

Annual Report 2019-2020

The Department of Regional NSW



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regional.nsw.gov.au

Department of Regional NSW Annual Report 2019-2020

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Acknowledgement of country

The Department of Regional NSW acknowledges that we share land and waters with Aboriginal and Torres Strait Islander peoples across our nation every day. This simple acknowledgment of what country we are on, recognizes that wherever we are, this was and always will be Aboriginal land.

We pay our respects to our Aboriginal brothers and sisters past, present and future. We recognise the significance of language, kinship and belonging within Aboriginal culture and the impact that white settlement had on these values. The Department of Regional NSW will work hard every day in restoring what was lost. In doing so, together, we will create a better NSW for all Australians.



**Regional
NSW**

Office of the Secretary

11 Farrer Place, QUEANBEYAN NSW 2620

The Hon John Barilaro MP
Deputy Premier
Minister for Regional NSW
Minister for Industry and Trade
52 Martin Place
SYDNEY NSW 2000

30 November 2020

Dear Deputy Premier

In accordance with the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, and the Regulations under these Acts, I am submitting to you the 2019–20 annual report of the Department of Regional NSW for tabling in Parliament.

The Department of Regional NSW's annual report outlines the achievements for the financial period 2 April 2020 to 30 June 2020 in the context of the department's strategic priorities and responsibilities. These achievements were made possible by the expertise and commitment of staff and I thank them for their dedication and hard work.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gary Barnes'.

Gary Barnes

Secretary

Department of Regional NSW

About this annual report

This annual report—the first for the Department of Regional NSW—summarises the Department’s activities and performance from 2 April 2020 to 30 June 2020.

Please note that the information contained within this report reflects the Department of Regional NSW’s short period of operation from 2 April 2020 to 30 June 2020, and some business units or entities have been unable to supply some information due to the brevity of this period.

Machinery of government changes

Previously, the NSW Department of Planning, Industry and Environment included a group called Regions, Industry, Agriculture and Resources. However, on 2 April 2020, the [Department of Regional NSW¹](#) was formed (see

Figure 1), which transferred employees and the functions of Regions, Industry, Agriculture and Resources to the Department of Regional NSW.

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



The Department of Regional NSW was created as the central agency for regional NSW. The recent challenges faced by regional communities as a result of drought, bushfires, and the COVID-19 pandemic highlighted and reinforced the need to have a dedicated agency focused on supporting economic growth and social cohesion in the regions. The Department of Regional NSW continues to work closely with our colleagues in the Department of Planning, Industry and Environment and across the NSW Public Sector to support and deliver outcomes for regional communities.

This annual report excludes the activities of the former Regions, Industry, Agriculture and Resources group from July 2019 to April 2020. For information on the former Regions, Industry, Agriculture and Resources group’s activities from July 2019 to April 2020, please refer to the Department of Planning, Industry and Environment’s annual report.

¹ www.regional.nsw.gov.au



About DRNSW

What we do

The Department of Regional NSW (DRNSW) was formed on 2 April 2020 as the central agency for regional issues in NSW. The Department has responsibility for building resilient regional economies and communities, strengthening primary industries, managing the use of regional land, overseeing the state's mineral and mining resources and ensuring government investment in regional NSW is fair and delivers positive outcomes for local communities and businesses.

We employ 4500 people across NSW in frontline, customer-facing and office-based roles, all working to deliver our state outcomes and government commitments. Over 75 per cent of these staff live in regional NSW and we are actively committed to growing our presence in regional NSW, with the Department embarking on an employment strategy to ensure as many of our people as possible live in the regions. To achieve this, all new recruitment will be “regional first” and current metro staff will be encouraged to relocate regionally. Our main offices are in Queanbeyan, Armidale, Orange, Coffs Harbour and Dubbo.

Our vision

DRNSW is the Department *for* regional NSW. We live in regional communities, we shop in local shops, we work on rural farms, with regional businesses, and in regional industries. We are committed to making our regions great places to live, work, visit and do business.

We drive transformational investment in the future of regional NSW. Government investment into regional NSW must be fair and deliver positive outcomes for local communities and businesses. The needs of regional communities and economies must be balanced with environmental sustainability and protection. Growth must also enhance the sense of community and connectedness that makes our regions so distinctive.

DRNSW is responsible for driving the 20 Year Economic Vision for Regional NSW. This aims to support and accelerate economic growth in key sectors such as agribusiness, resources and mining, manufacturing, tertiary education and health care, taking full advantage of all opportunities to ensure regional NSW continues to play a critical role in the Australian economy. This Vision builds on the [Regional Development Framework](#) and together these founding documents will ensure that regional NSW is a great place to raise a family, start and grow a business, get a fulfilling job, participate in vibrant community activities, play sport at quality facilities, and access the quality health and education all residents deserve.

DRNSW is underpinned by the public service values of integrity, service, accountability and trust. Our intention is to consistently drive these values with our leaders leading by example and calling out behaviours that don't align with our values. These values will ensure the effective prioritisation of projects and sound decision-making to deliver for citizens of NSW.

Our priorities

Strong Regional Communities with Job opportunities for all

People living in the regions deserve a great life and access to a range of meaningful and sustainable jobs. The Department responds to global challenges in a local context and provides stimulus and place-based economic development to help our regions recover and thrive when times get tough.

We champion regional issues and help build strong, cohesive communities and economies, grow primary industries, create jobs and employment, and steward the use of our natural endowments: our lands, mining and minerals, and agricultural resources.

We drive transformational investment in the future of regional NSW. Government investment into regional NSW must be fair and deliver positive outcomes for local communities and businesses. The needs of regional communities and economies must be balanced with environmental sustainability and protection, which will require a rethink on how we approach public and private land management. Growth must also enhance the sense of community and connectedness that makes our regions so distinctive.

Building our communities together

We work to make living in regional NSW as good as, if not better, than living in our capital city. We will support locals to build the community they want for their families, to create strong local identities in a place they feel part of, to build strong and productive industries and economies, and to create opportunities for people to thrive. We will be the voice of the regions inside the NSW Government, and continually advocate for a fair share and positive outcomes for communities and businesses.

We work across the Public Sector, with Joint Organisations and Local Government, and with local business and community groups to improve all aspects of life in the regions. As the central agency for regional NSW, we broker solutions and deliver outcomes that bring together all partners to build sustainable, productive, and cohesive communities and economies.

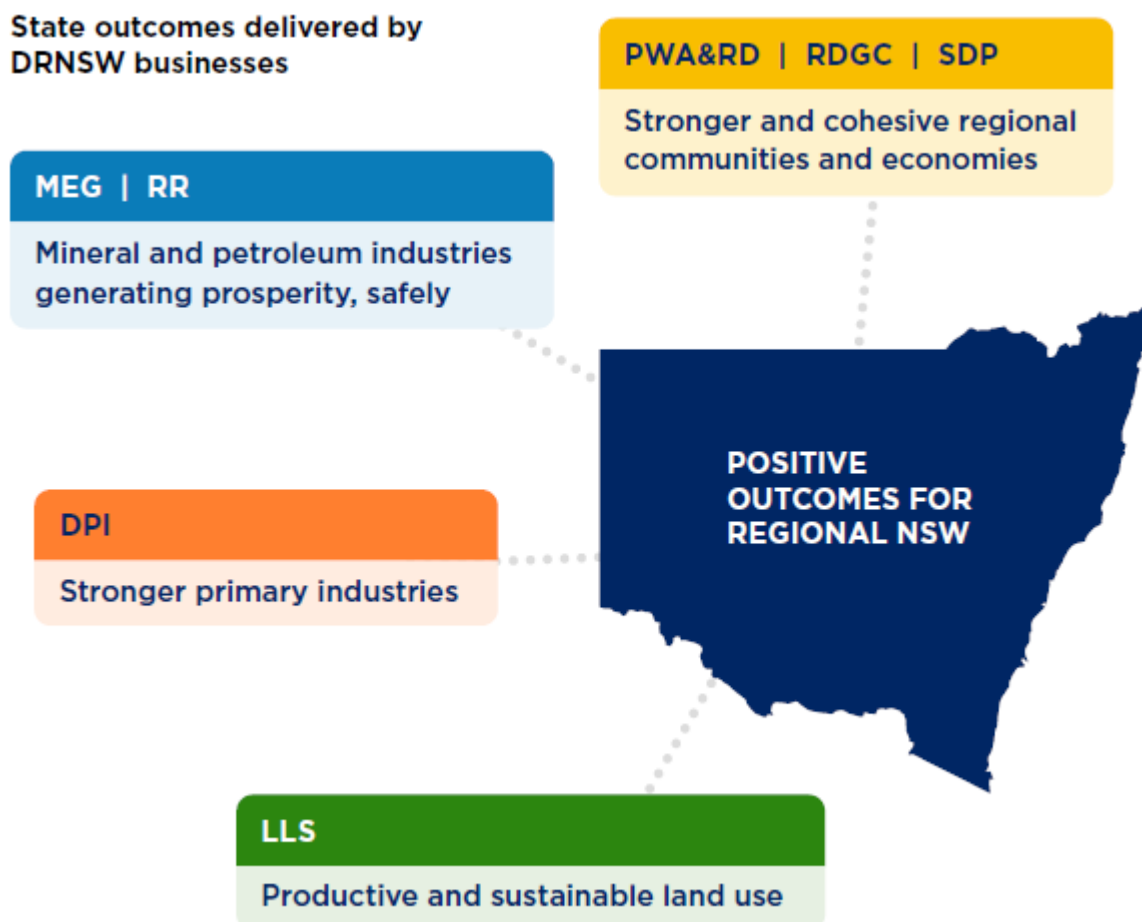
We want our regions to offer the best life in Australia now and for generations to come. The NSW Government has tasked DRNSW with providing streamlined and holistic responses to regional issues and bringing together experts from all sectors to put the needs of regional people front and centre. As a central agency for regional issues, DRNSW will ensure that a regional perspective is presented on all matters being brought before government and that the regional impacts of proposals are clear.

Our State Outcomes and Priorities

DRNSW is also committed to achieving our four State Outcomes. These are depicted in

Figure 2. DRNSW will measure performance against each state outcome through a suite of outcome indicators which each entity within our Department responsible for delivering.

Figure 2. State outcomes and delivery entities



Ministerial Reporting Lines

The department served three portfolio ministers in the 2019–20 financial year.

Portfolio ministers, 2019–20 (From 2 April 2020)

- The Hon. John Barilaro MP, Deputy Premier and Minister for Regional New South Wales
- The Hon. Adam Marshall MP, Minister for Agriculture and Western New South Wales
- The Hon. Bronnie Taylor MLC, Minister for Regional Youth, Mental Health and Women

Our structure

The DRNSW Executive team

The Department's leadership team comprises the Secretary and core delivery groups, supported by leaders of the central and corporate enabling functions outlined in **Figure 3**. The wider cluster leadership structure is depicted in **Figure 4**.

Figure 3. The Department of Regional NSW senior executive team



Figure 4. The Department of Regional NSW structure

OSEC	The Office of the Secretary is responsible for providing high-quality and strategic advice, support and communications to our Ministers, our Secretary and executives, and leading the Department to engage effectively with stakeholders on regional issues.
SDP	The Strategy, Delivery and Performance group works to drive and deliver DRNSW priorities across Government through strategic policy advice for reform and transformational investment in regional NSW and ensuring a safe and sustainable mining industry.
PWA & RD	Public Works Advisory & Regional Development support councils, government agencies, industry and other regional stakeholders to deliver critical infrastructure and other local priority initiatives. PWA provide expert advisory, planning, delivery and support services for infrastructure delivery. Regional Development works in communities to drive regional priorities and deliver better outcomes for the people living and working in regional NSW.
MEG	Mining, Exploration and Geoscience manages access to our mineral and petroleum resources, making sure they're safely and sustainably developed to maximise export opportunities.
DPI	The Department of Primary Industries plays a central role in the Government's commitment to rural and regional NSW by driving a strong primary industries sector. We work across industries and with communities and have a clear focus on productivity, growth and ensuring the sector's sustainability for the benefit of all NSW citizens. Our commitment to innovation, safe and secure food supply and industry support and development programs, coupled with our presence across the State, means we are ideally positioned for success.
RGDC	Regional Growth NSW Development Corp attracts investment, plans and develops attractive precincts, and creates regional places where people can work and thrive.
Forestry Corp	Forestry Corporation of NSW is the largest manager of commercial native and plantation forests in NSW. It manages over 2 million hectares of publicly owned State forests for renewable timber production, environmental sustainability and public access.
LLS	Local Land Services works to secure the future of agriculture and the environment for NSW communities. Local people work in local communities to deliver services that are shaped for each community, industry and landscape. Staff work with land managers and community groups to connect information, support and provide funding, to improve agricultural productivity and better manage our natural resources.
Corporate	The Corporate Services team focuses on strategic and value-add corporate services which includes four streams : People, Finance, Legal and Governance, and ICT. Corporate Services seeks to make a positive difference so that DRNSW is better placed to deliver for the people of regional NSW.
Cross Border Commissioner	The Cross Border Commissioner is a trusted advocate and adviser for cross-border communities and the NSW Government, championing better cross-border outcomes for people, businesses, and government agencies.

Accountable Authority

The Accountable Authorities employed by the Department of Regional NSW are as follows:

- Mr Gary Barnes AM, (B.Ed; DipEd; Cert.Chlhd; EFP(ANZSOG)), *Secretary of the Department of Regional NSW **and** Chief Executive Officer of the Regional Growth Development Corporation*
- Mr Sean O'Connell, (B.Sc.(Arch) USYD; MComm (UNSW); GAICD), *Chief Executive Officer, Rural Assistance Authority*
- Dr Lisa Szabo, (PhD; FAIFST), *Director Food Safety **and** Chief Executive Officer, NSW Food Authority.*



Delivering on the State Outcomes

Stronger Primary Industries

Minister for Agriculture and Western New South Wales

Delivery Group – NSW Department of Primary Industries¹

The NSW Department of Primary Industries (DPI) plays a central role in the Government's commitment to rural and regional NSW by driving a strong primary industries sector. We work across industries and with communities and have a clear focus on productivity, growth and ensuring the sector's sustainability for the benefit of all NSW citizens. Our commitment to innovation, safe and secure food supply and industry support and development programs, coupled with our presence across the State means we are ideally positioned for success.

DPI delivers on the State Outcome of Stronger Primary Industries through the delivery four key programs:

- Enhance Productivity of Plant, Livestock and the Sustainable Use of Agricultural Resources
- Protect and Promote Biosecurity, Food Safety, Animal Welfare & Market Access
- Sustainable Growth of Fishing and Aquaculture and Protecting Aquatic Resources
- Manage the Sustainability of Forestry and Hunting.

Acts administered

Refer Appendix 1.1

Enhance Productivity of Plant, Livestock and the Sustainable Use of Agricultural Resources

Responding to drought conditions

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

Safer Movement of Livestock

DPI completed the first round of funding for constructing cattle underpasses and flashing light crossings, reducing the risks for motorists and animals when farmers move livestock across roads.

Supporting Dairy Farmers

DPI has implemented actions to support dairy farmers, including the appointment of the Dairy Advocate, administration and management of the Dairy Industry Advisory Panel, and fully subsidising course fees for the NSW Dairy Farm Training Program to support the next generation of farmers.

¹ Local Land Services is part of the Regional NSW Cluster and is a separate Executive Agency that reports separately under the *Annual Reports (Departments) Act 1985*.

Agricultural Research and Development

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

Chickpea Breeding Australia, a \$30 million, five-year bi-party agreement between the NSW DPI and the Grains Research and Development Corporation (GRDC), will see new staff, infrastructure and equipment invested to reduce the time taken to release new chickpea varieties to Australian growers. Additionally, DPI Agriculture provided funding to support the establishment of the Citrus Centre of Excellence in Griffith, which will deliver a range of projects designed to modernise orchard production systems to increase productivity and profitability of the citrus industry in NSW.

DPI continued its significant body of livestock and pasture research and development over this financial year. Key strategic partnerships included the Livestock Productivity Partnership, the National Livestock Genetics Consortia and the Animal Welfare Strategic Partnership. Decades of research were collated to provide the Drought and Supplementary Feed Calculator that proved invaluable to producers during the drought. The calculator ensured producers were feeding the appropriate nutritional ration to livestock during drought conditions, while also ensure they were not wasting feed resources.

Delivery of skills training under AgSkilled

DPI continued to deliver industry identified training under the AgSkilled program, a vocational training program for the cotton and grains industry with industry partners Cotton Australia and GRDC. The NSW Government-funded program, which started in July 2017 and runs for three years, has continued to thrive, with Tocal College training 1,637 students and offering 200 courses across 67 locations.

Tocal College delivering publications nationally

DPI produced and distributed 17,670 publications and training resources this financial year across Australia through Tocal College. These resources underpin training delivery in the vocational sector and industry development projects nationally.

Tocal College completion rates above the national average

The financial year 19/20 completion rates for Tocal College are again above the national average – 38 per cent higher for full time programs and 26 per cent higher for traineeships.

Agricultural land use planning to promote productive and sustainable development

DPI Agriculture has reviewed and provided input on the potential impacts to agricultural land and resources of over 300 state significant and designated developments including proposals for intensive agricultural land uses, mining and renewable energy developments.

Contribution to the NSW Regional Water Strategies

DPI continued to provide input into NSW Regional Water Strategies by providing data, agricultural statistics and advice on the role of agriculture in water management.

Implementing the national Soil RD&E Strategy

DPI continues to co-lead the Australian Soil Network with the GRDC, to implement the National Soil RD&E Strategy.

Addressing the climate and energy challenges faced by primary producers

DPI continues to implement the Climate Change Research Strategy addressing climate and energy challenges faced by primary producers and looking at ways to support the continued growth of primary industries. Key outcomes achieved under the themes of energy, carbon opportunities and climate resilience; included the completion of a major report on carbon abatement opportunities in the agricultural sector of NSW, and DPI hosting a National Symposium on Carbon Farming and valuing co-benefits to aid development of credible co-benefit accounting frameworks.

Protect and Promote Biosecurity, Food Safety, Animal Welfare & Market Access

Animal disease investigations

DPI's Animal Biosecurity team responded to more than 500 emergency animal disease hotline calls and more than 3500 disease investigations. Approximately 1600 cases included at least one notifiable disease.

African Swine Fever Program

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

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

Biosecurity, food and animal welfare audits and inspections completed

The compliance team conducted more than:

- 5000 audits
- 18,000 inspections
- 2500 investigations

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

Yellow crazy ant eradication from NSW

DPI led and coordinated a multi-agency and community response to yellow crazy ant on the NSW North Coast, resulting in the complete eradication of the highly destructive environmental and horticultural pest. The response used many novel control techniques and effective

community engagement. Its success was recognised when the department was awarded the Australian Biosecurity Award 2020 (Government Category).

Sustainable Growth of Fishing and Aquaculture and Protecting Aquatic Resources

Native Fish Drought Response 2020

The 2019–20 Native Fish Drought Response involved teams from across DPI Fisheries division, as well as Research and Business Excellence, with help from Victorian Government staff. These efforts successfully relocated more than 4400 fish from across NSW to more secure habitats. These unprecedented relocation efforts were part of a \$5 million package to undertake the largest-ever fish rescue and restocking program to protect native fish species.

Aquatic Environment Legislative Mandate

During 2019–20, DPI Fisheries division undertook activities to manage legislative requirements, and preserve and enhance marine parks and aquatic reserves in NSW through activities such as:

- the marine estate management strategy
- marine pollution reduction programs
- climate change responses
- marine biosecurity plans
- threatened species recovery activities
- resource use and boating management
- land-use planning and catchment management
- the shark mitigation program
- administering the Marine Estate Management Act 2014
- marine park and aquatic reserve strategies
- habitat restoration and enhancement to support vibrant fisheries
- fish death mitigation strategies.

Recreational and Aboriginal Fisheries

This year saw the Recreational and Aboriginal Fisheries teams from DPI Fisheries undertake the legislative requirements to both manage and regulate the state's community-owned fisheries resources including the \$3.4 billion recreational fishing sector, by administering the Fisheries Management Act 1994, undertaking compliance activities, education, promotion and management of recreational fishers, and enforcing compliance to protect and promote Aboriginal cultural fishing, along with recognition of native title rights, as part of fisheries resource management in NSW.

Fisheries Research

During 2019–20, DPI Fisheries and Research and Business Excellence continued research on aquatic animals, plants, habitats and ecosystems for human activities on those habitats and ecosystems, sustainable fish harvest modelling, ecosystem assessment, aquatic biodiversity research, sustainable aquaculture production of molluscs, fish and aquaculture nutrition, fishery enhancements such as artificial structures, and fish habitat improvement research.

Commercial Fisheries and Aquaculture

This year saw the Commercial Fisheries and Aquaculture teams undertake compliance activities for commercial and aquaculture industries both in terms of licensing of fishers and development of rules and regulations (e.g. Total Allowable Catch “TAC”) to ensure sustainable commercial and aquaculture industries, as well as management of licences and fees, an educational, industry engagement and promotional function, and legislative and regulatory review and improvements.

Fisheries Compliance

The Fisheries Compliance team delivered legislative responsibilities throughout 2019-20 by undertaking patrols of offshore waters, estuaries and inland freshwater areas, inspections of fishers’ catches to check bag limits and legal lengths; and correct licensing conditions and equipment.

Manage the Sustainability of Forestry and Hunting

Game Licencing Unit and NSW Police MOU

The Game Licensing Unit and NSW Police Force signed a memorandum of understanding (MoU). This focuses on supporting regional communities through increased operational cooperation and intelligence-sharing to combat illegal hunting in NSW. The MoU included the creation of Joint Strike Force Venari, which is specifically designed to support the coordination and conduct of joint field operations and the sharing of operational information

Forestry Regulation, Policy, Science and Industry Development

During 2019–20 DPI's Forestry team led the policy, industry development, research and regulatory oversight for the State's \$2.4 billion wood and product manufacturing industry. The team also oversaw the authorising plantations, auditing plantation establishment and forest compliance activities.

Around 6000 native trees were planted at the Tamworth Agricultural Institute in May as part of a \$4 million Biomass for Bioenergy project under the NSW Primary Industries Climate Change Research Strategy. DPI Forestry is partnering with CSIRO (Australian Tree Seed Centre) to investigate the productivity of prospective woody biomass crops grown under a variety of conditions and will investigate opportunities for increasing the amount of sustainable biomass use in NSW, with a focus on electricity generation.

A comprehensive database of 260 exotic pests and diseases on trees – a first for plant industries in Australia – was launched.

Hunting Management

Throughout 2019–20, the DPI Game Licencing Unit undertook compliance activities that apply to legal hunting in NSW, including administering hunting on public land, native game bird management program, the Shut the gate on illegal hunting campaign, Hunter Learning, Education and Accreditation Program (LEAP), GunSmart (the NSW firearms safety initiative), responsible pig dogger program and the ethical bowhunter program.

Consultants

See Appendix 2.5

Funds granted to non-government community organisations

See Appendix 2.6

Evaluation and improvement

See Appendix 4

Overseas travel

See Appendix 5

Stronger and cohesive regional communities and economies

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

Minister for Regional Youth, Mental Health and Women

Delivery Groups – Public Works Advisory and Regional Development, and Strategy, Delivery and Performance

The Public Works Advisory and Regional Development (PWA&RD) group, and the Strategy, Delivery and Performance (SDP) group play a central role in the Government's commitment to rural and regional NSW by driving stronger and cohesive regional communities and economies. We work across industries and with communities and have a clear focus on productivity, growth and ensuring regional NSW's sustainability for the benefit of all NSW citizens.

PWA&RD and SDP deliver on the State Outcome of Stronger and cohesive regional communities and economies through the delivery of the following program:

- Growth, development and wellbeing in regional NSW

Acts administered

See Appendix 1.1

Growth, development and wellbeing in regional NSW

Regional Programs

Supporting regional centres and local economies

PWA&RD delivered funding programs that supported growing regional centres, activated local economies and improved local amenity and services. Programs included the:

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

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

Table 1. Supporting regional centres and local economies 2019-20 projects

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

Regional Growth Fund

PWA&RD worked alongside councils, local communities and service delivery organisations to successfully deliver the NSW Government's record \$1.7 billion investment in regional NSW.

Regional teams make sure local communities have access to the Regional Growth Fund for:

- developing essential infrastructure
- supporting arts and culture
- enhancing and building sporting infrastructure
- improving regional voice and data connectivity
- investing in our mining-affected communities
- boosting job creation.

The Office of Regional Economic Development has closed off investment attraction outcomes for 2019–20 as shown in **Table 2**:

Table 2. Regional Growth Fund Key performance indicators for 2019–20

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

Advocating for cross-border communities

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

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

The Office of the Cross-Border Commissioner reports to the Deputy Premier and Minister for Regional New South Wales, Industry and Trade.

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

Working with cross-border communities

The NSW Government has several cross-border collaborative agreements in place with other state and territory governments on a range of issues.

The agreements require the NSW Cross-Border Commissioner to lead the implementation work in NSW and represent the NSW Government in negotiations with border jurisdictions, their agencies and regional stakeholders.

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

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

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

Cross-Border Commissioner's Infrastructure Fund

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

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

Projects funded in 2019–20

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

Local Decision-Making and Aboriginal Alliance Accords

In partnership with [Aboriginal Affairs NSW](#)², Regional Development teams are heavily involved in negotiating and implementing Local Decision Making (LDM) and Aboriginal Alliance Accords with government. These accords cover a range of matters, including improving Aboriginal participation in government-funded infrastructure projects and facilitating other targeted local solutions for Aboriginal people, such as:

- Northern Regional Aboriginal Alliance
- Riverina Murray Regional Alliance
- Murdi Paaki Regional Assembly
- Three Rivers Regional Assembly Accord
- Murdi Paaki Social Housing Accord
- Barang LDM Accord
- Illawarra Wingecarribee LDM Accord.

Place-based initiatives

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

² www.aboriginalaffairs.nsw.gov.au in the Department of Premier and Cabinet

Public Works Advisory and the 2019-20 Bushfire Clean-up Program

Making it easier to recover and rebuild

PWA has long been involved in bushfire clean up however the unprecedented scale of the 2020 NSW bushfires was a scenario unlike any other. With over 4000 properties affected, the situation required an immediate, people-centric response. This resulted in a streamlined, holistic process for property owners, communities, small businesses and contractors. PWA was able to manoeuvre the clean-up program to adapt to COVID-19 conditions without negatively impacting the customer, or the program's timeline.

PWA's focus was on customer engagement, support and clear communication. The head contractor Laing O'Rourke engaged with each individual property owner to understand their unique situation. A call centre was established and an out-of-hours messaging service meant prompt response was provided to all property owner issues. The program developed a website with a list of areas where works were being undertaken and registered property owners received a weekly email with this information. Community forums, both in person and online, allowed Laing O'Rourke and PWA to reach the maximum number of property owners even during the peak of the COVID-19 pandemic. As the pandemic escalated, PWA and Laing O'Rourke implemented swift adjustments to on site work method statements to ensure property owners were not put at risk.

Snowy Hydro Legacy Fund

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

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

The priorities are:

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

Special Activation Precincts Program

The Special Activation Precinct Program supports job creation and economic development across regional NSW. Special Activation Precincts build on the natural or physical endowments of a region and will become key industry and employment hubs.

Investigations into a Williamstown Precinct were announced in May 2020. This joined the other announced SAPs including Parkes, Wagga Wagga, Snowy Mountains and Moree.

The first Special Activation Precinct master plan was released for Parkes in June 2020. This followed detailed community and stakeholder consultation with the local and wider regional community. It was accompanied by a new planning framework, the Activation Precincts State Environmental Planning Policy, which will cut red and green tape and provide certainty for business with fast-tracked, streamlined planning.

Regional Digital Connectivity Program

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

As part of the Regional Digital Connectivity Program, the mobile coverage program aims to address mobile blackspots, future-proof mobile infrastructure and improve market competition. It builds on the initial Connecting Country Communities Fund commitment, which co-invested \$39 million alongside the Australian Government in mobile phone towers. The Department of Regional NSW is currently developing the next wave of investments, including the associated scoping studies and technical design for implementation earmarked in 2021.

In April 2020, an expression of interest was released to seek market feedback on the proposed Gig State project including its technologies, services and commercial arrangements. A request for tender is scheduled to follow.

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

Office of Drought Response

In November 2019, the dedicated Office of Drought Response was established to better coordinate support delivered by all NSW Government agencies for farmers, communities, businesses and towns affected by drought. NSW Government support for drought has three key priorities:

1. Water is secure.
2. Small businesses and local communities are supported.
3. Ongoing support is provided to primary industries for response, recovery and preparedness.

The Office of Drought Response continues to manage the NSW Government's approach to drought through continued inter-agency coordination and, specifically:

- ongoing support for drought as we transition from response to recovery
- an evaluation of programs and measures rolled-out during the recent drought and of the Government's response to drought
- the development of actions and priorities to better prepare for future droughts

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Mineral and petroleum industries generating prosperity, safely

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

Delivery groups: Mining, Exploration and Geoscience, and NSW Resources Regulator

The Mining, Exploration and Geoscience and NSW Resources Regulator groups play a central role in the Government's commitment to rural and regional NSW through mineral and petroleum industries generating prosperity safely. We work across industries and with communities, and have a clear focus on productivity, growth and ensuring that regional NSW is sustainable for the benefit of all NSW citizens.

The Mining, Exploration and Geoscience and NSW Resources Regulator groups deliver on the State Outcome of Mineral and petroleum industries generating prosperity, safely through the delivery of the following two programs

- Make regional NSW a preferred investment destination for exploration and mining
- Regulating safe and environmentally sustainable mining

Making regional NSW a preferred investment destination for exploration and mining

MinEx CRC – Release of Cobar airborne electromagnetic data

As part of its \$16 million, 10-year commitment to the MinEx Cooperative Research Centre, in late 2019 Mining, Exploration and Geoscience (MEG), in collaboration with Geoscience Australia, completed the largest airborne electromagnetic (AEM) survey ever flown in NSW over the Greater Cobar Basin. The data from this survey was publicly released through MEG's MinView data portal on 30 April 2020 and can be both viewed and downloaded directly from the portal. The interpretation of the data continues, and it will be used to inform mineral and groundwater exploration and by MEG to help refine its planned MinEx drilling program in North and South Cobar.

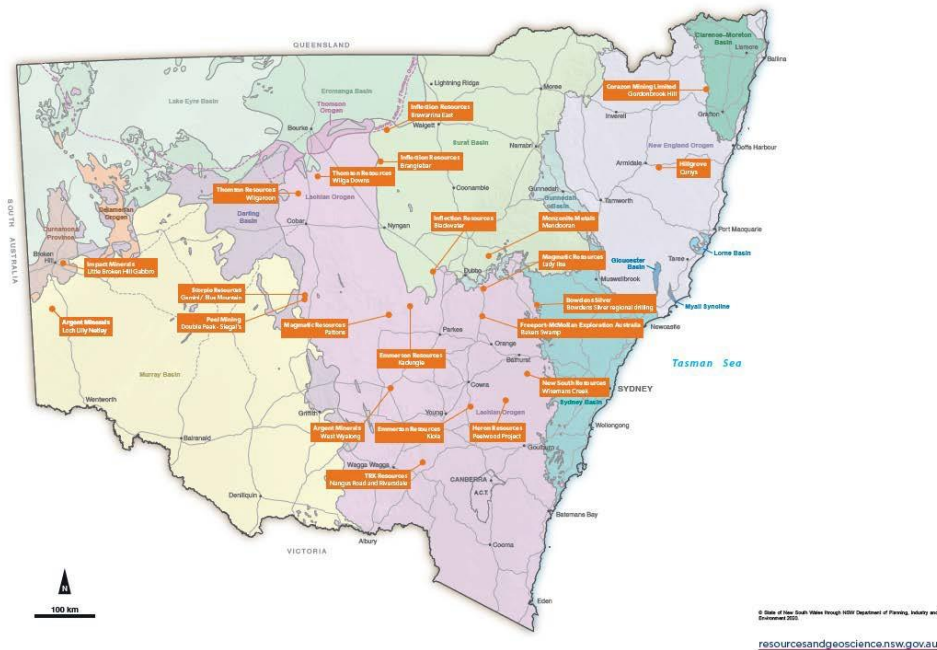
Release of NSW Seamless Geology 2.0

In May 2020, version 2.0 of the NSW Seamless Geology geodatabase was released to the public. First released in 2018, NSW Seamless Geology is one of the most complex maps ever produced and represents a compilation of the best available geological mapping and related data for NSW, organised into a series of time slices that represent the major geological provinces of NSW. Version 2.0 incorporates final data from MEG's five year East Riverina Mapping Project, updates to the geology of several areas in the Lachlan Orogen in Central NSW, detailed revision of the Cenozoic Igneous Province, including new mapping of the Warrumbungle National Park, detailed mapping of the Newcastle Coal Measures and, for the first time, the geology of Lord Howe Island.

New Frontiers Cooperative Drilling grants program

On 1 April 2020, the NSW Government announced \$2.2 million in grants to 22 mineral exploration projects under the third round of the Cooperative Drilling grants program. The grants reimburse explorers for 50 per cent of per metre drilling costs, up to a maximum of \$200,000. The successful projects are predominantly exploring for copper and gold in key areas in Central and Far Western NSW, as well as other target metals such as cobalt, platinum, nickel, silver, lead, zinc, tin and tungsten. Funding agreements were delivered to all successful applicants between April and June 2020 and funding will be disbursed during 2020-21.

Figure 5. Location of successful projects, New Frontiers Cooperative Drilling Grants program round 3.



Titles Management System releases

In 2019, MEG launched the first phase of the Titles Management System (TMS) to support the transparent and efficient end-to-end management of titles administration. As of 22 June 2020, TMS supports applications for the grant and renewal of all mineral authority types, including coal. With the increased customer focus of the system, industry applicants are now able to track the status of their applications through an interactive dashboard, providing greater transparency, accountability, and customer service. MEG will continue to work with industry stakeholders over 2020-21 in developing and implementing future releases.

Once fully deployed, the TMS aims to:

- enhance levels of customer service, communications and engagement with industry
- deliver improved internal operational efficiencies for workflow management, supporting the assessments of mining and exploration applications and renewals
- deliver modern case handling capabilities to support the management of legislative obligations under the *Mining Act 1992* and *Petroleum (Onshore) Act 1991*.

TMS now has over 230 industry registered users. 47 applications were submitted through TMS from April to June 2020. With the encouraging uptake of the system by industry, the number of applications submitted through TMS now exceeds those submitted external to the system with TMS destined to become the single source of entry for titles administration.

Update on titles assessment performance

MEG's performance is reported against service delivery standards, which note target timeframes for the processing of applications under the *Mining Act 1992*. During the period from April to June 2020, MEG assessed:

- 24 Exploration Licence, Assessment Lease and Mining Lease applications
- 28 Exploration Licence, Assessment Lease and Mining Lease renewals.

It assessed every application, and 93 per cent of renewals, within the published service delivery standards. During this period MEG also released 11 security deposits, which were completed within the service delivery standard.

MEG has invested in enhancing systems, processes and frameworks to strengthen assessment capabilities. This has resulted in an overall improvement in performance against service delivery standards, where assessments of applications have increased from 64 per cent to 94 per cent and renewals from 71 per cent to 94 per cent over the 2018-19 and 2019-20 period.

In addition to assessing recently submitted applications, MEG has also invested in progressing 'aging matters', in order to ensure pending matters lodged with MEG prior to 2020 are assessed.

Future of Coal Mining

The NSW Government released the *Strategic Statement on Coal Exploration and Mining* in June 2020. The Strategic Statement provides a clear and consistent policy framework for coal exploration and mining in NSW that supports investment certainty as the coal mining sector responds to global demand, while helping regional communities to manage the effects of an expected decline in thermal coal mining in the state over the longer term. To support the Strategic Statement's actions, the Government also released a map showing areas in NSW available and excluded from future coal exploration and mining.

Critical Minerals

Following the launch of the Future of Minerals in NSW Report in February, MEG contributed information on the state's top critical minerals projects to the second edition of Austrade's Critical Minerals Prospectus.

MEG contributed \$50,000 to the CSIRO's Sustainable Battery Industry Roadmap. The CSIRO Roadmap presents an opportunity to promote development of critical mineral resources in regional NSW. Sponsorship allows MEG to continue to engage with and influence the direction of the project to ensure it adds value for NSW.

MEG continues to work with the Commonwealth Critical Minerals Facilitation Office, including on the potential for designated Critical Minerals Hubs in NSW, and is exploring potential synergies with the Parkes Special Activation Precinct.

Coal Innovation

MEG's Coal Innovation NSW (CINSW) program continues to drive research, development and demonstration in low emission coal technologies. In April – June 2020, two projects funded by CINSW were finalised. The CSIRO 'Advanced ammonia capture' project assessed the efficiency and advantages of ammonia-based carbon capture at a NSW coal fired power station, and the Mineral Carbonation International project demonstrated pilot scale production of building materials to permanently store carbon dioxide.

Legacy Mines Program

MEG's Legacy Mines Program (LMP) has continued to work on reducing environmental and public safety risks posed by abandoned and derelict mines throughout the state. Works are prioritised on a risk assessment basis and the mining industry funds works through the Minerals and Petroleum Administrative Fund.

In the April – June 2020, LMP completed its annual works program for the 2019-20 financial year by finalising works and investigation at numerous legacy mine and petroleum sites including at Hill End, Cobar, Tottenham, and Coffs Harbour.

Regulating safe and environmentally sustainable mining

NSW Resources Regulator

In April 2020 the Resources Regulator transferred to the newly formed Department of Regional NSW under machinery of government processes. Its activities throughout the year saw rapid and significant change due to COVID-19. The Regulator moved much of its engagement and training online and implemented stringent health controls for all necessary face-to-face activities such as site inspections. Throughout the months of strict COVID restrictions the Regulator successfully delivered WHS inspections of mining workplaces and maintained delivery levels for other WHS and Mining Act-related regulatory activities and services.

The Regulator successfully undertook its regulatory role with a key focus on its compliance priorities for the year. These included planned inspection programs looking specifically at:

- worker dust exposure
- fires on conveyor belts
- mine roadway design
- tailings management
- statutory functions at quarries
- change management
- autonomous mining systems
- self-escape from underground mines
- progressive rehabilitation
- subsidence management.

For the full 2019-20 financial year the Regulator received 429 allegations of work health and safety breaches and 1542 other WHS notifications and other requests. It conducted 3443 safety assessments including 1792 on-site inspections and completed 109 targeted safety assessments

of sites with 1913 notices issues under the WHS Act and WHS (Mines and Petroleum Sites) Act.

Under the Mining Act, 582 allegations were received with 377 found to be sustained. In total 3913 requests for service for Mining Act matters were received with 331 mine rehabilitation security deposit reviews conducted and 1056 assessments carried out including 264 site assessments. These activities resulted in 62 notices being issues to title holders.

Across the WHS Act and Mining Act a total of 259 official cautions and 40 penalty notices were issued. Several major investigations into significant incidents were commenced with six prosecutions initiated and four enforceable undertakings accepted. Two mining titles were suspended and three cancelled due to non-compliance with provisions of the Mining Act.

Three causal investigations were also carried out looking at safety incidents at separate mines. These investigations provide a valuable tool that allows the Regulator to work alongside the mine operator and other experts in a no-blame framework to determine what caused an unwanted event and quickly publish findings that can assist all mine operators in identifying and managing significant risks.

A number of major audit programs were conducted at mines across NSW looking at compliance with rehabilitation requirements and exploration activity approvals.

The Regulator continued to focus on reducing red tape with several programs of work completed including improvements to the Regulator's online portal and WHS reporting, changes to the Blasting Explosive User Licence requirements, online submission of mine survey plans, changes to quarry manager practicing certificate requirements, revised experience requirements for certificates of competence and removal of the drilling notification from non-coal exploration licences.

Its legislative reform program included a statutory review of the WHS (Mines and Petroleum Sites) laws, changes to the exposure limits for respirable crystalline silica, respirable coal dust and diesel particulate matter and a range of amendments to the WHS (Mines and Petroleum Sites) Regulation 2014.

Engagement with industry stakeholders to educate and inform included the development of a 'Learning from Disasters' training package with delivery by approved trainers, publication of the new Fossicking Guide and Opal and Gemstone Mining Guide, publication of new guidance material for explorers and prospectors focusing on WHS matters and publication of a range of other material outlining the Regulator's operations and findings from planned inspection programs, incident investigations and data analysis.

The Regulator's operational capability and capacity were increased with new targeted recruitment campaigns proving successful and with new integrity and capability development programs being put in place to improve oversight and confidence in its staff and provide them with better training and development opportunities necessary for effective regulation of the highly technical and complex mining sector.

Consultants

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Financial Statements 2019-2020

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Department of Regional NSW

Financial Statements
for the period 2 April 2020 to 30 June 2020

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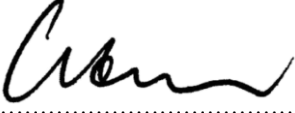
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Department of Regional NSW
Statement by the Secretary
for the period 2 April 2020 to 30 June 2020

Pursuant to section 45F of the Public Finance and Audit Act 1983, I state that:

- (a) The accompanying financial statements have been prepared in accordance with:
 - applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
 - the requirements of the Public Finance and Audit Act 1983 (the Act) and Public Finance and Audit Regulation 2015; and
 - Treasurer's Directions issued under the Act;
- (b) The statements and notes exhibit a true and fair view of the financial position as at 30 June 2020 and financial performance for the period 2 April 2020 to 30 June 2020 of the Department of Regional NSW; and
- (c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed.....

Gary Barnes
Secretary
Department of Regional NSW

Dated: 13 November 2020

Department of Regional NSW
Statement of Comprehensive Income
for the period 2 April 2020 to 30 June 2020

Beginning of the audited financial statements

	Notes	Actual 2020 \$'000
Expenses excluding losses		
Employee related expenses	2(a)	106,825
Operating expenses	2(b)	248,727
Depreciation and amortisation	2(c)	7,057
Grants and subsidies	2(d)	208,208
Finance costs	2(e)	467
Total expenses excluding losses		<u>571,284</u>
Revenue		
Appropriation (net of transfer payments)	3(a)	172,758
Sale of goods and services from contracts with customers	3(b)	37,030
Investment revenue	3(c)	578
Retained taxes, fees and fines	3(d)	17,887
Personnel services revenue	3(e)	2,109
Grants and other contributions	3(f)	354,776
Other revenue	3(g)	20,207
Acceptance by the Crown Entity of employee benefits and other liabilities	3(h)	6,731
Total revenue		<u>612,076</u>
Operating result		<u>40,792</u>
Gains / (losses) on disposal	4	274
Other gains / (losses)	5	736
Net Result		<u>41,802</u>
Other comprehensive income		
Items that will not be reclassified to net result:		
Change in revaluation surplus of property, plant & equipment		-
Total other comprehensive income		<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>41,802</u>

The accompanying notes form part of these financial statements.

The Department of Regional NSW was created on 2 April 2020 and therefore there is no comparative information in respect of the previous year. Refer note 1(f).

The consolidated entity results and disclosures are the same as for the parent entity and the parent entity has not been repeated alongside the consolidated entity. Refer note 1(a).

Department of Regional NSW
Statement of Financial Position
as at 30 June 2020

	Notes	Actual 2020 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	6	149,913
Receivables	7	171,172
Contract assets	8	5,433
Inventories	10	333
Biological assets	11	3,919
Total current assets		<u>330,770</u>
Non-current assets		
Receivables	7	2
Financial assets at fair value	9	40
Property, plant and equipment	12	
Land and buildings		315,736
Infrastructure systems		44,879
Other property, plant and equipment		49,796
Total property, plant and equipment		<u>410,411</u>
Right-of-use assets	13	78,064
Intangible assets	14	8,878
Biological assets	11	8,328
Total non-current assets		<u>505,723</u>
Total assets		<u>836,493</u>
LIABILITIES		
Current liabilities		
Payables	17	143,223
Borrowings	18	5,630
Provisions	19	80,293
Other	20	38,372
Total non-current liabilities		<u>267,518</u>
Non-current liabilities		
Borrowings	18	78,729
Provisions	19	2,530
Total non-current liabilities		<u>81,259</u>
Total liabilities		<u>348,777</u>
Net assets		<u>487,716</u>
EQUITY		
Reserves		-
Accumulated funds		487,716
Total equity		<u>487,716</u>

The accompanying notes form part of these financial statements.

The Department of Regional NSW was created on 2 April 2020 and therefore there is no comparative information in respect of the previous year. Refer note 1(f).

The consolidated entity results and disclosures are the same as for the parent entity and the parent entity has not been repeated alongside the consolidated entity. Refer note 1(a).

Department of Regional NSW
Statement of Changes in Equity
for the period 2 April 2020 to 30 June 2020

	Notes	Accumulated funds \$'000	Asset revaluation reserve \$'000	Total equity \$'000
Balance at 2 April 2020		-	-	-
Net result for the period		41,802	-	41,802
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	12	-	-	-
Actuarial gains/(losses) on superannuation funds		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the period		41,802	-	41,802
Transactions with owners in their capacity as owners				
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset		-	-	-
Increase/(decrease) in net assets from equity transfers	21	445,914	-	445,914
Balance at 30 June 2020		487,716	-	487,716

The accompanying notes form part of these financial statements.

The Department of Regional NSW was created on 2 April 2020 and therefore there is no comparative information in respect of the previous year. Refer note 1(f).

The consolidated entity results and disclosures are the same as for the parent entity and the parent entity has not been repeated alongside the consolidated entity. Refer note 1(a).

Department of Regional NSW
Statement of Cash Flows
for the period 2 April 2020 to 30 June 2020

	Notes	Actual 2020 \$'000
Cash flows from operating activities		
Payments		
Employee related		(40,722)
Grants and subsidies		(208,208)
Suppliers of goods and services		<u>(319,486)</u>
Total payments		<u>(568,416)</u>
Receipts		
Sale of goods and services		42,868
Fees and fines		36,078
Interest received		80
Appropriation		172,758
Reimbursements from the Crown Entity		-
Grants and contributions		354,776
Lease and rental income		498
Other		<u>8,944</u>
Total receipts		<u>616,002</u>
Net cash flows from operating activities	25	<u>47,586</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment and infrastructure systems		405
Purchases of property, plant and equipment and infrastructure systems	12	(12,658)
Proceeds from financial assets		-
Other		<u>(5)</u>
Net cash flows from investing activities		<u>(12,258)</u>
Cash flows from financing activities		
Proceeds from borrowings and advances		-
Repayment of borrowings and advances		-
Repayment of principal portion of lease liabilities		<u>(1,995)</u>
Net cash flows from financing activities		<u>(1,995)</u>
Net increase/(decrease) in cash		33,333
Opening cash and cash equivalents		-
Cash from controlled entities		-
Cash transferred in / (out) as a result of administrative restructuring and equity transfer	21	<u>116,580</u>
Closing cash and cash equivalents	6	<u>149,913</u>

The accompanying notes form part of these financial statements.

The Department of Regional NSW was created on 2 April 2020 and therefore there is no comparative information in respect of the previous year. Refer note 1(f).

The consolidated entity results and disclosures are the same as for the parent entity and the parent entity has not been repeated alongside the consolidated entity. Refer note 1(a).

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

1. Summary of significant accounting policies

(a) Reporting entity

The Department of Regional NSW (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 2 April 2020 under the Administrative Arrangements (Administrative Changes – Regional NSW and Independent Planning Commission) Order 2020 and Administrative Arrangements (Administrative Changes—Public Service Agencies) Amendment Order 2020. It is the principal Department in the new Regional NSW cluster and there is no comparative information in respect of the previous year for all amounts reported in the financial statements.

The employees, functions, assets, rights and liabilities of the Regions, Industry, Agriculture, and Resources group, the NSW Resources Regulator from the Environment, Energy and Sustainability group, and identified employees and functions from the corporate groups within the Department of Planning, Industry and Environment (DPIE) were transferred to the Department with effect from 2 April 2020. Refer to note 21 for more information relating to the assets and liabilities transferred to the Department.

The Department is a reporting entity. The financial statements include separate financial statements for the Department of Regional NSW as the parent entity and the consolidated entity includes the Fisheries Administration Ministerial Corporation (FAMC).

FAMC is a dormant entity with no transactions between 2 April and 30 June 2020. FAMC is exempt from financial reporting for the year ended 30 June 2020. In preparing financial statements for the consolidated entity the results and disclosures are the same as for the parent entity and the parent entity has not been repeated alongside the consolidated entity.

During the period, the Department provided personnel services to the NSW Rural Assistance Authority and the Border Fence Maintenance Board. The recipients of personnel services are separate reporting entities and are not controlled by the Department. Refer notes 2(a) and 3(e).

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

These financial statements for the period 2 April 2020 to 30 June 2020 have been authorised for issue by the Secretary on the date the accompanying statement by the Secretary was signed.

(b) Basis of preparation

The Department's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015; and
- Treasurer's Directions issued under the Act.

Property, plant and equipment and certain financial assets and liabilities are measured at fair value. Other financial statement items are measured in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Department's presentation and functional currency.

(c) Statement of compliance

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

1. Summary of significant accounting policies (continued)

(d) Administered activities

The Department administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources resulting from these transactions for the achievement of the Department's own objectives. Administered assets and liabilities are not recognised in the Statement of Financial Position but are required by AASB 1050 to be disclosed in the notes, showing separately each major class of asset and liability.

Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets, and liabilities but are disclosed in the accompanying schedules as "administered revenues" and "administered expenses". Refer note 28.

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

(e) 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 Department 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.

(f) Comparative information

The Department was created on 2 April 2020, and the 2019-20 financial statements are the first set of statements of the Department. Therefore, there is no comparative information in respect of the previous period for all amounts reported in the financial statements. Refer note 21 for the details on transfer of assets and liabilities to the Department on its creation on 2 April 2020.

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

(i) Effective for the first time in 2019-20

Several new accounting standards, amendments and interpretations apply for the first time in the 2019-20 financial year including;

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of not-for-profit entities
- AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059

The Department has applied AASB15 Revenue from Contracts with Customers (AASB 15), AASB 1058 Income of Not-for-Profit Entities (AASB 1058), and AASB 16 Leases (AASB 16) in 2019-20. The opening balances of the Department, relating to the functions transferred from DPIE are presented in Note 21. DPIE incorporated the application of these new standards, using transitioning provisions under these standards, before the equity transfer to the Department and the impact of these standards is included in the opening balances.

Where applicable, the Department has adopted the other new accounting standards, amendments and interpretations listed above.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

1. Summary of significant accounting policies (continued)

- (g) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)
- (ii) Issued but not effective

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

The following new Australian Accounting standards have not been applied and are not yet effective:

- AASB 1059 Service Concession Arrangements: Grantors (effective 1 January 2021)
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business (effective 1 January 2020)
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (effective 1 January 2020)
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework (effective 1 January 2020)
- AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059 (effective 1 January 2020)
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform (effective 1 January 2020)
- AASB 2019-7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations (effective 1 January 2020)
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective 1 January 2022)
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities (effective 1 July 2021)

The Department has assessed the impact of the new standards and interpretations on issue but not yet effective where relevant and considers the impact to be not material, including from the application of AASB 1059 Service Concession Arrangements: Grantors (AASB 1059). This standard is effective for financial periods commencing on or after 1 January 2020. This means it will apply for NSW Government agencies with the 30 June year end cycle from the 2020-21 financial year.

AASB 1059 applies to service concession arrangements where an operator provides public services related to a service concession asset on behalf of a grantor and the operator manages at least some of those public services under its own discretion, rather than at the discretion of the grantor.

The Department has reviewed existing arrangements in place and has determined that they do not satisfy the requirements of AASB 1059.

1. Summary of significant accounting policies (continued)

(h) COVID-19, natural disasters, delayed 2020-21 NSW State Budget and going concern

The financial statements of the Department have been prepared on a going concern basis.

The impact of COVID-19 and natural disasters has been included in the financial statements based on evidence available at the balance date. The Department assessed the impact on the fair value of its financial assets, such as receivables and right of use assets. Where appropriate, the Department recognised a credit loss to reflect historical credit loss evidence adjusted for forward looking economic outlook and conditions. The fair value of right of use assets has been impaired to reflect decrease in commercial rents primarily in Sydney metropolitan and Parramatta regions. The fair value assessment of property, plant and equipment at 30 June 2020 by independent valuer concluded that there was no evidence at balance date to suggest any material impact due to COVID-19. Refer notes 7, 12, 13 and 31.

The Department receives its funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed and is anticipated to be tabled in Parliament in November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earlier of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 annual Appropriations Act. Therefore, it is appropriate for the 2019-20 financial statements to be prepared on a going concern basis.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

2. Expenses excluding losses

(a) Employee related expenses

	2020 \$'000
Salaries and wages (including recreation leave)	86,765
Superannuation - defined benefit plans	556
Superannuation - defined contribution plans	7,382
Long service leave	5,926
Workers' compensation insurance	331
Payroll tax and fringe benefits tax	5,797
Redundancy payments	<u>68</u>
	<u>106,825</u>

The employee related expenses include \$1.9 million for Personnel Services. The recipients of Personnel Services are separate reporting entities and are not controlled by the Department. Refer to notes 1(a) and 3(e).

Employee related costs that have been capitalised in property, plant and equipment or intangible asset accounts is \$272,000 and are excluded from above.

Employee related expenses are recognised when they are incurred by the Department. Refer to note 19 for details on recognition and measurement policies on key employee related provisions and related expenses.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

2. Expenses excluding losses

(b) Other operating expenses

	2020 \$'000
Advertising and promotion	618
Assets under \$5,000	1,335
Auditor's remuneration – NSW Audit Office	82
Auditors remuneration - other	3
Bushfire recovery	177,949
Computer costs	2,552
Consultancy	2,031
Contingent workers	86
Contractors - projects	19,369
Corporate services	10,000
Cost of sales	4,857
Waivers, refunds and remissions	1,186
Fees for services	4,886
Fleet costs	821
Freight and postage	522
Insurance	458
Legal costs	757
Maintenance	4,938
Occupancy	910
Expense relating to short-term leases and low-value assets	1,673
Other expenses	8,100
Printing, stationery and stores	683
Royalties	1,820
Telecommunications	606
Training and staff development	711
Travel	1,774
	<u>248,727</u>
	2020 \$'000
Maintenance reconciliation	
Maintenance expense - contracted labour and other (non-employee related), as above	4,938
Employed related maintenance expense included in Note 2(a)	<u>257</u>
Total maintenance expenses included in Note 2(a) + 2(b)	<u>5,195</u>

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

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 as 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 Department’s insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

Operating leases

The Department recognises 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 13(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

	2020 \$'000
Buildings	2,760
Infrastructure	540
Plant and equipment	1,376
Right-of-use - buildings	1,554
Right-of-use - plant & equipment	323
Amortisation of intangible assets	504
	<u>7,057</u>

Refer to notes 12, 13 and 14 for recognition and measurement policies on depreciation and amortisation.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

2. Expenses excluding losses (continued)

(d) Grants and subsidies

	2020 \$'000
Grants to cluster agencies for normal business operations	
Local Land Services	4,234
Rural Assistance Authority	<u>10,418</u>
	14,652
Other grants funded from Consolidated Fund and other sources of funds	
Commonwealth government agencies	35
NSW government agencies	24,168
Local government	49,554
Non government organisations	18,103
Other	775
Local Land Services - drought relief	27,000
Local Land Services - COVID-19	47,721
Rural Assistance Authority - drought relief	<u>26,200</u>
	<u>208,208</u>

Recognition and measurement – grants and subsidies

Grants are generally recognised as an expense when the Department transfers control of the contribution which is deemed to have transferred when the grant is paid or payable.

(e) Finance costs

	2020 \$'000
Interest expense from lease liabilities	<u>467</u>
	<u>467</u>

Recognition and measurement – finance costs

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate to not-for-profit NSW General Government Sector entities. Refer note 13 for interest expense on leases.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

3. Revenue

Revenue is recognised in accordance with the requirements of AASB 15 or AASB 1058, dependent on whether there is a contract with a customer defined by AASB 15.

(a) Appropriations and transfers to the Crown Entity

	2020 \$'000	2020 \$'000	2020 \$'000
Summary of Compliance	Appropriation	Expenditure	Variance
Original Budget per Appropriation Act			
Section 4.9 GSF Act / Section 24 PFAA - transfers of functions between entities	284,064	-	284,064
Section 4.11 GSF Act / Section 22 PFAA - Commonwealth specific purpose payments	9,750	-	9,750
Section 4.13 GSF Act Exigency of Government / Section 22 PFAA - expenditure for certain works and services	7,700	-	7,700
Total annual Appropriations / Expenditure / Net Claim on Annual Appropriations	301,514	-	301,514
Appropriations drawn down against Annual Appropriations	172,758	172,758	-
Liability for Lapsed Appropriations drawn down Appropriations (per Statement of Comprehensive Income)	172,758	172,758	-
Appropriations drawn down	172,758	172,758	-
Appropriations (per Statement of Comprehensive Income):			
Recurrent	151,943	151,943	-
Capital	20,815	20,815	-
	172,758	172,758	-

Under Section 4.9(2) of the GSF Act, Treasurer issued determination on 29 June 2020 to transfer appropriation of \$284 million from DPIE to the Department for the period 2 April 2020 to 30 Jun 2020.

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 Department received an equity appropriation this is disclosed in the summary of compliance as part of the appropriation.

The Department does not have a 'liability for lapsed appropriations drawn down' (formerly known as 'liability to Consolidated Fund'), and there is no difference between the 'amount drawn down against annual appropriation' and the 'expenditure/net claim on annual appropriations'.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

3. Revenue (continued)

(a) Appropriations and transfers to the Crown Entity(continued)

Movement of Section 4.7 GSF Act - deemed appropriations:	2020
	\$'000
Balance at 2 April 2020	72,781
Additions of deemed appropriations	424,658
Expenditure charged against deemed appropriations	<u>(390,366)</u>
Closing balance	<u>107,072</u>

Recognition and measurement

Parliamentary appropriations and contributions

Parliamentary appropriations and contributions are recognised in accordance with AASB 1058. This is because appropriations do not contain an enforceable and sufficiently specific performance obligation as defined by AASB 15.

Appropriations are recognised as income when the Department 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 in the following circumstances:

- 'Equity appropriations' to fund payments to adjust a for-profit entity's capital structure, which are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity.
- Lapsed appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount is not controlled by the Department
- Any liability is disclosed as a current liability in note 20, as it is extinguished the following financial year through the next annual Appropriations Act. Any liability in respect of transfer payments is disclosed in "administered assets and liabilities". There was no liability at 30 June 2020 in respect of lapsed appropriations or transfer payments.

(b) Revenue from contracts with customers / Sale of goods and services

	2020
	\$'000
Sale of goods	
Sale of livestock and produce	1,848
Sales of minor goods	117
Rendering of services	
Corporate support and specialist services	12,408
Education and training	1,606
Fees for services	20,660
Minor sales of services	349
Other park services	<u>42</u>
	<u>37,030</u>

3. Revenue (continued)

(b) Revenue from contracts with customers / Sale of goods and services (continued)

Recognition and measurement

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers (AASB 15). The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract, in addition, the standard requires relevant disclosures.

Sale of goods

In accordance with AASB 15, revenue from sale of goods is recognised when the Department satisfies a performance obligation by transferring the promised goods. For example, when livestock is delivered to a customer. Payments are typically due to the Department 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 Department satisfies the performance obligation by transferring the promised services. The Department 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 Department over a period of time or at a point in time. For example, revenue from research projects under collaboration project agreements is recognised 'at a point in time' when each of the performance obligations are met. These obligations could be when the Department provides the progress report/status updates or satisfies other performance requirements specified in the agreement. Payments are typically due to the Department 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.

Where the Department is an agent i.e. when it does not control specified goods or services before it transfers them to the customer, the Department recognises revenue to the amount of net fee it receives. This fee is recognised when the Department satisfies its performance obligation i.e. when it arranges the provision of specified goods or services on behalf of another party.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

3. Revenue (continued)

(c) Investment revenue

	2020 \$'000
Interest income from financial assets at amortised cost	80
Rental income	
- rental income relating to variable lease payments that do not depend on an index or a rate / contingent rental income	459
- other rental income	39
	<u>578</u>

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 terms.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

3. Revenue (continued)

(d) Retained taxes, levies, fees and fines

	2020 \$'000
Levies, licences and permits	17,887
	17,887

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 Department.

Mine safety levy

The Mine and Petroleum Site Safety Levy is collected under the Mine and Petroleum Site Safety (Cost Recovery) Act 2005. Employers in the mining industry who have obligations for the health and safety of workers in NSW pay the levy. The Levy is paid into the Mine and Petroleum Site Safety Fund which is used to pay for the Department’s activities related to the health and safety regulation of the state’s mining workplaces.

Annual rental and administration levy

The Minerals and Petroleum Administrative Levy is collected under the Mining Act 1992 and the Petroleum (Onshore) Act 1991. Holders of Authorisations or Titles pay the levy. The levy is 1% of the securities’ amount for the Authorisation or Title with a minimum levy payable and is paid into the Minerals and Petroleum Administrative Fund. The Fund is spent on such amounts as the Secretary authorises for the purpose of funding minerals and petroleum administrative costs and other purposes outlined in legislation

The Annual Rental Fee is collected under the Mining Act 1992 and the Petroleum (Onshore) Act 1991. Holders of Authorisations or Titles pay the levy. The fee is calculated on the area of land covered by an Authorisation or Title with a minimum fee payable and is paid into the Minerals and Petroleum Investment Fund. The Fund is spent on funding any authorised investment program, the object of which is to promote investment in State minerals or petroleum (or both), including the program administered by the Department known as the New Frontiers minerals and energy exploration initiative (or New Frontiers) and other purposes outlined in legislation.

(e) Personnel services revenue

	2020 \$'000
NSW Rural Assistance Authority	1,920
Border Fence Maintenance Board	189
	2,109

Recognition and measurement

Reimbursement of employee benefits and related on-costs for the entities to which the Department 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 Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

3. Revenue (continued)

(f) Grants and contributions

	2020 \$'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity	7,500
Other grants with sufficiently specific performance obligations / milestones	15,104
Grants without sufficiently specific performance obligations / milestones	<u>332,172</u>
	<u>354,776</u>

Recognition and measurement

Grants are received by the Department 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 Department upon completion of those milestones.

Revenue from grants to acquire/construct a recognisable non-financial asset to be controlled by the Department is recognised when the Department satisfies its obligations under the agreement. The Department 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 Department equals cost incurred, because this reflects progress to completion based on cost recovery arrangements.

Revenue from grants with sufficiently specific milestones/performance obligations and agreed funding against each milestone is recognised as when the Department satisfies its performance obligation by transferring promised goods/achieving milestones.

Income from funding without sufficiently specific performance obligations is recognised when the Department 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 Department obtains control over the funds.

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 8 for transaction price allocated to the performance obligations that have not been satisfied at the 30 June 2020 and when it is expected to be recognised as revenue.

(g) Other Income

	2020 \$'000
Recoup Snowy Hydro Legacy Fund	17,400
Other revenues	<u>2,807</u>
	<u>20,207</u>

Recognition and measurement

The Department's expenses relating to ERC approved activities are recouped from the Snowy Hydro Legacy Fund in accordance with the provisions contained in the Snowy hydro Legacy Fund Act No38. Revenue is recognised when expenses are recouped or when relevant expenses are incurred by the Department that entitles it to recoup these funds.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

3. Revenue (continued)

(h) Acceptance of by the Crown Entity of employee benefits and other liabilities

	2020 \$'000
The following liabilities and expenses have been assumed by the Crown Entity:	
Long service leave	6,145
Payroll tax	30
Superannuation	556
	<u>6,731</u>

4. Gain / (loss) on disposal

	2020 \$'000
Gain/(loss) on disposal of property, plant and equipment and intangibles	
Proceeds from disposal	405
Less: Written down value of assets disposed	<u>(131)</u>
Net gain/(loss) on disposal of property, plant and equipment and intangibles	<u>274</u>

5. Other gains / (losses)

	2020 \$'000
Gain / (impairment) of receivables	(94)
Gain / (impairment) on right-of-use assets	(3,024)
Gain / (impairment) of shares	(6)
Gain / (impairment) of biological asset	3,860
	<u>736</u>

Recognition and measurement

Impairment losses may arise on non-financial assets held by the Department 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:

Biological assets – note 11

Property, plant and equipment - note 12

Leases – note 13

Intangible assets - note 14

Trade receivables – note 7

Contract assets – note 8

Financial assets at fair value – note 9

The COVID-19 outbreak that occurred during the last quarter of the 2019-20 financial year had an adverse impact on commercial rents, especially in Sydney metropolitan and Parramatta regions. The Department has undertaken an impairment assessment for right-of-use building assets, to determine whether the carrying amount exceeded their recoverable amount. Impacted right-of-use buildings assets were written down to their recoverable amounts by reference to the right-of-use asset's fair value less costs of disposal (or value in use). An impairment loss of \$2.0 million was recognised in the 2019-20 financial statements in other net gains/ (losses) in the statement of comprehensive income. There was no impairment loss assessed for right-of-use plant and equipment assets.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

6. Cash and cash equivalents

(a) Cash at bank or on hand

	2020 \$'000
Cash at bank and on hand	<u>149,913</u>
	<u>149,913</u>

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:

Cash and cash equivalents (per Statement of Financial Position)	149,913
-----------------------------------------------------------------	---------

Refer note 26 for details regarding credit risk and market risk arising from financial instruments.

Refer note 16 for details of restricted cash.

The Department did not have a separate bank account and Department's cash was held in the DPIE bank account as at 30 June 2020 as an interim arrangement. Cash was transferred to the Department's bank account post 1 July 2020.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

7 Current / non-current assets - receivables

	2020 \$'000
Current	
Trade receivables	100,079
Less: allowance for expected credit losses	<u>(2,144)</u>
	<u>97,935</u>
Accrued income	36,859
Miscellaneous	13,378
Net GST	432
Personnel services	894
Prepayments	<u>21,674</u>
	<u>171,172</u>
	2020 \$'000
Non-current	
Personnel services	<u>2</u>
	<u>2</u>
Total Receivables	<u>171,174</u>
Movements in the allowance for expected credit losses	2020 \$'000
Balance at 2 April 2020	(2,079)
Amounts written off during the period	-
Amounts recovered during the period	29
Decrease/(increase) in allowance recognised in profit or loss	<u>(94)</u>
Balance at 30 June 2020	<u>(2,144)</u>

Details regarding credit risk of trade receivables that become past due not impaired are disclosed in note 26.

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 Department holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Department 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 Department expects to receive, discounted at the original effective interest rate.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

7. Current / non-current assets - receivables (continued)

Recognition and measurement (continued)

Impairment (continued)

For trade receivables, the Department applies a simplified approach in calculating ECLs. In accordance with AASB 9, the Department recognises a loss allowance based on lifetime ECLs at each reporting date. The Department has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable. The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- Increased credit risk associated with debtors as a result of poor trading conditions.
- Higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of Government and/or late payment.
- Lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

8. Contract assets and liabilities

	2020 \$'000
Contract assets - current	5,433
Contract assets - non-current	-
	5,433
Contract liabilities - current	-
Contract liabilities - non-current	-
	-

Recognition and Measurement

Contract assets relate to the Department’s right to consideration in exchange for goods transferred to customers/works completed, but not paid at the reporting date. Contract liabilities relate to the Department’s obligation to satisfy performance obligations but where funds were received at 30 June 2020. There were no contract liabilities at 30 June 2020 as customers are invoiced upon satisfaction of performance obligations. The balance of contract assets at 30 June 2020 was impacted by the value and timing of the completion of performance obligations and invoicing, as well as terms of payment under the contract.

The transaction price allocated to the remaining performance obligations relates to research projects under collaboration project agreements. Revenue will be recognised in the year of satisfaction of performance obligations in future.

Department of Regional NSW
Notes to the financial statements
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9. Financial assets at fair value

	2020 \$'000
Non-current Shares	<u>40</u>
	<u>40</u>

The Department holds shares in the entities listed below at market value or fair value.

The value of shares represents holdings in:

	2020 \$'000
Rice Growers Co-operative Mills Ltd	<u>40</u>
	<u>40</u>

Refer note 26 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and measurements

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

The Department's financial assets at fair value are classified, at initial recognition, as 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 Regional NSW
Notes to the financial statements
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10. Inventories

	2020 \$'000
Current	
Finished goods	<u>333</u>
	<u>333</u>

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 Department 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.

11. Biological assets

	2020 \$'000
Net market value of livestock and fodder at beginning of reporting period	8,387
Net increment / (decrement) in the net market value of livestock and fodder	<u>3,860</u>
Net market value at reporting date	<u>12,247</u>
Current/non-current	
Current	3,919
Non-current	<u>8,328</u>
	<u>12,247</u>

Recognition and measurement

Biological assets are stated at market value and any increment/(decrements) are recognised through the Statement of Comprehensive Income.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

12. Property, plant and equipment

	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 2 April 2020 - fair value								
Gross carrying amount	106,730	544,010	650,740	82,698	10,586	93,284	84,660	828,684
Accumulated depreciation and impairment	-	(333,908)	(333,908)	(47,306)	-	(47,306)	(44,883)	(426,097)
Net carrying amount	106,730	210,102	316,832	35,392	10,586	45,978	39,777	402,587
At 30 June 2020 - fair value								
Gross carrying amount	106,768	540,206	646,974	87,087	10,586	97,673	91,567	836,214
Accumulated depreciation and impairment	-	(331,238)	(331,238)	(47,877)	-	(47,877)	(46,688)	(425,803)
Net carrying amount	106,768	208,968	315,736	39,210	10,586	49,796	44,879	410,411

100% of the property, plant and equipment are held and used by the Department.

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12. Property, plant and equipment (continued)

Reconciliation

	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
2 April 2020 to 30 June 2020								
Net carrying amount at beginning of the period	-	-	-	-	-	-	-	-
Transfer due to administrative restructure	106,730	210,102	316,832	35,392	10,586	45,978	39,777	402,587
Total net carrying amount at beginning of the period	106,730	210,102	316,832	35,392	10,586	45,978	39,777	402,587
Purchases of assets	38	1,775	1,813	5,203	-	5,203	5,642	12,658
Disposals	-	(122)	(122)	(9)	-	(9)	-	(131)
Acquisitions/transfers through administrative restructures	-	(27)	(27)	-	-	-	-	(27)
Depreciation expense - assets owed	-	(2,760)	(2,760)	(1,376)	-	(1,376)	(540)	(4,676)
Net Carrying Amount at End of the Period	106,768	208,968	315,736	39,210	10,586	49,796	44,879	410,411

12. 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 21 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 carrying amount of an asset 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.

12. 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 Department.

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	10-207 years
Infrastructure	6-123 years
Plant and equipment:	
Marine vessels	3-15 years
Vehicles and trailers	5-40 years
Furniture and fittings	7-20 years
Leasehold improvements	Period of lease
Other plant and equipment	2-20 years

An annual assessment of the useful life of each asset was carried out and the depreciation rates are considered reasonable.

Under AASB 16 a lessee is to recognise a right-of-use asset for most leases. The Department has elected to present right-of-use assets separately in the statement of financial position. Refer note 13.

Recognition and measurement

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement (AASB 13) and AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. 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.

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12. Property, plant and equipment (continued)

Recognition and measurement (continued)

Revaluation of property, plant and equipment (continued)

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 15 for further information regarding fair value.

Property, plant and equipment were transferred at fair value by DPIE as at 2 April 2020. The last comprehensive revaluations conducted by DPIE (or its legacy agencies) for each of the asset categories transferred to the Department are as follows:

Asset category	Last comprehensive revaluation	Comprehensive valuation performed by
Land (by DPIE)	31-March-20	Colliers International Valuation & Advisory Services Pty Ltd and CBRE valuations Pty Ltd
Buildings (by DPIE)	30-Jun-19	Azurium
Buildings (by DPIE)	30-Jun-18	CBRE Valuations Pty Ltd
Buildings (previously PNSW)	30-Jun-19	Crown Valuation Services
Infrastructure systems:		
Infrastructure (other) (legacy DPE)	30-Jun-18	CBRE Valuations Pty Ltd
Infrastructure (other) (legacy DOI)	30-Jun-19	Azurium

Asset classes which had comprehensive revaluations completed at 31 March 2020, an update for 30 June 2020 was completed for those classes.

DPIE also engaged independent valuers to conduct interim revaluations between comprehensive revaluations to ensure that the carrying value is not different from fair value. At 30 June 2020, the Department engaged external professionally qualified valuers to conduct interim fair value assessment as follows:

Asset category	Fair value assessment by
Land	Colliers International Valuation & Advisory Services Pty Ltd
Buildings	Colliers International Valuation & Advisory Services Pty Ltd
Infrastructure systems:	
Roads and other access assets	Australis Asset Advisory Group
Marine assets	Australis Asset Advisory Group
Utilities	Australis Asset Advisory Group
Infrastructure	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 Department has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

12. Property, plant and equipment (continued)

Recognition and measurement (continued)

Revaluation of property, plant and equipment (continued)

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.

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 Department 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 Department 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.

13. Leases

(a) Department as Lessee

The Department leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 2 to 15 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 Department 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 Department 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 have been included in the lease liability where it is reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there were revision of lease terms due to the exercise of extension and termination options.

The Department has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly property.

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13. Leases (continued)

(a) Department as Lessee (continued)

Right-of-use assets under leases

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 2 April 2020	-	-	-
Acquisitions / Transfers through administrative restructures	78,111	4,853	82,964
Depreciation expense	(1,554)	(323)	(1,877)
Gain / (impairment) on right-of-use assets	(3,024)	-	(3,024)
Balance at 30 June 2020	<u>73,533</u>	<u>4,530</u>	<u>78,063</u>

Lease liabilities

The following table presents liabilities under leases.

	Lease liabilities \$'000
Balance at 2 April 2020	-
Acquisition / Transfer through administrative restructure	85,887
Interest expenses	467
Re-measurement due to change in variable rent and/or lease term	-
Payments	<u>(1,995)</u>
Balance at 30 June 2020	<u>84,359</u>

The following amounts were recognised in the statement of comprehensive income for the period ended 30 June 2020 in respect of leases where the entity is the lessee:

	\$'000
Depreciation expense of right-of-use assets	1,877
Interest expense on lease liabilities	467
Expense relating to short-term leases and low-value assets	<u>1,673</u>
Total amount recognised in the statement of comprehensive income	<u>4,017</u>

The Department had total cash outflows for leases of \$1.493 million in the period ended 30 June 2020.

Future minimum lease payments under non-cancellable leases as at 30 June 2020 are as follows:

	Operating lease \$'000
Within one year	8,308
Later than one year and not later than five years	34,807
Later than five years	<u>70,247</u>
Total (including GST)	<u>113,362</u>
GST payable to/ (GST recoverable from) the Australian Taxation Office	<u>(10,306)</u>
Total (excluding GST)	<u>103,056</u>

13. Leases (continued)

(a) Department as Lessee (continued)

Recognition and measurement (under AASB 16 from 1 July 2019)

The Department 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 Department 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 Department recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

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.

If ownership of the leased asset transfers to the Department 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 Department 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.

ii. Lease Liabilities

At the commencement date of the lease, the Department 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 Department; and
- payments of penalties for terminating the lease, if the lease term reflects the Department 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 Department'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.

13. Leases (continued)

(a) Department as Lessee (continued)

Recognition and measurement (under AASB 16 from 1 July 2019)

ii. Lease Liabilities (continued)

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 Department's lease liabilities are included in borrowings. Refer note 18.

iii. Short-term leases and leases of low-value assets

The Department 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 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.

iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the Department to further its objectives, are measured at cost.

These 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, subject to impairment. They are not subject to revaluation.

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14. Intangible assets

	Software \$'000	Total \$'000
At 30 June 2020		
Cost (gross carrying amount)	21,250	21,250
Accumulated amortisation and impairment	(12,372)	(12,372)
Net carrying amount	8,878	8,878

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the period is set out below:

Period ended 30 June 2020	Software \$'000	Total \$'000
Net carrying amount at beginning of the period	-	-
Additions	1,147	1,147
Acquisitions/transfers through administrative restructures	8,365	8,365
Transfer between classes of assets	(130)	(130)
Disposals	-	-
Writeback/(impairment)	-	-
Amortisation expense	(504)	(504)
Net carrying amount at end of the period	8,878	8,878

Recognition and measurement

The Department recognises intangible assets only if it is probable that future economic benefits will flow to the Department 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 Department'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 are assessed to be finite.

The Department's intangible assets are amortised using the straight-line method over a period of 8 - 20 years. 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 period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Software

Software is measured at cost less amortisation, as a substitute for fair value in accordance with AASB 138 Intangible Assets (AASB 138). These assets are amortised using the straight-line method over their estimated useful lives.

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15. 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 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 Department 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 Department recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total fair value
2020	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Land (other)	-	-	106,768	106,768
Buildings	-	-	208,968	208,968
Infrastructure systems	-	-	44,879	44,879
Collection assets	-	-	10,586	10,586
Total fair value measurement of non-financial assets	-	-	371,201	371,201

(b) Reconciliation of recurring Level 3 fair value measurements

	Land (other)	Buildings	Infrastructure systems	Collection assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value as at 2 April 2020	-	-	-	-	-
Equity transfers	106,730	210,102	39,777	10,586	367,195
Additions	38	1,775	5,642	-	7,455
Disposals	-	(122)	-	-	(122)
Depreciation expense	-	(2,760)	(540)	-	(3,300)
Fair value as at 30 June 2020	106,768	208,995	44,879	10,586	371,228

15. 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
Land	Level 3	Market approach	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> □ Sales price of comparable land. □ Land attributes including size, location, condition and zoning. <p>Comprehensive revaluation of land was completed at 31 March 2020 and updated for 30 June 2020. The fair value assessment at 30 June 2020 also considered the impact of bushfires and COVID-19. Based on information gathered from specialist agribusiness sales agents, PRD nationwide network in NSW and assessment of land sales evidence by independent valuer from several sources (including RP Data, the Australian Bureau of Statistics and market assessment), the independent revaluation assessed that there was no evidence of material movement in land values as a result of these events. While there may be isolated pockets of land that is seeing some reduction, overall this was not being extrapolated to lands similar to the Department's land portfolio.</p> <p>Management assessed that the above evaluation by an external valuer to be reasonable.</p>
Plant and Equipment	Level 3	Depreciated Replacement Cost	Recent market replacement costs
Buildings	Level 3	Depreciated Replacement Cost	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> □ Current construction cost estimates as published in the Rawlinson's Handbook. □ Actual comparable construction costs. □ Total and remaining useful life. □ Gross floor area. □ For heritage buildings, the replacement cost is determined by considering modern day equivalent materials and assets with the same size, design and function as the existing buildings, after taking into consideration and obsolescence. □ For the assessment of fair value performed 30 June 2020, ABS, Rawlinson's, Australian Institute of Quantity Surveyors and a basket of building indices were analysed to calculate a factor increase from 1 July 2019 to 30 June 2020. This factor was then applied to the gross replacement cost adjusted to reflect the time elapsed to 30 June 2020. <p>The fair value assessment of buildings also considered the impact of COVID-19. The independent valuer assessed that it is too early to assess the likely impact of COVID-19 on construction costs. It is likely that supply chains will be disrupted in the short run if there is a high dependence on materials from overseas and/or higher priority to supply other industries, such as medical.</p>

15. Fair value measurement of non-financial assets (continued)

(c) Valuation techniques, inputs and processes (continued)

Non-financial assets	Category (level 2 or level 3)	Valuation technique	Inputs used
			<p>However, the Department does not have a high degree of dependence on materials sourced from overseas, which are likely to be disrupted by COVID-19. Labour has also become more available due to rising unemployment.</p> <p>The independent valuer's assessment indicates there was no damage due to bushfires.</p> <p>Management assessed that the above evaluations by independent valuer to be reasonable.</p>
<p>Infrastructure systems – roads, access assets, utilities and other infrastructure assets</p>	<p>Level 3</p>	<p>Depreciated Replacement Cost</p>	<p>Valuation technique uses following inputs:</p> <ul style="list-style-type: none"> □ Current construction cost estimates as published in the Rawlinson's Handbook, adjusted by regional indices. □ Actual comparable construction costs. □ Total and remaining useful life. □ For the interim revaluation performed at 30 June 2020, cost indices were developed by asset type (civil structures, mechanical, electrical and reticulation) then a weighted composite index was applied to gross replacement cost and fair value of the asset group. <p>The fair value assessment of infrastructure assets also considered the impact of COVID-19. The independent valuer assessed that this event though reportedly having notable effects on liquid markets (level 1 assets) and the economy, it is yet to fully present measurable threat/movement to the construction markets. He also advised that while a likely movement caused by this event in the construction and property industries is anticipated at some stage into the future, however with the event being recent and assumed short duration, any adjustments at 30 June 2020 were considered minor until further data becomes available.</p> <p>The independent valuer's assessment indicates there was no damage due to bushfires.</p> <p>Management assessed that the above evaluations by independent valuer to be reasonable.</p>

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16. Restricted assets

(a) Restricted cash assets (included in cash and cash equivalents)

	2020 \$'000
Resources Restricted Funds	44,701
Pest Insect Destruction Fund	<u>20,035</u>
	<u>64,736</u>

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.

17. Current / non-current liabilities - payables

	2020 \$'000
Current	
Accrued salaries wages and on-costs	3,824
Accruals	46,219
Creditors	92,262
Bonds and deposits	313
Payroll tax	28
Other	<u>577</u>
	<u>143,223</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 26.

Recognition and measurement

Payables represent liabilities for goods and services provided to the Department 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.

18. Current / non-current liabilities - borrowings

	2020 \$'000
Current	
Lease Liability (refer note 13)	<u>5,630</u>
	<u>5,630</u>
Non-current	
Lease Liability (refer note 13)	<u>78,729</u>
	<u>78,729</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 26.

Department of Regional NSW
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18. Current / non-current liabilities – borrowings (continued)

Changes in liabilities arising from financial activities

	Leases	Total liabilities from financing activities
Balance at beginning of the year	-	-
Recognised on adoption of AASB 16	-	-
New leases	734	734
Net increase / (decrease) in liabilities from administrative restructure	85,153	85,153
Interest expense	467	467
Other	(1,995)	(1,995)
30 June 2020	<u>84,359</u>	<u>84,359</u>

Recognition and measurement

Lease liability

Lease liability are determined in accordance with AASB 16. Refer note 13(a).

19. Current / non-current liabilities - provisions

(a) Employee benefits, related on-costs and other provisions

	2020 \$'000
Current	
Employee benefits and related on-costs	
Recreation leave	36,788
Long service leave	12,736
Payroll tax	5,421
Total employee benefits and related on-costs	<u>54,945</u>
Other provisions	
Restoration costs	1,138
Decontamination	9,225
Legal costs	6,240
Warranties and unrecoverable costs on works undertaken on behalf of other agencies	6,751
Other	1,994
Total other provisions	<u>25,348</u>
Total current provisions	<u>80,293</u>
Non-current	2020 \$'000
Employee benefits and related on-costs	
Long service leave	1,499
Recreation leave	-
Total employee benefits and related on-costs	<u>1,499</u>
Other provisions	
Restoration costs	<u>1,031</u>
Total other provisions	<u>1,031</u>
Total non-current provisions	<u>2,530</u>

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

19. Current / non-current liabilities - provisions (continued)

(a) Employee benefits, related on-costs and other provisions (continued)

Recreation leave

The liability at 30 June 2020 was \$37.6m. This is based on leave entitlements at 30 June 2020.

The value of recreational leave expected to be taken within 12 months is \$22.3m and \$15.3m after 12 months.

Long service leave

The liability at 30 June 2020 was \$13.6m. This is based on leave entitlements at 30 June 2020.

The value of long service leave expected to be taken within 12 months is \$2.1m and \$11.5m after 12 months.

Aggregate employee benefits and related on-costs

Provisions - current	54,945
Provisions - non-current	1,499
Accrued salaries, wages and on-costs (Note 18)	<u>3,824</u>
	<u>60,268</u>

2020
\$'000

Movements in provisions (other than employee benefits)

Restoration costs

Additional provisions recognised	46
Equity transfers - refer note 21	<u>2,123</u>
Carrying amount at 30 June 2020	<u>2,169</u>

Other provisions

Additional provisions recognised	8,173
Amounts used	(4,648)
Equity transfers - refer note 21	<u>20,685</u>
Carrying amount at 30 June 2020	<u>24,210</u>

Recognition and measurement

Employee benefits and related on-costs

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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of an approach using nominal annual leave plus annual leave on the nominal liability (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Department has assessed the actuarial advice based on the Department'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 entity does not expect to settle the liability within 12 months as the Department 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 Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

19. Current / non-current liabilities - 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

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

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the period has been 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) Other provisions

Provisions are recognised when the Department 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.

20. Current / non-current liabilities - Other

	2020 \$'000
Current	
Future works on behalf of other agencies	38,372
	<u>38,372</u>

Recognition and measurement

The Department recognises funds received or receivable at 30 June 2020 for works yet to be performed on behalf of other agencies as a current liability. These funds are likely to be used by the Department in the following financial year towards provision of goods and services, on behalf of other agencies. Refer note 3(b).

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

21. Equity

Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the revaluation of property, plant and equipment as discussed in note 12.

Accumulated funds

The category 'accumulated funds' includes current year's retained funds and transferred equity from DPIE.

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

	2020 \$'000
Transfer of assets and liabilities as a result of administrative restructures	<u>445,914</u>
	<u>445,914</u>

Recognition and measurement - equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure including not-for-profit and for-profit government entity are recognised by the transferor immediately prior to the restructure, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Department recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising an internally generated intangible the Department does not recognise that asset.

Land transfers are normally recognised at fair value through the Department upon transfer of control. In relation to transfers within state sector, control is normally taken to be transferred upon publication of the notice in the NSW Government Gazette.

The Department was established on 2 April 2020 under the Administrative Arrangements (Administrative Changes – Regional NSW and Independent Planning Commission) Order 2020 and Administrative Arrangements (Administrative Changes—Public Service Agencies) Amendment Order 2020.

The employees, functions, assets, rights and liabilities of the Regions, Industry, Agriculture, and Resources group, the NSW Resources Regulator from the Environment, Energy and Sustainability group, and identified employees and functions from the corporate groups within DPIE were transferred to the Department with effect from 2 April 2020.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

21. Equity (continued)

	DPIE & Total \$'000	Total \$'000
ASSETS		
Current assets		
Cash and cash equivalents	116,580	116,580
Receivables	125,582	125,582
Contract assets	3,334	3,334
Inventories	1,849	1,849
Biological assets	2,684	2,684
Total current assets	250,029	250,029
Non-current assets		
Receivables	3	3
Financial Assets at fair value	46	46
Property Plant and Equipment	402,587	402,587
Intangible assets	8,365	8,365
Biological assets	5,703	5,703
Right of use assets	82,231	82,231
Total non-current assets	498,935	498,935
Total assets	748,964	748,964
LIABILITIES		
Current liabilities		
Contract liabilities	-	-
Payables	109,449	109,449
Borrowings	897	897
Provisions	69,400	69,400
Other liabilities	37,233	37,233
Total current liabilities	216,979	216,979
Non-current liabilities		
Contract liabilities	-	-
Payables	1,458	1,458
Borrowings	82,441	82,441
Provisions	2,172	2,172
Total non-current liabilities	86,071	86,071
Total liabilities	303,050	303,050
NET ASSETS	445,914	445,914

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

21. Equity (continued)

	Period 1/07/2019 - 1/04/2020 DPIE \$'000	Period 2/04/2020 - 30/06/2020 DRNSW \$'000	Total \$'000
Expenses excluding losses			
Employee related expenses	279,103	106,825	385,928
Operating expenses	488,849	248,727	737,576
Depreciation and amortisation	14,948	7,057	22,005
Grants and subsidies	145,795	208,208	354,003
Finance costs	48	467	515
Total expenses excluding losses	928,743	571,284	1,500,027
Revenue			
Appropriation (net of transfer payments)	-	172,758	172,758
Sale of goods and services	441,337	37,030	478,367
Investment revenue	1,286	578	1,864
Retained taxes, levies, fees and fines	71,531	17,887	89,418
Personnel services revenue	10,226	2,109	12,335
Grants and contributions	83,961	354,776	438,737
Other revenue	3,916	20,207	24,123
Acceptance by the Crown Entity of employee benefits and other liabilities	7,997	6,731	14,728
Total revenue	620,254	612,076	1,232,330
Gain/ (loss) on disposal	(986)	274	(712)
Other gains /(losses)	77	736	813
Net result	(309,398)	41,802	(267,596)

22. Commitments for expenditure

(a) Capital Commitments

	2020 \$'000
Aggregate capital expenditure for the acquisition of non-current assets contracted for at balance date and not provided for:	
Not later than one year	5,331
Later than one year and not later than five years	1,051
Later than five years	-
Total (including GST)	6,382

Grant revenue of \$90 million has been received from Office of Emergency Management as at 30 June 2020 and there is a schedule of payments planned for July 2020 for expense incurred in accordance with the grant conditions.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

23. Contingent liabilities and contingent assets

(a) Contingent liabilities

There are a number of claims against the Department. As at 30 June 2020 these included:

- 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.
- Many regulatory prosecutions (including, but not limited to, prosecutions under the Fisheries Management Act 1994 and the Game and Feral Animal Control Act 2002) on foot at the end of the period where the outcome is uncertain.

It is possible a costs order could be made against the Department in any of these matters. It is not practicable to accurately estimate the amount of the potential costs orders and/or potential legal costs in those matters.

(b) Contingent assets

The Department is not aware of any contingent assets.

24. Budget

The Department was created on 2 April 2020, after the presentation of the 2019-20 State Budget to the Parliament. In preparing these financial statements, budget information, including budget review is not presented because AASB1055 Budgetary Reporting is not applicable to the Department for 2019-20.

25. Reconciliation of cash flows from operating activities to net result

	2020 \$'000
Reconciliation of cash flows from operating activities to net result as reported in the statement of comprehensive income as follows:	
Net cash flows from operating activities	47,586
Depreciation and amortisation	(7,057)
Finance costs	(467)
Non-cash expenses	-
Non-cash grants	-
Gain/(loss) on disposal of property, plant and equipment	274
Increase / (decrease) in receivables	45,589
Increase / (decrease) in inventories	(1,516)
Increase / (decrease) in contract assets	2,099
Decrease / (increase) in creditors	(32,316)
Decrease / (increase) in provisions	(11,251)
Decrease / (increase) in other liabilities	(1,139)
Net result	<u>41,802</u>

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

26. Financial instruments

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

The Department's main risks arising from financial instruments are outlined below, together with the Department'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 the risks faced by the Department's, to set risk limits and controls and to monitor risks. Compliance is reviewed by the Audit and Risk Committee.

(a) Financial instrument categories

	Note	Category	2020 \$'000
Class:			
Financial Assets			
Cash and cash equivalents	6	Amortised cost	149,913
Receivables ¹	7	Amortised cost	149,068
Contract assets ³	8		5,433
Financial assets at fair value	9	Fair value through profit and loss	40
			<u>304,454</u>
Class:			
Financial Liabilities			
Payables ²	17	Financial liabilities measured at amortised cost	143,195
Borrowings	18	Financial liabilities measured at amortised cost	84,359
Contract liabilities	8		-
Other	20	Financial liabilities measured at amortised cost	-
			<u>227,554</u>

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

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

³ 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 Department determine the classification of its financial assets and liabilities after initial recognition and when allowed and appropriate, re-evaluates this at each financial year end.

(b) De-recognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Department 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 Department has transferred substantially all the risks and rewards of the asset; or
- the Department has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Department 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 Department 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 Department's continuing involvement in the asset. In that case, the Department 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 Department has retained.

26. Financial instruments (continued)

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 Department could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

(i) Credit Risk

Credit risk arises when there is the possibility of the counter party defaulting on their contractual obligations, resulting in a financial loss to the Department. 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 Department, including cash, receivables, authority deposits and advances receivable. No collateral is held by the Department. The Department has not granted any financial guarantees.

Credit risk associated with the Department'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 (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables – trade receivables

Accounting policy for impairment of trade receivables and other financial assets

Collectability of trade receivables are on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand where necessary.

The Department 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. Refer note 7.

Trade receivables are written off when there is no reasonable expectation of recovery.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

26. Financial instruments (continued)

The loss allowance for trade receivables as at 30 June 2020, was determined as follows:

	Current	<30 days	30- 60 days	61 - 90 days	> 91 days	Total
Expected credit loss rate	1.80%	79.30%	2.70%	3.70%	5.60%	
Estimated total gross carrying amount at default	89,119	244	2,132	538	4,218	96,251
Expected credit loss	1,639	194	57	20	234	2,144

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 7.

The Department is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2020.

Authority deposits

The Department has no funds placed on deposit with TCorp.

(d) Financial risks (continued)

(ii) Liquidity Risk

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department 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 period there were no defaults or breaches of borrowings. No assets have been pledged as collateral. The Department'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 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 Department is not materially exposed to concentration of credit risk to a single debtor or group of debtors as at 30 June 2020.

The table below summarises the maturity profile of the Department'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 interest rate	Interest rate exposure			Maturity dates			
		Nominal Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Bearing \$'000	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
Payables	-	143,195	-	-	143,195	143,195	-	-
Borrowings:								
Lease liabilities	2.21%	113,362	113,362	-	-	8,308	34,807	70,247
		256,557	113,362	-	143,195	151,503	34,807	70,247

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

Financial instruments (continued)

(d) 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 Department's exposures to market risk are primarily through interest rate risk on the Department's borrowings. The Department 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 Department 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 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 Department's interest bearing liabilities. The Department does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Department's exposure to interest rate risk is set out below.

	\$'000				
	Carrying Amount	Profit -1%	Equity	Profit +1%	Equity
Financial Assets					
Cash and cash equivalents	149,913	(1,499)	(1,499)	1,499	1,499
Receivables	149,068	(1,491)	(1,491)	1,491	1,491
Contract Assets	5,433	(54)	(54)	54	54
Financial assets at fair value	40	-	-	-	-
Financial Liabilities					
Payables	143,195	(1,432)	(1,432)	1,432	1,432
Borrowings	84,359	(844)	(844)	844	844
Other	-	-	-	-	-

(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.

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

26. Financial instruments (continued)

(d) Financial risks (continued)

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 Department 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 Department 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 Department recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

There were no transfers between level 1, 2 and 3 during the period ended 30 June 2020. Refer note 15.

27. Trust funds

(a) Minerals trust funds – deposits under the Mining Act 1992

Cash deposits are received in respect of various forms of titles issued under the provisions of the State's mining legislation. Such cash deposits are held by the Department during the currency of titles and are normally refunded to registered holders upon cessation, providing certain title conditions have been observed.

These monies have been excluded from the financial statements as the Department cannot use them for the achievement of its objectives.

Bank guarantees from various mining enterprises for the amount of \$3.0 billion are also held as at 30 June 2020.

	2020 \$'000
Refundable deposits balance at beginning of the period	84,886
Add: receipts	623
Less: refunds	<u>(657)</u>
Refundable deposits balance at the end of the period	<u>84,852</u>
Breakdown of the refundable deposits balance:	
Cash at the bank	86,497
Cash receivable from / (payable) to the Department	<u>(1,645)</u>
Total refundable deposits at the end of the period	<u>84,852</u>

Department of Regional NSW
Notes to the financial statements
for the period 2 April 2020 to 30 June 2020

28. Administered activities

a) Receipts and payments

The following income has been collected on behalf of the Crown Entity during 2019-20.

	2020 \$'000
Levies received	306,451
Payments	<u>(298,606)</u>
Payables	<u>7,845</u>

Refer note 1(d) for details on recognition and measurement policies.

b) Assets and liabilities

The following fees were received but not remitted and are payable to Crown at 30 June 2020:

	2020 \$'000
Administered assets	
Bank	<u>35,659</u>
	<u>35,659</u>
Administered liabilities	
Current	
Payables - NSW Treasury	(7,845)
Trade Creditors	(2,293)
Income In Advance	<u>(25,521)</u>
	<u>(35,659)</u>

The Department administers activities as follows: .

- Covid-19 security activities on behalf of NSW Treasury;
- cleaning activities on behalf of NSW Department of Education and
- mining activities for NSW government.

29. Related party disclosures

(a) Key management personnel compensation

The following are Department's key management personnel:

- Secretary of the Department;
- Deputy Secretary Corporate Services;
- Deputy Secretary Strategy, Delivery & Performance;
- Director General Primary Industries;
- Deputy Secretary Public Works Advisory & Regional Development,
- Deputy Secretary Resources & Geoscience

The combined compensation for the above-named personnel for 2 April 2020 to 30 June 2020 is as follows:

	2020 \$'000
Salaries	643
Other monetary allowances	<u>11</u>
Total remuneration	<u>654</u>

29. Related party disclosures (continued)

(b) Transactions with key management personnel

During the period, the Department did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

(c) Transactions with Government related entities

During the period, the Department entered into the following individually significant arms' length transactions with other entities that are controlled by the NSW Government;

- Appropriation of \$173 million received from the Consolidated Fund (note 3(a))
- Cluster grant funding of \$14.7 million was paid to agencies within the Regional Cluster (note 2(d)) and \$125.1 million paid to other NSW government entities.

The Department also entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions are conducted at arms-length and are not individually significant. This includes property leased from Property NSW, insurance arrangement with the NSW Self Insurance Corporation, corporate shared services and personnel services arrangements and certain employee benefits assumed by the Crown. Refer notes 2(a), 2(b), 2(d), 2(e), 3(a), 3(e), 3(f) and 3(h).

30. Events after the reporting period

The Department is continually assessing the impact of COVID-19 on the fair value of its non-current physical and financial assets. These assets include land, buildings, infrastructure, receivables, lease liabilities and lease assets. This was based on historical sales information, expectation of macroeconomic conditions and outlook at the time of assessment. Given continued uncertainty of the COVID-19 factor, there may be some new evidence that impacts the fair value assessment at 30 June 2020 materially.

The Department has applied a 2.5 percent wage increase in the calculation of leave provisions at 30 June 2020. The NSW government has initiated action to suspend the annual increase from 1 July 2020, which went before the Industrial Relations Commission (IRC). The IRC ruled a 0.3 percent wage increase. The 30 June 2020 financial statements do not include the impact of this change in wage increment rate, which is estimated to be not material.

There are no other known events that would impact on the state of the Department or have a material impact on the financial statements.

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Department of Regional NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Department of Regional NSW (the Department), which comprise the Statement of Comprehensive Income for the period 2 April 2020 to 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows, for the period then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information of the Department and the consolidated entity. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department and the consolidated entity as at 30 June 2020, and of their financial performance and cash flows for the period 2 April 2020 to 30 June 2020 in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Department and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the period 2 April 2020 to 30 June 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
Machinery of Government (MoG) changes	
<p>The Administrative Arrangements (Administrative Changes – Regional NSW and Independent Planning Commission) Order 2020, effective on 2 April 2020, created the Department.</p> <p>Certain functions and staff, together with associated assets and liabilities were transferred from the Department of Planning, Industry and Environment (DPIE) to the Department.</p> <p>I consider this to be a key audit matter because:</p> <ul style="list-style-type: none"> • the value of assets and liabilities transferred to the Department as a result of the MoG changes is financially significant to the Department • of the complexity and judgement involved in assessing the completeness and accuracy of the: <ul style="list-style-type: none"> – transfer of assets and liabilities at fair value – financial data extracted from DPIE’s key systems for the preparation of the Department’s financial statements – aggregation exercise undertaken by the Department of separate ledgers • MoG changes could significantly disrupt and create gaps in the Department’s internal control environments. 	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> • obtained an understanding of how: <ul style="list-style-type: none"> – staff, assets and liabilities were identified and transferred into the Department – financial data extracted from the systems was used to prepare the Department’s financial statements • assessed the reasonableness of the fair value of assets and liabilities transferred into the Department • reviewed delegation instruments to ensure they are up to date and reflect the Department’s structure • obtained inter-entity confirmations for transferred/ split functions, funds and activities • evaluated the designed and implementation of relevant controls over the aggregation process • reviewed the mapping of general ledger accounts between trial balances for consistency • reviewed the appropriateness of the disclosures in the financial statements arising from the MoG changes.
<p>Details on the MoG changes and the recognition and measurement of assets and liabilities are disclosed in Note 1(a) and Note 21 respectively.</p>	
Implementation of AASB 16 ‘Leases’	
<p>The Department adopted the new Australian Accounting Standard AASB 16 ‘Leases’ for the first time in 2019–20. The Department has recognised:</p> <ul style="list-style-type: none"> • right-of-use assets of \$78.1 million and lease liabilities of \$84.4 million at 30 June 2020 • a \$3.0 million impairment loss against its right-of-use assets for the period 2 April 2020 to 30 June 2020. <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> • right-of-use assets and lease liabilities are financially significant to the Statement of Financial Position • the recognition and measurement of leases including lease payments, lease extension options, discount rates, and impairment involved significant management judgements and assumptions 	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> • evaluated the design and implementation of key controls over leases processes and systems • tested the completeness, validity and accuracy of lease data in the lease calculations • reviewed the reasonableness of methodologies, management judgements and assumptions in the lease calculations including impairment • tested the mathematical accuracy of the lease calculations including impairment • assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and NSW Treasurer’s Directions.

Key Audit Matter**How my audit addressed the matter**

- of the extent of leasing information that impacts on the complete and accurate recognition and measurement of leases.

A description of the key assumptions and judgements is disclosed in Note 13.

Other Information

The Department's annual report for the period 2 April 2020 to 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Secretary of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the signed statement by the Secretary.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Secretary's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Department and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf. 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 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

16 November 2020
SYDNEY



Appendices
2019-20

APPENDIX 1: Legal

Acts Administered

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

Australian Oil Refining Agreements Act
1954 No 34

Coal Acquisition Act 1981 No 109

Coal Industry Act 2001 No 107

Coal Innovation Administration Act 2008 No
50

Coal Ownership (Restitution) Act 1990 No 19

Community Welfare Act 1987 No 52, Part 5
and any other provisions of that Act in so far
as they relate to functions under Part 5, jointly
with the Premier and the Minister for Police
and Emergency Services

Forestry Act 2012 No 96 (except Parts 5A
and 5B, jointly with the Minister for Energy
and Environment)

Growth Centres (Development Corporations)
Act 1974 No 49, in so far as it relates to the
Regional Growth NSW Development
Corporation

*Mine and Petroleum Site Safety (Cost
Recovery) Act 2005* No 116

Mining Act 1992 No 29 (except section 293,
the Attorney General, and Minister for the

Prevention of Domestic Violence)

Offshore Minerals Act 1999 No 42

Petroleum (Offshore) Act 1982 No 23

Petroleum (Onshore) Act 1991 No 84

Plantations and Reafforestation Act 1999 No
97

Regional Development Act 2004 No 58

Snowy Hydro Corporatisation Act 1997 No 99

*State Emergency and Rescue Management
Act 1989* No 165, in so far as it relates to
emergency recovery, jointly with the Premier
and the Minister for Police and Emergency
Services

*Uranium Mining and Nuclear Facilities
(Prohibitions) Act 1986* No 194

*Very Fast Train (Route Investigation) Act
1989* No 44, jointly with the Minister for
Planning and Public Spaces

Visy Mill Facilitation Act 1997 No 139

*Work Health and Safety (Mines and
Petroleum Sites) Act 2013* No 54

Minister for Agriculture and Western New South Wales

*Agricultural and Veterinary Chemicals (New
South Wales) Act 1994* No 53

Agricultural Industry Services Act 1998 No 45

*Agricultural Livestock (Disease Control
Funding) Act 1998* No 139

*Agricultural Scientific Collections Trust Act
1983* No 148

Animal Research Act 1985 No 123

Biological Control Act 1985 No 199

Biosecurity Act 2015 No 24

Border Fence Maintenance Act 1921 No 17

*C.B. Alexander Foundation Incorporation Act
1969* No 61

Exhibited Animals Protection Act 1986 No
123

Farm Debt Mediation Act 1994 No 91

Farm Water Supplies Act 1946 No 22

*Farrer Memorial Research Scholarship Fund
Act 1930* No 38

Fisheries Act 1935 No 58

Fisheries Management Act 1994 No 38

Food Act 2003 No 43

Game and Feral Animal Control Act 2002 No
64

*Gene Technology (GM Crop Moratorium) Act
2003* No 12

*Gene Technology (New South Wales) Act
2003* No 11

Hemp Industry Act 2008 No 58

Local Land Services Act 2013 No 51 (except
Part 11 and Divisions 2 and 3 of Part 12,
jointly with the Minister for Energy and
Environment)

Marine Estate Management Act 2014 No 72, jointly with the Minister for Energy and Environment
Meat Industry Act 1978 No 54
Poppy Industry Act 2016 No 37
Prevention of Cruelty to Animals Act 1979 No 200, jointly with the Minister for Local Government
Rice Marketing Act 1983 No 176

Legal change (1 April 2020 – 30 June 2020)

New legislation

Nil

Amending legislation

Amendments to the *Fisheries Management Act 1994* made by the *COVID-19 Legislation Amendment (Emergency Measures- Miscellaneous) Act 2020*

Amendments to the *Mining Act 1992* made by the *COVID-19 Legislation Amendment*

Right to Farm Act 2019 No 15
Rural Assistance Act 1989 No 97
Soil Conservation Act 1938 No 10 (except parts, jointly with the Minister for Energy and Environment)
Stock Medicines Act 1989 No 182
Sydney Market Authority (Dissolution) Act 1997 No 52
Veterinary Practice Act 2003 No 87
(Emergency Measures- Miscellaneous) Act 2020

New Regulations

Nil

Amending Regulations

Forestry Amendment (Transitional Arrangements) Regulation 2020

Veterinary Practice Amendment Regulation 2020

Legislation and Legal Changes

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

Australian Oil Refining Agreements Act 1954 No 34 – No change;

No principal regulations, rules or other instruments are available for this Act.

Coal Acquisition Act 1981 No 109 – No change

Coal Acquisition (Compensation) Arrangements 1985 – no change

Coal Acquisition (Re-acquisition Arrangements) Order 1997 – no change

Coal Industry Act 2001 No 107 – No change

Coal Industry (Joint Coal Board Employees' Superannuation) Transitional Regulation 2002 – no change

Coal Industry Regulation 2011 – no change

Coal Innovation Administration Act 2008 No 50 – no change;

No principal regulations, rules or other instruments are available for this Act.

Coal Ownership (Restitution) Act 1990 No 19 – no change

No principal regulations, rules or other instruments are available for this Act.

Community Welfare Act 1987 No 52, Part 5 and any other provisions of that Act in so far as they relate to functions under Part 5, jointly with the Premier and the Minister for Police and Emergency Services – no change;

No principal regulations, rules or other instruments are available for this Act.

Forestry Act 2012 No 96 (except Parts 5A and 5B, jointly with the Minister for Energy and Environment) - amended by 2020 (240) Forestry Amendment (Transitional Arrangements) Regulation 2020. LW 5.6.2020. Date of commencement, on publication on LW, cl 2.

Forestry (Designation of Regulatory Authority for Private Native Forestry) Order 2018-current – no change

Forestry Regulation 2012 – no change

Growth Centres (Development Corporations) Act 1974 No 49, in so far as it relates to the Regional Growth NSW Development Corporation – no change

Growth Centres (Development Corporations) Savings and Transitional Regulation 2009 – no change

Mine and Petroleum Site Safety (Cost Recovery) Act 2005 No 116 – no change

Mine and Petroleum Site Safety (Cost Recovery) Regulation 2019 – no change

Mining Act 1992 No 29 (except section 293, the Attorney General, and Minister for the Prevention of Domestic Violence) – amended by 2020 No 5 COVID-19 Legislation Amendment (Emergency Measures—Miscellaneous) Act 2020. Assented to 14.5.2020. Date of commencement of Sch 1.22, assent, sec 2(1).

Mining Regulation 2016 – no change

Offshore Minerals Act 1999 No 42 – no change

Offshore Minerals Regulation 2013 – no change

Petroleum (Offshore) Act 1982 No 23 – no change

Petroleum (Offshore) Regulation 2016 – no change

Petroleum (Onshore) Act 1991 No 84 – no change

Petroleum (Onshore) Regulation 2016 – no change

Plantations and Reafforestation Act 1999 No 97 – no change

Plantations and Reafforestation (Code) Regulation 2001 – no change

Regional Development Act 2004 No 58 – no change

Regional Development Regulation 2018 – no change

Snowy Hydro Corporatisation Act 1997 No 99 – no change

Snowy Hydro Corporatisation Regulation 2019 – no change

State Emergency and Rescue Management Act 1989 No 165, in so far as it relates to emergency recovery, jointly with the Premier and the Minister for Police and Emergency Services – no change

No principal regulations, rules or other instruments are available for this Act.

Uranium Mining and Nuclear Facilities (Prohibitions) Act 1986 No 194 – no change

No principal regulations, rules or other instruments are available for this Act.

Very Fast Train (Route Investigation) Act 1989 No 44, jointly with the Minister for Planning and Public Spaces – no change

No principal regulations, rules or other instruments are available for this Act.

Visy Mill Facilitation Act 1997 No 139 – no change

No principal regulations, rules or other instruments are available for this Act.

Work Health and Safety (Mines and Petroleum Sites) Act 2013 No 54 – no change

Work Health and Safety (Mines and Petroleum Sites) Regulation 2014 – no change

Minister for Agriculture and Western New South Wales

Agricultural and Veterinary Chemicals (New South Wales) Act 1994 No 53 – no change

Agricultural and Veterinary Chemicals (New South Wales) Regulation 2015 – no change

Agricultural Industry Services Act 1998 No 45 – no change

Agricultural Industry Services Regulation 2015 – no change

Agricultural Livestock (Disease Control Funding) Act 1998 No 139 – no change

Agricultural Livestock (Disease Control Funding) Regulation 2016 – no change

Agricultural Scientific Collections Trust Act 1983 No 148 – no change

No principal regulations, rules or other instruments are available for this Act.

Animal Research Act 1985 No 123 – no change

Animal Research Regulation 2010 – no change

Biological Control Act 1985 No 199 – no change

No principal regulations, rules or other instruments are available for this Act.

Biosecurity Act 2015 No 24 – no change

Biosecurity (National Livestock Identification System) Regulation 2017 – no change

Biosecurity Order (Permitted Activities) 2019 – no change

Biosecurity Regulation 2017 – no change

Border Fence Maintenance Act 1921 No 17 – no change

Border Fence Maintenance Regulation 2018 – no change

C.B. Alexander Foundation Incorporation Act 1969 No 61 – no change

No principal regulations, rules or other instruments are available for this Act.

Exhibited Animals Protection Act 1986 No 123 – no change

Exhibited Animals Protection Regulation 2010 – no change

Farm Debt Mediation Act 1994 No 91 – no change

No principal regulations, rules or other instruments are available for this Act.

Farm Water Supplies Act 1946 No 22 – no change

No principal regulations, rules or other instruments are available for this Act.

Farrer Memorial Research Scholarship Fund Act 1930 No 38 – no change

No principal regulations, rules or other instruments are available for this Act.

Fisheries Act 1935 No 58 – no change

No principal regulations, rules or other instruments are available for this Act.

Fisheries Management Act 1994 No 38

amended by 2020 No 5 *COVID-19 Legislation Amendment (Emergency Measures—Miscellaneous) Act 2020*.

Assented to 14.5.2020. Date of commencement of Sch 1.14, assent, sec 2(1).

Fisheries Management (Abalone Share Management Plan) Regulation 2000 - no change

Fisheries Management (Aquaculture) Regulation 2017 – no change

Fisheries Management (Authority to Fish Silver Perch) Order 2007 – no change

Fisheries Management (Estuary General Share Management Plan) Regulation 2006 – no change

Fisheries Management (Estuary Prawn Trawl Share Management Plan) Regulation 2006 – no change

Fisheries Management (Fishing Activities in Lowland Darling River Catchment) Order 2011 – no change

Fisheries Management (Fishing Activities in Lowland Lachlan River Catchment) Order 2011 – no change

Fisheries Management (General) Regulation 2019 – no change

Fisheries Management (Lobster Share Management Plan) Regulation 2000 – no change

Fisheries Management (Murray Crayfish) Order 2014 – no change

Fisheries Management (Ocean Hauling Share Management Plan) Regulation 2006 – no change

Fisheries Management (Ocean Trap and Line Share Management Plan) Regulation 2006 – no change

Fisheries Management (Ocean Trawl Share Management Plan) Regulation 2006 – no change

Fisheries Management (Recreational Fishing in Snowy River Catchment) Order 2016 – no change

Fisheries Management (Southern Bluefin Tuna) Order 2014 – no change

Fisheries Management (Supporting Plan) Regulation 2006 – no change

Food Act 2003 No 43 – no change

Food Regulation 2015 – no change

Game and Feral Animal Control Act 2002 No 64 – no change

Game and Feral Animal Control Regulation 2012 – no change

Gene Technology (GM Crop Moratorium) Act 2003 No 12 – no change

No principal regulations, rules or other instruments are available for this Act.

Gene Technology (New South Wales) Act 2003 No 11 – no change

No principal regulations, rules or other instruments are available for this Act.

Hemp Industry Act 2008 No 58 – no change

Hemp Industry Regulation 2016 -no change

Local Land Services Act 2013 No 51 (except Part 11 and Divisions 2 and 3 of Part 12, jointly with the Minister for Energy and Environment) – no change

Land Management (Native Vegetation) Code 2018 – no change

Local Land Services Regulation 2014 – no change

Marine Estate Management Act 2014 No 72, jointly with the Minister for Energy and Environment – no change

Marine Estate Management (Management Rules) Regulation 1999 – no change

Marine Estate Management Regulation 2017 – no change

Meat Industry Act 1978 No 54 – no change

Meat Industry (Meat Industry Levy) Regulation 2016 – no change

Poppy Industry Act 2016 No 37 – no change

Poppy Industry Regulation 2016 – no change

Prevention of Cruelty to Animals Act 1979 No 200, jointly with the Minister for Local Government – no change

Prevention of Cruelty to Animals Regulation 2012 – no change

Rice Marketing Act 1983 No 176 – no change

Rice Marketing Regulation 2015 – no change

Right to Farm Act 2019 No 15 – no change

No principal regulations, rules or other instruments are available for this Act.

Rural Assistance Act 1989 No 97 – no change

Rural Assistance Regulation 2016 – no change

Soil Conservation Act 1938 No 10 (except parts, jointly with the Minister for Energy and Environment) – no change

No principal regulations, rules or other instruments are available for this Act.

Stock Medicines Act 1989 No 182 – no change

Stock Medicines Regulation 2019 – no change

Sydney Market Authority (Dissolution) Act 1997 No 52 – no change

No principal regulations, rules or other instruments are available for this Act.

Veterinary Practice Act 2003 No 87 – no change

Veterinary Practice Regulation 2013 amended 2020 (130) *Veterinary Practice Amendment Regulation 2020*. LW 3.4.2020. Date of commencement, on publication on LW, cl 2.

APPENDIX 2: Finance, Public Interest Disclosure, Risk and Insurance

2.1 Public Interest Disclosures

The *Public Interest Disclosure Act 1994* (PID Act) requires government agencies to report every six months to the Ombudsman on Public Interest Disclosures and to include this information in their annual report.

The Department of Regional NSW came into effect from 2 April 2020 as a result of a Machinery of Government change. Prior to 2 April, the former Regions, Industry, Agriculture and Resources group were part of the Department of Planning, Industry and Environment (DPIE). While no PID's have been reported since 2 April 2020, three (3) Regional NSW related PID's were transitioned as at 2 April 2020. This report covers those public interest disclosures that are progressing under the management of the Department of Regional NSW.

Table 3. Summary of PID's Transitioned 1 April 2020

Disclosures	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PID's
Number of public officials who have a disclosure to the agency	0	0	3
Number of public interest disclosure received by our agency	0	0	3
Of public interest disclosures received, the following were about:	0	0	0
• corrupt conduct	0	0	3
• maladministration	0	0	0
• serious and substantial waste	0	0	0
• government information contravention	0	0	0
Total number of PID's	0	0	3
Number of PID's subsequently finalised	0	0	0

2.2 Risk Management Activities

The Department of Regional NSW was in transition from Department of Planning, Industry and Environment (DPIE) during the reporting period, and during this period DPIE Risk management principles and processes were used.

As part of the transitional arrangements the department maintained divisional risk registers that considered the strategic and operational risks inherent in day-to-day business activities. We identified and monitored current controls as well as proposed risk mitigation initiatives to minimise uncertainty and to improve our programs and services.

A fit for purpose Risk Management Framework is under development and will be implemented in 2020/21. The framework will meet the requirements of NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03).

Risk management is integrated with the following business and decision-making activities, including:

- work, health and safety
- program and project management
- procurement and purchasing
- business continuity and emergency management planning
- fraud and corruption prevention
- internal audit.

Privacy and personal information protection

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.

Under transitional arrangements the Department operated under the DPIE Privacy Management Plan (PMP). This outlines compliance with the principles of the PPIP Act and the *Health Records and Information Privacy Act 2002*. Officers in the Department's Governance, Risk and Compliance Team provide specialist privacy advice and training to departmental staff. The Department will develop its own PMP in 2020-21.

In 2019-20, the Department received one application for a privacy internal review under section 53 of the PPIP Act.

The Department's findings showed that there was a breach, although the breach was minor in nature. In line with section 54 of the PPIP Act, the Department gave the Privacy Commissioner the opportunity to make submissions. The commissioner did not make any adverse findings or recommendations against the Department's review.

Public access to government information

***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 2009 (GIPA Regulation) also provides further requirements about the content to be included in the annual report.

Review of proactive release program

Under section 7(3) of the GIPA Act and clause 8(a) of the GIPA Regulation, agencies must review their program for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months. The Department will undertake the review and report on its proactive release program for its first full year of operations in 2020/21.

Access applications and statistical information

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

Six GIPA application were transferred to the Department at its establishment, 2 April 2020, from DPIE. A further 24 applications were received and processed by the Department, whilst six applications were deemed invalid and did not progress in 2019-20.

Refer to **Table 4** to I 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 Government Information (Public Access) Regulation 2018. 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 4. 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	0	0	0	0	0	0	0	0
Members of Parliament	1	0	0	0	0	0	0	0
Private sector business	3	1	0	1	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	2	2	0	0	0	0	0	0
Members of the public (other)	0	3	1	0	0	1	0	0
Total	6	6	1	1	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 in relation to each such decision. This also applies to **Table 5**.

Table 5. 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	0	0	0
Access applications (other than personal information applications)	4	5	1	1	0	1	0	0
Access applications that are partly personal information applications and partly other	2	1	0	0	0	0	0	0
Total	6	6	1	1	0	1	0	0

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

Table 6. Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	6
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	6
Invalid applications that subsequently became valid applications	0

Table 7. Conclusive presumption of overriding public interest against disclosure: Matters listed in Schedule 1 of the Act

Consideration	Number of times consideration used*
Overriding secrecy laws	1
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
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
Total	2

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to *Table 8*.

Table 8. Other public interest considerations against disclosure: Matters listed in table to section 14 of the Act

Consideration	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0
Total	6

Table 9. Timeliness

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	12
Decided after 35 days (by agreement with applicant)	5
Not decided within time (deemed refusal)	0
Total	17

Table 10. Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

Type of review	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	1	1	2
Total	1	2	3

* 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 11. Applications for review under Part 5 of the Act (by type of applicant)

Type of applicant	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table 12. Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Type of transfer	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	1

NSW Cyber Security Policy Attestation - Annual Report 2019-20



Cyber Security Annual Attestation Statement for the 2019/2020 Financial Year for Department of Regional NSW (since April 2020)

I, Gary Barnes, believe the Department of Regional NSW (DRNSW) have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

DRNSW was formed from DPIE in April 2020. DPIE provides DRNSW with its ICT environment through a Service Partnership Agreement. DPIE has responsibility for the technical aspects of cybersecurity on behalf of DRNSW.

Governance is in place to manage the cybersecurity maturity and initiatives of the Department of Regional NSW.

Risks to the information and systems of the Department of Regional NSW have been assessed and are managed.

There exists a current cyber incident response plan for DRNSW which has been tested during the reporting period of 2 April 2020 – 30 June 2020.

DPIE has maintained certified compliance with ISO 27001 Information Technology - Security Techniques - Information Security Management Systems – Requirements. This certification was provided by an Accredited Third Party (BSI) during the 2019/2020 financial year (Certificate Number is IS 645082).

This attestation covers the following departments and agencies:

- Department of Regional NSW
- Agricultural Scientific Collections Trust
- Belgenny Farm Agricultural Heritage Centre Trust
- Biological Control Authority
- Border Fence Maintenance Board
- C.B. Alexander Foundation
- Coal Innovation NSW
- Coal Services NSW
- Exhibited Animals Advisory Committee
- Fisheries Administration Ministerial Corporation
- Local Land Services Local Land Services Boards
- Local Land Services Staff Agency

- Mcgarvie Smith Institute Trustees
- Mining and Petroleum Competence Board
- NSW Food Authority NSW Rural Assistance Authority
- Regional Growth NSW Development Corporation
- Rice Marketing Board
- Soil Conversation Commission of NSW
- Trustees of the Farrer Memorial Research Scholarship Fund
- Veterinary Practitioners Board
- Wine Grapes Marketing Board



Gary Barnes

Secretary

Department of Regional NSW

2.3 Insurance activities

Business risk insurance

The former department was insured through the Treasury Managed Fund, a NSW Government self-insurance scheme. The claims management partner for Treasury Managed Fund general lines of insurance is Gallagher Bassett and workers compensation insurance is managed through Allianz. Insurable risk exposures covered through the Treasury Managed Fund include property, liability, motor vehicle and workers compensation.

Table 13. Summary of claims paid by the Treasury Managed Fund during 2019-20

Insurance category	Policy No.	Group name ⁽⁵⁾	Number of claims from 1 July 2019 to 30 June 2020	Sum of net incurred cost from 1 July 2019 to 30 June 2020 ⁽¹⁾	Sum of amount paid from 1 July 2019 to 30 June 2020 ⁽²⁾	Reserve balance from 1 July 2019 to 30 June 2020 ⁽³⁾	Sum of amount recovered from third party from 1 July 2019 to 30 June 2020 ⁽⁴⁾
Property	MF100030	Department of Primary Industries (DPI)	35	\$3,182,537.15	\$310,119.95	\$2,872,417.20	0
Subtotals				\$4,620,542.57	\$671,043.40	\$3,535,620.3	0
Liability	MF100029	DPI	Nil	0	0	0	0
Subtotals				\$91,042.88	\$17,699.03	\$73,375.95	
Miscellaneous	MF100031	DPI	Nil	0	0	0	0
Subtotals				\$1,129.00	\$1,129.00	0	0
Motor	MF100028	DPI	120	\$471,030.37	\$397,331.38	\$73,698.99	\$26,635.72
	MF100192	PWA	13	\$122,672.00	\$122,672.00	0	\$8,229.00

Insurance category	Policy No.	Group name	Number of claims from 1 July 2019 to 30 June 2020	Sum of net incurred cost from 1 July 2019 to 30 June 2020 ⁽¹⁾	Sum of amount paid from 1 July 2019 to 30 June 2020 ⁽²⁾	Reserve balance from 1 July 2019 to 30 June 2020 ⁽³⁾	Sum of amount recovered from third party from 1 July 2019 to 30 June 2020 ⁽⁴⁾
Subtotals			133	\$593,702.37	\$520,003.38	\$73,698.99	\$34,864.72
Workers Compensation	WC900267	DPI	65	\$499,379.45	\$221,612.97	\$277,766.48	0
	WC900308	PWA	6	\$129,309.05	\$73,727.51	\$55,581.54	0
		NSW Resources Regulator and Mining, Exploration & Geoscience	8	\$185,997.14	\$142,477.39	\$43,519.76	
Subtotals				\$814,685.64	\$437,817.87	\$376,867.78	0

1. Sum of net incurred cost: Total estimate on the claim at the time the claim is submitted to iCare
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
5. Only amounts paid under separate policies are disclosed below. Amounts paid for Mining, Exploration and Geoscience, NSW Resources Regulator and Regional Development were included in consolidated policies paid for by the Department of Planning, Industry and Environment

2.4 Payment of Accounts

Payment of accounts and time for payment

The Department of Regional NSW came into effect from 2 April 2020 as a result of a Machinery of Government change. Prior to 2 April, the former Regions, Industry, Agriculture and Resources group were part of the Department of Planning, Industry and Environment (DPIE). This report covers those payment of accounts and time for payment under the management of the Department of Regional NSW.

In 2019–20, based on the value of payments, the Department of Regional NSW paid 92.8% of the amount due on time.

The department actively promoted the NSW Government policy of adopting purchase cards for the payment of low dollar-value transactions. The department's policy was to use purchase cards for all but a limited number of expense categories, where the supplier accepted purchase cards and the transaction was \$5,000 or less in value. While this payment method resulted in immediate payment to supplier, it is not included in the analysis of payments made through our accounts payable system.

The department routinely provided advice to suppliers to help them follow the correct procedure for ensuring payments were made promptly. This included giving each new supplier an induction letter.

Small business payment performance

Pursuant to the NSW Government policy related to payments to small businesses, the department has a monthly process to identify and flag small business suppliers who have registered with The Office of the Small Business Commissioner. In December 2019 the department reduced the payment term for small businesses suppliers from 20 days to 5 days in line with the Faster Payment Terms policy, which is aimed at improving the speed of payments to registered small businesses.

In the 2019-20 financial year, 67.1 percent (excluding immediate payments made by purchase cards) of invoices received from small business suppliers were paid on time, this result is largely a result of adjusting to the new 5-day payment term as reflected below in **Table 15**.

Based on value, the department paid 64.3% of registered small businesses suppliers on time in the April 2 to June 30 2019-20 financial period, there is no comparative period.

Penalty interest payments

There have been zero interest penalty payments made during 2019–20,. Initiatives to improve payment performance include:

- a continued focus on the transfer of suitable payments to purchase cards for low-value purchases, reducing the volume of payments that need to be entered manually
- continued communication with suppliers and internal staff to ensure they are familiar with our current procedures
- a review of the accounts payable process with the aim of increasing automation to further reduce the volume of manual processes
- implementation of the new Faster Payment Terms (FPT) policy, including a 20-day payment term for registered small business suppliers, which will be reduced to five business days in December 2019.

Aged analysis of payments made by payment quarter

Below is a schedule of the dollar amount of payments made during 2019-20 by the Department of Regional NSW. Also included is the time taken for these documents to be paid, compared against their due date.

Table 14. Payments by quarter to all suppliers

Measure	Invoices due for payment	Invoice paid on time	Percentage paid on time	Amount due for payment	Amount paid on time	Percentage paid on time	Number of payments of interest on overdue account	Interest paid on late accounts
*June 2020	42,804	40,267	94.1%	1,724,079,446	1,662,611,876	96.4%	0	0

Payments include the Department of Planning, industry and Environment

Table 15. Payments by quarter to small business

Measure	Invoices due for payment	Invoice paid on time	Percentage paid on time	Amount due for payment	Amount paid on time	Percentage paid on time	Number of payments of interest on overdue account	Interest paid on late accounts
*June 2020	3,221	2,195	68.1%	28,564,705	18,362,521	64.3	0	0

Payments include the Department of Planning, industry and Environment

2.5 Consulting Fees

The below **Table 16** outlines the consulting fees over \$50,000 paid during the period 2 April 2020 to 30 June 2020 and **Table 17** outlines the number and total amount paid of consulting engagements less than \$50,000 during the period 2 April 2020 to 30 June 2020

Table 16. Consulting Fees Over \$50,000

Consultancy Fees Over \$50,000		
NAME OF CONSULTANT	TITLE OF THE PROJECT WORK	AMOUNT
Deloitte Access Economics P/L	Snowy Hydro Program	409,444
Deloitte Financial Advisory P/L	Office of Deputy Secretary	196,575
SMEC Australia P/L	Snowy Hydro Program	109,192

Consultancy Fees Over \$50,000		
NAME OF CONSULTANT	TITLE OF THE PROJECT WORK	AMOUNT
Horticulture Innovation Australia Ltd	CR Xylelia fastidiosa threat preparedness	90,000
Elton Consulting	Economic Activation Programs	77,338
WSP Australia P/L	DPI Waratah Road Site Remediation	77,085
International Economics P/L	Snowy Hydro Program	56,670
Food Agility CRC Limited	CR Research Excellence Strategic Man.	50,000

Table 17. Consulting Fees Under \$50,000

Consultancy Fees Under \$50,000	
Total number of engagements:	111
Total cost of engagements:	\$964,696

2.6 Funds Granted to Non-Government Community Organisations

Table 18. Funds granted to non-government community organisations

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
ANDREW LOVE	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	150,000
IAN LUCK	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	150,000
JAYDEN CLERY	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	150,000
NEIL MCDONALD	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	150,000
ROBERT FULTON	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	150,000
RUSSELL ROLFE	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	100,000
ELVIS TUI	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	90,000
EINAR TITTERNESS	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	75,000
HENRY LENNON	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	75,000
JOSEPH O'GARA	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	75,000
NORMAN WALKER	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	75,000
RON LOVE	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	75,000
SEMISI TUI-DOW	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	75,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
DARRIN DRUMMOND	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	30,000
DARRYN SMITH	Growth, development and wellbeing in regional NSW	Blue Ridge Hardwoods worker support	30,000
FORESTRY CORPORATION OF NSW	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	66,000
ARDROSSAN NURSERIES	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	53,400
D.P DUFFY & W.C DUFFY & W.P DUFFY	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	46,500
TTF THE NED'S PROPERTY TRUST	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	43,500
SIMON P & MARGARET TADROSSE	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	27,900
BATLOW FRUIT CO-OPERATIVE LTD	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	20,950
BRONTE PASTORAL COMPANY P/L	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	18,000
TTF TNT PRODUCE TRUST	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	18,000
NIGHTINGALE BROS P/L	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	16,300
J.R CUPITT & V.L CUPITT	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	15,000
HARVEST COVE P/L	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	13,500
M.H. & S.M. SMART P/L	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	12,308
J.J SALIBA & L SALIBA	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	12,000
J.J SALIBA & L SALIBA	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	12,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
STEPHENIE JEAN BAILEY	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	10,723
ION COPACEANU	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	8,350
MOUAT'S FARM	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	6,000
ZA FRUIT P/L	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	6,000
J.R CUPITT & V.L CUPITT	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	4,420
BILPIN BLOSSOM FARM	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	3,000
GUEVGELI ORCHARDS	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	3,000
MASGRA P/L	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	3,000
WILGRO ORCHARD	Growth, development and wellbeing in regional NSW	Bushfire Clean Up - Damaged Orchards	2,727
THE BOSTON CONSULTING GROUP P/L	Growth, development and wellbeing in regional NSW	Bushfire Community Resilience & Recovery	250,000
ERNST & YOUNG	Growth, development and wellbeing in regional NSW	Bushfire Community Resilience & Recovery	124,000
CONFEDERATION OF AUSTRALIAN MOTOR S	Growth, development and wellbeing in regional NSW	Bushfire Community Resilience & Recovery	100,000
UPSTAIRS REGIONAL INCUBATOR BATHURS	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - internal disabled access	15,000
WALLERAWANG BOWLING CLUB LTD	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - new awning	25,000
BANDON GROVE SCHOOL OF ARTS	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - accessible toilet	4,969
BENDEMEER GYMKHANA & RODEO ASSOCIAT	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Bendemeer Rodeo Grounds	4,998

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
BLAZE AID INC	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Blaze Aid Donation	35,000
THE LIONS CLUB OF BRAIDWOOD (INC.)	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Braidwood Young Writers Festival	6,000
NUTRIEN AG SOLUTIONS LTD	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Campdraft Livestock Transport	5,000
THE SAMARITANS FOUNDATION	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Christmas Lunch in Singleton	1,000
THE WILLOW TREE BOWLING CLUB	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Clubhouse Commercial Kitchen	20,000
LIONS CLUB-COOMA	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Disabled access to toilets	13,000
ROTARY CLUB OF YAMBA INC	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Fire Damage Repair	5,000
GLOBAL CARE AUSTRALIA	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Food for Farmers	880
INDEPENDENT BREWERS ASSOCIATION	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - IBA support package	195,000
LIONS CLUB OF YAMBA INC.	Growth, development and wellbeing in regional NSW	Deputy Premier Grant - Shed Repairs	5,000
GLOUCESTER BROADCASTERS ASSOCIATION	Growth, development and wellbeing in regional NSW	Deputy Premier Grant Grant for extension of radio transmission	10,000
SYDNEY INSTITUTE OF MARINE SCIENCE	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	99,500
TRUSTEES OF EDMUND RICE EDUCATION	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	99,280
OUR COMMUNITY PROJECT	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	87,500
LAUGHING BIRD ARTS ASSOCIATION INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	85,800
COAST COMMUNITY CARE INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	75,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
BLACK HEAD SURF LIFE SAVING CLUB IN	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	61,126
CENTRAL LIFE CHRISTIAN CHURCH INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	60,766
SOUTHERN HIGHLANDS BOTANIC GARDENS	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	60,000
SKILLSET WORKFORCE	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	59,452
DEPOSITED PLAN 270152	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	53,625
WEST TAMWORTH TENNIS CLUB INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	50,030
KEY EMPLOYMENT ASSOCIATION LTD	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	49,500
ANGLICAN CHURCH PROPERTY TRUST	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	46,454
NARRABEEN JUNIOR RUGBY LEAGUE	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	40,000
THE AUSTRALIAN & NEW ZEALAND DIOCES	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	40,000
WESTSIDE CHURCH INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	36,000
RICHMOND PLAYERS INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	27,225
STINGRAYS FOOTBALL CLUB SHELLHARBOU	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	26,801
BETTY SPEARS CHILD CARE CENTRE LTD	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	26,100
BANSKTOWN NORTH PUBLIC SCHOOL PAREN	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	26,000
MAKERSPACE & COMPANY FOUNDATION LTD	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	22,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
ORANGE CYCLE AND TRIATHLON CLUB INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	22,000
HORNSBY BEROWRA MEN'S SHED INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	21,646
PENINSULA ENVIRONMENT GROUP (PEG)	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	15,852
WYLIES BATHS TRUST INC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	14,548
ST CLAIR AND DISTRICT MEN'S	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	13,000
HORCC	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	12,100
CAMPBELLTOWN EAGLES RUGBY LEAGUE	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	11,127
COMMUNITY PLAN 270137	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	8,129
WISEMANS FORGOTTEN VALLEY ASSOCIATI	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	7,000
TRUSTEES OF THE ROMAN CATHOLIC CHUR	Growth, development and wellbeing in regional NSW	My Community Program (Dividend)	4,400
NEWCASTLE PORT CORPORATION	Growth, development and wellbeing in regional NSW	Newcastle Port Community Cont. Fund	170,000
HUNTER & CENTRAL COAST DEVELOPMENT	Growth, development and wellbeing in regional NSW	Newcastle Port Community Cont. Fund	130,000
SYNERGISTIC SOLUTIONS P/L	Growth, development and wellbeing in regional NSW	Office of Regional Youth - NGO Reference group	10,000
ALL SUSTAINABLE FUTURES INC	Growth, development and wellbeing in regional NSW	Port Kembla Community Investment Fund	140,000
TTF THE SALVATION ARMY (NSW) PROPER	Growth, development and wellbeing in regional NSW	Port Kembla Community Investment Fund	44,463
MOREE SPORTS HEALTH ARTS & EDUCATIO	Growth, development and wellbeing in regional NSW	Regional Communities Development	600,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
OLD BEGA HOSPITAL (R.180050) RESERV	Growth, development and wellbeing in regional NSW	Regional Communities Development	300,000
SINGLETON RUGBY CLUB LTD	Growth, development and wellbeing in regional NSW	Regional Communities Development	270,000
WOOLGOOLGA SURF LIFE SAVING CLUB IN	Growth, development and wellbeing in regional NSW	Regional Communities Development	199,700
TULGEEN GROUP	Growth, development and wellbeing in regional NSW	Regional Infrastructure & Programs	363,076
POLICE CITIZENS YOUTH CLUBS NSW LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	914,658
CENTRAL COAST HOCKEY INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	511,319
PETAURUS EDUCATION GROUP INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	396,400
INTERNAL-DPIE-PAG-PWA	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	384,997
THE DUNN & LEWIS YOUTH DEVELOPMENT	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	352,200
INTERNAL-DPIE-PAG-PWA	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	286,480
POTTSVILLE BEACH NEIGHBOURHOOD CENT	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	260,178
INTERNAL-DPIE-PAG-PWA	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	257,508
INTERNAL-DPIE-PAG-PWA	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	230,861
COASTAL WORKS	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	201,775
GOULBURN MOTORCYCLE CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	196,514
CENTRE FOR DISABILITY STUDIES LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	184,431

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
REGIONAL YOUTH SUPPORT SERVICES INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	174,676
BYRON WRITERS FESTIVAL	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	149,600
CABARITA BEACH SURF LIFESAVING CLUB	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	131,814
MID RICHMOND NEIGHBOURHOOD CENTRE I	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	129,137
STROUD RODEO ASSOCIATION INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	120,000
ROBERTSON MEN'S SHED INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	116,400
COWRA INFORMATION AND NEIGHBOURHOOD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	113,600
TAMWORTH MOUNTAIN BIKERS INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	112,018
MAITLAND CROQUET CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	106,840
HOLBROOK NETBALL CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	105,358
BALLINA RUGBY CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	103,892
KINCUMBER & DISTRICT NEIGHBOURHOOD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	102,394
LORD HOWE ISLAND GOLF CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	100,000
GULARGAMBONE TENNIS CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	99,984
COOMBA AQUATIC CLUB	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	99,960
ANGLICAN CHURCH PROPERTY TRUST DIOC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	97,876

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
TRUSTEE OF THE ROMAN CATHOLIC CHURCH	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	97,854
QUEANBEYAN BOWLS CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	92,000
BLACKHEAD TENNIS CLUB	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	79,830
BOWEN RESIDENTS ACTION GROUP	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	78,823
ARMIDALE GOLF CLUB LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	78,617
JUNEE GOLF CLUB LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	78,457
BERMAGUI MEN'S SHED INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	78,022
MULLER PARK TENNIS& CROQUET CLUB IN	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	77,652
FRIENDS OF MRS YORK'S GARDEN	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	76,000
SOUTH WEST ARTS INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	75,402
LIONS CLUB OF BRANXTON INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	71,102
KENTUCKY MEMORIAL HALL & LITERARY	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	63,664
THE CANOWINDRA GOLF CLUB LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	63,295
LONG PLAIN PUBLIC HALL AND	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	58,210
TUNCURRY MEMORIAL HALL TRUST	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	56,875
EDEN AMATEUR FISHING CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	55,713

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
CUDAL TENNIS CLUB	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	55,447
ILLABO SHOWGROUND LAND MANAGER	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	52,000
GLEN INNES SWIMMING CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	51,350
WOOLGOOLGA SENIORS CENTRE INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	50,000
THE ROBERTSON SHED INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	49,712
FLYING FRUIT FLY CIRCUS	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	48,000
THE AUSTRALIAN STOCK HORSE SOCIETY	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	48,000
W R E B CO-OP LTD T/A 2WEB OUTBACK	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	48,000
MAKE IT TENTERFIELD INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	47,362
ARMIDALE TREE GROUP INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	46,491
FORBES & DISTRICT SOCCER CLUB INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	45,152
TENTERFIELD SHOW SOCIETY INC	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	44,000
BERRIGAN COMMUNITY GOLF & BOWLING	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	42,357
MACQUARIE SHORES SWIMMING CLUB INC.	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	42,020
HARDYS BAY COMMUNITY CHURCH	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	41,154
GRENFELL COUNTRY CLUB LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	40,752

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
RAND BOWLING CLUB LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	28,742
LORD HOWE ISLAND COMMUNITY	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	24,000
COFFS HARBOUR COMMUNITY MEN'S	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	20,000
GENEROCITY CHURCH LTD	Growth, development and wellbeing in regional NSW	Stronger Country Community Fund	20,000
BANGALOW LIONS CLUB INC	Growth, development and wellbeing in regional NSW	Supporting Local Communities	68,400
THE ROTARY CLUB OF BERRY INC	Growth, development and wellbeing in regional NSW	Supporting Local Communities	50,000
GRAINS RESEARCH & DEVELOPMENT	Stronger Primary Industries	Agricultural Grant - Chickpea seednet varieties	311,387
HORTICULTURE INNOVATION AUSTRALIA L	Stronger Primary Industries	Agricultural NSW - Developing Manager	750,000
SARDI	Stronger Primary Industries	Agronomy and Pathology - Petronaitis RDTs samples	78,100
WILDLIFE HEALTH AUSTRALIA INC	Stronger Primary Industries	Animal Biosecurity Mgt	160,130
THE ROYAL SOCIETY FOR THE PREVENTIO	Stronger Primary Industries	Animal Welfare Grant	769,799
ANIMAL WELFARE LEAGUE NSW	Stronger Primary Industries	Animal Welfare Grant	75,000
CAT PROTECTION SOCIETY OF NSW INC	Stronger Primary Industries	Animal Welfare Grant	15,500
NSW WILDLIFE INFORMATION RESCUE &	Stronger Primary Industries	Animal Welfare Grant	15,500
DOMESTIC ANIMAL BIRTH CONTROL	Stronger Primary Industries	Animal Welfare Grant	3,000
FOOD AGILITY CRC LIMITED	Stronger Primary Industries	CR Research Excellence Strategic Man.	100,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
ALBURY SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
ALSTONVILLE AGRICULTURAL SOCIETY IN	Stronger Primary Industries	Drought stimulus Package	5,000
BARRABA PASTORAL AGRICULTURAL &	Stronger Primary Industries	Drought stimulus Package	5,000
BATHURST AGRICULTURAL HORTICULTURAL	Stronger Primary Industries	Drought stimulus Package	5,000
BUNGENDORE PASTORAL AGRICULTURAL &	Stronger Primary Industries	Drought stimulus Package	5,000
COBAR SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
DUBBO SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
ILLABO SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
KOORAWATHA SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
NIMMITABEL SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
STROUD SHOW ASSOC INC	Stronger Primary Industries	Drought stimulus Package	5,000
TAMWORTH PASTORAL & AGRICULTURAL	Stronger Primary Industries	Drought stimulus Package	5,000
TRUNKEY CREEK WOOL & HORSE SHOW SOC	Stronger Primary Industries	Drought stimulus Package	5,000
URALLA SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
WEE WAA SHOW SOCIETY INC	Stronger Primary Industries	Drought stimulus Package	5,000
BUNDJALUNG OF BYRON BAY	Stronger Primary Industries	Fisheries - Indigenous Land Use Compensation	90,909

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
JOHN L BLACK CONSULTING	Stronger Primary Industries	GrowPlan Development	9,900
INLAND WATERWAY REJUVINATION	Stronger Primary Industries	Habitat Action Program FW2020 (Murray Darling Grants)	36,000
OZ FISH UNLIMITED LTD	Stronger Primary Industries	Habitat Action Program FW2020 (Murray Darling Grants)	11,292
COONABARABRAN LANDCARE INC	Stronger Primary Industries	Habitat Action Program FW2020 (Murray Darling Grants)	1,200
MALCOLM SHACKELL	Stronger Primary Industries	Habitat Action Program FW2020 (Murray Darling Grants)	1,000
CONSERVATION VOLUNTEERS	Stronger Primary Industries	Habitat Action Program SW2019 (Murray Darling Grants)	22,597
SOUTH LISMORE DUCK POND LANDCARE IN	Stronger Primary Industries	Habitat Action Program SW2019 (Murray Darling Grants)	8,940
TAMWORTH REGIONAL LANDCARE ASSOCIAT	Stronger Primary Industries	Habitat Action Program SW2020 (Murray Darling Grants)	35,000
SYDNEY INSTITUTE OF MARINE SCIENCE	Stronger Primary Industries	Habitat Action Program SW2020 (Murray Darling Grants)	20,000
BOATHARBOUR LANDCARE	Stronger Primary Industries	Habitat Action Program SW2020 (Murray Darling Grants)	16,135
BANGALOW KOALAS INC	Stronger Primary Industries	Habitat Action Program SW2020 (Murray Darling Grants)	15,780
GUS HAMILTON	Stronger Primary Industries	Habitat Action Program SW2020 (Murray Darling Grants)	1,200
KATRINA MAHONEY	Stronger Primary Industries	Habitat Action Program SW2020 (Murray Darling Grants)	1,200
HUNTERNET CO-OPERATIVE LTD	Stronger Primary Industries	Industry Grant	110,130
PULSE AUSTRALIA	Stronger Primary Industries	Industry Pulse & Oilseed Dev Officer	30,000
CIRCUL8 COMMUNICATE P/L	Stronger Primary Industries	Livestock - bull selection tool	12,375

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
I.G COLDITZ & K MEYER	Stronger Primary Industries	Livestock - Welfare benchmarking	30,000
MEAT & LIVESTOCK AUSTRALIA LTD	Stronger Primary Industries	Livestock Grant - Research and Development	522,512
POWERPLANTS AUSTRALIA P/L	Stronger Primary Industries	MEMA Clean Coastal catchments	31,616
ABORIGINAL FISHING TRUST FUND	Stronger Primary Industries	MEMS Aboriginal Cultural Values Grant	300,000
YAEGL TRADITIONAL OWNERS ABORIGINAL	Stronger Primary Industries	MEMS Aboriginal Cultural Values Grant	11,000
CSIRO - ACCOUNTS RECEIVABLE	Stronger Primary Industries	Min yield vary to max yield in ctn farm	10,000
FISH CONSERVATION TRUST	Stronger Primary Industries	Native Fish Drought Native Fish Drought Response	600,000
ABORIGINAL FISHING TRUST FUND	Stronger Primary Industries	Native Fish Drought Response Funds	200,000
A BARFIELD & S F KINAJIL-BARFIELD	Stronger Primary Industries	Northern Australia Rice	20,000
HORTICULTURE INNOVATION AUSTRALIA L	Stronger Primary Industries	Northern Horticulture	514,435
AUSTRALIAN NATIONAL SPORTFISHING	Stronger Primary Industries	Recreational Trust Programs	29,500
THE FLY PROGRAM LTD	Stronger Primary Industries	Recreational Trust Programs	25,000
PEPPERELL RESEARCH & CONSULTING P/L	Stronger Primary Industries	Recreational Trust Programs	13,500
YARRAWONGA COLLEGE P-12	Stronger Primary Industries	Recreational Trust Programs	490
HUNTER WETLANDS CENTRE AUSTRALIA	Stronger Primary Industries	Recreational Trust Programs	170
TAMMY GALVIN	Stronger Primary Industries	Rural Women's Award	1,000

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
NEW SOUTH WALES SEAFOOD INDUSTRY CO	Stronger Primary Industries	Seafood Futures Program	500,000
SOUTHERN GROWERS INC	Stronger Primary Industries	Smarter Irrigation for Profit Phase 2	43,250
CENTRAL WEST FARMING SYSTEMS INC	Stronger Primary Industries	Smarter Irrigation for Profit Phase 2	13,250
IRRIGATION RESEARCH & EXTENSION	Stronger Primary Industries	Smarter Irrigation for Profit Phase 2	13,250
BOTANY BAY GAME FISHING CLUB INC	Stronger Primary Industries	ST NSW Gone Fishing Day 2019-2020	200
C.J GRILLS & S.J GRILLS & D.W MILLS	Stronger Primary Industries	TSE Surveillance of live exports	600
J.D CHAFFEY & L.C CHAFFEY	Stronger Primary Industries	TSE Surveillance of live exports	400
ACHILL STATION P/L	Stronger Primary Industries	TSE Surveillance of live exports	300
B F MCNAMARA & J M MCNAMARA	Stronger Primary Industries	TSE Surveillance of live exports	300
BALDRY & SONS P/L	Stronger Primary Industries	TSE Surveillance of live exports	300
C.ATTARD & M.C ATTARD	Stronger Primary Industries	TSE Surveillance of live exports	300
CLYDE E & CHRISTINE A SISSON	Stronger Primary Industries	TSE Surveillance of live exports	300
G.P COOK & B.K COOK	Stronger Primary Industries	TSE Surveillance of live exports	300
GEDDES PASTORAL	Stronger Primary Industries	TSE Surveillance of live exports	300
H HAIRE & M.R HAIRE	Stronger Primary Industries	TSE Surveillance of live exports	300
R J AND E F ARCHER	Stronger Primary Industries	TSE Surveillance of live exports	300

Recipient Organisation	Program Area as per Budget Paper	Program as per Budget paper	Amount
A.J PAECH & J.R PAECH & R.J PAECH &	Stronger Primary Industries	TSE Surveillance of live exports	200
C.R PIETSCH & E.M PIETSCH	Stronger Primary Industries	TSE Surveillance of live exports	100
GREEBA P/L	Stronger Primary Industries	TSE Surveillance of live exports	100
S COWELL & L.M KING	Stronger Primary Industries	TSE Surveillance of live exports	100
TTF QUINN & CRUIKSHANK TRUST	Stronger Primary Industries	TSE Surveillance of live exports	100
WHYALLA BEEF P/L	Stronger Primary Industries	TSE Surveillance of live exports	100

2.7 Financial counselling services

Through the NSW Department of Primary Industry, NSW Government funding supported financial counselling services for rural communities and contributes to economic development in regional NSW.

Table 19. Funds granted for financial counselling services

Recipient organisation	Program/Program area	Amount from 1 July 2019 to 30 June 2020 (\$)
Rural Financial Counselling Service	Education & Regional Services, AgNSW—Southern Region	300,000
Rural Financial Counselling Service	Education & Regional Services, AgNSW Northern Region	174,000
Rural Financial Counselling Service	Education & Regional Services, AgNSW—Central West Region	276,000

2.8 Animal Welfare Grants

Organisations receive animal welfare grants for programs that promote the health and welfare of animals and promote the prevention of cruelty to animals.

Table 20. Funds granted for animal welfare

Recipient organisation	Program/Program area	Amount from 1 July 2019 to 30 June 2020 (\$)
Animal Welfare League	Prevention of Cruelty to Animals—Animal Welfare Grant	75,000
Cat Protection Society	Prevention of Cruelty to Animals—Animal Welfare Grant	15,500
Domestic Animal Birth Control	Prevention of Cruelty to Animals—Animal Welfare Grant	3,000
RSPCA	Prevention of Cruelty to Animals—Animal Welfare Grant	424,000
NSW Wildlife Information Rescue and Education Service Inc.	Prevention of Cruelty to Animals—Animal Welfare Grant	15,500

Recipient organisation	Program/Program area	Amount from 1 July 2019 to 30 June 2020 (\$)
RSPCA	Prevention of Cruelty to Animals— RSPCA Education Centre	500,000
Australian Animal Health Council Ltd	National Arbovirus Monitoring Project	13,794
Australian Animal Health Council Ltd	FMD Vaccine Bank Management	7,459
Australian Animal Health Council Ltd	Screw Worm Fly Surveillance Preparedness Project	12,441
Australian Animal Health Council Ltd	Anthrax Vaccine Bank Management	1,111

2.9 Industry training advisory boards

Industry training advisory boards gave the department independent advice on the skill and training needs of industry. The purpose was to create a skilled workforce that can support future economic growth and development, including in regional NSW.

Table 21. Funds granted for industry training advisory boards

Recipient organisation	Program/Program area	Amount from 1 July 2019 to 30 June 2020 (\$)
Agrifood Skills Australia	Industry training advisory board funding	169,989

APPENDIX 3: People and Culture

3.1 Work Health and Safety

The creation of the new Department of Regional NSW provided an opportunity to stand up a new Work Health & Safety Management System and all associated programs and platforms to support a diverse and geographically disperse organisation.

In the period from 2 April to 30 June 2020 the following key programs of work were delivered for the Regional NSW cluster:

- Developed the WHS Management system including all documents
- Initiated a WHS Steering Committee to provide executive leadership and strategic direction to work health, safety and wellbeing matters
- Went to tender and engaged a new Employee Assistance Program provider
- Engaged and commenced implementation of a new ICT Risk platform to capture all WHS incidents, risk assessments, safety observations and workplace inspections
- Developed the work and non-work related injury and illness programs.

As the Department of Regional NSW was created on 2 April 2020, there is limited availability of data and records relating to:

- Workers Compensation performance data is not available: the transfer of workers compensation cases to DRNSW occurred on 1 July 2020.
- Limited safety and incident data and reports are available: the data that is available reflects the performance of the department of Primary Industries.
- No known WHS prosecutions for the period from 2 April 2020- 30 June 2020.

Table 22. Reportable incidents and injuries

Period 1 July 2019 to 30 June 2020	Total Incidents reported	REPORTABLE INJURIES	LTI	LTIFR
Regional NSW ¹	361	49	12	3.73

1. Reportable incidents and injuries represent those for the full year and only for the Department of Primary Industries Group as the full data for the new Department of Regional NSW was not able to be separated from the Department of Planning, Industry and Environment as a result of the Machinery of Government changes

3.2 Workforce and diversity

The Department of Regional NSW is committed to ensuring that it is an employer of choice by providing opportunities to assist staff in achieving their potential, irrespective of age, cultural background, disability status, Indigenous background, religion, sexual orientation or gender identity.

Since the Department's establishment on 2 April 2020, the Department has:

- Established a Diversity and Inclusion Council that is responsible for:
 - o acting as a diversity sponsor and advocate to raise awareness of the importance of diversity and inclusion
 - o identifying and prioritising strategic projects or initiatives to improve diversity and inclusion across the Department
 - o ensuring the Department celebrates diversity and inclusion focused events and drives key strategic projects that enhance the Department's diversity profile
 - o Provide advice on policy and strategic initiatives taken by other parts of government in relation to diversity and inclusion
 - o developing a framework to monitor the delivery of diversity and inclusion projects and programs.
- Identified key programs and projects that will enhance workforce diversity and inclusion outcomes in the Department.
- Drafted and finalised the Department of Regional NSW Aboriginal Outcomes Plan.

In 2020/2021, the Department aims to undertake the following diversity projects or programs:

- Support and champion the *Age of Inclusion* via embedding inclusion recruitment and workplace culture, and ensuring accessible workplaces are provided.
- Design and secure funding of, and implement a first nations people traineeship program, whereby the Department will provide five first nations people an employment pathway through an entry level program in Regional NSW.
- Secure funding, design and implement a graduate program for the Department where graduate positions are targeted for First Nations people, refugees and people with a disability
- Design and implement a gender balanced first recruitment shortlisting process.
- Implement the Department's Aboriginal Outcomes Plan.

Disability Inclusion Action Plan:

The Department is committed to reducing barriers for people with disability to be able to obtain employment, develop their career and participate equally within the Department.

Since the Department's establishment on 2 April 2020, the Department has:

- continued to implement the Disability Inclusion Action Plan via a service level agreement with the Department of Planning, Industry and Environment.
- continued support and advocacy of the DEN, a voluntary staff community for employees with disability and carers. The DEN raises disability awareness in the workplace.
- Championed and supported the Age of Inclusion campaign which was launched in July 2020.

Multicultural Policies & Services Program

The Department is committed to meet the needs of culturally diverse staff. It values the skills, experiences and perspectives of people from multicultural backgrounds and their contributions to the Department's Work.

In 2020/2021, the Department aims to:

- Design and secure funding of a program for the Department whereby some positions are targeted for refugees to enhancing employment opportunities for these community members.
-

3.3 Human resources

Workforce Statistics

Table 23. Number of full time equivalent staff (FTE) employed in the NSW Department of Regional NSW²

Department of Regional NSW	June 2020
Corporate	77
Office of the Secretary	35
Primary Industries	1,741
Strategy Delivery & Performance	219
Mining Exploration & Geoscience	196
Office of Cross Border Commissioner	5
Public Works Authority & Regional Development	471
TOTAL	2,744

Source: Submitted Workforce Profile Report 2020

Notes: 1. FTE calculated as at the last pay period in June 2020 using the 2020 Workforce Profile report (8a Census Period FTE). 2. All contingent, Casual and other non-payroll staff are excluded. 3. Staff employed by Local Land Services are not reported in the Department of Regional NSW's Annual Report. 4. FTE has been rounded to the nearest whole number. 5. The FTE for Regional Growth Development Corporation as at the same period was 9.

² Numbers do not include Local Land Services as it is a separate Executive Agency which employs staff directly, staff that are employed under personnel services arrangements are also excluded but are noted in APPENDIX 7

Historical Figures

Table 24. Number of full time equivalent staff (FTE) employed in the Department of Regional NSW

	JUNE 2018	JUNE 2019	JUNE 2020
TOTAL	N/A	N/A	2,744

Source: Submitted Workforce Profile Report 2020

Notes: 1. The Department of Regional NSW was formed on 2 April 2020; therefore, Historical figures cannot be provided. 2. Refer to notes at Table 1.

Senior Executive Remuneration Bands and Average Remuneration

Table 25. Senior Executive Remuneration Bands and Average Remuneration

BAND	2019		2020	
	FEMALE	MALE	FEMALE	MALE
Band 4	-	-	-	1
Band 3	-	-	1	4
Band 2	-	-	5	14
Band 1	-	-	35	59
TOTAL	-	-	41	78
	-		119	

Source: Submitted Workforce Profile Report 2020

Notes: 1. Refer to notes at Table 1.

BAND	RANGE	AVERAGE REMUNERATION (FULL YEAR)	
		2019	2020
Band 4	\$487,051 - \$562,650	N/A	\$562,650
Band 3	\$345,551 - \$487,050	N/A	\$379,958
Band 2	\$274,701 - \$345,550	N/A	\$301,588
Band 1	\$192,600 - \$274,700	N/A	\$228,650

Range Source: Report and determination under section 24O of the Statutory and Other Offices Remuneration Act 1975: Remuneration Package Ranges for the PSSEs 2019-2020 Remuneration Framework. The above averages represent a full year equivalent average remuneration for the relative bands, they do not represent what was paid in the period 2 April to 30 June.

Notes: 1. Of the Department of Regional NSW's total employee related expenditure (ERE) in 2020, 7% was related to senior executives ERE. 2. Refer to notes at Table 1.

APPENDIX 4: Evaluation and improvement

Evaluation and improvement

Evaluation is a rigorous, systematic and objective process to assess elements of a program's appropriateness, effectiveness and efficiency. Evaluation plays a key role in supporting evidence-based decision-making, which in turn guides resource and funding allocation. It ultimately contributes to improved departmental performance through the effective use of data and insights.

Improvement is about making our work more efficient, fostering collaboration, ensuring the integrity of data, and promoting transparency and accountability in government. It helps our people focus their efforts on delivering outcomes that provide the most value to their customers.

The Department of Regional NSW's evaluation and improvement process consists of three main elements:

- A program evaluation unit acting as a centre of excellence for the broader group of Department of Regional NSW agencies, coordinating and assisting with evaluations;
- A governance structure consisting of an Evaluation Review Group providing quality assurance on evaluations and driving a culture of evaluation across the Cluster (this element is being established); as well as
- Program managers owning evaluations and their findings to support improvement and develop evaluation capability across the Cluster; ensuring evaluations are resourced properly

Program evaluations

With the announcement of machinery of government changes in April 2020, 10 program evaluations were reassigned to the Department of Regional NSW from the Department of Planning, Industry and Environment.

2018/19 Emergency Drought Relief Package

The \$500 million NSW Emergency Drought Relief Package was designed to help farmers manage the effects of the drought. The three major elements of the package were:

- \$190 million for Drought Transport Subsidies,
- \$100 million for cutting the cost of farming fees and charges – by waiving Local Land Services rates (2019), waiving fixed water charges in rural and regional areas (Water NSW), waiving class one agricultural vehicle registration costs, and waiving interest charges for existing Farm Innovation Fund loans for the 2017/18 and 2018/19 financial years;
- \$150 million to bolster the Farm Innovation Fund (FIF) infrastructure program.

The package also includes funding for:

- Critical services in regional communities including transporting water and drought related road upgrades and repairs;
- Animal welfare and stock disposal.

Clear Horizon (consultants) were engaged to undertake this evaluation which will assess economic, outcome and process indicators. The evaluation was placed on hold in October 2019

due to severe drought conditions and consideration is currently underway to recommence the evaluation and any appropriate scope changes. Clear Horizon have completed a provisional report looking at internal processes only and if completed, an outcome and economic evaluation report will be delivered.

Catchment Action NSW

Catchment Action NSW (CANSW) is a program funded by the NSW Government, and managed by Local Land Services, to deliver NSW Government natural resource management priorities. CANSW consists of four themes – Soils and Land, Aquatic Ecosystems, Terrestrial Ecosystems and Significant Species, which will contribute to the following high-level outcomes:

- Soils and Land – soils are protected or rehabilitated to support ecosystem services;
- Aquatic Ecosystems – streams, wetlands and estuaries are protected or rehabilitated to support ecosystem services;
- Terrestrial Ecosystems – native vegetation and terrestrial habitat are protected or rehabilitated to support ecosystem services; and
- Significant Species – native plants and animal populations of State, regional and local significance are maintained for long-term viability in balance with their landscape.

The evaluation is due for completion by December 2020.

Cattle Tick Program

Control and eradication of cattle ticks protects the viability of the cattle industry in NSW. Cattle ticks are the most serious external parasite of cattle in Australia and estimated to cost the cattle industry over \$160 million annually. The tick can carry the disease ‘tick fever’, which can kill cattle and has the potential to cause significant economic damage to the beef cattle and dairy industries of NSW.

The Cattle Tick Program was identified as a priority for evaluation in 2019-20 and has since been evaluated by an independent consultant. The results of this evaluation are being considered and will help the NSW Government to determine whether the Cattle Tick Program is achieving its intended outcomes and delivering a net benefit for NSW.

Growing Local Economies

The Growing Local Economies fund invests in enabling infrastructure that supports job creation and projects of economic significance across regional NSW. The program evaluation for Growing Local Economies will assess the effectiveness and efficiency of program management and implementation for delivering the program and progress achieved towards delivering the expected program outcomes. The program evaluation commenced in 2019/20.

Local Landcare Coordinators Initiative

In 2015 the NSW Government provided a \$15 million commitment over four years to fund Local Land Services’ (LLS) Local Landcare Coordinators Initiative (LLCI). The objective of this program is to: renew the government-community relationship, and unlock the full potential of the thousands of volunteers in the Landcare network.

The evaluation found that there is a significant increase in the levels of partnerships and participation between Landcare, businesses and Government due to the LLCI. Government working with Landcare is a more efficient use of limited resources because of leveragability, enhanced community engagement and broader NRM understanding within the community.

A key recommendation of this evaluation was improving LLCI's data collection and reporting. In response, LLS developed and implemented a monitoring, evaluation, reporting and improvement (MERI) framework that will fully address this recommendation, and will assist with improving monitoring frameworks for LLCI and other LLS programs.

Marine Estate

The Marine Estate Management Strategy (MEMS) was launched in 2018 and sets the overarching framework for the NSW Government to coordinate management of the NSW marine estate over the next ten years. The MEMS has nine interlinked management initiatives supported by detailed management actions that address priorities and cumulative threats to the NSW marine estate. It outlines how these threats to the environment and community benefits will be managed.

The Marine Integrated Monitoring Program (MIMP) assesses the progress that management actions are expected to collectively achieve against outcomes. The MIMP will guide monitoring, evaluation and reporting activities over the life of the MEMS. Evaluations will be conducted at two, five and ten years of the MEMS.

Regional Communities Development Fund

The \$100 million Regional Community Development Fund (RCDF) supports the delivery of infrastructure projects that deliver social, economic, environmental or cultural benefits to communities in regional NSW. The program evaluation for the RCDF program will assess the effectiveness and efficiency of program management and implementation for delivering the program and progress achieved towards delivering the expected program outcomes. The evaluation of the RCDF Round One commenced in 2019/20.

Regional Growth Environment and Tourism Fund

The \$300 million Regional Growth – Environment and Tourism Fund (RGETF) invests in infrastructure to increase tourist visitation to regional NSW, and to create jobs. The program evaluation for the RGETF program will assess the effectiveness and efficiency of program management and implementation for delivering the program and progress achieved towards delivering the expected program outcomes. The evaluation for RGETF Round One commenced in 2019/20.

Resources for Regions (Rounds 5 and 6)

The Resources for Regions (R4R) Rounds 5 and 6 delivered improved local infrastructure and enhanced economic growth and productivity in mining-impacted communities in NSW. The program evaluation for the R4R (Rounds 5 and 6) will assess the effectiveness and efficiency of program management and implementation for delivering the program and progress achieved towards delivering the expected program outcomes. The evaluation of the R4R (Round 5 and 6) commenced in 2019/20.

Stronger Country Communities Fund (Rounds 1 and 2)

The Stronger Country Communities Fund (Rounds 1 and 2) deliver small-scale social infrastructure in local regional communities. The fund invests in projects that improve the lives of people who live in regional areas and enhance the attractiveness of these areas as vibrant places to live and work. The program evaluation will assess the effectiveness and efficiency of program management and implementation for delivering the program and progress achieved towards delivering the expected program outcomes. The evaluation of the SCCF (Round 1 and 2) commenced in 2019/20.

APPENDIX 5: Capital Works

The following Table 24 contains details of the Department of Regional NSW's major capital works in progress as at 30 June 2020.

Table 26. Capital works in progress by project

No.	Capital works in progress	Announced completion date	Announced estimate total cost (\$'000)	Expenditure in previous years (\$'000)	2019-20* expenditure (\$'000)	Total project expenditure to 30 June 2020 (\$'000)
1	Wagga Sheep handling Facilities	2021	450		125	125
2	2017 Research and Development Partnership with the Grains Research and Development Corporation	2027	20,000	636	1,364	2,000
3	Doppler Radar in Central and West NSW	2022	24,400	14,750	585	15,335
4	Game Licensing Unit Business Information System	2020	1,200	600	600	1,200
5	Marine Estate Management Strategy	2023	13,506	523	659	1,182
6	Offshore Artificial Reef - Long Term Strategy	2021	4,400	1,962	1,398	3,360
7	World Class Food and Fibre	2022	50,000	2,700	10,000	12,700
8	Regional Connectivity	2023	214,619	0	1,293	1,293
9	Minor Works				7,379	

*2019-20 includes Capital works that occurred as a part of the Department of Planning, Industry and Environment.

APPENDIX 6: Overseas Travel

As a result of COVID-19 there was no overseas travel undertaken by Regional NSW Officers from 2 April 2020 to 30 June 2020.

APPENDIX 7: Requirements arising from employee arrangements

The Department of Regional NSW provide personnel services to the NSW Rural Assistance Authority and the Border Fence Maintenance Board in 2019-20.

Table 27. Employment arrangements

Agency	Staff numbers (FTE) at 30 June 2020
NSW Rural Assistance Authority	52
Border Fence Maintenance Board	11

Detailed information on personnel services employees, including workforce diversity, is disclosed in the annual reports of each entity.

APPENDIX 8: Register of annual sponsorship commitments

During the period 2 April to 30 June 2020, the department did not pay any sponsorships.

APPENDIX 9: Disclosure of controlled entities

The Department of Regional NSW controlled the following entity in line with the *Public Finance and Audit Act 1983* and Australian Accounting Standards Board 10 Consolidated Financial Statements:

- Fisheries Administration Ministerial Corporation

Fisheries Administration Ministerial Corporation

The Fisheries Administration Ministerial Corporation is constituted by the Fisheries Management Act 1994 and exists to:

- acquire land for the purposes of the *Fisheries Management Act 1994*, (including an interest in land) by agreement or compulsory process in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*
- acquire land for purposes of a future lease grant
- carry out or assist research
- accept gifts of Land
- acquire and deal with fishing assets, and enter into contracts or other arrangements, in connection with Aboriginal fishing assistance programs
- perform other functions as conferred by or under the *Fisheries Management Act 1994* or any other Act.

The department undertook these functions via delegation.

APPENDIX 10: Fisheries trust fund reports

Fisheries trust fund reports

Commercial Fishing Trust Fund

The NSW Department of Primary Industries provides a range of monitoring, scientific, compliance and administrative services to the commercial fishing industry. The department's expenditure on commercial fishing activities is funded from consolidated revenue, with a contribution from the Commercial Fishing Trust Fund. Charges are levied for services such as licence administration and management but are not project specific. The Commercial Fishing Trust Fund also contributes to research and uses funds to leverage research and development support from other sources. The NSW abalone and rock lobster fisheries are subject to cost recovery of attributable costs, although there is still some degree of government contribution and budgets are negotiated in detail with the relevant management advisory committees.

In 2019-20, the Commercial Fishing Trust Fund contributed \$3.605 million to the department's Commercial Fishery-related programs.

Aquaculture Trust Fund

The department provides a range of monitoring, scientific, compliance and administrative services to the aquaculture industry. The aquaculture industry is subject to full cost recovery for administration charges only and charges are not project specific. The department's expenditure for aquaculture management and policy development is funded from consolidated revenue, with a contribution from the Aquaculture Trust Fund. The Aquaculture Trust Fund also contributes to research and uses funds to leverage research and development support from other sources (for example, Fisheries Research & Development Corporation, Seafood CRC).

In 2019-20, the Aquaculture Fishing Trust Fund contributed \$1.024 million to the department's aquaculture related programs.

Fish Conservation Trust Fund

In 2019-20, the Fish Conservation Trust contributed \$0.245 million toward fisheries conservation projects to enhance, maintain or protect fish habitats.

Aboriginal Fishing Trust Fund

The Aboriginal Fishing Trust Fund provides grants and loans for the enhancement, maintenance and protection of Aboriginal cultural fishing as well as for Aboriginal communities to develop businesses associated with fisheries resources throughout NSW.

In 2019-20, the Aboriginal Fishing Trust contributed \$0.203 million towards fisheries conservation projects.

Recreational and Charter Fishing Trust Funds

The Department of Regional NSW received grants from the Recreational and Charter Fishing Trust Funds to undertake various programs during the year as follows:

Table 28. Recreational and Charter Fishing Trust Grants Received

Fish trust fund	Grant received by Department of Regional NSW 2019-20 (\$'000)
Recreational Fishing (Saltwater) Trust Fund	9,944
Recreational Fishing (Freshwater) Trust Fund	5,345
Charter Fishing Trust Fund	0

From 1 July 2019 to 30 June 2020, funds from the Recreational Fishing (Saltwater) Trust Fund were used for the following projects:

Table 29. Recreational Fishing (Saltwater) Trust Projects Funded

Project	Total Available	Expenses	Carry Forward
Offshore artificial reefs	1,531	1,483	48
Coastal fish habitat protection and management	196	188	8

Project	Total Available	Expenses	Carry Forward
Coastal fish habitat restoration grants program (prior to 2018/19)	180	161	19
Ecohuts for recreational fishers	40	0	40
Expenditure committee meeting expenses	18	25	-7
External large grants	514	495	19
Flagship habitat program	479	424	55
Fish aggregation devices (FADs)	254	262	-8
Fishcare volunteer program	602	596	6
Fisheries officers (9 coastal officers)	1,193	1,059	134
Fisheries officers (mobile squads)	506	545	-39
Gamefish tagging program	164	165	-1
Great swordfish race	20	3	17
Integrated monitoring program: statewide fishing and charter surveys	703	699	4
Integrating recreational fishery data into harvest strategies for multi-species fisheries	0	22	-22
Marine stocking of key recreational fish species in coastal waters	295	301	-6
Recreational fisheries enhancement (artificial reefs and FADs coordination)	213	216	-3
Recreational fishing access (coastal)	144	143	1
Recreational fishing trust executive officer	193	190	3
Research angler program	191	171	20
Research on offshore artificial reefs and stocking	446	447	-1
Research on recreational bait species: worms, pipis and yabbies	35	37	-2
Research on variable nature of blue swimmer crabs	50	50	0
Small grants program	39	31	8

Project	Total Available	Expenses	Carry Forward
Trust grants governance enhancement project	136	134	2
Total	8,142	7,847	295

* The total available 2019-20 consists of grants from the trust fund in 2019-20 and amounts carried forward from grants in 2018-19.

From 1 July 2019 to 30 June 2020 funds from the Recreational Fishing (Freshwater) Trust Fund were used for the following projects:

Table 30. Recreational Fishing (Freshwater) Trust Projects Funded

Project	Total Available	Expenses	Carry Forward
Bigger fish for Snowy Lakes	30	24	6
Dollar-for-dollar native fish stocking program	141	141	0
Enhanced fish production at hatcheries for stocking (Port Stephens Narrandera and Dutton)	400	402	-2
Expenditure committee meeting expenses	17	21	-4
External large grants	171	190	-19
Fishcare volunteer program	308	299	9
Fisheries officers (inland)	892	785	107
Freshwater recreational management program	186	185	1
Fuel cards for fish stocking	0	3	-3
Gaden trout hatchery	685	673	12
Inland fish habitat restoration grants program (prior to 2018/19)	44	35	9
Inland stocking management	114	98	16
Nodavirus testing for fish stocking	4	4	0
Open top pyramid net program	29	26	3
Population status of native fish, trout and threatened frogs in the Central Tablelands	11	11	0

Project	Total Available	Expenses	Carry Forward
Recreational fishing access (inland)	321	315	6
Regional inland fish habitat protection and management	171	171	0
Research on freshwater recreational fishery in NSW	698	725	-27
Screens for streams	100	100	0
Small grants program	55	51	4
Supporting fish hatchery trainees	2	1	1
Total	4,379	4,260	119

* The total available 2019-20 consists of grants from the trust fund in 2019-20 and amounts carried forward from grants in 2018-19.

In 2019-20 grant funds from the Recreational Fishing (Saltwater and Freshwater) Trust Fund were used for the following projects:

Table 31. Recreational Fishing (Saltwater and Freshwater) Trust Projects Funded

Project	Total Available	Expenses	Carry Forward
Advisory Council meeting expenses	28	36	-8
Fishing competitions and events: responsible recreational fishing promotion	151	123	28
Fishing fee awareness	11	11	0
Government Licensing Service transaction fees	0	750	-750
Get Hooked...it's Fun to Fish schools program	398	388	10
Habitat action program 2019/20	667	633	34
NSW gone fishing day	237	237	0
NSW fishing workshops	56	49	7
NSW fishway strategy for fish passage remediation	412	401	11
NSW recreational fishing environmental assessment	260	135	125
Recreational fisher research database	49	38	11
Recreational fisheries infrastructure management program	165	156	9

Project	Total Available	Expenses	Carry Forward
Recreational fishing fee administration project	1,335	1,331	4
Recreational fishing fee renewal notice system	123	122	1
Recreational fishing guides	80	80	0
Recreational fishing publications program	137	158	-21
Total	4,109	4,648	-539

* The total available 2019-20 consists of grants from the trust fund in 2019-20 and amounts carried forward from grants in 2018-19.

APPENDIX 11: Mineral Resource Fund Reports

Minerals and Petroleum Administrative Levy

The *Mining Act 1992* requires titleholders to pay the Minerals and Petroleum Administrative Levy (Levy) which is the equivalent of one per cent of the rehabilitation security deposit bond provided by titleholders. The monies collected may be used for, but not limited to, the following: funding minerals and petroleum administrative costs and expenses, community and industry liaison; and for payment into the Derelict Mine Sites Fund.

During the period from April to June 2020 \$7,426,753 was contributed to the Levy. Throughout 2019/20 a total of \$29,643,542 was collected by the Levy.

Assessed security deposits (as of 30 June) is \$3.2 billion which increased from \$2.8 billion in July 2019. (Security deposit were at \$2.6 billion in Dec 2018 and \$2.3 billion in Dec 2017).

Minerals and Petroleum Administrative Fund

MEG's expenditure from the Minerals and Petroleum Administrative Fund was \$9.253 million for April – June 2020. The fund usage is captured below:

Table 32. Minerals and Petroleum Administrative Fund Expenditure

Activity	Expenditure (\$000)
Rehabilitation of Legacy Mines	779
Environmental regulation of minerals, petroleum and mining activities	2,089
Compliance and enforcement of obligations created by the grant of a right to explore, extract or produce petroleum or minerals	
Enhanced communication and community liaison functions	150

Activity	Expenditure (\$000)
Other regulatory and administrative activities including titles, geoscience land use and overheads in relation to the minerals and petroleum industries.	5,109
Titles Management System Development	1,125
Total	9,252

As at 1 April 2020, the opening balance of the fund was \$15.1 million.

In April – June 2020, the Administrative Fund collected \$7.4 million based on a calculation method set in the *Mining Act 1992* (Part 14A Division 4) requiring all titleholders (whether for mining or petroleum, production or exploration) to contribute one per cent of the value of their required security deposit for each authorisation on an annual basis. In addition, the Administrative Fund had accumulated \$13,000 in interest. The total costs spent from the Administrative Fund was \$9.3 million. These expenditure activities related to mining and petroleum administrative costs associated with Mining, Exploration and Geoscience and the Resources Regulator NSW.

As at 30 June 2020, the closing balance of the Administrative Fund was \$13.3 million.

Minerals and Petroleum Investment Fund

MEG's expenditure from the Minerals and Petroleum Investment Fund was \$1.667 million for April – June 2020. The fund usage is captured below:

Table 33. Minerals and Petroleum Investment Fund Expenditure

Activity	Expenditure (\$000)
Explore NSW	46
MinEx CRC	184
Acquisition & Synthesis - Minerals	611
Geoscience Information	559
Acquisition & Synthesis - Petroleum	215
Cooperative Drilling	52
Total	1,667

As at 2 April 2020, the opening balance of the Investment Fund was \$4.9 million.

In April – June 2020, the Investment Fund collected \$1.4 million based on a calculation method set in the *Mining Act 1992* (Part 14A Division 3), requiring an annual rental fee to be paid on the grant of a mining authorisation. In addition, the Investment Fund accumulated \$3,000 in interest. The total expenditure from the Investment Fund was \$1.7 million. The expenditure funded MEG programs such as the New Frontiers minerals and energy exploration initiative, and geoscience information initiatives.

As at 30 June 2020, the closing balance of the Investment Fund was \$4.7 million.

Small-scale Titles Levy Fund

MEG's expenditure from the Small-scale Titles Levy Fund was \$21,000 for April – June 2020. The fund usage is captured below:

Table 34. Small-scale Titles Levy Fund Expenditure

Activity	Expenditure (\$000)
Road works	17
Rehabilitation works	1
Mullock Dump works	3
Total	21

As at 2 April 2020, the opening balance of the Small-Scale Titles Fund was \$882,000.

In April – June 2020, the Small-Scale Titles Fund collected \$55,000 based on the *Mining Act 1992* (Part 14AA) requiring a levy order to be paid by a Small-Scale titleholder. In addition, the Small-scale Titles Fund accumulated \$1,000 of interest. The total expenditure from the Small-Scale Titles Fund was \$21,000. This was for road works, rehabilitation works and mullock dump works.

As at 30 June 2020, the closing balance of the Small-Scale Titles Fund was \$916,000.

APPENDIX 12: Annual report external production costs

The department incurred no external costs in producing this report.

APPENDIX 13: Native game birds

Table 33 summarises the number of each species of native game birds harvested by authorised game hunting licence holders from 2 April 2020 to 30 June 2020, under the authority of a Native Game Bird Management (owner-occupier) Licence under the Game and Feral Animal Control Act 2002.

Table 35. Native game birds harvested by game hunting licence holders from 2 April 2020 to 30 June 2020

Species	Number from 2 April 2020 to 30 June 2020
Mountain Duck	0
Wood Duck	29
Black Duck	9
Blue-winged Shoveler	0

Species	Number from 2 April 2020 to 30 June 2020	
Chestnut Teal		0
Grey Teal		0
Hardhead		0
Pink-eared Duck		0
Water Whistling Duck		0
Grass Whistling Duck		0
Total		38

APPENDIX 14: Implementation of recovery and threat abatement plans

Recovery and threat abatement plans

Recovery plans for threatened fish and marine vegetation are prepared under the Fisheries Management Act 1994. The plans identify the actions required to enable the species to survive in nature. Similarly, threat abatement plans are prepared to address key threatening processes listed under the Act, and to identify what needs to be done to reduce the impact of those threats.

The NSW Department of Primary Industries (NSW DPI) is the lead implementation agency; however, each plan also identifies other government agencies, authorities, councils and community groups that have a role and responsibility to contribute to implementing recovery and threat abatement actions. In their annual reports to Parliament, public authorities are required to report on what they have done to implement measures for which they are responsible. This report only relates to actions taken by NSW DPI to implement measures identified in recovery and threat abatement plans.

A Priorities Action Statement is located on the department's website, <http://www.dpi.nsw.gov.au/fishing/threatened-species/priorities-action-statement> listing prioritised recovery actions and threat abatement actions for all threatened species and key threatening process listings under the Fisheries Management Act 1994.

A range of activities are undertaken each year to benefit threatened fish species. Surveys of populations of threatened species are completed as part of broader fish community assemblage surveys, as well as NSW DPI's threatened fish monitoring program. Habitat improvement works are also undertaken to benefit threatened species and aquatic biodiversity more generally. Threatened species compliance operations continue as does the distribution of information brochures.

In the 2019-20 reporting period, the department launched a new and improved online reporting tool for community sightings of threatened species in NSW. The online tool is available on NSW DPI's website and via a link on the DPI's FishSmart App. The reports received can be accessed to generate regular reports on community sightings.

In the lead up to the 2019-20 summer, the department undertook multiple fish rescues and relocations, including for several threatened fish species, as part of the NSW DPI Fisheries response to the unprecedented drought, bushfires and floods.

A summary of the specific recovery activities undertaken for each threatened species is provided below.

Eastern Freshwater Cod (*Maccullochella ikei*)

The department rescued Eastern Freshwater Cod from isolated pools of the Nymboida and Mann River systems and relocated the majority into nearby secure water storage locations, whilst holding some fish at Grafton Fisheries Centre as an insurance population. The fish held in captivity may be used to underpin a breeding program for the species in the future. Details of the rescue operation were included on NSW DPI's threatened species webpage.

A seasonal (August, September and October) ban on all forms of fishing continues in the Mann–Nymboida River system to minimise disturbance of Eastern Freshwater Cod during the breeding season. Targeted compliance operations were undertaken during the year.

A new sign for the Eastern Freshwater Cod closure was produced and distributed to relevant Fisheries Officers for installation.

Oxleyan Pygmy Perch (*Nannoperca oxleyana*)

The department continued to work with NSW Roads and Maritime Services to implement the Threatened Fish Management Plan for the Woolgoolga to Ballina Pacific Highway Upgrade. This plan is ensuring minimal impact on Oxleyan Pygmy Perch during road construction.

A population survey for Oxleyan Pygmy Perch was undertaken at several previously established long-term monitoring sites in north-eastern NSW. The survey detected Oxleyan Pygmy Perch at less than half of the sites surveyed possibly due to reasons such as the drought and restricted sampling conditions. Further monitoring of the population is proposed.

In December 2019 to January 2020 Oxleyan Pygmy Perch were rescued from several waterbodies in the Clarence and Richmond River Catchments impacted by the drought and/or bushfires and were relocated to Grafton Fisheries Centre. The fish are being held as an insurance population to help negate the impacts of further losses from the wild and will be used to commence a captive breeding program. Information on the rescue operation was included on NSW DPI's threatened species website, www.dpi.nsw.gov.au/fishing/threatened-species/threatened-species-distributions-in-nsw.

Silver Perch (*Bidyanus bidyanus*)

The conservation stocking program for Silver Perch was suspended in 2019 due to severe drought conditions at the proposed stocking sites. Efforts were instead redirected to undertaking rescues and relocations for the species at several locations throughout NSW impacted by the drought. Silver Perch broodstock were also collected from drying pools in the Lower Darling and Namoi catchments and relocated to government and private hatcheries.

Trout Cod (*Maccullochella macquariensis*)

The NSW Department of Primary Industries produced a total of 28,000 Trout Cod fingerlings at the Narrandera Fisheries Centre in 2019. Due to the severe drought conditions in the Macquarie catchment it was decided to stock all 28,000 fish into Talbingo Dam for recreational fishing purposes. A review a stocking sites will be undertaken in the near future.

The department worked with Murray Local Land Services providing advice on a Trout Cod habitat restoration project where more than 65 large logs from fire impacted trees were used as river ‘snags’ at Lighthouse Crossing Reserve near Towong. The department has commenced monitoring at the site to document the effects of the resnagging project on Trout Cod.

The department updated signs for the Trout Cod Protection Area and distributed them for placement on the Victorian side of the Murray River.

River Snails (*Notopala sublineata* and *Notopala hanleyi*)

The last known population of the River Snail (*Notopala hanleyi*) was discovered in the 2019-2020 reporting year at Island Creek Weir in the Lachlan Catchment. In February 2020 NSW DPI visited the site with a view to relocating up to 50 snails into secure aquaria. Unfortunately, Island Creek Weir was unable to be sampled at the time due to high water levels. It is proposed to revisit the site when conditions improve to collect the species for use in a captive breeding program.

The department and Macquarie University are working collaboratively to develop a captive breeding program for River Snails. The captive breeding program will act as a backup insurance population for longer term recovery and will provide an opportunity to undertake research into the species.

Black Rockcod (*Epinephelus daemeli*)

Surveys of long-term monitoring sites for abundance and size of Black Cod were undertaken in 2019 and 2020. Black cod abundance was similar in northern NSW when compared to previous years; however, there was a decline in Black Cod abundance at Lord Howe Island when compared with the 2011 survey. It is proposed to undertake repeat surveys of the long-term monitoring sites from 2012-2013 to assess if Black Cod populations are showing signs of recovery.

Removal of large, woody debris—a key threatening process

The removal of large woody debris is listed as a key threatening process because it negatively impacts two or more threatened species, specifically the endangered Eastern Freshwater Cod (*Maccullochella ikei*), Trout Cod (*Maccullochella macquariensis*) and Macquarie Perch (*Macquaria australasica*), as well as the vulnerable Silver Perch (*Bidyanus bidyanus*). Multiple large woody debris projects were funded under the Habitat Action Grants and were completed in 2019-20 reporting period. The completion of these projects resulted in the installation of approximately 200 timber snags across 3 different locations including: the Hunter River Estuary, Raymond Terrace; Macquarie River, Dubbo and Wapengo Creek, Tathra.

Joint management agreements

The Minister may enter into a joint management agreement (JMA) under Part 7A of the Fisheries Management Act 1994 with one or more public authorities for the management, control, regulation or restriction of an action that is jeopardising the survival of a threatened species, population or ecological community. There was one joint management agreement in force during the 2019-20 year for the NSW Shark Meshing (Bather Protection) Program.

The agreement is between the Minister for Primary Industries and the Coordinator General Environment, Energy and Science (formerly Chief Executive of the Office of Environment and Heritage). The Fisheries Scientific Committee and the Scientific Committee must conduct an annual review of the performance of the parties to the joint management agreement and advise the relevant Minister of any deficiencies in the implementation of the agreement.

The 2019-20 Performance Report for the NSW Shark Meshing (Bather Protection) Program, and the Fisheries Scientific Committee's response to this report, are available on the NSW DPI website, www.dpi.nsw.gov.au.

APPENDIX 15: Fishcare volunteer program

The Fishcare program involves 240 volunteers across NSW. They are dedicated to helping the NSW Department of Primary Industries foster positive changes in community attitudes about responsible fishing practices and ethics.

In 2019-20, volunteers participated in 309 registered events, making 41,297 contacts and dedicating 6,300 hours of service (around 900 days) to the program. Major achievements and key figures for the program in 2019-20 include:

- The general age demographic of volunteers was 44-70 years, with 4 per cent of volunteers came from culturally and linguistically diverse (CALD) communities.
- Nominee training was undertaken in Tamworth and Shellharbour, 11 new volunteers completed the course and were certified as Fishcare volunteers.
- Sydney region undertook 90 events, making 17 000 contacts. Of these 36 were run and managed by volunteers without the Education Officer attending, these include; Long Reef Events, Sydney International Regatta Centre Events (Public Fishing), Fishing for Sport and Scouts, Elderly and Isolated Fishing
- New Family Fishing Days, designed to lift community spirit after the devastation of drought and bushfires, were trialled at Tenterfield (Western NSW) with 124 family members attending and at Merimbula (Coastal NSW), with 76 family members attending.
- Gone Fishing was run at six NSW sites with 20,000 visitors, 61 volunteers assisted.
- In western New South Wales 63 events were undertaken and 10,300 people contacted.

During 2019-20 volunteers partnered with local councils, clubs and groups to teach around 4,000 children between the ages of 8-14 years the basics of fishing. Partner groups included Guides, Scouts, Department of Education (senior and junior fishing for sport), Sydney International Regatta Centre (SIRC) weekly fishing open days, retirees, and Land learn students. Volunteers also assisted NSW DPI to run state-wide paid and free of charge fishing workshops. A total of 313 children attended a paid fishing workshop, and 480 children attended free of charge workshops. All revenue raised goes back to the Recreational Fishing Trust to assist with the program.

‘Get hooked ... it’s fun to fish’ primary schools education program

The ‘Get Hooked...it’s fun to fish’ program teaches students at an early age (Stages 2 and 3) about the importance of aquatic habitats and introduces them to safe and responsible fishing practices. Schools register for a calendar year: in the 2020 calendar year 40 schools (28 coastal and 12 inland) with 1,700 students participating.

Fishcare volunteers are essential to the running of the get hooked program. In 2019, volunteers assisted at 79 registered schools undertaking 6 incursions, involving 251 students. They assisted at 31 fishing workshops across New South Wales, teaching and mentoring 2,500 students safe responsible practical fishing.

APPENDIX 16: Research and Development

NSW Department of Primary Industries

The NSW Department of Primary Industries is involved with various cooperative research centres (see ‘Current involvement with cooperative research centres’ below) that, along with over 100 significant co-investors (see ‘Co-investors greater than \$50,000’), contribute to research activities. We further collaborate with a wide range of universities within and outside of Australia, the CSIRO⁵⁶ and state departments from other jurisdictions. Several of these arrangements have been formalised in significant alliances (see Table 34).

Current involvement with cooperative research centres (CRCs) 2019–20

- Centre for Invasive Species Solutions
- CRC for High Performance Soils
- Food Agility CRC
- Plant Biosecurity CRC
- Pork CRC
- Sheep Industry Innovations CRC

Co-investors (greater than \$50,000)

- Agrifutures Australia
- Animal Health Australia
- Aquaculture Trust
- Australian Coal Association Research Program (ACARP)
- Australian Grape & Wine Authority
- Australian Meat Processors Corporation
- Australian Melon Association Inc
- Australian Pork Limited
- Australian Wool Innovations
- AusCitrus
- Australian Eggs Limited
- Bayer Australia
- Berries Australia Limited
- Centre for Invasive Species Solutions
- Charles Sturt University

- Charles Darwin University
- Cotton Research & Development Corporation
- Crawford Fund
- CSIRO
- Department of Agriculture and Fisheries
- Department of Agriculture and Food WA
- Department of Agriculture and Water Resources (Cwlth)
- Department of Economic Development, Jobs, Transport and Resources (Vic.)
- Department of the Environment and Energy (Cwlth)
- Department of Industry, Innovation and Science
- Diary Australia Ltd
- Eco Logical Australia Pty Ltd
- EH Graham Centre (Charles Sturt University)
- Environment Protection Authority
- Environmental Research Trust/Environment Australia
- Fisheries Research & Development Corporation
- Forestry Corporation NSW
- Forest & Wood Products Australia
- Freshwater Trust
- Grains Research & Development Corporation
- Horticulture Innovation Australia
- Intervet
- Irrigated Cropping Council
- James Cook University
- Living Farm
- Local Land Services
- McGarvie Smith Institute
- Meat & Livestock Australia
- Murray–Darling Basin Authority
- Murdoch University
- Plant Biosecurity CRC
- Office of Environment & Heritage (NSW)
- Plant Health Australia
- Queensland University of Technology
- Ricegrowers' Association of Australia
- Rice Research Australia Pty Ltd
- Roads and Maritime Services
- Saltwater Trust
- South Australian Research Development Institute (SARDI)
- Southern Cross University
- Surf Life Saving NSW
- University of Adelaide
- University of Canberra
- University of Newcastle
- University of New England
- University of Queensland
- University of Southern Queensland
- University of Tasmania
- University of Technology, Sydney
- University of Western Australia

- Other partners

Table 36. Major alliances

Alliance	Key partner
Animal Genetics and Breeding Unit	University of New England
AusGem—Australian Centre for Genomic Epidemiological Microbiology	University of Technology, Sydney
Australian Cotton Research Institute	CSIRO
Centre for Organics Research	Southern Cross University
EH Graham Centre for Agricultural Innovation	Charles Sturt University
National Grape and Wine Industry Centre	Charles Sturt University
NSW Centre for Animal & Plant Biosecurity	University of Sydney
Synthetic Biology Collaboration	Macquarie University
University of Newcastle and Department of Primary Industries Centre for Balanced Land Use	University of Newcastle

Geological Survey of NSW

Collaboration

Between 2 April and 30 June 2020, the Geological Survey of NSW (GSNSW) participated in numerous geoscientific collaborations.

MinEx CRC

The MinEx Cooperative Research Centre (MinEx CRC) was launched in October 2018. It is the world's largest exploration, geoscience, and technology collaboration, with committed expenditure of almost \$220 million across its ten-year life. Participants include major and mid-tier mining companies, mining equipment, technology and services (METS) providers, Geoscience Australia, all Australian state and territory geological surveys, CSIRO and major Australian universities.

MinEx CRC aims to enable mineral discovery in Australia's covered terranes by:

- developing more productive, safer and environmentally friendly drilling methods, including coiled tubing drilling technology, to discover and drill-out deposits
- developing new technologies for collecting data while drilling
- undertaking drilling to collect vital data in under-explored areas of potential mineral wealth through the National Drilling Initiative, a world-first collaboration of geological surveys, researchers and industry.

MEG's Geological Survey of NSW (GSNSW) is a major participant in MinEx CRC, with a planned investment of \$16 million over its ten-year life. From 2019 to 2028, GSNSW will progressively undertake an extensive program of geological, geochemical and geophysical data acquisition and drilling across five areas in the central- and far-west of NSW, which are

covered extensions of known mineralised areas (where rocks that host metal deposits are buried under younger rocks and soil).

Between 2 April and 30 June 2020, no planned fieldwork associated with MinEx CRC was undertaken, due to the impact of COVID-19, but desk-based studies continued. On 30 April 2020, GSNSW, in collaboration with Geoscience Australia, publicly released the data from the largest airborne electromagnetic (AEM) survey ever flown in NSW over the Greater Cobar Basin. The data from this survey will be used by for mineral and groundwater exploration and by GSNSW to help refine its planned NDI drilling program in North and South Cobar.

Dr Alicia Caruso, who is a MinEx CRC Embedded Researcher employed by the University of Newcastle continued to work within GSNSW to establish best available surface, regolith and cover data through the Greater Cobar Basin

Despite some disruption due to COVID-19, a series of MinEx CRC PhD and Honours projects are also underway at the University of Newcastle (UoN). Millicent Crowe is working on her PhD to enhance AEM inversion techniques and calibrate the survey data with geological and groundwater to optimise interpretation and 3D models. Four UoN Honours projects are underway, including two using HyLogger™ data in the Greater Cobar area to characterise cover and basement geology. There is another Honours project looking at a key basalt unit in the Koonenberry Belt of far-western NSW, while the fourth project is investigating Siluro-Devonian rifting in the Tumut area.

In other MinEx CRC collaborative research, Joe Schifano (University of NSW) has collected and analysed over 2000 biochemical samples (cypress pine) across the Greater Cobar area for his PhD project. Two University of Adelaide Honours projects are studying the geochronology, chemostratigraphy, shale and carbonate geochemistry on the Neoproterozoic sequences in the Broken Hill area. These projects will help cross-basin correlations and identify key geochemical traps (e.g. redox gradients).

AusLAMP

The Australian Lithospheric Architecture Magnetotelluric Project (AusLAMP) aims to establish baseline deep crustal conductivity between 11 and 100 kilometres deep across Australia. This will help geoscientists better understand the geological evolution of the Australian continent aid mineral explorers. GSNSW and Geoscience Australia are working together under a National Collaborative Framework agreement to acquire data at 320 station locations in NSW, which will be included in the national model.

Field deployment of instruments was suspended during March 2020, at which point, data had been acquired for 193 stations in the southern half of the state. No fieldwork was possible in the period from 2 April to 30 June 2020. In May 2020 Geoscience Australia and GSNSW geophysicists published a research paper interpreting the tectonic implications of the model in an international journal. Assuming field operations can recommence, data for a further 127 stations will be collected by June 2021 to complete state-wide coverage.

South-east Lachlan Crustal Transect

Over 600 kilometres of new seismic reflection data were acquired in May 2018 over the south-east Lachlan Crustal Transect across north-eastern Victoria and south-eastern NSW. The survey is a collaborative project between Geoscience Australia, GSNSW, the Geological Survey of Victoria, and AuScope to better understand the deep structure of the Australian continent. To further improve the deep crustal interpretation and tie it to the AusLAMP dataset, in May 2019, gravity measurements were collected along the transects at 200-metre and 400-metre intervals.

Subject to COVID-19 restrictions planning is underway for a magnetotelluric survey in October 2020.

The Wandsworth Supervolcano: Catastrophic climate change and critical metals

GSNSW is taking part in a collaborative study on the Wandsworth Volcanic group in New England, NSW. Its research partners include the University of New England, Boise State University and Geoscience Australia.

The massive volcanic eruptions began just before the Permo-Triassic mass extinction event 251 million years ago, which killed most of the world's land and sea life and ended coal formation in eastern Australia. The Wandsworth Volcanic group hosts deposits of tin, tungsten, molybdenum, and bismuth, which are important metals for alternative technologies and renewable energy. The project will seek to identify mineral potential within the volcanic units and better understand volcanism's role in driving major climate change events.

PALM palaeomagnetic laboratory

The PALM (palaeo-archaeo-litho-magnetic) laboratory at the Newcastle Institute for Energy and Resources uses palaeomagnetism to help constrain geological models and aid the accuracy of exploration drill targeting. It is externally funded through the Institute of Frontiers Geoscience, Newcastle.

From 2 April to 30 June 2020, the PALM laboratory 21 petrophysical samples for internal GSNSW projects.

Illuminating AusLAMP

Commencing in 2018-19, Illuminating AusLAMP is a three-year collaborative effort, of the University of NSW, Macquarie University, Monash University, the Geological Survey of South Australia, Geoscience Australia, GSNSW, the Northern Territory Geological Survey, and CSIRO.

The project will leverage GSNSW's investment in AusLAMP by investigating the possible sources of conductivity and resistivity anomalies in the deep crust. It will also support informed interpretation of the AusLAMP 3D resistivity models, driving new ideas about tectonic evolution and the location of possible new mineral provinces. New data from the AusLAMP project has been obtained by the modelling teams at the University of NSW and Macquarie University and is being processing ready for inversion modelling with passive seismic data.

Loop consortium

The Loop consortium brings together geological surveys and research institutions from Australia, Canada, France, Germany, and the UK for a new Open Source initiative to build the next generation of 3D geological modelling tools.

Collaborative partners include GSNSW, Geoscience Australia, AuScope, MinEx CRC, the University of Western Australia, Monash University, Aachen University (Germany), and the geological surveys of Britain, Canada, France (BRGM), Northern Territory, South Australia and Western Australia.

The three-year project, supported by an ARC Linkage grant, began in 2018-19. It will enable field geologists, academic and government researchers, explorers, resources modellers, and managers to better define their 3D geological environment and optimise data and knowledge acquisition. To date, the data structure and software architecture has been designed, and a user-friendly interface has been created. Testing has begun on example 3D models.

Government Geotechnical Report Database project

The Government Geotechnical Report Database (GGRD) project, which commenced in July 2018, secures and provides access to NSW Government geotechnical reports and data. It establishes a new geotechnical report data collection through the GSNSW online document archive (DiGS®). It also sets procedures for receiving reports and data from government agencies, harvesting of geotechnical data, and developing 3D geotechnical models. GSNSW is leading this project as Chair of the NSW Committee for Coordination of Government Geoscience Programs, which includes representatives from all NSW Government agencies that undertake geoscientific work.

An MoU between the Department of Planning, Industry, and Environment, Transport for NSW and Australian Rail Track Corporation was finalised in January 2020 covering a total of seven agencies and the GGRD working group was established and commenced meeting in February.

As of 30 June 2020, 3459 legacy government geotechnical reports and plans from Public Works Advisory (PWA) were publicly available via DiGS® and GSNSW's MinView online spatial viewer. Project milestones met between 2 April and 30 June 2020 include the establishment of business and user requirements for the development of the geotechnical reports and data submission tool and the creation of a high-level data model to collect detailed geotechnical data into a structured database. This was achieved through monthly consultations with the GGRD working group that comprises geotechnical data experts from member agencies.

Feedback from industry professionals and users of the data suggests the availability of PWA geotechnical reports through MinView has already enabled geotechnical engineers to identify potential risks and produce more detailed project cost estimates in initial project planning stages, which would not have been possible without access to this information.

The planned project completion date is 30 June 2022. Further on, the project aims to create 'super dial-before-you-dig' urban subsurface geotechnical/geological models of Australia's major cities to de-risk planning for future construction projects.

AuScope National Virtual Core Library

The AuScope National Virtual Core Library (NVCL), which commenced in 2009, is an ongoing collaborative infrastructure project led by the CSIRO involving all of Australia's geological surveys. It supports mineral exploration by researching Australian mineral systems through extensive hyperspectral logging and imaging of archival and newly submitted drillcore. GSNSW operates the NSW node of the NVCL at its Londonderry Core Library.

Core throughput averages around 20,000 metres a year, and between 2 April and 30 June 7,066 metres was logged, with data from over 492 NSW drill holes now publicly available through the national AUSGIN (Australian Geoscience Information Network) Geoscience Portal. Results from the NVCL underpin GSNSW's mineral system studies in the Cobar region and will comprise an important component of GSNSW's participation in the MinEx Cooperative Research Centre.

Mineral potential mapping

The Mineral Potential Mapping project, a collaboration between GSNSW and Kenex, aims to understand the areas of NSW with the most potential to host significant mineralisation. Built-for-purpose mineral system models are prepared and used to distil the vast knowledge and data available into scientifically defensible maps. These maps can be used for land-use planning, improved mineral system studies, and the reduction of exploration risk by generating targets and prospective tracts.

The project began in 2016-17 and will conclude in early 2020-21. Between April 2 and 30 June 2020, work was completed on the mineral potential of the Riverina and Cobar regions. Final results will be delivered in early 2020-21 as digital reports and spatial data, as well as maps on MinView.

APPENDIX 17: Consumer response

Feedback Assist

During the three-month period to 30 June 2020, the department continued to utilise the services of DPIE and its Feedback Assist program—a whole-of-government complaint management system. Subsequent to year-end the department has transitioned the complaints handling process and is now operating Feedback Assist across a number of Regional websites.

Feedback and complaint statistics

In the three months to 30 June 2020, we received 194 feedback items through Feedback Assist.

Table 37. Feedback and complaint statistics

Type of feedback received	Number
Compliments	36
Service-related complaints	102
Suggestions	41
Enquiry	15
Total engagements	194

APPENDIX 18: Exemptions from reporting provisions

The Department has not requested any exemptions from annual reporting provisions for 2019–20.

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