts</b>		<b>40,604</b>	<b>93,034</b>	<b>36,875</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>21</b>	<b>15,872</b>	<b>54,388</b>	<b>(3,036)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, plant and equipment		56,691	43,596	61,387
Purchase of property, plant and equipment		(88,532)	(120,920)	(28,286)
Purchase of investments	<b>8</b>	(14)	-	(78)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(31,855)</b>	<b>(77,324)</b>	<b>33,023</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and advances	<b>15</b>	-	42,294	4,648
Repayment of borrowings and advances	<b>15</b>	(1,016)	-	(551)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(1,016)</b>	<b>42,294</b>	<b>4,097</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(16,999)</b>	<b>19,358</b>	<b>34,084</b>
Opening cash and cash equivalents		82,316	82,316	48,232
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>5</b>	<b>65,317</b>	<b>101,674</b>	<b>82,316</b>

The accompanying notes form part of these financial statements.



**Planning Ministerial Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

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**1. Summary of significant accounting policies**

**(a) Reporting entity**

The Planning Ministerial Corporation (the Corporation) incorporating the Sydney Region Development Fund, operates under the provisions of the *Environmental Planning and Assessment Act 1979* to acquire and develop lands required for planning purposes within the Sydney Region. The Corporation is a separate reporting entity. There are no other entities under its control.

The Corporation is a NSW government entity. Though the Corporation has cash generating units, it is a not-for-profit entity as profit is not its principal objective. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Corporation does not employ staff. The Department of Planning, Industry and Environment (DPIE) allocates staff to perform the Corporation's functions on a fee for service basis. Refer note 2(a).

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Secretary of DPIE on the date the accompanying statement by the Secretary was signed. The affairs of the Corporation are managed by the Secretary under the direction of the Minister for Planning and Public Spaces.

**(b) Basis of preparation**

The Corporation'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 *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and assets (or disposal groups) held for sale 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 estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars unless stated otherwise and are expressed in Australian currency, which is the Corporation'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 the amount of GST, except that the:

- amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

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

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

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**1. Summary of significant accounting policies (cont'd)**

**(e) Shareholdings**

The Corporation had owned six shares out of a total shareholding of 12 in a private company. This private company was formed solely as a management company for one of the Biodiversity Stewardship Agreements (BSA) in which the Corporation was a landholder. For that BSA, there are 12 lots involved in which each lot of land is allocated one share. As the Corporation had owned six of the 12 lots, six shares out of a total of 12 shares are owned by the Corporation. Land management works specified in the BSA are funded through monies receivable from the NSW Biodiversity Conservation Trust (BCT). Based on the most recent information held by the Corporation, as at June 2020, net equity of the private company was \$12. The Corporation's share of this equity amounts to \$6. In December 2020, the Corporation's share of these lots as well as the shareholding were transferred to Western Sydney Parklands Trust. Refer note 17.

**(f) 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.

The 2019-20 comparative details in note 10 relating to the disclosure of assets leased out and for use by the Corporation has been updated to reflect further analysis undertaken during the 2020-21 financial year. There is no impact on the total property, plant and equipment, total assets, total net result and equity position for the 2019-20 financial year. Refer note 10.

The 2019-20 comparative details in note 21 relating to the disclosure of movement in provisions, and receivables for the sale of properties have now been updated to reflect appropriate categories. This has no impact on the total property, plant and equipment, total assets, total net result, statement of cash flows and equity position for the 2019-20 financial year. Refer note 21.

The 2019-20 comparative details in note 25 relating to the disclosure of the Corporation's share of assets has been updated to reflect property subdivisions. This has no impact on the total property, plant and equipment, total assets, total net result and equity position for the 2019-20 financial year. Refer note 25.

**(g) Deemed appropriation**

The Corporation administers the Sydney Region Development Fund, under section 7.35 (3) of the *Environmental Planning and Assessment Act 1979* into which is paid all of the money that is expended by the Corporation in the exercise of its functions. This Fund is a special deposit account and the Corporation therefore does not have any deemed appropriation. Hence no disclosure under section 4.7 of the GSF Act on movement of deemed appropriations is required.

**(h) Going concern and COVID-19**

The financial statements are prepared on a going concern basis. There has not been any significant impact of COVID-19 on the Corporation's operations. However given the continued uncertainty of the COVID-19 situation, including the current outbreak, the Corporation will continue to assess any impact on the fair value of its non-current physical and financial assets. These assets include land, buildings and receivables. Refer note 27.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**1. Summary of significant accounting policies (cont'd)**

(i) *Changes in accounting policy, including new or revised Australian Accounting Standards*

(i) *Effective for the first time in 2020-21*

The Corporation applied AASB 1059 *Service Concession Arrangements: Grantors* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2020-21, but do not have an impact on the financial statements of the Corporation.

**AASB 1059 Service Concession Arrangements: Grantors (AASB 1059)**

AASB 1059 is effective for the Corporation from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP06-8: *Accounting for Privately Financed Projects* (TPP06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The Corporation has no service concessions and the adoption of AASB 1059 did not have an impact on the statement of comprehensive income, statement of financial position nor statement of cash flows for the year ended 30 June 2021.

(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 (NSW Treasury mandate TC 20-08):

- AASB 17 *Insurance Contracts* (effective from 1 January 2021)
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective from 1 January 2021)
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2022)
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments* (effective from 1 January 2022)
- AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts* (effective from 1 January 2021)
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2022)
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures* (effective from 1 January 2021)
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (effective from 1 January 2021)

The Corporation has assessed the impact of the new standards and interpretations issued but not yet effective and considers the impact to be not material.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**2. Expenses**

*(a) Personnel services*

	2021	2020
	\$'000	\$'000
Salaries and wages (including annual leave)	2,842	2,798
Superannuation	244	240
Workers' compensation insurance	6	6
Payroll tax and fringe benefit tax	148	161
	<b>3,240</b>	<b>3,205</b>

Personnel services are provided by DPIE on a fee for services rendered basis. This fee includes all employee related costs including salaries, superannuation, leave entitlements, payroll tax and workers' compensation insurance. Refer to note 1 and note 16.

*(b) Other operating expenses*

	2021	2020
	\$'000	\$'000
Auditor's remuneration - audit of the financial statements	144	147
Consultants	466	400
Property maintenance expenses <sup>1</sup>	6,900	7,292
General administration	1,039	1,724
Corporate services fee	861	861
Land management expenses	190	470
Property related other expenses	1,145	456
Expenses relating to short-term leases	53	53
Bad debts (note 6)	(34)	193
Insurance	108	65
	<b>10,872</b>	<b>11,661</b>

<sup>1</sup>The total maintenance expense has been sourced from external providers and no DPIE employee costs have been incurred.

**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 Corporation's insurance activities are conducted through the NSW Treasury Managed Fund Scheme (icare NSW) of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

**Lease expense**

The Corporation 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 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.

The Corporation does not have low value leases (30 June 2020: Nil).



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**2. Expenses (cont'd)**

(c) *Depreciation and amortisation*

	2021 \$'000	2020 \$'000
Depreciation		
Plant and equipment	179	180
Buildings	1,444	2,032
	<u>1,623</u>	<u>2,212</u>

Depreciation of buildings is lower in 2020-21 due to the transfer of Femhill property to Western Sydney Parklands Trust during the year and disposal of a number of buildings in June 2020, which were identified as not being controlled by the Corporation.

Refer to note 10 for the recognition and measurement policies and reconciliation of the carrying amount of each class of asset at the end of the year.

(d) *Grants and subsidies*

	2021 \$'000	2020 \$'000
Open space improvement and restoration - Metropolitan Greenspace Program	4,054	7,571
Other - Government agencies		
State Government - land sales agreements	-	3,859
Local Government - land transfers	12,102	681
	<u>16,156</u>	<u>12,111</u>

In 2020-21, the Corporation transferred land to local councils, including to Blacktown and Penrith local councils for roads and drainage purposes, for the delivery of green grid and towards strategic recreational facilities.

**Recognition and measurement**

Grants and subsidies are generally comprised of contributions to local government authorities and non-government organisations. These are expensed when the Corporation transfers control of the relevant assets. The Corporation is deemed to have transferred control when the grant is paid or is payable.

(e) *Finance costs*

	2021 \$'000	2020 \$'000
Interest expense on borrowings	5,813	6,315
	<u>5,813</u>	<u>6,315</u>

**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 year in which they are incurred, in accordance with Treasury's Mandate for not-for-profit NSW General Government Sector entities.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

### 3. Revenue

#### Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

#### (a) Investment revenue

	2021	2020
	\$'000	\$'000
Interest income	131	215
TCorpIM Fund designated at fair value through profit or loss	6	36
Rental income	2,369	2,875
	<b>2,506</b>	<b>3,126</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).

##### Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position.

#### (b) Grants and contributions

	2021	2020
	\$'000	\$'000
Department of Planning, Industry and Environment - grant funding for acquisition of land and construction of improvements	21,851	4,793
Grants without sufficiently specific performance obligations <sup>1</sup>	8,980	9,778
	<b>30,831</b>	<b>14,571</b>

<sup>1</sup>Local councils as listed within the Sydney Region Development Fund are levied for contributions to meet interest expenses on and repayment of debt in accordance of Section 7.42 of the *Environmental Planning and Assessment Act 1979*.

In the 2020-21 year, the Corporation received \$21.9 million from DPIE towards Cumberland Plain Conservation Plan and embellishments for the Strategic Open Spaces Program. In 2019-20, the Corporation received \$4.8 million from DPIE mainly towards embellishments for the Strategic Open Spaces Program.

#### Recognition and measurement

##### Grants and contributions

Contributions from other bodies (including grants and donations) are recognised as revenue when the Corporation obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

Contributions from local councils within the Sydney Region Development Fund are invoiced in July every year.

Grants are received by the Corporation 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 Corporation upon completion of those milestones.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**3. Revenue (cont'd)**

*(b) Grants and contributions (cont'd)*

**Recognition and measurement (cont'd)**

***Grants and contributions (cont'd)***

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Corporation is recognised when the Corporation satisfies its obligations under the transfer. The Corporation satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The actual cost incurred is used to recognise income, because this most closely reflects the progress to completion based on cost recover principles.

Revenue from grants with sufficiently specific performance obligations and agreed funding against each milestone is recognised when the Corporation satisfies a performance obligation by transferring the promised goods / achieving milestones.

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 Corporation obtains control over the funds i.e. obtains cash.

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 to note 7 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Under AASB 1058, 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 2021, the Corporation did not recognise revenue from volunteer services as it did not receive any such services.

*(c) Other income*

	2021 \$'000	2020 \$'000
Other miscellaneous income	264	132
	<u>264</u>	<u>132</u>

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**4. Gains / (losses) on disposal**

	2021 \$'000	2020 \$'000
Proceeds from disposal		
Land held for sale (note 9)	-	7,716
Property, plant and equipment <sup>1</sup>	6,836	103,526
Written down value of assets disposed		
Land held for sale (note 9)	-	(7,716)
Property, plant and equipment (note 10)	(7,520)	(36,961)
	<u>(684)</u>	<u>66,565</u>

<sup>1</sup>Includes proceeds from sale of Lenore Drive land in Ropes Creek Precinct to Sydney Metro for \$99.7 million in 2019-20.

**Recognition and measurement**

***Proceeds from disposal***

In relation to sale of land assets, the Corporation recognises revenue when the relevant sales contract is settled.

**5. Cash and cash equivalents**

	2021 \$'000	2020 \$'000
Cash at bank and on hand <sup>1</sup>	57,582	76,467
TCorplM Fund balance <sup>2</sup>	7,735	5,849
	<u>65,317</u>	<u>82,316</u>

<sup>1</sup>Includes restricted funds of \$19.5 million relating to unspent funds received from a Voluntary Planning Agreement and \$0.4 million relating to the Cumberland Plain Conservation Plan (2020: \$19.5 million).

<sup>2</sup>Includes funds held for the maintenance of the Erskine Park Biodiversity Corridor. Refer to note 14.

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits with original maturities of three months or less.

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:

	2021 \$'000	2020 \$'000
Cash and cash equivalents (per statement of financial position)	65,317	82,316
Closing cash and cash equivalents (per statement of cash flows)	<u>65,317</u>	<u>82,316</u>

Refer to note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**6. Current / non-current assets – receivables**

	2021	2020
	\$'000	\$'000
Sundry receivables <sup>1</sup>	541	50,500
Rents receivable	116	227
Allowance for expected credit losses*	(247)	(462)
	<b>410</b>	<b>50,265</b>
BioBanking - Management payments receivables**	-	967
GST receivable	2,385	1,281
Prepayments	43	40
	<b>2,838</b>	<b>52,553</b>

<sup>1</sup>The 2020 amount includes \$49.9 million that was receivable from Sydney Metro for the sale of Lenore Drive, Ropes Creek at 30 June 2020. Refer note 26.

	2021	2020
	\$'000	\$'000
<b>Total receivables are split as follows:</b>		
Current	2,838	51,642
Non-current	-	911
	<b>2,838</b>	<b>52,553</b>

	2021	2020
	\$'000	\$'000
<b>*Movements in Allowance for expected credit losses:</b>		
Balance at the beginning of the year	462	269
Amounts written off during the year	(181)	-
(Decrease)/increase in allowance recognised in net result	(34)	193
Balance at the end of the year	<b>247</b>	<b>462</b>

Note that all receivables are current, with the exception of BioBanking - management payments receivables which have both current and non-current components. Refer to breakdown in table below.

\*\*BioBanking - Management payments receivables are as follows:

<b>Movements in the BioBanking - Management payments receivables:</b>		
Balance at the beginning of the year	967	1,019
(Decrease) / increase in amounts receivable during the year	(967)	(6)
Management payments received during the year	-	(46)
Balance at the end of the year	<b>-</b>	<b>967</b>

<b>Split of BioBanking - Management payments receivables:</b>		
Current	-	56
Non-current	-	911
<b>Total BioBanking - Management payments receivables</b>	<b>-</b>	<b>967</b>

The land management responsibility for Fernhill property was transferred to the Western Sydney Parklands Trust during the year. Refer note 16 and note 17. Refer to note 23 for details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**6. Current / non-current assets - receivables (cont'd)**

**Recognition and measurement**

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. 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 Corporation holds receivables with the objective to collect the contractual cash flows and, therefore, measures them at amortised cost using the effective interest method.

**Impairment**

The Corporation 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 Corporation expects to receive, discounted at the original effective interest rate.

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. The Corporation recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivables.

**BioBanking – Management payments receivable**

According to the BioBanking Stewardship Agreements (BSA), when certain conditions are met, the BCT would commence yearly payments to the landowner (the Corporation) to cover the cost of management works specified in the BSA. In the first year, this amount is paid in advance and the subsequent payments are only made when the BCT is satisfied that yearly management works as specified in the BSA have been performed satisfactorily. Accordingly, the Corporation recognises a receivable from BCT representing the net present value of expected annual payments. Refer to note 16 for recognition of a corresponding liability for future land management works.

**7. Contract assets and liabilities**

	2021 \$'000	2020 \$'000
Contract liabilities - current	-	19
	-	19

**Recognition and measurement**

Contract assets relate to the Corporation's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date. The Corporation has no contract assets as at 30 June 2021.

Contract liabilities at 30 June 2020 relate to the consideration received in advance from BCT in respect of BioBanking management actions. The Corporation has no contract liabilities as at 30 June 2021.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**8. Current assets - other financial assets**

	2021	2020
	\$'000	\$'000
<b>Investments - term deposits</b>		
Balance at the beginning of the year	4,266	4,188
Acquisitions during the year	14	78
Balance at the end of the year	<u>4,280</u>	<u>4,266</u>

Refer to note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

The above relates to the following restricted investments:

Investments - term deposits - Penrith Lakes <sup>1</sup>	<u>4,280</u>	<u>4,266</u>
	<u>4,280</u>	<u>4,266</u>

<sup>1</sup>This represents cash received from the Penrith Lakes Development Corporation for the discharge of its obligations to provide certain facilities at the Penrith Lakes scheme. The Corporation will hold these funds until such time the Government appoints a relevant authority which will be responsible for these facilities. A corresponding liability is reported in "other liabilities". Refer note 14.

**Recognition and measurement**

Purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognised and derecognised on a trade date basis.

Other 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.

**9. Current assets – land held for sale**

	2021	2020
	\$'000	\$'000
Balance at 1 July	-	7,716
<u>Less:</u>		
• Land sold or disposed	-	(7,716)
Balance at end of year	<u>-</u>	<u>-</u>

These are land assets which have been identified as surplus land and are expected to be included in the disposal process within the next financial year.

There were no land assets identified as held for sale at 30 June 2021. In 2019-20, the Corporation sold a property at Rouse Hill. Refer note 4. Further details regarding fair value measurement are disclosed in note 13.

**Recognition and measurement**

The Corporation classifies certain non-current assets (or disposal groups) as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets are measured at the lower of their carrying amount and fair value less costs of disposal. Impairment losses are recognised immediately as expenses in the net result. These assets are not depreciated / amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale are continued to be recognised.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**10. Non-current assets - property, plant and equipment**

(a) *Total property, plant and equipment*

	Plant & equipment \$'000	Buildings \$'000	Core land \$'000	Non-core land \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	3,928	170,592	1,002,266	819,315	1,996,101
Accumulated depreciation and impairment	(3,030)	(87,152)	-	-	(90,182)
Net carrying amount	<b>898</b>	<b>83,440</b>	<b>1,002,266</b>	<b>819,315</b>	<b>1,905,919</b>
<b>Year ended 30 June 2020</b>					
Net carrying amount at start of year	898	83,440	1,002,266	819,315	1,905,919
Additions	-	75	22,198	6,013	28,286
Disposals					
Transfers to Local Councils (note 2(d))	-	-	(681)	-	(681)
Other transfers (note 4)	-	(627)	-	(36,334)	(36,961)
Net asset transfers through equity (note 17)	-	(38,594)	(189,588)	-	(228,182)
Net revaluation	-	(8,779)	9,952	40,861	42,034
Transfers between classes	-	359	(359)	-	-
Depreciation expense (note 2(c))	(180)	(2,032)	-	-	(2,212)
Net carrying amount at end of year	<b>718</b>	<b>33,842</b>	<b>843,788</b>	<b>829,855</b>	<b>1,708,203</b>
<b>At 1 July 2020 - fair value</b>					
Gross carrying amount	3,928	84,488	843,788	829,855	1,762,059
Accumulated depreciation and impairment	(3,210)	(50,646)	-	-	(53,856)
Net carrying amount	<b>718</b>	<b>33,842</b>	<b>843,788</b>	<b>829,855</b>	<b>1,708,203</b>
<b>Year ended 30 June 2021</b>					
Net carrying amount at start of year	718	33,842	843,788	829,855	1,708,203
Additions	-	1,014	87,518	-	88,532
Disposals					
Transfers to Local Councils (note 2(d))	-	-	(7,612)	(4,490)	(12,102)
Other transfers (note 4)	-	(10)	(5,197)	(2,313)	(7,520)
Net asset transfers through equity (note 17)	-	(3,268)	(8,925)	-	(12,193)
Net revaluation	-	645	9,465	44,165	54,275
Transfers between classes	-	175	-	(175)	-
Depreciation expense	(179)	(1,444)	-	-	(1,623)
Net carrying amount at end of year	<b>539</b>	<b>30,954</b>	<b>919,037</b>	<b>867,042</b>	<b>1,817,572</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	3,928	78,081	919,037	867,042	1,868,088
Accumulated depreciation and impairment	(3,389)	(47,127)	-	-	(50,516)
Net carrying amount	<b>539</b>	<b>30,954</b>	<b>919,037</b>	<b>867,042</b>	<b>1,817,572</b>

Note the above land assets include those for a joint operation. Refer to note 25 for further details.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**10. Non-current assets - property, plant and equipment (cont'd)**

The 2019-20 comparative details below relating to the disclosure of assets leased out and for use by the Corporation has been updated to reflect further analysis undertaken during the 2020-21 financial year. There is no impact on the total property, plant and equipment, total assets, total net result and equity position for the 2019-20 financial year. Refer note 1(f).

*(b) Property, plant and equipment held and used by the Corporation*

	Plant & equipment \$'000	Buildings \$'000	Core land \$'000	Non-core land \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	3,928	122,602	895,285	779,331	1,801,146
Accumulated depreciation and impairment	(3,030)	(60,079)	-	-	(63,109)
Net carrying amount	<b>898</b>	<b>62,523</b>	<b>895,285</b>	<b>779,331</b>	<b>1,738,037</b>
<b>Year ended 30 June 2020</b>					
Net carrying amount at start of year	898	62,523	895,285	779,331	1,738,037
Additions	-	75	20,660	4,905	25,640
Disposals					
Transfers to Local Councils (note 2(d))	-	-	(447)	-	(447)
Other transfers (note 4)	-	(627)	-	(36,334)	(36,961)
Net asset transfers through equity (note 17)	-	(38,594)	(188,464)	-	(227,058)
Net revaluation	-	(4,964)	8,452	40,763	44,251
Transfers between classes	-	359	(359)	-	-
Depreciation expense (note 2(c))	(180)	(957)	-	-	(1,137)
Net carrying amount at end of year	<b>718</b>	<b>17,815</b>	<b>735,127</b>	<b>788,665</b>	<b>1,542,325</b>
<b>At 1 July 2020 - fair value</b>					
Gross carrying amount	3,928	44,064	735,127	788,665	1,571,784
Accumulated depreciation and impairment	(3,210)	(26,249)	-	-	(29,459)
Net carrying amount	<b>718</b>	<b>17,815</b>	<b>735,127</b>	<b>788,665</b>	<b>1,542,325</b>
<b>Year ended 30 June 2021</b>					
Net carrying amount at start of year	718	17,815	735,127	788,665	1,542,325
Additions	-	810	84,313	-	85,123
Disposals					
Transfers to Local Councils (note 2(d))	-	-	(7,612)	(4,490)	(12,102)
Other transfers (note 4)	-	(10)	(3,533)	-	(3,543)
Net asset transfers through equity (note 17)	-	(3,268)	(8,925)	-	(12,193)
Net revaluation	-	424	5,102	42,597	48,123
Transfers between classes	-	78	24,093	(15,985)	8,186
Depreciation (note 2(c))	(179)	(854)	-	-	(1,033)
Net carrying amount at end of year	<b>539</b>	<b>14,995</b>	<b>828,565</b>	<b>810,787</b>	<b>1,654,886</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	3,928	37,045	828,565	810,787	1,680,325
Accumulated depreciation and impairment	(3,389)	(22,050)	-	-	(25,439)
Net carrying amount	<b>539</b>	<b>14,995</b>	<b>828,565</b>	<b>810,787</b>	<b>1,654,886</b>

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**10. Non-current assets - property, plant and equipment (cont'd)**

(c) *Property, plant and equipment where entity is lessor under operating leases*

	Plant & equipment \$'000	Buildings \$'000	Core land \$'000	Non-core land \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	-	47,990	106,981	39,984	194,955
Accumulated depreciation and impairment	-	(27,073)	-	-	(27,073)
Net carrying amount	-	20,917	106,981	39,984	167,882
<b>Year ended 30 June 2020</b>					
Net carrying amount at start of year	-	20,917	106,981	39,984	167,882
Additions	-	-	1,538	1,108	2,646
Disposals					
Transfers to Local Councils (note 2(d))	-	-	(234)	-	(234)
Net asset transfers through equity (note 17)	-	-	(1,124)	-	(1,124)
Net revaluation	-	(3,815)	1,500	98	(2,217)
Depreciation expense (note 2(c))	-	(1,075)	-	-	(1,075)
Net carrying amount at end of year	-	16,027	108,661	41,190	165,878
<b>At 1 July 2020 - fair value</b>					
Gross carrying amount	-	40,424	108,661	41,190	190,275
Accumulated depreciation and impairment	-	(24,397)	-	-	(24,397)
Net carrying amount	-	16,027	108,661	41,190	165,878
<b>Year ended 30 June 2021</b>					
Net carrying amount at start of year	-	16,027	108,661	41,190	165,878
Additions	-	204	3,205	-	3,409
Disposals					
Other transfers (note 4)	-	-	(1,664)	(2,313)	(3,977)
Net revaluation	-	221	4,363	1,568	6,152
Transfers between classes	-	97	(24,093)	15,810	(8,186)
Depreciation expense (note 2(c))	-	(590)	-	-	(590)
Net carrying amount at end of year	-	15,959	90,472	56,255	162,686
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	-	41,036	90,472	56,255	187,763
Accumulated depreciation and impairment	-	(25,077)	-	-	(25,077)
Net carrying amount	-	15,959	90,472	56,255	162,686

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

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**10. Non-current assets - property, plant and equipment (cont'd)**

**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 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 measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of 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 17 for assets transferred via 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 carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

***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.

***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 Corporation.

All material identifiable components of assets are depreciated separately over their useful lives.

The following are the depreciation rates:

• Plant and equipment	12.5% to 20% (2020: 12.5% to 20%)
• Buildings	1.25% to 5% (2020: 1.25% to 5%)
• Land	Not a depreciable asset

***Right-of-Use Assets acquired by lessees***

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The right-of-use asset and corresponding liability are initially measured at the present value of the future lease payments.

As at 30 June 2021, the Corporation did not have any leases that will require recognition of a right-of-use asset.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**10. Non-current assets - property, plant and equipment (cont'd)**

***Revaluation of property, plant and equipment***

Physical non-current assets are valued in accordance with the TPP14-01 *Valuation of Physical Non-Current Assets at Fair Value*. 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 use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on 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 13 for further information regarding fair value.

The Corporation revalues 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. Comprehensive revaluations of land and buildings are carried out at least every three years. All other asset classes are revalued at least every five years. A comprehensive valuation was performed by CBRE Valuations Pty Ltd (CBRE), an independent valuer, at 31 March 2020 for all buildings, which was updated for 30 June 2020.

CBRE also performed the last comprehensive revaluation for the following land at 30 June 2019:

- Core land: open space and corridor;
- Non-core land: surplus land (marketable); and
- Non-core land: surplus land (non-marketable).

CBRE advised that the valuation of land assets was not significantly impacted by the Biodiversity Stewardship Agreements as those specific lots are already zoned environmental and have similar restrictions on use.

Interim independent revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim formal revaluation was completed for all land and buildings by Australis Asset Advisory Group at 31 March 2021 and was updated for 30 June 2021.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
 for the year ended 30 June 2021

**10. Non-current assets - property, plant and equipment (cont'd)**

**Recognition and measurement (cont'd)**

**Revaluation of property, plant and equipment (cont'd)**

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Corporation has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, 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 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.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited directly to the revaluation reserve.

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.

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.

**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 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 Corporation 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 Corporation 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 *Fair Value Measurement*.

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 reserve for the class of asset.

After an impairment loss has been recognised, it is reversed 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.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**10. Non-current assets - property, plant and equipment (cont'd)**

**Recognition and measurement (cont'd)**

***Land under care, control and management***

The Corporation holds some land assets that are under a care, control and management (CCM) arrangement with local councils. Although the relevant councils are responsible for the daily management of the land, these arrangements are determined at the discretion of the Corporation, which is the only party to the arrangement that has the ability to enforce its rights against the council. The Gazettal action to enact CCM severely limits council's development powers. Furthermore, councils require landowner consent to lodge Development Applications and are unable to enter leases and licences without Corporation approval. Also, any Plan of Management prepared for the CCM land under *Local Government Act 1993* must be referred to the Corporation for comment and concurrence. The Corporation is able to revoke the CCM arrangements at any time and remains the legal owner of the CCM lands. Thus overall, the Corporation retains accounting control over these assets. These assets are recognised in the statement of financial position at fair value.

***Land transfers***

Land acquired for regional open space may be transferred to local councils without charge. This often occurs for lands that were under a CCM arrangement and would happen when it is decided which government entity would better manage the land in perpetuity. Transfer of land is generally required to be classified as community land under the *Local Government Act 1993* which enables councils to develop, use and manage the land in accordance with a Plan of Management.

**11. Leases**

**Corporation as lessee**

The Corporation leases one property. Lease contracts are typically made for fixed periods 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 Corporation does not provide residual value guarantees in relation to leases.

The Corporation 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.

**(a) *Right-of-use assets under leases***

The Corporation does not have any right-of-use assets under leases.

**(b) *Lease liabilities***

The Corporation does not have any lease liabilities.

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Corporation is the lessee:

	2021 \$'000	2020 \$'000
Expense relating to short-term leases	53	53
<b>Total amount recognised in the statement of comprehensive income</b>	<b>53</b>	<b>53</b>

The Corporation had total cash outflows for leases of \$57,736 (including GST) in year ended 30 June 2021 (\$57,736 including GST for 2019-20 financial year).



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**11. Leases (cont'd)**

**Corporation as lessee (cont'd)**

***(b) Lease liabilities (cont'd)***

**Recognition and measurement**

The Corporation 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 Corporation 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.

The Corporation applies the short-term lease recognition exemption to its short-term leases of machinery 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.

**Corporation as lessor**

The Corporation has properties leased to tenants under operating leases. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

The Corporation does not have any finance leases as lessor.

**Lessor for operating leases**

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June 2021 are as follows:

	2021	2020
	\$'000	\$'000
Within one year	489	591
One to two years	117	209
Two to three years	47	115
Three to four years	45	47
Four to five years	46	45
Later than five years	87	132
<b>Total (excluding GST)</b>	<b>831</b>	<b>1,139</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.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**12. Intangible assets**

	<b>Biodiversity credits \$'000</b>	<b>Total \$'000</b>
<b>At 1 July 2019</b>		
Cost (gross carrying amount)	16,330	16,330
Accumulated amortisation and impairment	-	-
<b>Net carrying amount</b>	<b>16,330</b>	<b>16,330</b>
<b>Year ended 30 June 2020</b>		
Net carrying amount at beginning of year	16,330	16,330
<b>Net carrying amount at end of year</b>	<b>16,330</b>	<b>16,330</b>
<b>At 1 July 2020</b>		
Cost (gross carrying amount)	16,330	16,330
Accumulated amortisation and impairment	-	-
<b>Net carrying amount</b>	<b>16,330</b>	<b>16,330</b>
<b>Year ended 30 June 2021</b>		
Net carrying amount at beginning of year	16,330	16,330
<b>Net carrying amount at end of year</b>	<b>16,330</b>	<b>16,330</b>
<b>At 30 June 2021</b>		
Cost (gross carrying amount)	16,330	16,330
Accumulated amortisation and impairment	-	-
<b>Net carrying amount</b>	<b>16,330</b>	<b>16,330</b>

As at 30 June 2021 and 30 June 2020, the net book value of intangibles is represented by the biodiversity credits.

**Recognition and measurement**

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

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Corporation's intangible assets, the assets are carried at cost less any impairment losses. The Corporation's intangible assets are biodiversity credits and they have infinite life.

The biodiversity credits are recognised upon signing the Biodiversity Stewardship Agreement (BSA) with the Minister administering the *Biodiversity Conservation Act 2016*. The credits are recognised at cost and assessed for impairment annually. There was no impairment assessed at 30 June 2021 (30 June 2020: nil impairment). At the time of initial recognition, value of the asset is considered to be the value of the BioBanking liability.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**13. 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 fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Corporation 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 Corporation 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 Corporation recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer to note 23 for further disclosures regarding fair value measurements of financial assets.

*(a) Fair value hierarchy*

<b>2021</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total fair value \$'000</b>
<b>Property, plant and equipment (note 10)</b>				
Land	-	1,780,948	5,131	1,786,079
Buildings	-	-	30,954	30,954
Plant and equipment	-	-	539	539
	-	<b>1,780,948</b>	<b>36,624</b>	<b>1,817,572</b>
<b>2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total fair value \$'000</b>
<b>Property, plant and equipment (note 10)</b>				
Land	-	1,668,795	4,848	1,673,643
Buildings	-	-	33,842	33,842
Plant and equipment	-	-	718	718
	-	<b>1,668,795</b>	<b>39,408</b>	<b>1,708,203</b>

There were no transfers between level 1 or 2 during the year.

*(b) Valuation techniques, inputs and processes*

The Corporation has the following land assets:

- corridor land (core land); open space land (core land); surplus and non-marketable land (non-core land); surplus land (non-core land); and land assets held for sale.

The Corporation also has the following significant building and plant assets:

- Penrith Whitewater Stadium assets; residential buildings; heritage buildings; and commercial buildings.

The Corporation engaged an independent valuer to provide an interim revaluation of land and buildings at 31 March 2021. The valuer updated the values as at 30 June 2021.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

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**13. Fair value measurement of non-financial assets (cont'd)**

*(b) Valuation techniques, inputs and processes (cont'd)*

Fair value hierarchy

The fair value hierarchy for all the land assets, excluding those subject to peppercorn leases, are considered to be at level 2. All other assets are considered to be level 3.

Method of valuation – land assets: market approach

The valuers have assessed the relative merits of the subject property and analysed and compared, having regard to matters such as location, aspect, topography, size of land, shape of land, size and quality of the improvements, features and condition of the improvements and current market sentiment.

In addition, when conducting the valuation, the following factors were considered by the valuers:

- local knowledge,
- enquiries with local real estate agents,
- statistical information,
- physical inspections, and
- market reports.

Also, the methodology adopted for land valuation incorporates the concept of 3 bands which are defined based on the size of land parcel. Band 1 is land up to 1 hectare, band 2 is land between 1 hectare up to 5 hectares and band 3 is land larger than 5 hectares.

Method of valuation – buildings and plant assets: depreciated replacement cost approach

The following inputs have been considered in this valuation process. These include:

- Property attributes e.g. location, construction type, condition, age, building areas,
- Price per square metre for the building derived from Rawlinsons Construction Handbook and research of actual costs for comparable assets,
- Quoted prices for similar assets or liabilities in active and non-active markets,
- Market trends and economic outlook, and
- Total and remaining economic life.

Relationship of unobservable inputs to fair value

Unobservable inputs have an impact on the fair value of building assets. The fair value of buildings may increase if construction costs increase. The fair value of buildings will increase if the useful life of the building increases (e.g. due to refurbishment). The fair value of buildings will generally decrease as the building deteriorates in condition.

The replacement cost of each heritage item has been assessed in line with Treasury Policy Accounting Policy TPP14-01 *Valuation of Physical Non-Current Assets at Fair Value*. The gross replacement cost has been determined using inputs referred to above. The remaining economic life in terms of years for each asset individually based upon the total economic life, condition, upgrades/renovations and other building attributes.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**13. Fair value measurement of non-financial assets (cont'd)**

(c) *Reconciliation of recurring level 3 fair value measurements*

	Plant and equipment	Buildings	Land	Total recurring Level 3 fair value
	\$'000	\$'000	\$'000	\$'000
<b>2021</b>				
Fair value as at 1 July 2020	718	33,842	4,848	39,408
Additions	-	1,189	-	1,189
Revaluation increments recognised in other comprehensive income – included in line item "Net increase / (decrease) in property, plant and equipment revaluation reserve"	-	645	283	928
Disposals	-	(3,278)	-	(3,278)
Depreciation expense	(179)	(1,444)	-	(1,623)
<b>Fair value as at 30 June 2021</b>	<b>539</b>	<b>30,954</b>	<b>5,131</b>	<b>36,624</b>

	Plant and equipment	Buildings	Land	Total recurring Level 3 fair value
	\$'000	\$'000	\$'000	\$'000
<b>2020</b>				
Fair value as at 1 July 2019	898	83,440	4,512	88,850
Additions	-	75	-	75
Revaluation increments recognised in other comprehensive income – included in line item "Net increase / (decrease) in property, plant and equipment revaluation reserve"	-	(8,779)	336	(8,443)
Transfers from level 2	-	359	-	359
Disposals	-	(39,221)	-	(39,221)
Depreciation expense	(180)	(2,032)	-	(2,212)
<b>Fair value as at 30 June 2020</b>	<b>718</b>	<b>33,842</b>	<b>4,848</b>	<b>39,408</b>

Movements between level 2 and level 3 were based on valuation advice from independent valuers.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**14. Current liabilities - payables**

	2021	2020
	\$'000	\$'000
Creditors*	4,924	5,941
Unearned revenue	389	112
Accrued interest*	1,982	2,038
Security and contract deposits	120	97
Biodiversity funding deposit <sup>1</sup>	4,012	4,143
Other liabilities <sup>2</sup>	5,723	8,511
Total current payables	<u>17,150</u>	<u>20,842</u>

\*Refer to note 23 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables.

<sup>1</sup>This represents funds held for the maintenance of the Erskine Park Biodiversity Corridor. Refer to note 5 for funds.

<sup>2</sup>The 2021 amount includes \$1.4 million which represents compensation monies payable for properties acquired during the year under the *Land Acquisition (Just Terms Compensation) Act 1991*.

**Recognition and measurement**

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



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**15. Current / non-current liabilities - borrowings**

The below borrowings are classified as current and non-current based on their maturity dates:

	2021 \$'000	2020 \$'000
<i>TCorp borrowings*</i>		
Balance at the beginning of the year	169,708	165,611
Borrowings during the year	-	4,648
Repayments during the year	(1,016)	(551)
Balance at the end of the year	<u>168,692</u>	<u>169,708</u>

The below borrowings are classified as current and non-current based on their maturity dates:

Current	23,035	23,150
Non-current	145,657	146,558
<b>Total borrowings</b>	<u>168,692</u>	<u>169,708</u>

\*Refer to note 23 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings.

Note that all TCorp borrowings are unsecured but are guaranteed by the NSW State Government.

**Recognition and measurement**

Loans are not held for trading and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on derecognition.

**Financial guarantees**

**Recognition and measurement**

The Corporation has reviewed its financial guarantees and determined that there is no liability to be recognised for financial guarantee contracts as at 30 June 2021 (2020: NIL)

Refer to note 19 regarding disclosures on contingent liabilities.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**16. Current / non-current liabilities - provisions**

	2021 \$'000	2020 \$'000
<b>Provisions - current liabilities</b>		
BioBanking liability - Management actions	-	56
Property acquisitions related	11,068	-
	<b>11,068</b>	<b>56</b>
<b>Provisions - non-current liabilities</b>		
BioBanking liability - Total Fund Deposit (refer to note 12)	16,330	16,330
BioBanking liability - Management actions	-	911
	<b>16,330</b>	<b>17,241</b>

Movements in provision for BioBanking liability during the financial year are set out below.

	BioBanking liability - Total Fund Deposit \$'000	BioBanking liability - Management actions \$'000	Property acquisitions related \$'000	Total \$'000
Carrying amount at 1 July 2020	16,330	967	-	17,297
Additional provisions recognised	-	-	11,068	11,068
Amounts used / transferred	-	(967)	-	(967)
Carrying amount at 30 June 2021	<b>16,330</b>	<b>-</b>	<b>11,068</b>	<b>27,398</b>

**Recognition and measurement**

**BioBanking liabilities**

*(a) Liability to the Total Fund Deposit*

The BioBanking liability to the Total Fund Deposit (TFD) is recognised based on the constructive liability of the Corporation to deposit funds in the TFD held by the Biodiversity Conservation Trust (BCT) to fund future management costs on the land under the Biodiversity Stewardship Agreement (BSA). This amount is stipulated in the BSA and represents the net present value of expected future costs of fulfilling the environmental obligations to maintain the biodiversity of the land in accordance with the terms and conditions of the BSA. Refer to note 12 for recognition of a corresponding biodiversity credits asset.

*(b) Liability for future land management works*

The BioBanking liability is recognised based on the expected future costs of fulfilling the environmental obligations to maintain the biodiversity of the land in accordance with the terms and conditions of the Biodiversity Stewardship Agreement (BSA) and AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

According to the BSAs, when 80% of the TFD amount is paid into the TFD held by the BCT, the Corporation's constructive liability to carry out active land management works will commence. This liability for future land management works is recognised by the Corporation based on the net present value of estimated future costs. Refer to note 6 for recognition of a corresponding management payments receivable asset. The land management responsibility for Fernhill property was transferred to the Western Sydney Parklands Trust during the year and at 30 June 2021, there is no other liability for any future land management works. Refer note 6 and note 17.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**16. Current / non-current liabilities – provisions (cont'd)**

**Recognition and measurement (cont'd)**

**Other provisions**

Other provisions exist when the Corporation 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.

If the effect of the time value of money is material, provisions will be discounted, which will be a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

The Corporation does not have any employees. Human resources are provided by DPIE on a fee for services rendered basis. This fee includes all employee related costs including salaries, superannuation, leave entitlements, payroll tax and workers' compensation insurance. Accordingly, the Corporation does not have liability for employee entitlements.

**17. Equity**

**Recognition and measurement**

**Revaluation reserve**

The revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Corporation's policy on the revaluation of property, plant and equipment as discussed in note 10.

**Accumulated funds**

The category 'accumulated funds' includes all current and prior period retained funds.

**Increase in net assets from equity transfers**

		2021	2020
		\$'000	\$'000
<u>Asset description</u>	<u>Received from / (transferred to)</u>		
Fernhill and other properties	Western Sydney Parklands Trust	(49,426)	-
General land	Sydney Olympic Park Authority	33,448	-
General lands	Transport for NSW	3,785	-
Parramatta Powerhouse Museum (PPM) site	Department of Premier and Cabinet	-	(140,000)
National Arts School	Department of Premier and Cabinet	-	(74,492)
Community Parklands	Western Sydney Parklands Trust	-	(13,072)
Buildings on Community Parklands	Western Sydney Parklands Trust	-	(618)
		<u>(12,193)</u>	<u>(228,182)</u>
Liability Transferred - PPM	Department of Premier and Cabinet	-	100,000
		<u>(12,193)</u>	<u>(128,182)</u>

In December 2020, the Corporation also transferred its share of land and shareholding, valued at 30 June 2019 at \$6 to Western Sydney Parklands Trust. Refer note 1(e).

Under the *Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019*, dated 2 April 2019, CreateNSW within former Department of Planning and Environment was transferred to the Department of Premier and Cabinet (DPC).

As a result, control of all assets relating to the PPM site and National Arts School was transferred to the Department of Premier and Cabinet on 1 July 2019.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**17. Equity (cont'd)**

**Equity transfers - 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 is designated or required by accounting standards to be treated as a contribution by owners and recognised as an adjustment to "accumulated funds". This treatment is consistent with AASB 1004 *Contributions* and Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure between not-for-profit government entities are recognised at the amount at which the asset will be recognised by the transferee immediately following the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

**18. Commitments**

	2021 \$'000	2020 \$'000
<b>Capital commitments</b>		
Aggregate capital expenditure for the acquisition of land, and plant and equipment contracted for at balance date and not provided for:		
Not later than one year	16,347	1,989
<b>Total (including GST)</b>	<b>16,347</b>	<b>1,989</b>

The Corporation also currently has acquisitions under negotiation. Please refer to note 19 for more details.

**19. Contingent liabilities and contingent assets**

A contingent liability is a possible liability that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation.

The Corporation is unable to quantify the effect in financial terms for the following contingent liabilities and assets unless otherwise stated.

*(a) Contingent liabilities*

Landcom Participation Agreement - exit put option

The Corporation and Landcom entered into a contract in February 2004 with regards to the Landcom Participation Agreement – Rouse Hill Regional Centre. Either party to the agreement can exercise the exit put option. If either the Minister or Landcom exercises the exit put option set out in the agreement but the other party does not, then the other party will have the right to pay to the exiting party the same amount that it would have received from the Developer, and the remaining party will take 100% of future project revenue. As at reporting date, neither party has exercised the exit put option. The Corporation is unable to quantify the effect in financial terms of this potential contingent liability. Refer note 25.

Acquisitions under negotiation

As at 30 June 2021, the Corporation had made offers to purchase properties totalling \$212.6 million. These offers are dependent on the actions of the landowners to either accept or reject the Corporation's offer. Offers to purchase made by the Corporation lapse if the landowner does not accept the offer.

As at 30 June 2021, the Corporation has also executed a Deed of Compensation and Acquisition with the landowners. The Corporation is finalising documents for the part acquisition of the property through Government Gazette. This is expected to occur before October 2021.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

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**19. Contingent liabilities and contingent assets (cont'd)**

*(a) Contingent liabilities (cont'd)*

Legal proceedings

As at 30 June 2021, there is one civil lawsuit against the Corporation. The claim is currently before the Supreme Court of NSW and relates to lands on an adjacent site owned by the plaintiff.

The Corporation is a member of the TMF self-insurance scheme. It is not practical to estimate the financial effect of this claim at this point in time.

Land contamination

Following an independent high-level assessment of a sample of its land holdings, the Corporation has finalised a risk assessment framework for contamination identification and management which will include a Contamination Management Policy, Manual and communication strategy. At this point, the Corporation is unable to reliably measure the cost of remediation of sites given the size and complexity of the land portfolio. The Corporation has determined that there is no present obligation to remediate impacted land assets until it is required to meet business outcomes i.e. prior to land divestment or transfer. The Corporation has adopted a risk management and custodianship approach as supported by the Contamination Management Policy. There are no incident notifications from the NSW Environment Protection Authority. As such, there is likely to be no material impact in current year land valuations.

*(b) Contingent assets*

Reimbursement from State Infrastructure Contribution (SIC) levy and Voluntary Planning Agreements (VPA)

The Corporation will seek reimbursement for land acquisitions through SIC levy and through contributions from developers towards public works under VPA. Both SIC and VPA are administered by DPIE. These funds will take several years to raise once development starts to happen. The Corporation will seek reimbursement of its acquisition costs in future when the SIC levy and development contributions have raised enough funds to cover the acquisition cost.

**20. 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**

The actual net result was a deficit of (\$4.8 million) compared to the budgeted deficit of (\$33.0 million) resulting in a favourable variance of \$28.2 million.

This was made up of reduced expenses by \$53.1 million, partly offset by an unfavourable variance in revenue of \$5.6 million and lower than budgeted gains on property disposals by \$19.3 million.

Expenses

Favourable variance in expenses of \$53.1 million was due to lower:

- Grants and subsidies relating to reduced land transfers to local councils due to complex negotiations in progress - \$42.8 million;
- Finance costs resulting from lower borrowings mainly driven by reduced land development and acquisition costs - \$8.7 million; and
- Operating expenses in line with reduced property acquisitions, lower personnel services costs and other minor variances - \$1.6 million.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**20. Budget review (cont'd)**

**Net result (cont'd)**

**Revenue**

Unfavourable variance in revenue of \$5.6 million was due to lower:

- Investment revenue with reduced interest rates and rental income from operating leases - \$1.4 million;
- Grant revenue from the Open Spaces embellishment program due to slower than anticipated development progress, partially offset by minor variances - \$4.2 million.

**Gains/ (Losses) on disposal**

- Lower than budgeted net gain on property disposals due to reduced property sales - \$19.3 million.

**Assets and liabilities**

Actual net assets of \$1.693 billion were higher than the budgeted net assets of \$1.623 billion by \$70 million primarily due to:

- Net revaluation increments primarily due to interim valuations - \$54.3 million;
- Lower than budgeted land transfers to local councils; other net property transfers in and minor variances across a number of items - \$35.3 million.

This was partially offset by lower than budgeted land acquisitions - \$19.6 million.

**Cash flows**

The actual net movement of cash during the year was a deficit of (\$17 million), which compares to the budgeted surplus of \$19.4 million. This unfavourable movement of \$36.4 million in cash was mainly due to:

- Lower borrowings primarily driven by reduced capital expenditure - \$42.3 million;
- Lower proceeds from property sales compared to the budget in both cash flows from operating activities and cash flows from investing activities - \$36.8 million;

This was partially offset by:

- Reduced property acquisitions and slower development progress on Open Spaces Embellishment Program - \$32.4 million;
- Reduced debt servicing cost with lower borrowings - \$8.7 million;
- Other minor variances - \$1.6 million.

**21. Reconciliation of cash flows from operating activities to net result**

	2021	2020
	\$'000	\$'000
<b>Net cash used on operating activities</b>	<b>15,872</b>	<b>(3,036)</b>
Depreciation and amortisation	(1,623)	(2,212)
Assets transferred free of charge	(12,102)	-
Increase / (decrease) in receivables	140	(11,548)
Increase / (decrease) in other assets	-	(681)
Decrease / (increase) in payables	3,692	(225)
Decrease / (increase) of provisions	(10,101)	46
Net gain / (loss) on disposal of land	(684)	66,565
(Increase) / decrease in contract liabilities	19	(19)
<b>Net result</b>	<b>(4,787)</b>	<b>48,890</b>



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**21. Reconciliation of cash flows from operating activities to net result (cont'd)**

The 2019-20 comparative details relating to the disclosure of movement in provisions, and receivables for the sale of properties have now been updated to reflect appropriate categories. This has no impact on the total property, plant and equipment, total assets, total net result, statement of cash flows and equity position for the 2019-20 financial year. Refer note 1(f).

**22. Trust Funds**

The Corporation holds money in a Miscellaneous Trust Fund which is used for property acquisitions. As the Corporation performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Corporation's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust account:

	2021 \$'000
Cash balance at the beginning of the financial year	-
Add: Receipts	4,219
Less: Expenditure	-
<b>Cash balance at the end of the financial year</b>	<b>4,219</b>

**23. Financial instruments**

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

The Corporation'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 (as delegated by the Minister) 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 the risks faced by the Corporation, to set risk limits and controls to monitor risks. Compliance with policies is reviewed by the Corporation on a regular basis.

*(a) Financial instrument categories*

			Carrying Amount	
			2021	2020
Class	Note	Category	\$'000	\$'000
Financial assets				
Cash and cash equivalents	5	N/A	65,317	82,316
Receivables <sup>1</sup>	6	Amortised cost	410	51,232
Other financial assets	8	Amortised cost	4,280	4,266
Financial Liabilities				
Payables <sup>2</sup>	14	Financial liabilities measured at amortised cost	16,641	20,633
Borrowings	15	Financial liabilities measured at amortised cost	168,692	169,708

*Notes*

<sup>1</sup>Excludes statutory receivables and prepayments (not within scope of AASB 7).

<sup>2</sup>Excludes statutory payables and unearned revenue (not within scope of AASB 7).

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
 for the year ended 30 June 2021

**23. Financial instruments (cont'd)**

*(b) Derecognition of financial assets and liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Corporation transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Corporation's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

*(c) Credit risk*

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Corporation, including cash, receivables, and short-term deposits. No collateral is held by the Corporation. Also, the Corporation has not granted any financial guarantees.

Credit risk associated with the Corporation'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, bank balances within the NSW Treasury Banking System and term deposits invested for less than 90 days. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11.00am unofficial cash rate, adjusted for a management fee to NSW Treasury. Term deposit interest is agreed at time of investment and received upon maturity of the term deposit.

**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 Corporation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

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 Corporation has identified GDP and the unemployment rate 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.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**23. Financial instruments (cont'd)**

(c) *Credit risk (cont'd)*

The loss allowance for trade debtors as at 30 June 2021 and 30 June 2020 was determined as follows:

	\$'000					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.0%	0.0%	50.0%	8.3%	42.6%	
Estimated total gross carrying amount at default	28	44	26	12	547	657
Expected credit loss	-	-	13	1	233	247

	\$'000					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.0%	26.8%	56.3%	84.4%	60.0%	
Estimated total gross carrying amount at default	14	183	87	45	543	872
Expected credit loss	-	49	49	38	326	462

Notes: The analysis excludes statutory receivables, prepayments and unusual items, as these are not within the scope of AASB 7 and distort the calculation of the expected credit loss. Therefore, the 'total' will not reconcile to the receivables total in note 6. The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021.

(d) *Liquidity risk*

Liquidity risk is the risk the Corporation will be unable to meet its payment obligations when they fall due. The Corporation 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.

	2021	2020
	\$'000	\$'000
TCorp debt facility	330,000	330,000
Sums drawn	(168,692)	(169,708)
<b>Unused facility</b>	<b>161,308</b>	<b>160,292</b>

In August 2019, the Treasurer approved an additional \$100 million debt facility to fund the Strategic Open Spaces Program.

During the current and prior years, there were no defaults on any loan payable. No assets have been pledged as collateral. The Corporation'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 and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 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 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, the Secretary (or a person appointed by the Secretary) may automatically pay the supplier simple interest. The applicable rate of interest during the year was 8.01% (2020: 8.89%). No interest was paid for the period 30 June 2021 (2020: NIL).

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**23. Financial instruments (cont'd)**

(d) *Liquidity risk (cont'd)*

The tables below summarise the maturity profile of the Corporation's financial liabilities, together with the interest rate exposure.

	Weighted average effective interest rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 yr \$'000	1 - 5 yrs \$'000	> 5 yrs \$'000
<b>2021</b>								
<i>Payables</i>	N/A	16,641	-	-	16,641	16,641	-	-
<i>Borrowings</i>								
TCorp borrowings <sup>1</sup>								
Loan: Corporation	3.46%	184,302	184,302	-	-	29,248	90,618	64,436
Loan: Open Spaces	1.44%	5,129	5,129	-	-	122	484	4,523
		<b>206,072</b>	<b>189,431</b>	<b>-</b>	<b>16,641</b>	<b>46,011</b>	<b>91,102</b>	<b>68,959</b>
<b>2020</b>								
<i>Payables</i>	N/A	20,633	-	-	20,633	20,633	-	-
<i>Borrowings</i>								
TCorp borrowings <sup>1</sup>								
Loan: Corporation	3.62%	187,649	187,649	-	-	29,987	111,809	45,853
Loan: Open Spaces	1.44%	5,250	5,250	-	-	121	484	4,645
		<b>213,532</b>	<b>192,899</b>	<b>-</b>	<b>20,633</b>	<b>50,741</b>	<b>112,293</b>	<b>50,498</b>

<sup>1</sup>The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Corporation can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(e) *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposure to market risk are primarily through interest rate risk on the Corporation's borrowing and other price risks associated with the movement in the unit price of the Fund. The Corporation 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 Corporation 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 2020. The analysis assumes that all other variables remain constant.



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**23. Financial instruments (cont'd)**

(e) *Market risk (cont'd)*

**Interest rate risk**

Exposure to interest rate risk arises primarily through the Corporation's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with TCorp. The Corporation does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). 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:

	Carrying amount \$'000	+1% Profit \$'000	Equity \$'000	-1% Profit \$'000	Equity \$'000
<b>30 June 2021</b>					
<i>Financial assets</i>					
Cash and cash equivalents	65,317	653	653	(653)	(653)
<i>Financial liabilities</i>					
Payables	16,641	(166)	(166)	166	166
<b>30 June 2020</b>					
<i>Financial assets</i>					
Cash and cash equivalents	82,316	823	823	(823)	(823)
<i>Financial liabilities</i>					
Payables	20,633	(206)	(206)	206	206

**Other price risk – TCorpIM Fund**

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Fund, which are held for strategic rather than trading purposes. The Corporation has no direct equity investments. The Corporation holds units in the following TCorpIM Fund:

Facility	Investment Sectors	Investment Horizon	30 June 2021	30 June 2020
Cash	Cash, money market instruments	Up to 1.5 years	7,735	5,849

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer TCorpIM Fund in accordance with its deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Fund. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Fund limits the Corporation's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**23. Financial instruments (cont'd)**

*(e) Market risk (cont'd)*

**Other price risk – TCorpIM Fund (cont'd)**

TCorp provides sensitivity analysis information for each of the investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of a change in the unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

	Change in unit price	Impact on profit/loss	
		2021 \$'000	2020 \$'000
<b>TCorpIM Funds</b>			
Cash facility	+/-1%	+/-77	+/-58

*(f) Fair value measurement*

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.

The TCorpIM Fund is measured at fair value. Management assessed that the carrying amount of all other financial instruments, except as specified below, approximate their fair values, largely due to the short-term maturities of these instruments.

The following table details the financial instruments, by class, where the fair value differs from the carrying amount:

	Carrying amount	Fair value	Carrying amount	Fair value
	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000
<b>Financial liabilities</b>				
Borrowings	168,692	179,323	169,708	185,285



**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**23. Financial instruments (cont'd)**

(g) Fair value recognised in the Statement of financial position

The Corporation uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets/liabilities;
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly;
- Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value</b>				
TCorplM Funds	-	7,735	-	7,735
<b>2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets at fair value</b>				
TCorplM Funds	-	5,849	-	5,849

The tables above include only financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between level 1 and 2 during the periods.

The value of the TCorplM Fund investments is based on the Corporation's share of the value of the underlying assets of the facility, based on the market value. The TCorplM Fund is valued using 'redemption' pricing.

**24. Program group**

The Corporation's activities are reported under the program group "Planning, designing and implementing integrated regions and communities" supporting the State outcome "Create a strong and vibrant NSW".

Since the total operations of the Corporation contribute to the above, separate State Outcome statements are not required.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**25. Joint arrangement**

**Joint operations**

The Corporation has a joint operation and therefore recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate categories.

The joint operation is named *the Rouse Hill Town Centre project*. The Corporation and Landcom are both in a Project Delivery Agreement (PDA) with Lend Lease GPT (Rouse Hill) Pty Ltd. Landcom's participation in the PDA is as a Business Service Provider and Landcom has a financial interest in the operation.

There is no split ownership as there is no separate vehicle, but there is a share of revenues and expenses. The Corporation's share is based on the value of land contributed to the project. In terms of voting rights, the Corporation and Landcom vote as a single voting block (Landcom is a business services provider to the Corporation and has partnered voting rights with the Corporation) within the joint management committee. As a result, the voting is a 50/50 split with an independent chair.

The Corporation's share of assets, liabilities, revenue and expenses are as follows:

	<b>Rouse Hill</b>
	<b>\$'000</b>
<b>2021</b>	
Assets <sup>1</sup>	13,266
Liabilities	-
Revenue	-
Expenses	-
<b>2020</b>	
Assets <sup>1</sup>	13,700
Liabilities	-
Revenue	31,000
Expenses	23,284

<sup>1</sup>These are land assets that are held by the Corporation and are included in note 10.

The 2019-20 comparative details above relating to the disclosure of the Corporation's share of assets has been updated to reflect property subdivisions. This has no impact on the total property, plant and equipment, total assets, total net result and equity position for the 2019-20 financial year. Refer note 1(f).

**Recognition and measurement**

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

**Planning Ministerial Corporation**  
**Notes to the financial statements (cont'd)**  
for the year ended 30 June 2021

**26. Related party disclosure**

(a) Key management personnel compensation

The Corporation's key management personnel compensation is as follows:

	2021	2020
	\$'000	\$'000
Short-term employee benefits	191	205
Post-employment benefits	22	23
Total remuneration	<u>213</u>	<u>228</u>

The key management personnel compensation excludes the Minister for Planning and Public Spaces. Ministerial compensation is paid by NSW legislature, and not the Corporation. It also excludes long service leave and defined benefit superannuation amounts, which are assumed by the Crown in right of the State of New South Wales.

The Corporation did not provide any non-monetary benefits to Cabinet Ministers, their close family members or entities controlled or jointly controlled thereof during the year.

(b) Transactions with key management personnel

The Corporation did not enter into any related party transactions with key management personnel, their close family members or entities controlled or jointly controlled thereof during year.

(c) Transactions with Government entities

During the year, the Corporation entered into the following individually significant arm's-length transactions with other entities that are controlled by the NSW Government:

- Reimbursement for personnel services to DPIE of \$3.2 million (2020: \$3.2 million), of which \$0.3 million (2020: \$0.3 million) is recognised as accrued expense. Refer note 2(a) and note 14;
- Interest paid to the New South Wales Treasury Corporation of \$5.8 million (2020: \$6.3 million), which relates to the \$168.7 million (2020: \$169.7 million) in borrowings from the New South Wales Treasury Corporation. Refer note 2(e) and note 15;
- Sale of Lenore Drive land in the Ropes Creek Precinct to Sydney Metro for \$99.7 million in 2019-20 financial year, of which the final instalment of \$49.9 million was received during the 2020-21 financial year. Refer note 6; and
- Acquisition of land in Wolli Creek from Transport for New South Wales (TfNSW) during the 2020-21 financial year (\$25.3 million). Refer note 10(a).

The Corporation also entered into transactions with other entities that are controlled by the NSW Government, conducted at arm's length and are not individually significant. These include costs associated with corporate services fees and reimbursement of other operating expenses to DPIE, grant funding from DPIE, transactions with TCorp relating to the TCorpIM Fund, insurance arrangement with the NSW Self Insurance Corporation and audit services from the Audit Office of NSW. Refer notes 2(b), 3(a), 3(b) and 5.

Further, the Corporation receives/transfers land from/to NSW government agencies free of cost or for nominal value. These transactions are reflected as equity adjustments. During the year, the Corporation received land parcels from TfNSW, Sydney Olympic Park Authority and transferred some properties to the Western Sydney Parklands Trust. Refer note 17.

**27. Events after the reporting period**

The Corporation 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 and receivables. Given continued uncertainty of the COVID-19 factor, including the current outbreak there may be some new evidence that impacts the fair value assessment post 30 June 2021 materially.

There are no other known events that would impact on the state of the Corporation or have a material impact on the financial statements.

**End of audited financial statements.**

# **Independent Auditor's Report — Lands Administration Ministerial Corporation**



## 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 the Lands Administration Ministerial Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows.

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.



## Secretary's Responsibilities for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Secretary's responsibility also includes 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 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 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.



Reiky Jiang  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 September 2021  
SYDNEY



# **Financial Statements - Lands Administration Ministerial Corporation**

## **LANDS ADMINISTRATION MINISTERIAL CORPORATION**

**Financial Statements**  
*for the year ended 30 June 2021*

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**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**STATEMENT BY THE ACCOUNTABLE AUTHORITY**  
**For the year ended 30 June 2021**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ("the Act"), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly the Lands Administration Ministerial Corporation's financial position, financial performance and cash flows.



Signed.....

**Jim Betts**  
**Secretary**  
**Department of Planning, Industry and Environment**

**Date: 29/09/2021**

## Beginning of the financial statements

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
	Notes			
<b>Expenses excluding losses</b>				
Operating expenses				
Employee related	2(a)	-	-	177
Other operating expenses	2(b)	3,218	2,129	2,263
Depreciation and amortisation	2(c)	1,520	734	1,657
Grants and subsidies	2(d)	4,607	1,854	48
<b>Total expenses excluding losses</b>		<b>9,345</b>	<b>4,717</b>	<b>4,145</b>
<b>Revenue</b>				
Sale of goods and services from contracts with customers	3(a)	457	4,482	555
Investment revenue	3(b)	4,150	717	4,916
Grants and contributions	3(c)	30	-	159
Transfers to the Crown	3(d)	(418)	(100)	(118)
Other revenue	3(e)	138	(98)	143
<b>Total revenue</b>		<b>4,357</b>	<b>5,001</b>	<b>5,655</b>
<b>Net gains / (losses) on disposal</b>	4	-	-	(11)
<b>Other gains / (losses)</b>	5	(190)	(200)	36,718
<b>Net result</b>		<b>(5,178)</b>	<b>84</b>	<b>38,217</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to net result in subsequent period				
Changes in revaluation surplus of property, plant and equipment	10	4,337	-	1,756
<b>Total other comprehensive income</b>		<b>4,337</b>	<b>-</b>	<b>1,756</b>
<b>Total comprehensive income</b>		<b>(841)</b>	<b>84</b>	<b>39,973</b>

The accompanying notes form part of these financial statements.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

		<b>Actual 2021 \$'000</b>	<b>Budget 2021 \$'000</b>	<b>Actual 2020 \$'000</b>
	<b>Notes</b>			
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	45,717	47,488	44,538
Receivables	8	1,540	1,121	1,506
Financial assets at fair value		-	189	-
Other financial assets	9	497	317	506
<b>Total current assets</b>		<b>47,754</b>	<b>49,115</b>	<b>46,550</b>
<b>Non-current assets</b>				
Receivables	8	-	24	-
Financial assets at fair value		-	1,757	-
Other financial assets	9	29,411	28,098	29,847
Property, plant and equipment	10			
- Crown land		128,273	127,509	129,467
- Buildings		29,157	28,194	28,809
- Plant and equipment		28	5	31
- Infrastructure systems		6,688	6,514	6,541
<b>Total property, plant and equipment</b>		<b>164,146</b>	<b>162,221</b>	<b>164,848</b>
<b>Total non-current assets</b>		<b>193,557</b>	<b>192,100</b>	<b>194,695</b>
<b>Total assets</b>		<b>241,311</b>	<b>241,214</b>	<b>241,245</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	13	1,967	796	918
Provisions	14	418	118	118
Other	15	471	347	347
<b>Total current liabilities</b>		<b>2,856</b>	<b>1,261</b>	<b>1,383</b>
<b>Total liabilities</b>		<b>2,856</b>	<b>1,261</b>	<b>1,383</b>
<b>Net assets</b>		<b>238,455</b>	<b>239,953</b>	<b>239,862</b>
<b>EQUITY</b>				
Reserves		6,093	1,756	1,756
Accumulated funds		232,362	238,197	238,106
<b>Total equity</b>		<b>238,455</b>	<b>239,953</b>	<b>239,862</b>

The accompanying notes form part of these financial statements.



**LANDS ADMINISTRATION MINISTERIAL CORPORATION  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total Equity \$'000
<b>Balance at 1 July 2020</b>		238,106	1,756	239,862
<b>Net result for the year</b>		(5,178)	-	(5,178)
<b>Other comprehensive income:</b>				
Net changes in revaluation surplus of property, plant and equipment	10	-	4,337	4,337
<b>Total other comprehensive income</b>		-	4,337	4,337
<b>Total comprehensive income for the year</b>		(5,178)	4,337	(841)
<b>Transactions with owners in their capacity as owners</b>				
Increase / (decrease) in net assets from equity transfers	17	(566)	-	(566)
<b>Total transactions with owners in their capacity as owners</b>		(566)	-	(566)
<b>Balance at 30 June 2021</b>		232,362	6,093	238,455
<b>Balance at 1 July 2019</b>		205,969	-	205,969
<b>Net result for the year</b>		38,217	-	38,217
<b>Other comprehensive income</b>				
Net changes in revaluation surplus of property, plant and equipment	10	-	1,756	1,756
<b>Total other comprehensive income</b>		-	1,756	1,756
<b>Total comprehensive income for the year</b>		38,217	1,756	39,973
<b>Transactions with owners in their capacity as owners</b>				
Increase / (decrease) in net assets from equity transfers	17	(6,080)	-	(6,080)
<b>Total transactions with owners in their capacity as owners</b>		(6,080)	-	(6,080)
<b>Balance at 30 June 2020</b>		238,106	1,756	239,862

The accompanying notes form part of these financial statements.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>Cash flows from operating activities</b>				
<b>Payments</b>				
Grants and subsidies		(85)	(460)	(4,348)
Payments to suppliers		(2,561)	(2,252)	(2,714)
<b>Total payments</b>		<b>(2,646)</b>	<b>(2,712)</b>	<b>(7,062)</b>
<b>Receipts</b>				
Sale of goods and services		487	4,482	708
Interest received		626	717	776
Lease and licence income		3,760	-	3,312
Cash transfers to NSW Treasury		(118)	(100)	(1,473)
Grants and contributions		-	(98)	159
Other		170	361	143
Retained taxes, fees and fines		-	(200)	-
<b>Total receipts</b>		<b>4,925</b>	<b>5,162</b>	<b>3,625</b>
<b>Net cash flows from operating activities</b>	16	<b>2,279</b>	<b>2,450</b>	<b>(3,437)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment and infrastructure systems		465	500	594
Purchases of property, plant, equipment and infrastructure		(1,565)	-	(478)
<b>Net cash flows from investing activities</b>		<b>(1,100)</b>	<b>500</b>	<b>116</b>
<b>Cash flows from financing activities</b>				
Advances made		-	-	(401)
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>	<b>(401)</b>
<b>Net increase/(decrease) in cash</b>		<b>1,179</b>	<b>2,950</b>	<b>(3,722)</b>
Opening cash and cash equivalents		44,538	44,538	48,587
Cash transferred out as a result of equity transfer		-	-	(327)
<b>Closing cash and cash equivalents</b>	7	<b>45,717</b>	<b>47,488</b>	<b>44,538</b>

The accompanying notes form part of these financial statements.

## LANDS ADMINISTRATION MINISTERIAL CORPORATION

### Notes to and forming part of the financial statements for the year ended 30 June 2021

#### 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 (Department).

LAMC is a NSW Government Sector Finance agency and a separate reporting entity. There are no other entities under its control. Though LAMC has some cash generating units, it is a not-for-profit entity as profit is not its principal objective. LAMC is consolidated as part of the Department and the NSW Total State Sector Accounts.

Under the *Crown Lands Management Act 2016*, LAMC can be appointed as a Crown land manager, which enables Department's staff to undertake this role under delegation. At 30 June 2021, LAMC is the Crown land manager of numerous reserves.

These financial statements for the year 30 June 2021 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 *Government Sector Finance Act 2018* (the GSF Act), and
- Treasurer's directions issued under the GSF Act.

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

Property, plant and equipment 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.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(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. Refer to note 3(b) for reclassifications of 2019-20 investment revenue comparatives.

**(f) Changes in accounting policies, including new or revised Australian Accounting Standards**

**(i) Effective for the first time in the 2020-21 financial year.**

**AASB 1059 Service Concession Arrangements: Grantors (AASB 1059)**

AASB 1059 is effective for LAMC from 1 July 2020. The NSW Treasury Policy and Guideline Paper TPP06-8: *Accounting for Privately Financed Projects* (TPP 06-8) was also withdrawn effective from 1 July 2020.

Service concession arrangements are contracts between an operator and a grantor, where the operator provides public services to a service concession asset on behalf of the grantor for a specified period and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both. The application of AASB 1059 has had no impact on LAMC's financial statements.

Several other amendments and interpretations apply for the first time in the 2020-21 financial year, but do not have an impact on the financial statements of LAMC.

**(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 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective from 1 July 2021)
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2022)
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments* (effective from 1 January 2022)
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (effective from 1 January 2022)
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures* (effective from 1 January 2021)
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (effective from January 2021)

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) Impact of COVID-19 on 2020-21 financial statements**

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 assets at 30 June 2021 by independent valuers concluded that there was no evidence at balance date to suggest any material impact. Refer note 23.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(h) Going concern

The 2020-21 financial statements have been prepared on a going concern basis. LAMC receives financial support from the Department. At the date of this report there is no reason to expect that this support will not continue.

**2. EXPENSES EXCLUDING LOSSES**

(a) Employee related expenses

	2021 \$'000	2020 \$'000
Salaries and wages (including recreation leave)	-	158
Superannuation - defined contribution plans	-	14
Workers' compensation insurance	-	5
	<b>-</b>	<b>177</b>

Expenses in the 2019-20 financial year relate to staff employed by a Crown land manager, outside the public sector award. In 2020-21 these employees were no longer within LAMC.

(b) Other operating expenses include the following:

	2021 \$'000	2020 \$'000
Administration fees	27	31
Assets under \$5,000	-	5
Auditor's remuneration - audit of financial reports	107	144
Cleaning	67	88
Consultancy	93	13
Contractors (projects) and other fees	1,378	179
Crown land waivers, refunds and remissions	241	174
Electricity	48	83
Insurance	3	60
Legal	-	8
Maintenance	105	317
Other operating	69	152
Rates	-	9
Staff administration	1,080	1,000
	<b>3,218</b>	<b>2,263</b>

Contractors and other fees expense in 2020-21 of \$1.378 million compares to \$0.179 million in 2019-20. This increase in the current year relates to maintenance and other stimulus works in Crown reserves.

**Recognition and Measurement**

**Administration fees**

LAMC receives administrative, secretarial support and operational assistance from the Department. LAMC has an arrangement with the Department to reimburse an amount agreed for the year relating to Department's staff administration expenses that support 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.



**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**2. EXPENSES EXCLUDING LOSSES (CONT'D)**

**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.

(c) Depreciation and amortisation expense

	2021	2020
	\$'000	\$'000
Buildings	1,201	1,287
Infrastructure Systems	316	333
Plant and equipment	3	37
	<b>1,520</b>	<b>1,657</b>

Refer to note 10 for recognition and measurement policies on depreciation.

(d) Grants and subsidies

	2021	2020
	\$'000	\$'000
Non-cash Crown land manager grants	4,522	23
Crown land manager	85	25
	<b>4,607</b>	<b>48</b>

The non-cash land grant in 2020-21 relates primarily to the transfer of land to the Bellingen Shire Council and Murray River Council.

**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

	2021	2020
	\$'000	\$'000
Rendering of services:		
Fees	457	555
	<b>457</b>	<b>555</b>

**Recognition and Measurement**

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*.

**Rendering of services - fees**

Revenue from rendering of services is recognised when LAMC satisfies the performance obligation by transferring the promised services.

Fees are typically in relation to camping and entry fees on reserves and mooring fees. LAMC 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, which is the fee charged on entry/usage. No element of financing is deemed present as payments are due when service is provided.



**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**3. REVENUES (CONT'D)**

(b) Investment revenue

	2021	2020
	\$'000	\$'000
Interest income from financial assets at amortised cost	202	406
Finance income on the net investment in the lease	444	403
Crown land lease revenue	1,845	2,187
Crown land licence revenue	1,087	1,464
Crown land royalty revenue	540	395
Rental income	32	61
	<b>4,150</b>	<b>4,916</b>

Reduced Crown land lease revenue in 2020–21 was mainly due to the transfer of coastal infrastructure functions from LAMC to Marine Infrastructure Delivery Office (MIDO) within Transport for NSW, including associated lease revenue from 1 July 2020. Refer note 17.

The 2019–2020 comparative has been updated to reallocate from the Crown land lease revenue an amount of \$1.46 million to licence revenue and \$0.395 million to royalty revenue to align with the nature of revenue items. Refer note 1(e).

**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 *Leases* 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.

**Licence income**

Crown land licence revenue is recognised over the term of the licence on a straight line basis. This may be offset by rebates.

The respective assets under licence are included by LAMC in the statement of financial position in an appropriate assets class based on their nature.

**Royalty income**

Royalty income is recognised at the transaction price under the lease or license agreement for extraction activities.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**3. REVENUES (CONT'D)**

(c) Grants and contributions

	2021 \$'000	2020 \$'000
Grants - without specific performance obligations	30	159
	<u>30</u>	<u>159</u>

**Recognition and Measurement**

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.

(d) Transfer to the Crown

	2021 \$'000	2020 \$'000
Transfer of Crown leasehold revenues to the Crown	(418)	(118)
	<u>(418)</u>	<u>(118)</u>

**Recognition and Measurement**

***Transfers to the Crown***

Cash received by LAMC, excluding receipts in respect of the Crown land managed by LAMC, is distributed to the Crown. 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

	2021 \$'000	2020 \$'000
Other revenue	138	143
	<u>138</u>	<u>143</u>

(f) Deemed appropriation

Section 4.7 of the 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 Crown land managers, fall under the category of deemed appropriations.

The movement in the contribution to the Crown (refer note 14) reflects deemed appropriation movement for LAMC.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**4. GAINS / (LOSSES) ON DISPOSAL**

	2021 \$'000	2020 \$'000
Gain/(loss) on disposal of property, plant and equipment		
Written down value of assets disposed	-	(11)
	<u>-</u>	<u>(11)</u>

**5. OTHER GAINS / (LOSSES)**

	2021 \$'000	2020 \$'000
Impairment of receivables	(142)	(677)
Revaluation / (devaluation) of property, plant and equipment	-	23,787
Finance lease revaluation	(48)	13,608
	<u>(190)</u>	<u>36,718</u>

Revaluation increment in 2019-20 reversed decrements previously recognised as expenses in statement of comprehensive income in respect of land assets.

For recognition and measurement policy refer notes 8, 10, 11 and 12.

**6. STATE OUTCOME DESCRIPTION**

The operations of LAMC contribute to the State Outcome - maximise community benefit from government land and property. Through delivering a coordinated, strategic approach to the use of government-owned property, LAMC aims to maximise community benefits by delivering quality public spaces and diverse housing outcomes.

**7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

	2021 \$'000	2020 \$'000
Cash at bank and on hand	45,717	44,538
	<u>45,717</u>	<u>44,538</u>

For the purpose of statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits with original maturities of 3 months or less and subject to an insignificant risk of changes in value.

Restricted cash includes cash at bank and on hand as at 30 June 2021 of \$45,716,922 (2020: \$44,538,339). Restricted cash is represented by funds held as a Crown land manager that are to be applied for the Crown reserve purposes pursuant to the *Crown Lands Management Act 2016* or to be transferred to the Crown (refer notes 3(d) and 14).

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:

	2021 \$'000	2020 \$'000
Cash and cash equivalents (per statement of financial position)	45,717	44,538
Closing cash and cash equivalents (per statement of cash flows)	<u>45,717</u>	<u>44,538</u>

Refer to note 18 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**8. CURRENT ASSETS – RECEIVABLES**

	2021 \$'000	2020 \$'000
<b>CURRENT</b>		
Trade receivables	2,567	3,301
Allowance for expected credit losses	(1,027)	(1,795)
	<u>1,540</u>	<u>1,506</u>
 <b>Movements in the allowance for credit losses</b>		
Balance at beginning of the year	1,795	1,198
Amounts written off during the year	(910)	(80)
Increase / (decrease) in allowance recognised in net results	142	677
<b>Balance at end of the period</b>	<u>1,027</u>	<u>1,795</u>

Details regarding credit risk of trade receivables, that are either past due or impaired, are disclosed in note 18.

**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 and licence 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 matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

**9. CURRENT / NON-CURRENT OTHER FINANCIAL ASSETS**

	2021 \$'000	2020 \$'000
<b>CURRENT</b>		
Loans	182	189
Receivable on finance leases as lessor	315	317
	<b>497</b>	<b>506</b>
<b>NON-CURRENT</b>		
Loans	1,291	1,749
Receivable on finance leases as lessor	28,120	28,098
	<b>29,411</b>	<b>29,847</b>

Refer to note 18 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Refer to note 11 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).



**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
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**for the year ended 30 June 2021**

**10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT**

**(a) Total property, plant and equipment**

	<b>Crown land \$'000</b>	<b>Buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Infrastructure Systems \$'000</b>	<b>Total \$'000</b>
<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>Year 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
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>
<b>At 1 July 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>
<b>Year ended 30 June 2021</b>					
Net carrying amount at start of year	129,467	28,809	31	6,541	164,848
Purchases of assets	10	605	-	950	1,565
Disposals	(2,504)	(1,490)	-	(524)	(4,518)
Acquisitions / (disposals) on equity transfer	(566)	-	-	-	(566)
Net revaluation increment less revaluation decrements recognised in reserves	1,866	2,383	-	88	4,337
Transfer between asset classes	-	51	-	(51)	-
Depreciation expense	-	(1,201)	(3)	(316)	(1,520)
<b>Net carrying amount at end of the year</b>	<b>128,273</b>	<b>29,157</b>	<b>28</b>	<b>6,688</b>	<b>164,146</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	128,273	62,575	34	13,976	204,858
Accumulated depreciation and impairment	-	(33,418)	(6)	(7,288)	(40,712)
<b>Net carrying amount</b>	<b>128,273</b>	<b>29,157</b>	<b>28</b>	<b>6,688</b>	<b>164,146</b>



**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
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**10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

**(b) Total property, plant and equipment held and used by LAMC**

	<b>Crown land \$'000</b>	<b>Buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Infrastructure Systems \$'000</b>	<b>Total \$'000</b>
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	93,244	62,739	590	9,643	166,216
Accumulated depreciation and impairment	-	(35,880)	(381)	(5,022)	(41,283)
<b>Net carrying Amount</b>	<b>93,244</b>	<b>26,859</b>	<b>209</b>	<b>4,621</b>	<b>124,933</b>
<b>Year ended 30 June 2020</b>					
Net carrying amount at start of year	93,244	26,859	209	4,621	124,933
Purchases of assets	-	28	307	143	478
Disposals	-	-	(11)	-	(11)
Acquisitions / (disposals) on equity transfer	(4,527)	(3,062)	(78)	(493)	(8,160)
Net revaluation increment less revaluation decrements through profit or loss	23,896	630	-	51	24,577
Net revaluation increment less revaluation decrements recognised in reserves	1,756	-	-	-	1,756
Transfer between asset classes	-	(2,193)	(359)	2,552	-
Depreciation expense	-	(906)	(37)	(333)	(1,276)
<b>Net carrying amount at end of year</b>	<b>114,369</b>	<b>21,356</b>	<b>31</b>	<b>6,541</b>	<b>142,297</b>
<b>At 1 July 2020 - fair value</b>					
Gross carrying amount	114,369	52,778	34	13,960	181,142
Accumulated depreciation and impairment	-	(31,423)	(3)	(7,419)	(38,845)
<b>Net carrying amount</b>	<b>114,369</b>	<b>21,356</b>	<b>31</b>	<b>6,541</b>	<b>142,297</b>
<b>Year ended 30 June 2021</b>					
Net carrying amount at start of year	114,369	21,356	31	6,541	142,297
Purchases of assets	10	514	-	950	1,474
Disposals	(2,511)	(1,490)	-	(524)	(4,525)
Acquisitions / (disposals) on equity transfer	(566)	-	-	-	(566)
Net revaluation increment less revaluation decrements recognised in reserves	1,848	1,984	-	88	3,920
Transfer between asset classes	-	51	-	(51)	-
Depreciation expense	-	(809)	(3)	(316)	(1,128)
Transfers*	3,161	-	-	-	3,161
<b>Net carrying amount at end of the year</b>	<b>116,311</b>	<b>21,606</b>	<b>28</b>	<b>6,688</b>	<b>144,633</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	116,311	48,970	34	13,976	179,291
Accumulated depreciation and impairment	-	(27,364)	(6)	(7,288)	(34,658)
<b>Net carrying amount</b>	<b>116,311</b>	<b>21,606</b>	<b>28</b>	<b>6,688</b>	<b>144,633</b>

\*Includes transfers between notes 10(b) and 10(c).

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
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**10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(c) Total property, plant and equipment where LAMC is lessor under operating leases

	Crown land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure Systems \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>					
Gross carrying amount	13,585	10,806	-	-	24,391
Accumulated depreciation and impairment	-	(3,078)	-	-	(3,078)
<b>Net Carrying Amount</b>	<b>13,585</b>	<b>7,728</b>	<b>-</b>	<b>-</b>	<b>21,313</b>
<b>Year ended 30 June 2020</b>					
Net carrying amount at start of year	13,585	7,728	-	-	21,313
Acquisitions / (disposals) on equity transfer	2,409	-	-	-	2,409
Net revaluation increment less revaluation decrements through profit or loss	(896)	106	-	-	(790)
Depreciation expense	-	(381)	-	-	(381)
<b>Net Carrying amount at end of year</b>	<b>15,098</b>	<b>7,453</b>	<b>-</b>	<b>-</b>	<b>22,551</b>
<b>At 1 July 2020 - fair value</b>					
Gross carrying amount	15,098	11,293	-	-	26,391
Accumulated depreciation and impairment	-	(3,840)	-	-	(3,840)
<b>Net carrying amount</b>	<b>15,098</b>	<b>7,453</b>	<b>-</b>	<b>-</b>	<b>22,551</b>
<b>Year ended 30 June 2021</b>					
Net carrying amount at start of year	15,098	7,453	-	-	22,551
Purchases of assets	-	91	-	-	91
Net revaluation increment less revaluation decrements recognised in reserves	25	399	-	-	424
Depreciation expense	-	(392)	-	-	(392)
Transfers*	(3,161)	-	-	-	(3,161)
<b>Net Carrying amount at end of the year</b>	<b>11,962</b>	<b>7,551</b>	<b>-</b>	<b>-</b>	<b>19,513</b>
<b>At 30 June 2021 - fair value</b>					
Gross carrying amount	11,692	13,605	-	-	25,567
Accumulated depreciation and impairment	-	(6,054)	-	-	(6,054)
<b>Net carrying amount</b>	<b>11,692</b>	<b>7,551</b>	<b>-</b>	<b>-</b>	<b>19,513</b>

\*Includes transfers between notes 10(b) and 10(c).

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
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**10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

**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 17).

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.

***Depreciation of property, plant and equipment***

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets 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.

The depreciation of buildings and infrastructure systems 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 systems and 10 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 12 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.

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**10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

***Revaluation of property, plant and equipment (cont'd)***

The last comprehensive revaluation of infrastructure assets was completed in March 2019, an interim valuation was completed for June 2019. Crown land was independently valued at 31 March 2020, an interim valuation was completed for June 2020. Buildings were comprehensively valued by an independent valuer at 30 June 2021.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. Interim revaluations were completed for 30 June 2021 for land and infrastructure assets by independent valuers.

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.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates 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 increment or decrements.

Revaluation increment 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 increment 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***

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.



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**11. 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. 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 are, as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	324	325
Later than one year and not later than five years	1,295	1,301
Later than five years	37,028	37,693
<b>Total (exclusive GST)</b>	<b>38,647</b>	<b>39,319</b>

**Reconciliation of net investment in leases**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Future undiscounted rentals receivable	38,647	39,319
Less: unearned finance income	(10,212)	(10,904)
<b>Net investment in finance leases</b>	<b>28,435</b>	<b>28,415</b>

The accumulated allowance for uncollectible minimum payments receivable for finance leases as at 30 June 2021 is \$nil (30 June 2020: \$nil).

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 at 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.

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**11. LEASES (CONT'D)**

*Sensitivity of fair value of lease receivable to changes in significant assumptions used in the valuation modelling process:*

	Change	2021 \$'000	2020 \$'000
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 are, as follows:

	2021 \$'000	2020 \$'000
Within one year	510	635
Later than one year and not later than five years		
One to two years	510	635
Two to three years	445	635
Three to four years	438	570
Four to five years	374	564
Later than five years	4,500	6,345
<b>Total (exclusive GST)</b>	<b>6,777</b>	<b>9,384</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.

**12. 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.



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**12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONT'D)**

(a) Fair value hierarchy

At 30 June 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
<b>Property, plant and equipment (Note 10)</b>				
Crown land	-	128,273	-	128,273
Buildings	-	-	29,157	29,157
Infrastructure Systems	-	-	6,688	6,688
<b>Total</b>	<b>-</b>	<b>128,273</b>	<b>35,845</b>	<b>164,118</b>

At 30 June 2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
<b>Property, plant and equipment (Note 10)</b>				
Crown land	-	129,467	-	129,467
Buildings	-	-	28,809	28,809
Infrastructure Systems	-	-	6,541	6,541
<b>Total</b>	<b>-</b>	<b>129,467</b>	<b>35,350</b>	<b>164,817</b>

There were no transfers between level 1, 2 or 3 during the year.

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.

(b) Reconciliation of recurring Level 3 fair value measurements

At 30 June 2021

Recurring Level 3 fair value measurements	Buildings \$'000	Infrastructure Systems \$'000	Total Fair Value \$'000
<b>Fair value as at 1 July 2020</b>	<b>28,809</b>	<b>6,541</b>	<b>35,350</b>
Purchases of assets	605	950	1,555
Disposals	(1,490)	(524)	(2,014)
Transfer between asset classes	51	(51)	-
Revaluation increment less revaluation decrements recognised in profit or loss	2,383	88	2,471
Depreciation expense	(1,201)	(316)	(1,517)
<b>Fair value as at 30 June 2021</b>	<b>29,157</b>	<b>6,688</b>	<b>35,845</b>

At 30 June 2020

Recurring Level 3 fair value measurements	Buildings \$'000	Infrastructure Systems \$'000	Total Fair Value \$'000
<b>Fair value as at 1 July 2019</b>	<b>34,587</b>	<b>4,621</b>	<b>39,208</b>
Purchases of assets	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>

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**13. CURRENT LIABILITIES – PAYABLES**

	2021 \$'000	2020 \$'000
<b>CURRENT</b>		
Creditors	1,391	-
Accruals	274	339
Sinking fund and other	292	454
Net GST	10	125
	<b>1,967</b>	<b>918</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 18.

**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.

**14. CURRENT LIABILITIES – PROVISIONS**

	2021 \$'000	2020 \$'000
<b>CURRENT</b>		
Contribution to the Crown	418	118
	<b>418</b>	<b>118</b>
<b><i>Movement in the contribution to the Crown</i></b>		
Carrying amount at beginning of financial year	118	1,473
Additional provisions recognised	418	118
Amounts used	(118)	(1,473)
Carrying amount at end of financial year	<b>418</b>	<b>118</b>

**Recognition and Measurement**

***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 (2020: Nil).

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**15. CURRENT LIABILITIES – OTHER**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT</b>		
Unearned income	471	347
	<b>471</b>	<b>347</b>

Unearned income represents funds received for leases and licences on reserves for future periods.

**16. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash flows used on operating activities</b>	<b>2,279</b>	<b>(3,437)</b>
Depreciation and amortisation	(1,520)	(1,657)
Non-cash grants	(4,522)	(23)
Decrease / (increase) in provisions	(300)	1,379
Increase / (decrease) in receivables	34	(679)
Increase / (decrease) in other financial assets	24	647
Decrease / (increase) in payables	(1,049)	4,210
Decrease / (Increase) in other liabilities	(124)	393
Net gain / (loss) on sale of plant and equipment	-	(11)
Other gain / (loss)	-	37,395
<b>Net result</b>	<b>(5,178)</b>	<b>38,217</b>

## LANDS ADMINISTRATION MINISTERIAL CORPORATION

### Notes to and forming part of the financial statements for the year ended 30 June 2021

#### 17. 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 10.

##### **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**

Assets transferred to and from other NSW Government agencies:	2021 \$'000	2020 \$'000
Land transferred out to Transport for NSW (TfNSW)	(1,615)	-
Land received from the Department	1,410	(2,118)
Land transferred out to other agencies	(361)	-
Reserve land management - asset & liabilities	-	(3,962)
<b>Total equity transfers</b>	<b>(566)</b>	<b>(6,080)</b>

Transfers of land with controlled entities of the NSW Government are recognised as equity transfers in accordance with TPP 09-03 Accounting Policy: *Contributions by owners made to wholly-owned Public Sector Entities*.

Effective from 1 July 2020, the transfer of coastal infrastructure functions from LAMC to Marine Infrastructure Delivery Office (MIDO) within TfNSW was finalised following completion of a due diligence process. At the date of transfer of coastal infrastructure functions, related revenue and operating expenses, assets and liabilities were transferred.

##### **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.

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
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**18. 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 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 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 2021 \$'000	Carrying amount 2020 \$'000
<b>Class:</b>				
Cash and cash equivalents	7	Amortised cost	45,717	44,538
Receivables <sup>1</sup>	8	Amortised cost	1,540	1,506
Other financial assets	9	Amortised cost	29,908	30,353
<b>Financial liabilities</b>				
			Carrying amount 2021 \$'000	Carrying amount 2020 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	13	Financial liabilities measured at amortised cost	1,957	793

<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.



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**18. 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 2021 and 30 June 2020 was determined as follows:

	30 June 2021					Total \$'000
	Current \$'000	<30 days \$'000	30-60 days \$'000	61-90 days \$'000	>91 days \$'000	
Expected credit loss rate	1.04%	4.76%	11.49%	14.29%	54.52%	
Estimated total gross carrying amount at default	772	147	87	49	1,823	2,878
Expected credit loss	8	7	10	7	994	1,027
	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

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 8.

LAMC is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021.



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**18. 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 paid during the year (2020– Nil).

The table below summarises 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>2021</b>								
Payables	0.00%	1,957	-	-	1,957	1,957	-	-
<b>2020</b>								
Payables	0.00%	793	-	-	793	793	-	-

<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.

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**18. 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 2020. 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>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	45,717	(457)	(457)	457	457
Receivables	1,540	(15)	(15)	15	15
Other financial assets	29,908	(299)	(299)	299	299
<b>Financial liabilities</b>					
Payables	1,957	20	20	(20)	(20)
<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)

(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.

## LANDS ADMINISTRATION MINISTERIAL CORPORATION

### Notes to and forming part of the financial statements for the year ended 30 June 2021

#### 19. 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 lower than the budget by \$5.26 million. This was due to the following:

- Expenses were \$4.63 million higher than the budget due to increased non-cash land grants; depreciation; and contractor expenses relating to maintenance and stimulus works in Crown reserves.
- Revenue was \$0.64 million lower than the budget mainly due to the transfer of coastal infrastructure functions from LAMC to Transport for NSW, including associated lease revenue from 1 July 2020. Refer notes 3(b) and 17.

##### Assets and liabilities

Net assets were \$1.5 million lower than the budget. This was primarily due to slightly lower cash (refer below) and higher payables, because of the timing of completion of projects and related payments to service providers by year-end, partly offset by revaluation of land and buildings, net of additions/ disposals and depreciation.

##### Cash flows

The net cash movement was a slight unfavourable variance of \$1.77million, consistent with the variances in cash related items in statement of comprehensive income and balance sheet.

#### 20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

LAMC is not aware of any contingent assets or contingent liabilities as at balance date (2020: Nil).

#### 21. COMMITMENTS

LAMC did not have any capital or lease commitments at the balance date (2020: Nil).

#### 22. 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 (2020: nil).

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
Transport for NSW	Provision of leased land and transfer of costal functions
Trust Boards of numerous Crown land managers	Transfer of assets and liabilities upon revocation as Manager
NSW Treasury	Crown revenue remittance

**LANDS ADMINISTRATION MINISTERIAL CORPORATION**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

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**23. EVENTS AFTER THE REPORTING PERIOD**

Given the continued uncertainty of the COVID-19 factor there may be some new evidence that impacts the fair value assessment of property, plant and equipment, financial assets and liabilities at 30 June 2021 materially. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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**





## 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 NSW Land and Housing Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows.

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 2021 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 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, the GSF Act, GSF Regulations and Treasurer's Directions. The Secretary's responsibility also includes 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 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.



Cathy Wu  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

14 October 2021  
SYDNEY



Ms Kiersten Fishburn  
 Secretary  
 Department of Planning, Industry and Environment  
 320 Pitt Street  
 SYDNEY NSW 2001

Contact: Cathy Wu  
 Phone no: 02 9275 7212  
 Our ref: D2119949/0203

14 October 2021

Dear Ms Fishburn

## STATUTORY AUDIT REPORT

for the year ended 30 June 2021

NSW Land and Housing Corporation

I have audited the financial statements of the NSW Land and Housing Corporation (the Corporation) as required by the *Government Sector Audit Act 1983* (GSA Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2021, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Corporation. The GSA Act requires me to send this report to the Corporation's Accountable Authority, responsible Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Corporation's financial statements. I enclose the Independent Auditor's Report, together with the Corporation's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

### Audit result

I expressed an unmodified opinion on the Corporation's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

### Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Corporation's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Corporation.

The Appendix lists and explains the nature and impact of corrected misstatements and disclosure deficiencies contained in the financial statements.

Based on my evaluation, none of the misstatements reported are due to fraud.

### **Compliance with legislative requirements**

My audit procedures are targeted specifically towards forming an opinion on the Corporation's financial statements. This includes testing whether the Corporation complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

### **Auditor-General's Report to Parliament**

The 2021 Auditor-General's Report to Parliament will incorporate the results of the audit.

### **Publication of the Statutory Audit Report**

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

### **Acknowledgment**

I thank the Corporation's staff for their courtesy and assistance.

Yours sincerely



Cathy Wu  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

## APPENDIX

### Corrected monetary misstatements and disclosure deficiencies

#### Corrected monetary misstatements

No corrections to monetary items in the current year's financial statements were required.

#### Corrected disclosure deficiencies

Management amended the following disclosure deficiencies in the current year's financial statements. We agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

AASB reference	Disclosure title	Description of disclosure deficiency
AASB 116	Note 30 Commitments	Capital commitments for capital project costs within one year were amended to include the South Granville A project with a total balance of \$3.2 million.
Various	Various	Some other minor amendments to disclosures were also made.



# Financial Statements - NSW Land and Housing Corporation

# **NSW Land and Housing Corporation**

## **Financial Statements** *for the year ended 30 June 2021*

**NSW Land and Housing Corporation**  
**Statement by the Secretary**  
**for the year ended 30 June 2021**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, I state on behalf of the NSW Land and Housing Corporation, that in my opinion:

- (a) The accompanying financial statements have been prepared in accordance with:
  - applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
  - the requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018*; and
  - Treasurer's Directions issued under the GSF Act;
- (b) The statements and notes exhibit a true and fair view of the financial position as at 30 June 2021, financial performance and cash flows of the NSW Land and Housing Corporation for the year then ended; and
- (c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed  .....

Kiersten Fishburn

A/Secretary of the Department of Planning, Industry and Environment  
for and on behalf of NSW Land and Housing Corporation

13 October 2021

**NSW Land and Housing Corporation**  
**Statement of Comprehensive Income**  
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Revenue</b>			
Rent and other tenant charges	2	763,989	776,602
Grants and other contributions	3	470,452	156,869
Investment revenue	4	799	3,324
Revenue from contracts with customers	5	10,183	10,160
Other income	6	14,225	23,649
<b>Total revenue</b>		<b>1,259,648</b>	<b>970,604</b>
<b>Expenses excluding losses</b>			
Repairs and maintenance	7	321,186	311,704
Council related charges		122,117	119,136
Water charges		86,674	81,353
Tenancy management	1e)	104,677	102,676
Personnel services	8	69,426	65,918
Depreciation and amortisation	10	583,071	542,598
Grants and subsidies	11	55,468	3,000
Finance costs	12	48,649	50,537
Other expenses	9	108,448	110,043
<b>Total expenses excluding losses</b>		<b>1,499,716</b>	<b>1,386,965</b>
<b>Operating result</b>		<b>(240,068)</b>	<b>(416,361)</b>
Loss on disposal of assets	13	(12,112)	(49,073)
Other losses	14	(3,994)	(2,813)
<b>NET RESULT</b>		<b>(256,174)</b>	<b>(468,247)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result in subsequent periods:</i>			
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	20(i), (ii)	1,314,541	(1,764,525)
<b>Total other comprehensive income</b>		<b>1,314,541</b>	<b>(1,764,525)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,058,367</b>	<b>(2,232,772)</b>

The accompanying notes form part of these financial statements.

**NSW Land and Housing Corporation**  
**Statement of Financial Position**  
as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	439,244	393,527
Receivables	16	54,014	47,324
Other financial assets	17	116	129
Other current assets	18	19,049	10,427
		<u>512,423</u>	<u>451,407</u>
Non-current assets held for sale	19	23,060	40,734
<b>Total Current Assets</b>		<b>535,483</b>	<b>492,141</b>
<b>Non-Current Assets</b>			
Receivables	16	430,000	430,000
Other financial assets	17	17,672	474
Property, plant and equipment	20	52,421,497	51,369,200
Right-of-use assets	22	71,882	77,616
Intangible assets	23	2,711	2,681
		<u>52,943,762</u>	<u>51,879,971</u>
<b>TOTAL ASSETS</b>		<b>53,479,245</b>	<b>52,372,112</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	24	246,718	194,603
Borrowings	25	76,638	61,739
Provisions	26	4,806	6,633
Contract liabilities	27	11,043	19,183
		<u>339,205</u>	<u>282,158</u>
<b>Total Current Liabilities</b>		<b>339,205</b>	<b>282,158</b>
<b>Non-Current Liabilities</b>			
Borrowings	25	596,288	619,570
Contract liabilities	27	45,003	22,502
		<u>641,291</u>	<u>642,072</u>
<b>Total Non-Current Liabilities</b>		<b>641,291</b>	<b>642,072</b>
<b>TOTAL LIABILITIES</b>		<b>980,496</b>	<b>924,230</b>
<b>NET ASSETS</b>		<b>52,498,749</b>	<b>51,447,882</b>
<b>EQUITY</b>			
Revaluation reserves		42,442,267	41,327,847
Accumulated funds		10,056,482	10,120,035
		<u>52,498,749</u>	<u>51,447,882</u>
<b>TOTAL EQUITY</b>		<b>52,498,749</b>	<b>51,447,882</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 2021

	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2020</b>		10,120,035	41,327,847	51,447,882
<b>Net result for the year</b>		(256,174)	-	(256,174)
<b>Other Comprehensive Income</b>				
Net increase in property, plant and equipment asset valuations	20(i)	-	1,314,541	1,314,541
<b>Total comprehensive income for the year</b>		(256,174)	1,314,541	1,058,367
<b>Transfer between equity items</b>				
Transfers on disposal of assets		200,121	(200,121)	-
<b>Transactions with owners in their capacity as owners</b>				
Decrease in net assets from equity transfer	28	(7,500)	-	(7,500)
<b>Balance at 30 June 2021</b>		<b>10,056,482</b>	<b>42,442,267</b>	<b>52,498,749</b>
<b>Balance at 1 July 2019</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(ii)	-	(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>Balance at 30 June 2020</b>		<b>10,120,035</b>	<b>41,327,847</b>	<b>51,447,882</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 2021

	Notes	2021 \$'000	2020 \$'000
<b>Cash flows from Operating Activities</b>			
<b>Receipts</b>			
Rent and other tenant charges		762,341	775,078
Grants and other contributions		470,452	156,869
Interest received		799	3,324
Revenue from contracts with customers		10,183	10,160
Other		32,332	27,101
<b>Total receipts</b>		<b>1,276,107</b>	<b>972,532</b>
<b>Payments</b>			
Property and residential tenancy		(556,581)	(604,114)
Tenancy management		(104,677)	(102,676)
Personnel Services		(65,929)	(62,081)
Finance costs		(33,925)	(35,700)
Grants and subsidies		(51,777)	(3,000)
Other		(86,332)	(83,786)
<b>Total payments</b>		<b>(899,221)</b>	<b>(891,357)</b>
<b>Net cash flows from Operating Activities</b>	32	<b>376,886</b>	<b>81,175</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from sale of property, plant and equipment		185,373	223,334
Purchase of property, plant and equipment		(436,582)	(305,616)
Purchase of intangible assets		(836)	(1,322)
Advances made		(17,247)	-
<b>Net cash flows from Investing Activities</b>		<b>(269,292)</b>	<b>(83,604)</b>
<b>Cash flows from Financing Activities</b>			
Proceeds from borrowings		13,781	-
Repayments of borrowings and advances		(31,481)	(31,398)
Payment of principal portion of lease liabilities		(44,177)	(30,916)
<b>Net cash flows from Financing Activities</b>		<b>(61,877)</b>	<b>(62,314)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>45,717</b>	<b>(64,743)</b>
Opening cash and cash equivalents		393,527	458,270
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	15	<b>439,244</b>	<b>393,527</b>

The accompanying notes form part of these financial statements.

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

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**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. 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 2021 have been authorised for issue by the Secretary of the Department of Planning, Industry and Environment on 13 October 2021.

**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 *Government Sector Finance Act 2018* (GSF Act); and
- (iii) Treasurer's Directions issued under the GSF 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.

**d) Accounting for the Goods and Services Tax (GST)**

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

- (i) 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. 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.

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

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**1. Statement of Significant Accounting Policies (continued)**

**e) Tenancy management**

Under the partnership agreement, 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) 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.

**g) Changes in accounting policies, including new or revised AAS**

**(i) Effective for the first time in 2020-21**

**AASB 1059 Service Concession Arrangements: Grantors (AASB 1059)**

AASB 1059 is effective from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service concession arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

LAHC did not have any service concession arrangements during the year or as at 30 June 2021.

Several other amendments and interpretations apply for the first time in 2020-21, but do not have an impact on LAHC's financial statements.



**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**1. Statement of Significant Accounting Policies (continued)**

**g) Changes in accounting policies, including new or revised AAS (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:

Standard	Summary of key requirements / changes	Applicable to annual reporting periods beginning on or after	Expected impact to initial application
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 January 2023	Initial application of this standard is not expected to have material impact to LAHC's existing classification of current or non-current liabilities.
AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	AASB 2020-6 amends the mandatory application date of AASB 2020-1 to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.		However, further assessment of liability classification will be undertaken in 2022-23 FY.

The following new standards issued but not yet effective are not applicable to LAHC and accordingly, have no impact on LAHC's accounting policy:

- AASB 17 *Insurance Contracts*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts*
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*



**NSW Land and Housing Corporation**  
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**1. Statement of Significant Accounting Policies (continued)**

**h) Impact of COVID-19 on Financial Reporting for 2020-21**

COVID-19 has not had a significant impact on LAHC's financial reporting. LAHC's core asset class residential property was revalued as at 31 December 2020 in accordance with its revaluation policy and resulted in no significant movement in the fair value of the assets. Similarly, the movement in the fair value of LAHC's non-residential asset portfolio was not materially impacted by COVID-19 as a result of the 31 December 2020 valuation.

There has been no material movement in rental income or tenant arrears as a result of COVID-19 as the majority of LAHC's social housing tenants receive ongoing Commonwealth Government assistance to fund their rental obligations.

A small number of commercial tenants received COVID-19 rent relief in the form of rent free and rent deferral periods. This rent relief did not have a material impact on LAHC's non-residential rental income or arrears.

During the year, LAHC has received State Government COVID-19 related stimulus funding for social housing deep cleaning and maintenance, as well as new housing supply initiatives. As a result, grant revenue is higher in 2021 than 2020 financial year.

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**2. Rent and Other Tenant Charges**

	2021 \$'000	2020 \$'000
Market rent and other tenant charges (notional)	1,901,291	1,897,729
Less: rental subsidies to tenants (notional)	(1,172,345)	(1,155,246)
Water usage charges	35,043	34,119
<b>Total rent and other tenant charges</b>	<b>763,989</b>	<b>776,602</b>

**Recognition and Measurement**

Rent and other tenant charges is LAHC's revenue as a lessor of operating leases. They are recognised on a straight line basis over the lease term in accordance with AASB 16. Accounting policies for the specific types of rental revenue 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.

**3. Grants and Other Contributions**

Grants with sufficiently specific performance obligations:

Department of Planning, Industry and Environment (DPIE)	60	5,400
Department of Communities and Justice (DCJ)	203	1,262
Sydney Water	-	171

Grants without sufficiently specific performance obligations:

Department of Planning, Industry and Environment (DPIE) (i)	382,553	17,267
Department of Communities and Justice (DCJ) (ii)	83,901	132,769
Aboriginal Housing Office (AHO)	269	-
National Housing Finance and Investment Corporation (NHFIC) (iii)	3,466	-
<b>Total grants and other contributions</b>	<b>470,452</b>	<b>156,869</b>

(i) Includes COVID-19 Stimulus funding of \$292.9 million to support social housing and capital maintenance programs, \$35.1 million (2020: \$12.3 million) to support additional cleaning of public infrastructure, \$27.0 million (2020: \$5.0 million) to support loss of rental income, \$20.0 million to support housing construction apprenticeship programs and \$7.5 million for property transferred to Hunter and Central Coast Development Corporation (HCCDC).

(ii) Annual grants received for programs such as head leasing, repairs & maintenance on crisis accommodation and capital works. 2020 grant includes COVID-19 Stimulus funding of \$47.0 million received to support targeted planned and preventative maintenance programs.

(iii) Grant received from National Housing Finance Investment Corporation (NHFIC) to fast-track housing enabling infrastructure allowing projects to be delivered earlier than planned.

**NSW Land and Housing Corporation**  
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**3. Grants and Other Contributions (continued)**

**Recognition and Measurement**

Grants are 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*.

Revenue from grants with sufficiently specific performance obligations are 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 are recognised when LAHC obtains control over the granted assets, usually when cash is received.

**4. Investment Revenue**

	2021 \$'000	2020 \$'000
Interest earned by LAHC:		
Bank deposits	632	3,207
Other	167	117
<b>Total investment revenue</b>	<b>799</b>	<b>3,324</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).

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**5. Revenue from Contracts with Customers**

	2021	2020
	\$'000	\$'000
Rendering of services:		
Project management fees	1,072	1,722
Property management fees	2,451	2,451
Contract settlement proceeds	6,660	5,987
<b>Total revenue from contracts with customers</b>	<b>10,183</b>	<b>10,160</b>

**Recognition and Measurement**

Revenue is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*.

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 27 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.

**6. Other Income**

Long service leave accepted by the Crown (note 8)	2,541	3,500
Superannuation - defined benefit plan accepted by the Crown (note 8)	956	1,179
Property related	4,039	1,732
Sundry	6,689	17,238
<b>Total other income</b>	<b>14,225</b>	<b>23,649</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 TC21-03 *Accounting for Long Service Leave and Annual Leave*.

As sundry income is received without sufficiently specific performance obligations, it is recognised under AASB 1058 *Income of Not-for-Profit Entities* when LAHC obtains control over the assets (e.g. cash).



**NSW Land and Housing Corporation**  
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**7. Repairs and Maintenance**

	2021 \$'000	2020 \$'000
Residential properties	320,840	310,975
Commercial properties	303	421
Other	43	308
<b>Total repairs and maintenance</b>	<b>321,186</b>	<b>311,704</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.

**8. Personnel Services**

Salaries	50,811	48,486
Annual leave and leave loading	5,899	4,876
Long service leave accepted by the Crown (note 6)	2,541	3,500
Superannuation - defined benefit plan accepted by the Crown (note 6)	956	1,179
Superannuation - defined contribution plan	5,302	3,769
Workers compensation insurance	519	399
Payroll tax and fringe benefits tax	3,363	3,622
Other	35	87
<b>Total personnel services</b>	<b>69,426</b>	<b>65,918</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 \$7.1 million (2020: \$11.0 million). Refer to note 20 for accounting policy on capitalised personnel services.



**NSW Land and Housing Corporation**  
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**9. Other Expenses**

	2021 \$'000	2020 \$'000
Management and other fees	15,980	18,473
Expense relating to short-term leases (i)	18,230	24,908
Property related expenses	13,885	13,270
Motor vehicle, travel & telecommunications	1,669	1,791
Professional services and contractors	31,693	25,250
Auditor's remuneration - audit of the financial statements	453	411
Other audit assurance services	117	348
Shared services (ii)	16,164	14,579
Other	10,257	11,013
<b>Total other expenses</b>	<b>108,448</b>	<b>110,043</b>

**Recognition and Measurement**

(i) Expense relating to short-term leases

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) are recognised as an expense on a straight-line basis over the lease term in the Statement of Comprehensive Income. This excludes leases with a purchase option.

(ii) Shared services

Shared services include corporate support services provided by DCJ under a partnership agreement (finance transactions, information technology and human resource functions) and legal services provided by DPIE to represent LAHC and manage its legal matters. Expenses are recognised on an accrual basis and measured at the fair value of the consideration paid or payable.

**NSW Land and Housing Corporation**  
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**10. Depreciation and Amortisation**

	2021 \$'000	2020 \$'000
<b>Depreciation</b>		
Residential properties	535,335	509,910
Commercial properties	362	353
Community purpose built properties	563	537
Right-of-use assets	44,264	30,558
Computer hardware	268	6
Office furniture and equipment	13	1
Leasehold improvements	1,460	618
<b>Total depreciation</b>	<b>582,265</b>	<b>541,983</b>
<b>Amortisation</b>		
Intangible assets	806	615
<b>Total amortisation</b>	<b>806</b>	<b>615</b>
<b>Total depreciation and amortisation</b>	<b>583,071</b>	<b>542,598</b>

**Recognition and Measurement**

Refer to note 20 and 23 for recognition and measurement policies on depreciation and amortisation.

**11. Grants and Subsidies**

Stimulus maintenance grants to Community housing providers	40,820	-
Stimulus apprenticeship programs	7,957	-
Property transfers to Aboriginal Housing Office (note 20 (i))	3,415	-
Property transfers to local council (note 20 (i))	276	-
DCJ - other programs	3,000	3,000
<b>Total grants and subsidies expense</b>	<b>55,468</b>	<b>3,000</b>

**12. Finance Costs**

Interest expense from financial liabilities at amortised cost:		
State advances – Commonwealth loans	41,297	42,750
NSW Treasury Corporation (TCorp) loans	6,214	6,577
State advance – Crown Entity	1,746	1,751
National Housing Finance Investment Corporation (NHFIC) loan	59	-
Other loans	197	219
NHFIC loan establishment fee	84	-
Amortisation of discount on TCorp loans	(1,709)	(1,607)
Interest expense from lease liabilities (note 22)	761	847
<b>Total finance costs</b>	<b>48,649</b>	<b>50,537</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.

**NSW Land and Housing Corporation**  
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**13. Loss on Disposal of Assets**

	2021 \$'000	2020 \$'000
<b>(i) Sale of assets</b>		
<i>Residential properties</i>		
Sale proceeds	115,123	151,509
Less: selling expenses	(7,221)	(6,277)
Net proceeds	107,902	145,232
Less: carrying amount of assets sold	(102,014)	(153,973)
Gain/(Loss)	5,888	(8,741)
<i>Community Purpose Built Properties</i>		
Sale proceeds	1,453	-
Less: selling expenses	(24)	-
Net proceeds	1,429	-
Less: carrying amount of assets sold	(957)	-
Gain	472	-
<i>Land</i>		
Sale proceeds	39,105	33,672
Less: selling expenses	(954)	(1,977)
Net proceeds	38,151	31,695
Less: carrying amount of assets sold	(38,170)	(28,243)
(Loss)/Gain	(19)	3,452
<b>Total asset sales of property, plant and equipment</b>		
Sale proceeds	155,681	185,181
Less: selling expenses	(8,199)	(8,254)
Net proceeds	147,482	176,927
Less: carrying amount of assets sold (note 20 (i) & (ii))	(141,141)	(182,216)
Gain/(Loss)	6,341	(5,289)
<b>(ii) Assets demolished</b>		
Carrying amount of demolished properties (note 20 (i) & (ii))	(16,381)	(30,922)
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))	(855)	(4,823)
Impairment – non-current assets classified as held for sale (note 19 (i) )	(543)	(858)
Assets written off and impaired	(1,398)	(5,681)
<b>Loss on disposal of property, plant and equipment</b>	(11,438)	(41,892)

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**13. Loss on Disposal of Assets (continued)**

	2021 \$'000	2020 \$'000
(iv) Sale of assets held for sale		
<b>Residential properties</b>		
Sale proceeds	37,995	43,617
Less: selling expenses	(464)	(781)
Net proceeds	37,531	42,836
Less: carrying amount of assets sold	(38,356)	(50,176)
<b>Loss</b>	<b>(825)</b>	<b>(7,340)</b>
<b>Vacant Land</b>		
Sale proceeds	972	3,599
Less: selling expenses	(18)	(31)
Net proceeds	954	3,568
Less: carrying amount of assets sold	(803)	(3,409)
<b>Gain</b>	<b>151</b>	<b>159</b>
<b>Total sale of assets held for sale</b>		
Sale proceeds	38,967	47,216
Less: selling expenses	(482)	(812)
Net proceeds	38,485	46,404
Less: carrying amount of assets sold (note 19 (i))	(39,159)	(53,585)
<b>Loss on sale of assets held for sale</b>	<b>(674)</b>	<b>(7,181)</b>
<b>Total loss on disposal of assets</b>	<b>(12,112)</b>	<b>(49,073)</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.

**14. Other Losses**

Impairment losses on receivables	(3,804)	(2,611)
Loss on TCorp debt restructuring	(317)	(244)
Gain on termination of right-of-use assets (note 22)	127	42
<b>Total other losses</b>	<b>(3,994)</b>	<b>(2,813)</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 other losses are disclosed in the following notes:

- Impairment losses on receivables - note 16
- Loss on TCorp debt restructuring - note 25
- Gain on termination of right-of-use assets - note 22

**NSW Land and Housing Corporation**  
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**15. Current Assets – Cash and Cash Equivalents**

	2021 \$'000	2020 \$'000
Cash at bank and on hand	439,244	393,527
<b>Total cash and cash equivalents (i)</b>	<b>439,244</b>	<b>393,527</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)	121,377	107,188
Housing Affordability Fund (HAF) (ii) and security deposits	1,987	1,990
Millers Point Restricted Funds (note 29)	109,488	152,411
<b>Restricted cash and cash equivalents</b>	<b>232,852</b>	<b>261,589</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.

**16. Current / Non-Current Assets – Receivables**

**Current**

Receivables from contracts with customers	3,960	2,896
Other receivables (rental and sundry debtors)	72,647	65,557
	<u>76,607</u>	<u>68,453</u>
Less allowance for expected credit losses (i):		
- Receivables from contracts with customers	(303)	-
- Other receivables (rental and sundry debtors)	(22,290)	(21,129)
Total expected credit losses	<u>(22,593)</u>	<u>(21,129)</u>
<b>Total current receivables</b>	<b>54,014</b>	<b>47,324</b>

**Non-current**

Social dwellings under Project Delivery Agreement	430,000	430,000
<b>Total non-current receivables</b>	<b>430,000</b>	<b>430,000</b>
<b>Total receivables</b>	<b>484,014</b>	<b>477,324</b>

(i) The movement in the aggregate allowance for expected credit losses in receivables is as follows:

Balance, beginning of year	21,129	21,655
Amounts written off during the year	(2,340)	(3,137)
Increase in allowance for expected credit losses recognised in net result	3,804	2,611
<b>Balance at end of year</b>	<b>22,593</b>	<b>21,129</b>

Details of credit risk on receivables that are neither past due or impaired are disclosed in note 33.



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**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.

Subsequent measurement

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 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 Macquarie Park (Ivanhoe estate), 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 in 2019-20. As a result, LAHC derecognised Macquarie Park (Ivanhoe estate) 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.

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**17. Current / Non-Current Assets - Other Financial Assets**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Mortgage Assistance Scheme	260	279
Less: allowance for expected credit losses (i)	(144)	(150)
<b>Total current other financial assets</b>	<b>116</b>	<b>129</b>
<b>Non-current</b>		
Mortgage Assistance Scheme	425	474
Loan Receivable <sup>1</sup>	17,247	-
<b>Total non-current other financial assets</b>	<b>17 672</b>	<b>474</b>
<b>Total other financial assets</b>	<b>17 788</b>	<b>603</b>

**Notes**

1. On-loan of NHFIC funding to the development manager of Macquarie Park (Ivanhoe estate).

(i) The movement in the allowance for expected credit losses in other financial assets is as follows:

<b>Current</b>		
Balance, beginning of year	150	157
Decrease in allowance for expected credit losses recognised in net result	(6)	(7)
<b>Balance at end of year</b>	<b>144</b>	<b>150</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.

**18. Current Assets – Other**

Head leasing	6,006	4,783
Prepaid expenditures	13,043	5,644
<b>Total other current assets</b>	<b>19,049</b>	<b>10,427</b>

**Recognition and Measurement**

Head leasing assets relate to prepaid rent of residential properties LAHC leases from the private market which are sub-let to eligible tenants to supplement its housing stock.

When expenses are prepaid, they are initially recognised as current assets and subsequently expensed on a straight line basis over the period covered. Prepaid selling expenses are expensed in full at settlement of the relevant deferred asset sale.

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**19. Non-Current Assets Held for Sale**

	2021 \$'000	2020 \$'000
Residential properties	16,616	38,356
Community purpose built properties	4,196	-
Vacant land	2,248	2,378
<b>Total assets classified as held for sale</b>	<b>23,060</b>	<b>40,734</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	40,734	55,642
Sale of assets – carrying amount (note 13 (iv) )	(39,159)	(53,585)
Impairment loss (note 13 (iii) )	(543)	(858)
Reclassified from non-current assets to assets held for sale (note 20 (i) & (ii) )	22,595	40,311
Reclassified from assets held for sale to non-current assets (note 20 (i) & (ii) )	(567)	(776)
<b>Carrying amount at end of year</b>	<b>23,060</b>	<b>40,734</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.

These assets are not depreciated/amortised while they are classified as held-for-sale. 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)) .

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**20. Non-Current Assets - Property, Plant and Equipment**

	2021 \$'000	2020 \$'000
<b>Property</b>		
<b>Residential properties</b>		
Land, at gross carrying amount	27,372,586	26,835,412
Buildings, at gross carrying amount	24,105,684	23,733,774
Less: Accumulated depreciation	(83,266)	(36,132)
Buildings - net carrying amount	24,022,418	23,697,642
<b>Residential properties – net carrying amount</b>	<b>51,395,004</b>	<b>50,533,054</b>
<b>Commercial properties</b>		
Land, at gross carrying amount	35,866	39,030
Buildings, at gross carrying amount	17,937	17,722
Less: Accumulated depreciation	(172)	(180)
Buildings - net carrying amount	17,765	17,542
<b>Commercial properties – net carrying amount</b>	<b>53,631</b>	<b>56,572</b>
<b>Community purpose built properties</b>		
Land, at gross carrying amount	101,065	98,535
Buildings, at gross carrying amount	29,073	27,183
Less: Accumulated depreciation	(291)	(274)
Buildings - net carrying amount	28,782	26,909
<b>Community purpose built properties – net carrying amount</b>	<b>129,847</b>	<b>125,444</b>
<b>Land for redevelopment</b>	<b>518,253</b>	<b>483,392</b>
<b>Vacant land</b>	<b>60,681</b>	<b>59,336</b>
<b>Land under roads</b>	<b>9,226</b>	<b>8,887</b>
<b>Work in progress, at gross carrying amount</b>	<b>252,983</b>	<b>101,067</b>
<b>Leasehold improvements</b>		
Leasehold improvements, at cost	1,315	4,401
Less: Accumulated depreciation	(1,307)	(2,970)
<b>Leasehold improvements</b>	<b>8</b>	<b>1,431</b>
<b>Total property – net carrying amount</b>	<b>52,419,633</b>	<b>51,369,183</b>



**NSW Land and Housing Corporation**  
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**20. Non-Current Assets - Property, Plant and Equipment (continued)**

	2021 \$'000	2020 \$'000
<b>Plant and Equipment</b>		
<b>Computer hardware</b>		
Computer hardware, at gross carrying amount	2,157	118
Less: Accumulated depreciation	(325)	(101)
<b>Computer hardware – net carrying amount</b>	<b>1,832</b>	<b>17</b>
<b>Office furniture and equipment</b>		
Office furniture and equipment, at gross carrying amount	68	29
Less: Accumulated depreciation	(36)	(29)
<b>Office furniture and equipment – net carrying amount</b>	<b>32</b>	<b>-</b>
<b>Total plant and equipment – net carrying amount</b>	<b>1,864</b>	<b>17</b>
<b>Total property, plant and equipment – net carrying amount</b>	<b>52,421,497</b>	<b>51,369,200</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 \$7.1 million (2020: \$11.0 million). The cost of personnel services reported in note 8 is net of this capitalised amount.



**NSW Land and Housing Corporation**  
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**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:

Asset class	Estimated useful life for the current and previous year
Residential properties*	50 years
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	4 years
Office furniture and equipment	3 years
Leasehold improvement	shorter of the estimated useful life and the unexpired term of the lease

\*Except those marked for demolition. Estimated useful life for residential properties marked for demolition is 1 to 5 years.

Right-of-use assets acquired by lessees

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. Further information on leases is contained at note 22.

**NSW Land and Housing Corporation**  
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**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 by the revaluation increments or decrements. 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.

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.

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
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**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**  
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**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*

2021	Note	Residential Properties	Commercial Properties	Community Purpose Built Properties	Total where LAHC is a lessor under operating leases	Land held for Redevelopment	Vacant Land	Land under Roads	Work in Progress	Leasehold Improvements	Computer Hardware, Office Furniture & Equipment	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at beginning of year		50,533,054	58,572	125,444	50,715,070	483,392	59,336	8,887	101,067	1,431	17	51,388,200
Additions/capital improvements		193,143	2	-	193,145	2,751	-	-	288,760	37	2,128	488,821
Transfers to completed properties		130,357	-	-	130,357	23,174	34,805	-	(188,338)	-	-	-
Reclassified from non-current assets to assets held for sale	18(i)	(18,885)	-	(4,350)	(21,335)	(1,030)	(230)	-	-	-	-	(22,595)
Reclassified from assets held for sale to non-current assets	18(ii)	-	-	-	-	-	587	-	-	-	-	587
Carrying amount of assets sold	13(i)	(102,014)	-	(857)	(102,871)	(10,424)	(27,746)	-	-	-	-	(141,141)
Transfers to Aboriginal Housing Office	11	(3,355)	-	-	(3,355)	(80)	-	-	-	-	-	(3,415)
Transfers from Aboriginal Housing Office		1,485	-	-	1,485	712	-	-	-	-	-	2,197
Transfers between classes		(67,861)	-	250	(67,611)	1,825	(8,581)	-	72,347	-	-	-
Equity transfer to Hunter and Central Coast Development Corporation		-	(7,500)	-	(7,500)	-	-	-	-	-	-	(7,500)
Transfers to local council	11	-	-	-	-	(276)	-	-	-	-	-	(276)
Demolitions	13(ii)	(18,381)	-	-	(18,381)	-	-	-	-	-	-	(18,381)
Write-off or impaired – asset owned	13(iii)	-	-	-	-	-	-	-	(855)	-	-	(855)
Transfer to current other assets		(1,865)	-	-	(1,865)	-	-	-	-	-	-	(1,865)
Revaluation increment		1,280,561	4,919	10,023	1,295,503	18,188	510	339	-	-	-	1,314,541
Depreciation expense	10	(535,335)	(362)	(563)	(536,260)	-	-	-	-	(1,460)	(281)	(538,001)
Net carrying amount at end of year		51,395,004	53,631	129,847	51,578,482	518,253	60,681	9,226	252,983	8	1,864	52,421,497



**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
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**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)*

2020	Note	Residential Properties	Commercial Properties	Controlled Assets under Lease	Community Purpose Built Properties	Total where LAHC is a lessor under operating leases	Land held for Redevelopment	Vacant Land	Land under Roads	Work in Progress	Leasehold Improvements	Computer Hardware, Office Furniture & Equipment	Total
		\$'000	\$'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	143,898	53,259,824	561,439	56,447	22,206	133,912	1,798	20	54,035,646
Additions/capital improvements		195,103	553	-	-	195,656	7,294	-	-	112,146	251	4	315,351
Transfers to completed properties		130,840	-	-	-	130,840	404,377	24,999	-	(560,216)	-	-	-
Reclassified from non-current assets to assets held for sale	19(i)	(39,207)	-	-	-	(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)	-	-	-	(153,973)	(13,148)	(15,095)	-	-	-	-	(182,216)
Transfers between classes		(335,796)	963	-	(20,965)	(355,798)	(47,649)	(4,038)	(12,563)	420,048	-	-	-
Demolitions	13(i)	(30,922)	-	-	-	(30,922)	-	-	-	-	-	-	(30,922)
Write-off or impaired – asset owned	13(ii)	-	-	-	-	-	-	-	-	(4,823)	-	-	(4,823)
Transfer to non-current receivables		-	-	-	-	-	(430,000)	-	-	-	-	-	(430,000)
Transfer to right-of-use assets		-	-	(18,351)	-	(18,351)	-	-	-	-	-	-	(18,351)
Revaluation increment/(decrement)		(1,765,781)	334	-	3,248	(1,762,199)	1,347	(2,917)	(756)	-	-	-	(1,764,525)
Depreciation expense	10	(509,810)	(353)	-	(537)	(510,800)	-	-	-	-	(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>50,715,070</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**  
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**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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**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*

Fair Value Hierarchy:	Residential Properties	Commercial Properties	Community Purpose Built Properties	Total where LAHC is a lessor under operating leases	Land held for Redevelopment	Vacant Land	Land under Roads	Assets Held for Sale	Total
	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	\$'000
<b>At 1 July 2020 - fair value</b>									
Gross carrying amount	50,569,186	56,752	125,718	50,751,656	483,392	59,336	8,887	40,734	51,344,005
Accumulated depreciation and impairment	(36,132)	(180)	(274)	(36,586)	-	-	-	-	(36,586)
Net carrying amount	50,533,054	56,572	125,444	50,715,070	483,392	59,336	8,887	40,734	51,307,419
<b>At 30 June 2021 - fair value</b>									
Gross carrying amount	51,478,270	53,803	130,138	51,662,211	518,253	60,681	9,226	23,060	52,273,431
Accumulated depreciation and impairment	(83,266)	(172)	(291)	(83,729)	-	-	-	-	(83,729)
Net carrying amount	51,395,004	53,631	129,847	51,578,482	518,253	60,681	9,226	23,060	52,189,702

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
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**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)*

Fair Value Hierarchy:	Residential Properties	Commercial Properties	Controlled Assets under Lease	Community Purpose Built Properties	Total where LAHC is a lessor under operating leases	Land held for Redevelopment	Vacant Land	Land under Roads	Assets Held for Sale	Total
	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	Level 3 \$'000	\$'000
<b>At 1 July 2019 - fair value</b>										
Gross carrying amount	53,055,294	55,321	19,198	143,997	53,273,810	561,439	56,447	22,206	55,642	53,969,544
Accumulated depreciation and impairment	(12,594)	(246)	(847)	(299)	(13,986)	-	-	-	-	(13,986)
Net carrying amount	53,042,700	55,075	18,351	143,698	53,259,824	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	50,751,656	483,392	59,336	8,887	40,734	51,344,005
Accumulated depreciation and impairment	(36,132)	(180)	-	(274)	(36,586)	-	-	-	-	(36,586)
Net carrying amount	50,533,054	56,572	-	125,444	50,715,070	483,392	59,336	8,887	40,734	51,307,419

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**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.

Asset Class	Fair value hierarchy	Valuation technique	Inputs used to measure fair value
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>

(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.

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.



**NSW Land and Housing Corporation**  
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**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 \$8,804 million (2020: \$8,723 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 (most frequently used 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) 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.



**NSW Land and Housing Corporation**  
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**22. Leases**

**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.

AASB 16 *Leases* 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.

	Land and buildings	Significantly below-market leases <sup>(i)</sup>	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	60,030	17,586	77,616
Additions	39,456	-	39,456
Depreciation expense	(43,501)	(763)	(44,264)
Other movements	(926)	-	(926)
<b>Balance at 30 June 2021</b>	<b>55,059</b>	<b>16,823</b>	<b>71,882</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. 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.

	2021 \$'000	2020 \$'000
Balance at 1 July	59,712	52,139
Additions	39,326	47,985
Other movements	(923)	(10,343)
Interest expense (note 12)	761	847
Payments	(44,177)	(30,916)
<b>Balance at end of year (note 25)</b>	<b>54,699</b>	<b>59,712</b>

**NSW Land and Housing Corporation**  
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**22. Leases (continued)**

**a) LAHC as a lessee (continued)**

The following amounts were recognised in the Statement of Comprehensive Income during the year in respect of leases where LAHC is the lessee:

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets (note 10)	44,264	30,558
Interest expense on lease liabilities (note 12)	761	847
Expense relating to short-term leases (note 9)	18,230	24,908
Gain arising from termination of leases (note 14)	(127)	(42)
<b>Total amount recognised in the Statement of Comprehensive Income</b>	<b>63,128</b>	<b>56,271</b>

LAHC had total cash outflows for leases of \$62.4 million in FY 2020-21 (FY 2019-20: \$55.8 million).

**Recognition and Measurement**

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 a period up 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. Due to the short term nature of the underlying residential property lease, with a maximum term of 3 years, impairment is unlikely. 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.

**NSW Land and Housing Corporation**  
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**22. Leases (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 the same as right-of-use assets arising from leases at market terms and conditions. They are measured at cost, subject to impairment.

**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, however, 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:

	2021 \$'000	2020 \$'000
Within one year	741,227	741,209
Later than one year and not later than five years	3,088,235	3,058,415
Later than five years	4,043,177	4,028,605
Total (excluding GST)	<u>7,872,639</u>	<u>7,828,229</u>

**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.

**NSW Land and Housing Corporation**  
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**23. Intangible Assets**

	<b>Software<sup>1</sup></b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2020</b>		
Cost (gross carrying amount)	8,595	8,595
Accumulated amortisation and impairment	(5,914)	(5,914)
Net carrying amount	<u>2,681</u>	<u>2,681</u>
<b>At 30 June 2021</b>		
Cost (gross carrying amount)	9,430	9,430
Accumulated amortisation and impairment	(6,719)	(6,719)
Net carrying amount	<u>2,711</u>	<u>2,711</u>
<b>Year ended 30 June 2021</b>		
Net carrying amount at beginning of year	2,681	2,681
Additions	836	836
Amortisation (note 10)	(806)	(806)
Net carrying amount at end of year	<u>2,711</u>	<u>2,711</u>
<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	<u>1,974</u>	<u>1,974</u>
<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	<u>2,681</u>	<u>2,681</u>
<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	<u>2,681</u>	<u>2,681</u>

<sup>1</sup>The only intangible asset that LAHC has is computer software.



**NSW Land and Housing Corporation**  
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**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 annually. 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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**24. Current Liabilities – Payables**

	2021 \$'000	2020 \$'000
Trade creditors	13,688	6,545
Rent received in advance	49,638	48,271
DPIE - personnel services	13,105	11,801
Accrued operating expenditure	72,225	62,099
Accrued capital expenditure	89,727	59,487
DCJ - other	1,308	1,808
Other creditors	7,027	4,592
<b>Total current payables</b>	<b>246,718</b>	<b>194,603</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. 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 the net result when the liabilities are derecognised as well as through the amortisation process.

**25. Current / Non-Current Liabilities – Borrowings**

**Current - unsecured**

State advances - Commonwealth loans	15,450	15,426
TCorp loans	24,271	13,154
Other loans	475	476
Lease liabilities (note 22)	36,442	32,683
<b>Total current interest bearing liabilities</b>	<b>76,638</b>	<b>61,739</b>

**Non-current - unsecured**

State advances - Commonwealth loans	312,240	327,689
TCorp loans	128,482	140,991
State advance - Crown Entity	120,000	120,000
NHFIC loan	13,924	-
Other loans	3,385	3,861
Lease liabilities (note 22)	18,257	27,029
<b>Total non-current interest bearing liabilities</b>	<b>596,288</b>	<b>619,570</b>

**Total interest bearing liabilities (i)**

<b>672,926</b>	<b>681,309</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	875,945	899,115
Less: re-measurement adjustment	(203,019)	(217,806)
<b>Balance reported in Statement of Financial Position</b>	<b>672,926</b>	<b>681,309</b>

**NSW Land and Housing Corporation**  
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**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>2021</b>			
Not later than one year	92,570	32,393	124,963
Later than one year but no later than five years	356,902	96,723	453,625
Later than five years	426,473	127,848	554,321
<b>Total cash outflow</b>	<b>875,945</b>	<b>256,964</b>	<b>1,132,909</b>
<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>

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in note 33.

**Recognition and Measurement**

Borrowings represent interest bearing liabilities raised through NSW Treasury Corporation, State advances, lease liabilities, and other interest bearing liabilities.

Financial liabilities at amortised cost

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 or losses arising from debt restructuring are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

(iii) Changes in liabilities arising from financing activities:

	State advances - Commonwealth loans	TCorp loans	State advance - Crown Entity	NHFIC loan*	Other loans	Leases	Total liabilities from financing activities
1 July 2020	343,115	154,145	120,000	-	4,337	59,712	681,309
Cash Flows	(31,004)	-	-	13,781	(477)	(44,177)	(61,877)
Amortisation of Premium/ (Discount)	15,579	(1,709)	-	-	-	-	13,870
Loss on Debt Restructuring	-	317	-	-	-	-	317
Non-cash	-	-	-	143	-	39,164	39,307
<b>30 June 2021</b>	<b>327,690</b>	<b>152,753</b>	<b>120,000</b>	<b>13,924</b>	<b>3,860</b>	<b>54,699</b>	<b>672,926</b>

\*Pursuant to the GSF Act, the Treasurer provided approval for LAHC to enter into a financial arrangement (borrowings) with the National Housing Finance and Investment Corporation (NHFIC). Under the arrangement, LAHC will be able to access \$58 million of low interest bearing loans as well as up to \$17.0 million of grants to fast-track housing enabling infrastructure allowing projects to be delivered earlier than planned. As at 30 June 2021, LAHC has drawn down \$14.0 million against this facility.

	State advances - Commonwealth loans	TCorp loans	State advance - Crown Entity	Other loans	Leases	Total liabilities from financing activities
1 July 2019	358,432	155,508	120,000	4,795	52,139	690,874
Cash Flows	(30,940)	-	-	(458)	(30,916)	(62,314)
Amortisation of Premium/ (Discount)	15,623	(1,807)	-	-	-	14,016
Loss on Debt Restructuring	-	244	-	-	-	244
Non-cash	-	-	-	-	38,489	38,489
<b>30 June 2020</b>	<b>343,115</b>	<b>154,145</b>	<b>120,000</b>	<b>4,337</b>	<b>59,712</b>	<b>681,309</b>

**NSW Land and Housing Corporation**  
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**26. Current Liabilities – Provisions**

	2021 \$'000	2020 \$'000
Third party claims	4,806	6,633
<b>Total current provisions</b>	<b>4,806</b>	<b>6,633</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	6,633	6,530
Amounts used	(3,490)	(3,025)
Additional provisions recognised	1,663	3,128
<b>Balance at end of year</b>	<b>4,806</b>	<b>6,633</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 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.

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**27. Current / Non-Current Liabilities – Contract Liabilities**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Development revenue received in advance	8,915	15,449
Other creditors - credit balances in sundry debtors	2,128	3,734
<b>Total current contract liabilities</b>	<b>11,043</b>	<b>19,183</b>
<b>Non-current</b>		
Deferred development instalments	45,003	22,502
<b>Total non-current contract liabilities</b>	<b>45,003</b>	<b>22,502</b>
<b>Total contract liabilities</b>	<b>56,046</b>	<b>41,685</b>
Contract receivables (included in note 16)	3,960	2,896

**Recognition and Measurement**

Contract liabilities relate to consideration received in advance from customers in respect of sales and instalments from development agreements. The balance of contract liabilities at 30 June 2021 was impacted by the timing of settlements.

Revenue recognised that was included in the contract liability balance at the beginning of the year	8,373	3,527
Revenue recognised from performance obligations satisfied in previous periods	948	-
Transaction price allocated to the remaining performance obligations from contracts with customers	56,046	41,685

Transaction price allocated to the remaining performance obligations relates to sales not yet settled and deferred development instalments. 20% is expected to be recognised as revenue in the 2021-22 financial year and 80% in the 2022-23 financial year.

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## 28. Equity

### Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with LAHC's policy on the revaluation of property, plant and equipment as discussed in note 20.

### Accumulated funds

The category 'Accumulated funds' includes all current and prior period retained funds.

### Equity transfers - Recognition and Measurement

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 AAS to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 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 has been recognised at amortised cost by the transferor 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, LAHC does not recognise that asset.

During the year, LAHC transferred a property at fair value of \$7.5 million to Hunter and Central Coast Development Corporation following reassessment of use by the Government.



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**29. Millers Point Restricted Funds Bank Account**

	2021 \$'000	2020 \$'000
<b>Statement of Cash Receipts and Payments</b>		
<b>Receipts</b>		
Net proceeds from Millers Point property sales (i)	606	999
Interest	208	1,126
Net instalment from development agreement	21,588	19,286
<b>Total receipts</b>	<b>22,402</b>	<b>21,411</b>
<b>Payments</b>		
Accommodation plan and reinvestment expenditures (ii)	63,579	47,381
Interest on State advance - Crown Entity	1,746	2,174
<b>Total payments</b>	<b>65,325</b>	<b>49,555</b>
<b>Movement for the year (iii)</b>	<b>(42,923)</b>	<b>(28,144)</b>
<b>Opening balance of bank account</b>	<b>152,411</b>	<b>180,555</b>
<b>Movement for the year</b>	<b>(42,923)</b>	<b>(28,144)</b>
<b>Closing balance of bank account (note 15 (i) )</b>	<b>109,488</b>	<b>152,411</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) Represents the costs incurred to bring Millers Point properties to sale (including infrastructure and titling, tenancy relocation and marketing costs) and the costs of new dwellings. Commitments to new dwellings are approved by the respective Minister as part of LAHC's annual budget process.
- (iii) Movement for the year reflects the overall movement of the Millers Point bank account.

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**30. Commitments**

The commitments reported below are inclusive of Goods and Services Tax.

	2021 \$'000	2020 \$'000
<b>(i) Capital commitments</b>		
Aggregate capital project costs, contracted for at balance date and not provided for:		
Within one year	201,746	163,779
Later than 1 year but not later than 5 years	93,194	82,249
Later than 5 years	796	-
	<b>295,736</b>	<b>246,028</b>

**(ii) Headleasing**

**LAHC as Lessee**

Future minimum rentals payable under non-cancellable leases as at 30 June are, as follows:

Within one year	6,031	7,566
Later than 1 year but not later than 5 years	1,015	5,192
	<b>7,046</b>	<b>12,758</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 \$25.5 million (2020: \$13.9 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 is sub-let to eligible tenants and as they relate to an input taxed activity, GST cannot be claimed from the ATO.

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**31. Contingent Assets and 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 \$7.4 million (2020: \$11.9 million) and the long term leases at \$22.5 million (2020: \$23.6 million).

**Contingent Liabilities**

In October 2020, the NSW Civil and Administrative Tribunal determined that LAHC, not the tenant, was responsible for gas usage charges not separately metered during the period 22 March 2014 to 22 March 2020. LAHC elected to implement a centralised gas water system scheme to enable eligible tenants to be reimbursed for these charges. Under the scheme, LAHC will notify eligible tenants who will then be required to submit an application and evidence of gas usage costs or otherwise accept an estimate determined by LAHC. The scheme is scheduled to be available by August 2021. As at 30 June 2021, LAHC has a possible obligation that will only be confirmed by receipt of a valid application from the tenant(s).

In addition, there are potential litigation claims of \$1.3 million (2020: \$0.1 million) for which LAHC may be liable. As at the end of the reporting period, LAHC is not aware of any other contingent liability that may materially affect its financial position.

**32. Reconciliation of Cash Flows From Operating Activities to Net Result**

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2021 \$'000	2020 \$'000
<b>Net cash used on operating activities</b>	<b>376,886</b>	<b>81,175</b>
Other non-cash items	(2,499)	(1,249)
Net gain/(loss) on sale of assets (note 13(i),(iv))	5,667	(12,470)
Property transfers from Aboriginal Housing Office (note 20(i))	2,197	-
Property transfers to Aboriginal Housing Office (note 11)	(3,415)	-
Property transfers to local council (note 11)	(276)	-
Assets demolished (note 13(ii))	(16,381)	(30,922)
Assets written off and impaired (note 13(iii))	(1,398)	(5,681)
Depreciation and amortisation expense (note 10)	(583,071)	(542,598)
Re-measurement adjustment of borrowings	(14,787)	(13,886)
Allowance for impairment	(1,464)	526
Increase in receivables	8,154	12,722
Decrease/(increase) in provisions	1,827	(103)
(Increase)/decrease in payables	(21,875)	68,999
Decrease in non-current liabilities - other	-	11,121
(Increase) in contract liabilities	(14,361)	(41,685)
Increase in other assets	8,622	5,804
<b>Net result</b>	<b>(256,174)</b>	<b>(468,247)</b>

**NSW Land and Housing Corporation**  
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**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.

The Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. The Audit and Risk Committee provides independent advice and guidance to assist the Executive meeting its responsibility.

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**

a) Financial instrument categories			Carrying Amount	
Class	Note	Category	2021 \$'000	2020 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	15	N/A	439,244	393,527
Current receivables <sup>1</sup>	16	Amortised cost	50,616	47,034
Other financial assets	17	Amortised cost	17,788	603
<b>Financial Liabilities</b>				
Payables <sup>2</sup>	24	Financial liabilities measured at amortised cost	197,080	146,332
Borrowings	25	Financial liabilities measured at amortised cost	672,926	681,309

**Notes**

1. Excludes statutory receivables of \$3.4 million (2020: \$0.3 million) and prepayments (not within the scope of AASB 7).

2. Excludes rent received in advance of \$49.6 million (2020: \$48.3 million) (not within the 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.



**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**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**

Collectability of trade debtors is reviewed on an ongoing basis. 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 91 days past due.

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 2021.

The loss allowance for trade debtors as at 30 June 2021 and 2020 was determined as follows:

	\$'000				
	<30 days	30-60 days	61-90 days	>91 days	Total
<b>30 June 2021</b>					
Expected credit loss rate	3%	7%	34%	92%	76%
Estimated total gross carrying amount at default <sup>1</sup>	3,556	1,607	376	24,142	29,681
Expected credit loss	118	112	128	22,235	22,593
<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

**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').



**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

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**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. LAHC is exempt from the requirement to pay registered small business suppliers within five days. LAHC has elected to participate in Faster Payment Terms Policy (issued by NSW Small Business Commissioner) which removes the requirement of interest on late payments to all suppliers.

The table below summarises the maturity profile of LAHC's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**33. Financial Instruments (continued)**

*Maturity analysis and interest rate exposure of financial liabilities*

2021	Weighted Avg. Effective Interest Rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
Financial liabilities (i)								
Payables (ii) :								
DPIE - personnel services	-	13,105	-	-	13,105	13,105	-	-
Trade creditors	-	13,688	-	-	13,688	13,688	-	-
Accrued operating expenditure	-	72,225	-	-	72,225	72,225	-	-
Accrued capital expenditure	-	89,727	-	-	89,727	89,727	-	-
Other	-	8,335	-	-	8,335	8,335	-	-
Borrowings:								
Commonwealth loans	4.52	534,893	534,893	-	-	31,042	123,212	380,639
TCorp loans	2.90	148,108	148,108	-	-	24,271	79,609	44,228
Crown Entity	1.57	120,000	120,000	-	-	-	120,000	-
NHFIC loan	2.86	13,924	13,924	-	-	-	13,924	-
Other loans	4.68	3,860	3,860	-	-	475	1,779	1,606
Lease liabilities	0.65	55,160	55,160	-	-	36,782	18,378	-
Total financial liabilities		1,073,025	875,945	-	197,080	289,650	356,902	426,473

Notes:

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which LAHC can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the Statement of Financial Position.

(ii) Excludes statutory payables and rent received in advance (ie. not within the scope of AASB 7).

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**33. Financial Instruments (continued)**

*Maturity analysis and interest rate exposure of financial liabilities*

2020	Weighted Avg. Effective Interest Rate %	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
Financial liabilities (i)								
Payables (ii) :								
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
TCorp loans	3.13	148,335	148,335	-	-	13,154	92,001	43,180
Crown Entity	1.57	120,000	120,000	-	-	-	120,000	-
Other loans	4.66	4,337	4,337	-	-	476	1,841	2,020
Lease liabilities	1.42	60,545	60,545	-	-	33,286	27,259	-
Total financial liabilities			899,115	-	146,332	224,253	363,989	457,205

Notes:

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which LAHC can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the Statement of Financial Position.

(ii) Excludes statutory payables and rent received in advance (ie. not within the scope of AASB 7).

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**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. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned.

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%	
	Net Result	Equity	Net Result	Equity
<b>2021</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4,392	4,392	(4,392)	(4,392)
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost :</i>				
Current borrowings - TCorp loans	(243)	(243)	243	243
<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 borrowings - TCorp loans	(132)	(132)	132	132



**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**33. Financial Instruments (continued)**

**d) Fair value measurement**

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.

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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial liabilities</b>				
TCorp loans	152,753	154,145	162,640	168,344

**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 and Chief Executive of LAHC.

During the year, LAHC incurred the following expenditures in respect of KMP services that were provided by a separate management entity, i.e. DPIE.

	2021 \$'000	2020 \$'000
Short-term employee benefits (i)	438	430
Other long-term employee benefits	-	-
Post-employment benefits	22	20
<b>Total KMP compensation(ii)</b>	<b>460</b>	<b>450</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.



**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

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**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 a partnership agreement) 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 and legal services to represent LAHC and manage its legal matters.
- Department of Communities and Justice and Department of Planning, Industry and Environment provide grants for LAHC's programs.
- Department of Planning, Industry and Environment provided a grant to LAHC in lieu of property transferred to Hunter and Central Coast Development Corporation.
- 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.

**35. Events after the Reporting Period**

To support the new National Agreement on Closing the Gap, LAHC will progressively transfer around 3,325 social housing dwellings currently valued at approximately \$1.4 billion to the Aboriginal Housing Office (AHO). The dwellings will be transferred by way of a Ministerial vesting, in accordance with the Aboriginal Housing Act 1998 and phased over three years. The first vesting order to transfer 500 dwellings will be issued in May 2023.

The transfers of properties to AHO will be accounted as equity transfers at fair value in accordance with TPP21-08 *Contributions by owners made to wholly-owned Public Sector Entities* and Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

----- END OF AUDITED FINANCIAL STATEMENTS -----

**NSW Land and Housing Corporation**  
**Notes to the financial statements**  
for the year ended 30 June 2021

**Register of Land Held**

**Statement of Financial Position**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Residential properties	27,372,586	26,835,412
Land for redevelopment	518,253	483,392
Vacant land	60,681	59,336
Land under Roads	9,226	8,887
Commercial properties	35,866	39,030
Community purpose built properties	101,065	98,535
<b>Assets held for sale</b>		
Residential properties	11,698	21,662
Community purpose built properties	4,196	-
Vacant Land	2,248	2,378
<b>Total</b>	<b>28,115,819</b>	<b>27,548,632</b>

Land values as per notes to the financial statements and in documentation supporting the notes.

# Other financial performance - NSW Land and Housing Corporation

## Expenditure and revenue categories

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. NSW Land and Housing Corporation owns and manages land, buildings and other assets within the portfolio, valued at approximately \$52.4 billion.

## Overview of 2020-21 financial activities

**Table 73: Revenue**

Revenue	2020-21 Actual (\$m)	2020-21 Budget (\$m)
Rent and other tenant charges	764.0	761.6
Grants and other contributions	470.5	435.3
Other revenue	25.1	26.3
<b>Total revenue</b>	<b>1,259.6</b>	<b>1,223.2</b>

**Table 74: Expenses and net result**

Expenses	2020-21 Actual (\$m)	Expenses (\$m)
Repairs and maintenance	321.1	305.7
Council and water rates	208.8	214.9
Personnel services expenses	69.4	71.3
Depreciation and amortisation	583.1	544.6
Grants and subsidies	55.5	53.2
Other expenses (including loss on disposal of assets and other losses)	277.9	371.9
<b>Total expenses</b>	<b>1,515.8</b>	<b>1,561.6</b>
<b>Net result for the year</b>	<b>(256.2)</b>	<b>(338.4)</b>

**Table 75: Budget 2021-22**

Category	2021-22 Budget (\$m)
Revenue	1,166.1
Expenses	1,507.5
<b>Net budget result</b>	<b>(341.4)</b>

Source: NSW LAHC Budget 2021-22

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## Contact details

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Post: Locked Bag 5022, Parramatta NSW 2124

Phone: 1300 305 695 for enquiries related to BASIX and or Planning Portal.

Call 13 14 50 and ask for an interpreter in your language. Ask to be connected to 1300 305 695.

Email: [information@planning.nsw.gov.au](mailto:information@planning.nsw.gov.au)

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Business hours - 9 am to 5 pm Monday to Friday, excluding NSW public holidays.

### 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)

### NSW Land and Housing Corporation

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Post: LAHC Head Office, PO Box 4009, Ashfield BC, NSW 1800

Phone: 1800 422 322

Web: <https://www.dpie.nsw.gov.au/land-and-housing-corporation>

### 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)

### National Parks and Wildlife Service

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Phone: 1300 072 757

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### NSW Chief Scientist and Engineer

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