



NSW DEPARTMENT OF INDUSTRY

Annual Report 2017–18

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Department
of Industry

Office of the Secretary

SECO18/136

31 October 2018

The Hon. Niall Blair MLC
Minister for Primary Industries
Minister for Regional Water
Minister for Trade & Industry

Dear Minister Blair,

In accordance with the *Annual Reports (Departments) Act 1985*, the *Public Finance and Audit Act 1983*, and the Regulations under these Acts, I am submitting to you the 2017–18 annual report of the NSW Department of Industry for tabling in Parliament.

The department's report includes the 2017–18 annual report of the Independent Liquor and Gaming Authority as an appendix. Part 5, Section 39 of the *Gaming and Liquor Administration Act 2007* notes that a report under the *Annual Reports (Departments) Act 1985* in respect of the department may include any annual report required to be made in respect of the Independent Liquor and Gaming Authority under the *Annual Reports (Statutory Bodies) Act 1984*.

The Independent Liquor and Gaming Authority Annual Report 2017–18 has been prepared in accordance with the *Casino Control Act 1992*, the *Liquor Act 2007*, the *Annual Reports (Statutory Bodies) Act 1984* and the Annual Reports (Statutory Bodies) Regulation 2010.

The NSW Department of Industry's annual report outlines achievements for the 2017–18 financial year 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 report in Parliament, it will be available for public access on the department's website at www.industry.nsw.gov.au.

Yours sincerely,

Simon Draper
Secretary
NSW Department of Industry

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Message from the Secretary

In keeping with the Premier's Priorities and the State Priorities,¹ the New South Wales (NSW) Department of Industry's focus is on creating jobs, increasing the proportion of people completing apprenticeships and traineeships, and encouraging business investment in NSW.

NSW employment grew by 338,900 jobs between April 2015 and June 2018, putting us well ahead of the Premier's Priority target to create 150,000 new jobs by 2019. The department has implemented initiatives such as the Infrastructure Skills Legacy Program to ensure that the NSW Government's record infrastructure investment creates new jobs.

We have also boosted employment by promoting small business growth and investment. This financial year alone, the department worked with other NSW Government agencies to facilitate foreign direct investment projects valued at \$2.2 billion, creating over 3,000 jobs.

NSW leads Australia in services exports. The department has grown NSW's largest services export, international education. We have increased international student enrolments in NSW and this valuable sector generated \$11.3 billion in export revenue in 2017, surpassing the 2020 target.²

We invest in skills and education to ensure that NSW residents are ready for work now and for the jobs of the future. Approvals for school-based apprenticeships and school-based traineeships have risen. During the 12 months to 30 June 2018, 25,766 apprentices and trainees completed their studies.

Business confidence in NSW has remained strong. Through the Business Connect program, our department has assisted over 10,800 small businesses during the 2017–18 financial year. Similarly, the Office of the NSW Small Business Commissioner, in partnership with Service NSW, has expanded the award-winning Easy to do Business initiative to help small businesses get started and expand in NSW.

The department has implemented government reforms of the greyhound racing, liquor and gaming industries in 2017–18. We have also digitised and automated aspects of licensing and the issuing of notices to make processes more efficient for all parties.

Through initiatives such as the Global Ag Tech Ecosystem, we have driven innovation and promoted export opportunities in primary industries. Our achievements have included improving animal welfare, mitigating food risks, maintaining biosecurity and managing plant pests.

This year, we have also supported the NSW Government's milestone reforms for managing water and Crown land.

In December 2017, the government released the Water Reform Action Plan. This is the blueprint for the fair and open management of water across our state. The department has helped the government deliver better results for the people of NSW and the environment through the development and introduction of new legislation. The community's feedback has been essential in this process. The department will now develop the regulatory framework to reform metering and improve the management of environmental water.

An independent regulatory body for water compliance in NSW was established in 2017–18: the Natural Resources Access Regulator (NRAR). Since it began work in April 2018, the NRAR has moved quickly to restore community confidence and ensure that water users do the right thing. By early May, the NRAR had completed its first targeted compliance campaign in the Murray and Murrumbidgee river areas.

The new *Crown Land Management Act 2016* and the [Community Engagement Strategy](#)³ started on 1 July 2018. This was the result of more than four years of community consultation. We have worked tenaciously to put this legislation into action. The community will reap the benefits for many years to come, as the legislation is fairer and makes it easier to reach decisions.

¹ www.nsw.gov.au/improving-nsw/premiers-priorities/

² www.industry.nsw.gov.au/__data/assets/pdf_file/0007/107755/NSW-Trade-and-Investment-Action-Plan.pdf

³ www.industry.nsw.gov.au/lands/public/community-engagement-strategy

Looking ahead, the broader NSW Department of Industry cluster of agencies will spearhead the execution of the Emergency Drought Relief Package, which will be a top priority.

Without the clear leadership of our five portfolio ministers (Hon. John Barilaro MP, Hon. Niall Blair MLC, Hon. Paul Toole MP, Hon. Stuart Ayres MP and Hon. Adam Marshall MP) and the dedicated work of all our staff, the department could not achieve its goals. I thank them all for their contribution.

Simon Draper
Secretary
NSW Department of Industry

NSW Department of Industry

Departmental overview

The NSW Department of Industry was established on 1 July 2015 to lead the state government's contribution to making NSW a prosperous state—a place where people want to live and work and businesses choose to invest and grow.

We achieve this by:

- investing in skills and education to ensure that our residents are ready for work now and for the jobs of the future
- driving economic growth in primary industries by enabling the sustainable use of natural resources and the production of food and fibre
- providing independent research and scientific advice that creates economic, social and environmental benefits for NSW
- promoting a vibrant and valued sport and active recreation sector that enhances the lives of the people of NSW
- growing the visitor economy of NSW by promoting our attractiveness as a major tourism centre and destination for events
- supporting small businesses in NSW to start and grow
- creating the conditions that support the growth of industries that supply to domestic and international markets
- applying a risk-based intelligence approach to all our licensing, compliance and enforcement activities across a range of sectors to balance economic and social outcomes for the people of NSW.

Aims and objectives

Our purpose

Our purpose is to create the conditions for NSW to prosper.

Our vision

Our vision is for NSW to be a place where people want to live and work and businesses choose to invest and grow.

Our public sector values

Trust—Integrity—Service—Accountability.

Our services

The NSW Department of Industry provides a broad range of services to industry and the community, including:

- training, education and specialist advisory services
- regulatory and compliance services
- research and development
- business development

- food safety
- grant provision
- policy development and advice
- migration services
- Crown lands management
- biosecurity and emergency services
- commercial services through the Soil Conservation Service.

Our goals

The NSW Department of Industry [Corporate Plan 2015–19](#)⁴ sets our direction and focus. It articulates our vision, purpose and values, and is driven by seven goals to:

- increase jobs and investment in NSW
- sustain the conditions for economic development
- support innovation in primary industries to improve resilience and boost productivity
- manage risks for natural resources, farming and food
- support skills development programs for employment
- ensure the sustainable use of and access to natural resources
- foster a vibrant and valued sport and active recreation sector.

To enable us to meet these goals, we will:

- engage and collaborate, facilitating mutually beneficial relationships
- foster an innovative, commercially focused and collaborative department.

Our corporate plan underpins our successful delivery of [NSW State Priorities](#).⁵

Organisational structure

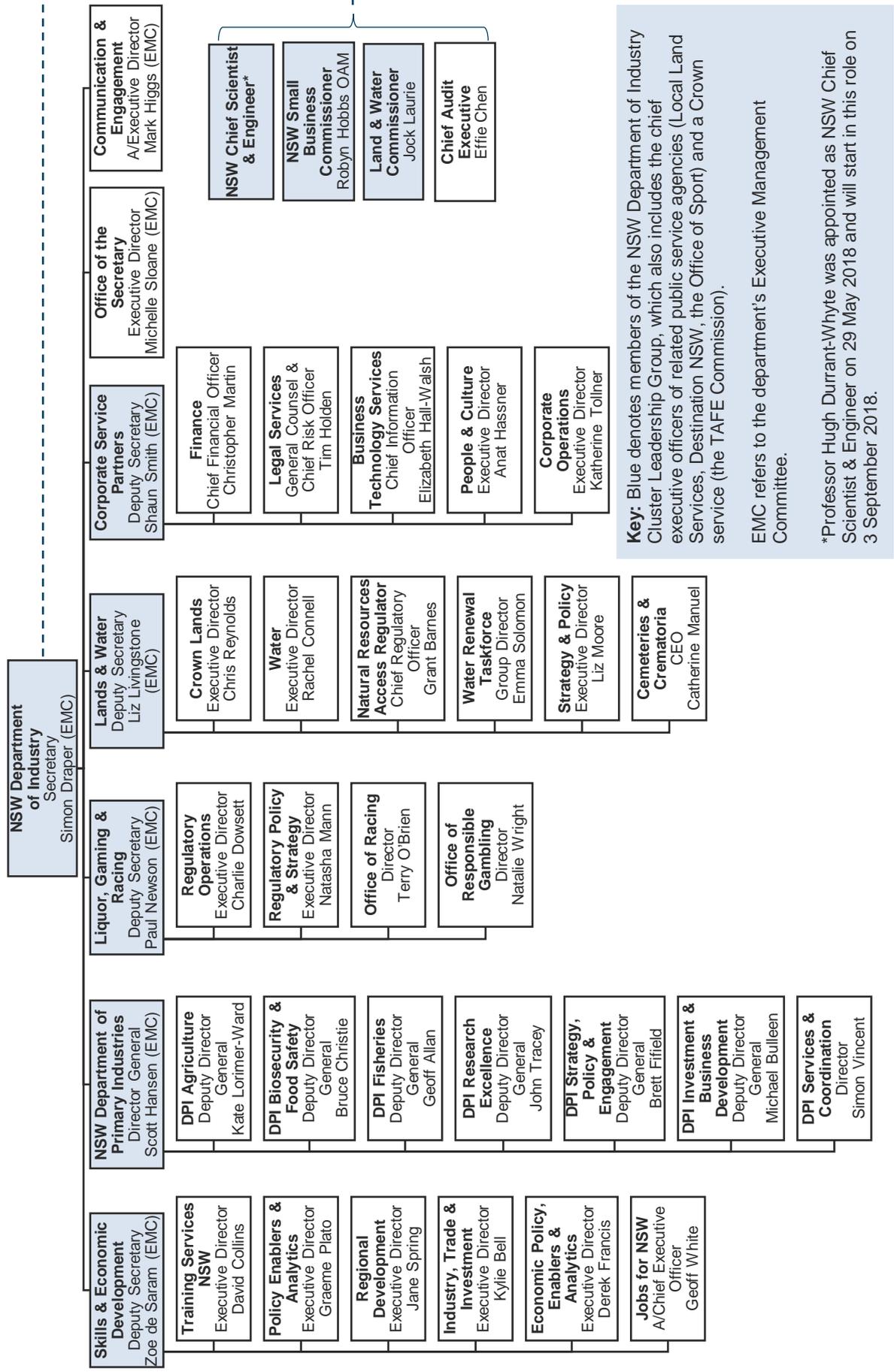
The department has four operational divisions delivering to the citizens of NSW:

- NSW Department of Primary Industries
- Skills and Economic Development
- Liquor, Gaming and Racing
- Lands and Water.

A single, central division—Corporate Service Partners—provides departmental services and coordination across a range of operational and strategic functions.

⁴ Our Corporate Plan is available from <https://www.industry.nsw.gov.au/about/our-business/our-priorities>

⁵ <https://www.nsw.gov.au/improving-nsw/premiers-priorities/>



Key: Blue denotes members of the NSW Department of Industry Cluster Leadership Group, which also includes the chief executive officers of related public service agencies (Local Land Services, Destination NSW, the Office of Sport) and a Crown service (the TAFE Commission).

EMC refers to the department's Executive Management Committee.

*Professor Hugh Durrant-Whyte was appointed as NSW Chief Scientist & Engineer on 29 May 2018 and will start in this role on 3 September 2018.

Figure 1. NSW Department of Industry as at 5 July 2018

Related annual reports

The broader NSW Department of Industry cluster includes statutory bodies, related public service executive agencies, Crown services and state-owned corporations that are required to produce annual reports. These entities report independently. Please refer to the websites below for these annual reports.

Table 1. Entities reporting independently

Entities A–N	Entities O–Z
<ul style="list-style-type: none"> • Cemeteries & Crematoria NSW⁶ • Dams Safety Committee⁷ • Destination NSW⁸ • Dumaresq–Barwon Border Rivers Commission⁹ • Forestry Corporation of NSW¹⁰ • Greyhound Racing NSW¹¹ • Greyhound Welfare & Integrity Commission¹² • Harness Racing NSW¹³ • Jobs for NSW¹⁴ • Local Land Services¹⁵ • Marine Estate Management Authority¹⁶ • NSW Institute of Sport¹⁷ • NSW Rural Assistance Authority¹⁸ • NSW Skills Board¹⁹ • NSW Small Business Commissioner²⁰ 	<ul style="list-style-type: none"> • Office of Sport²¹ • Rice Marketing Board²² • Riverina Wine Grapes Marketing Board²³ • State Sporting Venues Authority²⁴ • Sydney Cricket and Sports Ground Trust²⁵ • Sydney Olympic Park Authority²⁶ • TAFE NSW²⁷ • Venues NSW²⁸ • Veterinary Practitioners Board²⁹ • WaterNSW³⁰ • Wild Dog Destruction Board³¹

⁶ www.industry.nsw.gov.au/lands/what-we-do/crown-land/cemeteries-crematoria

⁷ www.damsafety.nsw.gov.au

⁸ www.destinationnsw.com.au

⁹ www.brc.gov.au

¹⁰ www.forestrycorporation.com.au

¹¹ www.grnsw.com.au

¹² www.gwic.nsw.gov.au

¹³ www.harness.org.au/nsw.cfm

¹⁴ www.jobsfornsw.com.au

¹⁵ www.lfs.nsw.gov.au

¹⁶ www.marine.nsw.gov.au

¹⁷ www.nswis.com.au

¹⁸ www.raa.nsw.gov.au

¹⁹ www.industry.nsw.gov.au/about/advisory-bodies/nsw-skills-board

²⁰ www.smallbusiness.nsw.gov.au

²¹ <https://sport.nsw.gov.au/>

²² www.rmbnsw.org.au

²³ www.wgmb.net.au

²⁴ Through <https://sport.nsw.gov.au/>

²⁵ www.scgt.nsw.gov.au

²⁶ www.sopa.nsw.gov.au

²⁷ www.tafensw.edu.au

²⁸ www.venuesnsw.com

²⁹ www.vpb.nsw.gov.au

Meeting key challenges

The department's challenges in the 2017–18 financial year included:

- increasing growth, innovation and productivity within primary industries
- supporting the community during drought conditions
- reforming water management
- managing and mitigating risks associated with food and biosecurity to maintain or increase market access for primary producers
- supporting primary industries to respond to risk and change
- improving the management of Crown lands
- supporting comprehensive legislative reform for the liquor and gaming industries
- implementing significant greyhound racing sector reforms to prioritise integrity and animal welfare, as well as supporting a responsible, competitive and sustainable industry
- supporting innovation in the NSW research sector
- promoting NSW science and research
- supporting small businesses
- investing in infrastructure programs that create jobs
- providing the workforce with the skills for today and the future
- transforming the delivery of vocational education and training
- growing the visitor economy
- driving NSW trade, investment and service exports
- supporting job creation.

Achieving positive results

The NSW economy is performing well, with low unemployment, high foreign investment and a thriving startup sector.

- As at July 2018, NSW is second on the overall economic performance rankings compared to other states and territories, but still holds top spot for retail spending and the relative performance on unemployment.³²
- Forty-four per cent of Australian startup founders are located in NSW.³³
- As at July 2018, the NSW unemployment rate is at 4.8%, and employment is also nearly 11% above the decade average.³⁴
- International education services exports (NSW's largest services export) contributed \$11.3 billion to the NSW economy in 2017, up 20.6% on 2016.³⁵
- In 2017–18, the department's onshore and offshore offices facilitated 40 foreign direct investment projects, valued at \$2.2 billion, which created over 3,000 jobs.

The following section is an overview of the department's achievements in 2017–18, which are driven by the goals and enablers in our [Corporate Plan 2015–19](#).³⁶

³⁰ www.waternsw.com.au

³¹ Reports are published at www.opengov.nsw.gov.au

³² commsec.com.au/stateofstates

³³ *Startup Muster 2017 Annual Report*, startupmuster.com/reports

³⁴ commsec.com.au/stateofstates

³⁵ Australian Bureau of Statistics, 5368.0.55.004—International Trade: Supplementary Information, Calendar Year, 2017, abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5368.0.55.0042017?OpenDocument

³⁶ industry.nsw.gov.au/about/our-business/our-priorities

Sustaining the conditions for economic development

Developing tourism policies and implementing programs to drive the visitor economy

In 2017–18, the department grew the visitor economy of NSW through:

- administering the final round of the Tourism Driver Demand Infrastructure (TDDI) Program, which distributed over \$3.3 million in funding to projects across regional NSW
- supporting the Visitor Economy Taskforce to undertake an independent review of the 2012 Visitor Economy Industry Action Plan. The Taskforce consulted with over 200 stakeholders to deliver its report to the NSW Government on 19 February 2018.
- preparing the NSW Cruise Development Plan to address capacity and infrastructure constraints in Sydney Harbour and support the regional growth of the cruise industry.

Supporting business innovation

The Boosting Business Innovation Program delivered a statewide network of business innovation infrastructure including labs, makerspaces, and co-working facilities for startups and small to medium-sized enterprises (SMEs).

The NSW Government has invested \$18 million over four years. So far, academia and industry has provided an additional \$18 million in cash and in-kind funding. The program has created jobs for both participating businesses and partner organisations.

Helping small businesses to flourish

The \$30-million Business Connect program is a small business advisory service that assisted over 10,800 small businesses during the 2017–18 financial year. It also provided more than 48,000 hours of face-to-face business advice and business skills training to small businesses during this time, including 660 workshops and seminars. This included close to 600 multicultural small businesses, providing nearly 2,200 hours of practical face-to-face business support to culturally and linguistically diverse (CALD) small businesses in Western Sydney.

Customers were highly satisfied with these services; the customer satisfaction score for the program was 83%. Participating businesses have increased business confidence and the percentage who described themselves as 'fairly' or 'extremely' confident rose from 51% prior to accessing support, to 70% after engagement.

Resolving disputes

Every year, the Office of the NSW Small Business Commissioner (OSBC) helps thousands of small businesses resolve disputes and manage other issues related to business relationships. In 2017–18, the OSBC responded to a record 17,289 enquiries through the WeAssist line, an increase of 62% from the previous year.

Improving the retail leasing process

Since mid-2017, the OSBC processed over 7,000 new and existing retail lease bonds. The scheme has grown by 1,100 bonds and \$8.7 million. The OSBC has also started implementing WeAgree, a new online tool giving customers direct access to their bond information.

Reducing the impact of business disruption

The OSBC supports small businesses experiencing disruption, whether through disasters or through changes in their industries. One year on from the devastating floods in Lismore and the Tweed region, the OSBC continued to help businesses in their recovery. This included assisting businesses with their insurance claims and leading the Lismore Flood Recovery Taskforce. In 2018, the OSBC provided similar frontline assistance to businesses suffering losses of property, stock and customers following bushfires in Tathra.

The OSBC also continued to assist small businesses adjusting to the light rail infrastructure projects underway in Sydney and Newcastle. This included conducting a ‘health check’ of small business owners along the Sydney Light Rail area, connecting eligible businesses to financial assistance and advice, and helping them negotiate with utility providers and landlords.

The NSW Government’s Return and Earn scheme—the largest litter reduction scheme ever introduced—began rolling out in late 2017. In 2017–18, the OSBC assisted small and medium-sized beverage manufacturers by supporting interest-free loans to help them transition to the scheme, as well as providing targeted assistance to retailers on the NSW–Victoria border.

In 2018, the OSBC conducted a review into the circumstances surrounding the collapse of Ostwald Bros on the Roads & Maritime Services’ Pacific Highway upgrade. This included supporting the affected businesses and partnering with Infrastructure NSW to revamp procurement and project management processes.

Supporting entrepreneurship

The department supported the NSW Government’s launch of the \$25 million [Sydney School of Entrepreneurship](#)³⁷ in August 2017. The school is a joint venture of NSW universities and TAFE NSW and is teaching students from across the state the practical entrepreneurship skills they need to start successful high-growth businesses. In 2017–18, the School officially commenced its academic classes and graduated its first cohorts of students.

Funding infrastructure in regional communities

The Stronger Country Communities Fund (SCCF) was originally established as a \$200-million fund to deliver local infrastructure projects in regional communities. An additional \$100 million was allocated to the fund during the 2017–18 financial year for local sports infrastructure, increasing the total value of the fund to \$300 million (\$25 million was incurred during 2017–18).

Advising on innovation and productivity

The NSW Innovation and Productivity Council (IPC) is an independent body that advises the NSW Government on innovation-led economic development and productivity. Following its renewal with a new membership in 2016, the IPC set out an ambitious work plan of research to tackle some of the most important and relevant innovation and productivity questions facing NSW.

Each of these projects contain truly pioneering elements, whether it be using recently-developed machine-learning algorithms to collect new datasets or developing frameworks and principles that are ahead of the field globally. The IPC met four times in 2017–18 and plans to publish outputs from its work program throughout 2018–19.

Developing strong industries to leverage NSW’s strengths and capabilities

The NSW Government’s Defence and Industry Strategy; *New South Wales: Strong, smart and connected* was launched in 2017. In order to drive the implementation of the new strategy, the department has established Defence NSW. Defence NSW will be at the forefront of the government’s efforts to create the conditions for a sustainable, technologically advanced and globally competitive defence industry in NSW.

Defence NSW works closely with the Commonwealth Government in a wide range of areas, such as the co-investment in the development of a Joint Strike Fighter Regional Sustainment Hub for the Asia Pacific in Williamstown, Newcastle. Further development is underway in key enabling technologies such as sonar, composite materials, electronics and military-grade steel.

The department also launched the *NSW advanced manufacturing industry development strategy* in May 2018. This strategy is designed to transform NSW into a global leader in manufacturing. The strategy was built upon consultation with more than 140 industry, state and Commonwealth Government partners and research

³⁷ <https://sse.edu.au/>

institutions. It sets out targeted, practical initiatives to grow the sector, build the capability and capacity of businesses and continue to foster a supportive external business environment in the state.

The liquor, gaming and racing industries

The Liquor, Gaming and Racing Division joined the NSW Department of Industry in April 2017.

The division, which consists of Liquor & Gaming NSW, the Office of Responsible Gambling and the Office of Racing, strives to foster sustainable, safe, responsible, vibrant and dynamic liquor, gaming and racing industries. Over the past year, the division has significantly improved outcomes for customers, stakeholders and the community.

Supporting comprehensive legislative reform

In March 2018, the NSW Parliament passed a significant reform package for liquor and gaming laws brought forward by the Minister for Racing and developed by Liquor & Gaming NSW. Key highlights of the reforms include:

- an overhaul of the Local Impact Assessment (LIA) scheme that regulates gaming machine movements, including capping the number of machines in high-risk communities such as Fairfield
- more focused LIAs using Australian Bureau of Statistics statistical zones, not council areas, with a stronger emphasis on vulnerable areas
- broader community consultation during the LIA process for longer periods
- directing LIA community contributions through the Responsible Gambling Fund, with a mandate that the money be spent locally
- a leasing scheme for gaming machines held by small hotels and clubs, providing a new pathway for them to go machine-free
- streamlined regulation of clubs and tougher penalties for directors who do the wrong thing
- a tenfold increase in fines for wagering operators advertising illegal gambling inducements
- post-employment cooling-off period for senior Liquor & Gaming NSW staff
- modernised regulation for casinos that is consistent between venues.

Supporting the night-time economy

In late 2016, the NSW Government announced the trial of an extension of later lockout and last-drinks times for genuine live entertainment venues in the Sydney CBD and Kings Cross. For venues assessed and approved by Liquor & Gaming NSW, lockouts are extended from 1.30 am to 2.00 am, with last drinks moving from 3.00 am to 3.30 am.

By 30 June 2018, Liquor & Gaming NSW had granted 30 approvals for extended trading for live entertainment music venues in the Sydney CBD and Kings Cross precincts.

In line with these changes and to promote a safe and sustainable night-time economy, Liquor & Gaming NSW granted 34 new small bar licenses in 2017–18. This is in addition to changes to interim restaurant authorisations, which, since their introduction, have allowed 169 restaurants to commence service of alcohol on the lodgement of their liquor licence application.

Digital transformation

Liquor & Gaming NSW has made substantial progress towards its digital transformation agenda. Initiatives including digitising previously manual applications and using smarter form design to consolidate previously separate applications into one intelligent form, enable streamlined lodgement and processing, and enhance the customer experience.

Automating the mandatory notification process to local councils and the NSW Police Force has also removed risk of notification failures and helps key stakeholders better manage their submissions. The transformation agenda has achieved extraordinary improvements in application handling times and resolved previously chronic backlogs while embedding contemporary, risk-based decision-making. This ensures intervention is

focused where risks are greatest and recognises the importance of reducing undue regulatory burden for responsible businesses.

Evaluating the Community Impact Statement

Liquor & Gaming NSW evaluated the Community Impact Statement (CIS) requirement in 2017–18, with the aim of improving stakeholder engagement in liquor licensing applications, and reducing complexity and costs for business and the community. Finalisation of outcomes and implementation work is expected in early 2018–19.

Reforming greyhound racing

In 2017–18, the Office of Racing was responsible for implementing the NSW Government's reforms of the state's greyhound racing industry. This included the key reform to separate the commercial and regulatory functions of the industry through the reconstitution of Greyhound Racing NSW (GRNSW) and the establishment of the Greyhound Welfare & Integrity Commission (the commission). In July 2017, a new GRNSW Board of directors, chaired by former NSW Premier the Hon. Morris Iemma, was appointed.

The appointment of commissioners was announced in August 2018, headed by Chief Commissioner Alan Brown. The commission's initial focus, supported by the Office of Racing's Greyhound Project Team, was developing its resources and capability, including recruitment of staff. The commission began operations as the greyhound racing industry regulator on 1 July 2018.

Strengthening the Responsible Gambling Fund

A new Office of Responsible Gambling was created within the Liquor, Gaming & Racing Division to lead responsible gambling strategy and public policy advice to the NSW Government, support the fund's trustees, as well as develop and implement the programs and initiatives funded by the Responsible Gambling Fund (RGF).

The Office of Responsible Gambling reviewed the RGF's governance and capability during 2017–18, resulting in a reconstituted trust and the appointment of seven new eminent trustees. The RGF capability has been substantially enhanced, ensuring trustees are best positioned to advise the NSW Government on the allocation of funds for responsible gambling, as well as provide arms-length expert advice on gambling-related policy, where appropriate.

The Office of Responsible Gambling Strategic Plan has been developed in consultation with stakeholders and will be launched in late 2018.

Researching gambling prevalence

The Office of Responsible Gambling began preparatory work on a study into the prevalence of gambling and problem gambling during 2017–18. The study will be completed in 2018–19 and will identify:

- the prevalence of gambling participation and behaviours
- the extent of problem gambling within the community
- current community attitudes to gambling
- help-seeking behaviour.

The study will for the first time also examine the concept of gambling harm and attempt to give some definitional clarity to this challenging and complex issue, while also establishing a harm threshold to underpin the rigour of the analysis.

The study will inform policy and program development and decision-making to reduce gambling-related harm through regulatory approaches, education and treatment.

Improving Infrastructure Grants under the ClubGRANTS Category 3 Fund

In 2017–18, a range of improvements were made to the Infrastructure Grants program, including a move to a one-step grant process, four rounds across the year and revised ranges of funding for each category in Sport & Recreation, Arts & Culture and Emergency Preparedness. This has meant a streamlined process for community organisations applying for grants and scheduled grant rounds to better plan their applications.

2017–18 has seen 94 projects funded across NSW, totalling \$12.5 million.

Implementing the Casino Modernisation Review

Liquor & Gaming NSW is implementing reforms to casino regulation in NSW to enable the regulator to be more agile and responsive, and to help industry to be more competitive both nationally and internationally.

The reforms are comprehensive, and the implementation requires a staggered introduction, in consultation with the NSW Police Force, the Australian Transaction Reports and Analysis Centre (AUSTRAC), and the two operators.

The reforms introduce a more intelligence-led regulatory approach—including increased use of internal controls—and have a focus on matters that present real risks. For industry, the reforms provide for:

- competitive regulatory neutrality, where the two operators will compete
- greater flexibility in some areas
- the removal of redundant and overly prescriptive legislative and administrative requirements.

The operators will also be subject to rigorous, ongoing harm-minimisation obligations.

Support to increase jobs and investment in NSW

Growing NSW investment outcomes

In 2017–18, the department, working with agencies across the NSW Government, facilitated 40 foreign direct investment projects valued at \$2.2 billion, which created over 3,000 jobs. Investment into the resources, tourism infrastructure, finance and technology sectors contributed strongly to this result.

Examples of investment include the opening of a Norinchukin Bank office in Sydney; the bank is one of Japan's largest. Similarly, global e-commerce giant Amazon established its largest Australian fulfilment centre in Moorebank, NSW.

Driving NSW trade outcomes

The department delivered 94 export capability building events to over 3,800 business participants across NSW. The NSW export advisers, in partnership with Austrade's TradeStart network, delivered export services to businesses across NSW and supported 188 NSW businesses during their attendance at international tradeshows.

Promoting NSW trade and investment through strategic overseas missions

In 2017–18, there were 18 official ministerial missions abroad that incorporated travel to NSW priority markets or markets of interest.³⁸

The department led the ideation, design and delivery of most of these missions, and led the delivery of post-mission follow-up activities. These included the three trade missions led by Minister Blair in 2017–18 to China and Hong Kong in September 2017, to Singapore and Malaysia in October 2017, and to the United Arab Emirates and Indonesia in February 2018.

³⁸ dpc.nsw.gov.au/publications/ministers-overseas-travel-information

In other cases, the department provided targeted support for trade and investment and key government-to-government engagements in these missions. These included the Premier's missions to Japan and Korea in August 2017, to China and the Philippines in December 2017, to the United States in February 2018, and to India in April 2018.

The department's support for these missions is essential to ensure that NSW trade and investment interests are advanced, and strategic relationships are nurtured. The offshore network has been a critical asset in the delivery of these successful missions.

Setting up the Western Sydney Investment Attraction Office

The Western Sydney Investment Attraction Office was set up as an outcome of the Western Sydney City Deal. Under the deal announced in March 2018, the three levels of government jointly committed to the establishment of a Western Sydney Investment Attraction Office in Liverpool. This office will attract domestic and international investment into the aerotropolis that will be developed around Western Sydney Airport, as well as facilitating investment across the region.

Delivering strategic onshore events and activities

In March 2018, NSW hosted the Special Summit of the Association of South East Asian Nations (ASEAN). In view of the value of ASEAN markets to NSW (NSW goods exports to ASEAN totalled almost \$5 billion in 2017), the NSW Government took the opportunity to coordinate ASEAN Business Week, and launch a NSW ASEAN Strategy.³⁹ The success of this initiative was a standout example of collaboration with the Commonwealth Government to advance NSW's international agenda through onshore activities.

In May 2018, the department was instrumental in attracting overseas investors to the Aerotropolis Investor Forum (AIF) hosted by the NSW Premier. The AIF informed investors of the wide-ranging opportunities resulting from the Western Sydney City Deal endorsed in March 2018, and includes support from the Western Sydney Airport.

Supporting the startup sector

Jobs for NSW delivered on a significant commitment in February 2018 with the opening of the Sydney Startup Hub.

Jobs for NSW invested \$35 million in the creation of this globally significant innovation centre, which is the first of its kind in Australia. Unmatched in the southern hemisphere for size and density, it offers 17,000 square metres across 11 floors.

The Sydney Startup Hub provides startups with access to mentoring, networking and investment and brings together leading incubators, accelerators and innovation programs in one central location. It features a dedicated, free, Regional Landing Pad to help regional entrepreneurs more easily access the metropolitan startup community and vice versa.

Supporting the creation of more than 20,000 jobs by 2021–22

Jobs for NSW is on track to support the creation of more than 20,000 jobs by 2021–22, based on the full funding allocation of \$190 million to the Jobs for NSW programs.

Jobs for NSW also launched the GO NSW Equity Fund—an Australian-first industry partnership between Jobs for NSW, First State Super and ROC Partners. The NSW Government has committed \$50 million to the fund, which is designed to back businesses that create jobs in our cities and regions. Its first two investments were announced in 2018—a \$3.3 million investment in Wagyu beef agribusiness Stone Axe Pastoral, and a \$3.3 million investment in Australia's Oyster Coast—which will create 76 and 40 jobs respectively.

Jobs for NSW is also delivering on its commitment to support regional entrepreneurs. In September 2017, it introduced interest-free Regional Growth Loans. These are direct loans of \$200,000 to \$500,000 to assist

³⁹ industry.nsw.gov.au/__data/assets/pdf_file/0008/145979/ASEAN-strategy.pdf

emerging and fast-growth small to medium-sized enterprises (SMEs) to scale quickly and create jobs in regional areas. In May 2018, Jobs for NSW announced the Local Innovation Network, a \$2.1 million investment across seven regional centres to help fast-growing regional startups and businesses thrive.

Growing international education—NSW’s largest services export

In 2018–19, StudyNSW helped to promote NSW as a leading study destination, contributing to growth of the sector. International student enrolments in NSW increased to over 303,000 in 2017, up 13.8% on 2016.⁴⁰ Export revenue from international education increased to \$11.3 billion in 2017, up 20.6% on 2016.⁴¹

Skills development programs for employment

Providing the workforce with the skills for today and the future

Apprenticeships and traineeships

As at 30 June 2018, there were 90,276 apprentices and trainees, 65% of whom were apprentices. Seventy-three per cent of these apprentices and trainees were 25 years old or younger.

Approvals of apprenticeships in NSW grew by nearly 3% in the 12 months to June 2018. Infrastructure projects across the state contributed significantly to this growth, with a 10% increase in construction-related trades.

Approvals for school-based apprenticeships rose by 28% and school-based traineeships by nearly 6% on the previous 12 months, with significant increases in plumbing, electrical and carpentry trades. School-based traineeships increases were reported in community services; building and construction; and transport and logistics.

There were 25,766 completions of apprenticeships and traineeships during the 12 months to 30 June 2018. As at 30 June 2018, the completion rate for apprenticeships and traineeships was 59%.

Adult and community education

Funding of \$19 million for 2017–18 was allocated to 34 adult and community education (ACE) colleges funded under the Smart and Skilled Community Service Obligation (CSO) program.

ACE providers also delivered the Tech Savvy Seniors program, delivering \$350,000 worth of training to seniors with limited or no previous experience in using computers, or those needing additional help to develop their digital literacy skills. The Tech Savvy Seniors Program is a joint program between the NSW Government and Telstra and is delivered in libraries across NSW, including regional and remote locations.

Science, technology, engineering and mathematics skills

Boosting the science, technology, engineering and mathematics (STEM) skills of the NSW workforce is vital to ensuring a flow of workers for the high-paying jobs of the knowledge economy. In 2016–17, the department invested \$25 million in establishing the NSW STEM Foundation to drive this take-up of STEM skills across the state.

A collaborative partnership between the department, the Science and Industry Endowment Fund, and the CSIRO,⁴² the NSW STEM Foundation will work with partners in the education sector, industry and across

⁴⁰ Commonwealth Department of Education and Training, <https://internationaleducation.gov.au/research/international-student-data/pages/default.aspx>

⁴¹ Australian Bureau of Statistics, 5368.0.55.004—International Trade: Supplementary Information, Calendar Year, 2017, <abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5368.0.55.0042017?OpenDocument>

⁴² Commonwealth Scientific and Industrial Research Organisation

government to develop targeted programs, scholarships, awards and other incentives to encourage more students in NSW to take up—and stay in—STEM studies. Funding and activity of the NSW STEM Foundation will be overseen by the CSIRO and supported by an expert consultative council.

Further education and employment for Aboriginal people

Supporting Aboriginal people in gaining further education and employment is an important aspect of the department's work. The 2017–18 budget for the Elsa Dixon Aboriginal Employment Strategy is \$4.4 million.

The strategy provided funding for two permanent public service positions, three temporary secondment positions, 80 school-based trainees and five community projects. The strategy comprises three programs:

- **Elsa Dixon Aboriginal Employment Program** provides funding to subsidise the salary, development and support costs of Aboriginal employees in the public sector or with local government. The program provided funding for 96 pathways for Aboriginal school students to undertake school-based traineeships, in line with the NSW Government's Making it Happen Plan and the *OCHRE* plan.⁴³
- **New Careers for Aboriginal People Program (NCAP)** funds organisations to employ and train people as Aboriginal employment advisors to assist Aboriginal people into employment and/or training. In 2017–18, NCAP assisted 735 Aboriginal people into employment and 845 clients into training.
- **Aboriginal Enterprise Development Officer Program** contracts organisations to employ and train Aboriginal people as Aboriginal Enterprise Development Officers to act as mentors and provide support for Aboriginal people establishing a business. In 2017–18, the program resulted in 51 new Aboriginal businesses and the creation of 88 jobs for Aboriginal people.

Skills for the cotton and grains industry

In 2017–18, the department's Training Services NSW team partnered with Cotton Australia and the Grains Research and Development Corporation (GRDC) to implement the government-funded \$14.7 million AgSkilled strategy. Running until mid-2020, the strategy will develop a workforce in the cotton and grains industry capable of managing current and future challenges and define career pathways supported by training and professional development. Training is being delivered through Smart and Skilled and is coordinated by a dedicated AgSkilled Project Officer working on behalf of Cotton Australia and the GRDC.

Investing in infrastructure programs that create jobs

The department implemented the Infrastructure Skills Legacy Program (ISLP) during 2016–17. The program ensures that the NSW Government's record infrastructure investment of \$87.2 billion is providing new job opportunities for the people of NSW in the construction industry.

The ISLP has been an outstanding success. This has resulted in the NSW Government incorporating ISLP targets into the NSW Government Action Plan: A ten-point commitment to the construction sector, which was released by the Premier in 2018.

There are now five ISLP projects: the Sydney Metro City & Southwest project and the Sydney Metro Northwest project; Lismore Base Hospital Redevelopment Stage 3B; WestConnex; Clarence Correctional Centre; and the Broken Hill Pipeline.

Training Services NSW is helping to deliver the government's commitment under the Western Sydney City Deal by implementing an Indigenous small business and skills package. The package includes a new Opportunity Hub in Liverpool to help connect Indigenous school leavers with jobs, 50 additional Bert Evans Apprentice Scholarships, a dedicated Aboriginal Enterprise Development Officer program, and a Business Connect program to support Indigenous people starting a business.

⁴³ aboriginalaffairs.nsw.gov.au/our-agency/staying-accountable/ochre

Transforming the delivery of vocational education and training

As at 30 June 2018, there were over 400 providers contracted to deliver Smart and Skilled training. During 2017–18, Smart and Skilled providers were moved from calendar year funding to a financial year funding model, which facilitates more efficient budget management and distribution of funds for training across NSW.

By the end of 2016, all contracted providers had undergone performance monitoring. The department has now moved to a three-year monitoring cycle to ensure ongoing quality training and assessment and compliance with the Smart and Skilled contract.

The Smart and Skilled contract has enforceable sanctions for providers found to be non-compliant. Sanctions include withholding payments, removing financial cap allocations and suspension or termination of the contract. Up to July 2017, 32 providers had been terminated. For the period 1 January 2018 to 30 June 2018, a further 13 providers were terminated.

Training Services NSW has been working to identify opportunities to improve and streamline regulation and build a consistent, collaborative approach that encourages a sector-wide culture of quality and compliance. Training Services NSW has built on its work carried out in conjunction with states and territories by establishing the National Information Sharing Forum. The forum enables the sharing of information, improving on best-practice models and professional development opportunities. This initiative has been so successful that the inaugural National Sharing Forum Seminar is scheduled for 9 July 2018.

In 2017–18, Training Services NSW consolidated the second phase of the Smart and Skilled contract management system to facilitate and improve compliance requirements. The system enables over 400 providers contracted to deliver government-subsidised Smart and Skilled training to access and provide information associated with contractual and performance monitoring requirements.

Training Services NSW handles many enquiries from training providers, students, industry and other individuals regarding vocational education and training and Smart and Skilled. On average, 2,500 email and 1,100 phone calls are resolved per month. Enquiries range from the operational aspects of Smart and Skilled, to parents and students needing advice on vocational education and training as a career choice.

With extra emphasis on improved customer service, a streamlined customer phone service was implemented, leading to better allocation of queries from providers, employers and students.

Innovation in primary industries to improve resilience and boost productivity

Driving innovation in agriculture and food businesses

The NSW Department of Primary Industries (NSW DPI) is the premier research and development (R&D) provider for primary industries in Australia, backed by the expertise of over 600 scientific staff and a network of research institutes covering over 13,000 hectares. NSW DPI is ranked in the top 1% of research organisations world-wide in the fields of agricultural science, and plant and animal science.

NSW DPI has numerous high-value R&D projects, with almost half the value being invested by partners. For every dollar spent on R&D, there is more than ten times the return on the value of that investment.

In 2017–18, NSW DPI established partnerships to improve R&D capacity. The Livestock Productivity Partnership (LPP) is a \$50-million R&D collaboration between NSW DPI, MLA Donor Company (MDC), the CSIRO and the University of New England that aims to boost livestock productivity and develop new R&D capacity. The goal of the LPP is to increase national productivity in the livestock industry from 1% to 2.5% per year by developing regional and system-specific feedbase options, and new animal phenotyping and farm management tools, primarily for producers in NSW and southern and central Queensland.

The NSW DPI/Grains Research & Development Corporation (GRDC) strategic partnership—the Grains Agronomy & Pathology Partnership—was executed in February 2017. This partnership focuses on winter crop agronomy and physiology; winter crop pathology; and infrastructure, capacity building and skills development. This is a five-year collaboration agreement to 30 June 2022 with a value of \$13 million per year.

On 18 March 2018, NSW DPI launched the Global Ag Tech Ecosystem (GATE) to foster innovation in primary industries and enable maximisation of research uptake and adoption of technology by industry. The GATE is a

one-stop-shop for agricultural technology (agtech) product development from early ideas, small or startup companies through to helping agtech businesses go global. Established at the Orange Agricultural Institute, the goal of the GATE is to fast-track adoption of R&D and help get new ideas, technologies and services into the hands of agricultural producers and industry. In 2017–18, agtech projects include support for the development of a remote on-farm, decision-making platform (the Farm Decision Platform) and remote connectivity solutions for farm research stations.

The Minister for Primary Industries introduced the NSW DPI International Engagement Strategy, which provides a clear direction for how the department will work with industry and other government agencies to accelerate growth, innovation and productivity within NSW agribusiness. NSW DPI has delivered key initiatives and activities to meet the goals outlined in the strategy, including:

- helping NSW agriculture and food businesses understand e-commerce opportunities in China by developing the e-commerce toolkit
- holding a masterclass for over sixty small to medium-sized enterprises (SMEs) looking to expand their export trade.

This has expanded export opportunities to key international markets and attracted direct foreign investment in NSW.

During 2017–18, NSW DPI continued to be a key partner within Innovation Central Sydney (ICS), working collaboratively with Cisco, Data61, the NSW Farmers Association and the University of NSW to identify and test opportunities associated with Internet of Things (IoT) and other digital technologies. A key outcome from ICS during 2017–18, through collaboration between DPI, Cisco and Bralca Pty Ltd, was the development of a prototype platform to improve the collection and transfer of on-farm data.

Reforming fisheries, forestry and game licensing

NSW DPI has delivered reforms and programs in relation to fisheries, forestry and game licensing. These include:

- delivery of the **Commercial Fisheries Business Adjustment Program**

The program is a major reform that aims to restructure the fisheries industry so that it can ensure a steady, future supply of locally caught, high-quality seafood, which in turn increases the economic contribution of fishing and aquaculture. NSW DPI's support for the industry through the transition period includes giving fishers tools for better business management, providing grants for financial and legal advice, and providing low-interest rate loans.

- expansion of the **EcoHut Fishing** concept

NSW DPI has increased the number of EcoHut Fishing locations from 6 to 14. Located in the inland and coastal areas, the huts provide affordable accommodation close to key fishing locations. NSW recreational fishing licence holders are able to rent these huts at a heavily discounted rate, and enjoy being in nature with family and friends while experiencing some of the best fishing NSW has to offer.

- introducing the **Young Farmers/Fishers Business Program**

The program helps young farmers and fishers enter into the business of farming or commercial fishing and aquaculture, or expand their existing business aspirations.

- running a series of 20 **Aboriginal Cultural Awareness sessions** involving staff from NSW DPI—Fisheries and local members of the Aboriginal communities.

The workshops were run across the state and focused on building respectful relationships, and a strong understanding of Aboriginal people's cultural associations with our fisheries resources. The program has since been nominated for a number of awards, and has given our NSW DPI—Fisheries

staff the skills to engage with Aboriginal people in an effective and respectful manner.

- progressing commitments in the **NSW Forestry Industry Roadmap**

This has included:

- successfully transferring management of private, native forestry approvals from the Environmental Protection Authority to Local Land Services
- completing the NSW Regional Forest Agreements review
- substantially amending the *Forestry Act 2012* to enable more efficient and effective forest management arrangements (including preparing for the new coastal Integrated Forestry Operations Approvals)
- planning forestry industry development projects such as plantation expansion, contractor skills improvement and an innovation loans program.

- developing and launching the **‘Don’t wing it—Be an effective game bird hunter’ education program**

NSW DPI launched the program in December 2017 as part of the NSW Game Bird Management Program to reduce red tape and barriers to participation by both landholders and hunters.

- launching the Get Permission mobile phone app

The launch was part of the **‘Shut the gate on illegal hunting’ program** and was promoted through the NSW Police Force at the Sydney Royal Easter Show in April 2018. The app is an easy way for hunters to record private land permissions to hunt. Landholders can use this app to deal with known hunters, approve or decline permission to hunt requests, as well as maintain a record of permission requests and approvals.

Risks managed for natural resources, farming and food

Improving animal welfare

In May 2018, NSW DPI released the NSW Animal Welfare Action Plan to modernise legislation that is almost 40 years old. The plan will deliver an animal welfare system that is focused on outcomes and reflects evolving animal welfare science and community expectations. The objective of the action plan is to ensure that people responsible for animals provide for their welfare in line with the best available science and community expectations.

NSW DPI has created a Chief Animal Welfare Officer position to be accountable for the delivery of the action plan and has partnered with the Office of Local Government to successfully introduce amendments to the *Companion Animals Act 1998* and the *Prevention of Cruelty to Animals Act 1979*, in order to improve companion animal traceability and encourage responsible pet ownership.

Mitigating food risks

The NSW Food Authority continues to play a central role in managing and mitigating risks associated with food—from paddock to plate.

As a result of partnerships with local councils, food retailers, growers, industry and suppliers, in 2017–18 the NSW Food Authority reported a 17% reduction in its overall notification rate for salmonellosis and a 54% reduction in illness caused by *Salmonella Typhimurium* from the 2014 levels. The dramatic reductions mean that NSW has met its target of reducing illness caused by salmonella well ahead of schedule. This target was ambitiously set in the Food Safety Strategy 2015–21.

On top of this outcome, in 2017–18, 96% of food businesses were found to be compliant with food safety standards. This beat the target of 95% set in the NSW Food Safety Strategy.

Maintaining biosecurity

On 1 July 2017, the *Biosecurity Act 2015* (Biosecurity Act) took effect in NSW and replaced all or part of 14 different Acts. The new approach to biosecurity provides a flexible and responsive regulatory framework that allows stakeholders, land managers and individuals to effectively respond to and manage biosecurity risks. Importantly, the reform has enshrined in legislation a ‘general biosecurity duty’, meaning all people who manage biosecurity matter need to play a role in ensuring our state biosecurity outcomes are protected. To support successful implementation of the Biosecurity Act and compliance with it, NSW DPI has trained 453 authorised officers to deliver enforcement and education services.

In 2018, the NSW State of Biosecurity Report was tabled in the NSW Parliament. This inaugural report provides an overview of how NSW is delivering on its Biosecurity Strategy.

Between 5 and 9 March 2018, NSW DPI partnered with the Queensland Department of Agriculture and Fisheries to run Exercise Border Bridge, the largest simulated biosecurity response exercise in Australia in the past 10 years. Its goal was to assess how NSW and Queensland would respond to a biosecurity incident occurring across both jurisdictions and test the application of legislation, systems and processes.

More than 260 people from across Australia participated in the exercise, with representatives from NSW DPI, the Queensland Department of Agriculture and Fisheries, the Commonwealth Department of Agriculture and Water Resources, as well as Australian plant and livestock industries. The exercise is currently being evaluated with a view to identifying ways to further improve our readiness for a significant biosecurity emergency.

Managing plant pests and wild dogs

This year, NSW DPI employees responded to 147 suspected emergency plant pests detected across Australia. The ‘top 5’ emergency plant pests (EPPs) requiring the most attention this year were brown marmorated stink bug in NSW, citrus canker in the NT, vegetative disorder in NSW, dickeya blackleg in WA and tomato potato psyllid in WA. Together, all 147 EPPs posed a potential threat to Australia’s bush tucker, cropping, horticulture, nursery and timber industries, worth \$47.5 billion in 2016–17.

Additionally, NSW has responded to serious biosecurity and human health threats presented by White Spot Disease, Yellow Crazy Ant, and Listeriosis outbreak in rockmelons, Anthrax and a detection of Encephalomyocarditis Virus in Alpacas.

Other key achievements include:

- supporting Local Land Services to develop and release the Regional Strategic Weed Management Plans, which were launched in August 2017, along with the announcement of a \$1.5 million enhancement to the Weeds Action Program
- releasing the NSW Wild Dog Strategy 2017–21 in November 2017 to assist land managers and local authorities to reduce the damaging impacts of wild dogs on primary industries across the state.

Supporting the community during drought conditions

The NSW Drought Strategy focuses on preparedness, improved decision-making and targeted support for rural communities, continuing the principles driving the 2015 Drought Strategy. The strategy includes transport loans and subsidies, loans for water infrastructure and genetic banking of livestock material, a rural resilience program, rural support workers, financial counselling, and skills and training subsidies.

Other initiatives to support the rural community include:

- NSW DPI delivered a robust and streamlined Farm Debt Mediation service, with NSW now the leading state for such services. Legislation was passed in May 2018.
- NSW DPI has developed a \$29.2-million strategy to address the climate change needs of NSW primary industries.

Sustainable use and access to natural resources

In September 2017, the NSW Department of Industry established a Lands and Water Division. The division came together with a clear mandate to bring greater transparency to the way the government operates in its management of Crown lands and water and to develop new and more effective ways to manage and sustain some of NSW's most important natural assets.

The new division has already achieved some major milestones for fair management of Crown lands and water.

Reforming water management

On 30 April 2018, following Mr Ken Matthews' investigation into water management and compliance,⁴⁴ the Natural Resources Access Regulator (NRAR) commenced operations as NSW's lead compliance and enforcement agency for the management of water and its environs. The principal objectives of the NRAR are to ensure effective, efficient, transparent and accountable compliance and enforcement measures for the natural resources management legislation, and to maintain public confidence in the enforcement of the natural resources management legislation.

A key early success for the NRAR has been its role in ensuring protection of environmental flows over 1,400 kilometres of river systems as part of the Northern Connectivity Event. NRAR officers monitored compliance with a pumping embargo across the Northern Murray–Darling Basin to protect a large environmental water flow. This flow was the first environmental water event of its size in the Northern Basin and aimed to improve the health of the system and provide much-needed water.

Other NRAR highlights include:

- NRAR executive—the Chief Regulatory Officer and five directors—were appointed and operational for the 30 April 2018 NRAR opening
- senior investigator, compliance officer and legal staff recruitment is underway to complement existing staff and build enforcement capability
- the successful transfer of WaterNSW and NSW Department of Industry staff and resources to the NRAR
- face-to-face engagement by the Chief Regulatory Officer and directors with external stakeholders and with staff in all locations across the state
- the launch of an NRAR compliance hotline on the go-live date of 30 April 2018, supported by published guidance on public reporting of a breach
- the first NRAR targeted compliance campaign in May 2018 focused on the Murray and Murrumbidgee river areas, finding only minor breaches
- internal and external training to enhance investigation skills
- preparation of key policies, endorsed by the NRAR Board and published, including the NRAR's Compliance Priorities for June–August 2018.

After the release of the NSW Government's [Water Reform Action Plan](#)⁴⁵ in December 2017, the department established the Water Renewal Taskforce in January 2018 to drive delivery of the action plan. In June 2018, the *Water Management Amendment Act 2018* was passed, strengthening the *Water Management Act 2000* by creating a legislative basis for robust water metering and facilitating the better management of environmental water.

In February 2018, the Water Renewal Taskforce established an intergovernmental working group to develop solutions to better manage environmental water. The working group delivered a package of interim solutions within 90 days of forming. In March and April 2018, 20 consultation events in regional areas were held, over 250 submissions with feedback on the water reforms received. This feedback helped shape the amendments to the *Water Management Act 2000*.

⁴⁴ *Independent investigation into NSW water management and compliance*—interim and final reports by Ken Matthews, AO, available from industry.nsw.gov.au

⁴⁵ industry.nsw.gov.au/__data/assets/pdf_file/0016/136204/nsw-government-water-reform-action-plan.pdf

In March 2018, the Water Renewal Taskforce launched the Water Pilot Technology Program, offering grants to pilot innovative technologies to improve water regulation, compliance and environmental water management activities, aiming to assist the department identify crop types from satellite imagery, detect anomalies in water use information, detect changes in floodplain structures and track flows across floodplains.

The \$1 billion co-funded Safe and Secure Water Program targets water and sewerage projects in regional NSW to ensure infrastructure meets contemporary standards for water security, public health, environmental and safety outcomes into the future.

The Broken Hill pipeline, a centrepiece of the program, will deliver a reliable water supply for Broken Hill, to underpin business confidence in the region, support the full functioning of health infrastructure and the tourism industry and improve employment outcomes in the region. It will also enable the Menindee Lakes to be managed more efficiently to balance the need for productive water, environmental flows and the importance of the lakes for the local community. The water security package represents one of the largest investments in regional water security on record and ensures the region has a stable economic footing for future generations.

Nimmie-Caira is a former irrigation property in the state's south-west and is the largest remaining area of wetlands in the Murrumbidgee Valley. Minister Niall Blair announced on 29 May 2018 that a consortium led by The Nature Conservancy (TNC), in partnership with the Nari Nari Tribal Council, the Murray–Darling Wetlands Working Group, and the University of NSW, will manage the property to balance biodiversity and Aboriginal cultural values with agricultural production, education and scientific research. The consortium will deliver NSW's vision for the \$180 million Nimmie-Caira water-saving project through implementation of the project's land and water management plan.

The Regional Water Strategies project continues to develop options for regional water security through the identification of opportunities to improve water management based on an assessment of priorities, risks and opportunities. This includes developing strategies at the state and regional scale to improve longer term water security that balances social, environmental and economic needs through infrastructure and other solutions.

The Country Towns Water Supply and Sewerage Program delivered critical water infrastructure, such as effluent management schemes, water supply pipelines, and wastewater treatment plants across NSW. After an investment of approximately \$1.23 billion, most infrastructure works are complete, consisting of over 500 projects. The Wyangala Sewerage Scheme is expected to be completed before July 2019.

The NSW Department of Primary Industries has improved water use efficiency through the Sustaining the Basin: Irrigated Farm Modernisation program. As of June 2018, 112 infrastructure modernisation projects have been approved, 89 of which have been completed.

Improving land management

In 2017–18, the department's Crown Lands branch put in place the necessary policies, systems and processes to allow new, consolidated and modern Crown land legislation to start on 1 July 2018. The new *Crown Land Management Act 2016* (CLM Act) improves use of and access to the state's Crown land. Some of the major outcomes included:

- significantly improving the way Crown reserves are managed and facilitating better decision-making about the future use of Crown land
- requiring that important decisions under the CLM Act comply with a community engagement strategy that provides for meaningful community engagement in appropriate circumstances
- acknowledging the spiritual, social, cultural and economic importance of Crown land to Aboriginal people and recognising and facilitating Aboriginal involvement in the management of Crown land
- supporting community involvement in the management of Crown land
- introducing modern governance and compliance provisions.

A new legislative and policy framework under the CLM Act enables the conversion of Western Lands Leases to freehold. The Crown Lands branch has received 139 conversion applications so far.

The next stage of the Crown Lands branch's Contaminated Land Management Program was approved, progressing the implementation and facilitation of five discrete projects within the program: Environmental

Compliance, Ports and Marinas, Oyster Farms, Cattle Dips, and Derelict Mines. \$3.2 million was spent or committed to more than 28 projects on Crown land for remediation or investigation.

Almost \$8 million was spent on various projects of the Coastal Infrastructure Program at key strategic locations along the NSW coast. The Crown Lands branch also delivered programs and projects under the NSW Government's Coastal Dredging Strategy to improve and maintain boating access in the state's coastal waterways, including Rescuing our Waterways Program and navigational dredging.

The Crown Lands branch is also responsible for delivering the major projects in the Port of Eden, including the wharf extension, allowing the largest of cruise ships at 325 m in length to berth. The project has generated employment opportunities and is expected to generate significant economic activity.

In 2017–18, the Crown Lands branch completed 339 tenures audits (leases and licences), 29 sales (excluding road sales and compulsory acquisitions by authorities) of surplus Crown land and issued 969 licences ranging from grazing and livestock, access, domestic waterfronts to telecommunications.

During 2017–18, the Public Reserves Management Fund Program continued to provide significant social and economic benefit to high-use public areas within local communities. Over \$2.5 million was contributed towards improvements for 38 showgrounds, while more than \$8.6 million supported improvements to over 400 local parks and reserves. This investment allows communities to use these areas safely and with enjoyment into the future.

In 2017–18, the Crown Lands branch worked with local councils and Aboriginal Land Councils (ALCs) in a new program of negotiations to determine the best owner and manager of Crown land. The Land Negotiation Program commenced negotiations with councils and ALCs in Tamworth and Northern Beaches local government areas, responding to the recommendations from the 2014 Crown Land Management Review, with the aim of achieving transfer of suitable Crown land to the most appropriate landholder. All parties to the negotiations recognised that it is important that NSW Crown land is held by the most appropriate landholder so the people of NSW can gain positive social, economic, cultural and environmental benefits. Anticipated program benefits include:

- retention of state-significant land in the Crown Estate
- local ownership of Crown land to advantage local communities
- reduced red tape and the regulatory burden on local government
- more certain, efficient and streamlined land management
- recognition of the importance of land to Aboriginal people and to support sustainable spiritual, cultural, environmental and economic benefits for Aboriginal people.

During 2017–18, the department's Crown Lands branch participated in finalisation of four native title claims and negotiated key Indigenous Land Use Agreements in the Gumbaynggirr, Barkandji, Bandjalang and Yaegl native title consent determination areas to secure the ongoing management of parks, forests, Crown land and waters and the re-issue of licences.

New arrangements for council Crown land management have required significant guidance and training for local governments to ensure councils and community are supported. During 2017–18, the department's Crown Lands branch developed guide notes and fact sheets, webinar material and a range of communications for local councils. Answers to frequently asked questions regarding plans of management, native title and general Crown reserve management were also provided to local councils, in partnership with the NSW Office of Local Government, which is responsible for delivering guidance, advice and training and acting as a centralised repository.

In May 2018, Crown Land Manager information sessions were held at 10 locations across NSW and were attended by more than 340 people. Feedback was overwhelmingly positive, with further sessions planned in the coming year.

Leading strategy and policy development

The new Lands and Water Division is also supported by the Strategy and Policy branch, which was established in January 2018 to provide strategic planning, governance, policy, economic analysis and cabinet and legislative support.

A major achievement for the branch has been supporting the passage of the Water Management Amendment Bill 2018 through NSW Parliament. This Bill sets out the key reforms to support the Water Reform Action Plan including further strengthening compliance and enforcement capabilities and improving alignment of NSW and Murray–Darling Basin Plan requirements.

Foster a vibrant and valued sport and active recreation sector

The [NSW Institute of Sport](#),⁴⁶ the [Office of Sport](#),⁴⁷ the [State Sporting Venues Authority](#), the [Sydney Cricket and Sports Ground Trust](#),⁴⁸ the [Sydney Olympic Park Authority](#)⁴⁹ and [Venues NSW](#)⁵⁰ produce their own annual reports independently.

Please refer to the annual reports of these entities for an account of how the broader NSW Department of Industry cluster fosters a vibrant and valued sport and active recreation sector.

Engage and collaborate, facilitating mutually beneficial relationships

Making it easier to do business in NSW

In 2017–18, the Office of the NSW Small Business Commissioner (OSBC), in partnership with Service NSW, continued to expand the Easy to do Business initiative. Easy to do Business gives aspiring and existing small business owners one front door to government, reducing the time, cost and complexity of starting up, growing or even exiting a business.

The first phase of Easy to do Business, which was first trialled in Parramatta, reduced the time it takes to open a café, restaurant or small bar from 18 months to 90 days or fewer. In 2017–18, Easy to do Business was expanded to more than 50 council areas.

In recognition of the economic development and job creation benefits of Easy to do Business, the initiative won the 2017 Premier's Award for Public Service in the 'Creating Jobs' category, and was a finalist in the Prime Minister's Awards.

In May 2018, the Commonwealth Government announced it would invest \$95.9 million to expand Easy to do Business in partnership with the NSW Government. These funds will be used to expand Easy to do Business to all NSW councils and to the full business lifecycle of cafés, restaurants and small bars, as well as the housing construction sector.

Helping councils support local businesses

The OSBC re-launched the Small Business Friendly Councils initiative in 2017–18. Now freely available to all NSW councils, the initiative helps councils create flourishing local business communities through knowledge-sharing opportunities, resources and regulatory reform.

In 2017–18 the OSBC hosted twelve Small Business Friendly Councils workshops across NSW, providing hundreds of council staff with the chance to participate in policy roundtables and learn from best-practice business support programs.

Negotiating better payment terms for small businesses

Recognising that cashflow is a significant issue for small business, in 2017–18 the OSBC successfully negotiated faster payment terms for small business suppliers to government. By the end of 2018, NSW Government agencies will pay their small business suppliers within twenty business days, and by end 2019 within five days, putting NSW in a world-leading position for government payment terms.

⁴⁶ www.nswis.com.au

⁴⁷ <https://sport.nsw.gov.au/>. Includes reports for the State Sporting Venues Authority.

⁴⁸ www.scgt.nsw.gov.au

⁴⁹ www.sopa.nsw.gov.au

⁵⁰ www.venuesnsw.com

Foster an innovative, commercially focused and collaborative department

The Office of the NSW Chief Scientist and Engineer

Providing high-level advice

Throughout the 2017–18 financial year, the Office of the NSW Chief Scientist & Engineer (OCSE) continued to provide leadership on science, engineering and research matters in NSW.

In response to requests from the Premier and other ministers, the OCSE provided formal advice on a range of issues in 2017–18, including:

- delivery of the final report on the NSW Energy Security Taskforce, which highlighted the risks to and resilience of the NSW electricity system from extreme weather events in the context of a changing climate
- delivery of the final report on the Independent Human Health Risk Assessment for the Lord Howe Island Rodent Eradication Program
- the establishment of the Independent Expert Panel for Mining in the Catchment, with the OCSE acting as secretariat.

The Chief Scientist & Engineer (CSE) also chaired a range of special-purpose committees involving officers from various portfolios and co-opted external experts. These included:

- NSW PFAS⁵¹ Expert Panel
- Advisory Committee on Tunnel Air Quality
- Water Pilot Technology Program Assessment Panel
- NSW Medical Devices Fund
- Koala Advisory Committee.

The CSE was Director of the Centre of Medicinal Cannabis Research and Innovation (CMCRI), which provides support for the establishment and consolidation of an evidence-based system for a nationally consistent approach to medicinal cannabis. The CMCRI operated within OCSE, but was funded by the NSW Ministry of Health. In early 2018, the NSW Ministry of Health assumed operational responsibility for the CMCRI.

Professor Mary O’Kane AC resigned as Chief Scientist & Engineer in December 2017. Dr Chris Armstrong assumed the role of Acting Chief Scientist following Professor O’Kane’s departure. The new Chief Scientist & Engineer, Professor Hugh Durrant-Whyte FRS, FAA, was announced on 29 May 2018 and will start work in this role on 3 September 2018.

Supporting innovation in the NSW research sector

The OCSE managed the Research Attraction and Acceleration Program (RAAP, total funding allocated \$13.5 million), which in 2017–18 provided \$6.8 million in co-funding to 12 facilities with headquarters in NSW that were funded through the Commonwealth National Collaborative Research Infrastructure Strategy in fields such as:

- development of instrumentation for astronomical observation
- microscopic analysis
- marine observation
- nano- and microfabrication
- groundwater.

The RAAP also provided \$5 million in funding for the NSW Research Networks including:

- the establishment of and support for the NSW Cyber Security Network
- the establishment of and support for the NSW Defence Innovation Network

⁵¹ per- and poly-fluoroalkyl substances

- support for the NSW Smart Sensing Network.

Promoting NSW science and research, and STEM engagement

The RAAP supported science outreach activities in NSW. This included:

- presenting the annual NSW Premier's Prizes for Science & Engineering, awarding the 2017 Scientist of the Year Prize to Professor Gordon Wallace, an electromaterials scientist at the University of Wollongong
- hosting the Science & Research Breakfast Seminar Series (seven seminars) held at NSW Parliament House
- providing \$275,000 in funding support for 68 science and research conferences being held in NSW
- providing \$100,000 in sponsorship for Engineers Australia initiatives to support the engineering community and promote STEM⁵²-related studies and career choices among students
- sponsoring the National Youth Science Forum and the Science and Engineering Challenge (through the University of Newcastle)
- supporting the Sydney Science Festival and statewide science educational events as part of National Science Week, through the NSW Inspiring Australia manager
- providing \$100,000 in funding for the NSW Science & Engineering Student Competition Sponsorship Program and announcing the Supporting Young Scientists Program, which will be funded in the next financial year. These programs support tertiary and secondary students wishing to further their education in STEM-related education activities both domestically and internationally.

OCSE has provided \$8.7 million in equity investment in Silicon Quantum Computing Pty Ltd, which was formed to commercialise research out of the Centre for Quantum Computation and Communication Technology (CQC2T). Funding of \$500,000 from the Quantum Computing Fund was allocated to the University of Sydney to work with three other universities to undertake further scoping and seeding activities to establish the Sydney Quantum Academy, with a view to training professionals and driving industry development in this groundbreaking area of physics and engineering.

⁵² science, technology, engineering and mathematics (STEM)

Our results against Premier's Priorities and State Priorities

Table 2. Results against Premier's Priorities and State Priorities

Priority	Type	Headline indicator (definition)	2017–18 actual (as at 30 June 2018)	Data source
150,000 new jobs by 2019	Premier's Priority	NSW is more than a year ahead in its progress towards the target of 150,000 jobs by 2019.	NSW employment increased by 338,900 between April 2015 and June 2018.	NSW Treasury analysis based on ABS 6202.0 Labour Force, Australia
Be the leading state in business confidence	State Priority	While the target to be the top Australian state for business confidence has not been met in this reporting period, NSW has continued to show good performance in business confidence over an extended period of time.	Between March 2018 and June 2018, NSW's composite business confidence ranking was third, just behind Queensland and South Australia.	Using a composite business confidence ranking from three data sources (NAB Monthly Business Survey; Roy Morgan Business Index; Sensis Business Index) and taking an average of composite results from March 2016 to June 2018
Increase the proportion of people completing apprenticeships and traineeships to 65% by 2019	State Priority	Percentage of the apprentices and trainees successfully completing their apprenticeship or traineeship	59%	NSW IVETS (Integrated Vocational Education & Training System)

Financial overview 2017–18

Budget structure

The NSW Department of Industry is an entity (for the purpose of financial reporting) for the entire 2017–18 year. This overview presents information on the NSW Department of Industry (the Parent entity), excluding controlled entities. For consolidated financial information, please refer to the financial statements beginning at page 208.

Revenue (\$2,613 million)

Total revenue for the NSW Department of Industry for the year ending 30 June 2018 was \$2,613 million. The main sources of revenue were:

- NSW Treasury appropriation funding: \$2,273 million
- Sale of goods and services: \$204 million
- Personnel services income: \$3 million
- Grants and contributions received from external parties: \$141 million.

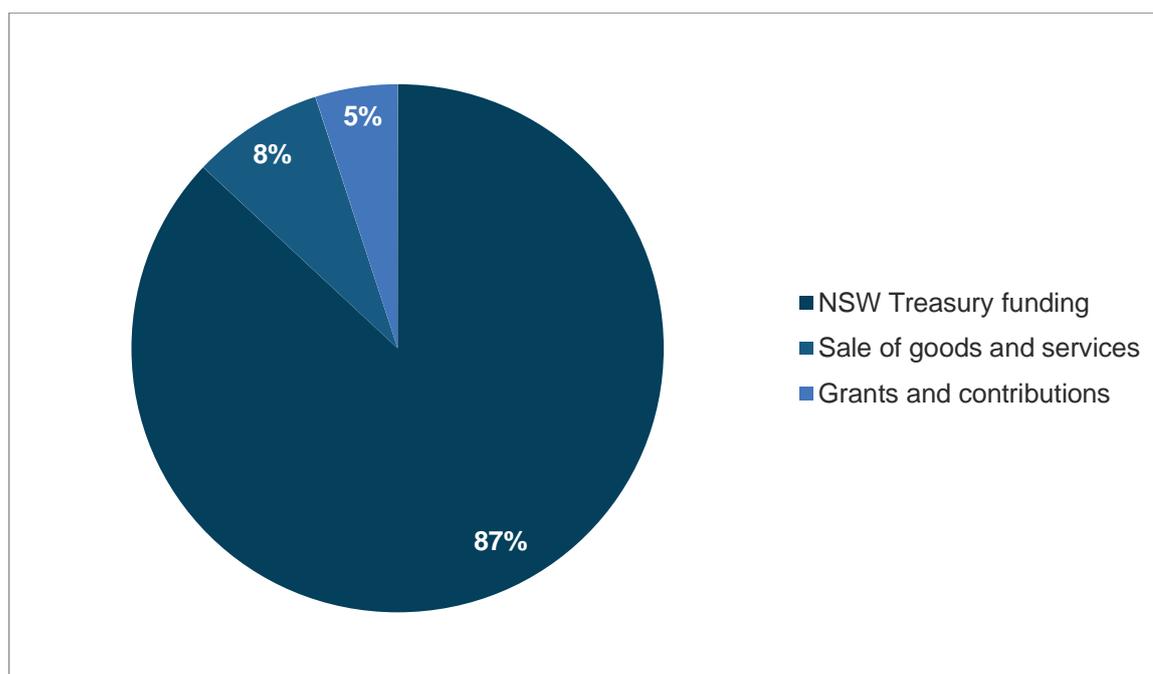


Figure 2. Revenue

Expenses excluding losses (\$2,680 million)

Expenses excluding losses for the year ending 30 June 2018 were \$2,680 million. Of this total, \$491 million was for employee-related costs, including personnel services provided to entities within the NSW Department of Industry cluster.

Grants and subsidies of \$1,723 million included the following:

- \$678.7 million for TAFE NSW Commission (Non Contestable)
- \$677.6 million for Industry Training Services
- \$46.9 million for Jobs for NSW
- \$43.8 million for Service Delivery Grants programs
- \$31.3 million for WaterNSW
- \$30.5 million for Murray–Darling Basin Authority
- \$25.0 million for Stronger Country Communities Fund
- \$17.4 million for Invasive Species Research and Management
- \$16.5 million for Smart Skilled and Hired Programs
- \$16.0 million for Forestry Corporation of NSW
- \$15.4 million for Sustain the Basin Projects
- \$13.9 million for the Research Attraction & Acceleration Program
- \$12.2 million for Industry and Community Relations Grants.

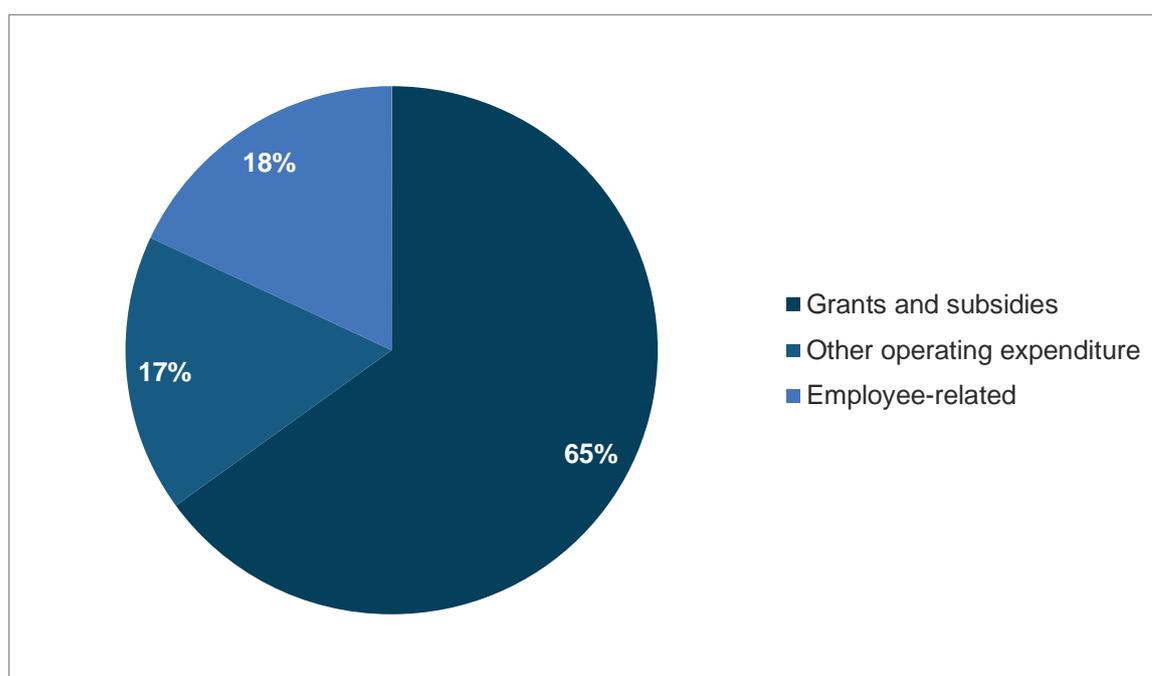


Figure 3. Expenses

Other operating expenditure of \$466 million includes:

- \$146.5 million for contractors and other fees
- \$86.2 million for depreciation and amortisation of the department's fixed assets
- \$35.9 million for operating lease rental expenses relating primarily to buildings.

Assets (\$7,622 million) and liabilities (\$463 million)

The department's net assets at 30 June 2018 were \$7.2 billion, which comprised total assets of \$7.6 billion and total liabilities of \$0.5 billion. The largest component of the asset base relates to the value of Crown lands, \$5.2 billion, and infrastructure, \$1.2 billion.

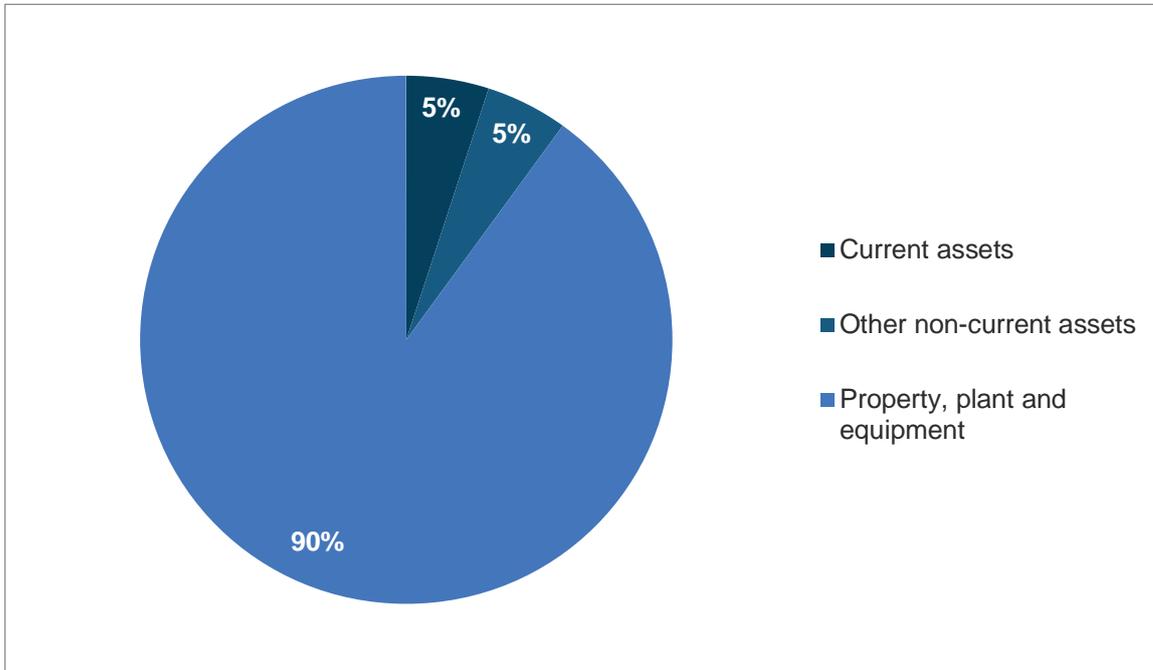


Figure 4. Assets

Appendices

Appendix 1—Principal officers

Executives and their qualifications as at 30 June 2018

Simon Draper BEc (Hons) MBus (Finance)

Secretary, NSW Department of Industry

Zoe de Saram PSM B.Agr.Ec

Deputy Secretary, Skills & Economic Development

Shaun Smith, BEng Hons

Deputy Secretary, Corporate Service Partners

Scott Hansen BRurSc Grad Cert Comms GAICD

Director General, NSW Department of Primary Industries

Paul Newson BA (Politics) LLB MLS MLM

Deputy Secretary, Liquor, Gaming & Racing

Liz Livingstone BSc (Hons 1) GradCert EnvEng MProfAcctg

Deputy Secretary, Lands & Water

Mark Higgs AdvDip Marketing

Acting Executive Director, Communication & Engagement

Michelle Sloane OAM BA MA (Psych) MBA MAHRI GAICD

Executive Director, Strategy, Office of the Secretary

Matt Miller BEng BEcon MSc

Chief Executive, Office of Sport

Sandra Chipchase B.Bus Comms GAICD

Chief Executive Officer, Destination NSW

Geoff White BBus MMarketing

Acting Chief Executive Officer, Jobs for NSW

Professor Hugh Durrant-Whyte BSc (Hons) MSE PhD FRS FAA FIEEE FTSE HonFIEAus⁵³

NSW Chief Scientist & Engineer

Robyn Hobbs OAM MMgmt JP

NSW Small Business Commissioner

Jock Laurie

NSW Land and Water Commissioner

Effie Chen MSc (Business Administration) BSc (Commerce) CISA CRISC CPA Member ISACA

Chief Audit Executive

⁵³ Professor Durrant-Whyte's appointment was announced on 29 May 2018. He will start in this role on 3 September 2018. Dr Chris Armstrong is the Acting NSW Chief Scientist & Engineer.

Appendix 2—Legislation and legal change

Acts administered

Minister for Primary Industries

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, jointly with the Minister for Lands and Forestry

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

Marine Estate Management Act 2014 No 72, jointly with the Minister for the Environment

Meat Industry Act 1978 No 54

Poppy Industry Act 2016 No 37

Prevention of Cruelty to Animals Act 1979 No 200

Rice Marketing Act 1983 No 176

Rock Fishing Safety Act 2016 No 66

Rural Assistance Act 1989 No 97

Soil Conservation Act 1938 No 10 (except parts 2A, 3 and 4, and sections 15 and 30A in so far as they relate to Parts 2A, 3 and 4, jointly with the Minister for the Environment)

Stock Medicines Act 1989 No 182

Sydney Market Authority (Dissolution) Act 1997 No 62

Veterinary Practice Act 2003 No 87

Minister for Regional Water

Dams Safety Act 1978 No 96

Dams Safety Act 2015 No 26

Googong Dam Catchment Area Act 1975 No 4

Natural Resources Access Regulator Act 2017 No 64

New South Wales—Queensland Border Rivers Act 1947 No 10

Public Works and Procurement Act 1912 No 45, section 34(3) and (4) (remainder, Minister for Finance, Services and Property)

Snowy Hydro Corporatisation Act 1997 No 99, section 57 (remainder, the Minister for Energy and Utilities)

Water Act 1912 No 44

Water (Commonwealth Powers) Act 2008 No 69

Water Management Act 2000 No 92

Water NSW Act 2014 No 74 (except Part 4, jointly with the Minister for Energy and Utilities)

Minister for Skills

Apprenticeship and Traineeship Act 2001 No 80

Innovation and Productivity Council Act 1996 No 77

Jobs for NSW Act 2015 No 25

Skills Board Act 2013 No 99

Vocational Education and Training (Commonwealth Powers) Act 2010 No 131

Minister for Small Business

Retail Leases Act 1994 No 46

Small Business Commissioner Act 2013 No 22

Minister for Lands and Forestry

Australian Oil Refining Agreements Act 1954 No 34

Border Fence Maintenance Act 1921 No 17, jointly with the Minister for Primary Industries

Botany Bay National Park (Helicopter Base Relocation) Act 2004 No 27

Cemeteries and Crematoria Act 2013 No 105

Commons Management Act 1989 No 13

Crown Land Management Act 2016 No 58

Crown Lands Act 1989 No 6 (except parts, the Premier, parts, jointly the Minister for Finance, Services and Property and the Minister for Innovation and Better Regulation, and parts, the Minister for Sport)

Crown Lands (Continued Tenures) Act 1989 No 7

Forestry Act 2012 No 96 (except parts 5A and 5B, Minister for the Environment)

Hay Irrigation Act 1902 No 57

Irrigation Areas (Reduction of Rents) Act 1974 No 83

Murrumbidgee Irrigation Areas Occupiers Relief Act 1934 No 52

Plantations and Reafforestation Act 1999 No 97

Public Reserves Management Fund Act 1987 No 179

Roads Act 1993 No 33, Parts 2, 4 and 12 (section 178(2) excepted), section 148 and the remaining provisions of the Act, so far as they relate to Crown roads (remainder parts, the Minister for WestConnex jointly with the Minister for Roads, Maritime and Freight, parts, the Minister for Environment, and parts Minister for Local Government)

Sydney Public Reserves (Public Safety) Act 2017 No 35

Trustees of Schools of Arts Enabling Act 1902 No 68

Tweed River Entrance Sand Bypassing Act 1995 No 55

Visy Mill Facilitation Act 1997 No 139

Wagga Wagga Racecourse Act 1993 No 109, sections 4 and 5 (remainder, the Minister for Racing)

Wentworth Irrigation Act 1890 No 7

Western Lands Act 1901 No 70

Minister for Racing

Australian Jockey and Sydney Turf Clubs Merger Act 2010 No 93

Betting and Racing Act 1998 No 114

Casino Control Act 1992 No 15

Gambling (Two-Up) Act 1998 No 115

Gaming and Liquor Administration Act 2007 No 91

Gaming Machines Act 2001 No 127

Gaming Machine Tax Act 2001 No 72, Part 4 and Schedule 1 (remainder, jointly with the Treasurer and the Minister for Finance, Services and Property, except Part 3, the Treasurer and the Minister for Finance, Services and Property, jointly)

Greyhound Racing Act 2009 No 19

Greyhound Racing Act 2017 No 13

Harness Racing Act 2009 No 20

Hawkesbury Racecourse Act 1996 No 74

Liquor Act 2007 No 90

Public Lotteries Act 1996 No 86

Racing Appeals Tribunal Act 1983 No 199

Registered Clubs Act 1976 No 31

Thoroughbred Racing Act 1996 No 37

Totalizator Act 1997 No 45 (except section 76, the Treasurer)

Unlawful Gambling Act 1998 No 113

Wagga Wagga Racecourse Act 1993 No 109 (except sections 4 and 5, the Minister for Lands and Forestry)

Minister for Sport

Combat Sports Act 2013 No 96

Crown Lands Act 1989 No 6, so far as it relates to the Crown Reserve known as Parramatta Park, the Crown Reserve known as Wollongong Showground, the Crown Reserve known as Newcastle International Sports Centre, the Crown Reserve known as Newcastle Showground (remainder, parts the Premier, parts, the Minister for Finance, Services and Property jointly with the Minister for Innovation and Better Regulation, and parts, the Minister for Lands and Forestry)

Institute of Sport Act 1995 No 52

Motor Vehicle Sports (Public Safety) Act 1985 No 24

Mount Panorama Motor Racing Act 1989 No 108

Sporting Bodies' Loans Guarantee Act 1977 No 3

Sporting Venues Authorities Act 2008 No 65

Sydney Cricket and Sports Ground Act 1978 No 72

Sydney Olympic Park Authority Act 2001 No 57

Minister for Tourism and Major Events

Destination NSW Act 2011 No 21

Motor Racing (Sydney and Newcastle) Act 2008 No 106

Motor Sports (World Rally Championship) Act 2009 No 55

Assistant Minister for Skills

Technical and Further Education Commission Act 1990 No 118

Technical Education Trust Funds Act 1967 No 95

Legal change

New legislation

Biosecurity Act 2015

Crown Land Management Act 2016 (commenced in part only)

Greyhound Racing Act 2017 (commenced in part only)

Natural Resources Access Regulator Act 2017

Sydney Public Reserves (Public Safety) Act 2017

Amending legislation

Apprenticeship and Traineeship Amendment Act 2017

Crown Land Legislation Amendment Act 2017

Fisheries Management Amendment (Aboriginal Fishing) Act 2017

Gaming Machines Amendment (Leasing and Assessment) Act 2018

Liquor Amendment (Reviews) Act 2017

Liquor and Gaming Legislation Amendment Act 2018

Local Land Services Amendment Act 2016

Local Land Services Amendment Act 2017

Registered Clubs Amendment (Accountability and Amalgamations) Act 2018

Retail Leases Amendment (Review) Act 2017

Snowy Hydro Corporatisation Amendment (Snowy Advisory Committee) Act 2014

Water Management Amendment Act 2018

New Regulations

Biosecurity (National Livestock Identification System) Regulation 2017

Biosecurity Regulation 2017

Cemeteries and Crematoria Amendment Regulation 2018

Crown Land Management Regulation 2018

Fisheries Management (Aquaculture) Regulation 2017

Marine Estate Management Regulation 2017

Natural Resources Access Regulator Regulation 2018

Amending Regulations

Crown Land Management Amendment Regulation 2018

Fisheries Management Legislation Amendment (Fees, Charges and Contributions) Regulation 2017

Fisheries Management Legislation Amendment (Quota Management) Regulation 2017

Fisheries Management Legislation Amendment (Spanner Crab) Regulation 2018

Fisheries Management Legislation Amendment Regulation 2017

Fisheries Management Legislation Further Amendment Regulation 2017

Gaming and Liquor Administration Amendment (Publication of Decisions) Regulation 2017

Liquor Amendment (Outdoor Dining) Regulation 2017

Liquor Amendment (Lock Out Exemption for Mardi Gras) Regulation 2018

Liquor Amendment (Miscellaneous) Regulation 2017

Liquor Amendment (Special Events Extended Trading) Regulation 2017

Liquor Amendment (Special Events Extended Trading) Regulation 2018

Liquor Amendment (Special Events Extended Trading) Regulation (No 2) 2018

Liquor Amendment (Special Events Extended Trading) Regulation (No 2) 2017

Liquor Amendment (Special Licence Conditions) Regulation (No 2) 2017

Liquor Amendment (Special Licence Conditions) Regulation 2018

Liquor Amendment (Take-away Trading on New Year's Eve) Regulation 2017

Liquor Further Amendment (Miscellaneous) Regulation 2017

Local Land Services Amendment (Land Management-Native Vegetation) Regulation 2017

Marine Estate Management (Management Rules) Amendment (Prohibited Fishing Activities) Regulation 2018

Marine Estate Management (Management Rules) Amendment Regulation 2018

Motor Racing (Sydney and Newcastle) Amendment (Newcastle 500) Regulation 2017

Prevention of Cruelty to Animals Amendment (Stock Welfare) Regulation 2017

Water Management (General) Amendment (Anabranch Water Trust) Regulation 2017

Wild Dog Destruction Amendment Regulation 2017

Statue Law (Miscellaneous Provisions) Act 2017

The following commenced on or after 1 July 2017:

Australian Jockey and Sydney Turf Clubs Merger Act 2010

Cemeteries and Crematoria Act 2013

Crown Land Legislation Amendment Act 2017

Dams Safety Act 2015

Exhibited Animals Protection Act 1986

Fisheries Management (General) Regulation 2010

Fisheries Management Act 1994

Food Act 2003

Gambling (Two-Up) Act 1998

Game and Feral Animal Control Act 2002

Gaming and Liquor Administration Act 2007

Gene Technology (GM Crop Moratorium) Act 2003

Harness Racing Act 2009

Hemp Industry Act 2008

Liquor Act 2007

Liquor Regulation 2008

Local Land Services Act 2013

Meat Industry Act 1978

Plantations and Reafforestation Act 1999

Prevention of Cruelty to Animals Act 1979

Roads Act 1993

Sporting Venues Authorities Act 2008

Stock Medicines Act 1989

Sydney Cricket and Sports Ground Act 1978

Sydney Olympic Park Authority Act 2001

Thoroughbred Racing Act 1996

Totalizator Act 1997

Unlawful Gambling Act 1998

Unlawful Gambling Regulation 2016

Veterinary Practice Act 2003

Water NSW Act 2014

Statute Law (Miscellaneous Provisions) Act (No. 2) 2017

Amendments made to:

Betting and Racing Regulation 2012

Biosecurity Regulation 2017

Casino Control Act 1992

Combat Sports Act 2013

Crown Land Legislation Amendment Act 2017

Crown Land Management Act 2016

Floodplain Management Plan for the Barwon-Darling Valley Floodplain 2017

Gaming Machines Act 2001

Liquor Act 2007

Marine Estate Management (Management Rules) Regulation 1999

Marine Estate Management Act 2014

Registered Clubs Act 1976

Retail Leases Act 1994

Sydney Olympic Park Authority Act 2001

Thoroughbred Racing Act 1996

Water (Part 2-General) Regulation 1997

Water (Part 5-Bore Licences) Regulation 1995

Water Management Act 2000

Water Sharing Plan for the Greater Metropolitan Region Unregulated River Water Sources 2011

Water Sharing Plan for the Hunter Regulated River Water Source 2016

Water Sharing Plan for the Hunter Unregulated and Alluvial Water Sources 2009

Water Sharing Plan for the Nambucca Unregulated and Alluvial Water Sources 2016

Statute Law (Miscellaneous Provisions) Act 2018

Amendments made to:

Apprenticeship and Traineeship Act 2001

Betting and Racing Act 1998

Biosecurity Act 2015

Cemeteries and Crematoria Act 2013

Crown Land Management Act 2016

Exhibited Animals Protection Regulation 2010

Fisheries Management (Abalone Share Management Plan) Regulation 2000

Fisheries Management (Aquaculture) Regulation 2017

Fisheries Management (Estuary General Share Management Plan) Regulation 2006

Fisheries Management (General) Regulation 2010

Fisheries Management (Lobster Share Management Plan) Regulation 2000

Fisheries Management Act 1994

Food Regulation 2015

Gene Technology (GM Crop Moratorium) Act 2003

Liquor Act 2007

Other

Biosecurity Order (Permitted Activities) 2017

Dams Safety Amendment (Prescribed Dams) Proclamation 2018

Forestry (Designation of Regulatory Authority for Private Native Forestry) Order 2018

Land Management (Native Vegetation) Code 2018

Liquor (Adjustable Fee Amounts) Amendment Notice 2018

Water Sharing Plan for the Murrumbidgee Regulated River Water Source Amendment Order 2017

Appendix 3—Significant judicial decisions 1 July 2017–30 June 2018

Land law

The NSW Department of Industry has been involved in several significant inquiries involving Crown land, in addition to a number of disputes in relation to Crown roads.

The *Inquiry into the Fire at Springwood NSW 17 October 2013 And the Fire at Mt Victoria NSW 17 October 2013* was heard in June, August and December 2015 and October 2017. The bushfires that were the subject of the inquiry affected more than 2,000 hectares of Crown land. On 23 May 2018, the Coroner found that the bushfires were caused by the effects of the arcing of electrical conductors after trees fell on those conductors. The Coroner made recommendations under section 82 of the *Coroner's Act 2009* to a number of parties to the inquiry in relation to vegetation management and bushfire response and investigation. The Coroner did not make any recommendations under section 82 of the *Coroner's Act 2009* directly affecting the department's Crown Lands branch.

In the *Inquest into the death of Brendan Vickery*, the Coroner considered issues arising from the death of a man in February 2014 who jumped from a cliff into a spring reservoir on Crown land in Byron Bay. The inquest was heard in December 2017 and considered, among other issues, the funding and construction of a fence by the Crown Lands branch and the Reserve Trust. On 11 April 2018, the Coroner found fencing and signage installed on the Crown land following the man's death to be adequate. The Coroner did not make any recommendations under section 82 of the *Coroner's Act 2009*.

In *O'Connor v. State of NSW*, the department successfully opposed an application for leave to appeal to the Court of Appeal from a decision of the Supreme Court. The Supreme Court had refused to allow the applicant to bring judicial review proceedings challenging decisions made in 1985 and 1993 concerning an unformed Crown road. The Court of Appeal declined leave to appeal and noted:

'Far from this being a case where there is an injustice going beyond what is merely arguable, it is with respect difficult to see any sound basis for interference with Her Honour's exercise of discretion refusing to grant the extensive extension of time in circumstances where there was undoubted and material prejudice to the State.'

In *Nature Conservation Council of NSW Inc v. Minister for Primary Industries & Minister for the Environment*, proceedings were brought by the Nature Conservation Council challenging the *Land Management (Native Vegetation) Code 2017* on the grounds that the procedural requirements of the *Local Land Services Act 2013* had not been complied with and that the principles of ecologically sustainable development had not been properly considered.

The Land and Environment Court, with the consent of the ministers, made orders declaring the code invalid. As the invalidity was due to procedural requirements, a replacement code in identical terms was subsequently made.

Water law

In *Sharkey v. the Minister administering the Water Management Act 2000*, the Court of Appeal affirmed a decision of the Land and Environment Court which found against the minister's interpretation of the phrase 'the upper limit of the storage of Hume Dam'. The phrase from a Regulated River Order sets the boundary between the regulated and unregulated river for the purposes of the *Water Management Act 2000*. The Court of Appeal agreed with the Land and Environment Court that the phrase referred to the point at which the riverbed (rather than the river banks) reached an elevation representing the full storage level of the dam. The Court of Appeal also found that this point was to be determined having regard to the physical circumstances of the river banks and riverbed as at 1 July 2004. Amendments have since been made to the *Water Management Act 2000* providing GPS coordinates to clarify the boundary of regulated rivers in NSW.

Fisheries law

The department has obtained a number of convictions for fisheries offences, including convictions leading to terms of imprisonment.

The department has also been involved in prosecutions in relation to fisheries offences for the taking of abalone that were challenged on constitutional grounds, namely that the *Fisheries Management Act 1994* and Fisheries Management (Abalone Share Management Plan) Regulation 2000 are invalid as they were made contrary to section 51 of the *Commonwealth of Australia Constitution Act*. The proceedings are subject to appeal before the NSW Court of Appeal. Judgment has been reserved.

In addition, the department successfully defended a significant judicial review challenge in the Supreme Court and appeal to the NSW Court of Appeal in relation to a number of decisions under the *Fisheries Management Act 1994*.

In *Elliott v. Minister administering Fisheries Management Act 1994*, the Supreme Court of NSW dismissed a judicial review challenge to the Regulations and Instruments which formed a part of the Commercial Fisheries Business Adjustment Program (BAP) which commenced on 1 December 2017. The applicant sought orders quashing the Regulations and Instruments implementing BAP in relation to the applicant's mud crab quota shares. Whilst the challenge was heard by the Supreme Court of NSW, an interlocutory injunction was granted preventing the applicant's mud crab quota shares from being limited under the Regulations. The Supreme Court of NSW upheld the Regulations and Instruments implementing BAP and dismissed the proceedings with costs on 16 February 2018. The applicant appealed the Supreme Court of NSW's decision to the NSW Court of Appeal which ultimately dismissed the appeal with costs on 8 June 2018.

Liquor and gaming

The department has brought a number of successful prosecutions for breaches of the *Liquor Act 2007* and the Betting and Racing Regulation 1998, including the following:

- *Liquor and Gaming, NSW v. Smith*, in which the licensee was successfully prosecuted for the offence of selling liquor outside authorised hours
- *Liquor and Gaming, NSW v. Boland*, in which the licensee was successfully prosecuted for the offence of failing to comply with the conditions of his liquor licence as relating to security patrols
- *Liquor and Gaming, NSW v. Betting Club Pty Ltd*, in which the licensed wagering operator was successfully prosecuted for failing to include in its promotional material the prescribed gambling warning notice
- *Liquor and Gaming, NSW v. Classicbet Pty Ltd*, in which the licensed wagering operator was successfully prosecuted for multiple offences of publishing an advertisement that offered an inducement to participate in gambling.

These prosecutions resulted in penalty amounts totalling \$10,000, and payment of the department's legal costs.

Native title law

The Legal Services branch of the department instructs the Crown Solicitor's Office in relation to native title claims in New South Wales, on behalf of the Attorney General. Between 1 July 2017 and 30 June 2018, there were five determinations of native title by consent, being:

1. Barkandji Traditional Owners #8 (Part B)—22 August 2017—*Barkandji Traditional Owners #8 (Part B) v. Attorney-General of New South Wales* [2017] FCA 971
2. Western Bundjalung (Part A)—29 August 2017—*Western Bundjalung People v. Attorney General of New South Wales* [2017] FCA 992
3. Yaegl #2 (Part B)—31 August 2017—*Yaegl People #2 v. Attorney General of New South Wales* [2017] FCA 993
4. Gumbaynggirr (Boney-Witt)—8 December 2017—*Kelly on behalf of the Gumbaynggirr People v. Attorney General of New South Wales* [2017] FCA 1459

5. *Western Bundjalung (Part B)—27 June 2018—Western Bundjalung People v. Attorney General of New South Wales* [2018] FCA 970.

Appendix 4—Evaluation and improvement

Evaluation

Evaluation is a rigorous, systematic and objective process to assess a program's effectiveness, efficiency or appropriateness. Evaluation plays a key role in supporting program decision-making and contributes to improved departmental performance through effective use of data and insights.

The NSW Department of Industry program evaluation process consists of three main elements:

1. a Program Evaluation Unit acting as a centre of excellence for the NSW Department of Industry cluster in undertaking and coordinating evaluations
2. a Program Evaluation Review Group providing quality assurance on evaluations and driving a culture of evaluation across the department
3. program managers owning evaluations and evaluation findings to develop evaluation capability across the cluster.

In addition to developing evaluation plans for the Office of Sport's Active Kids program and the Refugee Employment Support program, eight program evaluations were completed during 2017–18.

Fisheries Resource Assessment

This NSW Department of Primary Industries program monitors the status of exploited fish stocks and recommends options for maintaining sustainable levels of harvest to fisheries managers. The evaluation found that the ongoing expert opinion of the committees determining allowable catch levels can substantiate that the program is effective.

Public Reserves Management Fund

This Lands & Water Division program provides grants and loans to support the development, maintenance and improvement of public reserves. Three outcome measures currently provide evidence of the program's performance. In addition to implementing the two proposed, additional outcome measures, in future the program should pursue evaluation methods outlined in the evaluation report to improve confidence that the program is achieving its stated objective.

Energy Assistance

This program is now provided by the NSW Department of Planning & Environment. It provides rebates to eligible households and assistance to households facing overwhelming energy bills.

Hunting

This NSW Department of Primary Industries program administers hunting licences, conducts compliance and enforcement operations, develops hunter education and training courses and accredits providers and trainers. The evaluation found the program to be effective in contributing to the achievement of its stated objective.

Farm Innovation Fund

This NSW Department of Primary Industries program provides concessional loans to eligible farmers to meet the cost of carrying out permanent capital works on their farm that will have a significant beneficial impact on the land, the long-term profitability of the enterprise and/or address adverse seasonal conditions. The evaluation found that, from the perspective of farmers, the program's intended impacts, and potentially ultimate outcomes, are being achieved.

Kings Cross alcohol sales data requirement

This Liquor, Gaming & Racing Division program requires the collection of alcohol sales data as part of the 2012 plan of management for the Kings Cross precinct. The evaluation found that the requirement made only a limited contribution to informing policy decisions and contributed little to shaping compliance efforts in Kings Cross.

Boosting Business Innovation

This Skills & Economic Development Division program accelerates innovation in NSW by fostering collaboration between NSW research organisations and their business communities. The evaluation found that, from the program stakeholders' perspective, including both research institutions and participating businesses, the program's intended impacts, and potentially the ultimate outcomes, are being achieved.

Club Industry Training Framework

This Liquor, Gaming & Racing Division program requires club directors and managers to undertake training to improve clubs' corporate governance practices. The evaluation found that most stakeholders supported the training requirements, and that club directors and managers who completed training reported a high level of satisfaction with the courses.

Improvement

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

The Business Improvement Unit was established in November 2016 to work across the NSW Department of Industry cluster to identify opportunities for improvements and design solutions that enhance customer service, improve productivity and deliver efficiencies. Since its inception, the Business Improvement Unit has commenced delivery of a Business Improvement Program, which includes the following projects:

User Service Redesign—Corporate Service Partners Finance & Procurement

A two-year User Service Redesign program to improve service delivery in the department's Finance and Procurement branches is currently underway. More than 100 interviews and four workshops were held and solutions were co-designed with staff from across the NSW Department of Industry cluster.

A total of 10 improvement initiatives were identified in Finance to improve customer service, while also potentially delivering \$10 million in cash savings and \$2 million in productivity gains over four years. Twenty initiatives were identified to improve procurement service delivery, while also identifying a potential \$10 million in cash savings and \$12 million in productivity benefits over four years.

Implementation of the initiatives is underway and achievements so far include:

- a reduction in processing time wastage through eliminating the requirement for three quotes for purchases between \$5,000 and \$30,000
- a reduction in processing time and cost through increasing the Purchase Card limit from \$3,000 to \$5,000 for almost 3,000 employees
- a 27% reduction in procurement documentation resulting from streamlining of processes for low-risk procurement
- cash savings through better management of procurement contracts and catalogue management, including a saving of over 55% for off-contract spend being moved to on-contract for couriers, resulting in approximately \$440,000 in cash savings
- accelerating the implementation of an automated budgeting system, which simplifies the annual budgeting process and has resulted in significant time savings
- the establishment of a new team of management accountants to improve divisional support
- the development of customer partnering training, being deployed both in Finance and Procurement
- 2,200 profit centres were reviewed and cleansed as part of a master organisational data initiative.

Developing a Strategic Management Calendar

The Business Improvement Unit developed a Strategic Management Cycle Calendar for the department, a valuable tool to help staff understand what corporate activities they need to deliver on throughout the year. The calendar was developed collaboratively across the department. Business Improvement also provided assistance to help business units establish Google calendars that staff can subscribe to and access up-to-date information from.

Identifying improvements for the Lands & Water Division

Opportunities for improvement have been identified in two key areas including:

- a business case review of a debt management proposal was conducted. Benchmarks and negotiating points were provided and significant savings identified, in addition to the potential to negotiate greater savings.
- work to assist in drafting a Bushfire Mitigation Funding brief, to obtain approval for early funding release. This will ensure that preventive work can start before the fire season and result in better outcomes and increased efficiencies.

Streamlining financial processes for Local Land Services—Finance

Local Land Services (LLS) has gone through a merger of various distinct entities (27 across NSW) in the past years, resulting in a central entity (and eleven regional entities). A project to help streamline financial processes and interactions for the amalgamated LLS is underway at the instigation of Central Finance Services. Interviews were conducted with three pilot regions to generate an improvements opportunities diagnostic.

The next phase will be to develop solutions to improve service delivery and coordination between the regions and the central office.

Improving grants management

Grants make up approximately 85% of the expenditure of the Skills and Economic Development (SED) Division. A project, conducted in partnership with the SED, is currently underway to improve how grants are managed and to improve customer experience.

The aim of the project is to make the grant management process easier for staff, increasing probity and reducing risk, as well as making it easier for applicants to identify and apply for grants.

Following extensive consultation, nine improvement initiatives have been identified with four already underway:

- grants management procedures and templates
- customer journey mapping
- streamlining of sponsorships
- a Grants Community of Practice has been established, with over 70 members across the cluster.

Developing a cluster-wide Governance, Risk and Ethics Framework

The Business Improvement Unit is working with the Chief Risk Officer to create a risk function for the NSW Department of Industry cluster.

Work includes:

- building on existing governance and risk frameworks and assisting the cluster to develop an integrated approach
- creating an interim risk system to harmonise risk reporting and eliminate duplication of effort around risks, issues and recommendations
- conducting an audit recommendations stocktake and developing a single register of current and historical recommendations that enables tracking

- assisting in the preparation of a business case and business requirements for a corporate Governance, Risk and Compliance system
- acting as a project management office across the implementation work streams.

Appendix 5—Risk management and insurance

Risk management activities

Risk management principles are incorporated into the NSW Department of Industry, including in:

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

The department's Enterprise Risk Management (ERM) framework has been developed in accordance with the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15–03). The ERM framework provides a systematic approach for implementing, monitoring, reviewing and continually improving our risk management processes in support of service and program delivery.

As part of the ERM framework, the department maintains divisional risk registers that consider strategic risks, as well as those risks inherent in the department's day-to-day business activities. Current controls and proposed additional treatments aimed at minimising uncertainty, as well as for pursuing opportunities to enhance our programs and services, are identified and monitored.

The department's risk registers are also key inputs into the department's Internal Audit program, which is overseen by the Audit and Risk Committee. Work continues on developing a methodology of incorporating risk management into the program management framework.

Following receipt of the *Independent investigation into NSW water management and compliance*—interim and final reports by Mr Ken Matthews, AO, the department:

- has appointed a Chief Risk Officer
- is reviewing key risk and governance policies and systems, including improvements to risk reporting templates and risk guides to staff
- is strengthening second-line-of-defence risk controls and resourcing.

Insurance activities

The department is insured through the Treasury Managed Fund (TMF), a self-insurance scheme by the GIO (general insurance) and Allianz (workers compensation insurance). The general insurance arm was transferred to new administrators, Gallagher Bassett, effective from 1 March 2018.

Key

DISRD: Refers to the NSW Department of Industry. The department is known by an older name in the iCare database. We are updating this with Gallagher Bassett. DPI and Primary Industry: NSW Department of Primary Industries.

Table A5–1. Summary of claims paid by the TMF during 2017–18 (as at 5 September 2018)

Insurance category	Policy	Agency name	Number of claims	Amount paid (1)	Reserve balance (2)	Recovered to date (3)	Net incurred (4)
Property	MF100198	DISRD	2	\$10,329.85	\$113,000.00	\$0.00	\$123,329.85
	MF100030	DPI	31	\$177,239.01	\$264,542.55	\$16,748.86	\$425,032.70
	MF100908	Crown Lands	7	\$28,443.64	\$181,219.09	\$0.00	\$209,662.73
	MF101143	Crown Lands Coastal Assets	1	\$2,660.00	\$0.00	\$0.00	\$2,660.00
	MF101120	Crown Lands Reserve Trust	44	\$314,420.09	\$176,852.81	\$0.00	\$491,272.90
	MF101140	Water	0	\$0.00	\$0.00	\$0.00	\$0.00
	Subtotal			85	\$510,621.39	\$731,614.45	\$16,748.86
Liability	MF100197	DISRD	1	\$49,944.95	\$300,055.05	\$0.00	\$350,000.00
	MF100906	Crown Lands	11	\$120,771.65	\$725,902.18	\$0.00	\$846,673.83
	MF100029	DPI	5	\$20,361.79	\$268,354.21	\$0.00	\$288,716.00
	MF101138	Water	0	\$0.00	\$0.00	\$0.00	\$0.00

Insurance category	Policy	Agency name	Number of claims	Amount paid (1)	Reserve balance (2)	Recovered to date (3)	Net incurred (4)
	Subtotal		16	\$191,078.39	\$1,294,311.44	\$0.00	\$1,485,389.83
Miscellaneous	MF100199	DISRD	0	\$0.00	\$0.00	\$0.00	\$0.00
	MF100031	DPI	2	\$6,200.00	\$0.00	\$0.00	\$6,200.00
	MF100909	Crown Lands	0	\$0.00	\$0.00	\$0.00	\$0.00
	MF101141	Water	0	\$0.00	\$0.00	\$0.00	\$0.00
	Subtotal		2	\$6,200.00	\$0.00	\$0.00	\$0.00
Motor	MF100907	Crown Lands	4	\$934.56	\$5,538.96	\$0.00	\$6,473.52
	MF101139	Water	4	\$5,829.95	\$0.00	\$3,219.44	\$2,610.51
	MF100028	DPI	120	\$298,592.26	\$67,191.99	\$12,866.32	\$352,917.93
	Subtotal		128	\$305,386.77	\$72,730.95	\$16,085.76	\$362,001.96
Workers compensation	WC900871/MWJ333328	Land & Natural Resources	4	\$30,242.93	N/A	N/A	\$31,871.00
	MWJ3333371	State Training Services	4	\$74,422.76	N/A	N/A	\$155,365.09
	WC900267	Primary Industry	38	\$126,336.47	N/A	N/A	\$282,302.71
	Subtotal		46	\$231,002.16	N/A	N/A	\$469,302.71

Notes:

1. Amount paid: Value paid on the claim to date
2. Reserve balance: Current outstanding estimate on the claim
3. Recovered to date: Value recovered from third party on the claim to date
4. Net incurred: Total estimate on the claim.

Table A5-2. Property claims

Property	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Number of claims	106	87	96	79	85	N/A
Cost of claims	\$1,254,183.00	\$1,299,013.00	\$828,566.00	\$784,913.00	\$510,621.39	N/A
Total contribution	\$1,916,170.00	\$1,825,690.00	\$1,825,690.00	\$2,149,420.00	\$2,407,030.00	\$2,475,155.00
Lands contribution (Crown Lands, Reserve Trust & Coastal Infrastructure)		\$868,240.00	\$813,570.00	\$1,128,650.00	\$1,524,970.00	\$1,739,610.00
Non-Lands contribution		\$957,450.00	\$1,012,120.00	\$1,020,770.00	\$882,060.00	\$735,545.00

Appendix 6—Internal audit and risk policy attestations

Internal Audit and Risk Management Attestation Statement for the 2017–18 Financial Year for NSW Department of Industry

I, Simon Draper, am of the opinion that the NSW Department of Industry has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Table A6–1. Compliance with core requirements

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

*The Audit and Risk Committee is overseeing ongoing activities to improve the maturity of the risk framework across the department, including greater consistency and sophistication of risk management, monitoring and reporting and deeper embedding of good risk practices.

Membership

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

- Mr Ken Barker—appointed as Independent Chair from 18 January 2016 until 17 January 2019, and as an Independent Member from 13 October 2011 until 17 January 2016
- Mr Arthur Butler—appointed as an Independent Member from 25 November 2015 until 26 November 2018
- Ms Victoria Weekes—initially appointed as an Independent Member on 8 April 2013 until 7 April 2016, subsequently re-appointed until 7 April 2021 and resigned from the committee in November 2017
- Julie Elliott—initially appointed as an Independent Member (replacing Ms Weekes) from 22 February 2018 to 31 January 2022.



Simon Draper
Secretary
NSW Department of Industry

Appendix 7—NSW digital information security policy compliance attestation statement

I, Simon Draper, am of the opinion that the security controls in place to mitigate risks to the digital information of the NSW Department of Industry, as part of its ICT shared services for the past year, were adequate. There has been continuous effort and targeted investment in digital information security and digital transformation to ensure that the department progresses its digital government agenda.

Information security management arrangements, in place during the financial year, were consistent with the core elements set out in the Digital Information Security Policy for the NSW Public Sector and ISO 27001 Standard. Given the scale and complexity of new types of cyber threats that have become prevalent, effort and investment will need to be ongoing to ensure reliable, secure and cyber resilient digital information. The department is reviewing current policies and developing a Cyber Risk and Information Management Plan to sustainably ensure capability and policy are kept in line with the evolving technology landscape.

Specific work to address these areas is to be led by the NSW Department of Industry Chief Information Officer (CIO) and the Office of the CIO.



Simon Draper
Secretary
NSW Department of Industry

Appendix 8—Work health and safety

In 2017–18, the NSW Department of Industry completed the delivery of the various programs supporting the previous three-year Work Health and Safety Strategy. A new Health and Safety Strategy was developed and endorsed by the Cluster Leadership Group. This will sustain performance across the department for the 2018–22 period. The new strategy will also integrate the objectives of the NSW Government Sector Plan with the department's commitment to a 50% reduction in serious incidents by 2022.

The results achieved in this financial year continued the previous trends of improvement across most areas. During 2017–18, the department had no workplace fatalities and reported significant improvement in lost time frequency rates (LTIFR).

Workers compensation open claims remained low and resulted in the department achieving reduced insurance premiums. For the fifth year in succession, the department received a significant refund of \$886,950 as a result of hindsight adjustments for the three and five-year reviews.

Mental health and employee resilience was a particular focus during 2017–18, with a number of wellbeing@doi sessions run at various departmental sites across the state. Attendance for these sessions was well subscribed and feedback from employees was extremely positive.

Table A8–1. Combined workplace incident statistics 2017–18

Measure	Result
Frequency rate*	2.26
Lost-time incident rate#	0.40
Average lost-time rate†	42.05
No. Lost-time incidents (LTIs)	19
Lost-time severity rate Δ	95.03

Table A8–2. Key

Symbol	Description
*	The number of lost-time incidents (LTIs) per 1,000,000 hours worked
#	The number of LTIs per 100 employees
†	Average lost-time rate is time lost in days, divided by the number of lost time injuries
Δ	The number of days lost per 1,000,000 hours worked

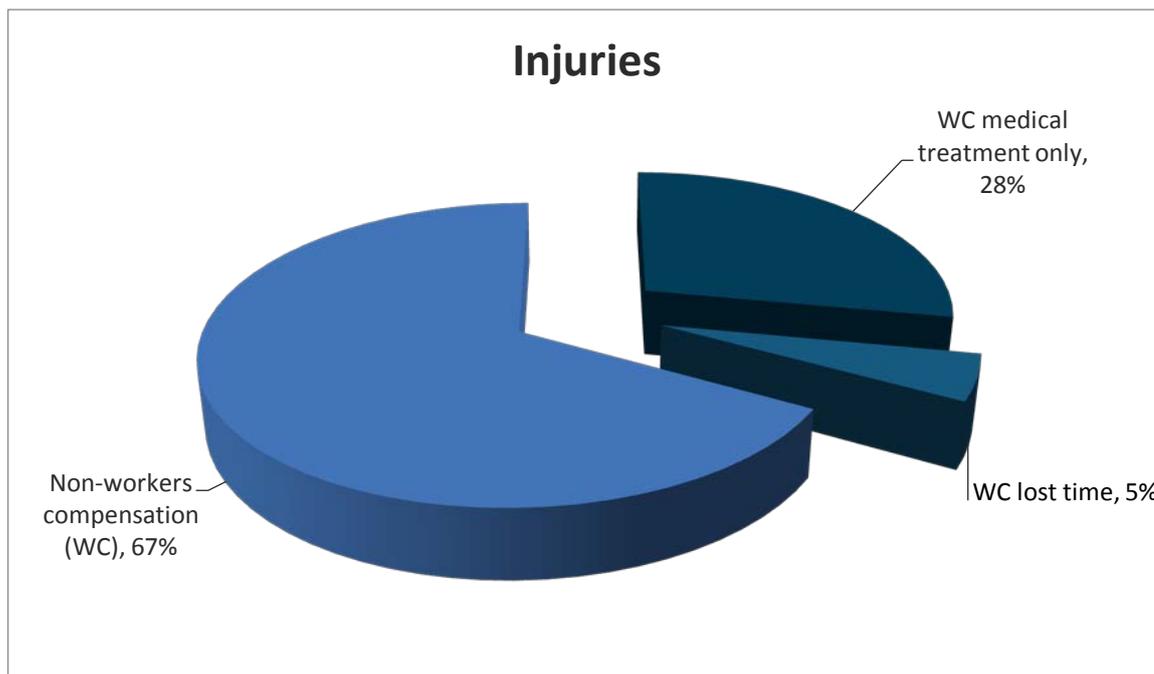


Figure A8–5. Distribution of injuries reported to the Health and Safety Unit 2017–18

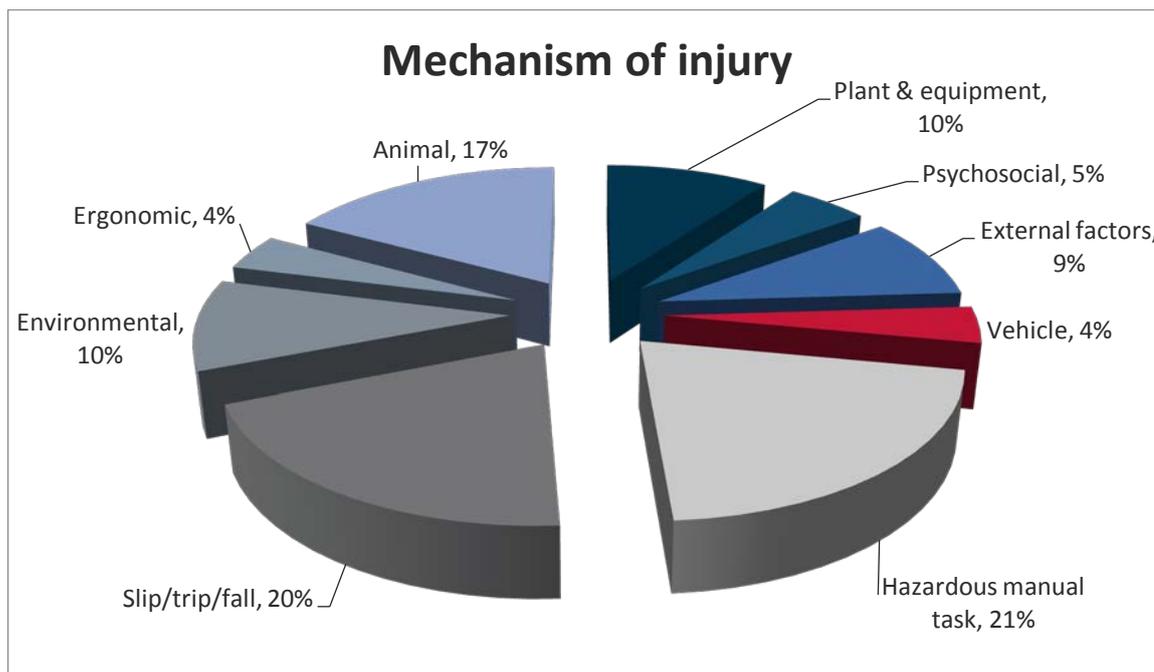


Figure A8–6. Mechanism of all injuries reported to the Health and Safety Unit 2017–18

Appendix 9—Human resources

Workforce statistics

Table A9–1. Number of full-time equivalent (FTE) staff employed in the NSW Department of Industry

Division or office	June 2018
Skills & Economic Development	495
NSW Department of Primary Industries	1,761
Liquor, Gaming & Racing	224
Lands & Water	791
Corporate Service Partners	525
Office of the Secretary	33
Communication & Engagement	88
Office of NSW Chief Scientist & Engineer	14
Small Business Commissioner	45
Total	3,976

Source: SAP ERP

Notes:

1. FTE calculated as at the last pay period in June 2018.
2. All contingent staff are excluded.
3. Staff employed by executive agencies are not reported in the NSW Department of Industry's Annual Report.
4. Rounding of staff numbers to the nearest whole number in this table may cause minor differences in totals.
5. Chief Audit Executive FTE is reported within Corporate Service Partners.
6. Land & Water Commissioner FTE is reported within Lands & Water.

Historical figures

Table A9–2. Number of FTE staff employed in the NSW Department of Industry

	June 2015	June 2016	June 2017
Total	4,179	4,274	3,849

Source: SAP ERP

Note: Shifts in FTE for the period 2016–17 occurred due to a machinery of government change where functions related to metropolitan water, resources and energy and functional regional development branches left the department, whilst functions relating to liquor and gaming were absorbed into the department.

Senior executives

Table A9–3. Senior executive remuneration bands and average remuneration

Band	Female 2017	Male 2017	Female 2018	Male 2018
Band 4	Nil	1	Nil	1
Band 3	3	3	2	4
Band 2	8	15	12	15
Band 1	64	75	73	85
Statutory	1	Nil	1	Nil
Total	76	94	88	105
Combined total	170		193	

Source: SAP ERP

Table A9–4. Remuneration bands

Band	Range	Average remuneration 2017	Average remuneration 2018
Band 4	\$463,551–\$535,550	\$507,350	\$520,050
Band 3	\$328,901–\$463,550	\$391,659	\$370,797
Band 2	\$261,451–\$328,900	\$286,906	\$292,717
Band 1	\$183,300–\$261,450	\$209,168	\$215,863
Statutory	N/A	\$285,783	\$292,928

Range Source: Report and determination under section 24O of the *Statutory and Other Offices Remuneration Act 1975*: Remuneration Package Ranges for the PSSEs. 29 August 2017

Notes:

- 10.6% of the NSW Department of Industry's employee-related expenditure in 2018 was related to senior executives, compared with 8.9% in 2017.
- Employee-related expenditure related to senior executives in 2017 has been revised from 8.1% to 8.9% to reflect updated gross earnings figures.

People, ethics and conduct policies

Agile Working Policy (IND-P-213)

This policy recognises the importance of flexible work arrangements and provides office-based employees with the opportunity to work away from their normal work location as a measure to assist in balancing the demands of work and personal life.

Code of Conduct (IND-P-184)

This Code of Conduct outlines the principles for appropriate conduct and explains the standard of behaviour expected.

Conflicts of Interests Policy (IND-P-183)

This policy outlines the process to identify and declare conflicts so that they can be managed openly and transparently.

Departmental Liaison Officers Policy (TI-O-155)

This policy clarifies the role of Departmental Liaison Officers (DLOs) and the process for appointment of staff to DLO roles in the Ministerial Liaison Office.

Employee Housing Policy (TI-A-125)

This policy outlines how employee housing can be managed efficiently, economically and in accordance with NSW Government policy.

Enterprise Risk Management Framework (IND-I-207)

This framework provides the expectations and structure for the consistent application of Enterprise Risk Management (ERM) principles.

Fraud and Corruption Prevention Policy (IND-P-188)

This policy provides the guidelines for ensuring staff do not engage in fraud and corruption.

Gifts and Benefits Policy (IND-P-189)

This policy provides the guidelines for ensuring staff are not influenced by gifts, benefits and bribery.

Hospitality and Entertainment Policy (TI-P-145)

This policy provides the guidelines for staff regarding the provision of official hospitality and entertainment and the expenditure of public funds.

Mobile Communication Device Policy (TI-A-174)

This policy outlines the requests for the purchase, use and management of mobile communication devices.

Private Interest Disclosures Policy (IND-P-176)

This policy outlines the requirements for annual declarations to the Secretary regarding private financial, business, personal or other interests or relationships that have the potential to influence, or could be perceived to influence, decisions made or advice given.

Private or Secondary Employment Policy (IND-P-194)

This policy outlines the requirements for determining whether NSW Department of Industry staff may work outside the department.

Public Interest Disclosures—Internal Reporting Policy (IND-I-200)

The purpose of this policy is to create a climate of trust where staff are comfortable and confident about reporting wrongdoing.

Service-Related Complaints Handling Policy (IND-I-240)

This policy helps maintain the NSW Department of Industry's integrity of service and reputation. It ensures the department engages with and shares information with members of the community and our stakeholders in an appropriate way.

Study Assistance Program Policy (TI-P-127)

To align learning and development activities with the needs of the NSW Department of Industry and its employees, this policy outlines the entitlements available and conditions of use under the Study Assistance Program.

Work Health and Safety Policy (IND-P-185)

The NSW Department of Industry will provide a safe workplace for all workers. This policy sets out how the department will fulfil this commitment.

Workplace Bullying Policy (TI-P-157)

The NSW Department of Industry will provide a safe workplace for all workers that is free from bullying. This policy sets out how the department will fulfil this commitment.

Appendix 10—Workforce diversity

The NSW Department of Industry is developing and maintaining an inclusive workforce, which will help build trust, advocacy, awareness and education. Diversity and inclusion initiatives within the department will create a more inclusive workplace culture where staff feel safe, respected and valued; which is free of discrimination and reflects the NSW community.

Workforce diversity and inclusion initiatives are designed to:

- build positive workplaces and provide support for all employees
- strengthen workforce planning capability to integrate workforce diversity strategies
- build a workforce that reflects the diversity of the wider community, as identified in NSW Public Sector benchmarks and targets.

The *Government Sector Employment Act 2013* (GSE Act) preserves the focus on existing diversity groups, being:

- Aboriginal people
- women
- people from culturally and linguistically diverse backgrounds
- people with disability.

The GSE Act also provides flexibility to encompass a broader spectrum of diversity, including mature workers, young people and carers. A focus for the department in 2018–20 will also be on flexible work practice.

In 2018, the department commenced development of an overarching Diversity and Inclusion Strategy that focuses on Inclusive Design initiatives that help build a more inclusive workforce culture, leadership and infrastructure. The strategy will include the establishment of a Diversity and Inclusion Council as part of the department's commitment to the Premier's Priorities. The Diversity and Inclusion council, along with an executive sponsor, will endorse the strategy and it will be used to identify activities that address the diverse needs of all staff.

Women's employment and development

The department will provide opportunities for the employment and development of women. A key focus is supporting women to identify and achieve career goals and encouraging future female leaders and managers to participate in leadership and management programs, both within the department and externally.

The Premier has set a target of 50% representation of women in senior executive roles across the NSW Government sector. The department currently sits at 45% senior female leaders and a total female workforce representation of 53.4%.

The department will meet the targets outlined in the Premier's Priorities. We are achieving this by partnering with the Department of Premier and Cabinet and the Public Service Commission on a central recruitment

program with *'Behavioural Insights'*. This program is intended to support increasing the number of women in senior leadership roles. The department of Industry will also continue to partner and participate with the Public Service Commission on gender equality research and reviews that will enable us to increase the number of women in senior leadership roles.

Aboriginal employment

The department continued to progress work that supports employment and retention of Aboriginal staff during 2017–18.

In 2017–18, the department ran Aboriginal Cultural Awareness (ACA) programs to improve overall cultural awareness, and provide an opportunity to connect and build positive relationships with Aboriginal communities.

A total of 20 workshops were run over the 2017–18 financial period and over 300 staff attended. The program has taken a full 12 months to deliver, capturing all staff and involving the good will of numerous Aboriginal people from the regions where workshops were held. The efforts of departmental staff across divisions and, importantly, the consistency of the externally engaged facilitator have been critical in the program's success to date.

A key factor has been the Aboriginal Support Network (ASN), which has continued to grow during this period. ASN members have also participated in a number of sector-wide development and networking activities. A new ASN Strategic Plan has been developed to align to the department's Corporate Plan.

In 2018–19, a focus for the department will be the development of an Aboriginal Employment Plan including inclusive and culturally appropriate recruitment options. The department will also be expanding an Aboriginal Cultural Capability Program.

People from culturally and linguistically diverse (CALD) backgrounds

The NSW Public Sector target that relates to people from CALD backgrounds is 'people whose first language was not English'. The sector benchmark is 19% representation. The department achieved 5.1% in 2018, compared to 6.1% in 2016. The department's Multicultural Plan 2018–19 identifies a range of strategies to improve CALD representation.

People with a disability

Employment of people with a disability remains a priority strategy area for the department. The NSW Public Sector aimed to increase the employment of people with a disability requiring workplace adjustment to 1.5%.

National Disability Strategy

The department continued its participation in the development of a whole-of-government National Disability Strategy to improve the lives of people with disability, promote participation and create a more inclusive society. It focuses on six policy areas, with strategies under each area that affect government departments and that have designated lead agencies.

The department developed and implemented a Disability Inclusion Action Plan (DIAP) from the NSW Disability Inclusion Plan (NSW DIP). The DIAP aligns to a four-year cycle to comply with the revised guidelines. The department's DIAP will be refreshed for 2018–19, then reviewed in partnership with Family and Community Services and its review of disability inclusion across the sector. The DIAP is integrated into departmental business planning and strategic directions.

Mentally Healthy Workplace initiatives are also a focus for disability inclusion across the department. Launched by Work Health and Safety, these initiatives combine the NSW Government's Get Healthy at Work program, Mental Health Awareness and a range of holistic wellness activities. To date, over 400 employees have attended wellness events across six NSW Department of Industry sites.

The department has also had growth of social procurement contracts, resulting in the inclusion of large numbers of people with disability in contract cleaning and maintenance roles across a range of NSW Department of Industry sites.

The department has an active Disability Employee Network that provides advice and contributes to the ongoing development and implementation of the department's DIAP. In addition, the department will be developing guidelines and resources for hiring managers, to ensure equitable access through recruitment.

Trends in the representation of workforce diversity groups

Table A10–1. Representation of workforce diversity groups

Workforce diversity group	Benchmark/Target	2016	2017	2018
Women	50.0%	48.1%	51.5%	53.4%
Aboriginal People and Torres Strait Islanders	2.6%	0.3%	0.5%	1.0%
People whose first language spoken as a child was not English	19.0%	6.1%	6.3%	5.1%
People with a disability	5.6%	1.2%	0.8%	1.0%
People with a disability requiring work-related adjustment	N/A	0.4%	0.3%	0.3%

Table A10–2. Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark/Target	2016	2017	2018
Women	100	92	95	95
Aboriginal People and Torres Strait Islanders	100	N/A	N/A	96
People whose first language spoken as a child was not English	100	108	109	107
People with a disability	100	102	99	98
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases, the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2: The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Appendix 11—Overseas travel

NSW Department of Industry staff undertook overseas travel during 2017–18 to promote investment in NSW, facilitate export development opportunities, and progress key business and research programs. Overseas travel related to international trade missions, delegations and business events is important in strengthening the department's global business relationships and attracting investment into the state.

Staff provide on-the-ground support to NSW companies at international tradeshows and trade missions, with the goal of securing new customers or strengthening market access.

The department is fortunate that a number of research staff lead their field internationally. Overseas travel facilitates the partnerships and collaboration that enhances the department's capacity to deliver research projects that underpin productivity growth in the state's primary industries and address related social and environmental issues.

All overseas travel costs incurred by staff travelling in relation to Australian Centre for International Agricultural Research (ACIAR) projects are met by ACIAR. ACIAR funds research projects that reflect the priorities of Australia's aid program and national research strengths, as well as the agricultural research and development priorities of partner countries.

All staff travel is subject to the requirements of the department's travel policy.

Key

DPI: NSW Department of Primary Industries

LGNSW: Liquor & Gaming NSW

Table A11-1. Officers and their reasons for travel

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Fisheries	Craig Copeland	Program Leader, Aquatic Habitat Rehab	Canada & USA	To attend the World Recreational Fishing Conference 2017; to chair the Recreational Fishers & Habitat session as session organiser; to convene Recreational Fishers & Habitat workshop and present an oral presentation. The trip will also require the traveller to facilitate and tour guide three NSW recreational fishers in a capacity building context.	04/07/2017	22/07/2017
DPI Fisheries	Bryan Van Der Walt	Manager Recreational Fisheries Programs	Canada	To attend the 8th World Recreational Fishing Conference, Victoria, Canada, which is the only international conference focused solely on recreational fisheries.	14/07/2017	24/07/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Agriculture	Sandra McDougall	Leader Southern Irrigated Systems	Philippines	To attend ACIAR Philippine Horticulture program final meeting for project HORT2012/020 'Integrated Crop Management' (ICM) to enhance vegetable profitability and food security in the Southern Philippines and Australia.	14/07/2017	22/07/2017
NSW Trade and Investment	Na-Aim Abdie	Director International Network	China and Singapore	To undertake interviews to finalise the recruitment and selection of the new Trade & Investment Commissioner for South China and Hong Kong. To participate in discussion to facilitate planning for the Joint Economic Meeting and review business operations of the offices in China and Shanghai.	16/07/2017	23/07/2017
DPI Biosecurity & Food Safety	Toni Chapman	Research Scientist	USA	To attend the National Plant Biosecurity Diagnostic Network residential program, funded by the Commonwealth Modern Diagnostic program. Collaboration discussions with Professor Leach of the Colorado State University will also take place to value add to this trip.	18/07/2017	03/08/2017
DPI Biosecurity & Food Safety	Leonard Tesoriero	Industry Leader	Vietnam	Scheduled project team activity to review farm trials, diagnostic laboratory practices and assist with production of a disease management guide.	19/07/2017	27/07/2017
DPI Fisheries	Mark Booth	Research Scientist	Malaysia	To attend and present research on Barramundi at the World Aquaculture Society's Asian-Pacific Aquaculture Conference 'Transforming for Market Needs'.	22/07/2017	28/07/2017
Lands & Natural Resources	Alison Stone	DDG Land & Natural Resources	New Zealand	To attend a meeting hosted by the Jeff Whalan Executive Learning Group, which will be held in Wellington, New Zealand. This meeting will showcase developments	25/07/2017	30/07/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Biosecurity & Food Safety	David Cusack	Manager Food Standards & Programs	New Zealand	To attend the 8th meeting of the Implementation Sub Committee for Food Regulation (ISFR) being held in Wellington on 2–3 August, 2017.	31/07/2017	03/08/2017
DPI Biosecurity & Food Safety	Peter Day	Director Biosecurity & Food Safety Compliance	New Zealand	To attend the 8th meeting of the Implementation Sub Committee for Food Regulation (ISFR) being held in Wellington, New Zealand; to visit the New Zealand Ministry of Primary Industries; and to attend a meeting of the Food Export Regulators Steering Committee (FERSC).	31/07/2017	03/08/2017
DPI Biosecurity & Food Safety	Peter Day	Director Biosecurity & Food Safety Compliance	New Zealand	To attend the 8th meeting of the Implementation Sub Committee for Food Regulation (ISFR) being held in Wellington, New Zealand; to visit the New Zealand Ministry of Primary Industries; and to attend a meeting of the Food Export Regulators Steering Committee (FERSC).	31/07/2017	03/08/2017
DPI Biosecurity & Food Safety	Karen Kirkby	Plant Pathologist Cotton	USA	To attend the annual APS meeting in San Antonio and partake in an invitation to visit laboratories at the Lubbock Centre and production fields throughout the High Plains. Dr Kirkby has also submitted an abstract which may be selected for presentation at the APS Annual Meeting.	04/08/2017	26/08/2017
DPI Water	Kristylee Marr	Assistant Water	Samoa	Conference attendance and facilitation -	05/08/2017	12/08/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
		Planner		Pacific Water and Wastewater Association (PWWA) Annual Conference: Water Supply in a Changing Environment.		
NSW Trade and Investment	Wayne Murphy	Senior Project Officer	India	To participate in Australia Business Week Agribusiness Stream. The program aligns with the NSW Trade and Investment India Market Plan and strengths of NSW capabilities particularly in the agribusiness and food and beverages sector.	26/08/2017	02/09/2017
Research & Policy	Angus Carnegie	Principal Research Scientist	New Zealand	To attend the United States–Australia–New Zealand Myrtle Rust Workshop run by the Director of Better Border Biosecurity (B3) in New Zealand to discuss future management options for myrtle rust in primary industries and native ecosystems.	27/08/2017	29/08/2017
NSW Trade and Investment	Barry O'Farrell	NSW Special Envoy to India	India	To represent the NSW Premier at the Australia Business Week in India.	28/08/2017	04/09/2017
Strategy and Programs	Jeffrey Von Drehnen	Senior Policy Officer	Israel	To attend the 2017 NSW Fintech and Cyber delegation and attend the Global DLD Conference.	28/08/2017	09/09/2017
NSW Trade and Investment	Matthew Jessop	Contractor Senior Policy Officer	Israel	Trade & Investment delegate will provide logistical ground support to NSW Government and Austrade during an intensive accelerator start up program in Tel Aviv. The delegate will also meet with Israeli investment clients to promote and discuss opportunities to engage with NSW through the NSW-Israel R&D MOU.	28/08/2017	08/09/2017
NSW Trade and Investment	Tania Panagodage Dona	Senior Project Officer Export	Malaysia	Secondment to Austrade on short term assignment in Kuala Lumpur, Malaysia whilst recruitment for permanent role is finalised.	28/08/2017	28/11/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Agriculture	Adam Coleman	Development Officer Temperate Fruits	Indonesia and China	To accompany a delegation of cherry producers to Indonesia as part of the DAWR co-funded project: 'Implement domestic Seasonal Pest Absence with phytosanitary irradiation as an endpoint treatment for cherries to develop new international market access proposals by 2018'	29/08/2017	08/09/2017
DPI Biosecurity & Food Safety	Janine Percy	Senior Project Officer Industry Dev	Indonesia and China	To accompany a delegation of blueberry growers to Indonesia to gain a greater understanding of the export process in country, extend knowledge of market across opportunities in Indonesia and build relationships with importers and distributors. The delegation will travel on to Guangzhou, China for a market insights tour and then will return to Australia.	29/08/2017	08/09/2017
DPI Agriculture	Melinda Simpson	Development Officer Blueberries	Indonesia and China	To accompany a delegation of blueberry growers to Indonesia to gain a greater understanding of the export process in country, extend knowledge of market across opportunities in Indonesia and build relationships with importers and distributors. The delegation will travel on to Guangzhou, China for a market insights tour and then will return to Australia.	29/08/2017	08/09/2017
DPI Agriculture	Eric Koetz	Research Agronomist (Cropping Weeds)	USA	To participate in a group tour of cotton farming regions in the USA hosted by the Australian group - Cotton Research and Development Corporation (CRDA). The focus point of the trip will be herbicide resistance management and the implementation of the new Extend Flex cotton which will be rolled out in Australia within two seasons.	01/09/2017	10/09/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Agriculture	Andrew Milgate	Cereal Pathologist	New Zealand	To attend and present at the QMB Satellite meeting 'Plant - Microbe Interactions' in Queenstown, New Zealand.	02/09/2017	08/09/2017
DPI Agriculture	Warwick Badgery	Leader— Rangelands & Tropical Pastures	United Kingdom	Invitation by Rothamsted Research to participate in a workshop to develop Global Farm Platform Network and to develop a bilateral research relationship with NSW DPI on grazing systems and Farm Technologies.	02/09/2017	14/09/2017
NSW Trade and Investment	Gabrielle Oriel	Senior Project Officer	Hong Kong and China	To attend and support NSW companies at the Asia Fruit Logistica in Hong Kong; to meet with Austrade and Industry Business Development for Horticultural in-house training in Hong Kong; and to attend the International Blueberry Conference in China.	04/09/2017	11/09/2017
Department of Primary Industries	Scott Hansen	Director General Department of Primary Industries	China	To accompany the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry, the Hon. Niall Blair, MLC, in a mission to China and Hong Kong.	04/09/2017	09/09/2017
Business Technology Services	Ian Jansen	Chief Information Officer	China	To attend the China Reciprocal Program, a three week program for Chinese senior officials which is jointly delivered by ANZSOG and the Chinese Academy of Governance.	07/09/2017	23/09/2017
DPI Agriculture	Malcolm McLeod	Research Officer	Indonesia	This trip will be the 6th scheduled project travel to review progress of activities in Aceh and identify issues and solutions to ensure that the project implementation is occurring as planned. This travel is also necessary to renew foreign research	08/09/2017	26/09/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Agriculture	Mathew Dunn	Soybean Agronomist	USA	To present two research posters at the World Soybean Research Conference. Attendance at this conference was included in the GRDC co-invested DAN192 project and a NSW DPI attendee is required to attend.	08/09/2017	17/09/2017
DPI Biosecurity & Food Safety	Mui-Keng Tan	Senior Research Scientist	Mexico	To validate DPI developed diagnostic assay for Karnal Bunt, a serious quarantine fungus for the Australian and International wheat industry. The work will be performed in the International Maize and Wheat Improvement Centre, El Baton, Mexico.	08/09/2017	17/09/2017
Communication and Engagement	Steven Blaney	Executive Director Communication & Engagement	China	Acceptance into the China Reciprocal Program, which is an initiative of the Organisation Department of the Communist Party of China and is jointly delivered by the Chinese Academy of Governance and ANZSOG each year. The Reciprocal Program is funded by the Chinese Government and runs in parallel with the China Advanced Leadership Program for Chinese senior officials.	08/09/2017	23/09/2017
DPI Biosecurity & Food Safety	William Cuddy	Plant Pathologist Rust Diseases	Mexico	To validate DPI developed diagnostic assay for Karnal Bunt, a serious quarantine fungus for the Australian and International wheat industry. The work will be performed in the International Maize and Wheat Improvement Centre, El Baton, Mexico.	08/09/2017	17/09/2017
DPI Fisheries	Heath Folpp	Marine Park Manager Marine Operations	Malaysia	To attend the International Conference on Artificial Reef and Related Aquatic Habitats to be held in Terengganu,	09/09/2017	14/09/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Fisheries	Michael Lowry	Research Leader, Fisheries Resource Assistant	Malaysia	To attend the International Conference on Artificial Reef and Related Aquatic Habitats to be held in Terengganu, Malaysia.	09/09/2017	14/09/2017
NSW Trade and Investment	Peter Scott	Director Defence Industries	United Kingdom	To participate in Defence and Security Equipment International Trade event as well as attend a series of meetings with global defence companies in attendance at the event.	10/09/2017	17/09/2017
DPI Agriculture	Jeremy Bright	Development Officer Macadamias	USA	To attend and present authored paper 'Development of Integrated Orchard Management System' at the first International Macadamia Research Symposium.	11/09/2017	16/09/2017
DPI Agriculture	Ruth Huwer	Entomologist	USA	To attend and present authored paper 'Towards a fully integrated pest management strategy for Australian Macadamias' at the first International Macadamia Research Symposium.	11/09/2017	16/09/2017
DPI Agriculture	Rosy Raman	Research Officer - Chickpea Genetics	Hungary	To attend and present recent studies to the 67th Grain Science Conference.	15/09/2017	26/09/2017
DPI Agriculture	Peter Havrlant	Development Officer Dairy	USA, UK, Ireland, Netherlands, New Zealand	To fulfil Churchill Fellowship investigations into the Dairy Beef supply chains in other countries, and to identify practices that would be applicable to the NSW dairy industry.	16/09/2017	12/11/2017
DPI Agriculture	Jenny Wood	Pulse Chemist	New Zealand	To attend the Australasian Grain Science Association Conference at which an authored abstract has been submitted.	18/09/2017	23/09/2017
DPI Agriculture	Jixun Luo	Cereal Chemist	New Zealand	To attend and present recent studies to	19/09/2017	23/09/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Agriculture	Mahsa Majzoobi	Cereal Chemist	New Zealand	To attend and assist in organisation of Australian Grain Science Association conference. Three research papers will also be presented at the conference.	19/09/2017	23/09/2017
DPI Agriculture	Mark Talbot	Cereal Chemist (Rice)	New Zealand	To attend and present research completed at the Yanco Agricultural Institute to the 67th Australasian Grain Science Conference.	19/09/2017	23/09/2017
Regional Development	Anthony Yarrow	Senior Project Manager - Coal	China, Korea & Japan	The purpose of attendance is to promote opportunities for resource investment in NSW. The performance measure is for five significant investment enquiries leading to one new company exploring in NSW, significant investment or joint venture agreement.	20/09/2017	30/09/2017
DPI Agriculture	Jamie Ayton	Oils Chemist	Spain	To participate in the International Olive Council Chemists' meeting to be held in Madrid, Spain.	21/09/2017	29/09/2017
Office of NSW Chief Scientist & Engineer	Mary O'Kane	NSW Chief Scientist & Engineer	Switzerland	The NSW Chief Scientist & Engineer has been awarded the Erna Hamburger Award and will engage with Swiss officials about their approach to innovation and productivity matters.	23/09/2017	30/09/2017
DPI Agriculture	Annette Cowie	Tech Special Climate Policy	Norway	In accordance with International Travel Plan as Lead Author of the IPCC Special Report on Climate Change and Land (SRCCL). The special report will inform the Sixth Assessment Report on International Climate Policy.	14/10/2017	23/10/2017
Liquor Gaming & Racing	Paul Newson	Deputy Secretary Liquor Gaming &	South Africa	To attend and facilitate the International Association of Gaming Regulators (IAGR)	14/10/2017	20/10/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
		Racing		Trustee Board meeting and annual conference.		
LGNSW Regulatory Policy Strategy	Susan Wright	Manager Policy & Legislation	South Africa	To represent Liquor and Gaming NSW at the annual International Association of Gaming Regulators (IAGR) and researchers.	14/10/2017	20/10/2017
International Network	Moin Anwar	Commissioner Abu Dhabi	Oman	To accompany TAFE NSW for a meeting with the Public Establishment for Industrial Estates in relation to an opportunity to collaborate for the training of Oman nationals.	17/10/2017	20/10/2017
Secretary	Simon Smith	Secretary	Germany	To accompany the Deputy Premier on a VET mission to Germany and France.	18/10/2017	29/10/2017
Office of NSW Chief Scientist & Engineer	Suzanne Pierce	Director Policy Science and Research	Portugal	To meet with regulatory colleagues and to attend the 3rd International Symposium on Drug Impaired Driving, at the request of the NSW Minister for Health and Minister for Health and Medical Research.	20/10/2017	25/10/2017
DPI Biosecurity & Food Safety	Andrew McConnachie	Research Officer, Invasive Plants & Animal	Madagascar	In fulfilment of contractual agreements DAWR RnD4Profit-15-02-005 (RIRDC) to conduct field work on the weed Bryophyllum delagoense (mother of millions) in its native range.	22/10/2017	03/11/2017
DPI Biosecurity & Food Safety	Donna Seberry	Technical Officer	China	To participate in the International Conference on Olive Oil Quality and Safety.	22/10/2017	30/10/2017
DPI Agriculture	Jamie Ayton	Oils Chemist	China	To participate in the International Conference on Olive Oil Quality and Safety.	22/10/2017	30/10/2017
DPI Biosecurity & Food Safety	Kerinne Harvey	Research Leader Weed Research	South Africa	To fulfil sub-contractual agreements with CSIRO Australia.	22/10/2017	03/11/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
		Unit				
DPI Agriculture	Shane Hetherington	Director Horticulture	China	To participate in the International Conference on Olive Oil Quality and Safety; to visit the Nongfu Springs headquarters. The travel will also be used to explore a future R&D relationship with Jiangxi Bojun Ecological Agricultural Development Company.	22/10/2017	03/11/2017
DPI Fisheries	Brett Pflugrath	Fisheries Technician	Lao PDR	To complete Sensor Fish experiments at a newly installed irrigation regulator to test its 'fish-friendliness' as part of a contracted ACIAR research project.	25/10/2017	31/10/2017
DPI Fisheries	Craig Boys	Fisheries Scientist	Lao PDR	To complete Sensor Fish experiments at a newly installed irrigation regulator to test its 'fish-friendliness' as part of a contracted ACIAR research project.	25/10/2017	31/10/2017
DPI Agriculture	Aaron Simmons	Tech Specialist Ag Life Cyc Assessment	France & United Kingdom	To participate and present at a three-day workshop run by the French Environment and Energy Management Agency. To progress a bilateral research relationship between NSW DPI and Rothamsted Research.	30/10/2017	09/11/2017
DPI Plant Biosecurity Research & Diagnostics	Olivia Reynolds	Research Scientist	China	To attend the second meeting to discuss and develop components of the critical review and the pilot project as part of the 'Innovation Centre of Ecologically Based Pest Management of Subtropical Crops'.	30/10/2017	03/11/2017
Skills & Economic Development	Zoe de Saram	Deputy Secretary Skills & Economic Dev	Malaysia and Singapore	To participate in a trade mission led by Minister Blair which will aim to promote NSW capabilities across innovation and technology; agribusiness and food; resources and energy; infrastructure and sustainable urban development and	31/10/2017	04/11/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
Investment & Export	Sid Rallapalli	Key Account Manager - Minerals	India	The mission will promote the state's coal investment and export opportunities, position NSW as a stable supplier of minerals to India's advanced manufacturing sector and raise awareness of NSW expertise in Mining, Equipment, Technology and Services (METS) capabilities in coal/mineral processing, health and safety as well as asset (Mine and Equipment) utilisation.	01/11/2017	14/11/2017
NSW Trade and Investment	Rory McAlester	Senior Project Officer	China	To support promotional activities at Food and Hotel China event, Shanghai. To meet with AUSTRADE and NSW Trade and Investment offices and to visit the NSWBC Shanghai showroom.	13/11/2017	17/11/2017
International Network	Murray Davis	Commissioner Trade & Invest Guangzhou Office	Australia	Planning and preparation for the Premier's mission to China including the Joint Economic Meeting (JEM) to be held in December 2017. To connect with key stakeholders to strengthen Australia-China relationship. Receive additional induction and training.	14/11/2017	18/11/2017
DPI Biosecurity & Food Safety	Fay Haynes	Senior Project Officer Industry Dev	China	To participate in the E-Commerce Trade Development Project.	15/11/2017	25/11/2017
DPI Biosecurity & Food Safety	Josh Gordon	Manager International Engagement	China	To participate in the E-Commerce Trade Development Project.	15/11/2017	25/11/2017
DPI Agriculture	John Piltz	Research Officer	Tibet	To undertake activities as proposed in the approved project LPS/2014/036 'Developing profitable dairy and sheep meat production systems in Central	17/11/2017	01/12/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
				Tibet".		
DPI Agriculture	Mark Hickey	Leader Northern Horticulture	Cambodia	Final project visit for ACIAR Cambodia Mango Project HORT/2012/003.	19/11/2017	03/12/2017
DPI Agriculture	Jacquelyn Simpson	Research Horticulturist - Nuts	Chile	To attend, present and co-present at the VIII International Symposium on Walnut, Cashew and Pecan in Chile.	21/11/2017	03/12/2017
Forestry Research and Policy	Paul Wells	Director Forest Research & Policy	New Zealand	Biannual meeting of COAG Forestry Policy group Forestry and Forest Products Committee (FFPC). The FFPC meetings involve all Australian Jurisdictions and New Zealand. The meeting will focus on plantation issues with similarity to Australia.	22/11/2017	25/11/2017
DPI Water	Prasad Inamdar	Assistant Modeller	India	Attending Water Policy as part of Memorandum of Understanding between NSW and Maharashtra Government on December 6th and 7th in Mumbai.	01/12/2017	09/12/2017
DPI Biosecurity & Food Safety	Benjamin Lees	Executive Officer Food Regulation Partnership	United Kingdom	Invitation to collaborate with UK Food Standards Agency (FSA) launch on common business improvement projects to deliver food safety outcomes.	03/12/2017	18/12/2017
Skills & Economic Development	Dr Jim Harrowell	NSW Special Envoy to China	China	Dr Harrowell will accompany the medical industry stream of the NSW Business Delegation to high-level meetings and events. With his extensive knowledge of the Chinese market and business culture, Dr Harrowell will assist business delegates to find suitable partners and explore new opportunities.	03/12/2017	10/12/2017
Skills & Economic Development	The Hon Warwick Smith	Special Advisor Trade & Investment	China	NSW continues its regular program of engagement with its Chinese Sister-States to continue to build high-level cooperation	03/12/2017	08/12/2017

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Water	Mitchell Isaacs	Director I&SS Relationships	India	To deliver real economic benefits for the NSW economy. To present at the Water Management Policy workshop as part of Memorandum of Understanding between NSW and Maharashtra Government in Mumbai.	05/12/2017	10/12/2017
LGNSW Regulatory Operations	Mary Butterfield	Manager Compliance	USA	To attend the 'Fundamentals of Regulation for Land-Based Casinos' course, which is delivered through the International Centre for Gaming Regulation at the University of Las Vegas.	09/12/2017	15/12/2017
Regulatory Policy Strategy	Paul Sariban	Director Policy	USA	To attend the 'Fundamentals of Regulation for Land-Based Casinos' course, which is delivered through the International Centre for Gaming Regulation at the University of Las Vegas.	09/12/2017	21/12/2017
NSW Trade & Investment	Tony Zhang	Commissioner North & East Asia	Australia	To conduct site visits in the Namoi region, including seven councils, to understand opportunities in regional NSW. To help Namoi Unlimited to better prepare their seven councils investment mission to China in March 2018. To follow up on NSW Health delegation to Beijing in December 2017.	26/01/2018	07/02/2018
DPI Agriculture	Annette Cowie	Tech Special Climate Policy	Italy	To attend the meeting of ISO Technical Committee on Environmental Management (TC 207) Subcommittee 7 (Greenhouse gas management) Working Group 8 (Carbon footprint) to progress the development of the international standard on Carbon Footprint of a product.	27/01/2018	05/02/2018
DPI Plant Biosecurity	Bernie Dominiak	Leader Regional Pest Management	USA	To provide scientific and expert views on the revision of the fruit fly trapping network	11/02/2018	18/02/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
Strategy & Planning				in New Zealand. A Hawaiian fruit fly expert is also providing guidance. The review will allow NSW and New Zealand to potentially adopt similar fruit fly trapping strategies. New Zealand may adopt Australian strategies, which would facilitate a stronger international market access profile as trans-Tasman international traders.		
DPI Agriculture	Kath Donoghue	Livestock Research Officer	New Zealand	Presentation at the 11th World Congress on Genetics Applied to Livestock Production on the latest outcomes from the methane research program: 'Phenotypic and genetic 1 relationships between methane traits and reproductive performance and cow weight traits in Australian beef cattle'.	11/02/2018	17/02/2018
DPI Agriculture	Matias Suarez	Technical Specialist Beef Breeding and Genetics	New Zealand	Attend the 11th World Congress on Genetics Applied to Livestock Production. To present a paper 'Imputation accuracy of whole-genome sequence data in Hanwoo cattle' Bernades P.A., Al-Mamun H.A., Suarez M., Lim D., Park B. & Gondro C.	11/02/2018	17/02/2018
NSW Trade & Investment	Susan Calvert	Executive Director	Japan	To meet with the Special Advisor on International affairs to the Governor of Tokyo, continuing the promotion of trade, investment and economic collaboration between NSW and Tokyo.	11/02/2018	14/02/2018
DPI Agriculture	Tracie Bird-Gardiner	Livestock Research Officer	New Zealand	Present at the 11th World Congress on Genetics Applied to Livestock Production	11/02/2018	17/02/2018
Export Development Services	Brent Bannister	Senior Project Officer	Dubai	To support the large NSW business delegation exhibiting at the International F&B trade show 'Gulfood' and raise	14/02/2018	24/02/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI	Scott Hansen	Director General Department of Primary Industries	UAE & Indonesia	awareness of regional NSW capabilities and export opportunities. Participation at the proposed event is aimed at strengthening relationships between our onshore export advisors and maximising opportunities.	18/02/2018	24/02/2018
DPI Biosecurity & Food Safety	Brendon O'Rourke	Team Leader Laboratory Services	Japan	Department of Agriculture and Water Resources (DAWR) have requested technical support during protocol negotiations for the live animal export trade between Australia and Japan.	19/02/2018	23/02/2018
DPI Agriculture	Malem McLeod	Research Officer	Indonesia	The purpose of this travel is to conduct mid-term review of the project 'improving soil and water management and crop productivity of dryland agriculture systems of Aceh and NSW'.	21/02/2018	15/03/2018
DPI Agriculture	Sarah Dadd	Research Dev Officer Rainfed Systems	Indonesia	To contribute to the third annual review of project 'improving soil and water management and crop productivity of dryland agriculture systems of Aceh and NSW'.	24/02/2018	06/03/2018
Regional Development	Anthony Yarrow	Senior Project Manager - Coal	Canada	The purpose of attendance is to promote opportunities for resource investment in NSW. The performance measure is for five significant investment enquiries leading to one new company exploring in NSW, significant investment or joint venture agreement.	01/03/2018	09/03/2018
DPI Biosecurity	Ryoko Uchida	Senior Project	China & Taiwan	This mission is one of the key components	01/03/2018	13/03/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
& Food Safety		Officer Industry Analyst		of the Australian Wayu Export Capability Development Program 2018, which is led and initiated by DPI's International Engagement in collaboration with the Australian red meat industry and Federal Government organisations.		
DPI Agriculture	Mike Sissons	Cereal Chemist	Mexico	To attend and present two oral papers, ICC Latin American Cereals Conference and International Gluten Workshop.	09/03/2018	25/03/2018
DPI Agriculture	Gururaj Kadkol	Durum Breeder	USA, Mexico	To visit the CIMMYT durum breeding program to fulfil milestone requirements for the durum component of the GRDC CAIGE project. Durum Breeding Australia (DBA) is a participant in this project, as are all other Australian durum and bread wheat breeders. Sourcing and selecting durum material for use in our DPI breeding program.	13/03/2018	26/03/2018
DPI Biosecurity & Food Safety	Peter Kirkland	Manager Virology	USA	To participate in meetings with a US biotechnology company to plan ongoing collaborative research for the development and evaluation of novel animal vaccine technology.	15/03/2018	24/03/2018
DPI Research & Policy	Angus Carnegie	Principal Research Scientist	South America	Attend and present at IUFRO Working Party Meeting/Conference: Forest health in Southern Hemisphere plantations. Presenting at least two talks on forest health and biosecurity in Australia, as the DPI and Australian representative.	19/03/2018	25/03/2018
NSW Trade & Investment	Peter Mackey	Director International Trade	Malaysia, Singapore	To attend the Association of Southeast Asian Nations (ASEAN) Australia Education Dialogue and present at the Asia-Pacific Association for International Education (APAIE) Exhibition and	20/03/2018	29/03/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Agriculture	Annette Cowie	Tech Special Climate Policy	New Zealand	To participate in the second meeting of lead authors. The SRCCL reviews current scientific understanding of the links between climate change, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems. It will inform the IPCC's Sixth Assessment Report (AR6) and international climate policy.	25/03/2018	31/03/2018
DPI Agriculture	Harsh Raman	Canola Molecular Marker	China	Attend the Workshop on Brassica Genome. Present GRDC-NSW DPI funded research on blackleg and pod shatter resistance in canola. Discuss and develop collaborative research plans on Brassica trait genetics; and visit other labs in Wuhan working on canola genomics and CRISPR.	25/03/2018	01/04/2018
DPI Plant Biosecurity Research & Diagnostics	Rosalie Daniel	Plant Pathologist	Vietnam	To present Australian project outcomes and support Vietnamese team members at the final project review meeting for ACIAR project AGB-2012/059 Component 3 'Sustainable Vegetable Systems in North West Vietnam'.	02/04/2018	08/04/2018
International Trade	Toshi Kawaguchi	Principal Policy Officer	New Zealand	To attend the Australia New Zealand Agent Workshop to promote NSW as a study destination to the leading regional gathering of quality education agents. These agents send tens of thousands of international students to the region each year.	03/04/2018	06/04/2018
LGNSW Policy & Legislation	James Donnelly	Manager Policy & Legislation	USA	To attend the Alcohol Policy 18/AP18 Conference by the U.S Alcohol Policy	09/04/2018	15/04/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
Unit				Alliance. The U.S Alcohol Policy Alliance is a national coalition of local and state coalitions translating alcohol policy research into public health practice and independent of commercial interests.		
DPI Soils	Susan Orgill	Leader Soils South	Vietnam	The purpose of this project is to enhance opportunities for crop diversification on salt affected land in NSW and Vietnam. This travel will enhance our understanding of the abiotic limitations to crop diversification in both countries.	09/04/2018	16/04/2018
DPI Climate	Cathleen Waters	Leader Climate Research	USA	To represent Australia on a scientific panel at the Global Locust Initiative launch as part of on-going global collaborative research between NSW DPI and Arizona State University.	10/04/2018	19/04/2018
DPI Biosecurity & Food Safety	Satendra Kumar	Director Plant Biosecurity & Product Int	Italy	Dr Satendra Kumar, Director Plant Biosecurity and NSW Chief Plant Protection Officer travels to Rome with Australian delegation to attend the 13th Commission of Phytosanitary Measures under the auspices of International Plant Protection Convention.	13/04/2018	23/04/2018
Trade and Investment	Peter Scott	Director Defence NSW	Malaysia	To allow participation in Defence Services Asia International trade event to be held in Malaysia. The event will bring together major global Defence companies and presents as an ideal opportunity to showcase NSW Defence capability and support NSW businesses exhibiting at Defence Services Australia.	14/04/2018	20/04/2018
International Trade	Rob Harrison	Senior Project Officer	Indonesia & Singapore	The proposed travel is to visit Jakarta en route to attending Food Hotel Asia in Singapore to support promotional activities	18/04/2018	28/04/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Plant Biosecurity Research & Diagnostics	Olivia Reynolds	Research Scientist	Mexico	<p>To attend, absorb, discuss, present and chair at the 10th International symposium of Fruit Flies of Economic Importance (ISFEEI). To represent Australia as a member on the International Steering Committee, and present Australia's bid to host the 11th ISFEEI in 2022.</p>	22/04/2018	30/04/2018
DPI Water & Irrigation	Robert Hoogers	Irrigation Dev Officer Sthn Broadacre	Cambodia	<p>To deliver training on irrigation scheduling for project staff and new collaborators including:</p> <ul style="list-style-type: none"> • research and extension staff, both government and NGOs. • inspect vegetable production field trials and the collection of water use efficiency data from the trial sites • supervision of in-country collaborator's field days. 	01/05/2018	19/05/2018
DPI Southern Cropping Systems	Luke Gaynor	Leader Southern Dryland Systems	Indonesia	Attend Australian Rural Leadership (ARLP) Session 5. The ARLP is a 15 month training program to develop leadership in rural and remote regions of Australia.	02/05/2018	18/05/2018
Economic Policy Enablers & Analytics	Dominica Nelson	Director Customer Service Excellence	China	NSW Business and Investor Migration Roadshow 2018 schedule to key ASEAN member countries to partner with fund managers and migration agents to attract high-quality business/investor migrants to NSW and facilitate business investment and job growth in the state.	04/05/2018	11/05/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
Trade & Industry Development	Tenille Jenkins	Trade Coordinator Western Markets	Europe	To attend and assist with the management of the Destination NSW UK & Europe Roadshow 2018.	04/05/2018	17/05/2018
Investment Attraction	Zane Rebronja	Senior Manager Business & Skilled Migration	China	NSW Business and Investor Migration Roadshow 2018 schedule to key ASEAN member countries to partner with fund managers and migration agents to attract high-quality business/investor migrants to NSW and facilitate business investment and job growth in the state.	04/05/2018	11/05/2018
DPI Emergency Operations Intelligence	David Jordan	Principal Research Scientist	France	Attend the World Animal Health (OIE) Headquarters in Paris, France as an invited participant in an expert group advising on prioritisation of diseases of ruminants for which vaccines could be developed to reduce antimicrobial use.	05/05/2018	11/05/2018
DPI Horticulture	Soumi Paul Mukhopadhyay	Research Officer Sensory & Consumer Science	Malaysia	To attend the Sense Asia conference in Kuala Lumpur, Malaysia. To present research results.	10/05/2018	18/05/2018
DPI Fisheries	Craig Boys	Fisheries Scientist	Lao PDR	Mid-project review to ensure contracted activities are being met and to ensure ACIAR can provide additional support to the project team if needed to mitigate any risks to project success.	11/05/2018	18/05/2018
DPI Extensive Livestock	John Piltz	Research Officer	China	To undertake activities as proposed in the approved project LPS/2014/036 Developing profitable dairy and sheep meat production systems in Central Tibet. To work with researchers from the Tibetan Academy of Agricultural and Animal Sciences (TAAAS) to sow a series of irrigated and dryland forage species trials. Monitor progress and provide advice on animal management and sample	11/05/2018	26/05/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Biosecurity & Food Safety	Toni Chapman	Senior Research Scientist	USA	collection for dairy and sheep meat experiments. To attend and participate as an instructor for a week-long course in Plant Biosecurity in Theory and Practice. Follow-up from the laboratory residential in 2017	12/05/2018	27/05/2018
DPI Research & Policy	Fabiano Ximenes	Research Officer	Denmark	To attend the 26th European Biomass Conference and Exhibition, and present the outcomes of a recently concluded NSW DPI project that assessed the potential of increased use of biomass in NSW for bioenergy generation.	13/05/2018	19/05/2018
Office of Responsible Gambling	Natalie Wright	Director Office of Responsible Gambling	China & Macau	Responsible Gaming Forum to be held on 16 May will focus on numerous global responsible gaming topics and concerns. Supported by the American Gaming Association (AGA), the National Center for Responsible Gaming (NCRG), the National Council on Problem Gaming (NCPG), the Association of Gaming Equipment Manufacturers (AGEM) and GameCare, the workshop's sessions will focus on global innovations in the identification and treatment of gambling addiction and will highlight proactive measures operators and manufacturers can take to prevent problem gaming.	15/05/2018	18/05/2018
DPI Agriculture	Annette Cowie	Tech Special Climate Policy	Sweden & Canada	a) Present a paper at the International conference on Negative Emissions, Gothenburg, Sweden 22-24 May 'Land degradation neutrality will deliver large-scale negative emissions', b) Chair the working meeting of IEA Bioenergy Task 38 in Gothenburg 25–26 May, c) Represent IEA Bioenergy Task 38 at the 81st	20/05/2018	04/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
International Network	Joseph Kaeshaefer	Commissioner Nth America	Australia (ex USA)	Participation in the annual NSW Trade & Investment program anchored around the Aerotropolis Investor Forum (AIF), to inform and educate offshore staff about trade and investment opportunities in NSW so they can promote the state more effectively in their respective markets.	25/05/2018	05/06/2018
DPI Plant Systems	Shane Hetherington	Director Horticulture	Vietnam & China	Vietnam: The Australian Centre for International Agricultural Research has invited Dr Hetherington to review one of its projects in Vietnam. The project name is Improving smallholder incomes in the north-western highlands of Vietnam by increasing access and competitiveness in regional temperate and subtropical fruit markets. China: With assistance from the International Engagement Unit, Dr Hetherington has been exploring research partnerships with the Shanghai Academy of Agricultural Science. DPI has similar research interests to these institutes and mutually beneficial research may be possible.	25/05/2018	11/06/2018
International Network	Lisa Nie	Business Dev Manager Trade & Invest Shanghai	Australia (ex China)	Participation in the annual NSW Trade & Investment program anchored around the Aerotropolis Investor Forum (AIF), to inform and educate offshore staff about trade and investment opportunities in NSW so they can promote the State more effectively in their respective markets.	26/05/2018	06/06/2018
International Network	Moin Anwar	Commissioner Abu Dhabi	Australia (ex United Arab	Participation in the annual NSW Trade & Investment program anchored around the	26/05/2018	06/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
International Network	Murray Davis	Commissioner Trade & Invest Guangzhou Office	Australia (ex China)	Participation in the annual NSW Trade & Investment program anchored around the Aerotropolis Investor Forum (AIF), to inform and educate offshore staff about trade and investment opportunities in NSW so they can promote the state more effectively in their respective markets.	26/05/2018	06/06/2018
Liquor Gaming & Racing	Paul Newson	Deputy Secretary Liquor Gaming & Racing	Czech Republic	To attend International Association of Gaming Regulators (IAGR) Board meeting. IAGR is the international membership and representative body for gaming regulators. The mission is to advance the effectiveness and efficiency of gaming regulation globally.	26/05/2018	02/06/2018
International Network	Rohit Manchanda	Commissioner Mumbai	Australia (ex India)	The NSW Trade & Investment offshore network's senior representatives participate in an annual program in NSW to deepen their understanding of NSW export and investment opportunities and to share market knowledge across government. This year the program will be anchored around the Aerotropolis Investor Forum. Other activities will include: client meetings, a regional visit, external events with key stakeholders, and branch and business planning.	26/05/2018	05/06/2018
International Trade	Sharon Foster	Senior Project Officer	China	To participate in the international trade exhibition Vinexpo 2018 in Hong Kong. To help coordinate our NSW Wine Promotional event with Orange Region	26/05/2018	02/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
International Network	Tony Zhang	Commissioner Nth & East Asia	Australia (ex China)	Vignerons Association (ORVA) and NSW Wine companies. Participation in the annual NSW Trade & Investment program anchored around the Aerropolis Investor Forum (AIF), to inform and educate offshore staff about trade and investment opportunities in NSW so they can promote the state more effectively in their respective markets.	26/05/2018	06/06/2018
DPI Horticulture	Steven Falivene	Development Officer Citrus	China	Promote the NSW citrus industry and fruit sales in China. To develop research collaboration partnerships with the Shanghai Academy of Agricultural Science and investigate advanced growing practices	29/05/2018	10/06/2018
DPI Plant Systems	Ashley Webb	Bilateral Manager	USA	To present a peer-reviewed paper titled 'Eucalypt plantations for mine site rehabilitation, carbon sequestration and wood products in the Hunter Valley, Australia' at the 2018 American Society of Mining and Reclamation conference.	01/06/2018	10/06/2018
Economic Policy Enablers & Analytics	Dominica Nelson	Director Customer Service Excellence	Vietnam	NSW Business and Investor Migration Roadshow 2018 schedule to key ASEAN member countries to partner with fund managers and migration agents to attract high-quality business/investor migrants to NSW and facilitate business investment and job growth in the state.	01/06/2018	06/06/2018
DPI Animal Biosecurity & Welfare	Geoff Campbell	Senior Veterinary Officer	USA	Attend the Sixth International Symposium on Animal Mortality Management in Amarillo Texas. The program provides professional collaboration, education and outreach through the application of new management processes for animal	01/06/2018	09/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Emergency Operations Intelligence	Simon Oliver	Manager Emergency Operations	USA	destruction and carcass disposal (mortalities and by-products) on farm and through animal processing industries. Attend the Sixth International Symposium on Animal Mortality Management in Amarillo Texas. The program provides professional collaboration, education and outreach through the application of new management processes for animal destruction and carcass disposal (mortalities and by-products) on farm and through animal processing industries.	01/06/2018	09/06/2018
Investment Attraction	Zane Rebronja	Snr Manager Business & Skilled Migration	Vietnam	NSW Business and Investor Migration Roadshow 2018 schedule to key ASEAN member countries to partner with fund managers and migration agents to attract high-quality business investor migrants to NSW and facilitate business investment and job growth in the state.	01/06/2018	06/06/2018
DPI Biosecurity & Food Safety	Anthony Zammit	Manager Shellfish Program	Vietnam	NSW DPI has ACIAR funding to enhance mollusc production in northern Vietnam and New South Wales (ACIAR Project FIS/2010/100). This project aims to increase hatchery-based bivalve production in Vietnam and expand bivalve aquaculture opportunities in NSW.	02/06/2018	10/06/2018
Natural Resources Access Regulator	Chris Salkovic	Director Dam Safety CEO Dam Safety NSW	USA	To attend Safety Evaluation of Existing Dams (SEED) international seminar and study tour delivered through the US Bureau of Reclamation (USBR)—U.S. Department of the Interior. Participation provides access to leading regulatory thinking and practices around dams safety and presents an opportunity to engage with expert faculty and a diverse mix of	02/06/2018	16/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
				international regulators and dam operators. Implementation of the <i>Dams Safety Act 2015</i> requires a deeper understanding of best practices dams safety policy challenges and opportunities. Participation is a fundamental part of Dams Safety agency capability development and capacity building to mitigate risks with Dams Safety and assist implementation of new regulations and standards.		
DPI Biosecurity & Food Safety	Hazel Farrell	Shellfish Operations Officer	Vietnam	NSW DPI has ACIAR funding to enhance mollusc production in northern Vietnam and New South Wales (ACIAR Project FIS/2010/100). This project aims to increase hatchery-based bivalve production in Vietnam and expand bivalve aquaculture opportunities in NSW.	02/06/2018	10/06/2018
DPI Horticulture	Jianhua Mo	Entomologist	China	Develop research collaboration partnerships with the Shanghai Academy of Agricultural Science and investigate advanced natural enemy pest control practices.	02/06/2018	10/06/2018
DPI Fisheries Resource Assessment	Matthew Taylor	Senior Research Scientist	USA	Attend the 2018 Emerging Contaminants in the Aquatic Environment Conference in Illinois, which deals explicitly with per- and polyfluoroalkyl substances (PFASs) in aquatic systems.	02/06/2018	13/06/2018
DPI Aquaculture Research	Michael Dove	Research Scientist	Vietnam	NSW DPI has ACIAR funding to enhance mollusc production in northern Vietnam and New South Wales (ACIAR Project FIS/2010/100). This project aims to increase hatchery-based bivalve production in Vietnam and expand bivalve aquaculture opportunities in NSW.	02/06/2018	09/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
Investment & Markets	Ashley Brosnan	Senior Project Officer Invest & Attract	United Kingdom	Provide crucial material to Keirra Smith (NSW Director of Trade & Investment, UK) during two important investor events: the world FDI Forum in Liverpool (11–13 June) and London Tech Week (11–17 June).	08/06/2018	17/06/2018
DPI Emergency Operations Intelligence	David Jordan	Principal Research Scientist	Italy	The officer will attend an international scientific meeting at the invitation of the United Nations (FAO and WHO) and the World Animal Health Organisation (OIE). The meeting aims to develop recommendations for the control of antimicrobial resistance (AMR) in the global food-chain and the environment.	08/06/2018	17/06/2018
DPI Plant Biosecurity Research & Diagnostics	Adrian Nicholas	Entomologist	Thailand	Attend 8th Annual Chapman Phytosanitary Irradiation Forum to participate in discussions relating to the proposed raising of the current 1.0 kGy upper limit for phytosanitary irradiation for fresh produce. Meet with IAEA members: (including Drs C. Blackburn and G Hallman) for discussions on changes to irradiation dose limits for post-harvest pest disinfestation.	12/06/2018	16/06/2018
DPI Plant Biosecurity Research & Diagnostics	Olivia Reynolds	Research Scientist	China	To attend a meeting to discuss and finalise aspects of the critical review and the pilot project as part of the Innovation Center of Ecologically Based Pest Management of Subtropical Crops.	16/06/2018	21/06/2018
DPI Horticulture	SP Singh	Research Horticulturist	USA	To participate in the Centre for Produce Safety (CPS) Research Symposium, Charlotte, NC on 19–20 June 2018. To visit the North Carolina Research Campus (NCRC) at Kannapolis, NC on 18 June	16/06/2018	22/06/2018

Office	Name of officer	Position	Country visited	Purpose of visit	Date from	Date to
DPI Investment & Business Development	Carolynne James	Manager Investment & Business Development Projects	South Korea	2018. To attend the Asia's largest 'Demo' Day and Pitch Event hosted by SparkLabs Global. To observe the process for hosting a similar event for the DPI's GATE (Global Agtech Ecosystem) to be held in Sydney in September 2018. To promote the GATE program and its offering to both international agtech start-ups and investors attending the Korean event. To build relationships with the Korean agtech sector enabled by SparkLabs Cultiv8 who are the GATE's corporate partner.	18/06/2018	23/06/2018
LGNSW Regulatory Interventions Team	Darren Duke	Manager Compliance	USA	To attend the Fundamentals of Regulation for Land-Based Casinos course delivered through the International Centre for Gaming Regulation within the University of Nevada Las Vegas.	23/06/2018	01/07/2018
LGNSW Licensing Stakeholders & Education	Joseph Amoroso	Coordinator Hunter Education & Training	USA	Coordinator Education and Training, Game Licensing Unit, Joseph Amoroso, to travel to Alaska, United States of America as a guest speaker at the 2018 International Hunter Education Association annual conference.	23/06/2018	29/06/2018
LGNSW Regulatory Policy Strategy	Susan Wright	Manager Compliance	USA	To attend the Fundamentals of Regulation for Land-Based Casinos course delivered through the International Centre for Gaming Regulation within the University of Nevada Las Vegas.	23/06/2018	01/07/2018

Appendix 12—Requirements arising from employment arrangements

The NSW Department of Industry provided personnel services to the NSW Rural Assistance Authority, Border Fence Maintenance Board and Natural Resources Access Regulator in 2017–18.

Table A12–1. Employment arrangements

Agency	Staff numbers (FTE) at 30 June 2018
NSW Rural Assistance Authority	25.10
Border Fence Maintenance Board	10.00
Natural Resources Access Regulator	76.06

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

Appendix 13—Consultants

Table A13–1. Consultants 2017–18—engagements costing \$50,000 or more

Consultant	Cost (\$)	Title/Nature
Aecom Australia Pty Ltd	58,100	Framework for Innovation Precincts
Aither Pty Ltd	128,838	Social Economic Analysis for Water Metering Strategy
Alphabeta Advisors Pty Ltd	65,000	Economic Analysis of Job Growth Forecasts in NSW
Arc Life Pty Ltd	52,191	E Learning Product Design
ASG Group Ltd	219,415	IVETS System Migration
Biosis Pty Ltd	59,832	Water Resource Plan
Burning Glass International Inc.	74,970	Skills Data Portal Development
Capital Markets Consulting Pty Ltd	50,000	Development of Market Quality Dashboard
Cardno (NSW/ACT) Pty Ltd	94,403	Tuncurry Slipway Design
Carpenter & Gibson Pty Ltd & F Lewis Holdings Pty Ltd T/A Cast Professional Services	492,912	Business Improvement and Efficiency Program
CBR Innovation Network Ltd	65,000	Incubation Services—The GATE
CBR Innovation Network Ltd	58,920	Innovation Mentoring Program
Coffey Environments Australia Pty Ltd	71,077	Wollongong Harbour Central Pier Remediation Design
Common Capital Pty Ltd	96,690	Review of Australian and International Programs Supporting Innovation-led Growth of the EGS Sector
Corview Group Pty Ltd	338,679	Visitor Economy Industry Action Plan
CSIRO	90,000	Talent Flows Research Project

Consultant	Cost (\$)	Title/Nature
Cutler Merz Pty Ltd	64,005	Climate Change Fund Projects Review
Deloitte Access Economics Pty Ltd	68,040	NSW Medical Technologies Industry Development Strategy
Deloitte Access Economics Pty Ltd	62,460	Review Smart & Skilled Pricing Methodology
Deloitte Consulting Pty Ltd	249,000	Planning, Programs and Performance Strategic Advice
Deloitte Touche Tohmatsu	339,283	Crown Lands Management Act Operational Transition for Statutory Land Managers
Deloitte Touche Tohmatsu	91,290	Enterprise Risk Review
Deloitte Touche Tohmatsu	161,067	Business Case Development—Integrated Education Precinct Meadowbank TAFE
Deloitte Touche Tohmatsu	70,373	Program Review for Department of Industry - Water
Department Of Finance Services & Innovation T/A NSW Public Works Advisory	91,550	Lightning Ridge Voluntary Licence Surrender Scheme
Douglas Partners Pty Ltd	96,510	Dam Remediation Advice—Mangrove Mountain
Elton Consulting Group Pty Ltd	137,723	Development of a Community Engagement Strategy
Elton Consulting Group Pty Ltd	98,717	Regional Consultation Program for Visitor Economy Action Plan
EMM Consulting Pty Ltd	161,661	Extreme Event Incident Response Plans
Enterprise Architects (Vic) Pty Ltd	238,917	Biosecurity and Food Safety Strategic Architecture Review
Ernst & Young	104,692	Commercial Fisheries Business Assistance Program—Tax Advisory
Ernst & Young	259,041	Jobs for NSW Equity Platform Development
Ernst & Young	103,000	Risk Appetite and Gap Analysis
GHD Pty Ltd	89,832	Commercial Fisheries Independent Allocation Panel

Consultant	Cost (\$)	Title/Nature
Gordian Global Solutions Pty Ltd	167,925	IVETS—Business Readiness Review
Gordian Global Solutions Pty Ltd	133,600	Payment Validation Process Review
Grant Thornton Australia Ltd	166,914	Commercial Fisheries Independent Allocation Panel Project Management
Grosvenor Management Consulting Pty Ltd	79,998	Grants Administration Process Review
Health Outcomes Australia Pty Ltd	367,175	Pathways to the Future Economic Study
Health System Support Group	50,460	Pathways to the Future Project Support Services
Hireup Pty Ltd	546,731	Smart, Skilled and Hired—Disability Sector scale-up—Sector Insights and Information
Holocentric Pty Ltd	55,842	Crown Lands ICT Business Process Review
Howard Partners Pty Ltd	128,438	Performance Review of the Rural Innovation System
HR Culture Pty Ltd	57,955	Apprentice Supervisor HR Culture Workshops
Hromin & Partners T/A Culture Zone	106,785	Manager & Staff Culture Program Development
Information Integrity Solutions Pty Ltd	82,320	Pathways Project—Privacy Impact Assessment
Inside Policy Pty Ltd	80,000	Land Negotiation Program Evaluation
Julie Anne Brown	68,798	Strategic Review of Organisational Development Activities
KPMG	135,295	NSW Aerospace Industry Development Strategy Advice
KPMG	69,486	Financial Services Sector Strategy
KPMG	163,708	Crown Lands Strategic Review
KPMG	146,283	Internal Audit Services
KPMG	60,000	Marine Estate Strategy—Economic Analysis

Consultant	Cost (\$)	Title/Nature
Kenneth Matthews	308,249	Independent Investigation into DPI Water
Margules Groome Consulting Pty Ltd	138,137	Forestry Innovation Fund Strategy Advice and Development
McPhee Research Consultants Pty Ltd	69,440	Commercial Fisheries Independent Allocation Panel Research
Nation Partners Pty Ltd	66,000	Business Advisory Services for Indigenous Land Use Agreements
Nous Group Pty Ltd	102,215	Greyhound Commission Resourcing Study
Ocean Watch Australia Ltd	181,818	Ocean Watch Master Fisherman Program
O'Connor Marsden & Associates Pty Ltd	90,775	Internal Audit Services
Optus Billing Services Pty Ltd	64,220	Consulting on upgrade of Records Management System
Place Design Group Pty Ltd	135,198	Land Use Planning Review
Public Service Commission	125,694	PSC Capability Review—Lands and Forestry
Publicis Australia Pty Ltd T/A Marcel Australia	70,920	Invest NSW—Strategic Positioning Review & Unique Selling Point (USP) Development
Quantium Health Pty Ltd	80,000	Smart, Skilled and Hired—Evaluation and Outcomes Adviser
Risk Edge Pty Ltd	60,366	Basin Plan Implementation: Water Resource Plans Project
Sefton & Associates Pty Ltd	94,975	Stakeholder Engagement Showgrounds and TSR Workshop Facilitation
Sirius Strategy Pty Ltd	145,800	Digital Publishing Strategy
Softwoods Working Group	90,000	Forestry Plantation Investment Business Case Development
Sybor Financial Systems Pty Ltd	135,500	Data Analytics Tool Development
Sybor Financial Systems Pty Ltd	59,950	VET Consumer Information Tools Strategy

Consultant	Cost (\$)	Title/Nature
The Agenda Group Pty Ltd	71,919	Casino Supervision Plan FY2017–18
The Bresal Family Trust	75,062	Commercial Fisheries Independent Allocation Panel
The Business of Cities Ltd	64,000	Peer Review of Innovation Precincts and Economies Report
The Customer Experience Company Pty Ltd	262,249	VET Dashboard Advice and Design
The Risk Board Pty Ltd	158,400	Jobs for NSW Portfolio Risk Management Review
The Strategy Group Pty Ltd	68,667	Innovation Index Development and Deployment
The Strategy Group Pty Ltd	114,812	Safe work NSW Safer Quad Bikes Project
The Trustee for Howland Family Trust T/A Hydrosphere Consulting	79,620	Tweed River Entrance Sand Bypassing Project
The University Of Queensland	60,000	Data Modelling Project for Cropping Research
TTEC Consulting Pty Ltd	71,540	Connected Workplace Web Development Project
The Trustee for Catalyst Breakthru Trust T/A The Mental Health Recovery Institute	54,600	Commercial Fisheries Mental Health Assistance Project
The Trustee for Deloitte Consulting Trust	165,073	Strategic Governance Review
The Trustee for JPH Services Trust	275,283	Defence Advocacy Services
The Trustee for Werrington House Trust	59,501	Management Services to Cruise Industry Reference Group
Urbis Pty Ltd	84,052	Triple Bottom Line Value of the Crown Estate and Establishment of Social and Environmental Performance Measures
Vilridge Pty Ltd	162,161	Property Asset Utilisation Taskforce II Consultancy
Wildfish Services NSW Pty Ltd	79,325	Commercial Fisheries Business Adjustment Program – Fish Online

Consultant	Cost (\$)	Title/Nature
Woods Bagot Pty Ltd	100,346	Connected Workspace Advice and Design Concepts
Total	\$11,196,769	

Table A13–2. Consultants 2017–18—engagements costing less than \$50,000

Category	Cost (\$)	Number of engagements
Administration	330,492	126
Communications & Marketing	188,643	24
Economics, Analytics & Research	1,604,869	114
Engineering, Surveying & Drafting	827,497	137
Environmental	188,152	44
Information Technology	563,384	92
Investigation & Review Services	509,454	72
Legal	53,318	13
Management Services	566,464	88
Organisational Review	169,169	15
Policy & Strategy	847,603	87
Recruitment	22,712	9
Training	1,309,959	460
Total	\$7,181,717	1,283

Appendix 14—Payment of accounts

In 2017–18, the NSW Department of Industry paid 94.1% of all accounts on time, compared to 96.0% for 2016–17. Based on value of payments, 95.9% of the amount due was paid on time in 2017–18 compared to 96.4% in 2016–17.

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

The department routinely provides advice to suppliers to help them follow the correct procedure for ensuring payments are made in a timely manner. This includes giving each new supplier an induction letter.

Small business accounts payable payment performance

In keeping with the NSW Government's policy for the payment of small businesses, the department has a registration process to identify small businesses. If the department fails to pay a compliant small business supplier invoice within 30 days, penalty interest is automatically calculated and paid to the supplier. In the 2017–18 year, the department paid 94.6% of registered small business suppliers on time, compared to 98.1% for 2016–17.

The small business accounts payable payment performance excludes payments made to small businesses via purchase card. As the department has been an early and active adopter of the government's purchase card policy, only a small number of small businesses are registered for payment in accounts payable. A large proportion of our small business suppliers are paid on immediate terms by purchase card.

Penalty interest payments

There have been two interest penalty payments made during 2017–18 for \$1,381.

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 manually entered. An initiative to increase the default monthly limit on purchase cards from \$3,000 to \$5,000 was completed in March 2018, further increasing the use of purchase cards as a payment means for low-value purchases.
- 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 implementing increased automation to further reduce the volume of manual processes.

Aged analysis of payments made by payment quarter

Below is a schedule of the dollar amount of payments the NSW Department of Industry made during 2017–18. Also included is the time these documents were paid, in relation to the due date.

All suppliers

Table A14–1. Payments by quarter to all suppliers

Quarter	Within date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2017	\$322,503,333	\$52,927,539	\$468,521	\$158,741	\$264,622
December 2017	\$911,681,907	\$14,531,274	\$13,824,546	\$766,735	\$2,946,393
March 2018	\$799,714,286	\$7,560,412	\$691,702	\$810,856	\$1,358,938
June 2018	\$879,737,882	\$22,845,555	\$1,273,474	\$1,981,541	\$1,996,632

Small business

Table A14–2. Payments by quarter to small business

Quarter	Within date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2017	\$670,816	\$258,661	\$33,272	Nil	Nil
December 2017	\$492,608	\$11,256	Nil	Nil	Nil
March 2018	\$1,038,763	\$1,571	Nil	Nil	Nil
June 2018	\$671,654	\$35,465	Nil	Nil	Nil

Accounts paid on time each quarter

Below is a schedule indicating the age of payments paid 'on time' as compared to the department's target.

All suppliers

Table A14–3. Accounts paid each quarter to all suppliers

Measure	September 2017	December 2017	March 2018	June 2018	Full Year
Invoices due for payment (Number)	9,434	9,400	8,657	10,683	38,174
Invoices paid on time (Number)	8,953	8,555	8,187	10,213	35,908
Percentage paid on time (%)	94.9%	91.0%	94.6%	95.6%	94.1%
Amount due for payment (\$)	\$376,322,757	\$943,750,856	\$810,136,194	\$907,835,084	3,038,044,891
Amount paid on time (\$)	\$322,503,333	\$911,681,907	\$799,714,286	\$879,737,882	2,913,637,408
Percentage paid on time (%)	85.7%	96.6%	98.7%	96.9%	95.9%
Number of payments of interest on overdue accounts	2	0	0	0	2

Measure	September 2017	December 2017	March 2018	June 2018	Full Year
(Number)					
Interest paid on late accounts (\$)	\$1,381	\$0	\$0	\$0	1,391

Small business

Table A14–4. Accounts paid each quarter to small business

Measure	September 2017	December 2017	March 2018	June 2018	Full Year
Invoices due for payment (Number)	70	71	64	73	278
Invoices paid on time (Number)	65	68	62	68	263
Percentage paid on time (Number of invoices)	92.9%	95.8%	96.9%	93.2%	94.6%
Amount due for payment	\$962,749	\$503,864	\$1,040,334	\$707,119	3,214,066
Amount paid on time	\$670,816	\$492,608	\$1,038,763	\$671,654	2,873,841
Percentage paid on time (value of invoices)	69.7%	97.8%	99.8%	95.0%	89.4%
Number of payments of interest on overdue accounts	2	0	0	0	2
Interest paid on late accounts	\$1,381	\$0	\$0	\$0	1,381

Appendix 15—Land disposal

The NSW Department of Industry's Crown Lands branch sold 26 properties returning \$8.28 million in the 2017–18 financial year. Sales supported growth of residential housing supply and provided returns to the government for reinvestment in other programs.

A further 48 properties were acquired from Crown Lands by other agencies for government purposes, returning \$2.4 million to the government. These acquisitions facilitated public sector investment in transport and service infrastructure and services for the people of NSW.

There are no vestings to report for the 2017–18 financial year.

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

Appendix 16—Capital works

The following table contains details of the NSW Department of Industry's major capital works in progress as at 30 June 2018

Table A16-1. Capital works expenditure

Capital works in progress	Announced completion date	Announced estimate total cost (\$'000)	Expenditure in previous years (\$'000)	2017–18 expenditure (\$'000)	Total project expenditure to 30 June 2018 (\$'000)
Bethungra Dam Stabilisation	2017	3,935	2,059	1,287	3,346
Coastal Infrastructure	2019	41,400	20,711	7,766	28,477
Dredging of Priority Waterways on the North Coast	2018	9,973	6,650	2,491	10,047
Water Reform in the Murray Darling Basin	2019	7,393	1,990	750	2,740
Replacement of Fisheries Offshore Patrol Vessel	2017	2,507	714	486	1,200
Water Monitoring Framework	2020	22,810	2,422	512	2,934
Implementation of the Aquifer Interference Policy	2016	4,578	4,009	312	4,321
Construct Artificial Reefs	2017	2,800	1,645	1,196	2,841
Grains Research Development Corporation (GRDC) Research	2017	2,000	843	7	850
Port of Eden Breakwater Wharf Extension	2018	42,000	3,381	15,158	18,539
Eden Wave Attenuator Project	2017	1,788	631	739	1,370
Regional Office Accommodation Strategy	2018	8,369	5,389	2,788	8,177
OSBC – Digital Service Solution	2017	2,500	2,079	277	2,356
ICT Systems Upgrade - Implement New Crown Land Legislation	2019	7,000	169	646	725
Coastal Wall at the Entrance	2018	2,000	0	1,091	1,091
GRDC Research Program 2017-2027	2027	20,000	0	384	384

Appendix 17—Disclosure of controlled entities

The NSW Department of Industry controls the following entities pursuant to the *Public Finance and Audit Act 1983* and Australian Accounting Standards Board 10 Consolidated Financial Statements:

- Water Administration Ministerial Corporation
- Lands Administration Ministerial Corporation
- Fisheries Administration Ministerial Corporation.

Water Administration Ministerial Corporation

The Water Administration Ministerial Corporation is constituted by the *Water Management Act 2000* as a Ministerial Corporation and has the following functions to:

- construct, maintain and operate water management works, gauging stations and other monitoring equipment
- conduct research, collect information and develop technology in relation to water management
- acquire rights to water, whether within or beyond New South Wales
- do anything for the purpose of enabling the objects of the *Water Management Act 2000* to be attained.

The department undertakes these functions via delegation.

Lands Administration Ministerial Corporation

The Lands Administration Ministerial Corporation is constituted by the *Crown Lands Act 1989* and has the following functions:

- to enter into an agreement with a third party to undertake development or construction on Crown land
- to enter into an agreement with a third party to act as agent for the sale or lease of Crown land
- to enter into an agreement with a third party for the provision of services or information
- other functions as conferred by or under the *Crown Lands Act 1989* or any other Act.

The department undertakes these functions via delegation.

Under the *Crown Lands Act 1989*, LAMC can be appointed as a reserve trust manager, which enables staff from the department to undertake this role under delegation. At 30 June 2018, LAMC was the manager for a number of reserve trusts, including Bondi Baths Trust, Yasmar Reserve Trust, Rawson Reserve Trust and Crown Lands Reserve Trust.

Fisheries Administration Ministerial Corporation

The Fisheries Administration Ministerial Corporation is constituted by the *Fisheries Management Act 1994* for the purpose of exercising the following functions:

- to acquire land for the purposes of the *Fisheries Management Act 1994*, (including an interest in land) by agreement or compulsory process in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*
- to acquire land for purposes of a future lease grant
- to carry out or assist research
- to accept gifts of Land
- other functions as conferred by or under the *Fisheries Management Act 1994* or any other Act.

The department undertakes these functions via delegation.

Appendix 18—Disclosure of subsidiaries

The NSW Department of Industry had no subsidiaries in the 2017–18 financial year.

Appendix 19—Implementation of price determinations

The Independent Pricing and Regulatory Tribunal (IPART) of NSW determines the maximum prices for the monopoly water management services provided by the Water Administration Ministerial Corporation (WAMC).

In IPART's last WAMC determination, prices were set over a four-year period from 1 July 2016 to 30 June 2020 (the 2016 determination period). The NSW Department of Industry, including the Natural Resources Access Regulator (NRAR), and WaterNSW jointly deliver the services on behalf of WAMC for this determination. An Annual Information Return will be submitted for the 2017–18 year, which will combine information from monopoly services provided by the department, the NRAR and WaterNSW.

Appendix 20—Funds granted to non-government community organisations

Financial counselling services

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

Table A20–1. Funds granted for financial counselling services

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Rural Financial Counselling Service	Education & Regional Services, AgNSW—Southern Region	240,000
Rural Financial Counselling Service	Education & Regional Services, AgNSW—Northern Region	348,000
Rural Financial Counselling Service	Education & Regional Services, AgNSW—Central West Region	368,000

Animal welfare

Animal welfare grants are provided to organisations for programs that promote the health and welfare of animals, and prevent cruelty to animals.

Table A20–2. Funds granted for animal welfare

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Animal Welfare League	Prevention of Cruelty to Animals—Animal Welfare Grant	75,000
Australian Animal Health Council Ltd	Prevention of Cruelty to Animals—Animal Welfare Grant	14,285
Cat Protection Society	Prevention of Cruelty to Animals—Animal Welfare Grant	15,500
Domestic Animal Birth Control	Prevention of Cruelty to Animals—Animal Welfare	3,000

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
	Grant	
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
RSPCA	Prevention of Cruelty to Animals—RSPCA Education Centre	500,000
RSPCA	Greyhound Welfare Project	58,511
Australian Animal Health Council Ltd	National Arbovirus Monitoring Project	13,525
Australian Animal Health Council Ltd	Livestock Welfare—Poultry	3,697
Australian Animal Health Council Ltd	FMD Vaccine Bank Management	7,459
Australian Animal Health Council Ltd	Livestock Welfare—Pigs	14,948
Australian Animal Health Council Ltd	Transmissible Spongiform Encephalopathies Freedom Assurance Program	26,910
Australian Animal Health Council Ltd	Reference Laboratories	12,441
Australian Animal Health Council Ltd	Screw Worm Fly Surveillance Preparedness Project	15,069
Australian Animal Health Council Ltd	Anthrax Vaccine Bank Management	1,111
Australian Animal Health Council Ltd	Prohibited Pig feed Compliance and Awareness Program	1,217

Recreational fishing programs

Recreational Fishing Trusts, freshwater and saltwater, receive funds through the sale of fishing licences in NSW. The trusts provide funding to the department, which pays grants to organisations for projects to rehabilitate fish habitat in freshwater and saltwater areas of NSW.

The trust funding also gives organisations grants to improve local recreational fishing facilities and undertake research related to recreational fishing across the state.

Table A20–3. Funds granted for recreational fishing programs

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Boree Creek Landcare Group Inc.	Habitat Action Grant—Making More Fish Naturally 2010–18	2,878
Barkindji Maraura Elders Environmental Team Ltd	Habitat Action Grant—Making More Fish Naturally 2010–18	3,972
Bourke's Ain't Caught Nuffin' Fishing Club Inc.	Habitat Action Grant—Making More Fish Naturally 2010–18	12,342

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Australian River Restoration Centre Ltd	Habitat Action Grant—Making More Fish Naturally 2010–18	11,908
Coonabarabran Landcare Inc.	Habitat Action Grant—Making More Fish Naturally 2010–18	6,193
Inland Waterway Rejuvenation Committee Inc.	Habitat Action Grant—Making More Fish Naturally 2010–18	26,200
Little River Landcare Group	Habitat Action Grant—Making More Fish Naturally 2010–18	2,493
Oz Fish Unlimited Ltd	Habitat Action Grant—Making More Fish Naturally 2010–18	9,663
Numeralla & District Landcare Group Inc.	Habitat Action Grant—Making More Fish Naturally 2010–18	6,787
Australian Trust For Conservation Volunteers T/A Conservation Volunteering	Habitat Action Grant—Habitat Action Program 2009–18	6,980
Bass Sydney Fishing Club Inc.	Habitat Action Grant—Habitat Action Program 2009–18	2,000
Brunswick Valley Landcare Inc.	Habitat Action Grant—Habitat Action Program 2009–18	19,852
Dapto Leagues Club Ltd	Habitat Action Grant—Habitat Action Program 2009–18	20,000
Envite Inc.	Habitat Action Grant—Habitat Action Program 2009–18	19,950
Friends Of Lane Cove National Park	Habitat Action Grant—Habitat Action Program 2009–18	20,085
Murra Country Inc.	Habitat Action Grant—Habitat Action Program 2009–18	1,400
Nambucca Landcare Co-Ordinating Committee	Habitat Action Grant—Habitat Action Program 2009–18	28,036
Oz Fish Unlimited Ltd	Habitat Action Grant—Habitat Action Program 2009–18	112,000
Roots Down Conservation	Habitat Action Grant—Habitat Action Program 2009–18	2,196
Roseberry Creek Landcare Inc.	Habitat Action Grant—Habitat Action Program 2009–18	374
Sydney Institute of Marine Science	Habitat Action Grant—Habitat Action Program 2009–18	19,843

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
South Lismore Duck Pond Landcare Inc.	Habitat Action Grant—Habitat Action Program 2009–18	6,357
University of NSW	Habitat Action Grant—Habitat Action Program 2009–18	15,000
Bingara Anglers Club Inc.	Recreational Fishing—Small Grants Program	4,273
Callala Bay Community Association	Recreational Fishing—Small Grants Program	1,869
Deakin University	Recreational Fishing—Small Grants Program	750
Lions Club of Moree	Recreational Fishing—Small Grants Program	4,800
Merimbula Big Game & Lakes Angling Club Inc.	Recreational Fishing—Small Grants Program	1,740
Mungindi RSL Restocking Club	Recreational Fishing—Small Grants Program	3,000
Recreational Fishing Alliance of NSW	Recreational Fishing—Small Grants Program	8,195
Southern Cross University	Recreational Fishing—Small Grants Program	7,750
University of Tasmania	Recreational Fishing—Small Grants Program	8,930
Weave Youth & Community Services Inc.	Recreational Fishing—Small Grants Program	5,000
Western Sydney University	Recreational Fishing—Small Grants Program	9,000
Australian Fishing Trade Association Inc.	Recreational Fishing General Grants Program—Large External Projects	30,000
Civic Disability Services Ltd	Recreational Fishing General Grants Program—Large External Projects	12,000
Oz Fish Unlimited Ltd	Recreational Fishing General Grants Program—Large External Projects	9,409
Recreational Fishing Alliance of NSW	Recreational Fishing General Grants Program—Large External Projects	5,139
The Fly Program Ltd	Recreational Fishing General Grants Program—Large External Projects	25,000
University of Wollongong	Recreational Fishing General Grants Program—Large External Projects	20,000
Underwater Skindivers & Fishermen's Associations Inc.	Recreational Fishing General Grants Program—Large External Projects	16,000
Anna Bay Tavern Fishing Club	Gone Fishing NSW Day	2,000
Cattai Public School P&C Association	Gone Fishing NSW Day	1,800

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Coffs Coast Fly Fishing Club	Gone Fishing NSW Day	1,055
Coraki Fishing Club Inc.	Gone Fishing NSW Day	1,684
Dalmeny Bowling Club Fishing Club	Gone Fishing NSW Day	144
Guyra & District Chamber of Commerce	Gone Fishing NSW Day	1,946
Guyra Hotel Anglers Club Inc.	Gone Fishing NSW Day	2,000
Jerilderie Fishing Club	Gone Fishing NSW Day	1,982
Mosman Rowers Ltd	Gone Fishing NSW Day	1,800
Muddy Creek Boating & Fishing Association Inc.	Gone Fishing NSW Day	1,260
Mungindi RSL Restocking Club	Gone Fishing NSW Day	1,940
Nambucca Heads Offshore Fishing Club Inc.	Gone Fishing NSW Day	2,000
Nangiloc Fishing Club Inc.	Gone Fishing NSW Day	1,880
Oatley Fishing & Tennis Inc.	Gone Fishing NSW Day	1,593
Ramsgate RSL Club Ltd Fishing Club	Gone Fishing NSW Day	1,800
Saint George & Sutherland Shire Anglers Club Inc.	Gone Fishing NSW Day	1,485
South Sydney Amateur Fishing Association Inc.	Gone Fishing NSW Day	2,000
Sydney Game Fishing Club Ltd	Gone Fishing NSW Day	2,000
The Inverell Returned Serviceman's Memorial Club Ltd	Gone Fishing NSW Day	1,980
Trangie Action Group Inc.	Gone Fishing NSW Day	783
Tuross Head Country Club Fishing Club	Gone Fishing NSW Day	2,000
Wallerawang Branch Central Acclimatisation Society	Gone Fishing NSW Day	2,000

Shark management strategy

These grants were provided to organisations for shark management and meshing at NSW beaches.

Table A20–4. Funds granted for shark management strategy

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Beyond The Bite Inc.	Shark Management Strategy Grants Program	18,580
Salt Surf Lifesaving Club Inc.	Shark Management Strategy Grants Program	2,568
Surf Life Saving NSW	Shark Management Strategy Grants Program	18,170
Volunteer Marine Rescue	Shark Management Strategy Grants Program	37,500

Office of the Chief Scientist and Engineer

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

Table A20–5. Funds granted for research programs

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
AINSE Ltd	Research Attraction and Acceleration Program	3,000
Australian Nuclear Science & Technology Organisation	Research Attraction and Acceleration Program	167,000
Australia Science Media Centre	Research Attraction and Acceleration Program	72,158
Bio Platforms Australia Ltd	Research Attraction and Acceleration Program	600,000
Catalysis Society of Australia	Research Attraction and Acceleration Program	8,000
Centenary Institute of Cancer Medicine	Research Attraction and Acceleration Program	8,500
Charles Sturt University	Research Attraction and Acceleration Program	8,000
Children's Medical Research Institute	Research Attraction and Acceleration Program	4,500
Cooperative Research Centres Association Inc	Research Attraction and Acceleration Program	3,000
Hunter Innovation and Science Hub Inc	Research Attraction and Acceleration Program	5,500
Intersect Australia Ltd	Research Attraction and Acceleration Program	630,000
Macquarie University	Research Attraction and Acceleration Program	1,533,646
National Youth Science Forum	Research Attraction and Acceleration Program	25,500
Neuroscience Research Australia	Research Attraction and Acceleration Program	5,000
NSW EMCR Network Inc	Research Attraction and Acceleration Program	3,000

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
NSW Government Schools	Research Attraction and Acceleration Program	5,000
Science Teachers Association of NSW Inc	Research Attraction and Acceleration Program	8,000
Southern Highlands Conference on Heterocyclic Chemistry	Research Attraction and Acceleration Program	2,000
The Illawarra Grammar School	Research Attraction and Acceleration Program	5,000
The Royal Society of NSW	Research Attraction and Acceleration Program	8,000
The SAX Institute	Research Attraction and Acceleration Program	200,000
Museum Of Applied Arts & Sciences	Research Attraction and Acceleration Program	80,000
The University Of Newcastle	Research Attraction and Acceleration Program	13,000
The University Of Wollongong	Research Attraction and Acceleration Program	581,916
University Of New South Wales	Research Attraction and Acceleration Program	2,272,588
University Of Newcastle	Research Attraction and Acceleration Program	125,000
University Of Sydney	Research Attraction and Acceleration Program	3,184,000
University Of Technology Sydney	Research Attraction and Acceleration Program	2,415,000
Victor Chang Cardiac Research Institute	Research Attraction and Acceleration Program	2,000
Western Sydney University	Research Attraction and Acceleration Program	682,000
Woolcock Institute of Medical Research Ltd	Research Attraction and Acceleration Program	3,500

Adult and community education

Adult and community education (ACE) is supported by the department through grants to ACE providers across NSW.

Table A20–6. Funds granted for adult and community education

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
ACE Community Colleges Ltd	Adult Community Education—providing flexible and efficient training services	970,081
Albury Wodonga Community College Ltd	Adult Community Education—providing flexible and efficient training services	258,883
Byron Region Community College Inc.	Adult Community Education—providing flexible and efficient training services	637,212

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Camden Haven Community College Inc.	Adult Community Education—providing flexible and efficient training services	601,033
Central Coast Community College	Adult Community Education—providing flexible and efficient training services	1,044,570
City East Community College Inc.	Adult Community Education—providing flexible and efficient training services	354,521
Coffs Coast Community College	Adult Community Education—providing flexible and efficient training services	449,015
Community College—Northern Inland Inc.	Adult Community Education—providing flexible and efficient training services	1,045,748
Community Colleges Australia Ltd	Adult Community Education—providing flexible and efficient training services	70,000
Cooperative Learning Ltd	Adult Community Education—providing flexible and efficient training services	65,000
Guyra Adult Learning Association Inc.	Adult Community Education—providing flexible and efficient training services	283,051
Hornsby Ku-Ring-Gai Community College Inc.	Adult Community Education—providing flexible and efficient training services	246,386
Kiama Community College Inc.	Adult Community Education—providing flexible and efficient training services	704,832
Macarthur Community College Inc.	Adult Community Education—providing flexible and efficient training services	458,713
Macquarie Community College	Adult Community Education—providing flexible and efficient training services	798,914
Murwillumbah Adult Education Centre Inc.	Adult Community Education—providing flexible and efficient training services	342,549
Nepean Community College Inc.	Adult Community Education—providing flexible and efficient training services	775,611
North Coast Community College Inc.	Adult Community Education—providing flexible and efficient training services	540,613
Northern Beaches Community College Inc.	Adult Community Education—providing flexible and efficient training services	377,888
Penrith Skills For Jobs Ltd	Adult Community Education—providing flexible and efficient training services	113,316
Port Macquarie Community College Inc.	Adult Community Education—providing flexible and efficient training services	620,426

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Riverina Community College Ltd	Adult Community Education—providing flexible and efficient training services	939,000
Robinson Education Centre Inc.	Adult Community Education—providing flexible and efficient training services	491,236
St George And Sutherland Community College	Adult Community Education—providing flexible and efficient training services	421,635
Sydney Community College Ltd	Adult Community Education—providing flexible and efficient training services	308,602
Tamworth Community College Inc.	Adult Community Education—providing flexible and efficient training services	604,052
Tenterfield Community College Inc.	Adult Community Education—providing flexible and efficient training services	24,000
The Deaf Society Of NSW	Adult Community Education—providing flexible and efficient training services	366,009
The Eurobodalla Adult Education Centre Inc.	Adult Community Education—providing flexible and efficient training services	511,583
The Parramatta College Inc.	Adult Community Education—providing flexible and efficient training services	550,823
Tomaree Community College Inc.	Adult Community Education—providing flexible and efficient training services	325,420
Tuggerah Lakes Community College Inc.	Adult Community Education—providing flexible and efficient training services	594,100
Verto Ltd	Adult Community Education—providing flexible and efficient training services	878,204
Western College Inc.	Adult Community Education—providing flexible and efficient training services	869,511
Western Riverina Community College	Adult Community Education—providing flexible and efficient training services	470,725
Workers Educational Association—Hunter	Adult Community Education—providing flexible and efficient training services	1,282,454
Workers Educational Association—Illawarra	Adult Community Education—providing flexible and efficient training services	486,680

Aboriginal employment programs

Aboriginal employment programs support Aboriginal people in the provision and development of employment opportunities.

Table A20–7. Funds granted for Aboriginal employment program

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
The Spirit of the Planet Indigenous Corporation	Elsa Dixon—providing flexible and efficient training services	37,500
Tubba-Gah (Maing) Wiradjuri Aboriginal Corporation	Elsa Dixon—providing flexible and efficient training services	25,000
Griffith Skills Training Centre Inc	The Way Ahead for Aboriginal People	843,707
Aboriginal Employment Strategy Ltd	Opportunity Hubs	272,640
MTC Australia Ltd	Opportunity Hubs	428,218
Tamworth Local Aboriginal Land Council	Opportunity Hubs	389,120
Campbell Page Ltd	New Careers for Aboriginal People	47,200
Enterprise & Training Company Ltd	New Careers for Aboriginal People	93,862
Griffith Skills Training Centre Inc	New Careers for Aboriginal People	212,400
Illawarra Aboriginal Corporation—Warrigal Employment	New Careers for Aboriginal People	47,200
Jobs Australia Enterprises Ltd	New Careers for Aboriginal People	47,190
Souths Cares PBI Ltd	New Careers for Aboriginal People	93,775
Ungooroo Aboriginal Corporation	New Careers for Aboriginal People	47,200
Verto Ltd	New Careers for Aboriginal People	47,200
Booroongen Djugun Ltd	Aboriginal Enterprise Development	47,200
Enterprise & Training Company Ltd	Aboriginal Enterprise Development	47,200
Griffith Skills Training Centre Inc	Aboriginal Enterprise Development	165,200
Jobs Australia Enterprises Ltd	Aboriginal Enterprise Development	47,198
The Illawarra ITEC Ltd	Aboriginal Enterprise Development	47,200
Ungooroo Aboriginal Corporation	Aboriginal Enterprise Development	47,200

Group training organisations

The department provides funding to assist group training organisations (GTOs) and support apprenticeships and traineeships, in line with nationally agreed priority areas.

Table A20–8. Funds granted for group training organisations

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Group Training Association of NSW and ACT	Pre Apprenticeship GTO funding	65,000
Apprentices Trainees Employment Ltd	Pre Apprenticeship GTO funding	48,500
Apprenticeships Are Us Ltd	Pre Apprenticeship GTO funding	748,900
ECA Training Pty Ltd	Pre Apprenticeship GTO funding	203,900
HGT Australia Ltd T/A Novaskill	Pre Apprenticeship GTO funding	94,500
Hospitality Training Network Ltd T/A HTN	Pre Apprenticeship GTO funding	112,100
Housing Industry Association Ltd	Pre Apprenticeship GTO funding	33,000
Hume Employment Service Ltd T/A Kestrel Apprentice Solution	Pre Apprenticeship GTO funding	33,600
Hunter Valley Training Company Pty Ltd	Pre Apprenticeship GTO funding	165,100
Macarthur Group Training Ltd T/A MG My Gateway	Pre Apprenticeship GTO funding	32,000
Riverina Group Training & Employment Ltd T/A GTES	Pre Apprenticeship GTO funding	14,000
TABMA Workforce And Career Development Pty Ltd	Pre Apprenticeship GTO funding	94,200
WPC Group Ltd	Pre Apprenticeship GTO funding	83,900
Australian Training Company Ltd	Pre Apprenticeship GTO funding	84,700
Automotive Group Training (NSW)	Pre Apprenticeship GTO funding	7,200
Master Builders Association Of NSW Pty Ltd	Pre Apprenticeship GTO funding	125,000
Master Plumbers Apprentices Ltd	Pre Apprenticeship GTO funding	105,600
Skillset Ltd	Pre Apprenticeship GTO funding	158,200
Migas Ltd T/A Migas Apprentices and Trainees	Pre Apprenticeship GTO funding	25,000
MPGTC Pty Ltd	Pre Apprenticeship GTO funding	9,000

Industry training advisory boards (ITABs)

ITABs give the department independent advice about the skill and training needs of industry. The purpose is to create a skilled workforce that can support future economic growth and development, including in regional NSW.

Table A20–9. Funds granted for industry training advisory boards

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Agrifood Skills Australia	Industry Training Advisory Board funding	87,775
Arts, Communication, Finance Industries and Property Services Ltd	Industry Training Advisory Board funding	140,441
Community Colleges Australia Ltd	Industry Training Advisory Board funding	28,000
Forest Works Ltd	Industry Training Advisory Board funding	66,709
Manufacturing Industry Skills Council	Industry Training Advisory Board funding	108,842
NSW Community Services & Health Industry Training Advisory Body	Industry Training Advisory Board funding	105,220
NSW Utilities and Electrotechnology Industry Training Advisory Body	Industry Training Advisory Board funding	70,220
Resources & Infrastructure NSW Industry Training Advisory Body Ltd	Industry Training Advisory Board funding	66,709
SkillsIQ Ltd	Industry Training Advisory Board funding	122,886
Australian Industry Standards Ltd	Industry Training Advisory Board funding	66,709
Automotive Training Board (NSW)	Industry Training Advisory Board funding	87,775
Property & Financial Services	Industry Training Advisory Board funding	70,220

Youth Attainment and Transitions Pre-Apprenticeship Training Program

This funding is provided to place young people in pre-apprenticeships as an initial step towards getting into full apprenticeship programs.

Table A20–10. Funds granted for Youth and Transitions Pre-Apprenticeship Training Program

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Careers Network Inc.	Regional VET Pathways	442,727
Connect Northern Rivers Inc.	Regional VET Pathways	453,344
Mid Coast Connect Inc.	Regional VET Pathways	401,296
Queanbeyan Enterprise Centre Inc. Rear Visitors Centre	Regional VET Pathways	323,681

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Skillset Ltd	Regional VET Pathways	359,773
Civil Contractors Federation	Industry Skills Legacy Program	200,000
Housing Industry Association	Industry Skills Legacy Program	200,000
Master Builders Association	Industry Skills Legacy Program	200,000
Master Plumbers Association	Industry Skills Legacy Program	200,000
National Electrical Contractors Association	Industry Skills Legacy Program	181,700
NSW Business Chamber	Industry Skills Legacy Program	200,000
Restaurant and Catering Australia	Industry Skills Legacy Program	186,000
Supporting and Linking Tradeswomen	Industry Skills Legacy Program	199,000
Bay2Bay VET Promotional Committee Inc	Regional VET Pathways	58,024
Central Coast Apprenticeship and Traineeship Advisory Committee	Regional VET Pathways	18,900
Greater Northern Skills Development Group Inc.	Regional VET Pathways	15,900
Hunter Region Apprenticeship & Traineeship Advisory Committee	Regional VET Pathways	15,900
Illawarra & South East NSW Regional VET	Regional VET Pathways	15,900
Riverina–Murray VET Committee in	Regional VET Pathways	17,085
Skills NC Inc	Regional VET Pathways	15,900
Southern & South Western Sydney Regional Development Committee	Regional VET Pathways	60,073
Western NSW Skills Development Hub Inc	Regional VET Pathways	18,900
Western Sydney Vocational Training Committee Inc	Regional VET Pathways	15,900

State Training Services

Funding has been provided to assist in the establishment of improved facilities and services for students undertaking tertiary studies by distance education in regional locations across NSW.

Table A20–11. Funds granted for state training services

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Country Universities Centre	State Training Services	3,000,000

Tourism programs

Funding has been provided to help the development of improved facilities and services for promoting tourism opportunities across NSW.

Table A20–12. Funds granted for tourism programs

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
All Sustainable Futures Inc	Tourism programs	70,000
Lightning Ridge Opal & Fossil Centre Inc	Tourism programs	45,000

International trade

Funding is provided to:

- increase the number of international students studying in NSW or with our education providers overseas
- improve the quality of their experience while in the state
- recognise their contributions to our communities.

Table A20–13. Funds granted for international trade

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Australian Catholic University	StudyNSW	44,200
English Australia Ltd T/A English Australia	StudyNSW	8,250
International Education Association of Australia IEAA Inc	StudyNSW	5,000
NSW Cricket Association	StudyNSW	55,000
Redfern Legal Centre Ltd	StudyNSW	30,000
Southern Cross University	StudyNSW	38,000
The University of New England	StudyNSW	80,000
The University of Newcastle	StudyNSW	22,000
TTF Education Export Services Trust	StudyNSW	8,000

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
T/A Education Export Service		
University of Newcastle	StudyNSW	33,000

Smart, Skilled and Hired

Funding is provided to help young people get ready for employment or kick-start a fulfilling career by connecting them to training, mentoring, work experience placements, and other forms of support for building their skills and experience.

Table A20–14. Funds granted for Smart, Skilled and Hired

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Australia Care Pty Ltd	Business Acceleration Grants	421,703
Centre for Disability Studies Ltd	Business Acceleration Grants	149,400
Housing Plus	Business Acceleration Grants	75,391
MacKillop Family Services Ltd	Business Acceleration Grants	299,543
Novita Children's Services	Business Acceleration Grants	142,500
Royal Far West	Business Acceleration Grants	401,700
Summer Foundation Ltd	Business Acceleration Grants	131,580
Sydney Regional Aboriginal Corp	Business Acceleration Grants	507,934
The Northcott Society T/A Northcott Disability Services	Business Acceleration Grants	255,788
Woodville Alliance Ltd	Business Acceleration Grants	96,300
Back track Youth Works Ltd	Youth Innovation Challenge	30,000
Batyr Australia Ltd	Youth Innovation Challenge	30,000
Campbell Page Ltd T/A Campbell Page	Youth Innovation Challenge	30,000
NSW Business Chamber Ltd	Youth Innovation Challenge	30,000
Regional Development Australia Mid-North Coast	Youth Innovation Challenge	30,000
The University of New England	Youth Innovation Challenge	30,000
Wentworth Community Housing Ltd	Youth Innovation Challenge	30,000
Job Futures Ltd T/A COACT	Youth Employment	1,923,157
Joblink Plus Ltd	Youth Employment	235,046

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
MTC Australia Ltd	Youth Employment	1,776,576
TTF The Salvation Army (Victoria) Property Trust	Youth Employment	1,153,220
yourtown	Youth Employment	961,184
Hospitality Training Network Ltd	Infrastructure Skills Legacy	32,100
Medical Technology Association of Australia	Knowledge Hubs	30,000

ClubGRANTS Category 3

The ClubGRANTS Category 3 fund is established under the *Gaming Machines Tax Act 2001*, and supports infrastructure projects in the areas of sport and recreation, arts and culture and emergency preparedness.

The ClubGRANTS Category 3 fund is managed by the Office of Responsible Gambling. More information is available from the [Office of Responsible Gambling website](#).⁵⁴

Note: The amounts below do not reflect the full amount of the grant to the organisation, as they are paid out over multiple financial years.

Table A20–15. Funds granted for Club Grants Category 3

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Baradine Bowling & Sporting Club	Emergency Preparedness 17–18	162,083
Bathurst RSL Club Ltd	Emergency Preparedness 16–17	125,000
Bundeena RSL Memorial Club Ltd	Emergency Preparedness 15–16	163,636
Dungog Information & Neighbourhood Service Inc	Emergency Preparedness 17–18	30,499
Glen Alice Community Association Inc	Emergency Preparedness 16–17	101,926
Goulburn Soldiers Club	Emergency Preparedness 17–18	180,000
Jingellic & District Pastoral Agricultural & Horticultural Society	Emergency Preparedness 16–17	14,527
Manly Life Saving Club Inc	Emergency Preparedness 17–18	22,590
Mathoura Rural Fire Brigade	Emergency Preparedness 16–17	33,950
Mingara Recreation Club Ltd T/A Springwood Sports Club	Emergency Preparedness 14–15	36,443
Molong RSL Club	Emergency Preparedness 16–17	42,955

⁵⁴ responsiblegambling.nsw.gov.au

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Ocean Shores Country Club Ltd	Emergency Preparedness 17–18	58,689
Orange Ex-Services Club Ltd	Emergency Preparedness	184,025
Oura Progress Assoc. Inc.	Emergency Preparedness 16–17	46,750
Pottsville District Bowls and Sports Club Ltd	Emergency Preparedness 17–18	41,805
Singleton Returned Servicemen's Club Ltd	Emergency Preparedness	83,800
The Ashford Memorial Bowling Club Ltd	Emergency Preparedness 16–17	30,000
Urbenville Progress Association Inc	Emergency Preparedness 16–17 s	103,500
Volunteer Marine Rescue NSW	Emergency Preparedness 17–18	97,462
W R E B Co-op Ltd T/A 2WEB Outback Radio	Emergency Preparedness 17–18	72,135
Wauchope Show Society Ltd	Emergency Preparedness 17–18	19,737
Wellington Soldiers Memorial Club Ltd	Emergency Preparedness 16–17	125,000
Wonboyn Lake Rural Fire Service	Emergency Preparedness 16–17	2,500
107 Project Inc	Arts and Culture Program 16–17	132,975
Arts Theatre Cronulla	Arts and Culture Program 15–16	50,000
Baradine & District Progress Association Inc	Arts and Culture Program 17–18	84,778
Batlow Development League	Arts and Culture Program 15–16	133,000
Deniliquin Aero Club Ltd	Arts and Culture Program 17–18	45,831
Flying Fruit Fly Foundation	Arts and Culture Program 17–18	56,378
Forbes Arts Society	Arts and Culture Program 15–16	195,000
Free Broadcast Inc	Arts and Culture Program 17–18	81,670
Gulgong Holtermann Museum Inc	Arts and Culture Program 15–16	129,000
Gurehlgam Corporation Ltd T/A Yarrowarra Aboriginal Cultural	Arts and Culture Program 16–17	124,200
Guru Nanak Sikh Gurudwara Inc	Arts and Culture Program 17–18	58,500
New England Regional Art Museum Ltd	Arts and Culture Program 17–18	85,500

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Newtown Entertainment Precinct	Arts and Culture Program 17–18	117,000
Northern Rivers Conservatorium Arts	Arts and Culture Program 17–18	198,980
Narromine Aviation Museum	Arts and Culture Program 17–18	129,276
Outback Art Inc	Arts and Culture Program 16–17	290,000
Robertson School of Arts Inc	Arts and Culture Program 15–16	54,418
The Embroiderers' Guild of NSW Inc	Arts and Culture Program 15–16	44,325
The Oaks Historical Society Inc	Arts and Culture Program 17–18	158,687
Wentworth Military Collection Inc	Arts and Culture Program 16–17	144,047
Barraba Rugby Union Football Club Inc	Sport and Recreation Program 17–18	112,500
Burraborang District Soccer Club Inc	Sport and Recreation Program 16–17	495,000
Clarence Valley BMX Club Inc	Sport and Recreation Program 17–18	125,092
Cobar Netball Association Inc	Sport and Recreation Program 17–18	127,500
Cowra Golf Club Ltd	Sport and Recreation Program 17–18	183,329
Culburra Beach Progress Association Inc	Sport and Recreation Program 14–15	57,000
Deniliquin Sports Park Inc	Sport and Recreation Program 16–17	452,869
Forster Surf Lifesaving Club Inc	Sport and Recreation Program 16–17	900,000
Griffith Ex-Serviceman's Club Ltd	Sport and Recreation Program 15–16	150,000
Hay Services Club	Sport and Recreation Program 17–18	269,175
Jerrabomberra Tennis Club Inc	Sport and Recreation Program 17–18	90,000
Kendall Tennis Club Inc	Sport and Recreation Program 17–18	178,200
Lord Howe Island Golf Club Inc	Sport and Recreation Program 17–18	251,136
Moama Cricket Club Inc	Sport and Recreation Program 17–18	90,000
Newcastle Athletic Field Management Inc	Sport and Recreation Program	50,000
North Broken Hill Bowling Club Inc	Sports and Recreation Program 17–18	264,600
Northern Rivers Dirty Wheels Mountain Bike Club Inc	Sports and Recreation Program 17–18	186,615

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Oberon RSL Club Ltd	Sports and Recreation Program 17–18	144,000
Shoalhaven City Turf Club Ltd	Sports and Recreation Program 16–17	519,241
Trundle Village Progress Association Inc	Sports and Recreation Program 16–17	450,000
Wee Waa Golf Club Ltd	Sports and Recreation Program 16–17	451,628
West Pymble Football Club	Sports and Recreation Program 16–17	450,000
Maitland Repertory Theatre Inc	Sports and Recreation Program 14–15	10,115
PCYC Police Citizens Youth Clubs Inc	Sports and Recreation Program 13–14	177,643
Rugby Australia Ltd	Sports and Recreation Program 13–14	167,988
Walgett District Sporting Club Ltd	Sports and Recreation Program 14–15	17,500

Community Development Fund

The Community Development Fund is established under section 204A of the *Gaming Machines Act 2001* and is funded from unclaimed jackpot prizes, gaming machine tickets and income from the transfer of poker machine entitlements and permits.

The Community Development Fund is managed by the Office of Responsible Gambling. More information is available from the [Office of Responsible Gambling website](#).

Note: The amounts below do not reflect the full amount of the grant to the organisation, as they are paid out over multiple financial years.

Table A20–16. Funds granted under the Community Development Fund

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Blayney Sub-Branch of the RSL of Australia (NSW)	Community Development Fund/War Memorial Grants 16–17	15,000
Bogan Gate and War Memorial Hall Inc	Community Development Fund/War Memorial Grants 16–17	1,900
Cootamundra Sub-Branch RSL	Community Development Fund/War Memorial Grants 16–17	17,576
Dean & Chapter Christ Church Cathedral Newcastle	Community Development Fund/War Memorial Grants 16–17	11,882
Ethnic Communities Council Of Newcastle & Hunter Region Inc	Community Development Fund/War Memorial Grants 16–17	5,700
Friends of Freshwater Inc	Community Development Fund/War Memorial Grants 16–17	14,471
Gerringong RSL Sub Branch of NSW	Community Development Fund/War Memorial Grants 16–17	8,420

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Gloucester Sub Branch of the RSL of Australia (NSW)	Community Development Fund/War Memorial Grants 16–17	3,884
Merewether–Hamilton–Adamstown Sub Branch of RSL of Australia	Community Development Fund/War Memorial Grants 16–17	14,157
Moruya Sub Branch of the RSL of Australia	Community Development Fund/War Memorial Grants 16–17	18,000
Narooma School Of Arts And Soldiers War Memorial Hall Inc	Community Development Fund/War Memorial Grants 16–17	16,189
Greyhound Racing NSW	Community Development Fund 17–18	500,000
Nowendoc Memorial Hall Trust	Community Development Fund/War Memorial Grants 16–17	3,600
Rankin Springs and District War Memorial Hall	Community Development Fund/War Memorial Grants 16–17	8,400
RSL of Australia Sawtell RSL Sub Branch	Community Development Fund/War Memorial Grants 16–17	755

Funding to Gambling Help services

The Responsible Gambling Fund, established under the *Casino Control Act 1992*, provides funding for face-to-face counselling and specialist Gambling Help services across NSW.

Table A20–17. Funds granted under the Responsible Gambling Fund

Recipient organisation	Program/Program area	Amount 2017–18(\$)
Anglicare Canberra & Goulburn	Gambling Help Services, Responsible Gambling Fund	243,192
Anglicare Northern Inland	Gambling Help Services, Responsible Gambling Fund	152,330
Arab Council Australia (incl. Coastal Sydney)	Gambling Help Services, Responsible Gambling Fund	66,204
Arab Council Australia (incl. South Western Sydney)	Gambling Help Services, Responsible Gambling Fund	156,440
Arab Council Australia (incl. Western Sydney)	Gambling Help Services, Responsible Gambling Fund	65,906
BaptistCare NSW & ACT	Gambling Help Services, Responsible Gambling Fund	420,721
CatholicCare—Coastal Sydney	Gambling Help Services, Responsible Gambling Fund	135,159
CatholicCare Social Services—Western Sydney	Gambling Help Services, Responsible Gambling Fund	321,198
Centacare New England North West	Gambling Help Services, Responsible Gambling Fund	82,647

Recipient organisation	Program/Program area	Amount 2017–18(\$)
CO.AS.IT	Gambling Help Services, Responsible Gambling Fund	101,718
Coast Community connections incl. (Peninsular Community Centre)	Gambling Help Services, Responsible Gambling Fund	356,173
Lifeline Broken Hill	Gambling Help Services, Responsible Gambling Fund	135,245
Lifeline Central West	Gambling Help Services, Responsible Gambling Fund	396,887
Lifeline Harbour—Hawkesbury	Gambling Help Services, Responsible Gambling Fund	101,175
Lifeline North Coast	Gambling Help Services, Responsible Gambling Fund	187,780
Lismore Neighbourhood Centre	Gambling Help Services, Responsible Gambling Fund	163,636
Mission Australia—Coastal Sydney	Gambling Help Services, Responsible Gambling Fund	261,056
Mission Australia—Hunter	Gambling Help Services, Responsible Gambling Fund	253,827
Mission Australia—Illawarra	Gambling Help Services, Responsible Gambling Fund	380,603
Mission Australia—North coast Aboriginal service	Gambling Help Services, Responsible Gambling Fund	80,255
Mission Australia—Riverina	Gambling Help Services, Responsible Gambling Fund	172,786
Mission Australia—Riverina Aboriginal	Gambling Help Services, Responsible Gambling Fund	131,405
Mission Australia—South West Sydney	Gambling Help Services, Responsible Gambling Fund	144,344
North Sydney local health district	Gambling Help Services, Responsible Gambling Fund	316,009
North Sydney local health district—Chinese	Gambling Help Services, Responsible Gambling Fund	84,834
NSW Safe Aboriginal Gambling Help Service	Gambling Help Services, Responsible Gambling Fund	381,806
Samaritans Foundation—Hunter	Gambling Help Services, Responsible Gambling Fund	108,746
Samaritans Foundation—North coast	Gambling Help Services, Responsible Gambling Fund	124,004
South West Sydney local health network	Gambling Help Services, Responsible Gambling Fund	136,203
St Vincent de Paul Society NSW	Gambling Help Services, Responsible Gambling Fund	152,299
St Vincent's Hospital Sydney Ltd	Gambling Help Services, Responsible Gambling Fund	457,026
Sydney Womens Counselling Centre	Gambling Help Services, Responsible Gambling Fund	105,019
The Buttery Northern Rivers Gambling Services	Gambling Help Services, Responsible Gambling Fund	315,364

Recipient organisation	Program/Program area	Amount 2017–18(\$)
Uniting Care mental health—Central Coast	Gambling Help Services, Responsible Gambling Fund	97,254
Uniting Care mental health—Coastal Sydney	Gambling Help Services, Responsible Gambling Fund	99,964
Uniting Care mental health—South West Sydney	Gambling Help Services, Responsible Gambling Fund	165,367
Uniting Care mental health—Western Sydney	Gambling Help Services, Responsible Gambling Fund	203,999
Uniting Care Goulburn North East	Gambling Help Services, Responsible Gambling Fund	194,848
Uniting Care Unifam—Central Coast	Gambling Help Services, Responsible Gambling Fund	148,624
Uniting Care Unifam—Illawarra	Gambling Help Services, Responsible Gambling Fund	104,391
University of Sydney—Camden	Gambling Help Services, Responsible Gambling Fund	223,366
University of Sydney—Aboriginal specific service western Sydney	Gambling Help Services, Responsible Gambling Fund	390,097
University of Sydney—Darlington	Gambling Help Services, Responsible Gambling Fund	476,653
University of Sydney—Lidcombe	Gambling Help Services, Responsible Gambling Fund	127,226
Vietnamese community in Australia	Gambling Help Services, Responsible Gambling Fund	163,393
Wagga Wagga Family Support Service INC	Gambling Help Services, Responsible Gambling Fund	190,306
Wesley Community Services—Central Coast	Gambling Help Services, Responsible Gambling Fund	152,550
Wesley Community Services—Coastal Sydney	Gambling Help Services, Responsible Gambling Fund	674,708
Wesley Community Services—Hunter	Gambling Help Services, Responsible Gambling Fund	243,287
Wesley Community Services—Illawarra	Gambling Help Services, Responsible Gambling Fund	149,202
Wesley Community Services—Legal Service	Gambling Help Services, Responsible Gambling Fund	82,564
Wesley Community Services—SW Sydney	Gambling Help Services, Responsible Gambling Fund	\$49,961
Wesley Community Services—Western Sydney	Gambling Help Services, Responsible Gambling Fund	325,296
Western Sydney local health district—Chinese	Gambling Help Services, Responsible Gambling Fund	217,492

Recipient organisation	Program/Program area	Amount 2017–18(\$)
Western Sydney local health district—Multicultural Problem Gambling Service	Gambling Help Services, Responsible Gambling Fund	563,733
Woodrising Neighbourhood Centre	Gambling Help Services, Responsible Gambling Fund	104,917

Western Sydney Engagement Program

These community engagement projects were funded to ensure development and employment opportunities in Western Sydney.

Table A20–18. Funds granted for the Western Sydney Engagement Program

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
NSW Business Chamber Ltd	Western Sydney Engagement Program	29,545
The Western Sydney Business Connection Inc	Western Sydney Engagement Program	48,000

Aboriginal Community Water and Sewerage Improvement Program

Grants are provided to improve water and sewerage facilities within Aboriginal communities throughout NSW.

Table A20–19. Funds granted for Aboriginal Community Water and Sewerage Improvement Program

Recipient organisation	Program/Program area	Amount 2017–18 (\$)
Toomelah Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	5,670
Baryulgil Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	6,318
Jana Ngalee Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	3,197
Amaroo Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	4,544
Walgett Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	10,417
Thungutti Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	1,208
Jubullum Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	3,068
Murrawari Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	1,200
Worimi Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	174,865
Weilmoringle Local Aboriginal Land Council	Aboriginal Community Water and Sewerage Program	1,200

Appendix 21—Fisheries trust fund reports

Commercial Fishing Trust Fund

The NSW Department of Primary Industries (NSW DPI) provides a range of monitoring, scientific, compliance and administrative services to the commercial fishing industry.

Expenditure by NSW DPI on activities relating to commercial fishing 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 makes a contribution 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 2017–18, the Commercial Fishing Trust Fund contributed \$6.839 million to the department's Commercial Fishery-related programs.

Aquaculture Trust Fund

NSW DPI 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.

Expenditure by NSW DPI on management and policy development relating to aquaculture is funded from consolidated revenue, with a contribution from the Aquaculture Trust Fund. The Aquaculture Trust Fund also makes a contribution to research and uses funds to leverage research and development support from other sources (for example, Fisheries Research & Development Corporation, Seafood CRC).

In 2017–18, the Aquaculture Fishing Trust Fund contributed \$0.807million to the department's aquaculture-related programs.

Fish Conservation Trust Fund

In 2017–18, the Fish Conservation Trust contributed \$0.133 million toward fisheries conservation projects within the department.

Recreational and Charter Fishing Trust Funds

Grants were received by NSW Department of Industry from the Recreational and Charter Fishing Trust Funds to undertake various programs during the year as follows:

Table A21–1. Fish trust fund grants

Fish trust fund	Grant received by NSW Department of Industry 2017–18 (\$'000)
Recreational Fishing (Saltwater) Trust Fund	6,728
Recreational Fishing (Freshwater) Trust Fund	3,604
Charter Fishing Trust Fund	194

In 2017–18, funds from the Recreational Fishing (Saltwater) Trust Fund were used for the following projects:

Table A21–2. Projects funded by the Recreational Fishing (Saltwater) Trust Fund*

Project	Total available	Expenses (\$'000)	Carry forward (\$'000)
Advisory Council meeting expenses	62	47	15
Artificial reef–Merimbula	950	129	821
Clean safe wharves in Sydney Harbour	180	175	5
Coastal fish habitat protection and management	182	184	–2
Coastal fish habitat restoration grants program 2017–18	281	274	7
Expenditure committee meeting expenses	33	26	7
EcoHuts for recreational fishers	194	11	183
Fish aggregation devices (FADs)	251	265	–14
Fishcare volunteer program	625	630	–5
Flagship habitat program	400	304	96
Fisheries officers (9 coastal officers)	1,036	981	55
Fisheries officers (mobile squads)	472	498	–26
Gamefish tagging program	152	156	–4
Improving assessment of the recreational tailor fishery	52	20	32
Integrated monitoring program: statewide fishing surveys	269	278	–9
Integrated monitoring program: charter surveys	80	87	–7
Large external projects	932	323	609
Marine stocking of key recreational fish species in coastal waters	284	272	12
Recreational fishing access (coastal)	122	117	5
Recreational Fisheries Enhancement (Artificial reefs and FADs coordination)	203	211	–8
Recreational fishing trust executive officer	167	192	–25
Recreational fishing publications program	139	121	18

Project	Total available	Expenses (\$'000)	Carry forward (\$'000)
Research angler program	335	235	100
Research on offshore artificial reefs and stocking	679	585	94
Research on recreational bait species: worms, pipis and yabbies	80	76	4
Small grants program	70	53	17
Trust grants governance enhancement project	135	126	9
Total	8,365	6,376	1,989

*The total available 2017–18 consists of grants from the trust fund in 2017–18 and amounts carried forward from grants in 2016–17.

In 2017–18 funds from the Recreational Fishing (Freshwater) Trust Fund were used for the following projects:

Table 21-3. Projects funded by the Recreational Fishing (Freshwater) Trust Fund*

Project	Total available (\$'000)	Expenses (\$'000)	Carry forward (\$'000)
Basscatch tournament monitoring	31	32	-1
Brogo fish stocking	40	19	21
Dollar-for-dollar native fish stocking program	150	130	20
Enhanced fish production at hatcheries for stocking (Port Stephens, Narrandera and Dutton)	331	292	39
Expenditure committee meeting expenses	33	21	12
Fishcare volunteer program	178	177	1
Fisheries officers (inland)	629	512	117
Freshwater recreational management program	170	167	3
Gaden trout hatchery	428	408	20
Gaden trout hatchery tour guide	71	77	-6
Inland fish habitat restoration grants program 2017–18	103	95	8
Inland stocking management	133	127	6
External large grants	496	148	348
Murray cod research	254	179	75

Project	Total available (\$'000)	Expenses (\$'000)	Carry forward (\$'000)
Macquarie perch refuge project	28	28	0
Nodavirus testing for fish stocking	20	4	16
Recreational Fishing Assessments inland NSW	253	247	6
Recreational fishing access (inland)	294	278	16
Risk assessment of recreational fishing in Sydney dams	30	11	19
Regional inland fish habitat management	167	176	-9
Small grants program	25	22	3
Supporting Fish Hatchery Trainees	2	0	2
Turon River fish assessments	21	3	18
Total	3,887	3,153	734

*The total available 2017–18 consists of grants from the trust fund in 2017–18 and amounts carried forward from grants in 2016–17.

In 2017–18, funds from the Recreational Fishing (Saltwater and Freshwater) Trust Fund were used for the following projects:

Table A21-4. Projects funded by the Recreational Fishing (Saltwater and Freshwater) Trust Fund*

Project	Total available (\$'000)	Expenses (\$'000)	Carry forward (\$'000)
Fishing competitions and events: responsible recreational fishing promotion and effective management	149	144	5
Fishing fee awareness	50	38	12
'Get Hooked ...it's Fun to Fish' schools program	435	461	-26
NSW Gone Fishing Day	300	288	12
NSW Fishing Workshops	38	40	-2
Recreational Fisher Research Database	70	59	11
Recreational Fisheries Infrastructure Management Program	147	79	68
Recreational Fishing Fee Administration project	2,272	2,462	-190
Recreational Fishing Fee Renewal Notice System	115	119	-4
Recreational Fishing Guides	189	146	43

Project	Total available (\$'000)	Expenses (\$'000)	Carry forward (\$'000)
Total	3,765	3,836	-71

*The total available 2017–18 consists of grants from the trust fund in 2017–18 and amounts carried forward from grants in 2016–17.

Appendix 22—Annual report production costs

The NSW Department of Industry's Annual Report 2017–18 was produced at no external cost.

Appendix 23—Research and development

Office of the NSW Chief Scientist and Engineer

The Research Attraction and Acceleration Program (RAAP) supports innovation and investment in the state's research and development capacity, primarily through the leveraged funding of high-impact research and research infrastructure. In 2017–18, a total of \$13.5 million was invested in the RAAP.

High-level, high-impact research excellence

In 2017–18, \$6.8 million in funding was provided as co-investment support for the following 12 research infrastructure facilities, either headquartered or based in NSW, which received funding through the National Collaborative Research Infrastructure Strategy:

- AuScope (University of Sydney, Macquarie University)
- Australian Astronomical Optics (Macquarie University)
- Australian Centre for Neutron Scattering (ANSTO)
- Australian Microscopy & Microanalysis Research Facility (University of Sydney, University of NSW)
- Australian National Fabrication Facility (MQU, University of Wollongong, University of NSW)
- Bioplatforms Australia (MQU, University of NSW, Garvan Institute of Medical Research)
- Groundwater Infrastructure Project (University of NSW)
- Integrated Marine Observing System (Sydney Institute of Marine Science)
- National Imaging Facility (University of Sydney, University of NSW, Western Sydney University)
- NSW eResearch Nexus (Intersect)
- Secure Unified Research Environment (The Sax Institute)
- Terrestrial Ecosystems Research Network (Western Sydney University).

Co-investment support of \$400,000 was provided for the support of the four NSW-based centres successful in obtaining funding through Round 5 of the Commonwealth's Australian Research Council (ARC) Industrial Transformation Research Program:

- ARC Training Centre in Fire Retardant Materials and Safety (University of New South Wales)
- ARC Training Centre for Advanced Technologies in Rail Track Infrastructure (University of Wollongong)
- ARC Training Centre in CubeSats, UAVs and their Applications (University of Sydney)
- ARC Training Centre for Innovative BioEngineering (University of Sydney)

A total of \$5 million in funding was provided to support three NSW networks:

- \$1.15 million in funding was provided to the NSW Smart Sensing Network, established in July 2016, a collaboration between six NSW universities
- \$1.7 million in funding was provided to the NSW Network for Cyber Security Research and Engagement, a collaboration between seven NSW universities

- \$2.15 million in funding was provided for the establishment of the NSW Defence Innovation Network, a collaboration between seven NSW universities.

A grant of \$365,000 was provided to the Australian Centre for Field Robotics at the University of Sydney for the Ag Robotics STEM Program.

Science outreach and engagement

- \$161,000 was provided for the running of the 2017 Premier's Prizes for Science & Engineering, with Professor Gordon Wallace of the University of Wollongong awarded the title of NSW Scientist of the Year.
- \$72,000 was provided to the Australian Science Media Centre, for both 2017–18 and 2018–19.
- \$103,000 was provided for the running of the NSW Science & Research Breakfast seminars, a series showcasing the work of the state's best and brightest researchers.
- \$15,000 was provided to Inspiring Australia, for sponsorship of NSW events in National Science Week.
- \$25,500 was provided in support of NSW candidates participating in the National Science Youth Forum.
- \$100,000 in sponsorship was provided to the Science and Engineering Challenge, a series of multi-high school competitive events held across NSW and run by the University of Newcastle.
- \$10,000 in sponsorship was provided for the UNSW Qbit Conference.
- \$80,000 in funding was provided to the Museum of Applied Arts and Sciences to develop the technology for and oversee the running of the Premier's Coding Challenge.
- \$5,000 in funding was provided to NSW Young Australian of the Year, Illawarra schoolgirl Macinley Butson, as the first recipient of the Supporting Young Scientists Program.
- \$275,000 in sponsorship was provided to 67 scientific or engineering conferences to be held in NSW in the 2018–19 financial year.
- \$79,000 in sponsorship was provided to nine teams of university students attending international or domestic competitions in their scientific or engineering fields of research.
- \$3,000 in funding was provided to the Cyber 9/12 Security Challenge.
- \$8,000 in sponsorship was provided to the NSW Royal Society Forum.

NSW Department of Primary Industries (NSW DPI)

NSW DPI manages a significant research portfolio with a total expenditure of more than \$90 million per year. About half of the investment comes from partnerships, alliances and collaborations. These arrangements make NSW DPI one of the largest primary industries research organisations in Australia, with many of NSW DPI's scientists leading their field internationally.

NSW DPI's partnerships and collaborations enhance its capacity to provide research that underpins and drives productivity growth in the state's primary industries and to address key environmental and social issues within primary industries.

The research activities of NSW DPI play a key role in preparing the state's primary industries for the challenges of the future. Our research programs are focused on projects that will enhance the productivity and profitability of plants and livestock industries. This includes projects targeting animal and plant genetics; farm and non-farm productions systems; precision agriculture and processing innovations; and biosecurity protection and monitoring.

We also undertake projects to support natural resource productivity and sustainability. Seasonal conditions, cross-sectoral and supply chain research is also undertaken to inform producer decisions for managing risk and building resilience.

NSW DPI is involved with various cooperative research centres (see 'Current involvement with cooperative research centres'), which along with over 100 significant co-investors (see 'Co-investors greater than \$50,000'), contribute to research activities. We further collaborate with a wide range of universities within and outside of Australia, the CSIRO and state departments from other jurisdictions. A number of these arrangements have been formalised in significant alliances (Table A23–1. Major alliances).

Current involvement with cooperative research centres (CRCs) 2017–18

- Plant Biosecurity CRC
- Sheep CRC
- Pork CRC
- CRC for Spatial Information
- CRC for Polymers
- Food Agility CRC
- CRC for High Performance Soils.

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

- Animal Health Australia
- Aquaculture Trust
- Australian Cane Farmers
- Australian Centre for International Agricultural Research
- Australian Coal Association Research Program (ACARP)
- Australian Grape & Wine Authority
- Australian Meat Processors Corporation
- Australian Melon Association Inc
- Australian Pork Limited
- Australian Wool Innovations
- Centre for Invasive Species Solutions
- Charles Sturt University
- Cotton Research & Development Corporation
- CSIRO
- Department of Agriculture and Fisheries (Queensland)
- 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)
- Eco Logical Australia Pty Ltd
- EH Graham Centre (Charles Sturt University)
- Environment Protection Authority
- Environmental Research Trust/Environment Australia
- Fish Conservation Trust
- Fisheries Research & Development Corporation
- Forests NSW
- Forest & Wood Products Australia
- Freshwater Trust
- Grains Research & Development Corporation

- Horticulture Innovation Australia
- Intervet
- Invasive Animals CRC
- Irrigated Cropping Forum Incorporated
- Local Land Services Greater Sydney
- Local Land Services Hunter
- Local Land Services Murray
- Local Land Services Northern Tablelands
- Local Land Services Western
- McGarvie Smith Institute
- Meat & Livestock Australia
- Murray–Darling Basin Authority
- Northern Rivers Catchment Management
- Novartis Animal Health
- NSW Roads & Traffic Authority
- Office of Water
- Plant Biosecurity CRC
- Plant Health Australia
- Queensland Alliance for Agriculture and Food Innovation, (QAAFI) (University of Queensland)
- Queensland University of Technology
- Ricegrowers' Association of Australia
- Rural Industries Research & Development Corporation
- Saltwater Trust
- Sheep CRC
- South Australian Research & Development Institute (SARDI)
- Southern Cross University
- Sydney Metropolitan Catchment Management Authority
- 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
- Other partners.

Table A23–1. Major alliances

Alliance	Key partner
Animal Genetics and Breeding Unit	University of New England
National Grape and Wine Industry Centre	Charles Sturt University
EH Graham Centre for Agricultural Innovation	Charles Sturt University
Innovation Central Sydney—Internet of Things Agriculture	CISCO, Data61, UNSW, NSW Farmers
NSW Centre for Animal & Plant Biosecurity	University of Sydney
AusGem—Australian Centre for Genomic Epidemiological Microbiology	University of Technology, Sydney
University of Newcastle and DPI Centre for Balanced Land Use	University of Newcastle
Synthetic Biology Collaboration	Macquarie University
Australian Cotton Research Institute	CSIRO
Centre for Organics Research	Southern Cross University

NSW Department of Industry—Liquor and Gaming

Table A23–2. Research commissioned

Research organisation	Cost	Purpose
ORIMA Research Pty Ltd	\$47,625* (total cost \$76,250)	Commissioned by Liquor and Gaming NSW on behalf of the Responsible Gambling Fund, this research examined sports betting behaviour and advertising campaign effectiveness. Commissioned in 2016–17 with final payment in 2017–18.
Snapcracker Research & Strategy Pty Ltd	\$60,000* (total cost of \$60,000)	Commissioned by Liquor and Gaming NSW on behalf of the Responsible Gambling Fund, this research reviewed gambling harm minimisation signage.

*All amounts are GST exclusive.

NSW Department of Industry—Lands and Water

Water science

Understanding the impacts of groundwater extraction on groundwater-dependent ecosystems

In June 2018, the department's Water branch provided a grant to Macquarie University of \$150,000 to investigate the relationships between groundwater-dependent ecosystems (GDEs) and extraction of groundwater.

The project will apply a groundwater health index to identify the specific impacts of changes in groundwater level and groundwater quality in catchments of the Murray–Darling Basin. The project will be completed in 2020.

Understanding the role of dissolved organic carbon on primary production

The department's Water branch engaged the University of Technology (UTS) for a \$27,000 multi-year project to examine the relationship between environmental flows that increase nutrient and dissolved organic carbon (DOC) levels in rivers and the ecological health of these rivers. UTS received \$10,000 in September 2017 and \$17,000 in April 2018.

NSW Department of Primary Industries—Fisheries is also a partner in the project and the data collected will be used to better understand fish responses to increased nutrient and DOC levels.

Flow and temperature impacts on stream invertebrate recruitment and development in regulated rivers

The department's Water branch is partnering with the University of Melbourne to investigate temperature impacts on freshwater ecosystems. The department's total contribution is \$105,000 over 3.5 years. The first contribution of \$30,000 was made in May 2018, with further payments of \$30,000 per annum to be made in April 2019 and April 2020, and \$15,000 in April 2021.

This project will provide information on whether management of cold water pollution and small changes to irrigation release patterns can assist in achieving the ecological objectives of the Murray–Darling Basin Plan and NSW Water-Sharing Plans. If cold water pollution and irrigation release patterns can be effectively managed, ecological benefits to regulated rivers may be achieved without the need for additional environmental water.

Water analytics

Data visualising interpreting water-sharing plan rules via spatially interactive platform

The department's Water branch is partnering with Data61 and has contributed \$134,184 in June 2018, with a further contribution of \$245,000 to be made in the coming year, to explore the potential ways water data and water-sharing plan (WSP) rule interpretations can best be shared and communicated to the public and land users.

Future implementation of the project outcome will provide a valuable tool to explain and interpret WSP rules in an open-access, spatial data platform that visually presents data such as water available, trade, pumps and bore locations, river flow data, restrictions to water take and pumping permissions relevant to water licence holders and other interested stakeholders. This platform aims to provide a transparent support tool for all stakeholders, particularly landholders, to make more informed decisions.

Catchment needs assessment framework (CNAF)

The department's Water branch is partnering with the University of Technology Sydney and has contributed \$186,000 in June 2018 to establish new techniques for identifying water needs across NSW using data analytics, machine learning and data visualisation.

The CNAF provides information on regulated river systems, unregulated coastal river systems and regional town water supplies. Phase 1 included a grant of \$200,000 in June 2016 and was completed in 2017 and included re-assessment of the current needs of the regulated river catchments assessed for the 2014 State Infrastructure Strategy, and developed some new techniques utilising data analytics and data mining. Phase 2 builds on Phase 1 to deliver a useful product for supporting monitoring, policy and decision-making.

Assessing future drought risk for water resources system management

The department's Water branch is partnering with the University of NSW and the Australian Research Council. The department contributed the last of three instalments of \$65,000 in December 2017 to examine if increasing greenhouse gas emissions will result in longer and/or more severe droughts, and whether there is any trend in spatial and temporal patterns with increasing greenhouse gases. Previous instalments consisted of \$65,000 in May 2016 and \$65,000 in December 2016.

The project will also produce statistically downscaled rainfall sequences for the Water branch's models to test resilience in water resource-related outcomes from current water-sharing arrangements.

Worth of water

The department's Water branch partnered with the NSW Government Data Analytics Centre, Chief Data Scientist and the NSW Department of Primary Industries to deliver a proof-of-concept for the feasibility of modelling the relationship between water management and the agricultural value of water, before and after implementation of a water-sharing plan. This proof-of-concept provided data analysis to indicate the agricultural value changes as a result of the Macquarie Water Sharing Plan. The Water branch contributed \$25,000 to the project.

Water Renewal Taskforce

Innovative technology for water monitoring and compliance activities

In March 2018, the department launched the [Water Pilot Technology Program](#)⁵⁵, offering \$500,000 in grants to develop and pilot innovative technologies that improve our ability to monitor water use and compliance with water legislation and regulations.

The intention is to be smart in how we monitor water extraction and detect non-compliance with water regulations.

The department received more than 50 applications from universities, other research organisations and the private sector, with four projects selected for funding.

The University of Sydney received \$150,000 in June 2018 to develop a spectral library of crop types that will allow us to better identify crop types from satellite imagery and help improve our estimates of water use on farms.

The Australian National University received \$150,000 in June 2018 to develop an online tool to help compliance officers detect water take anomalies. This tool will compare estimates of on-farm irrigation to information about the property's water availability and reported water use, helping to target monitoring and enforcement activities.

HydroSpatial Pty Ltd received a grant of \$50,000 in June 2018 for a project to remotely audit water take by irrigated farms and monitor on-farm storage levels to identify potential anomalies.

A grant of almost \$150,000 was made in June 2018 to a University of New South Wales project to improve NSW's ability to map floodplain structures, providing a technique to rapidly identify and detect changes in floodplain structures and a 'flow tracking tool' to monitor floodplain flows in near-real time.

These four projects will be completed by 30 June 2019.

⁵⁵ Visit www.industry.nsw.gov.au and search for water pilot technology.

Appendix 24—Native game birds

Table A24–1 summarises the number of each species of native game bird killed by game hunting licence holders during the 2017–18 financial year, under the authority of a Native Game Bird Management (owner-occupier) Licence and the *Game and Feral Animal Control Act 2002*.

Table A24–1. Native game birds killed by game-hunting licence holders during 2017–18

Species	Number
Mountain Duck	2
Wood Duck	3,692
Black Duck	3,986
Blue-winged Shoveler	7
Chestnut Teal	0
Grey Teal	3,580
Hardhead	86
Pink-eared Duck	63
Water Whistling Duck	0
Grass Whistling Duck	95
2017–18 total harvest	11,511

Appendix 25—Implementation of recovery and threat abatement plans

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

Surveys of populations of threatened species are undertaken as part of broader fish community assemblage surveys, as well as NSW DPI's threatened fish monitoring program. Threatened species compliance operations continue, as does distribution of information brochures and installation and maintenance of relevant signage. Habitat improvement works are also undertaken to benefit threatened species, as well as aquatic biodiversity more generally. [Threatened species distribution maps](#)⁵⁶ are available on the NSW DPI website.

⁵⁶ dpi.nsw.gov.au/fishing/threatened-species/what-current/threatened-species-distributions-in-nsw

A [Priorities Action Statement](#)⁵⁷ (PAS) on the NSW DPI website lists prioritised recovery actions and threat abatement actions for all threatened species listed under the *Fisheries Management Act 1994*.

This report only relates to actions taken by NSW DPI to implement measures identified in recovery and threat abatement plans. Six recovery plans and one threat abatement plan have been finalised to date, as reported below.

Eastern Freshwater Cod (*Maccullochella ikei*)

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 (EFC) during the breeding season. Targeted compliance operations were undertaken during the year, including issuing a fine to a person for catching and filleting one Eastern Freshwater Cod.

NSW DPI continued to update and distribute advisory materials for Eastern Freshwater Cod when required to increase community awareness of this species.

Oxleyan Pygmy Perch (*Nannoperca oxleyana*)

NSW DPI continued to work with NSW Roads and Maritime Services (RMS) 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 (OPP) during road construction.

During 2017–18, the Stage 2 Aquatic Monitoring (Sections 6–9) of the Threatened Species Management Plan was released. The report summarises the methods and results from the first year of threatened fish monitoring undertaken as part of the construction and operation phases of the Woolgoolga to Ballina Pacific Highway upgrade. More data is required to assess the impact of construction on OPP populations but the data to date indicates that threatened fish management has been successful in the early stage of construction.

Silver Perch (*Bidyanus bidyanus*)

NSW DPI continued the conservation stocking program for Silver Perch (SP) in northwest NSW in 2017–18. With the help of local recreational fishing club members, a total of 20,000 Silver Perch fingerlings were released in May 2018 into the Namoi River at two sites between Gunnedah and Narrabri. The fingerlings were bred at the Narrandera fish hatchery from wild broodstock caught in the Murray River and transported to the Namoi River for release. The stocking of the species in the Namoi River is aimed at enhancing and increasing the depleted local wild stocks of Silver Perch in this region.

NSW DPI continued to update and distribute advisory materials for Silver Perch when required to increase community awareness of this species.

Trout Cod (*Maccullochella macquariensis*)

NSW DPI continued its conservation stocking program for Trout Cod in December 2017. Due to cold weather, it was a disappointing growing season for Trout Cod at the Narrandera Fish Hatchery, with a total of only 5,000 fingerlings produced. These were all stocked into the one site at Freemantle in the Upper Macquarie River with assistance of the Central Acclimatisation Society.

NSW DPI has obtained updated, unpublished results of surveys of Trout Cod in the Murray River conducted by the Arthur Rylah Institute/the Department of Environment, Land, Water and Planning Victoria. These indicate that the Trout Cod population in the River between Yarrowonga Weir and Tocumwal (The Trout Cod Protection Area) appears to have been stable since 2007.

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

NSW DPI completed the statutory review of the [River Snail Recovery Plan](#)⁵⁸ during 2017–18 and published the document on the NSW DPI website. The outcome of the River Snail Recovery Plan Statutory Review showed

⁵⁷ dpi.nsw.gov.au/fishing/threatened-species/priorities-action-statement

that there has been limited success in implementing the recovery actions under the three program areas of the recovery plan. The inability to locate the River Snail (until recently) was a major factor identified as hampering implementation of the plan.⁵⁹

Black Rockcod (*Epinephelus daemeli*)

NSW DPI continued to update and distribute advisory materials for Black Rockcod when required to increase community awareness of this species.

Removal of large woody debris—key threatening process

The removal of large woody debris is listed as a key threatening process (KTP) 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*). NSW DPI prepared a threat abatement plan to address this KTP in 2007. During the 2017–18 reporting year, NSW DPI continued to implement the plan, funding several re-snagging projects. This included placing 20 snags into the Darling River, 14 into Billabong Creek, 8 into Goobang Creek in the Lachlan Catchment, 25 into the Abercrombie River and 8 in the Wilsons River.

Joint management agreements

The minister may enter into a joint management agreement under Part 7A of the *Fisheries Management Act 1994* with one or more public authorities for the management, control, regulation or restriction of an action that is jeopardising the survival of a threatened species, population or ecological community. There was one joint management agreement in force during the 2017–18 year for the NSW Shark Meshing (Bather Protection) Program.

The agreement is between the Minister for Primary Industries and the Chief Executive, 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 2017–18 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.⁶⁰

Appendix 26—Multicultural Policies and Services Program

The NSW public sector target that relates to people from culturally and linguistically diverse (CALD) backgrounds is 'people whose first language was not English'. The sector benchmark is 19% representation. Of the NSW Department of Industry's employees, 5.1% identified and self-reported as having a CALD background in 2018, compared to 6.3% in 2017.

Our department transitioned to a new system during 2017–18 and employees can voluntarily update their equal employment opportunity data.

The following is a summary of the department's achievements in 2017–18 and the strategies and activities planned for implementation in 2018–19 to achieve our proposed multicultural outcomes.

Language services across the NSW Department of Industry

The department's Multicultural Plan 2018–19 identifies a range of strategies to improve CALD representation. The department is participating in a Cultural Competence program run by Multicultural NSW. It is designed to address the challenges and opportunities that diversity poses for organisations in managing diverse

⁵⁸ dpi.nsw.gov.au/fishing/threatened-species/what-current/critically/river-snail/review-of-the-river-snail-recovery-plan

⁵⁹ The River Snail (preliminarily identified as Hanley's River Snail) was discovered on Island Creek Weir, Lachlan River during 2015–16.

⁶⁰ dpi.nsw.gov.au/fishing/sharks/management/shark-meshing-bather-protection-program

workforces and in servicing diverse marketplaces and communities, domestically and internationally. The program consists of a range of multi-media online training courses and resources designed to enable organisations to cost-effectively train small to large numbers of people to maximise the benefits of cultural competence, diversity and inclusion.

The online training courses are designed to build capabilities around cultural diversity and inclusion in the workplace, with detailed, culture-specific information available to participants through The Cultural Atlas. The Cultural Atlas is an online educational resource providing detailed, practical information about Australia's diverse cultures and religions. These courses are not mandatory but we will include them in our induction package.

A NSW Cross-Sector Cultural Diversity Steering Committee has been established to design and implement a range of activities to leverage current diversity and inclusion strategies.

NSW Department of Primary Industries engagement with the multicultural community

During 2017–18, over 5,300 people from CALD communities participated in a range of activities managed by the NSW Department of Primary Industries, including 264 fishing workshops, presentations and community events. Communities involved came from many cultural backgrounds including Chinese, Vietnamese, Korean, Burmese, Nepalese, Bengal, Indonesian, Filipino, Malaysian, Iranian, Egyptian, Lebanese, Syrian, Saudi Arabian, Assyrian, Armenian, Columbian, Spanish, African, Greek, Thai, India, Sri Lanka, Japanese, Serbian, Assyrian, Iraq and Sudanese backgrounds.

The NSW Department of Primary Industries has managed a number of specific CALD initiatives, unique to the department, where participants received translated fisheries and water safety resource material. Topics covered responsible fishing and conservation practices including protection of marine life and habitats, fishing rules and regulations, rigging, casting, baiting, and water safety. These activities were delivered by the department in partnership with a number of multicultural organisations across metropolitan and regional NSW, including local councils, schools, government agencies and community groups.

Water safety information emphasised rock fishing safety as a strategy designed to prevent rock fishing tragedies among CALD fishers. The NSW Department of Primary Industries—together with Justice NSW, Transport for NSW, the Recreational Fishing Alliance NSW, and the NSW Police Force—joined forces with local councils to target multicultural organisations to educate CALD communities about rock fishing safety. This includes promoting the use lifejackets when rock fishing and boating through the Old 4 New Lifejacket Van, workshops and presentations.

The NSW Department of Primary Industries continues to provide multilingual information on a range of issues to more effectively engage with the state's CALD community. This includes multilingual signage, brochures and website information, direct translation services and targeted use of multicultural print and electronic media. Over 127 multilingual fisheries signs on fish and shellfish consumption were installed or maintained in Sydney Harbour, Parramatta River and their tributaries. Over 225 interpreting and translating services (telephone and face-to-face) were provided during 2017–18 for people seeking fisheries information.

During 2017–18, the NSW Department of Primary Industries distributed over 30,000 multilingual brochures, industry fact sheets and DVDs on topics including fishing safety, biosecurity threats, and food safety.

A new Greater Sydney Peri Urban Biosecurity Program focuses on this high biosecurity risk area. A research study has begun in partnership with Charles Sturt University to identify CALD needs and issues related to biosecurity and food safety in the Greater Sydney Region.

CALD initiatives from the Liquor, Gaming and Racing Division

To support at-risk and problem gamblers from CALD communities, the Responsible Gambling Fund provides gambling help counselling in more than 40 languages in 10 locations across Sydney. This is available by phone to all residents of NSW. In 2017–18, over 3,000 face-to-face counselling sessions were provided for CALD clients, representing 16% of sessions conducted for problem gamblers in NSW.

People with a disability

The NSW Department of Industry will continue existing programs of work that are reshaping the capability of our recruitment team and our recruitment processes to promote transparency, diversity and inclusion in our recruitment and mobility practices. This includes cultural awareness training and disability recruitment training, including to people and communities with English as a second language.

Refugee Employment Program

The NSW Department of Industry is also participating in the NSW Government's Refugee Employment Program, which involves employing 100 refugees across several different departments and agencies in the NSW public sector. The department has taken on four refugee employees across the Liquor, Gaming and Racing Division; Training Services NSW; and People and Culture. Training Services NSW is leading this initiative, with plans to scope the possibility of introducing a Refugee Employee Mentoring Program in 2019, similar to that of our graduate programs.

Appendix 27—Consumer response 2017–18

During 2017–18, the NSW Department of Industry Service-Related Complaints Policy and Procedures were revised to specifically reference the six Complaint-Handling Commitments and support the implementation of Feedback Assist.

The six Complaint-Handling Commitments are:

- respectful treatment
- information and accessibility
- good communication
- taking ownership
- timeliness
- transparency.

Feedback Assist is a standardised icon now visible on websites across the public sector to provide a simple, consistent and easily recognisable entry point for people to provide online compliments, complaints or suggestions.

By clicking on the Feedback Assist icon, these contacts are channelled to the appropriate area for attention, while also being recorded in a case management system which enables responses to be monitored, tracked and reported upon. Dashboards and standardised reports are now being developed to assess ongoing performance and identify opportunities for improvement.

As Feedback Assist was implemented in stages, the information for the current reporting period is only a partial indication of the enhanced capacity for more effective communication with our various customers and clients.

A total of 96 contacts were made to the NSW Department of Industry through Feedback Assist to 30 June 2018. Twenty seven of those were service-related complaints, 13 were compliments, 30 were suggestions and 26 were requests for service or comments on policy.

During 2017–18, a total of 51 service-related complaints were received through the pre-existing pathways and Feedback Assist.

Twenty six complaints concerned the actions, decisions or behaviour of staff, with formal apologies issued in 11 matters. Better interpersonal interaction, such as providing more detailed information on the process or actions in contention, may have prevented some of these complaints. Ten complaints were not supported by the available evidence while in five matters the decision or action was considered reasonable.

Thirteen complaints concerned departmental websites, systems or processes. Four matters were resolved by updating or correcting information available on our website/s, with the remainder being acknowledged and additional information and assistance on the process being provided to address the areas of concern.

Twelve complaints concerned the time taken to make a decision and advise the outcome. In seven matters, the response time was considered reasonable; however, it was accepted in some of those cases the complaints may have been avoided by providing further information on expected processing times when the application was lodged. Four matters were finalised when escalated, with the remaining case closed due to non-response by the complainant to requests for further information.

Through Feedback Assist, we are now able to systemically capture compliments for the first time. Thirteen compliments were received relating to the content and organisation of our websites and the professionalism of our staff. Comments received in these areas included:

Websites

- Good information and user-friendly NSW Department of Industry page
- Good organisation of the NSW Department of Primary Industries page and the links
- Easy to find and follow the links regarding grant application dates.

Staff

- Easy to deal with and helpful
- Professional behaviour
- Prompt and knowledgeable.

The Service-Related Complaints Policy and Procedures are available through the NSW Department of Industry website.

Complaints, compliments and suggestions may be submitted by clicking on the Feedback Assist icon on the front page of any of our departmental websites.

Appendix 28—Fishcare volunteer program

The Fishcare program involves 237 volunteers across the state who are dedicated to helping the NSW Department of Primary Industries (NSW DPI) foster positive changes in community attitudes to responsible fishing practices and ethics.

In 2017–18, volunteers participated in 537 registered events, making 65,000 contacts and dedicating 13,000 hours of service (around 1,850 days) to the program. Major achievements and key figures for the program in 2017–18 include:

- The general age demographic of volunteers was 44–70 years, with 6% of volunteers coming from culturally and linguistically diverse (CALD) communities.
- Fifty-nine new nominees completed two-day theory training at Tocal, Sydney and Narrandera and were certified as Fishcare volunteers.
- The Sydney region undertook 180 events, making 22,000 contacts. Of the 180 events, 69 were run and managed by volunteers without the Education Officer attending. These included Long Reef Events, Sydney International Regatta Centre Events (Public Fishing), Fishing for Sport and Scouts, Elderly and Isolated Fishing.
- The Sydney International Boat Show continues to attract large numbers, with 12 volunteers and 3 NSW DPI staff contacting 5,000 people over the duration of the event.
- Gone Fishing was run at 6 NSW sites with 20,000 visitors. Seventy volunteers assisted.
- In western New South Wales, 71 events were undertaken and 14,300 people contacted.

During 2017–18, volunteers partnered with local councils, clubs and groups to teach over 8,000 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 LandLearn students.

Volunteers also helped NSW DPI run statewide paid and free-of-charge fishing workshops. 1,114 children attended a paid fishing workshop, and 1,172 children attended free workshops. All revenue raised goes back to the Recreational Fishing Trust to assist with the program.

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

The ‘Get Hooked ... it's fun to fish’ program teaches students at an early age (Stages 2 and 3) about the importance of aquatic habitats, and introduces them to safe and responsible fishing practices. Schools register for a calendar year. In the 2017 calendar year, over 4,100 students participated from 70 schools (49 coastal and 21 inland) across the state; and in the 2018 calendar year, 104 schools (55 coastal and 49 inland) with over 3,300 students are participating.

Volunteers are essential to the running of the program. In 2017, Fishcare volunteers assisted at 25 incursions and events, and 39 fishing workshops across NSW. Volunteers dedicated many hours of service to the program, the majority at the annual Get Hooked Workshop Weeks, where 1,500 students participated in theory and practical fishing lessons.

Appendix 29—Government Information (Public Access) Act 2009 (GIPA Act)

The NSW Department of Industry received 192 valid Government Information (Public Access)—GIPA—applications during the 2017–18 reporting period.

Decisions for 27 applications were pending as at 30 June 2018 and will be included in next year’s report. Similarly, 15 applications received in the previous year that had not been decided as at 30 June 2017 are included in this year’s figures. Fourteen applications were withdrawn and 14 were transferred to other government agencies.

The department therefore finalised a total of 152 applications during 2017–18

Major areas of interest for applicants concerned Crown lands (87 applications), NSW Department of Primary Industries (45 applications), and liquor and gaming (23 applications).

Eight decisions were subject to internal review by the department or external review by either the Information Commissioner or the NSW Civil & Administrative Tribunal (NCAT).

The majority of variations following internal review were of a minor nature, which did not unduly detract from the quality of the original decision.

Due to the nature of the agency, most applications seek access to information received from, or related to, third-party businesses. In these circumstances, consultation with third parties is a regular requirement for a substantial number of applications. This consultation frequently involves a large volume of complex and technical information with consequent challenges in interpretation and sensitivities.

The department does not keep statistics on informal requests; however, where possible the department releases information upon request without requiring a formal application. This has mostly been where enquiries were received on the process for submitting a formal application where it was identified that an informal request may be the most expedient approach for all parties. In some cases, formal applications had already been made and, in discussion with the applicant, these were withdrawn and the information provided informally.

Under section 7(3) of the GIPA Act, agencies must review at least annually their program for proactively releasing information. The department has a proactive release program in place to review information as it is produced or received and to make it available online where appropriate.

Statistical information on 2017–18 GIPA applications

Table A29–1. Number of applications by type of applicant and outcome*

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	2	5	1	2	0	1	0	0
Members of Parliament	21	19	2	2	0	4	0	3
Private sector business	10	6	3	4	0	1	0	3
Not-for-profit organisations or community groups	4	5	1	1	0	0	0	5
Members of the public (application by legal representative)	6	14	1	3	0	1	0	0
Members of the public (other)	16	11	2	2	0	2	0	3

*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 A29–2.

Table A29-2. Number of applications by type of application and outcome

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	2	5	1	1	0	1	0	0
Access applications (other than personal information applications)	57	53	9	13	0	8	0	14
Access applications that are partly personal information applications and partly other	0	2	0	0	0	0	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 A29-3. Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	12
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	13
Invalid applications that subsequently became valid applications	10

Table A29-4. Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act

Consideration	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	8
Executive Council information	0
Contempt	3
Legal professional privilege	13
Excluded information	1
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply 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 A29-5.

Table A29-5. Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act

Considerations	Number of occasions when application not successful
Responsible and effective government	12
Law enforcement and security	7
Individual rights, judicial processes and natural justice	36

Considerations	Number of occasions when application not successful
Business interests of agencies and other persons	26
Environment, culture, economy and general matters	2
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	2

Table A29-6. Timeliness

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	133
Decided after 35 days (by agreement with applicant)	18
Not decided within time (deemed refusal)	1
Total	152

Table A29-7. Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

Type of review	Decision varied	Decision upheld	Total
Internal review	4	0	4
Review by Information Commissioner*	3	0	3
Internal review following recommendation under section 93 of Act	1	0	1
Review by NCAT	0	0	0
Total	8	0	8

*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 A29-8. Applications for review under Part 5 of the GIPA Act (by type of applicant)

Type of applicant	Number of applications for review
Applications by access applicants	5
Applications by persons to whom information the subject of access application relates (see section 54 of the GIPA Act)	3

Appendix 30—Public interest disclosures

The *Public Interest Disclosures Act 1994* (PID Act) was amended to require agencies to report every six months to the Ombudsman on public interest disclosures (PIDs), and to include this information in annual reports.

From 1 January 2014, the information the NSW Department of Industry must report includes PIDs made by staff in performing their day-to-day functions.

This report covers those PIDs received during the period from 1 July 2017 to 30 June 2018 (summarised in Table A30–1).

Table A30–1. Summary of PIDs received 2017–18

Disclosures	Made by public officials performing their day-to-day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who have made a disclosure to the agency	0	0	5
Number of public interest disclosures received by the agency	0	0	5
Of public interest disclosures received, how many were primarily about:			
- corrupt conduct	0	0	5
- maladministration	0	0	0
- serious and substantial waste	0	0	0
- government information contravention	0	0	0
Number of public interest disclosures (received since 1 January 2012) that have been finalised in this reporting period	0	0	2

Five matters reported by staff members were accepted as being public interest disclosures. These were all matters related to the *Independent investigation into NSW water management and compliance* by Ken Matthews, AO.

Two of those reports concerned a public official who was not a departmental staff member—they were finalised by referring the information received to the responsible government agency for their action. The remaining three matters have not yet been finalised.

In February 2018, the department established an externally hosted service for staff and members of the public to report instances of alleged fraud, corruption, maladministration, misconduct or other wrongdoing.

This initiative is called ‘Speak Up’ and provides an independent alternative to the existing reporting pathways to receive and provide feedback on the actions taken, even where the report is made anonymously.

Speak Up Hotline: 1800 875 117

Speak Up email: FairCall@kpmg.com.au

Speak Up website: <https://www.kpmgfaircall.kpmg.com.au/NSWDOI>

The department developed Speak Up to address situations where people may choose not to report suspected wrongdoing to the department because of the perceived risk in doing so.

KPMG Forensic was contracted to provide a safe and secure Speak Up phone and website contact and referral service at arm's length from the department. Reporters may choose to remain anonymous, provide their contact details to KPMG on the basis that information will not be shared with the department, or elect to have their contact details passed on with their report.

When reporters contact the Speak Up service, they are given individual case numbers and PINs. Where the reporter has chosen to remain anonymous, details of the actions taken and outcomes are advised to KPMG for them to note in the relevant case file. The reporter is then able to access that information by referencing the case number and PIN either by phone or online.

It was previously considered reports received by third-party contractors could not be accepted as PIDs because of the wording in the PID Act about who could accept reports. In exploring options for the Speak Up service, however, a strong preference emerged for reports by staff members to be accepted as PIDs if the other necessary criteria were met.

The department consulted the NSW Ombudsman's Office on alternative legal interpretations of that aspect of the PID Act. The Ombudsman agreed contractors could receive PIDs, subject to the department's PID policy being amended to include that provision.

The department amended its PID policy and KPMG Forensic was subsequently successful in a competitive tender to provide the Speak Up service. This is the first time in NSW that a third-party contractor has been engaged to receive reports that can then be accepted as PIDs.

To set the tone with a very strong 'message from the top', when reporters call the Speak Up phone line, the initial message they hear is the Secretary of the NSW Department of Industry thanking them for caring enough to Speak Up, and his personal assurance all reports will be taken seriously and managed professionally.

Within the department, all senior executives (at Band 1 and above) are able to accept PID reports. A training program for senior executives on their PID responsibilities has been undertaken in conjunction with the NSW Ombudsman since 2015. As most senior executives have been trained, that program is now mostly targeted at newly appointed executives and refresher training.

The revised PID policy and procedures are publicly available on the department's website as open access information under the *Government Information (Public Access) Act 2009*.

The following action has been taken to ensure that staff are aware of the contents of the policy and the protections available, as required under section 6E(1)(b) of the *Public Interest Disclosures Act 1994*:

- PID information sessions were provided to divisional and branch management.
- Information on PIDs and the protections available was included in staff newsletters and circulars.
- Information on PIDs, including the policy and procedures, is available on the internet and staff intranet.

Appendix 31—Privacy management

The NSW Department of Industry respects the privacy of the public who use our services and of our employees. As a NSW Government agency, the NSW Department of Industry must comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIPA) and the *Health Records and Information Privacy Act 2002*.

The department received two complaints of a breach of privacy during the 2017–18 reporting period. Both matters concerned an email sent out to multiple applicants for a role where the email addresses of the recipients were visible to each other through having been entered in the 'to' rather than 'bcc' field.

The investigation of these complaints confirmed this was due to human error. An apology was issued to each complainant and recommendations were made for further training to be developed and technical options explored to identify when multiple email addresses are shown in the 'to' or 'cc' field prior to being sent.

In June 2018, the department was notified of a possible data breach concerning PageUp. PageUp is an application used to manage and administer human resource activities such as recruitment, on-boarding, personal development plans and training. This concern arose from PageUp identifying their system had been exposed to unauthorised access.

All communication channels to and from the PageUp system were shut down and activity suspended to protect our data pending further information becoming available on the extent of the breach and whether any NSW Department of Industry information may have been affected. The NSW Government Chief Information Security Officer, the Office of the Australian Information Commissioner, the NSW Information & Privacy Commission and the Australian Cyber Security Centre were consulted on the actions necessary to address and contain the possible breach and comply with reporting requirements.

Emails were sent to those people whose information may have been vulnerable, advising of the potential breach and suggesting they monitor their personal accounts for unusual activity and change their passwords.

The department's Privacy Management Plan is available on our website. Requests for access to personal information held by the department may be made to the Privacy Management Officer, PO Box K348, Haymarket NSW 1240 or by emailing privacy@industry.nsw.gov.au

Appendix 32—Exemptions from reporting provisions

The department has not requested any exemptions from annual reporting provisions for 2017–18.

Appendix 33—Responsible Gambling Fund

The Responsible Gambling Fund (RGF) plays a key role in advising the NSW Government on allocation of funds for responsible gambling initiatives and programs. The fund is governed by Trust Deed and Policy Guidelines issued by the Minister for Racing, consistent with section 115 of the *Casino Control Act 1992*.

In 2017–18, the RGF underwent a governance and capability review, leading to revised Trust Deed and Policy Guidelines governing the RGF. The key changes included a definition of responsible gambling, an increase in the minimum number of trustees from five to seven, along with recruitment principles to ensure a capable, balanced and diverse mix of trustees. The policy guidelines also document the specific areas for funding, including research, community education, intervention and supporting policy development and regulatory oversight.

In January 2018, the Minister for Racing announced seven new appointments to the RGF, bringing the number of Trustees to nine. The RGF trustees are:

- **Chair John Dalzell** is one of Australia's leading dispute resolution lawyers and the current chair of Dentons global litigation and dispute resolution group. He has previously advised the NSW Government on liquor, gaming and racing matters.

- **Dr Clive Allcock** is an experienced psychiatrist who has done significant work in the field of the treatment of problem gamblers. He was a founding member of the National Association for Gambling Studies and has recently been made a life member.
- **Professor Paul Delfabbro** is an internationally renowned gambling researcher and a lecturer in Psychology at the University of Adelaide. His PhD thesis covered the demographic, behavioural and cognitive factors underlying gambling in South Australia.
- **Dr Greg Hugh** is an experienced psychiatrist who currently works in the Western NSW Local Health District. He has previously been the clinical director of the Dubbo and Regional Mental Health and Drug and Alcohol Service and has been involved in the policy and planning of various regional mental health and drug and alcohol initiatives.
- **Elizabeth Lyne** is an accountant and auditor with over 20 years' experience in public practice and commercial accounting. She has experience as a board director in the health, government and community sectors.
- **Mark McCrindle** is a demographer, social researcher and Principal of McCrindle Research, which he began just over a decade ago. In 1994, he established the not-for-profit Australian Leadership Foundation which provides training programs and leadership development for young people in schools and tertiary studies.
- **Janett Milligan** is a senior executive who has held leadership positions at NSW Government agencies including the Office of Sport and Department of Housing. She has strong governance experience as a board member of bodies including Barnardos Australia and formerly Venues NSW.
- **Professor Joel Negin** is head of the University of Sydney's School of Public Health. He is an experienced manager, project coordinator and researcher with a focus on health issues affecting vulnerable populations.
- **Paul Newson** is Deputy Secretary, Liquor, Gaming & Racing at the NSW Department of Industry. He has wide experience in leadership roles covering regulatory policy and practice, law enforcement and defence. Paul is also a trustee of the International Association of Gaming Regulators.

The RGF held four meetings from January to June 2018 and continued providing services and projects designed to support responsible gambling and prevent and minimise the risk of gambling-related harm in the community.

The RGF began work on developing a three-year research agenda to guide the strategic commissioning and funding of research projects. As part of this work, a gap analysis of gambling-related research was recommended to the minister.

A range of education and awareness initiatives to support the community, gamblers and their families were rolled out in 2017–18.

For the first time, a campaign targeting young, at-risk male online sports bettors was delivered to address the normalisation of gambling and sport amongst this cohort and encourage responsible gambling behaviour. *Show Some Betiquette* was a digitally-led campaign, which engaged the target audience in a series of contexts in which they could relate to their own risky behaviours. The purpose was to demonstrate responsible gambling behaviours including knowing when to stop gambling, not being antisocial when gambling, not gambling under the influence of alcohol, gambling within financial means, and planning bets. The campaign ran from 7 September to 30 November 2017 and was timed to align with significant sporting events, including the NRL and AFL finals and the Spring Racing Carnival.

The campaign saw strong results, with two-thirds of the target audience taking some action as a result of their exposure to the campaign and half of those exposed to campaign reported a high likelihood of implementing each of the responsible betting strategies, as a result of campaign exposure.

Responsible Gambling Awareness Week was held during 23–29 October 2017, with the theme of *Whatever your limits are, RGAW is a great time to keep them in mind*. This campaign encouraged the audience to reflect on their gambling limits and change their behaviour.

Around-the-clock access to information, self-help tools and support for gamblers and families was provided through a range of online channels, including the NSW Gambling Help website and social media channels, as well as the national Gambling Help Online website that the NSW RGF funds along with Australian jurisdictions.

The RGF-funded Gambling Help Services continued to provide support for over 7,000 people in 2017–18, through 55 services across 250 locations in NSW. Services were offered in 40 community languages, with 2 specific Aboriginal services, 14 financial counselling services, 1 legal service and a dedicated women's service.

Online counselling support was provided through the national Gambling Help Online website, which saw over 3,200 people from NSW use this service. In addition, the 24-hour telephone helpline supported over 8,400 NSW residents in 2017–18.

The RGF is particularly focused on new technologies and initiated a new \$1 million grants program with a priority on preventing and reducing gambling harm by leveraging technology and innovation.

They also considered the implications of social gaming on responsible gambling during 2017–18, and provided advice to the department on this issue.

Appendix 34—Independent Liquor & Gaming Authority’s Annual Report 2017–18

Promoting fair and transparent decision-making under the *Gaming and Liquor Administration Act 2007*

The Independent Liquor and Gaming Authority (the Authority) is an independent, statutory authority established under the *Gaming and Liquor Administration Act 2007*. The Authority holds a number of functions under liquor and gaming legislation, including:

- determining contentious liquor and gaming licensing proposals
- determining disciplinary action taken against licensees and others
- reviewing certain delegated decisions made on its behalf by Liquor & Gaming NSW.

The Authority is responsible for licensing approval and other regulatory functions under the *Liquor Act 2007*, *Gaming Machines Act 2001*, *Registered Clubs Act 1976* and related legislation. Under the *Casino Control Act 1992*, the Authority is responsible for licensing of gaming and liquor matters for NSW casinos and also disciplinary complaints relating to the casinos.

In undertaking its statutory functions, the Authority must:

- promote fair and transparent decision-making
- deal with matters in an informal and expeditious manner
- promote public confidence in its decision-making and the conduct of its members.

Chairperson's report

This past year has been a very busy and rewarding one for the Authority, with several highlights of note.

The Authority continues to implement a number of improvements to provide greater certainty for industry and the community in relation to licensing matters. Updates were made to the Authority's Guideline 6, which relates to the consideration of social impact under section 48(5) of the *Liquor Act 2007*, to account for recent research developments in this space and to clarify the Authority's expectations when applications are made in respect of gaming during extended trading periods.

To ensure the delivery of fast and efficient decision-making, in addition to its monthly meetings, the Authority also conducted its business by way of email and telephone meetings, and through committees established to deal with particular matters. This has enabled a substantial number of matters to be determined outside of the Authority's regularly scheduled board meetings.

The Authority had a significant policy role to play during the past year, having provided comments to Liquor & Gaming NSW on the Local Impact Assessment Review Discussion Paper 2017 and a response to the Community Impact Statement Evaluation Discussion Paper 2017. The Authority also issued new Class 1 Local Impact Assessment process guidelines in conjunction with legislative reform that occurred in respect of the Local Impact Assessment scheme.

As part of the range of liquor law reforms that came into effect from 1 October 2017, changes were made to improve the effectiveness of the Three Strikes Scheme that targets licensed venues that repeatedly commit the most serious offences under the NSW liquor laws. The Authority now determines all strikes, with an appeal mechanism to the NSW Civil and Administrative Tribunal (NCAT). Except for registered clubs, strikes are now incurred by individual licensees and approved managers for all venues, rather than attaching to a venue's licence.

The Authority has also been working closely with Liquor & Gaming NSW to ensure decisions are made in a timely manner and in accordance with the determination timeframes outlined in the Ministerial Directions. Amendments to the Authority's Delegations Manual were approved and have been published on the [Liquor & Gaming NSW website](#).⁶¹

The Authority continues to promote the publication of a range of information and documents relating to its functions and decision-making on the Liquor & Gaming NSW website. For example, this includes:

- a notice listing the matters to be considered at each meeting, which the Authority aims to publish five business days prior to the Authority meeting
- outcomes from the meeting, which the Authority aims to publish within five business days of the meeting
- statements of reasons in relation to certain decisions made by the Authority that are published as soon as possible after decisions are made
- where certain decision timeframes have not been met, the reasons for this are published each month.

⁶¹ liquorandgaming.nsw.gov.au

I would like to express my thanks to the staff of Liquor & Gaming NSW, and in particular the Reviews & Secretariat Unit, which is a committed and professional team. I would also like to thank the Authority members for their hard work and dedication throughout the year and I look forward to working together in the year ahead. The Authority will continue to work closely with key stakeholders and members of the community to ensure the continuation of efficient, transparent and balanced decision-making.



Philip Crawford
Chairperson

Significant activities

In 2017–18, the Authority continued to determine a large volume of high-risk liquor licence applications and review applications, disciplinary complaints, casino licensing and gaming machine entitlements.

The Authority determined and granted, either directly or under delegation by Liquor & Gaming NSW in accordance with the Authority's [Regulatory Delegations Manual](#).⁶²

- 2,584 new liquor licences
- 802 applications under section 51 of the *Liquor Act 2007*, which includes licence-related authorisations, such as extended trading and primary service.

The Authority took disciplinary action in relation to 10 complaints, including:

- 7 complaints lodged under the *Liquor Act 2007*
- 1 complaint lodged under the *Registered Clubs Act 1976*
- 2 complaints lodged under the *Casino Control Act 1992*.

A number of decisions were made under Part 9 of the *Liquor Act 2007* to disqualify operators from holding a liquor licence, being an approved manager of a licensed premises or being the close associate of a licensee, with respect to any licensed premises in NSW for a particular period. This notably included:

- a ten-year ban for the former approved manager of Glenfield Cellars in Glenfield
- a five-year ban for the former licensee of El Toro Tapas and Pizza Bar in Maroubra
- a ten-year ban for the former approved manager and a life ban for the former licensee of Koi Corp Pty Limited
- a three-year ban for the former licensee of Loc Ky Restaurant in Canley Heights.

On 7 February 2018, the Authority held a public meeting in Lethbridge Park regarding a packaged liquor licence made by Liquorland (Australia) Pty Ltd for premises in the adjacent suburb of Ropes Crossing. The meeting gave members of the local community and representative bodies an opportunity to share their views as to the benefits or negative impacts that would be likely to arise as a result of the granting of the application.

The Authority ultimately refused the application on the basis of the applicant having fallen short of the consultation requirements for this licence type.

On 21 March 2018, another such meeting was held in Bermagui to consider an application to move a packaged liquor licence from Tilba Tilba to a proposed BWS—Beer Wine Spirits outlet at Bermagui. Around 130 people attended this meeting.

Again, the Authority ultimately refused the application, but this time on the basis of the strength of community resistance to the proposal, which resulted in the Authority taking the position that it was not satisfied that the overall social impact of the licence would be positive for the local community.

A special meeting of the Authority was convened on 23 April 2018 to consider a report from Jonathan Horton QC on his independent review of conditions imposed by the former New South Wales Liquor Administration Board in 2008 on the liquor licences of 14 late trading hotels located in the Newcastle CBD. The Authority, having considered submissions from the relevant licensees, has proposed making minimal changes to the Newcastle licence conditions.

In June 2018, the Authority issued its final decision on a complaint against four former directors of Parramatta Leagues Club over their role in the Parramatta NRL club's salary cap breaches in 2015 and 2016.

⁶² liquorandgaming.nsw.gov.au/Documents/ilga/publications-and-guidelines/ilga-regulatory-delegations-manual.pdf

The four ex-directors, who were found to be not 'fit and proper' persons to be members of a governing body of a registered club in NSW, gave written undertakings to have no management roles in the NSW registered clubs industry for the next three years. The Parramatta Leagues Club was also ordered to pay almost \$100,000 in legal and investigative costs.

Under the new gaming reforms, penalties against club directors and managers who do the wrong thing have been strengthened. The new penalties, which will be available to the Authority when it considers future complaints, include lifetime bans from the industry and fines of up to \$11,000.

Management and structure

Authority membership

The *Gaming and Liquor Administration Act 2007* provides that the Authority consists of members that are appointed by the Governor on the recommendation of the Minister for Racing.

Table A34-1. Authority board members 2017–18

Authority member	Date of first appointment	Appointment date of current term	Expiry of term	Qualifications
Mr Philip Crawford, Chairperson	17 March 2016	8 June 2016	7 June 2019	Bachelor of Laws and Bachelor of Arts
Mr David Armati, Deputy Chairperson	31 August 2011 (Casino Control Authority)	31 August 2014	30 August 2018	Bachelor of Laws
Mr Craig Sahlin	17 March 2016	17 March 2016	16 March 2019	Bachelor of Laws and Bachelor of Arts (Honours)
Dr Nicky McWilliam	26 May 2016	26 May 2016	25 May 2019	PhD(Law), Master of Laws, Bachelor of Laws, Bachelor of Arts
Mr Stephen Parbery	26 May 2016	26 May 2016	25 May 2019	Fellow of the Institute of Chartered Accountants, Registered Liquidator
Mr Murray Smith	26 May 2016	26 May 2016	25 May 2019	Bachelor of Business, and Chartered Accountant
Ms Sarah Dinning	1 January 2017	1 January 2017	31 December 2019	Executive Masters in Public Administration, Bachelor of Arts, Bachelor of Science
Ms Samantha Zouroudis	1 January 2017	1 January 2017	31 December 2019	Bachelor of Laws (Honours) and Bachelor of Arts

Meetings held

The Authority held 12 ordinary meetings during the reporting period to transact business relating to the casino, liquor and gaming.

A special meeting of the Authority was convened on 23 April 2018 to consider a report prepared by Jonathan Horton QC on the Review of Liquor Licence Conditions in the Newcastle Central Business District and Surrounding Areas.

Other face-to-face meetings and a number of hearings were held by the Authority members as required and attendance was structured depending on the assignment of responsibilities among members. Several other meetings were conducted whenever required by telephone and email.

Table A34-2. Ordinary meetings attended by Authority board members 2017–18

Name	Position	No. of meetings whilst member	Authority meetings attended
Current Authority board members 2016–17			
Philip Crawford	Chairperson	12	11
David Armati	Deputy Chairperson	12	12
Craig Sahlin	Member	12	11
Nicky McWilliam	Member	12	8
Murray Smith	Member	12	12
Steve Parbery	Member	12	11
Samantha Zouroudis	Member	12	11
Sarah Dinning	Member	12	11

Liquor operations

The Authority's principal liquor regulatory activities during the 2017–18 reporting period included:

- determining and granting 2,584 new liquor licences, either directly or under delegation by Liquor & Gaming NSW, including:
 - 133 packaged liquor licence applications
 - 1 hotel general bar licence applications
 - 11 full hotel licence applications
 - 755 on-premises licence applications
 - 3 club licence application
 - 1,518 limited licence applications
 - 129 producer wholesaler licence
 - 34 small bar licence applications.
- determining and granting 802 applications under section 51 of the *Liquor Act 2007*, either directly or under delegation by Liquor & Gaming NSW, which includes licence-related authorisations, such as extended trading and primary service.
- determining three requests for review of certain delegated decisions made on its behalf by Liquor & Gaming NSW.

A number of routine licensing functions are delegated to senior staff in Liquor & Gaming NSW. The full list of the Authority's decision-making functions, including delegated functions, is contained in the Authority's [Regulatory Delegations Manual](#). The numbers contained in this report include decisions made directly by the Authority, as well as those decisions made under delegation by Liquor & Gaming NSW.

Reporting under the *Liquor Act 2007*

Section 156(a)—the number of licences in force in each Statistical Local Area determined by the Australian Bureau of Statistics (along with the total statewide number of Licences) during the financial year

As at 30 June 2018, the total number of liquor licences in force in NSW was 16,295. Table A34–6 at Attachment E provides a breakdown of the number of licences in each local government area, including the total number of licences in NSW. Note that licence counts do not include limited licences.

Section 156(b)—the number of new licences granted by the Authority during the year

The Authority granted a total of 2,584 new liquor licences in the reporting period. Table A34–7 at Attachment E details the numbers of new liquor licences granted since the 2015–16 financial year.

Section 156(c)—the number of licences suspended or cancelled by the Authority during that year

In 2017–18, the Authority cancelled 477 liquor licences and 13 licences were suspended under section 144F(3)(a) of the *Liquor Act 2007*. In addition, 81 applications were refused and 276 were withdrawn by applicants.

The number of licences cancelled relate to cancellations that occur annually as part of the Annual Liquor Licence Fee Scheme, which commenced in 2015–16. As part of this scheme, licensees that had not paid their periodic fees by a specified date were cancelled.

Table A34–8 in Attachment E presents data since the 2015–16 reporting period.

Section 156(d)—the number of authorisations, to which section 51 applies, granted by the Authority during that year

The Authority granted a total of 802 section 51 applications in the 2017–18 reporting period. Section 51 applications are licence-related authorisations, such as extended trading and primary service. Table A34–9 at Attachment E details the numbers of new liquor authorisations granted since the 2015–16 financial year.

Section 156(e)—the number of licences for which disciplinary action was taken by the Authority during that year and the nature of the disciplinary action taken

There were seven disciplinary complaints determined under the *Liquor Act 2007* during 2017–18:

- two involved complaints made by a delegate of the Secretary, NSW Department of Industry, under Part 9 of the *Liquor Act 2007*
- two involved a complaint made by the NSW Police Force under Part 9 of the *Liquor Act 2007*.

In addition, one application under section 53 of the *Liquor Act 2007* and two applications under section 51(9)(b) of the *Liquor Act 2007* were also determined.

For the outcomes of all complaints mentioned above, refer to [Disciplinary decisions](#).⁶³

Review applications under section 36A of the *Gaming and Liquor Administration Act 2007*

During 2017–18, the Authority determined five review applications under section 36A of the *Gaming and Liquor Administration Act 2007*:

- two applicants sought the review of a decision made by the Secretary, NSW Department of Industry, about a disturbance complaint under section 81 of the *Liquor Act 2007*
- three applicants sought the review of a decision made by a delegate of the Authority to grant a liquor licence pursuant to section 45 of the *Liquor Act 2007*.

Four of the reviews resulted in the decisions being varied and one resulted in the decision being upheld.

⁶³ liquorandgaming.nsw.gov.au/Pages/ilga/decisions-of-interest/liquor-decisions/disciplinary-decisions.aspx

Gaming operations—casino

The Star at Pyrmont is currently the only casino in NSW. The Barangaroo Restricted Gaming Facility has been granted a licence to commence gaming operations from November 2019 and is expected to open in 2021. The Authority's principal casino regulatory activities during the 2017–18 reporting period, either directly or under delegation by Liquor & Gaming NSW, included:

- approving gaming equipment, rules of games and new games
- monitoring compliance with the conditions of the casino licence and related legal agreements
- licensing special employees through rigorous probity assessment procedures
- taking disciplinary action against licensees under the *Casino Control Act 1992* when the prerequisite legislative grounds exist
- investigating, monitoring and reviewing controlled contracts for the provision of goods and services to the casino and reviewing contract notifications
- investigating close associates of the casino operator
- determining applications for review of exclusion orders issued against patrons of the casino
- consenting to and monitoring building and development works in the casino complex.

In 2016–17, The Authority publicly issued its five-yearly review of The Star, which found the operator remains suitable to continue running the casino, and outlined areas for improving The Star's operations. The Authority considered the recommendations. As part of its regulatory responsibilities, Liquor & Gaming NSW is working closely with The Star and the NSW Police Force to implement reporting and other improvements.

A number of routine gaming operations functions are delegated to senior staff in Liquor & Gaming NSW. The full list of the Authority's decision-making functions, including delegated functions, is contained in the Authority's [Regulatory Delegations Manual](#). The numbers contained in the Gaming Operations—Casino section of this report include decisions made directly by the Authority, as well as those decisions made under delegation by Liquor & Gaming NSW.

Reporting under the *Casino Control Act 1992*

Section 154(a)—details of any casino licence granted during the year

No casino licences were granted in 2017–18.

Section 154(b)—number of licences granted under Part 4 of the *Casino Control Act 1992* ('Licensing of casino employees')

The Authority granted 541 new casino special employee licences. The Authority also renewed 334 casino special employee licences.

Section 154(c)—details of any changes to the conditions of a licence made by the Authority during the year

No changes were made to the licence conditions during 2017–18.

Section 154(d)—details of any disciplinary action taken by the Authority against the casino operator during the year

Where significant incidents of non-compliance of the approved games rules and procedures occur, recommendations are made for the Authority to institute prosecution or disciplinary action against the casino operator, special employee licence-holders, or other relevant individuals.

During the 2017–18 reporting period, two matters resulted in disciplinary action being taken against the casino operator under section 23 of the *Casino Control Act 1992*.

Both incidents related to intoxication of a female patron, with one observed on CCTV consuming 10 beverages within the space of 1 hour and 51 minutes and the other observed by Liquor and Gaming NSW Inspectors to be vomiting into a bin on the restaurant level at the harbour entrance to The Star.

In relation to the second intoxication, The Star also failed to archive all relevant footage in accordance with the Surveillance Procedure, which amounts to a failure to maintain a system of internal controls.

In both referrals, the Authority determined to take disciplinary action, with both matters resulting in a monetary penalty.

Section 154(e)—summary of any disciplinary action taken by the Authority against persons licensed under Part 4 of *Casino Control Act 1992* ('Licensing of casino employees')

During the 2017–18 reporting period, no disciplinary matters relating to special employees were dealt with by the Authority.

Section 154(f)—details of any directions given by the minister under section 5 ('Directions by the minister to protect integrity of casino gaming')

No relevant directions were given during 2017–18.

Section 154(g)—summary of outcome of any investigation or inquiry

No relevant investigations or inquiries were undertaken during 2017–18.

Gaming-related approvals (casino)

Approved games

During the 2017–18 reporting period, the Authority approved, either directly or under delegation by Liquor & Gaming NSW:

- 1 new casino table game
- 1 new multi terminal table game
- 8 amendments to various rules of games
- 30 gaming machines including new gaming machine games
- 6 software upgrades for the casino's gaming management system
- 22 items of gaming equipment
- 2 'How to Play' brochures.

Approved operational arrangements

No new operational arrangements were approved in 2017–18.

Penalty infringement notices and prosecutions

In 2017–18, Liquor & Gaming NSW inspectors under delegation investigated 29 incidents of individuals allegedly breaching section 87 of the *Casino Control Act 1992* (cheating in the casino), issuing one warning notice.

One warning notice was issued by inspectors to a minor who entered the casino licensed area, while one warning notice and two penalty notices were issued to minors who used a false identification document to enter the casino licensed area.

Disciplinary complaints

During 2017–18, Liquor & Gaming NSW inspectors under delegation investigated:

- two incidents of intoxication under Schedule 6, clause 73 of the *Casino Control Regulation 2009*
- three incidents of minors entering the casino under section 94(1) of the *Casino Control Act 1992*
- one incident of permitting an intoxicated person to gamble and allowing credit betting under sections 163(1)(c) and 74 of the *Casino Control Act 1992*, respectively.

The investigations resulted in Liquor & Gaming NSW submitting five disciplinary complaints to the Authority for consideration under section 23(2) of the *Casino Control Act 1992*. The Authority determined two of these complaints (refer to section 154(d) for details). Three complaints were still being considered at the end of the reporting period.

Excluded persons entering the casino

In 2017–18, Liquor & Gaming NSW inspectors under delegation investigated 584 incidents of persons contravening their non-voluntary exclusion orders by entering the casino. Six penalty infringement notices and 460 warning letters were issued to non-voluntarily excluded patrons in 2017–18, and 35 incidents remain under investigation.

Reviews of exclusion orders

During 2017–18, the Authority received 94 requests from persons seeking to have their exclusion orders reviewed. Under delegation, Liquor & Gaming NSW determined:

- 56 exclusion orders were to stand
- 24 applications were received outside of the 28--day notice period
- 7 applications were referred to the casino (outside of authority)
- 4 exclusion orders were revoked by the casino
- 2 applications were referred to the NSW Police Force (issued under section 81 of the *Casino Control Act 1992*)
- 1 exclusion order was overturned.

Legislative reforms to the *Casino Control Act 1992* came into effect on 3 April 2018. This restricted the Authority to only considering exclusion orders related to problem gambling.

Casino-related licensing

Controlled contracts

During the 2017–18 reporting period, eight variations to controlled contracts were lodged and five new controlled contracts were lodged. No associates of parties entering into a controlled contract needed to apply for a special employee licence.

Liquor licensing applications

The *Casino Control Act 1992* effectively deems the casino complex to ‘stand-alone’ in relation to the operation of the *Liquor Act 2007*, as modified to apply under the *Casino Control Regulation 2009*. During the 2017–18 reporting period, no applications for approval for a liquor licensed premises were approved.

Casino and liquor licence boundaries

During the 2017–18 reporting period, two applications to redefine the casino boundary were approved.

Gaming operations—clubs and hotels

The Authority's principal club and hotel gaming-related regulatory activities, either directly or under delegation by Liquor & Gaming NSW, included:

- considering applications in relation to gaming machine entitlements and gaming machines, including gaming machine entitlement transfers, gaming machine threshold increase applications, and Class 1 and Class 2 Local Impact Assessments
- approving gaming machines and games following a thorough technical assessment
- supervising field trials of gaming systems
- ensuring that faulty equipment is removed from venues.

In accordance with the objects of the *Gaming Machine Act 2001*, the Authority has had due regard for the need for gambling harm minimisation and for fostering responsible gambling conduct when exercising functions under this Act.

A number of routine gaming operations functions are delegated to senior staff in Liquor & Gaming NSW. The full list of the Authority's decision-making functions, including delegated functions, is contained in the Authority's [Regulatory Delegations Manual](#). The numbers contained in the Gaming Operations—clubs and hotels section of this report include decisions made directly by the Authority, as well as those decisions made under delegation by Liquor & Gaming NSW.

Gaming machines

In accordance with the *Gaming Machines Act 2001*, a hotel or registered club is required to have a gaming machine entitlement for each gaming machine operated on the premises. There is an overall state cap on gaming machine entitlements which is set at 99,000. In addition, there is a limit on the number of gaming machines a hotel can operate at a venue, which is set at a maximum of 30.

The number of gaming machine entitlements that a hotel or registered club can hold in respect of a licence cannot exceed the gaming machine threshold for the venue. These measures assist to minimise gambling harm.

Gaming machine statistics

As at 30 June 2018, there were 96,963 gaming entitlements authorised. This includes:

- club licences: 73,519 entitlements
- hotel licences: 23,444 entitlements.

The total number of authorised gaming machines operating as at 30 June 2018 was 92,120. This includes:

- club licences: 69,466 gaming machines
- hotel licences: 22,654 gaming machines.

Attachment F presents data by local government area for the 2017–18 reporting period.

Gaming machine applications

Under the *Gaming Machines Act 2001*, a hotel or registered club can apply to transfer gaming machine entitlements. This may occur, for example, when one hotel buys gaming machine entitlements from another hotel, or a registered club buys gaming machine entitlements from another registered club. To be approved, the hotel or registered club must have a sufficient gaming machine threshold for the venue to which entitlements are being transferred.

During 2017–18, a total of 198 applications were approved to transfer gaming machine entitlements. Six applications were withdrawn during the reporting period.

A hotel or registered club can also apply to the Authority to increase the gaming machine threshold for the venue. There are circumstances where a hotel or registered club is required to submit a Local Impact Assessment with the gaming machine threshold increase application. The purpose of a Local Impact

Assessment is to inform and support a community consultation process to enable the Authority to determine whether approving a gaming machine threshold at a particular hotel or registered club will have an overall positive impact on the community.

During 2017–18, the Authority approved 23 gaming machine threshold increases. Each of these increases was subject to a Class 1 Local Impact Assessment. Five additional gaming machine threshold applications were withdrawn in the reporting period.

Gaming technology

Under the *Gaming Machines Act 2001*, the Authority may declare a device to be an approved gaming machine for use in hotels and registered clubs.

During 2017–18, the Authority granted the following approvals for gaming technology in hotels and registered clubs:

- 162 new game approvals to operate on gaming machines
- 4 new technology gaming machine platforms
- 126 gaming machine software upgrades
- 15 gaming machine hardware upgrades
- 7 new technology gaming system field trials.

Gaming-related licences

In order to manufacture, sell, service or test a gaming machine, a person must hold an appropriate gaming-related licence.

During 2017–18, following a rigorous probity assessment process, the Authority granted the following gaming-related licences:

- 1 gaming machine manufacturers dealer's licence
- 19 gaming machine seller's licences
- 103 gaming machine technician licences.

Disciplinary action

Disciplinary action under the *Gaming Machines Act 2001*

In 2017–18, there were no complaints determined under Part 8 of the *Gaming Machines Act 2001*.

Disciplinary action under the *Registered Clubs Act 1976*

During 2017–18, one disciplinary complaint was determined by the Authority under the *Registered Clubs Act 1976*.

In the previous financial year, the Authority commenced consideration of an investigation Liquor & Gaming NSW conducted into the fitness and propriety of the former directors of the Parramatta Leagues Club board to hold key positions of a registered club.

The Authority appointed Mr Max Donnelly of the insolvency practice Ferrier Hodgson as temporary administrator of the Club, pursuant to section 41A of the Act.

In June 2018, the Authority issued its final decision against four former directors of Parramatta Leagues Club over their role in the Parramatta NRL club's salary cap breaches in 2015 and 2016.

The four ex-directors, who were found to be not 'fit and proper' persons to be members of a governing body of a registered club in NSW, gave written undertakings to have no management roles in the NSW registered clubs industry for the next three years. The Parramatta Leagues Club was also been ordered to pay almost \$100,000 in legal and investigative costs.

For the outcomes of all abovementioned complaint refer to [Decisions of interest](#).⁶⁴

⁶⁴ liquorandgaming.nsw.gov.au/Pages/ilga/decisions-of-interest/decisions-of-interest.aspx

Attachment A—Land disposal

There was no land disposal during the 2017–18 reporting period.

The Authority, on behalf of the State of New South Wales, holds title over the parcels of land bound by Pymont Street, Jones Bay Road, Pirrama Road, Edward Street and Union Street, Pymont. This is the site of The Star Casino and the adjacent switching station. In respect of both, the Authority is the lessor for long-term leases to the casino, which run to 2093.

Attachment B—Promotion and overseas travel

No overseas travel was undertaken by members of Authority's Board during 2017–18.

Attachment C—Consultants

The Authority engages consultants to assist in undertaking certain specialist functions and most of its non-core functions such as legal services, internal audit, risk management and system development. The table below shows consultancies equal to or more than \$50,000.

Table A34-3. Consultants

Company	Amount (\$)	Description	Nature of services
HC Law Pty Ltd	364,668	Legal services and advice on liquor and gaming related matters, including advising the Authority in the exercise of its primary decision making, review and disciplinary functions.	Legal services
Jonathan Horton QC	70,000	Legal services on the licence conditions in the Newcastle CBD and surrounding areas	Legal services
Crown Solicitors Office	89,164	Legal services and advice on liquor and gaming-related matters determined as 'non-core' by the Crown solicitors Office	Legal services
NSW Police Force	123,964	Contracted to provide management and intelligence services to the Authority to assist the Authority in proper administration of gaming and liquor legislation.	Management services

There were two consultancies with expenditure under \$50,000 for management services totalling \$53,200.

Attachment D—Budget review and plan

A copy of the full Internal Audit and Risk Management Attestation Statement and financial statements for 2017–18 are included in Attachments G and H.

The Authority's actual revenue and expenses in 2017–18 compared to the relevant budget is summarised in the table below:

Table A34–4. Actual revenue and expenses in 2017–18

Item	2017–18 Actual '\$000	2017–18 Budget '\$000	Variance '\$000
Expenses			
Personnel services—in kind	821	0	(821)
Other operating expenses	1,412	12,363	10,951
Board members remuneration	772	778	6
Depreciation and amortisation	7	30	23
Total expenses	3,012	13,171	10,159
Revenue			
Sale of goods and services	0	459	(459)
Investment revenue	0	0	0
Retained taxes, fees and fines	0	0	0
Grants and contributions—recurrent	1,921	9,955	(8,034)
Grants and contributions—in kind	821	0	821
Other income	415	2,805	(2,390)
Acceptance by the Crown Entity of personnel benefits and other liabilities	0	0	0
Total revenue	3,157	13,219	(10,062)
Operating profit/(loss)	145	48	97
Other profit/(losses)	2,266	0	2,266
Net surplus/(deficit) for the year	2,411	48	2,363

Legislative change

2018 is the first full reporting year in which the *Liquor Amendments Reviews Act 2017* and resulting changes in the *Casino Control Act 1992*, the *Gaming and Liquor Administration Act 2007* and *Gaming Machines Act 2001* removed the Authority's administered and retained revenue functions, which are now under the control of

the NSW Department of Industry. In addition, NSW Treasury approved the alignment of the actual and budgeted staff costs under Liquor, Gaming & Racing, a division of the NSW Department of Industry.

The 2017–18 budgets were set and included in NSW Budget Papers before the financial implication of the legislative and NSW Treasury changes referred to above could be included. Consequently, the actual revenue and expenditure for the current year are not directly comparable to the approved budget.

The net result for the year ended 30 June 2018 is a profit of \$2,411,000 (budgeted profit of \$48,000).

The 2018 budgeted expense of \$13,171,000 and revenue of \$13,219,000 reflect the historical budget position before legislative, operational and personnel changes.

The Authority's internal expenditure and revenue budget (excluding in-kind personnel services) was \$2,782,000. The actual operating expenses (excluding in-kind personnel service and depreciation) for the year were \$2,184,000, compared to the internal budget of \$2,782,000. The variance of \$598,000 to the internal budget primarily related to audit costs, consultants, contractors and legal fees.

Personnel services expenses

The cost of NSW Department of Industry staff providing services to the Authority has been recognised in accordance with AASB 1004 *Contributions*. This represents a change in personnel services arrangements that was not reflected in the published budget or the internal budget. Refer also to Note 1(i) 'Personnel Services' in the financial statements (Attachment H).

Budget for 2018–19

The budget set out in the table below represents the budgeted cost of all the activities of the Authority (excluding in-kind personnel services):

Table A34-5. Budget for 2018–19

Item	2018–19 Budget \$'000
Expenses	
Personnel services	0
Other operating expenses	2,004
Board members remuneration	778
Depreciation and amortisation	0
Total expenses	2,782
Revenue	
Sale of goods and services	0
Investment revenue	0
Retained taxes, fees and fines	0
Grants and contributions - recurrent	0
Grants and contributions - In kind	0

Item	2018–19 Budget ‘\$000
Other income	250
Acceptance by the Crown Entity of personnel benefits and other liabilities	0
Total revenue	250
Operating profit/(loss)	(2,532)
Other profit/(losses)	0
Net surplus/(deficit) for the year	(2,532)

Under the *Liquor Amendment (Reviews) Act 2017*, from 1 July 2017 revenue and fee income under the liquor and gaming legislation that was previously payable to the Authority and recognised as revenue of the Authority, is now payable to the Secretary of the NSW Department of Industry and recorded as revenue of the Liquor, Gaming and Racing division.

During the current year, it was proposed to and accepted by NSW Treasury that the personnel services recharge from Liquor, Gaming and Racing was not required. The services provided by the NSW Department of Industry are defined in a Memorandum of Understanding between the Authority and the department.

The budget for 2018–19 shows a Net Cost of Services of \$2,532,000 that is expected to be funded from the Authority’s cash reserves.

Attachment E—Liquor operations statistics

Table A34-6. Number of licences in force in each local government area as at 30 June 2018

Local government area	2015–16	2016–17	2017–18
Albury City Council	130	130	128
Armidale Dumaresq Council**	63	N/A	N/A
Armidale Regional Council*	N/A	74	73
Ashfield Council**	62	N/A	N/A
Auburn City Council**	130	N/A	N/A
Ballina Shire Council	87	93	91
Balranald Shire Council	10	10	10
Bankstown City Council**	155	N/A	N/A
Bathurst Regional Council	103	103	103
Bayside Council*	N/A	214	227
Bega Valley Shire Council	121	123	127
Bellingen Shire Council	37	36	36
Berrigan Shire Council	39	36	37
Blacktown City Council	165	178	183
Bland Shire Council	28	28	26
Blayney Shire Council	34	32	32
Blue Mountains City Council	143	149	154
Bogan Shire Council	15	15	14
Bombala Council**	11	N/A	N/A
Boorowa Council**	7	N/A	N/A
Bourke Shire Council	18	17	17
Brewarrina Shire Council	6	6	6
Broken Hill City Council	61	60	58
Burwood Council	69	77	94
Byron Shire Council	118	131	136

Local government area	2015–16	2016–17	2017–18
Cabonne Council	80	81	85
Camden Council	88	101	104
Campbelltown City Council	116	116	112
Canterbury City Council**	118	N/A	N/A
Canterbury-Bankstown Council*	N/A	277	277
Carrathool Shire Council	12	11	12
Central Coast Council*	N/A	446	460
Central Darling Shire Council	12	11	13
Cessnock City Council	402	402	389
City of Botany Bay Council**	89	N/A	N/A
City of Canada Bay Council	183	195	198
City of Parramatta Council*	N/A	304	321
City of Ryde Council	210	223	229
City of Sydney Council	2163	2282	2347
Clarence Valley Council	113	116	122
Cobar Shire Council	14	14	14
Coffs Harbour City Council	130	132	144
Conargo Shire Council**	4	N/A	N/A
Coolamon Shire Council	14	14	14
Cooma-Monaro Shire Council**	38	N/A	N/A
Coonamble Shire Council	16	17	17
Cootamundra Shire Council**	19	N/A	N/A
Cootamundra-Gundagai Regional Council*	N/A	44	45
Corowa Shire Council**	36	N/A	N/A
Cowra Council	45	45	46
Cumberland Council*	N/A	162	169
Deniliquin Council**	27	N/A	N/A

Local government area	2015–16	2016–17	2017–18
Dubbo City Council**	77	N/A	N/A
Dubbo Regional Council*	N/A	103	104
Dungog Shire Council	32	32	30
Edward River Council*	N/A	31	32
Eurobodalla Shire Council	102	100	101
Fairfield City Council	187	194	204
Federation Council*	N/A	45	49
Forbes Shire Council	21	20	20
Georges River Council*	N/A	178	189
Gilgandra Shire Council	16	15	15
Glen Innes Severn Council	24	24	23
Gloucester Shire Council**	17	N/A	N/A
Gosford City Council**	256	N/A	N/A
Goulburn Mulwaree Council	64	65	63
Great Lakes Council**	97	N/A	N/A
Greater Hume Shire Council	29	29	30
Greater Taree City Council**	93	N/A	N/A
Griffith City Council	155	157	155
Gundagai Shire Council**	23	N/A	N/A
Gunnedah Shire Council	31	29	30
Guyra Shire Council**	12	N/A	N/A
Gwydir Shire Council	15	16	19
Harden Shire Council**	24	N/A	N/A
Hawkesbury City Council	123	128	129
Hay Shire Council	17	16	16
Hilltops Council*	N/A	76	77
Holroyd City Council**	57	N/A	N/A

Local government area	2015–16	2016–17	2017–18
Hornsby Shire Council***	160	N/A	N/A
Hornsby Shire Council****	N/A	151	165
Hunter's Hill Council	29	32	31
Hurstville City Council**	106	N/A	N/A
Inner West Council*	N/A	516	539
Inverell Shire Council	41	44	43
Jerilderie Shire Council**	7	N/A	N/A
Junee Shire Council	17	17	16
Kempsey Shire Council	58	57	58
Kiama Municipal Council	51	54	59
Kogarah City Council**	66	N/A	N/A
Ku-ring-gai Council	148	154	156
Kyogle Council	15	15	19
Lachlan Shire Council	26	26	25
Lake Macquarie City Council	190	193	198
Lane Cove Council	62	67	67
Leeton Shire Council	32	32	34
Leichhardt Municipal Council**	212	N/A	N/A
Lismore City Council	81	86	91
Lithgow City Council	56	57	54
Liverpool City Council	133	142	148
Liverpool Plains Shire Council	28	28	28
Lockhart Shire Council	14	14	14
Maitland City Council	105	106	111
Manly Council**	149	N/A	N/A
Marrickville Council**	230	N/A	N/A
MidCoast Council*	N/A	204	201

Local government area	2015–16	2016–17	2017–18
Mid-Western Regional Council	164	164	163
Moree Plains Shire Council	37	40	38
Mosman Municipal Council	65	70	78
Murray River Council*	N/A	68	68
Murray Shire Council**	48	N/A	N/A
Murrumbidgee Council*	N/A	14	15
Murrumbidgee Shire Council**	7	N/A	N/A
Muswellbrook Shire Council	49	50	48
Nambucca Shire Council	35	35	39
Narrabri Shire Council	40	39	40
Narrandera Shire Council	19	19	18
Narromine Shire Council	23	22	22
Newcastle City Council	392	392	404
Northern Beaches Council*	N/A	552	577
North Sydney Council	365	368	373
Oberon Council	16	15	16
Orange City Council	119	124	124
Palerang Council**	45	N/A	N/A
Parkes Shire Council	47	47	46
Parramatta City Council**	226	N/A	N/A
Penrith City Council	165	174	185
Pittwater Council**	136	N/A	N/A
Port Macquarie-Hastings Council	141	150	161
Port Stephens Council	132	129	134
Queanbeyan City Council**	43	N/A	N/A
Queanbeyan-Palerang Regional Council*	N/A	87	91
Randwick City Council	232	245	251

Local government area	2015–16	2016–17	2017–18
Richmond Valley Council	34	34	33
Rockdale City Council**	116	N/A	N/A
Shellharbour City Council	67	70	72
Shoalhaven City Council	212	221	225
Singleton Council	100	103	118
Snowy Monaro Regional Council*	N/A	161	164
Snowy River Shire Council**	111	N/A	N/A
Snowy Valleys Council*	N/A	64	62
Strathfield Council	70	70	70
Sutherland Shire Council	316	325	336
Tamworth Regional Council	144	144	141
Temora Shire Council	18	19	19
Tenterfield Shire Council	29	31	30
The Hills Shire Council***	215	N/A	N/A
The Hills Shire Council****	N/A	199	204
Tumbarumba Shire Council**	26	N/A	N/A
Tumut Shire Council**	38	N/A	N/A
Tweed Shire Council	156	163	171
Unincorporated Far West	8	7	11
Upper Hunter Shire Council	47	46	50
Upper Lachlan Shire Council	33	32	32
Uralla Shire Council	21	21	22
Urana Shire Council**	10	N/A	N/A
Wagga Wagga City Council	139	137	143
Wakool Shire Council**	21	N/A	N/A
Walcha Council	14	14	14
Walgett Shire Council	26	25	24

Local government area	2015–16	2016–17	2017–18
Warren Shire Council	12	12	11
Warringah Council**	232	N/A	N/A
Warrumbungle Shire Council	34	32	41
Waverley Council	248	244	245
Weddin Shire Council	14	14	14
Wellington Council**	24	N/A	N/A
Wentworth Shire Council	27	28	27
Willoughby City Council	207	214	235
Wingecarribee Shire Council	161	173	180
Wollondilly Shire Council	54	53	54
Wollongong City Council	310	323	339
Woollahra Municipal Council	190	201	207
Wyong Shire Council**	176	N/A	N/A
Yass Valley Council	92	96	97
Young Shire Council**	42	N/A	N/A
Total	15,369	15,838	16,295

Notes:

*Councils commenced in 2016.

**Councils amalgamated into new Councils in 2016.

Hornsby Shire Council and The Hills Shire Council still exist, however they were partly merged into City of Parramatta Council.

Refers to Hornsby Shire Council and The Hills Shire Council pre council amalgamations and *refers to them post amalgamations.

Licences are grouped by the current local government area recorded for each licence. Counts do not include limited licences.

Table A34-7. Total number of liquor licences granted between the 2015–16 and 2017–18 financial years

Licence type	30 June 2016	30 June 2017	30 June 2018
Liquor—club licence	0	2	3
Liquor—hotel licence: Full hotel	4	6	11
Liquor—hotel licence: General bar	3	6	1
Liquor—limited licence	1,535	1,563	1,518
Liquor—on-premises licence	518	751	755
Liquor—packaged liquor licence	97	118	133
Liquor—producer wholesaler licence	88	146	129
Liquor—small bar licence	19	25	34
Total	2,264	2,617	2,584

Table A34-8. Total number of liquor licence applications refused and withdrawn and total number of liquor licences suspended or cancelled between the 2015–16 and 2017–18 financial years

Licences	30 June 2016	30 June 2017	30 June 2018
Refused	36	28	81
Suspended	8	10	13
Cancelled	3,010*	516	477
Withdrawn	345	366	276

*The large number of liquor licences cancelled is a result of the inaugural Annual Liquor Licence Fee Scheme commencing in 2015–16. As part of this scheme, licensees that had not paid their periodic fees by a specified date were cancelled and this program continued in 2017–18.

Table A34-9. Total number of authorisations, to which section 51 applies, granted by the Authority

Authorisation	30 June 2016	30 June 2017	30 June 2018
Club functions authorisation	16	25	18
Drink on-premises permanent authorisation	22	30	52
Extended trading authorisation	115	114	134
Function on other premises authorisation	316	258	228
Junior members authorisation	2	3	2
Minors area authorisation	88	114	113

Authorisation	30 June 2016	30 June 2017	30 June 2018
Minors functions authorisation	1	2	0
Non-restricted area authorisation	62	81	63
Primary service authorisation	79	117	120
Sale on other premises authorisation	51	59	68
Take away sales authorisation	2	0	2
Vessel trading	0	0	1
Total	754	803	802

Attachment F—Gaming operations statistics

Notes:

*Net profit is the combined profit from gaming machines for all venues with gaming machines within a local government area (LGA). It is not exactly the same as player losses because it includes factors such as the paying of jackpots across multiple venues and LGAs. Changes have been made to reporting on gaming machine data and net profit has replaced turnover as the main data category on the financial impacts of gaming machine activity. This change has been made as net profit is the closest indicator of how much communities have lost on gaming machines. Turnover has commonly been misinterpreted and led to wrong assumptions about the amount of money lost on gaming machines. This change is in line with other jurisdictions.

Net profit figure consists of finalised figures for hotels and clubs for the 2017–18 financial year, except for the June 2018 figure for clubs, which is a preliminary figure. The finalised figure was not available at the time of producing this report.

In keeping with past annual reports, entitlements numbers represent the sum of Gaming Machine Entitlements and Poker Machine Permits for current, suspended, cancelled and surrendered licences.

Table A34-10. Number of entitlements, gaming machines authorised as at 30 June 2018 and net profit for the 2017–18 financial year

Local government area	Liquor—club licence		Liquor—hotel licence		*Net profit (\$)
	No. of entitlements	No. of machines authorised as at 30 June 2018	No. of entitlements	No. of machines authorised as at 30 June 2018	
Albury City Council	1,100	1,039	245	245	67,302,868
Armidale Regional Council	193	191	120	120	12,271,560
Ballina Shire Council	423	419	168	165	26,563,698
Balranald Shire Council	134	134	3	3	9,541,584
Bathurst Regional Council	310	287	145	139	21,789,331
Bayside Council	1,270	1,108	431	431	132,771,528
Bega Valley Shire Council	604	581	118	96	24,234,595
Bellingen Shire Council	130	130	48	47	5,215,252
Berrigan Shire Council	359	338	27	24	13,837,755
Blacktown City Council	2,184	2,141	697	691	280,605,082
Bland Shire Council	84	84	24	24	1,831,964
Blayney Shire Council	25	23	21	21	805,128
Blue Mountains City Council	397	293	182	181	18,214,344
Bogan Shire Council	43	42	6	6	1,136,171
Bourke Shire Council	30	30	0	0	1,796,603
Brewarrina Shire Council	12	12	7	4	1,179,402

Local government area	Liquor—club licence		Liquor—hotel licence		*Net profit (\$)
	No. of entitlements	No. of machines authorised as at 30 June 2018	No. of entitlements	No. of machines authorised as at 30 June 2018	
Broken Hill City Council	301	297	31	29	15,097,670
Burwood Council	474	468	160	160	86,383,664
Byron Shire Council	253	253	159	144	12,901,121
Cabonne Council	90	90	19	15	2,260,038
Camden Council	422	381	191	191	46,286,684
Campbelltown City Council	1,728	1,596	322	307	159,794,762
Canterbury-Bankstown Council	4,216	4,123	872	871	556,197,149
Carrathool Shire Council	22	22	8	8	665,823
Central Coast Council	4,148	4,050	657	626	266,268,232
Central Darling Shire Council	22	22	20	20	1,812,405
Cessnock City Council	596	528	191	191	27,104,699
City of Canada Bay Council	688	660	209	209	63,231,406
City of Parramatta Council	1,408	1,314	584	527	178,803,352
City of Ryde Council	1,023	940	235	232	101,217,064
City of Sydney Council	977	644	3,395	3,139	320,852,484
Clarence Valley Council	545	529	237	234	29,176,027
Cobar Shire Council	65	65	36	30	3,386,569
Coffs Harbour City Council	673	646	203	203	48,404,860
Coolamon Shire Council	38	37	23	23	553,419
Coonamble Shire Council	61	59	10	10	2,480,831
Cootamundra-Gundagai Regional Council	114	112	32	31	5,448,858
Cowra Council	146	142	28	16	5,300,348
Cumberland Council	2,235	2,233	552	552	366,432,856

Local government area	Liquor—club licence		Liquor—hotel licence		*Net profit (\$)
	No. of entitlements	No. of machines authorised as at 30 June 2018	No. of entitlements	No. of machines authorised as at 30 June 2018	
Dubbo Regional Council	490	471	242	241	37,946,761
Dungog Shire Council	63	63	30	30	1,550,595
Edward River Council	137	137	27	27	4,963,894
Eurobodalla Shire Council	753	729	97	97	35,517,765
Fairfield City Council	3,363	3,362	507	507	508,979,079
Federation Council	812	793	27	27	34,272,059
Forbes Shire Council	97	97	49	49	5,643,407
Georges River Council	1,650	1,545	424	422	197,834,489
Gilgandra Shire Council	48	48	15	15	1,823,313
Glen Innes Severn Council	83	83	19	16	3,953,366
Goulburn Mulwaree Council	362	341	105	105	21,165,669
Greater Hume Shire Council	70	65	40	40	1,814,656
Griffith City Council	380	374	92	92	23,127,553
Gunnedah Shire Council	122	113	66	57	7,488,353
Gwydir Shire Council	52	52	13	13	1,125,614
Hawkesbury City Council	583	568	271	256	43,881,586
Hay Shire Council	50	50	26	26	1,947,709
Hilltops Council	145	145	61	60	7,526,834
Hornsby Shire Council	921	903	162	162	55,627,222
Hunter's Hill Council	13	13	35	26	2,304,860
Inner West Council	1,366	1,126	948	916	142,612,420
Inverell Shire Council	122	122	53	48	7,460,695
Junee Shire Council	52	52	17	17	2,008,115
Kempsey Shire Council	351	349	114	114	20,291,134

Local government area	Liquor—club licence		Liquor—hotel licence		*Net profit (\$)
	No. of entitlements	No. of machines authorised as at 30 June 2018	No. of entitlements	No. of machines authorised as at 30 June 2018	
Kiama Municipal Council	233	224	48	48	8,416,631
Ku-ring-gai Council	59	58	49	49	6,879,823
Kyogle Council	42	42	44	44	2,059,745
Lachlan Shire Council	73	73	38	36	3,141,934
Lake Macquarie City Council	2,059	1,925	461	456	106,840,046
Lane Cove Council	72	40	27	27	4,340,967
Leeton Shire Council	101	101	30	30	5,087,934
Lismore City Council	310	310	162	150	18,409,611
Lithgow City Council	230	228	78	78	12,209,038
Liverpool City Council	1,129	1,083	342	341	155,313,010
Liverpool Plains Shire Council	74	74	23	20	3,121,367
Lockhart Shire Council	44	44	1	1	532,730
Maitland City Council	492	492	268	264	39,547,822
Mid-Coast Council	1,174	1,118	272	272	56,054,077
Mid-Western Regional Council	198	180	135	135	12,167,703
Moree Plains Shire Council	146	146	82	82	10,518,292
Mosman Municipal Council	75	75	35	35	7,176,735
Murray River Council	979	969	62	59	56,469,499
Murrumbidgee Council	46	44	9	9	1,245,440
Muswellbrook Shire Council	198	196	54	46	10,588,861
Nambucca Shire Council	264	264	70	70	11,898,978
Narrabri Shire Council	161	147	66	66	7,010,832
Narrandera Shire Council	83	77	24	24	3,131,293
Narromine Shire Council	81	79	21	21	2,485,452

Local government area	Liquor—club licence		Liquor—hotel licence		*Net profit (\$)
	No. of entitlements	No. of machines authorised as at 30 June 2018	No. of entitlements	No. of machines authorised as at 30 June 2018	
Newcastle City Council	2,245	2,139	923	908	145,755,863
Northern Beaches Council	2,151	1,847	410	410	134,522,580
North Sydney Council	358	330	308	308	57,315,166
Oberon Council	50	50	20	20	1,483,728
Orange City Council	319	309	174	174	24,862,587
Parkes Shire Council	184	184	51	51	7,253,709
Penrith City Council	2,269	2,093	464	443	183,233,020
Port Macquarie-Hastings Council	1,040	1,021	198	179	58,785,876
Port Stephens Council	771	763	216	216	45,186,814
Queanbeyan-Palerang Regional Council	660	626	141	141	44,147,003
Randwick City Council	1,192	1,152	373	373	104,580,116
Richmond Valley Council	265	262	85	85	13,429,551
Shellharbour City Council	816	777	122	122	54,156,419
Shoalhaven City Council	1,422	1,386	237	237	73,701,491
Singleton Council	232	216	81	75	12,068,193
Snowy Monaro Regional Council	163	162	103	99	7,501,079
Snowy Valleys Council	148	148	72	72	6,211,978
Strathfield Council	110	73	137	104	31,530,377
Sutherland Shire Council	1,898	1,806	354	332	120,895,767
Tamworth Regional Council	536	525	229	216	31,044,027
Temora Shire Council	65	65	12	12	2,270,020
Tenterfield Shire Council	57	55	23	23	2,151,812
The Hills Shire Council	728	701	210	209	83,127,784

Local government area	Liquor—club licence		Liquor—hotel licence		*Net profit (\$)
	No. of entitlements	No. of machines authorised as at 30 June 2018	No. of entitlements	No. of machines authorised as at 30 June 2018	
Tweed Shire Council	2,022	1,793	241	208	97,414,452
Unincorporated Far West	0	0	1	1	31,999
Upper Hunter Shire Council	159	158	49	49	5,823,158
Upper Lachlan Shire Council	38	38	14	14	916,920
Uralla Shire Council	36	36	21	21	1,011,093
Wagga Wagga City Council	436	422	340	340	35,615,185
Walcha Council	26	26	7	7	343,530
Walgett Shire Council	169	169	17	17	7,137,675
Warren Shire Council	41	41	11	11	1,497,710
Warrumbungle Shire Council	102	102	45	45	2,819,834
Waverley Council	660	469	256	200	52,936,934
Weddin Shire Council	25	25	9	9	993,062
Wentworth Shire Council	202	182	54	54	12,623,781
Willoughby City Council	507	460	209	209	59,647,567
Wingecarribee Shire Council	326	313	137	137	20,520,143
Wollondilly Shire Council	164	164	136	135	12,337,802
Wollongong City Council	2,729	2,501	543	543	162,716,076
Woollahra Municipal Council	133	117	146	143	17,756,224
Yass Valley Council	114	107	41	41	4,512,711
Total	73,519	69,466	23,444	22,654	6,376,542,973

Attachment G—Internal audit and risk management statement

Risk management, insurance and internal audit

The Authority's insurance cover is arranged under the Treasury Managed Fund for workers' compensation and public property liabilities. The Authority's Internal Audit Charter provides the framework for internal audit, in compliance with section 11(2) of the *Public Finance and Audit Act 1983*. See below for a copy of the Internal Audit and Risk Management Statement.

Internal Audit and Risk Management Attestation Statement for the 2017–18 Financial Year for the Independent Liquor and Gaming Authority

I, Philip Crawford, Chairperson, am of the opinion that the Independent Liquor & Gaming Authority has internal audit and risk management processes in operation that are materially compliant with the eight core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Table A34–11. Compliance with core requirements

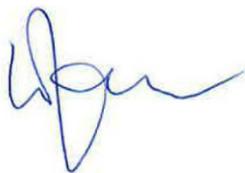
Item	Core requirements	Compliant, non-compliant, or in transition
Risk management framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained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

Membership

The Chair and members of the Audit and Risk Committee during the 2017–18 financial year were:

- Mr Ken Barker—appointed as Independent Chair from 18 January 2016 until 17 January 2019, and as an Independent Member from 13 October 2011 until 17 January 2016

- Mr Arthur Butler—appointed as an Independent Member from 25 November 2015 until 26 November 2018
- Ms Victoria Weekes—initially appointed as an Independent Member on 8 April 2013 until 7 April 2016, subsequently re-appointed until 7 April 2021 and resigned from the committee in November 2017
- Julie Elliott—initially appointed as an Independent Member (replacing Ms Weekes) from 22 February 2018 to 31 January 2022.



Philip Crawford

Chairperson

Independent Liquor & Gaming Authority

29 August 2018

Independent Liquor and Gaming Authority

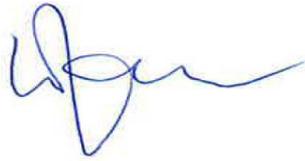
Financial Statements

30 June 2018

INDEPENDENT LIQUOR AND GAMING AUTHORITY

Pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of Independent Liquor and Gaming Authority for the year ended 30 June 2018;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



Philip Crawford, Chairperson

Date: 3 October 2018



Craig Sahlin, Board Member

Date: 3 October 2018

INDEPENDENT AUDITOR'S REPORT

Independent Liquor and Gaming Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Independent Liquor and Gaming Authority (the Authority), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

I am independent of the Authority 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' (APES 110).

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

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

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

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

Other Information

Other information comprises the information included in the Authority's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The members of the Board are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Chair and a Board member under the *Public Finance and Audit Act 1983*.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are 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 members of the Board determine 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 members of the Board are responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Authority will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



C J Giumelli
Director, Financial Audit Services

4 October 2018
SYDNEY

Beginning of audited financial statements

INDEPENDENT LIQUOR AND GAMING AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
Expenses excluding losses				
Personnel services	2(a)	821	-	7,932
Board members' remuneration	2(b)	772	-	449
Other operating expenses	2(c)	1,412	13,141	2,028
Depreciation and amortisation	2(d)	7	30	7
Total Expenses excluding losses		3,012	13,171	10,416
Revenue				
Sale of goods and services	3(a)	-	459	1,109
Retained taxes, fees and fines	3(b)	-	-	2,662
Grants and contributions	3(c)	2,742	9,955	1,526
Interest income	3(d)	415	-	402
Other income		-	2,805	762
Total Revenue		3,157	13,219	6,461
Operating Result		145	48	(3,955)
Gain / (loss) on disposal	2(e)	(22)	-	-
Other gains / (losses)	2(f)	2,288	-	(2,296)
Net Result	12	2,411	48	(6,251)
Other comprehensive income		-	-	-
Total other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		2,411	48	(6,251)

The accompanying notes form part of these financial statements.

**INDEPENDENT LIQUOR AND GAMING AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	4	14,317	4,827	11,569
Receivables	5	262	3,984	5,347
Total Current Assets		14,579	8,811	16,916
Non-Current Assets				
Plant and Equipment	6	-	71	29
Receivables	7	4,785	-	4,620
Total Non-Current Assets		4,785	71	4,649
Total Assets		19,364	8,882	21,565
LIABILITIES				
Current Liabilities				
Payables	8	7,346	6,522	11,958
Other current liabilities	9	2,755	1,071	2,755
Total Current Liabilities		10,101	7,593	14,713
Non-Current Liabilities				
Total Non-Current Liabilities		-	-	-
Total Liabilities		10,101	7,593	14,713
Net Assets		9,263	1,289	6,852
EQUITY				
Accumulated funds		9,263	1,289	6,852
Total Equity		9,263	1,289	6,852

The accompanying notes form part of these financial statements.

**INDEPENDENT LIQUOR AND GAMING AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2017	6,852	6,852
Net result for the year	2,411	2,411
Total other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2018	9,263	9,263
Balance at 1 July 2016	8,385	8,385
Correction of errors	4,718	4,718
Restated balance at 1 July 2016	13,103	13,103
Net result for the year	(6,251)	(6,251)
Balance at 30 June 2017	6,852	6,852

The accompanying notes form part of these financial statements.

**INDEPENDENT LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Actual 2018 \$000	Budget * 2018 \$000	Actual 2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		-	(75)	(590)
Board members' remuneration		(758)	-	(449)
Suppliers for goods and services		(2,326)	(13,307)	(4,323)
Total Payments		(3,084)	(13,382)	(5,362)
Receipts				
Sale of goods and service		-	459	1,701
Interest received		250	-	-
Grants and contributions		1,921	9,955	1,526
Other		3,661	2,971	8,527
Total Receipts		5,832	13,385	11,754
NET CASH FLOWS FROM OPERATING ACTIVITIES	12	2,748	3	6,392
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
		2,748	3	6,392
Opening cash and cash equivalents		11,569	4,824	5,177
CLOSING CASH AND CASH EQUIVALENTS	4	14,317	4,827	11,569

* The Budget statement of cash flows was not reported to parliament in 2017-18 Budget Paper No.3 and instead published online at www.budget.nsw.gov.au.

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Independent Liquor and Gaming Authority (“the Authority”) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Independent Liquor and Gaming Authority is a statutory body in Schedule 2 of the *Public Finance and Audit Act 1983* constituted under the *Gaming and Liquor Administration Act 2007* with probity, investigations, licensing, disciplinary and merits review powers for the purposes of the *Liquor Act 2007*, the *Casino Control Act 1992*, the *Gaming Machines Act 2001* and the *Registered Clubs Act 1976*.

The Authority moved from Department of Justice cluster to Department of Industry cluster effective from 1 April 2017 in accordance with the *Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2017*.

Under section 13 of the *Gaming and Liquor Administration Act 2007* and in accordance with the Regulatory Delegations manual approved 25 January 2017 and amended from time to time, the Independent Liquor and Gaming Authority has delegated the responsibility for lower-risk and non-contentious licence related decisions to Liquor & Gaming NSW (a division of Department of Industry).

These financial statements for the year ended 30 June 2018 were authorised for issue on the date the Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983* declaration was signed.

(b) Basis of preparation

The Authority’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- Financial Reporting Directions mandated by the Treasurer.

Plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention, except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

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

(d) Administered activities

Prior to 1 July 2017, the Authority administered, but did not control, a number of activities on behalf of the Crown Entity. It was accountable for the transactions relating to those administered activities but did not have the discretion to deploy the resources for the achievement of the Authority’s own objectives.

The introduction of *Liquor Amendments (Reviews) Act 2017* and consequent changes in *Casino Control Act 1992*, *Gaming and Liquor Administration Act 2007* and *Gaming Machines Act 2001* resulted in significant changes to the Authority’s administered activities.

Since 1 July 2017, the Authority only administers the following activity:

- (i) Casino regulatory and compliance deed payment

Transactions and balances relating to the administered activities are not recognised as the Authority’s income, expenses, assets and liabilities, but are disclosed in the accompanying Note 13 to 15 as 'Administered Revenue' and 'Administered Assets and Administered Liabilities'.

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

(e) Insurance

The Authority’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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables respectively.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows.

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Grants and contributions

Grants and contributions mainly represent recurrent grants and are recognised when the Authority obtains control over the contribution. The Authority is deemed to have assumed control when the grant is received or receivable.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Authority transfers the significant risks and rewards of ownership of the goods, usually on delivery of goods.

(iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion.

(h) Plant and equipment**(i) Acquisition of plant and equipment**

Plant and equipment are initially measured at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

(ii) Capitalisation thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network or group costing more than \$5,000) are capitalised.

(iii) 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* and AASB 116 *Property, Plant and Equipment*.

The fair value of plant and equipment equates to the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of 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.

The Authority's plant and equipment are non-specialised assets with short useful lives, which are measured at depreciated historical cost, which for these assets approximates fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Plant and equipment (continued)****(iv) Impairment of 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. As plant and equipment is carried at fair value or an amount that approximates fair value impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of plant and equipment

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

Depreciation rates by class of assets are:

- Plant and equipment 10% - 25% pa

(vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(vii) Leases

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

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

Amounts due from lessees under finance leases are classified as loans and receivables and recognised at the amount of the Authority's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Authority's net investment outstanding in respect of the leases.

(i) Personnel Services

The Authority ceased to have any staff when the Independent Liquor and Gaming Authority Staff Agency was abolished from 30 October 2015 and all staff and employment-related liabilities were transferred to Liquor and Gaming NSW. Since that date, the Authority has relied on personnel services provided by Liquor and Gaming NSW to enable it to carry out its statutory functions.

The personnel service costs for the period 1 July 2016 to 31 March 2017 were provided by the Department of Justice while for the period 1 April 2017 to 30 June 2017 the personnel services were provided by the Department of Industry in line with the changes required under *Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2017*.

For the financial year to 30 June 2017, the Authority incurred a personnel services charge for the provision of these services. Personnel services costs were based on a fee for services arrangement. Under this arrangement the personnel services payment from the Authority included the settlement of all employee benefit obligations as they accrued. Following the fee for services payment, the liability for all employee benefits provisions such as annual leave, long service leave and superannuation, resided with the employer Department.

From 1 July 2017, it has been agreed that these personnel services will be provided to the Authority without a personnel services charge from the Department of Industry. The personnel services include;

- Use of the Board room on Level 16, 323 Castlereagh Street once a month
- Provision of payroll services, accounts payable, IT and system support, Schedule 2, Treasury and Financial Statements compliance

Monetary value of these services are included in the In-kind contribution disclosed in Note 2 (a) Personnel Services expense.

Services covered by the In-Kind Contribution disclosed in Note 2 (a) Personnel services expenses and Note 3 (c) Grants and contributions are comprehensively documented in a Memorandum of Understanding between the Authority and the Department of Industry.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

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

(i) Financial asset

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Receivables

Trade receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured 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.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

(ii) Financial liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

(k) Fair value hierarchy

A number of the Authority's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Authority does not hold financial assets and liabilities that are valued at fair value using valuation techniques. The Authority determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Refer Note 16 Financial Instruments for further disclosures regarding fair value measurements of financial assets.

(l) Equity and reserves**(i) Accumulated funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained in Note 17 - Budget Review.

(n) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(o) New Australian Accounting Standards issued and effective for the first time in the 2018 financial year.**

The accounting policies applied in the preparation of these financial statements are consistent with those of the previous financial year unless otherwise stated. The following new and revised Accounting Standards were applicable for the first time for the 2018 financial year. However, these standards do not have any material effect on the accounting policies adopted by the Authority.

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107; and
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

(p) New Australian Accounting Standards issued but not effective

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

The following new Australian Accounting Standards have been issued but are not yet effective. The Authority has not early adopted any of these new standards or amendments. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the Authority, unless otherwise detailed below:

- AASB 9 Financial Instruments (1 July 2018)
- AASB 15 Revenue from Contracts with Customers - the mandatory application date has been deferred for not-for-profit entities (1 July 2019)
- AASB 16 Leases (1 July 2019)
- AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 - the mandatory application date has been deferred for not-for-profit entities (1 July 2019)
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (1 July 2019)
- AASB 1058 Income of Not-for-profit Entities (1 July 2019)
- AASB 1059 Service Concession Arrangements – Grantors (1 July 2019)
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation (1 July 2019)

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. For lessors, the Standard provides accounting requirements that a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Authority is a lessor in relation to the Star Casino Land (Note 7 Lease Receivable). As the new AASB 16 substantially carries forward the lessor accounting treatment in the existing AASB 117, minimal impact on the Authority's financial statements is expected when the new Standard is implemented.

AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and replace with a business model test.

The Authority's financial instruments consist of Cash, Other Debtors and Other Liabilities and does not have any complex financial assets or liabilities. On that basis, minimal impact on the Authority's financial statements is expected when the new Standard is implemented.

2. EXPENSES EXCLUDING LOSSES

	2018 \$000	2017 \$000
(a) Personnel services expenses include the following:		
Personnel services		
Superannuation - defined contribution plan	-	45
Payroll tax	-	19
Personnel service charge	-	7,868
In-kind personnel services provided by Department of Industry	821	-
	<u>821</u>	<u>7,932</u>
(b) Board members' remuneration		
Board members' remuneration	772	449
	<u>772</u>	<u>449</u>
(c) Other operating expenses include the following:		
Auditor's remuneration – audit of financial statements	75	123
Consultancy		
Section 31 investigation (see below (i))	-	502
Other	-	2
Contractors (see below (ii))	54	235
Fees and charges	149	-
Information technology	18	40
Legal fees	779	440
Maintenance	-	1
Operating lease rental expense – minimum lease payments	-	90
Other operating	334	339
Rent remitted to Crown Entity	-	250
Casino licensing expenses	-	3
Travel	3	3
	<u>1,412</u>	<u>2,028</u>
 (i) Under section 31 of the <i>Casino Control Act 1992</i> , the Authority, not later than 3 years after the grant of a casino licence and thereafter at intervals not exceeding 5 years, must investigate and form an opinion as to whether or not (a) the casino operator is a suitable person to continue to give effect to the casino licence and the Act, and (b) it is in the public interest that the casino licence should continue in force. This review was completed last in financial year 2017 and the next review is due in financial year 2022.		
 (ii) A contractor is any individual who is engaged to undertake operational work that would or could be regarded as normally undertaken by an employee, but internal expertise is not available. Contractors are free to decide the manner in which they will complete the task and achieve the desired result. Contractors are distinct from employees as they are engaged under a different set of legal arrangements.		
(d) Depreciation and amortisation expense:		
Depreciation		
Plant and equipment	7	7
	<u>7</u>	<u>7</u>
(e) Gain / (Loss) on disposal		
Gain / (loss) on disposal of Plant and Equipment		
Proceeds from disposal	-	-
Written down value of assets disposed	(22)	-
Net gain / (loss) on disposal of Plant and Equipment	<u>(22)</u>	<u>-</u>
(f) Other gains / (losses)		
Gain /(impairment) of receivables	2,288	(2,296)
	<u>2,288</u>	<u>(2,296)</u>

3. REVENUES

	2018 \$000	2017 \$000
(a) Sale of goods and services *		
Gaming Technology Unit revenue	-	1,109
	<u>-</u>	<u>1,109</u>
(b) Retained taxes, fees and fines *		
Casino special employee license fees	-	622
Licensing – liquor revenue	-	2,033
Miscellaneous revenue	-	7
	<u>-</u>	<u>2,662</u>
(c) Grants and contributions		
Grants (recurrent) - Department of Justice	-	1,526
Grants (recurrent) - Department of Industry	1,921	-
In-kind contribution by Department of Industry	821	-
	<u>2,742</u>	<u>1,526</u>
(d) Interest Income		
Interest on finance lease	415	402
	<u>415</u>	<u>402</u>

* These revenue are now directly paid to the Department of Industry.

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2018 \$000	2017 \$000
Cash at bank and on hand	14,317	11,569
	14,317	11,569

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short term deposits.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	14,317	11,569
Closing cash and cash equivalents (per statement of cash flows)	14,317	11,569

Refer Note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2018 \$000	2017 \$000
CURRENT		
Other debtors	4	7,414
Less: allowance for impairment	-	(2,316)
	4	5,098
Finance lease (Note 7)	250	250
Net GST	8	-
	262	5,348
Movement in the allowance for impairment		
Balance at 1 July	2,316	21
Amounts written off during the year	(21)	-
Increase/(decrease) in allowance recognised in profit or loss	(2,295)	2,295
Balance at 30 June	-	2,316

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16 Financial Instruments.

6. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Plant and equipment \$000	Total \$000
At 1 July 2017 – fair value		
Gross carrying amount	258	258
Accumulated depreciation	(229)	(229)
Net carrying amount	29	29
At 30 June 2018 - fair value		
Gross carrying amount	-	-
Accumulated depreciation	-	-
Net carrying amount	-	-
Reconciliation		
A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below:		
Year ended 30 June 2018		
Net carrying amount at start of year	29	29
Disposals / transfer	(22)	(22)
Depreciation expense	(7)	(7)
Net carrying amount at 30 June 2018	-	-

6. NON-CURRENT ASSETS - PLANT AND EQUIPMENT (continued)

	Plant and equipment \$000	Total \$000
At 30 June 2016 – fair value		
Gross carrying amount	258	258
Accumulated depreciation	(222)	(222)
Net carrying amount	36	36
At 30 June 2017 – fair value		
Gross carrying amount	258	258
Accumulated depreciation	(229)	(229)
Net carrying amount	29	29
Reconciliation		
A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the previous reporting period is set out below:		
Year ended 30 June 2017		
Net carrying amount at start of year	36	36
Depreciation expense	(7)	(7)
Net carrying amount at 30 June 2017	29	29

7. LEASE RECEIVABLE

	2018 \$000	2017 \$000
Current – Finance lease receivable (Note 5)	250	250
Non-current – Finance lease receivable	4,785	4,620
	5,035	4,870
Amounts receivable under finance lease:		
Minimum lease payments		
Not later than one year	250	250
Later than one year and not later than five years	1,000	1,000
Later than 5 years	17,500	17,750
	18,750	19,000
<i>Add:</i> Unguaranteed residual value of land	1,046,882	1,046,882
	1,065,632	1,065,882
Less: unearned finance income	(1,060,597)	(1,061,012)
Present value of minimum lease payments receivable and unguaranteed residual value	5,035	4,870

On 5 May 1994, City West Development Corporation transferred the Star Casino Land to the Authority (then known as Casino Control Authority) at a nominal value of \$1, to be leased to the holder of the Sydney casino licence to facilitate the development of the casino complex. The Authority entered into the finance lease arrangement with the Star Pty Ltd for the land at 20-80 Pyrmont Street, Pyrmont, NSW, 2009 (Star Casino Land). The remaining term of the finance lease is for 75.5 years at 30 June 2018.

The land is described as Lot 500 DP 11611507, and Lots 301 & 302 DP 873212 located in the Parish of St Andrew, Locality of Pyrmont, in the Local Government Area of Sydney.

The implicit interest rate inherent in the lease is estimated at approximately 8.5% (2017: 8.5%) at the inception date for the entire lease term. The finance lease receivables at the end of the reporting period are neither past due nor impaired.

8. CURRENT LIABILITIES - PAYABLES

	2018	2017
	\$000	\$000
CURRENT		
Accruals	93	312
Accruals - salaries and wages	-	(14)
Creditors	53	3,014
Creditors - Department of Industry	7,200	1,982
Creditors - Department of Justice	-	6,253
Net GST payable	-	411
	7,346	11,958

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.

9. CURRENT LIABILITIES - OTHER

	2018	2017
	\$000	\$000
Liabilities to the Crown Entity	2,755	2,755
	2,755	2,755

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.

10. COMMITMENTS FOR EXPENDITURE**(a) Capital Commitments**

The Authority did not have any capital commitments as at 30 June 2018 (2017: \$0).

(b) Operating Lease Commitments

The Authority did not have any operating lease commitments as at 30 June 2018 (2017: \$0).

(c) Finance Lease Commitments

The Authority did not have any finance lease commitments as at 30 June 2018 (2017: \$0).

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**(a) Contingent liabilities**

The Authority has contingent liabilities of \$8,000 as at 30 June 2018 (2017: \$38,300).

(b) Contingent assets

The Authority did not have any contingent assets as at 30 June 2018 (2017: \$15,000).

12. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2018	2017
	\$000	\$000
Net cash from operating activities	2,748	6,392
Depreciation and amortisation	(7)	(7)
Increase / (decrease) in receivables	(4,920)	(788)
Decrease / (increase) in creditors	4,612	(11,848)
Net gain/(loss) on disposal of Plant and Equipment	(22)	-
Net result	2,411	(6,251)

13. ADMINISTERED ASSETS AND LIABILITIES

As noted in Note 1(d) - Administered activities, Casino regulatory and compliance deed is the only administered activity that the Authority administers in the current financial year.

	2018	2017
	\$000	\$000
Administered assets		
Receivable – casino duty	-	9,441
Receivable – Responsible Gambling Levy	-	129
Total administered assets	-	9,570
Administered liabilities		
Deferred income – current	8,330	8,300
Deferred income – non-current	3,200	11,560
Total administered liabilities	11,530	19,860

Administered assets and liabilities are excluded from the statement of financial position.

14. ADMINISTERED REVENUE - SCHEDULE OF UNCOLLECTED AMOUNTS

As noted in Note 1(d) - Administered activities, Casino regulatory and compliance deed is the only administered activity that the Authority administers in the current financial year.

2018

	Less than 30 days \$000	30-90 days \$000	Greater than 90 days \$000	Total \$000
Casino duty	-	-	-	-
Responsible gambling levy	-	-	-	-
Total	-	-	-	-

2017

	Less than 30 days \$000	30-90 days \$000	Greater than 90 days \$000	Total \$000
Casino duty	9,441	-	-	9,441
Responsible gambling levy	129	-	-	129
Total	9,570	-	-	9,570

15. ADMINISTERED REVENUES

Prior to 1 July 2017, the Authority administered the undermentioned Crown revenues to NSW Treasury and these revenues were not recognised as the Authority's revenue.

As noted in Note 1(d) - Administered activities, Casino regulatory and compliance deed is the only administered activity that the Authority administers in the current financial year. Other activities are now administered by other government agencies including Department of Industry and Revenue NSW.

	2018	2017
	\$000	\$000
Administered revenues		
(i) Casino duty	-	202,811
(ii) Casino regulatory and compliance deed	8,330	8,330
(iii) Casino rent	-	250
(iv) Casino special employee licence fees	-	475
(v) Casino supervisory levy	-	7,344
(vi) Casino controlled contracts fees	-	10
(vii) Gaming machine fees	-	205
(viii) Liquor application/grant fees	-	1,830
(ix) Other casino revenue	-	23
(x) Casino rebate player duty	-	61,870
(xi) Casino responsible gambling levy	-	19,067
Total administered revenues	8,330	302,215

Casino regulatory and compliance deed

On 14 December 1994, in accordance with the Casino Control Act 1992, the Authority granted the Licensee (The Star Pty Ltd) a licence to operate a casino in NSW. On the same date, the Licensee also entered into an Exclusivity Agreement where damages were payable by the State of NSW if certain regulatory events occurred during the Exclusivity Period. The Original Exclusivity Agreement expired on or about 14 September 2007.

Following negotiations the State of NSW agreed to grant the Licensee a new Exclusivity Period and protection rights that apply from 14 November 2007 to 13 November 2019 for which The Licensee agreed to pay \$100 million. Pursuant to the Casino Regulatory and Compliance Deed, this payment is required in two lump sums of \$50 million (plus GST).

The first instalment was received and remitted to Treasury in July 2009. The second instalment was received and remitted to Treasury in July 2010.

The total amount of \$100 million was considered as administered revenue over a period of 12 years commencing from 14 November 2007. Hence, there was administered revenue of \$8.330m recorded for the current financial period.

16. FINANCIAL INSTRUMENTS

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

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Authority's Board 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 Authority, to set risk limits and controls and to monitor risks.

(a) Financial Instruments Categories

Financial Assets	Note	Category	Carrying Amount 2018	Carrying Amount 2017
Class:			\$000	\$000
Cash and cash equivalents	4	N/A	14,317	11,569
Receivables ¹	5,7	Loans and receivables (at amortised cost)	5,039	4,892
Financial Liabilities	Note	Category	Carrying Amount 2018	Carrying Amount 2017
Class:			\$000	\$000
Payables ²	8	Financial liabilities measured at amortised cost	7,346	11,546
Other	9	Financial liabilities measured at amortised cost	2,755	2,755

Notes

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).

(b) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables, and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances within the NSW Treasury Banking System.

Receivables - trade debtors

All trade debtors are recognised at the amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. No interest is earned on trade debtors.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

All the receivables of the Authority are short-term.

16. FINANCIAL INSTRUMENTS (continued)**(b) Credit Risk (continued)**

As at 30 June, the ageing analysis of trade debtors is as follows:

	Past due but not impaired	Considered impaired
	\$000	\$000
2018		
< 3 months overdue	-	-
3 months - 6 months overdue	-	-
> 6 months overdue	-	-
2017		
< 3 months overdue	-	-
3 months - 6 months overdue	-	-
> 6 months overdue	10	-

(c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows 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.

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Authority may automatically pay the supplier simple interest.

In the year ended 30 June 2018, the Authority was not required to pay any interest for late payment (2017: \$0).

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Interest Rate Exposure			Maturity Dates		
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate	< 1 yr \$000	1 - 5 yrs \$000	> 5 yrs \$000
2018							
<i>Payables</i>	0%	7,346	-	-	7,346	-	-
<i>Other liabilities</i>	0%	2,755	-	-	2,755	-	-
		10,101	-	-	10,101	-	-
2017							
<i>Payables</i>	0%	11,546	-	-	11,546	-	-
<i>Other liabilities</i>	0%	2,755	-	-	2,755	-	-
		14,301	-	-	14,301	-	-

All the above financial liabilities are non-interest bearing.

16. FINANCIAL INSTRUMENTS (continued)

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposure to market risk is primarily through interest rate risk on the Authority's bank balances within the NSW Treasury Banking System.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment. The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2018. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's interest bearing liabilities. As the Authority has no interest bearing liabilities its exposure to interest rate risk is minimal. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity.

Other price risks

The Authority has no financial assets and liabilities exposed to other price risk.

(e) Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at amortised cost. The amortised cost of the financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of the financial instruments.

17. BUDGET REVIEW

2018 is the first full reporting year in which the Liquor Amendments Reviews Act 2017 and resulting changes in the Casino Control Act 1992, the Gaming and Liquor Administration Act 2007 and Gaming Machines Act 2001 removed the Authority's administered and retained revenue functions which are now under the control of the Department of Industry. In addition, NSW Treasury approved the alignment of the actual and budgeted staff costs under Liquor & Gaming NSW, a division of the Department of Industry

The 2017-18 budgets were set and included in NSW Budget Papers before the financial implication of the Legislative and NSW Treasury changes referred to above could be included. Consequently, the actual revenue and expenditure for the current year are not directly comparable to the approved budget.

Net result

The net result for the year ended 30 June 2018 is a profit of \$2,411,000 (budgeted profit of \$48,000).

The 2018 budgeted expense of \$13,171,000 and revenue of \$13,219,000 reflects the historical budget position before legislative, operational and personnel changes.

The Authority's internal expenditure and revenue budget (excluding in-kind personnel services) was \$2,782,000. The actual operating expenses (excluding in-kind personnel services and depreciation) for the year were \$2,184,000. The variance of \$598,000 to the internal budget primarily related to audit costs, consultants, contractors and legal fees.

Personnel services expenses

The cost of Department of Industry staff providing services to the Authority has been recognised in accordance with AASB 1004 Contributions. This represents a change in personnel services arrangements that was not reflected in the published budget or the internal budget. Refer also to Note 1(i) personnel services.

Assets and liabilities

The Authority's asset and liability balances exceed the budget values due to the pending settlement of balances with and between the Department of Justice and the Department of Industry.

The total cash balance of \$14,317,000 is significantly above budget and reflects the cash reserves available to settle the balances due to the Department of Industry and Crown for prior years' transactions.

Cash Flows

Net cash flow from operating activities is a surplus of \$2,748,000 compared to a budget of \$3,000. Operating payments and receipts are both below budget, with the reduction in payments exceeding the reduction of receipts. This reflects the legislative removal of retained revenue, the changes to personnel services charges, and additional grants and contributions received.

18. RELATED PARTY DISCLOSURE

The Authority's key management personnel comprises the Board Members of the Authority. During the year, the Authority incurred \$772,144 (2017: \$449,458) in respect of the Board Members' remuneration.

There were no transactions entered into during the year with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the Authority entered into transactions on arm's length terms and conditions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the Authority's rendering of services and receiving of services. These transactions include:

Entity	Nature of Transaction
Audit Office of NSW	Provision of independent audit services of Authority's financial statements
Department of Industry	Provision of administrative, secretarial support and operational assistance
Crown Solicitors Office	Provision of professional legal services and legal advice
Department of Justice	Payments for Civil and Administrative Tribunal of New South Wales (NCAT)
NSW Police Force	Provision of funding of Police Casino Inspectors for Casino regulation and compliance

19. EVENTS AFTER REPORTING DATE

The Authority was not aware of any events after the reporting period that would have a significant impact to the financial statements and the notes to the financial statements.

End of audited financial statements.

Department of Industry

Financial Statements

JUNE 2018

¹ The audits for LAMC & WAMC for 2016/17 have yet to be finalised.

**STATEMENT BY THE SECRETARY,
DEPARTMENT OF INDUSTRY**

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, and in relation to the Department of Industry, I state that:

- The accompanying financial statements and notes to the financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015* and the financial reporting directions mandated by the Treasurer;
- The financial statements exhibit a true and fair view of the financial position of the Department of Industry as at 30 June 2018, and of its financial performance and its cash flows for the period then ended; and
- At the date on which the statement is signed, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Dated: 2 October 2018



Simon Draper
SECRETARY



INDEPENDENT AUDITOR'S REPORT

Department of Industry

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Department of Industry (the Department), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information of the Department and the consolidated entity. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department and the consolidated entity as at 30 June 2018, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the annual report of the Department for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Secretary of the Department is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Secretary pursuant to section 45F of the PF&A Act.

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

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

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

I have nothing to report in this regard.

Secretary's Responsibilities for the Financial Statements

The Secretary of the Department is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of 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 except where operations will cease as a result of an administrative restructure.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Department or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Margaret Crawford
Auditor-General of NSW

10 October 2018
SYDNEY

Beginning of the Financial Statements

Department of Industry

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	Consolidated			Parent	
		Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	493,469	495,206	503,196	491,143	501,976
Other operating expenses	2(b)	404,023	353,018	344,253	363,058	301,069
Depreciation and amortisation	2(c)	92,528	91,910	87,747	86,221	82,652
Grants and subsidies	2(d)	1,736,663	1,909,111	2,043,499	1,722,514	2,040,274
Finance costs	2(e)	-	-	19	-	19
Other expenses	2(f)	17,830	2,197	17,736	17,300	17,246
Total expenses excluding losses		2,744,513	2,851,442	2,996,450	2,680,236	2,943,236
Revenue						
Appropriation (net of transfer payments)	3(a)	2,284,733	2,405,646	2,405,480	2,272,669	2,402,480
Sale of goods and services	3(b)	231,474	174,228	257,615	203,948	229,208
Investment revenue	3(c)	22,016	19,856	20,384	20,500	18,333
Grants and contributions	3(d)	187,031	118,300	104,574	140,925	100,465
Acceptance by the Crown Entity of employee benefits and other liabilities	7(a)	18,360	16,052	12,183	18,360	12,183
Transfers to Crown Entity	7(b)	(58,751)	(64,434)	(66,629)	(58,302)	(65,736)
Other revenue	3(e)	11,586	65,618	28,329	11,378	27,856
Personnel services revenue	3(f)	3,392	-	6,668	3,392	6,668
Total Revenue		2,699,841	2,735,266	2,768,604	2,612,870	2,731,457
Gain / (loss) on disposal	4	(8,315)	6,389	(7,255)	(2,826)	(10,605)
Other Gains / (losses)	5	(1,580)	(200)	9,594	(1,474)	9,493
Net Result	27	(54,567)	(109,987)	(225,507)	(71,666)	(212,891)
Other comprehensive income						
Items that will not be reclassified to net result						
Net increase / (decrease) in property, plant and equipment revaluation surplus		59,049	-	(186,668)	59,751	(101,107)
Items that may be reclassified to net result						
Superannuation actuarial gains / (losses)	21(b)	-	-	10,390	-	10,390
Total other comprehensive income		59,049	-	(176,278)	59,751	(90,717)
TOTAL COMPREHENSIVE INCOME		4,482	(109,987)	(401,785)	(11,915)	(303,608)

The accompanying notes form part of these financial statements.

Budget reflects the budget for the consolidated entity, after eliminating transactions between Department of Industry, Lands Administration Ministerial Corporation (LAMC), Water Administration Ministerial Corporation (WAMC) and Fisheries Administration Ministerial Corporation (FAMC) (Note 1v).

Refer Note 26 for budget v. actual variance analysis.

Department of Industry
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	Consolidated			Parent	
		Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	10	282,245	117,881	275,398	237,474	233,991
Receivables	11	175,167	118,622	169,996	167,370	169,933
Inventories	12	1,899	4,396	2,718	1,899	2,718
Biological assets	19	2,395	-	2,551	2,395	2,551
Other financial assets	17	5,220	14,907	6,138	5,181	6,104
Non-current assets held for sale	18	-	104	105	-	105
Total Current Assets		466,926	255,910	456,906	414,319	415,402
Non-Current Assets						
Receivables	11	128,082	1,542	149,678	119,011	140,585
Inventories	12	2,631	9,374	2,582	2,631	2,582
Financial assets at fair value	13	8,740	11,283	30	8,740	30
Property Plant and Equipment	14					
- Crown Land		5,324,708	5,453,016	5,323,141	5,202,617	5,192,714
- Land (Non Crown Land)		94,068	-	117,423	89,692	104,018
- Buildings		233,328	-	231,914	194,721	216,358
- Plant and Equipment		47,317	60,132	45,658	46,754	45,269
- Infrastructure Systems		2,016,308	2,043,264	2,042,771	1,252,006	1,279,722
- Work in Progress		78,496	-	54,951	78,496	54,951
Total Property Plant and Equipment		7,794,225	7,556,412	7,815,858	6,864,286	6,893,032
Intangible assets	15					
- Intangible assets		187,045	197,992	193,890	186,496	193,262
- Work in progress - Intangible assets		14,553	-	6,052	14,553	6,052
Total Intangible assets		201,598	197,992	199,942	201,049	199,314
Biological assets	19	5,088	-	5,421	5,088	5,421
Other financial assets	17	8,231	125,066	9,015	6,379	7,698
Total Non-Current Assets		8,148,595	7,901,669	8,182,526	7,207,184	7,248,662
Total Assets		8,615,521	8,157,579	8,639,432	7,621,503	7,664,064
LIABILITIES						
Current Liabilities						
Payables	20	333,621	142,981	305,741	333,442	310,107
Provisions	21(a)	91,438	81,072	109,593	86,938	103,448
Other	22	29,417	16,683	32,399	28,814	31,832
Total Current Liabilities		454,476	240,736	447,733	449,194	445,387
Non-Current Liabilities						
Provisions	21(a)	13,923	42,108	27,473	13,923	27,473
Total Non-Current Liabilities		13,923	42,108	27,473	13,923	27,473
Total Liabilities		468,399	282,844	475,206	463,117	472,860
Net Assets		8,147,122	7,874,735	8,164,226	7,158,386	7,191,204
EQUITY						
Reserves		684,372	633,206	642,554	700,063	653,239
Accumulated funds		7,462,750	7,241,529	7,521,672	6,458,323	6,537,965
Total Equity		8,147,122	7,874,735	8,164,226	7,158,386	7,191,204

The accompanying notes form part of these financial statements.

Budget reflects the budget for the consolidated entity, after eliminating transactions between Department of Industry, Lands Administration Ministerial Corporation (LAMC), Water Administration Ministerial Corporation (WAMC) and Fisheries Administration Ministerial Corporation (FAMC) (Note 1v).

Department of Industry
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

Notes	Consolidated			Parent		
	Accumulated	Asset	Total	Accumulated	Asset	Total
	Funds	Revaluation	Equity	Funds	Revaluation	Equity
	\$'000	Surplus \$'000	\$'000	\$'000	Surplus \$'000	\$'000
Balance at 1 July 2017	7,521,672	642,554	8,164,226	6,537,965	653,239	7,191,204
Net result for the year	(54,567)	-	(54,567)	(71,666)	-	(71,666)
Other comprehensive income:						
Net increase / (decrease) in property, plant and equipment	-	59,049	59,049	-	59,751	59,751
Superannuation actuarial gains / (losses)	-	-	-	-	-	-
Total other comprehensive income	-	59,049	59,049	-	59,751	59,751
Total comprehensive income for the year	(54,567)	59,049	4,482	(71,666)	59,751	(11,915)
Transfers to / (from) reserves	17,231	(17,231)	-	12,927	(12,927)	-
Transactions with owners in their capacity as owners						
Increase / (decrease) in net assets from equity transfers	(21,586)	-	(21,586)	(20,903)	-	(20,903)
Total transactions with owners in their capacity as owners	(21,586)	-	(21,586)	(20,903)	-	(20,903)
Balance at 30 June 2018	7,462,750	684,372	8,147,122	6,458,323	700,063	7,158,386
Balance at 1 July 2016	7,680,736	886,979	8,567,715	6,679,601	812,153	7,491,754
Net result for the year	(225,507)	-	(225,507)	(212,891)	-	(212,891)
Other comprehensive income:						
Net increase / (decrease) in property, plant and equipment	-	(186,668)	(186,668)	-	(101,107)	(101,107)
Superannuation actuarial gains / (losses)	10,390	-	10,390	10,390	-	10,390
Total other comprehensive income	10,390	(186,668)	(176,278)	10,390	(101,107)	(90,717)
Total comprehensive income for the year	(215,117)	(186,668)	(401,785)	(202,501)	(101,107)	(303,608)
Transfers to / (from) reserves	57,757	(57,757)	-	57,807	(57,807)	-
Transactions with owners in their capacity as owners						
Increase / (decrease) in net assets from equity transfers	(1,704)	-	(1,704)	3,058	-	3,058
Total transactions with owners in their capacity as owners	(1,704)	-	(1,704)	3,058	-	3,058
Balance at 30 June 2017	7,521,672	642,554	8,164,226	6,537,965	653,239	7,191,204

The accompanying notes form part of these financial statements

Department of Industry
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018

Notes	Consolidated			Parent	
	Actual	Budget	Actual	Actual	Actual
	2018	2018	2017	2018	2017
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related	(451,984)	(479,901)	(490,426)	(450,800)	(490,426)
Grants and subsidies	(1,545,049)	(1,856,269)	(1,732,579)	(1,544,359)	(1,732,579)
Other	(596,317)	(404,727)	(594,806)	(593,753)	(589,971)
Total Payments	(2,593,350)	(2,740,897)	(2,817,811)	(2,588,912)	(2,812,976)
Receipts					
Sale of goods and services	297,017	173,772	330,928	288,723	320,771
Interest received	2,590	21,499	4,845	1,552	2,879
Appropriation	2,272,669	2,405,646	2,396,950	2,272,669	2,396,950
Cash transfers to Crown Entity	(74,301)	(65,934)	(67,173)	(74,301)	(65,736)
Grants and contributions	126,280	108,300	98,045	125,968	98,045
Other	43,914	129,950	66,825	43,795	66,757
Total Receipts	2,668,169	2,773,234	2,830,420	2,658,406	2,819,666
NET CASH FLOWS FROM OPERATING ACTIVITIES	74,819	32,337	12,609	69,494	6,690
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems	19,042	26,508	28,324	18,704	28,085
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems	(78,314)	(83,493)	(45,486)	(76,015)	(45,486)
Purchase of Financial Assets	(8,700)	-	-	(8,700)	-
Other	-	(8,467)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(67,972)	(65,452)	(17,162)	(66,011)	(17,401)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings and advances	-	-	-	-	-
Other	-	-	-	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH					
Opening cash and cash equivalents	6,847	(33,115)	(4,553)	3,483	(10,711)
Cash transferred in / (out) as a result of administrative restructuring	275,398	150,996	278,612	233,991	243,363
	-	-	1,339	-	1,339
CLOSING CASH AND CASH EQUIVALENTS	282,245	117,881	275,398	237,474	233,991

The accompanying notes form part of these financial statements.

Refer Note 26 for budget v. actual variance analysis.

Budget reflects the budget for the consolidated entity, after eliminating transactions between Department of Industry, Lands Administration Ministerial Corporation (LAMC), Water Administration Ministerial Corporation (WAMC) and Fisheries Administration Ministerial Corporation (FAMC) (Note 1v).

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Reporting entity

The Department of Industry is a NSW Government entity and is controlled by the State of New South Wales, which is the ultimate parent. Department of Industry (the Department) is a not-for-profit entity (as profit is not its principal objective) and it has no material cash generating units.

Department of Industry is a reporting entity. The financial statements include the separate financial statements for Department of Industry as the parent entity and the consolidated entity consisting of the following entities:

- Department of Industry
- Water Administration Ministerial Corporation
- Lands Administration Ministerial Corporation
- Fisheries Administration Ministerial Corporation

In the process of preparing the financial statements for the consolidated entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

Department of Industry provided personnel services to the NSW Rural Assistance Authority, Natural Resources Access Regulator, and the Border Fence Maintenance Board in the current financial year. The recipients of personnel services are separate reporting entities and not controlled by Department of Industry.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Secretary on the date the accompanying statement by the Secretary was signed.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and,
- Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit and loss' and available for sale 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.

(c) Statement of compliance

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

(d) Administered activities

Department of Industry 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 Department of Industry's own objectives.

Transactions and balances relating to the administered activities are not recognised as Department of Industry's revenues, expenses, assets, and liabilities but are disclosed in the accompanying schedules as "Administered Revenues", "Administered Expenses", "Administered Assets" and "Administered Liabilities". (Refer Note 28 and 29)

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

(e) Borrowing costs

Borrowing 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 general government sector agencies.

(f) Insurance

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Accounting for interests in joint arrangements

The Department's share of assets, liabilities, revenue and expenses of joint arrangements have been incorporated in the financial statements under the appropriate headings. Details of the joint arrangements are set out in note 30.

(h) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the consolidated entity as a purchaser that is not recoverable from the Australian Taxation Office 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 that are recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows.

(i) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary Appropriations and Contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the consolidated entity obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions 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 are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the Statement of Comprehensive Income, Statement of Summary of Compliance with Financial Directives and the total appropriation is disclosed in Note 3a.
- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund as disclosed in Note 3a. The liability is disclosed in Note 22 as part of "Current Liabilities – Other". The amount will be repaid and the liability will be extinguished in the next financial year. Any liability in respect of transfer payments is disclosed in Note 28 "Administered Assets and Liabilities".

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the consolidated entity transfers the significant risks and rewards of ownership of the goods.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Personnel services revenue

Reimbursement of employee benefits and related on-costs for the entities to which Department of Industry supplies personnel services is recognised as revenue. Revenue is recognised when the service has been provided.

(v) Investment Revenue

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term. Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Dividend revenue is recognised when Department of Industry's right to receive payment is established.

(vi) Grants

Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

(vii) Sale of Land

From the date of the administrative restructure implemented under the Public Sector Employment and Management (Departments) Order 2011 the consolidated entity has undertaken activities associated with the acquisition, management and divestiture of land that were previously undertaken by the former Land and Property Management Authority (LPMA).

(a) Sale of land

Revenue from the sale of developed and undeveloped land is recognised on settlement when the consolidated entity transfers the significant risks and rewards of ownership of the assets. A 10% deposit of the sale price is normally paid on the date of exchange of contract and is recognised as a liability until the settlement of the sale.

(b) Sale of surplus land controlled by other government agencies

The consolidated entity acts as an agent for other government agencies in regard to the sale of surplus Crown land. After deducting the consolidated entity's selling expenses, the proceeds from the sale are remitted to the selling government agency, which is responsible for transferring any Crown share of proceeds to the consolidated Fund. These proceeds are therefore not recognised as revenue in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income recognition (continued)

(vii) Sale of Land (continued)

(c) Land declared to be Crown land

Land declared to be Crown or returned to Crown is recognised at fair value through equity (where transfer is within state sector) or revenue (where transfer is from outside state sector) upon publication of the notice in the NSW Government Gazette.

(d) Land acquisition sales

Revenue from land sales, for Crown land acquired by other government agencies and local governments, is recognised upon the publication of the acquisition notice in the NSW Government Gazette.

(e) Cost of sales

The cost of sales includes the cost of land for land sales and development costs incurred in bringing the land to the 'developed land' stage.

(j) Property, plant and equipment

(i) Acquisition of property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition - see also assets transferred as a result of an equity transfer – Note 1(u).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of the credit.

(ii) Land assets

The consolidated entity has three broad categories of land which are reported as assets:

(a) Crown land

Crown land includes all parcels of Crown land, except for those with finance lease arrangements in place or Crown reserves under management by reserve trusts. Crown land includes land under operating lease, Crown reserves for which no formal trust has been established, unoccupied Crown land, certain Crown roads, land granted under Aboriginal land claims awaiting transfer, land under waterways and land within the three nautical mile zone.

(b) Crown reserves under trust

All parcels of land which are Crown reserves under trust are excluded from land assets of the Department of Industry, except those consolidated as part of Land Administration Ministerial Corporation, or where no trust manager exists or the Department of Industry is the manager.

(c) Other Land

These are parcels of land where the consolidated entity has buildings and research stations situated and any other land held for their own activities. These lands form part of the other land and buildings asset category.

(iii) Capitalisation thresholds

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.

(iv) 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* 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 considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, income approach, cost approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 16 for further information regarding fair value.

The consolidated entity re-values each class of property, plant and equipment with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The consolidated entity conducts a comprehensive revaluation at least every three years for its land (except infrastructure, buildings and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

(iv) Revaluation of property, plant and equipment (continued)

The last comprehensive revaluation on Infrastructure - Levee Bank (also known as Hunter Valley Flood Mitigation Scheme Assets) was completed in June 2015 and was based on an independent assessment.

The last comprehensive revaluation on buildings and other infrastructure was completed in June 2014 and based on an independent assessment. Buildings and other infrastructure were indexed in the 2017 financial year to reflect changes to indicators.

The last comprehensive revaluation on land was completed in March 2017 and was based on an independent assessment. Crown land has been indexed in the 2018 financial year.

The comprehensive valuation of Crown land at 31 December 2016 was undertaken by new valuers, being Opteon Property Group. The previous valuers were Land and Property Information. The valuation utilised a new valuation methodology. The new methodology included a reduced number of land categories that better align to value drivers, utilisation of sales evidence, benchmarks and factoring in of outliers to apply rates to specific land classes. Land tenures that are terminable at will or not in perpetuity, were valued using direct comparison of market sales evidence as opposed to the previous approach of capitalising rents. The change in valuation was a change in estimate. The new valuation methodology resulted in a reduction in the value of Crown land.

Crown land is valued as follows:

The determination of global rates per hectare for a variety of land classifications for each Local Government Area (LGA) is considered the most appropriate approach to determine a value for Crown land. This methodology has the advantage of being a practical way to cost effectively arrive at a market-based value for Crown land where the consolidated entity holds full interest.

For the mass valuations, a valuation rate per hectare was provided for each land category type, within each LGA. The land was valued at the highest and best use taking into account zoning and other restrictions, access to services, infrastructure and property market demand. These value elements were considered in a global way when formulating a rate to apply to the particular land category. The rates per hectare for each land category were determined following a consideration of sales of comparable land in the locality and discounting or adjusting factors. Where significantly different parcels of land were identified within a category, these were considered in compiling the overall rate per hectare for the land category.

Crown land controlled by the Lands Administration Ministerial Corporation was comprehensively valued at 31 December 2016 based on an independent assessment per reserve and has been indexed in the 2018 financial year.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The consolidated entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are 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.

(v) Derecognition and impairment of property, plant and equipment

Derecognition of land occurs when a parcel of land shown in the Department of Industry financial statements has been identified as being included in the financial statements of another NSW Department or entity.

The consolidated entity records Aboriginal Land Claims as a full impairment against the carrying value of the Land, when the claim is granted. Other than this, as a not-for-profit entity with no cash generating units, the consolidated entity is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

Aboriginal Land Rights Act 1983

The consolidated entity has impaired the carrying value of Land for "land claims" that have been granted to Local Aboriginal Land Councils under the *Aboriginal Land Rights Act 1983* as at June 2018, but not yet transferred. The amount, representing the fair value of land granted based on estimated size of the land, is treated as a revaluation decrease when granted. Until the land is surveyed, the precise area to be transferred is unknown.

(vi) Contaminated Land

When the Environment Protection Agency identifies land as contaminated and provides an order, an impairment provision is raised for the land when the cost to remediate the land is quantifiable. In the event that the cost of restoring the contaminated land exceeds the value of the land a liability is recognised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

(vii) Depreciation of property, plant and equipment

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the consolidated entity.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings 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 depreciation of buildings and infrastructure is calculated on a straight line basis. Due to the nature and location of its activities, a useful life guide of 40 years is used for buildings and 20 years for infrastructure. The actual useful life range applied is 4 – 140 years for buildings and 2 – 78 years for infrastructure.

Equipment and vehicles are depreciated on a straight line basis over the remaining life to scrap value (where applicable) so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

Each class of asset has a default life which may be varied as a result of management review either at acquisition or at any time during the asset life.

Default asset class lives are:

Plant and equipment	2 - 20 years
Marine Craft and equipment	5 - 17 years
Vehicles and trailers	5 - 40 years
Buildings and Infrastructure	3 – 40 years
Furniture and fittings	3 - 13 years
Leasehold improvements	Period of lease
Water Infrastructure and Levee Banks	100 - Unlimited years

Fully depreciated assets have a historical cost of \$36.7 million.

(viii) Major Inspection Costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(ix) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(x) Maintenance

Day-to-day servicing or maintenance costs are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(xi) Leased assets

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

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the entity's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the entity's net investment outstanding in respect of the leases.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Lease income from operating leases where the consolidated entity is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included by the lessor entity in the Statement of Financial Position based on their nature.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property, plant and equipment (continued)

(xii) Intangible assets

The consolidated entity recognises intangible assets only if it is probable that future economic benefits will flow to the consolidated entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the consolidated entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Internally developed software costs that are directly associated with the production of identifiable and unique software products controlled by the consolidated entity and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Direct costs include software development employee costs and an appropriate portion of relevant overheads. Costs associated with maintaining computer software are recognised as an expense as incurred.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets, excluding water licences, are assessed to be finite.

The consolidated entities' intangible assets, where an active market exists, are amortised using the straight line method over a period of 3 - 14 years.

Water licences held are via the Department's 26.67% share in the Living Murray Initiative Joint Venture. Water licences are considered intangible assets and it has been assessed that there is no active market. Water licences are carried at cost less accumulated amortisation and impairment losses.

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.

Water entitlements have been tested for impairment, with the impairment calculation based on the recommendations of the Independent expert, Frontier Economics Pty Ltd.

(k) Inventories

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 calculated using the weighted average cost or "first in first out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the consolidated entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land development inventories (refer note 12) include land development projects at different stages of completion and comprise developed land for sale, works in progress (land under development) and undeveloped land. Registered valuers are engaged in determining the net realisable value of property where there is an indication that the net realisable value may have fallen below cost. All direct development expenditures and appropriate development overheads are charged to the relevant projects. Developed land is land which has been subdivided and registered on completion of all development activity. Land for sale as developed land is recognised initially as inventory at the time the decision is made to develop the land. The value of the land is measured at fair value on acquisition as determined by registered valuers. Work in progress (land under development) represents land that has been subdivided into precincts and where development activity relating to the precinct has commenced. Current developed land and work in progress is expected to be sold within the next twelve months. Undeveloped land consists of land holdings where no development has taken place and land holdings where estate major work activity has been undertaken. It excludes precincts on which development activity has commenced. Undeveloped land is classified as a non-current asset.

(l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

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

(i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

• **Financial assets at fair value through profit or loss**

The entity subsequently measures financial assets classified as 'held-for-trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Financial Instruments (continued)

(i) Financial assets (continued)

- Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured 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.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

- Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity are classified as 'held-to-maturity' investments. These financial assets are measured 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.

- Available-for-sale financial assets

Financial assets that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value. Gains or losses on available-for-sale financial assets are recognised in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

- Impairment of financial assets

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the entity first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available-for-sale financial asset is considered to be impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(ii) Financial liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held-for-trading are recognised in the net result.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in the net result.

- Financial liabilities at amortised cost (including borrowings and trade payables)

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Borrowings are financial liabilities at amortised cost. Gains or losses are recognised in the net result for the year on de-recognition of borrowings.

Finance lease liabilities are determined in accordance with AASB 117.

- Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially recognised at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

The consolidated entity has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2018 and 30 June 2017.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(l) **Financial Instruments (continued)**

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

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the consolidated entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the consolidated entity has not transferred substantially all the risks and rewards, if the entity has not retained control

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(m) **Non-current Assets (or disposal groups) held for sale**

The consolidated entity has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held for sale is recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale. Refer note 18.

(n) **Other assets**

Other assets are recognised on a cost basis.

(o) **Restricted assets**

Refer Note 6 and Note 10.

(p) **Employee benefits and other provision**

(i) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of 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 (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 of Industry has assessed the actuarial advice based on the Department of Industry'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 entity 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.

(ii) Long Service Leave and Superannuation

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

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

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers compensation insurance premiums and fringe benefits tax.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Other Provisions**

Other provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the obligation.

Any provision for restructuring is recognised only when an agency has a detailed formal plan and the agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

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. None with a material effect of the time value of money presently exist.

In relation to Land Development, provision for rebates is recognised when certain lots are sold. As part of the condition of sale, the consolidated entity may be committed to make a payment to the purchaser provided certain design criteria are met and applied for within a specified period by the purchaser, usually between 18 – 24 months. This payment represents reimbursement for additional costs incurred by the purchaser in complying with the design criteria set by Landcom.

(r) Transfers to Crown Entity

The consolidated entity operates a number of activities which make contributions to the Consolidated Fund of NSW, under differing arrangements.

Crown land sale proceeds and lease income received by the consolidated entity, excluding receipts of the reserve trusts managed by LAMC, are distributed to the Consolidated Fund. These distributions are paid and do not include moneys held as deposits, held in trust, or funds which have yet to be credited against customer accounts.

In relation to the Land Development Working Account (LDWA), Department of Industry pays an annual contribution, calculated at 100% of the accounting profit at financial year end, subject to maintenance of a minimum working capital limit.

In relation to the Crown Lands Homesites Program (CLHP), Department of Industry is required to pay an annual contribution, based on any cash over and above working capital requirement, as determined annually.

(s) Fair Value 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.

A number of the consolidated entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

Refer Note 16 and Note 31(f) for further disclosures regarding fair value measurements of financial and non-financial assets.

(t) Equity and reserves**(i) Revaluation surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the consolidated entity's policy on the revaluation of property, plant and equipment as discussed in note 1(j) (iv).

(ii) Accumulated Funds

The category accumulated funds included all current and prior period retained funds.

(iii) 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).

(u) 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' (refer Note 1(i)(i)) are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament for Department of Industry, Lands Administration Ministerial Corporation (LAMC) and Water Administration Ministerial Corporation (WAMC) in respect of the reporting period. Fisheries Administration Ministerial Corporation (FAMC) does not have a published budget and has not been included. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 26.

The published budget has been adjusted for transfer payments and consolidation of WAMC and LAMC as follows:

Statement of Comprehensive Income

	Department of Industry Original Published \$000	LAMC & WAMC Original Published \$000	Total \$000	Eliminate LAMC & WAMC Transaction \$000	Adjusted for Transfer Payments * \$000	As Reported \$000
Total Expenses Excluding Losses	3,384,566	61,518	3,446,084	(43,300)	(551,342)	2,851,442
Total Revenue	3,271,336	58,572	3,329,908	(43,300)	(551,342)	2,735,266
Gains/(Losses)	8,389	(2,200)	6,189	-	-	6,189
Net Result	(104,841)	(5,146)	(109,987)	-	-	(109,987)

Statement of Financial Position

	Department of Industry Original Published \$000	LAMC & WAMC Original Published \$000	Total \$000	Eliminate LAMC & WAMC Transaction \$000	Adjusted for Transfer Payments \$000	As Reported \$000
Total Assets	7,181,752	975,827	8,157,579	-	-	8,157,579
Total Liabilities	278,812	4,032	282,844	-	-	282,844
Total Equity	6,902,940	971,795	7,874,735	-	-	7,874,735

Statement of Cash Flows

	Department of Industry Original Published \$000	LAMC & WAMC Original Published \$000	Total \$000	Eliminate LAMC & WAMC Transaction \$000	Adjusted for Transfer Payments \$000	As Reported \$000
Net Cash Flows from Operating Activities	25,827	6,510	32,337	-	-	32,337
Net Cash Flows from Investing Activities	(61,452)	(4,000)	(65,452)	-	-	(65,452)
Net Cash flow from Financing Activities	-	-	-	-	-	-
Net Increase/(Decrease) in Cash	(35,625)	2,510	(33,115)	-	-	(33,115)

* Refer to Note 8 for details of which entities receive transfer payments.

(w) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(x) Adoption of new and revised accounting standards

The accounting policies applied in the preparation of this financial report are consistent with those of the previous financial year unless otherwise stated. The following new Australian Accounting Standards are mandatorily applicable for the first time at 30 June 2018 and have not had any material effect on the accounting policies adopted by the Consolidated Entity:

- AASB 2016-1 Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses (AASB 112)
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014–2016 Cycle

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) New Australian Accounting Standards issued but not effective

The following new Australian Accounting Standards have been issued but are not yet effective. The Department of Industry has not early adopted any of these new standards or amendments. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the consolidated Entity, unless otherwise detailed below:

- AASB 9 Financial Instruments (1 Jul 2018)
- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions (1 Jul 2018)
- AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts (1 Jul 2018)
- AASB 2017-3 Amendments to Australian Accounting Standards - Clarifications to AASB 4 (1 Jul 2018)
- AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration (1 Jul 2018)
- AASB 16 Leases (1 Jul 2019)
- AASB 15 Revenue from Contracts with Customers (1 Jul 2019)
- AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 (1 Jul 2019)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities (1 Jul 2019)
- AASB 1058 Income of Not-for-profit Entities (1 Jul 2019)
- AASB 1059 Service Concession Arrangements - Grantors (1 Jul 2019)
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014–2016 Cycle and Other Amendments (1 Jul 2018)
- AASB 2017-6 Amendments to Australian Accounting Standards - Prepayment Features with Negative Compensation (1 Jul 2019)
- AASB 2017-7 Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures (1 Jul 2019)
- AASB 2018-1 Annual Improvements to IFRS Standards 2015 - 2017 Cycle (1 Jul 2019)
- AASB 2018-2 Amendments to Australian Accounting Standards - Plan Amendment, Curtailment or Settlement (1 Jul 2019)
- AASB 17 Insurance Contracts (1 Jul 2021)
- AASB 2014-10 Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (AASB 10 and AASB 128) (1 Jul 2018)

AASB 9 Financial Instruments

AASB 9 will apply to the consolidated entity for financial periods beginning 1 July 2018. The Standard includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting requirements.

AASB 9 also improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

Management has identified the impairment of trade receivables and lease receivables as the primary area to be impacted by the new standard. After performing a parallel calculation for the provision for doubtful debts under the new standard, management has assessed that the introduction of AASB 9 will not have a material impact on the Consolidated Entity's accounts.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard applies to the consolidated entity for financial periods beginning 1 July 2019. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Consequential amendments have also been made to AASB 15 by AASB 2016-3.

In addition, AASB 1058 *Income of Not-for-profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation* provides additional guidance on applying the principles in AASB 15 to not-for-profit entities as well as replacing the requirements in AASB 1004 *Contributions*.

The application of AASB 15 and AASB 1058 is not expected to have a material impact on the consolidated entity's revenue recognition policies. Management has reviewed various funding contracts and determined the accounting treatment for the majority of these is in line with the new standards. Changes in revenue recording may be required for a small number of contracts, however the total quantitative value is not expected to be material.

AASB 16 Leases

AASB 16 replaces AASB 117 *Leases* and will apply to the consolidated entity for financial years beginning 1 July 2019.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with terms of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset and a lease liability. For lessors, the Standard provides accounting requirements that a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The application of AASB 16 may have a material effect on the consolidated entity's financial statements (refer note 24 for current operating lease commitments of \$113m). For the financial year ending 30 June 2020, management has estimated an increase in assets of approximately \$144.5m and increase in liabilities of \$145.5m. Depreciation and interest expenses are estimated to be approximately \$28.5m per annum compared to an estimated lease expense of \$27.5m.

2. EXPENSES EXCLUDING LOSSES

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
(a) Employee related expenses				
Salaries and wages (including recreation leave)	405,468	412,558	403,160	411,338
Superannuation – defined benefit plans	5,055	6,884	5,055	6,884
Superannuation – defined contribution plans	32,914	32,853	32,899	32,853
Long service leave	16,226	6,981	16,226	6,981
Workers compensation insurance	1,637	1,480	1,634	1,480
Payroll tax and fringe benefits tax	25,905	26,473	25,905	26,473
Redundancy payments	6,264	15,850	6,264	15,850
Other - Miscellaneous	-	117	-	117
	493,469	503,196	491,143	501,976
(b) Other operating expenses include the following:				
Advertising and promotion	11,617	6,783	11,616	6,782
Assets under \$5,000	5,217	6,193	5,178	6,180
Auditor's remuneration – audit of financial reports	1,003	761	817	700
Bad and doubtful debts	53	851	53	851
Cleaning	4,443	4,263	4,392	4,227
Computer fees	16,121	17,716	16,118	17,714
Consultancy	18,935	16,708	18,907	16,607
Contractors and other fees	150,596	145,820	147,346	115,198
Cost of Sales	14,714	15,810	14,699	15,807
Courier and freight	1,143	939	1,143	939
Data/Internet	6,656	3,582	6,653	3,579
De-recognition of Crown Land	24,157	-	24,157	-
Electricity	4,890	4,602	4,746	4,549
Energy Concession Administration fee	-	656	-	656
Insurance	8,721	8,646	3,968	4,016
Legal Crown Solicitors	630	1,360	630	1,360
Legal other	3,291	4,313	3,234	4,312
Maintenance*	20,865	15,016	19,452	14,585
Motor vehicle expenses	2,936	11,781	2,889	11,732
Operating lease rental expense – minimum lease payments	36,469	32,851	35,914	32,814
Other operating	44,976	22,708	14,627	15,613
Printing	2,359	1,758	2,358	1,756
Rates	149	137	141	137
Telecommunication	3,799	3,183	3,790	3,178
Training and staff development	4,154	3,018	4,145	3,017
Travel	16,129	14,798	16,085	14,760
	404,023	344,253	363,058	301,069
Maintenance reconciliation				
* Maintenance expense - contracted labour and other (non-employee related), as above	20,865	15,016	19,452	14,585
Employee related maintenance expense included in Note 2(a)	1,129	700	1,129	700
Total Maintenance expenses included in Note 2(a) + 2(b)	21,994	15,716	20,581	15,285
(c) Depreciation and amortisation expense				
Buildings	12,141	10,317	10,307	9,405
Infrastructure	60,099	59,480	55,806	55,449
Plant and Equipment	9,981	11,144	9,880	11,072
Amortisation of intangible assets	10,307	6,806	10,228	6,726
	92,528	87,747	86,221	82,652

2. EXPENSES EXCLUDING LOSSES (continued)

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
(d) Grants and subsidies				
Grants to Government bodies - not specified below	106,760	46,163	101,280	44,497
Grant to Other Non-Government Bodies - not specified below	30,664	31,920	30,664	31,920
Forestry Corporation of NSW ²	16,012	15,707	16,012	15,707
Hunter Water Corporation ¹	-	11,051	-	11,051
Industry Training Services - budget dependent	361,751	348,044	361,751	348,044
Industry Training Services - other	315,829	302,199	315,829	302,199
Invasive Species	17,410	13,204	17,410	13,204
Jobs for NSW Fund	47,532	19,283	47,532	19,283
Life Support Rebates Scheme ¹	-	6,180	-	6,180
Low Income Household and Pensioner Energy ¹	-	139,633	-	139,633
Low Income Household and Pensioner Gas ¹	-	13,690	-	13,690
Low Income Household and Pensioner Water ¹	330	107,490	330	107,490
Murray Darling Basin Authority for Operations	30,478	28,454	30,478	28,454
Non cash capital land grant	17,208	27,303	8,539	25,744
Research Attraction & Acceleration Program	13,903	12,757	13,903	12,757
Service Delivery and Grants Program	43,757	-	43,757	-
Social/Concession Programs and Schemes ¹	-	11,761	-	11,761
Stronger Country Communities Fund	25,038	-	25,038	-
Sydney Water Corporation ¹	-	111,693	-	111,693
TAFE NSW ²	678,702	759,785	678,702	759,785
Water NSW ²	31,289	37,182	31,289	37,182
	1,736,663	2,043,499	1,722,514	2,040,274
(e) Finance Costs				
Amortised interest expense	-	19	-	19
	-	19	-	19
(f) Other expenses				
Shark Meshing	-	156	-	156
Rehabilitation of artesian bores	-	1	-	1
Crown lease waivers	4,222	5,347	4,063	5,180
Refunds and remissions of Crown Revenue	13,608	12,232	13,237	11,909
	17,830	17,736	17,300	17,246

1. Transferred by Administration Order March 2017

2. Cluster grants

3. REVENUES

(a) Appropriations and Transfers to the Crown Entity

Summary of Compliance	2018 \$000		2017 \$000	
	Appropriation	Expenditure	Appropriation	Expenditure
Original budget per Appropriation Act	2,956,988	3,472,026	2,843,410	3,614,554
Other Appropriations / Expenditure				
- Additional Appropriations	(207,345)	(207,345)	(232,610)	(232,610)
- Section 24 PFAA – transfers of functions between entities	48	48	(54,198)	(54,195)
- Section 26 PFAA – Commonwealth specific purpose payments	-	-	7,484	7,484
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	2,749,691	3,264,729	2,564,086	3,335,233
Appropriation drawn down*		2,749,691		2,537,404
Liability to Consolidated Fund (refer Note 22)		-		-
*Comprising:				
Transfer payments (refer Note 8)		464,958		131,924
Appropriations (per Statement of Comprehensive Income)**		2,284,733		2,405,480
		2,749,691		2,537,404
**Appropriations:				
Recurrent		2,284,733		2,405,480
		2,284,733		2,405,480

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed). The Liability to Consolidated Fund represents the difference between the "Amount Drawn against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund". For an explanation of variances to Budget, refer to Note 26.

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
(b) Sale of goods and services				
Sale of goods:				
Sale of produce	8,172	6,850	8,172	6,850
Sale of land developments	556	1,952	556	1,952
Sale of publications	331	448	331	448
Minor sales of goods and services	1,366	841	1,305	841
Rendering of services:				
Education and training	4,762	3,316	4,762	3,316
Consulting	68	406	68	406
Fees, levies and licences	73,928	62,116	73,328	63,044
Crown Land leases	45,511	47,647	42,079	44,888
Mine Safety Levy ¹	-	26,496	-	26,496
Recovery of administrative costs	43,026	28,486	44,026	29,986
Other services	5,436	5,079	5,436	3,556
Income from water operations	39,241	43,700	14,808	17,147
Soil Conservation Service ²	9,077	30,278	9,077	30,278
	231,474	257,615	203,948	229,208
(c) Investment revenue				
Interest	2,306	3,666	1,534	2,874
Interest - Finance leases	12,885	13,814	12,259	12,618
Rents	6,810	2,902	6,692	2,839
Other	15	2	15	2
	22,016	20,384	20,500	18,333
(d) Grants and Contributions (Note 6)				
Grants – Industry/Private Bodies	45,738	38,800	45,735	37,806
Grants – Commonwealth Government	24,224	7,864	12,160	4,864
Grants – NSW Budget Sector Agencies	109,710	51,140	75,671	51,119
Grants – PTE's, Local & Other State Governments	7,359	6,770	7,359	6,676
	187,031	104,574	140,925	100,465
(e) Other revenue				
Other Revenue	11,586	28,329	11,378	27,856
	11,586	28,329	11,378	27,856
(f) Personnel Services Revenue				
Rural Assistance Authority	2,775	3,090	2,775	3,090
NSW Food Authority	-	2,968	-	2,968
Border Fence Maintenance Board	617	610	617	610
	3,392	6,668	3,392	6,668

1. Transferred by Administration Order March 2017
2. Transferred by Administration Order October 2017

4. GAIN / (LOSS) ON DISPOSAL

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Gain / (loss) on disposal of property, plant and equipment				
Proceeds from disposal	23,740	33,146	22,920	29,065
Written down value of assets disposed	(32,055)	(40,401)	(25,746)	(39,670)
Net gain / (loss) on disposal of property, plant and equipment	(8,315)	(7,255)	(2,826)	(10,605)

5. OTHER GAINS / (LOSSES)

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Gain/(Impairment) of Receivables	(1,854)	2,170	(1,702)	2,288
Gain/(Impairment) of Intangibles	2,518	4,306	2,518	4,306
Gain/(Impairment) on Finance Lease Revaluation	(2,244)	3,118	(2,290)	2,899
Net Other Gains / (Losses)	(1,580)	9,594	(1,474)	9,493

6. CONDITIONS ON CONTRIBUTIONS

Contributions received of \$22m during 2017-18 (\$12.5m during 2016-17) were provided for specific purposes associated with industry funded research with the Department of Industry having an obligation to use these funds as specified by the donor body. Expenditure of these contributions has been made in the manner specified by the contributors. Strict terms and conditions apply to these funds. Any funds that are not used on the specific project may be required to be refunded to the donor body unless the body agrees to redirect the funds to another project.

The total amounts of contributions received with conditions which were unexpended at 30 June 2018 (including those received in prior years) were \$0.2m (30 June 2017: \$7.7m). These funds will be carried forward to the next financial year.

7(a). ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies:				
Superannuation	5,055	6,025	5,055	6,025
Long Service Leave	13,030	5,830	13,030	5,830
Payroll tax	275	328	275	328
	18,360	12,183	18,360	12,183

7(b). TRANSFER TO CROWN ENTITY

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Transfers of Crown leasehold revenues to the Crown Entity	(58,751)	(66,629)	(58,302)	(65,736)
	(58,751)	(66,629)	(58,302)	(65,736)

8. TRANSFER PAYMENTS

Transfer Payments are the amounts received by the Department of Industry for transfer to beneficiaries as established by legislation or other authoritative requirements.

Transfer payments are not controlled by the Department of Industry.

Transfer payments made to the Local Land Services, NSW Food Authority, Rural Assistance Authority, Destination NSW, Office of Sport, Sydney Olympic Park Authority and Independent Liquor and Gaming Authority are to fund operations and capital works.

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Office of Sport	158,893	30,405	158,893	30,405
Sydney Olympic Park Authority	32,813	7,693	32,813	7,693
Destination NSW	179,935	55,090	179,935	55,090
Local Land Services	83,942	25,625	83,942	25,625
NSW Food Authority	-	9,056	-	9,056
Rural Assistance Authority	7,454	3,565	7,454	3,565
Independent Liquor and Gaming Authority	1,921	490	1,921	490
Water Administration Ministerial Corporation	-	-	12,064	3,000
	464,958	131,924	477,022	134,924

9. PROGRAM GROUPS OF THE DEPARTMENT

For the year ended 30 June 2018, the Department has presented program group information rather than service group information. This aligns with the NSW Government's transition to outcomes based budgeting, as included in the 2017-18 and 2018-19 budget papers.

It has been impractical to reclassify the 30 June 2017 comparatives on a program group basis due to:

- machinery of government changes from 1 April 2017, which changed the Department's structure; and
- detailed program group data for the balance sheet being not collated.

The program groups do not align to the previous service groups. If the comparatives were restated this would be a movement between groups, with no change to the overall balances.

Skills development programs for employment

Program description: This group covers programs supporting future job growth by investing in programs that match skills to employers' needs, in order to deliver a highly skilled workforce that meets future requirements.

Sustaining the conditions for economic development

Program description: This group covers programs that drive economic activity and create a competitive business environment, including tourism and events promotion, policy reform and place-based economic development. The Department also supports productive industries, builds prosperous communities through innovation and research, and regulates liquor, gaming and racing.

Innovation in primary industries to improve resilience and boost productivity

Program description: This group covers programs that drive innovation across the primary industries sector to boost productivity and enhance resilience across rural and regional New South Wales.

Support to increase investment and jobs in NSW

Program description: This group covers programs that support or attract new and expanding businesses to create jobs and invest in New South Wales.

Sustainable use and access to natural resources

Program description: This group covers programs that target sustainable use of, and access to, land and natural resources that support job creation, primary production and generate social, economic and environmental benefits in local communities.

Risks managed for natural resources, farming and food

Program description: This group covers programs that promote food safety, enhance biosecurity, manage land effectively, build capacity in the agricultural sector and strengthen community confidence to mitigate and manage risks to the community, industry and the environment arising from related activity.

Other

Program description: This group covers programs relating to the centralised and corporate support functions of the Department. This includes items that are not attributable to any of the other service groups within the Department, including appropriation revenue.

Cluster Grant Funding

Program description: This program group covers the provision of grant funding to agencies within the Industry cluster. This includes funding to NSW Food Authority, New South Wales Rural Assistance Authority, Local Land Services, Office of Sport, Sydney Olympic Park Authority, Destination NSW and Independent Liquor and Gaming Authority.

9. PROGRAM GROUP STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

EXPENSES & INCOME	Skills development programs for employment 2018 \$000	Sustaining the conditions for economic development 2018 \$000	Innovation in primary industries to improve resilience and boost productivity 2018 \$000	Support to increase investment and jobs in NSW 2018 \$000	Sustainable use and access to natural resources 2018 \$000	Risks managed for natural resources, farming and food 2018 \$000	Cluster Grants 2018 \$000	Other 2018 \$000	Total NSW Department of Industry 2018 \$000
Expenses excluding losses									
Operating Expenses	35,757	45,371	124,392	23,026	84,130	100,237	-	80,556	493,469
Employee related	19,572	22,575	117,940	-	134,708	29,933	-	79,294	404,022
Other operating expenses	224	1,024	16,756	162	60,973	3,568	-	9,821	92,528
Depreciation and amortisation	1,382,867	109,208	74,474	40,315	96,558	28,478	108	4,655	1,736,663
Grants and subsidies	-	-	-	-	-	-	-	-	-
Finance costs	-	-	964	-	16,866	-	-	-	17,830
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses excluding losses	1,438,420	178,178	334,526	63,503	393,235	162,216	108	174,326	2,744,512
Revenue									
Appropriation (net of transfer payments)**	-	-	-	-	-	-	-	-	2,284,733
Sale of goods and services	1,061	35,820	33,247	7,603	103,936	36,972	-	12,894	231,473
Investment revenue	-	28	4,523	4,083	12,294	-	-	1,088	22,016
Grants and contributions	3,700	7,656	70,756	-	87,568	17,277	-	74	187,031
Acceptance by the Crown Entity of employee benefits and other liabilities	1,414	1,629	4,266	730	3,411	3,845	-	3,065	18,360
Transfers to Crown Entity	-	-	(14,575)	-	(44,176)	-	-	-	(58,751)
Other revenue	449	432	2,340	14	3,127	640	-	4,584	11,586
Personnel services revenue	-	-	3,392	-	-	-	-	-	3,392
Total Revenue	6,624	45,565	103,949	12,430	166,160	58,734	-	2,306,378	2,699,840
Gain/ (loss) on disposal	(18)	(171)	(2,551)	-	(3,489)	(41)	-	(2,045)	(8,315)
Other gains /(losses)	3	3	(640)	-	442	7	-	(1,395)	(1,580)
Net result	(1,431,811)	(132,781)	(233,768)	(51,073)	(230,122)	(103,516)	(108)	2,128,612	(54,567)
Other Comprehensive Income									
Net increase / (decrease) in property, plant and equipment asset revaluation reserve	-	-	-	-	-	-	-	59,049	59,049
Superannuation actuarial gains / (losses)	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	59,049	59,049
TOTAL COMPREHENSIVE INCOME	(1,431,811)	(132,781)	(233,768)	(51,073)	(230,122)	(103,516)	(108)	2,187,661	4,482

** Appropriations are made on an entity basis and not to individual program groups.

9. PROGRAM GROUP STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

ASSETS & LIABILITIES	Skills development programs for employment 2018 \$000	Sustaining the conditions for economic development 2018 \$000	Innovation in primary industries to improve resilience and boost productivity 2018 \$000	Support to increase investment and jobs in NSW 2018 \$000	Sustainable use and access to natural resources 2018 \$000	Risks managed for natural resources, farming and food 2018 \$000	Cluster Grants 2018 \$000	Other 2018 \$000	Total NSW Department of Industry 2018 \$000
ASSETS									
Current Assets									
Cash and cash equivalents					37,222			245,023	282,245
Receivables	21,014	19,228	81,978		16,113	33,637		3,198	175,168
Inventories			388		1,511				1,899
Biological assets					2,395				2,395
Other financial assets			1,295		3,925				5,220
Total Current Assets	21,014	19,228	83,661		61,166	33,637		248,221	466,927
Non-Current Assets									
Receivables			29,752		98,327				128,082
Inventories		8,700	40		2,631				2,631
Financial Assets at fair value									8,740
Total Property Plant and Equipment	612	530	1,629,257	8,431	6,097,626	21,133		36,636	7,794,225
Intangible assets		1,328	8,337	480	183,939	5,363		2,151	201,598
Biological assets					5,088				5,088
Other financial assets		454	1,450	124	6,203				8,231
Total Non-Current Assets	612	11,012	1,668,836	9,035	6,393,814	26,496		38,790	8,148,595
Total Assets	21,626	30,240	1,752,497	9,035	6,454,980	60,133		287,011	8,615,522
LIABILITIES									
Current Liabilities									
Payables	171,576	13,454	21,784	9,231	62,172	5,586	26,302	23,516	333,621
Provisions	39,589	20,135	4,706	1,804	21,923	2,784		497	91,438
Other		615	5,054		8,438	1,405		13,905	29,417
Total Current Liabilities	211,165	34,204	31,544	11,035	92,533	9,775	26,302	37,918	454,476
Non-Current Liabilities									
Provisions	1,099	431	631	3,131	1,479	41		7,111	13,923
Total Non-Current Liabilities	1,099	431	631	3,131	1,479	41		7,111	13,923
Total Liabilities	212,264	34,635	32,175	14,166	94,012	9,816	26,302	45,029	468,399
NET ASSETS	(190,638)	(4,395)	1,720,322	(5,131)	6,360,968	50,317	(26,302)	241,982	8,147,123

9. PROGRAM GROUP STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

	Skills development programs for employment	Sustaining the conditions for economic development	Innovation in primary industries to improve resilience and boost productivity	Support to increase investment and jobs in NSW	Sustainable use and access to natural resources	Risks managed for natural resources, farming and food	Cluster Grants	Other	Total NSW Department of Industry
	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
Administered Expenses									
Transfer Payments	-	-	-	-	-	-	-	-	-
Total Administered Expenses	-	-	-	-	-	-	-	-	-
Administered Revenue									
Consolidated Fund			919						310,369
- Fees, fines & Licences		309,450							310,369
Total Administered Revenue		309,450	919						310,369
ADMINISTERED REVENUE LESS EXPENSES		309,450	919						310,369

9. SERVICE GROUP STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Service Groups Previously Within: EXPENSES & INCOME	Department of Industry										Department of Premier and Cabinet Trade & Investment April to June 2017 \$000	Department of Justice Liquor and Gaming April to June 2017 \$000	Department of Industry Lands and Forestry April to June 2017 \$000	Not Attributable 2017 \$000	Total NSW Department of Industry 2017 \$000
	Economic and Regional Development 2017 \$000	Resources & Energy 2017 \$000	Primary Industries 2017 \$000	Personnel Services 2017 \$000	Cluster Grant Funding 2017 \$000	Skills Development 2017 \$000	Department of Justice Liquor and Gaming April to June 2017 \$000	Department of Industry Lands and Forestry April to June 2017 \$000	Not Attributable 2017 \$000	Total NSW Department of Industry 2017 \$000					
Expenses excluding losses															
Operating Expenses	37,464	71,980	231,053	17,755	-	26,954	2,075	6,913	13,964	95,038				503,196	
Employee related	31,638	40,193	144,025	-	-	13,226	298	4,267	27,865	82,741				344,253	
Other operating expenses	94	33,531	35,137	-	-	262	29	302	11,664	6,728				87,747	
Depreciation and amortisation	91,552	184,758	148,256	-	96,699	1,319,213	138	5,318	21,772	175,793				2,043,499	
Grants and subsidies	19	-	-	-	-	-	-	-	3,944	-				19	
Finance costs	-	13,635	157	-	-	-	-	-	-	-				17,736	
Other expenses	-	-	-	-	-	-	-	-	-	-				-	
Total expenses excluding losses	160,767	344,097	558,628	17,755	96,699	1,359,655	2,540	16,800	79,209	360,300				2,996,450	
Revenue															
Appropriation (net of transfer payments)**	-	-	-	-	-	-	-	-	-	-				-	2,405,480
Sale of goods and services	10,375	84,486	81,506	-	-	1,791	521	12,941	22,033	43,962				257,615	
Investment revenue	51	13,777	984	-	-	-	-	49	3,763	1,760				20,384	
Grants and contributions	850	8,787	76,707	-	-	4,632	181	-	9,288	4,129				104,574	
Acceptance by the Crown Entity of employee benefits and other liabilities	969	3,190	4,855	583	-	704	45	90	(585)	2,332				12,183	
Transfers to Crown Entity	(18)	(47,905)	-	-	-	(5)	2	-	(18,724)	-				(66,629)	
Other revenue	-	5,582	15,492	-	-	(5)	-	145	1,436	5,695				28,329	
Personnel services revenue	-	-	-	6,668	-	-	-	-	-	-				6,668	
Total Revenue	12,227	67,917	179,544	7,251	(96,699)	7,122	749	13,225	17,211	2,463,358				2,768,604	
Gain/ (loss) on disposal	-	3,231	(1,221)	-	-	-	-	-	(9,224)	(41)				(7,255)	
Other gains / (losses)	5	1,999	4,195	-	-	-	-	-	1,103	2,292				9,594	
Net result	(148,535)	(270,950)	(376,110)	(10,504)	(96,699)	(1,352,533)	(1,791)	(3,575)	(70,119)	2,105,309				(225,507)	
Other Comprehensive Income															
Net increase / (decrease) in property, plant and equipment asset revaluation reserve	-	(186,668)	-	-	-	-	-	-	-	-				(186,668)	
Superannuation actuarial gains / (losses)	-	-	-	10,390	-	-	-	-	-	-				10,390	
Other comprehensive income for the year															
TOTAL COMPREHENSIVE INCOME	(148,535)	(457,618)	(376,110)	(114)	(96,699)	(1,352,533)	(1,791)	(3,575)	(70,119)	2,105,309				(401,785)	

** Appropriations are made on an entity basis and not to individual service groups.

9. SERVICE GROUP STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (continued)

Service Groups Previously Within: ASSETS & LIABILITIES	Department of Industry					Department of Premier and Cabinet	Department of Justice	Department of Industry	Not Attributable 2017 \$'000	Total NSW Department of Industry 2017 \$'000
	Economic and Regional Development 2017 \$'000	Resources & Energy 2017 \$'000	Primary Industries 2017 \$'000	Personnel Services 2017 \$'000	Cluster Grant Funding 2017 \$'000					
ASSETS										
Current Assets										
Cash and cash equivalents										275,398
Receivables	36,900		66,697	2,150	(671)	911	1,726	43,107		169,996
Inventories			1,896					822		2,718
Biological assets			2,551							2,551
Other financial assets										6,138
Assets held for sale			3							105
Total Current Assets	36,900		71,147	2,150	(671)	911	1,726	50,169	275,398	456,906
Non-Current Assets										
Receivables				20,037						149,678
Inventories										2,582
Financial Assets at fair value			30							30
Total Property Plant and Equipment	703		1,942,762			209	1,349	5,844,215	25,877	7,815,858
Intangible assets			191,198			244	2,279	675	5,546	199,942
Biological assets			5,421							5,421
Other financial assets	440							8,575		9,015
Total Non-Current Assets	1,143		2,139,411	20,037		453	3,628	5,985,688	31,423	8,182,526
Total Assets	38,043		2,210,558	22,187	(671)	1,364	5,354	6,035,857	306,821	8,639,432
LIABILITIES										
Current Liabilities										
Payables										305,741
Provisions	7,255		37,676	1,857		739	2,229	36,225		109,593
Other	332		28				12,019	17,530	2,490	32,399
Total Current Liabilities	7,587		37,704	1,857		739	14,248	53,755	308,231	447,733
Non-Current Liabilities										
Provisions	895		2,356	20,036		46		1,896	1,835	27,473
Total Non-Current Liabilities	895		2,356	20,036		46		1,896	1,835	27,473
Total Liabilities	8,482		40,060	21,893		785	14,248	55,451	310,066	475,206
NET ASSETS	29,561		2,170,498	294	(671)	579	(8,994)	5,980,406	(3,245)	8,164,226

9. SERVICE GROUP STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (continued)

Service Groups Previously Within:	Department of Industry				Department of Premier and Cabinet Trade & Investment April to June 2017 \$000	Department of Justice Liquor and Gaming April to June 2017 \$000	Department of Industry Lands and Forestry April to June 2017 \$000	Not Attributable 2017 \$000	Total NSW Department of Industry 2017 \$000
	Economic and Regional Development 2017 \$000	Resources & Energy 2017 \$000	Primary Industries 2017 \$000	Personnel Services 2017 \$000					
Administered Expenses	-	-	-	-	-	-	-	-	-
Transfer Payments	-	-	-	-	-	-	-	-	-
Total Administered Expenses	-	-	-	-	-	-	-	-	-
Administered Revenue	-	-	2,498	-	-	-	-	-	4,473
Consolidated Fund	-	-	2,498	-	-	-	-	-	4,473
- Fees, fines & Licences	-	-	2,498	-	-	-	-	-	4,473
Total Administered Revenue	-	-	2,498	-	-	-	-	-	4,473
ADMINISTERED REVENUE LESS EXPENSES	-	-	2,498	-	-	-	-	-	4,473

Administered assets and liabilities are disclosed in Note 28
In accordance with amendments to the Mining Act 1992, the Revenue NSW became responsible for administering Royalties relating to royalty periods which commenced on 1 July 2014 or later. Administration of Royalties calculated and paid in arrears for royalty periods prior to 1 July 2014 remain the responsibility of the Department. As of 1 April 2017 this responsibility was transferred to the Department of Planning and Environment.

10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Cash at Bank and on hand	282,245	275,398	237,474	233,991
	282,245	275,398	237,474	233,991

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, and short term deposits.

Restricted consolidated cash included in Cash at Bank and on hand as at 30 June 2018 is \$273m (2017: \$188m).

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	282,245	275,398	237,474	233,991
Closing cash and cash equivalents (per Statement of Cash Flows)	282,245	275,398	237,474	233,991

Refer Note 31 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Department of Industry has credit facilities of \$19.7 million (2017: \$16 million)

11. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
CURRENT				
Sale of goods and services	71,699	60,009	70,060	58,995
Less: Allowance for impairment	(11,478)	(10,154)	(10,366)	(9,710)
	60,221	49,855	59,694	49,285
Prepayments	14,367	22,595	14,334	22,572
Interest receivable	-	636	-	313
Net GST	7,770	9,068	7,838	9,130
Personnel services	3,804	2,150	3,804	2,150
Miscellaneous	47,480	37,063	40,734	37,914
Finance leases	7,575	7,715	7,019	7,155
Accrued Income	33,950	40,914	33,947	41,414
	175,167	169,996	167,370	169,933
NON-CURRENT				
Personnel Services	3	20,037	3	20,037
Finance leases	128,079	129,641	119,008	120,548
	128,082	149,678	119,011	140,585

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Movement in the allowance for impairment				
Balance at 1 July	10,154	13,841	9,710	13,504
Amounts written off during the year	(530)	(1,517)	(1,046)	(1,506)
Increase/(decrease) in allowance recognised in profit or loss	1,854	(2,170)	1,702	(2,288)
Balance 30 June	11,478	10,154	10,366	9,710

11. CURRENT / NON-CURRENT ASSETS - RECEIVABLES (continued)

Finance lease receivable has been calculated on a per-lease basis by the application of a model developed by an external accounting firm on behalf of the Department of Industry, and in accordance with instructions by the Department of Industry. In the calculation of the receivable, expert valuation advice has been received in relation to lease capitalisation rates, which are used in the valuation of land under tenure and finance lease receivables.

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Gross investment in the lease	1,282,650	1,341,253	1,257,929	1,315,697
Less: Unearned finance income	(1,146,996)	(1,203,897)	(1,131,902)	(1,187,994)
Less: Unguaranteed residual values	(14,696)	(13,582)	(12,198)	(11,247)
Present value of minimum lease payments	120,958	123,774	113,829	116,456
Gross investment in the lease				
Not later than one year after the current period	7,857	7,949	7,285	7,373
Later than one year and not later than five years	34,049	34,754	31,760	32,450
Later than five years	1,240,744	1,298,549	1,218,884	1,275,874
	1,282,650	1,341,252	1,257,929	1,315,697
Present value of minimum lease payments				
Not later than one year after the current period	7,575	7,715	7,019	7,156
Later than one year and not later than five years	25,583	26,223	23,683	24,308
Later than five years	87,800	89,836	83,127	84,992
	120,958	123,774	113,829	116,456
Net investment in the lease	135,654	137,356	126,027	127,703
Unguaranteed residual values	(14,696)	(13,582)	(12,198)	(11,247)
	120,958	123,774	113,829	116,456

Gross investment in lease is calculated on the basis of perpetual leases being a term of 200 years consistent with the model developed. Perpetual leases do not have a life term and can pass in succession.

Term leases (approx. \$45 million) - in the case of a term lease, the land will revert at the end of the term, and the valuation of these leases has therefore been assessed for sensitivity to changes in the long term growth rate. The table below discloses the impact that an increase or decrease of 1% in the long term growth rate would have on the finance lease receivable.

Perpetual Leases (approx. \$90 million) - the value of a perpetual lease is calculated as a perpetuity (the discounted cash-flow of the perpetual stream of minimum net lease payments). All perpetual leases are individually calculated as perpetuities using the capitalisation rate as the discount rate. Additional calculations have been undertaken using a range of discount rates to ensure that the use of the capitalisation rate is reasonable. For perpetual leases, the value of the receivable is sensitive to changes in the discount rate. The table below discloses the impact that an increase or decrease of 1% in the capitalisation rate would have on the receivable.

Sensitivity of fair value of lease receivable to changes in significant assumptions used in the valuation modelling process.

	Change	Consolidated		Parent	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Discount rate + 1%	+ 1%	(18,502)	(22,790)	(18,502)	(22,790)
Discount rate - 1%	- 1%	29,240	30,286	29,240	30,286
Capital gain on land + 1%	+ 1%	3,173	3,867	2,158	2,843
Capital gain on land - 1%	- 1%	(2,208)	(2,824)	(1,467)	(2,076)

12. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
CURRENT				
Valued at cost				
Land developments	3	822	3	822
Finished goods	1,896	1,896	1,896	1,896
	1,899	2,718	1,899	2,718
NON-CURRENT				
Valued at cost				
Land developments	2,631	2,582	2,631	2,582
	2,631	2,582	2,631	2,582

13. NON-CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
NON-CURRENT				
Shares	8,740	30	8,740	30
	8,740	30	8,740	30

Shares

Department of Industry holds shares in the entities listed below. The movement between years represents the movement in market value of shares and the purchase of shares in Silicon Quantum Computing Pty Ltd in 2018.

The value of shares represents holdings in:

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Silicon Quantum Computing Pty Ltd	8,700	-	8,700	-
Rice Growers Co-operative Mills Ltd	40	30	40	30
	8,740	30	8,740	30

Refer Note 31 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

14. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

CONSOLIDATED	Crown Land	Land	Buildings	Plant & Equipment	Infrastructure Systems	WIP PPE	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2017 - fair value							
Gross carrying amount	5,672,990	117,423	455,282	118,190	3,742,778	54,951	10,161,614
Accumulated Depreciation and Impairment	(349,849)	-	(223,368)	(72,532)	(1,700,007)	-	(2,345,756)
Net Carrying Amount	5,323,141	117,423	231,914	45,658	2,042,771	54,951	7,815,858
At 30 June 2018 - fair value							
Gross carrying amount	5,595,396	94,068	490,106	119,688	3,807,054	78,496	10,184,808
Accumulated Depreciation and Impairment	(270,688)	-	(256,778)	(72,371)	(1,790,746)	-	(2,390,583)
Net Carrying Amount	5,324,708	94,068	233,328	47,317	2,016,308	78,496	7,794,225

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

CONSOLIDATED	Crown Land	Land	Buildings	Plant & Equipment	Infrastructure Systems	WIP PPE	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Period ended 30 June 2018							
Net carrying amount at start of year	5,323,141	117,423	231,914	45,658	2,042,771	54,951	7,815,858
Additions	27,005	-	26,369	15,882	14,211	43,844	127,311
Disposals	(84,312)	(3,227)	(3,251)	(2,100)	(5,186)	-	(98,076)
Transfers	-	-	514	240	19,545	(20,299)	-
Acquisitions/(Disposals) through administrative restructures	1,732	(11,408)	(10,093)	(2,338)	(166)	-	(22,273)
Net revaluation increment less revaluation decrements recognised in reserves	57,142	34	16	(44)	5,232	-	62,380
Impairment	-	(8,754)	-	-	-	-	(8,754)
Depreciation expense	-	-	(12,141)	(9,981)	(60,099)	-	(82,221)
Net Carrying amount at end of period	5,324,708	94,068	233,328	47,317	2,016,308	78,496	7,794,225

14. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT (continued)

CONSOLIDATED	Crown Land		Land	Buildings	Plant & Equipment	Infrastructure Systems	WIP PPE	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2016 - fair value								
Gross carrying amount	6,337,805	113,749	113,749	456,887	131,102	3,917,738	37,005	10,994,286
Accumulated Depreciation and Impairment	(748,364)	-	-	(230,252)	(79,016)	(1,807,698)	-	(2,865,330)
Net Carrying Amount	5,589,441	113,749	113,749	226,635	52,086	2,110,040	37,005	8,128,956
At 30 June 2017 - fair value								
Gross carrying amount	5,672,990	117,423	117,423	455,282	118,190	3,742,778	54,951	10,161,614
Accumulated Depreciation and Impairment	(349,849)	-	-	(223,368)	(72,532)	(1,700,007)	-	(2,345,756)
Net Carrying Amount	5,323,141	117,423	117,423	231,914	45,658	2,042,771	54,951	7,815,858

CONSOLIDATED	Crown Land		Land	Buildings	Plant & Equipment	Infrastructure Systems	WIP PPE	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2017								
Net carrying amount at start of year	5,589,441	113,749	113,749	226,635	52,086	2,110,040	37,005	8,128,956
Additions	18,658	-	-	1,188	5,919	4,558	31,614	61,937
Disposals	(74,282)	-	-	(1,318)	(3,609)	(808)	(11)	(80,028)
Transfers	-	-	-	6,331	2,293	1,042	(13,408)	(3,742)
Acquisitions/(Disposals) through administrative restructures	(125)	(2,744)	(2,744)	(11,463)	138	(4,823)	(249)	(19,266)
Net revaluation increment less revaluation decrements recognised in reserves	(210,551)	6,418	6,418	20,858	(25)	(7,494)	-	(190,794)
Impairment	-	-	-	-	-	(264)	-	(264)
Depreciation expense	-	-	-	(10,317)	(11,144)	(59,480)	-	(80,941)
Net Carrying amount at end of year	5,323,141	117,423	117,423	231,914	45,658	2,042,771	54,951	7,815,858

Further details regarding Fair Value measurement are shown in Note 16.

Refer Note 23 for administrative restructure.

14. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT (continued)

PARENT	Crown Land	Land	Buildings	Plant & Equipment	Infrastructure Systems	WIP PPE	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2017 - fair value							
Gross carrying amount	5,542,563	104,018	413,144	117,273	2,877,604	54,951	9,109,553
Accumulated Depreciation and Impairment	(349,849)	-	(196,786)	(72,004)	(1,597,892)	-	(2,216,521)
Net Carrying Amount	5,192,714	104,018	216,358	45,269	1,279,722	54,951	6,893,032
At 30 June 2018 - fair value							
Gross carrying amount	5,473,305	89,692	405,150	118,230	2,994,338	78,496	9,099,211
Accumulated Depreciation and Impairment	(270,688)	-	(210,429)	(71,476)	(1,682,332)	-	(2,234,925)
Net Carrying Amount	5,202,617	89,692	194,721	46,754	1,252,006	78,496	6,864,286

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

PARENT	Crown Land	Land	Buildings	Plant & Equipment	Infrastructure Systems	WIP PPE	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Period ended 30 June 2018							
Net carrying amount at start of year	5,192,714	104,018	216,358	45,269	1,279,722	54,951	6,893,032
Additions	26,977	-	153	15,605	6,558	43,844	93,137
Disposals	(74,173)	(2,952)	(1,920)	(2,098)	(3,079)	-	(84,222)
Transfers	-	-	514	240	19,545	(20,299)	-
Acquisitions/(Disposals) through administrative restructures	1,732	(11,408)	(10,093)	(2,338)	(166)	-	(22,273)
Net revaluation increment less revaluation decrements recognised in reserves	55,367	34	16	(44)	5,232	-	60,605
Depreciation expense	-	-	(10,307)	(9,880)	(55,806)	-	(75,993)
Net Carrying amount at end of period	5,202,617	89,692	194,721	46,754	1,252,006	78,496	6,864,286

14. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT (continued)

PARENT	Crown Land		Land \$000	Buildings \$000	Plant & Equipment \$000	Infrastructure Systems \$000	WIP PPE \$000	Total \$000
	\$000	\$000						
At 1 July 2016 - fair value								
Gross carrying amount	6,167,458	101,638	413,379	127,008	2,820,796	37,005	9,667,284	
Accumulated Depreciation and Impairment	(748,364)	-	(203,413)	(77,049)	(1,534,201)	-	(2,593,027)	
Net Carrying Amount	5,419,094	101,638	209,966	49,959	1,286,595	37,005	7,104,257	
At 30 June 2017 - fair value								
Gross carrying amount	5,542,563	104,018	413,144	117,273	2,877,604	54,951	9,109,553	
Accumulated Depreciation and Impairment	(349,849)	-	(196,786)	(72,004)	(1,597,882)	-	(2,216,521)	
Net Carrying Amount	5,192,714	104,018	216,358	45,269	1,279,722	54,951	6,893,032	

PARENT	Crown Land		Land \$000	Buildings \$000	Plant & Equipment \$000	Infrastructure Systems \$000	WIP PPE \$000	Total \$000
	\$000	\$000						
Year ended 30 June 2017								
Net carrying amount at start of year	5,419,094	101,638	209,966	49,959	1,286,595	37,005	7,104,257	
Additions	17,400	-	1,188	5,919	4,293	31,614	60,414	
Disposals	(72,534)	-	(1,117)	(2,084)	(808)	(11)	(76,554)	
Transfers	-	-	6,331	2,293	1,042	(13,408)	(3,742)	
Acquisitions/(Disposals) through administrative restructures	(17)	(2,744)	(11,463)	279	(116)	(249)	(14,310)	
Net revaluation increment less revaluation decrements recognised in reserves	(171,229)	5,124	20,858	(25)	44,165	-	(101,107)	
Depreciation expense	-	-	(9,405)	(11,072)	(55,449)	-	(75,926)	
Net Carrying amount at end of year	5,192,714	104,018	216,358	45,269	1,279,722	54,951	6,893,032	

Further details regarding Fair Value measurement are shown in Note 16.

Refer Note 23 for administrative restructure

15. INTANGIBLE ASSETS

	Consolidated			Parent		
	Software \$000	Water Licences \$000	Total \$000	Software \$000	Water Licences \$000	Total \$000
At 30 June 2018						
Cost (gross carrying amount)	47,037	186,407	233,444	47,037	185,606	232,643
Accumulated amortisation and impairment	(29,203)	(17,196)	(46,399)	(29,203)	(16,944)	(46,147)
	17,834	169,211	187,045	17,834	168,662	186,496
WIP - Intangibles	14,553	-	14,553	14,553	-	14,553
Net Carrying amount	32,387	169,211	201,598	32,387	168,662	201,049
Period ended 30 June 2018						
Net carrying amount at start of year	33,170	166,772	199,942	33,170	166,144	199,314
Additions / transfers	11,685	-	11,685	11,685	-	11,685
Disposals / revaluations / transfers	(2,240)	-	(2,240)	(2,240)	-	(2,240)
Writeback/(Impairment losses)	-	2,518	2,518	-	2,518	2,518
Amortisation (recognised in 'depreciation and amortisation')	(10,228)	(79)	(10,307)	(10,228)	-	(10,228)
Net carrying amount at end of period	32,387	169,211	201,598	32,387	168,662	201,049
At 30 June 2017						
Cost (gross carrying amount)	52,449	186,407	238,856	52,449	185,606	238,055
Accumulated amortisation and impairment	(25,331)	(19,635)	(44,966)	(25,331)	(19,462)	(44,793)
	27,118	166,772	193,890	27,118	166,144	193,262
WIP - Intangibles	6,052	-	6,052	6,052	-	6,052
Net Carrying amount	33,170	166,772	199,942	33,170	166,144	199,314
Year ended 30 June 2017						
Net carrying amount at start of year	33,601	162,544	196,145	33,601	161,837	195,438
Acquisitions through administrative restructures	2,166	-	2,166	2,166	-	2,166
Additions / transfers	4,129	-	4,129	4,129	-	4,129
Writeback/(Impairment losses)	-	4,308	4,308	-	4,307	4,307
Amortisation (recognised in 'depreciation and amortisation')	(6,726)	(80)	(6,806)	(6,726)	-	(6,726)
Net carrying amount at end of year	33,170	166,772	199,942	33,170	166,144	199,314

16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The Fair Value of non-financial assets has been measured in accordance with AASB 13 *Fair Value Measurement*. Under AASB 13, fair value is defined as "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".

To increase consistency and comparability in fair value measurements and related disclosures, AASB 13 establishes a fair value hierarchy that categorises into three levels aligned to the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for asset or liability at the measurement date. Where Level 3 is adopted a sensitivity analysis shall be included in the assessment of value.

16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)

(a) Fair value hierarchy

At 30 June 2018

Consolidated Property, plant and equipment (Note 14)	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
Crown Land	-	122,091	5,202,617	5,324,708
Land (Non Crown Land)	-	94,068	-	94,068
Buildings	-	-	233,328	233,328
Plant and equipment	-	47,317	-	47,317
Infrastructure systems	-	79,711	1,936,597	2,016,308
Non-current assets (or disposal groups) held for sale (Note 18)	-	-	-	-
Biological Assets (Note 19)	-	7,483	-	7,483
Total	-	350,670	7,372,542	7,723,212

At 30 June 2017

Consolidated Property, plant and equipment (Note 14)	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
Crown Land	-	130,486	5,192,714	5,323,200
Land (Non Crown Land)	-	117,423	-	117,423
Buildings	-	-	231,164	231,164
Plant and equipment	-	45,658	-	45,658
Infrastructure systems	-	71,075	1,971,696	2,042,771
Non-current assets (or disposal groups) held for sale (Note 18)	-	105	-	105
Biological Assets (Note 19)	-	7,972	-	7,972
Total	-	372,719	7,395,574	7,768,293

There were no transfers between level 1 or 2 during the period.

Property, plant and equipment with the exception of heritage assets, infrastructure systems and land under water has been valued using market evidence taking into account condition, location and comparability and is therefore categorised as Level 2.

Heritage Buildings, Light houses and Infrastructure (inclusive of Levee banks) were valued on the basis of costs derived from quantity surveyor sourced material and from actual costs for recent capital works.

Crown Land, excluding the 3 nautical mile zone, has been valued using market evidence with adjustments (discount factor) for zoning, location, land size, comparability and utility due to restrictions. Discounts may range from 50-90%. The valuation was undertaken having regard to the location and highest and best use, which may increase the value, and the restrictions both physical and legal on its use, which may decrease value.

The Crown Land Estate incorporates the 3 nautical mile zone (3nmz) which refers to land from the mean high water mark to the 3nmz boundary off the coast of NSW (comprising an area of 830,390 hectares). The valuation of the 3nmz has utilised comparison to land which has "low economic value". "Low economic value" land is land to which there is limited potential to generate income. The 3nmz has been valued with reference to the value of other low economic value land in NSW, adjusted for differences in location, restriction, uses and comparability. The valuation was undertaken having regard to the location and highest and best use, which may increase the value, and the restrictions both physical and legal on its use, which may decrease value. Having assessed the potential increases and decreases, land in the 3nmz has been valued at approximately \$550 per hectare.

Biological assets have been valued using market evidence taking into account condition, location and comparability and is therefore categorised as Level 2.

16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)

(b) Reconciliation of recurring Level 3 fair value measurements

At 30 June 2018

Recurring Level 3 fair value measurements	Crown Land \$000	Buildings \$000	Infrastructure Systems \$000	Total Fair Value \$000
Fair value as at 1 July 2017	5,192,714	231,164	1,971,696	7,395,574
Additions	26,977	26,369	13,534	66,880
Disposals	(74,173)	(2,501)	(5,186)	(81,860)
Transfers	-	514	12,250	12,764
Equity Transfers	1,732	(10,093)	(166)	(8,527)
Revaluation - Reserves	55,367	-	532	55,899
Depreciation	-	(12,141)	(56,229)	(68,370)
Write back on Disposal	-	-	166	166
Fair value as at 30 June 2018	5,202,617	233,312	1,936,597	7,372,526

At 30 June 2017

Recurring Level 3 fair value measurements	Crown Land \$000	Buildings \$000	Infrastructure Systems \$000	Total Fair Value \$000
Fair value as at 1 July 2016	1,749,730	1,523	1,990,640	3,741,893
Additions	-	-	514	514
Disposals	-	-	(9,196)	(9,196)
Transfers	3,656,881	239,765	469	3,897,115
Admin Acquisitions	-	-	(4,458)	(4,458)
Revaluation - Reserves	(213,897)	-	32,476	(181,421)
Revaluation - Equity	-	-	4,458	4,458
Depreciation	-	(10,124)	(43,207)	(53,331)
Fair value as at 30 June 2017	5,192,714	231,164	1,971,696	7,395,574

16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (continued)

(c) Valuation techniques, inputs and processes

Non-Financial Assets	Category (Level 2 or Level 3)	Fair Value Consolidated \$000	Valuation Technique(s)	Inputs used	Range (Weighted average)
Crown Land	Level 2	122,091	Market comparables	Sale prices of comparable land. Land Size Long-term land appreciation rate	N/A
Other Land	Level 2	94,068	Market comparables	Sale prices of comparable land. Land Size Long-term land appreciation rate	N/A
Infrastructure Systems (excluding Coastal Infrastructure)	Level 2	79,711	Depreciated Replacement Cost	Price per square metre for recent, comparable construction	N/A
Plant and equipment	Level 2	47,317	Depreciated Replacement Cost	Recent market replacement costs	N/A
Buildings	Level 3	233,328	Depreciated Replacement Cost	Price per square metre for construction	N/A
Crown Land (excluding 3 nautical mile)	Level 3	4,717,384	Market comparables (Land)	Combination of sale prices of comparable land discounted appropriately	N/A
Land Underwater - 3 nautical mile	Level 3	485,233	Market comparables (Land)	Low economic value land	N/A
Infrastructure - Joint Arrangement	Level 3	767,459	Depreciated Replacement Cost	Unit rates for construction	N/A
Infrastructure - Levee Banks	Level 3	758,976	Depreciated Replacement Cost	Recent market replacement costs	N/A
Infrastructure - Coastal	Level 3	410,162	Depreciated Replacement Cost	Price per square metre for construction	N/A

Refer Note 1j(iv) for valuation technique.

17. CURRENT / NON-CURRENT OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
CURRENT				
Loans	5,220	6,138	5,181	6,104
	5,220	6,138	5,181	6,104
NON-CURRENT				
Loans	8,231	9,015	6,379	7,698
	8,231	9,015	6,379	7,698

18. NON-CURRENT ASSETS HELD FOR SALE

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Land and Buildings	-	105	-	105
	-	105	-	105

Land and buildings held for sale has been transferred to Local Land Services as part of the Administrative Arrangements order (see note 23).

19. BIOLOGICAL ASSETS

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Livestock and Fodder				
Net market value of livestock and fodder at beginning of reporting period	7,972	7,765	7,972	7,765
Net market value at reporting date	7,483	7,972	7,483	7,972
Net increment/(decrement) in the net market value of livestock and fodder	(489)	207	(489)	207
Total Net Biological Assets	7,483	7,972	7,483	7,972
Current	2,395	2,551	2,395	2,551
Non-Current	5,088	5,421	5,088	5,421
	7,483	7,972	7,483	7,972

20. CURRENT LIABILITIES - PAYABLES

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
CURRENT				
Accrued Salaries, Wages and On-Costs	3,517	4,491	3,521	4,491
Other Taxes payable	4,485	4,044	4,487	4,044
Other	42,421	68,881	42,577	75,017
Accruals	234,740	183,220	234,408	181,461
Creditors	48,458	45,105	48,449	45,094
	333,621	305,741	333,442	310,107

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 31.

21(a). CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	Note	Consolidated		Parent	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
CURRENT					
Employee benefits and related on-costs					
Recreation leave		37,404	37,086	37,402	37,086
Long service leave		12,530	11,627	12,530	11,627
Payroll tax		6,938	6,882	6,938	6,882
Other on-costs		13	241	13	241
Superannuation		204	191	203	191
Other		693	425	693	425
		57,782	56,452	57,779	56,452
Other provisions					
Restoration costs		717	1,798	717	1,798
Other		22,516	25,370	19,067	19,824
Contribution to Crown Entity		10,423	25,973	9,375	25,374
		33,656	53,141	29,159	46,996
Total current provisions		91,438	109,593	86,938	103,448
NON-CURRENT					
Employee benefits and related on-costs					
Long Service Leave		1,209	1,159	1,209	1,159
Payroll Tax		604	619	604	619
Superannuation – pooled fund	21(b)	-	19,976	-	19,976
		1,813	21,754	1,813	21,754
Other provisions					
Restoration costs		12,110	5,719	12,110	5,719
		12,110	5,719	12,110	5,719
Total non-current provisions		13,923	27,473	13,923	27,473

Recreation Leave

The liability at 30 June 2018 was \$37.4m (2017: \$37.1m). This is based on leave entitlements at 30 June 2018.

The value of recreational leave expected to be taken within 12 months is \$13.9m (2017: \$13.7m) and \$23.5m (2017: \$23.4m) after 12 months.

Long Service Leave

The liability at 30 June 2018 was \$13.7m (2017: \$12.7m). This is based on leave entitlements at 30 June 2018.

The value of long service leave expected to be taken within 12 months is \$2.1m (2017: \$1.9m) and \$11.6m (2017: \$10.8m) after 12 months.

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Aggregate employee benefits and related on-costs				
Provisions – current	57,782	56,452	57,779	56,452
Provisions – non-current	1,813	21,754	1,813	21,754
Accrued salaries, wages and on-costs (Note 20)	3,517	4,491	3,521	4,491
	63,112	82,697	63,113	82,697
Movements in provisions (other than employee benefits)				
Restoration costs				
Carrying amount at beginning of financial year	7,517	8,758	7,517	8,758
Additional provisions recognised	13,177	7,948	13,177	7,948
Amounts used	(7,550)	(7,663)	(7,550)	(7,663)
Equity transfers	(317)	(1,526)	(317)	(1,526)
Carrying amount at end of financial year	12,827	7,517	12,827	7,517
Other provisions				
Carrying amount at beginning of financial year	25,370	21,134	19,824	9,355
Additional provisions recognised	2,467	18,375	1,467	18,375
Amounts used	(5,321)	(13,589)	(2,224)	(7,356)
Provisions reversed	-	(550)	-	(550)
Carrying amount at end of financial year	22,516	25,370	19,067	19,824
Contribution to Crown Entity				
Carrying amount at beginning of financial year	25,973	11,948	25,374	10,805
Additional provisions recognised	58,751	66,629	58,302	65,736
Amounts used	(74,301)	(52,604)	(74,301)	(51,167)
Carrying amount at end of financial year	10,423	25,973	9,375	25,374

21(b). EMPLOYEE BENEFITS

The liability for defined benefit superannuation was assumed by the Crown Entity as at 1 July 2017. The Department of Industry considers the liability as having been extinguished on 1 July 2017. The below note is included for comparative purposes only.

Nature of the Benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-contributory Superannuation Scheme Act 1987*, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2015.

Description of other entities' responsibilities for the governance of the fund.

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment Risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity Risk** - The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension Indexation Risk** - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary Growth Risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative Risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events.

There were no fund amendments, curtailments or settlements during the period.

21(b). EMPLOYEE BENEFITS (Continued)

Reconciliation of the Net Defined Benefit Liability/(Asset)

Year ended 30 June 2017	SASS \$000	SANCS \$000	SSS \$000	Total \$000
Net Defined Benefit Liability/(Asset) at beginning of the year	1,669	355	27,656	29,680
Current service cost	130	27	113	270
Net Interest on the net defined benefit liability/(asset)	32	7	550	589
Actual return on Fund assets less Interest income	(140)	(28)	(2,994)	(3,162)
Actuarial (gains)/losses arising from changes in demographic assumptions	4	-	1	5
Actuarial (gains)/losses arising from changes in financial assumptions	(100)	(24)	(5,741)	(5,865)
Actuarial (gains)/losses arising from liability experience	28	(9)	(1,387)	(1,368)
Employer contributions	(91)	(26)	(56)	(173)
Net Defined Benefit Liability/(Asset) at end of the year	1,532	302	18,142	19,976

Net Defined Benefit Liability/(Asset) Total is included in the statements as follows:

Non-Current Superannuation - pooled fund	Note 21(a)	19,976
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Reconciliation of the Fair value of Fund Assets

Year ended 30 June 2017	SASS \$000	SANCS \$000	SSS \$000	Total \$000
Fair value of Fund assets at beginning of the year	1,913	355	41,915	44,183
Interest income	37	7	807	851
Actual return on Fund assets less Interest income	141	27	2,994	3,162
Employer contributions	91	26	56	173
Contributions by participants	41	-	37	78
Benefits paid	21	-	(2,602)	(2,581)
Taxes, premiums & expenses paid	(19)	3	383	367
Fair value of Fund assets at end of the year	2,225	418	43,590	46,233

Year ended 30 June 2017	SASS \$000	SANCS \$000	SSS \$000	Total \$000
Present value of defined benefit obligations at beginning of the year	3,582	707	69,574	73,863
Current service cost	130	27	113	270
Interest cost	70	14	1,357	1,441
Contributions by participants	41	-	37	78
Actuarial (gains)/losses arising from changes in demographic assumptions	4	-	1	5
Actuarial (gains)/losses arising from changes in financial assumptions	(100)	(24)	(5,741)	(5,865)
Actuarial (gains)/losses arising from liability experience	28	(8)	(1,388)	(1,368)
Benefits paid	21	0	(2,602)	(2,581)
Taxes, premiums & expenses paid	(19)	4	383	368
Present value of defined benefit obligations at end of the year	3,757	720	61,734	66,210

Reconciliation of the effect of the Asset Ceiling

Year ended 30 June 2017	SASS \$000	SANCS \$000	SSS \$000	Total \$000
Adjustment for effect of asset ceiling at beginning of the year	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-
Adjustment for effect of asset ceiling at end of the year	-	-	-	-

Fair value of entity's own financial instruments

The disclosures below relate to total assets of the Pooled Fund.

The fair value of the Pooled Fund assets as at 30 June 2017 included \$354 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation (STC) occupies part of a property 100% owned by the Pooled Fund with a fair value of \$250 million at 30 June 2017.
- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value of \$261 million at 30 June 2017.

21(b). EMPLOYEE BENEFITS (Continued)

Significant Actuarial Assumptions at the Reporting Date

As at	30 Jun 17
Discount rate	1.99% pa
Salary increase rate (excluding promotional increases)	2.50% 2017/2018 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	2.00% 2017/2018; 2.25% 2018/2019; 2.50% pa thereafter
Pensioner mortality	as per the 2015 Actuarial investigation of the Pooled Fund

Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements

Funding arrangements are reviewed annually at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2015. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Surplus/Deficit

The following is a summary of the 30 June 2017 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities".

Year ended 30 June 2017	SASS \$000	SANCS \$000	SSS \$000	Total \$000
Accrued benefits	3,125	578	35,825	39,528
Net market value of Fund assets	(2,224)	(419)	(43,589)	(46,232)
Net (Surplus)/Deficit	901	159	(7,764)	(6,704)

* There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

Contribution recommendations

Recommended contribution rates for the entity are:

Year ended 30 June 2017	SASS multiple of member contributions	SANCS % member salary	SSS multiple of member contributions
	1.9	2.5%	1.6

Economic assumptions

The economic assumptions adopted for the 30 June 2018 AASB 1056 Accounting Standard " Superannuation Entities".

Weighted-Average Assumptions	June 2017
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate	2.7% to 30 June 2019 then 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

21(b). EMPLOYEE BENEFITS (Continued)

Profit and Loss Impact

	SASS Financial Year to 30 June 2017 \$000	SANCS Financial Year to 30 June 2017 \$000	SSS Financial Year to 30 June 2017 \$000	Total Financial Year to 30 June 2017 \$000
Current service cost	130	27	113	270
Net interest	32	7	550	589
Defined benefit cost	162	34	663	859

Other Comprehensive Income

	SASS Financial Year to 30 June 2017 \$000	SANCS Financial Year to 30 June 2017 \$000	SSS Financial Year to 30 June 2017 \$000	Total Financial Year to 30 June 2017 \$000
Actuarial (gains) losses on liabilities	(68)	(33)	(7,127)	(7,228)
Actual return on Fund assets less interest income	(141)	(27)	(2,994)	(3,162)
Adjustment for effect of asset ceiling	-	-	-	-
Total remeasurement in Other Comprehensive Income	(209)	(60)	(10,121)	(10,390)

22. CURRENT / NON-CURRENT LIABILITIES - OTHER

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
CURRENT				
Liability to Consolidated Fund (see also Note 3a)	-	-	-	-
Unearned Income	29,417	32,399	28,814	31,832
Total Current Liabilities - Other	29,417	32,399	28,814	31,832

23. INCREASE / DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

	Consolidated		Parent	
	2018 \$000 increase/(decrease)	2017 \$000 increase/(decrease)	2018 \$000 increase/(decrease)	2017 \$000 increase/(decrease)
Transfer of Assets within Total State Sector agencies	1,472	68	2,155	(15)
Transfer of Assets and liabilities as a result of administrative restructures	(23,058)	(1,772)	(23,058)	3,073
	(21,586)	(1,704)	(20,903)	3,058
(a) Transfer of Assets within Total State Sector agencies				
Transfers of land	1,492	68	2,175	(15)
Other transfers	(20)	-	(20)	-
	1,472	68	2,155	(15)

23. INCREASE / DECREASE IN NET ASSETS FROM EQUITY TRANSFERS (continued)

(b) The following Administrative restructures affecting equity occurred in 2018.

Consolidated	LLS	Food	Total Increase / (Decrease)
	\$000	\$000	\$000
Assets			
Cash	-	-	-
Receivables	(6,735)	(19,977)	(26,712)
Other financial assets	-	-	-
Intangibles	-	-	-
Property, plant & equipment	(24,549)	-	(24,549)
	(31,284)	(19,977)	(51,261)
Liabilities			
Payables	6,253	-	6,253
Provisions - employee entitlements	1,973	19,977	21,950
Provisions - other	-	-	-
	8,226	19,977	28,203
Equity - Net	(23,058)	0	(23,058)

Parent	LLS	Food	Total Increase / (Decrease)
	\$000	\$000	\$000
Assets			
Cash	-	-	-
Receivables	(6,735)	(19,977)	(26,712)
Other financial assets	-	-	-
Intangibles	-	-	-
Property, plant & equipment	(24,549)	-	(24,549)
	(31,284)	(19,977)	(51,261)
Liabilities			
Payables	6,253	-	6,253
Provisions - employee entitlements	1,973	19,977	21,950
Provisions - other	-	-	-
	8,226	19,977	28,203
Equity - Net	(23,058)	0	(23,058)

Administrative Arrangements (Administrative Changes - Transfer of Soil Conservation Staff) Order 2017 - effective 1 Oct 2017

LLS - Local Land Services and staff agency

Transfer Superannuation to Crown - effective 1 July 2017

Food - NSW Food Authority

24. COMMITMENTS FOR EXPENDITURE

	Consolidated		Parent	
	2018	2017	2018	2017
	\$000	\$000	\$000	\$000
(a) Capital Commitments				
Aggregate capital expenditure for acquisition contracted for at balance date but not provided for:				
Not later than one year	51,912	42,118	51,912	42,118
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	51,912	42,118	51,912	42,118
(b) Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	32,110	27,237	32,110	27,237
Later than one year and not later than five years	80,306	60,743	80,306	60,743
Later than five years	257	2,771	257	2,771
Total (including GST)	112,673	90,751	112,673	90,751
Representing:				
Non-Cancellable Operating Leases	112,673	90,751	112,673	90,751

Operating Leases predominantly comprise office accommodation and motor vehicles. Some contingent rental payments are arrived at by increasing the base rental by the annual CPI. Other lease agreements, approximately 50% which do not include annual CPI increments, have annual set increases detailed in the lease agreements. Lease renewal options for office accommodation exist in the large majority of cases. There are no renewal or purchase options for motor vehicles or computer equipment, except by negotiation at the end of the lease term. This usually does not occur.

25. CONTINGENT LIABILITIES

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Negligence (1)	-	40	-	40
Contamination (1)	-	400	-	400
Appeals (1)	-	180	-	180
Compulsory acquisition (2)	-	5,000	-	5,000
Other (1, 3)	10,723	1,766	10,573	1,616
	10,723	7,386	10,573	7,236

1. Various legal appeals
2. Land acquisition matters.
3. The Department is assessing the validity of Training Activity Data submitted by a number of Registered Training Organisations (RTO's). These RTO's have had their Smart & Skilled contracts terminated and the Training Activity Data relates to the period when they were under the Smart & Skilled contract (\$10.348 million).

Contingent liability estimates for the following cannot be quantified.

Contaminated Land

The Contaminated Sites Register records those Crown land sites that are known to be, or are potentially, contaminated. Liabilities to remediate these sites are quantified once appropriate investigations and assessments have been completed. Financial provisions are determined following detailed site investigations which have quantified the scale and cost of remediation and any orders that may have been issued by the Environment Protection Authority (EPA).

Under guidance of the Contaminated Land Management Strategy, DoI Lands & Water, Crown Lands Division is proactively assessing high risk categories of potentially contaminated land across the whole Crown land portfolio. This process identifies sites where further investigation is required, leading to remediation plans being prepared for high risk cases. The remediation works for the Urunga site have been completed. Urunga is still subject to a remediation order until such time as the Long Term Environmental Management Plan has been approved and ongoing maintenance orders issued under Section 28 of *Contaminated Land Management Act 1997*. Approval in principle has been given by EPA, pending receipt of an official report. It is anticipated Urunga will be subject to maintenance and monitoring of approximately \$40,000 p.a. for the first five years after remediation.

EPA has advised that the Woodburn site does not require regulation, eliminating any ongoing financial risk.

The financial liability for the Wollongong Harbour Slipway Remediation is estimated at \$1,000,000 based on a preliminary investigation. Works are being undertaken in the 2018/19 financial year. Further funds may be required in the future. EPA has recently regulated the former arsenic processing site at Jennings, with further investigations required to quantify remediation costs. The EPA has approved a Voluntary Management Plan for the site.

The proactive assessment of high risk categories of potentially contaminated land has determined that at end June 2018 there were 164 high risk sites. Most of these sites are subject to preliminary site investigations or clean up works which may determine a lower risk rating and not incur a financial liability for further investigation or remediation. Of these sites, only the Tuncurry Slipway is currently not provided for. Investigations are being undertaken by Regional Services to assess the site, who estimate remediation costs of \$1,600,000 which is to be split with Roads and Maritime Services (RMS).

Aboriginal Land Claims

The Department of Industry has over 33,452 Aboriginal Land Claims to investigate as at 30 June 2018 (30 June 2017 - 32,360). The Department of Industry continues to process Aboriginal Land Claims and is progressing negotiations through the Aboriginal Land Agreement framework to strategically settle land claims over larger areas.

Actions are ongoing in streamlining processes and the prioritisation of Aboriginal Land Claims to ensure the finalisation of Aboriginal Land Claims is focused on achieving better outcomes for Aboriginal Land Councils and the state.

Insurance

Department of Industry is insured by the Treasury Managed Fund.

Letter of Comfort

The Department provided a letter of comfort to; Agricultural Scientific Collections Trust, Recreational Fishing (Freshwater) Trust Fund, Recreational Fishing (Saltwater) Trust Fund, Commercial Fishing Trust Fund, Charter Fishing Trust Fund, Fish Conservation Trust Fund, Aquaculture Trust Fund, Cemeteries and Crematoria NSW, Water Administration Ministerial Corporation, NSW Food Authority, Jobs for NSW Fund, Independent Liquor and Gaming Authority, Public Reserves Management Fund, Responsible Gambling Fund, Lands Administration Ministerial Corporation, Dams Safety Committee, NSW Rural Assistance Authority, Game and Pest Management Trust, Fisheries Administration Ministerial Corporation, Belgenny Farm Agricultural Heritage Centre Trust, Destination NSW, Local Land Services, Office of Sport, Sydney Olympic Park Authority, Aboriginal Fishing Trust Fund, NSW Skills Board, Natural Resources Access Regulator and Technical and Further Education Commission, to ensure the ongoing financial viability during 2018-19 financial year.

The Department continues to provide financial and other support for these organisations for 12 months from the date of the signed audit opinion of the agencies, to the extent that such support is required, and subject to any intervening decision of Government in relation to these entities.

26. BUDGET REVIEW

The budget process is finalised prior to the beginning of each financial year. Events can arise after the budget is finalised that necessitate variations to the planned activities of Department of Industry for that year. This in turn may cause variations to the financial activities. Major variations between the original budget and actual amounts are outlined below.

Budget reflects the budget for the consolidated entity, after eliminating transactions between Department of Industry, Lands Administration Ministerial Corporation (LAMC) and Water Administration Ministerial Corporation (WAMC) (Note 1v).

Net Result

The actual net result is a loss of \$58 million compared to a budgeted loss of \$110 million, resulting in a favourable variance of \$52 million. This consists of unfavourable revenue of \$39 million, favourable expenses of \$107 million, and an unfavourable variance on Gains and losses of \$16 million.

Administrative Arrangements

On 1 October 2017 the Department was affected by changes arising from Administrative Arrangement changes (refer note 23(b)). These changes have given rise to variations from the published budget.

Expenses

Other operating expenses are \$51 million unfavourable to the budget mainly due to the derecognition of Crown land.

Grants and subsidies are \$172 million favourable to the budget due mainly to under spending of the Stronger Country Communities Fund, Jobs for NSW, Industry Training Services, Crown land reforms, Water NSW and Refunds of Crown Revenue actuals are included in other expenses.

Other expenses are \$16 million unfavourable due to the budget for refunds of Crown revenue being included in the Grants and Subsidies budget.

Revenue

Appropriations are \$121 million less than the budget in line with overall under expenditure and lower cash needs.

Sale of goods and services are \$54 million favourable to the budget due mainly to a budget classification difference between Sales and Other revenue, \$42 million and rent income from the Sydney Start up Hub \$12 million.

Grants and contributions are \$69 million favourable to budget due to increased non-cash grants from reserve trusts and Crown land becoming controlled by the consolidated entity and grants from the Jobs for NSW fund.

Other revenue was unfavourable to budget by \$54 million mainly due to a budget classification difference between Sales and Other revenue, \$42 million and under budget Personnel Services revenue \$9 million.

Statement of Financial Position

Current Assets

Cash and cash equivalents are \$164 million favourable to the budget due to opening balance of restricted cash being higher than forecast in budget.

Receivables are \$52 million favourable to the budget due to differences in opening position between budget and actual.

Other financial assets are \$10 million unfavourable to budget mainly due to lower than expected loans on issue.

Non-Current Assets

Receivables are \$126 million favourable to the budget due to classification differences between actuals and budget, refer unfavourable variance in other financial assets.

Property, plant and equipment are \$236 million favourable to the budget due mainly to lower than expected disposals and indexations of Crown Land.

Intangible assets are \$4 million favourable to the budget due to new ICT projects.

Other financial assets are \$117 million unfavourable to the budget due to classification differences between actual and budget, refer favourable variance in non-current receivables.

Current Liabilities

Payables are \$190 million unfavourable to the budget due to higher than expected accruals compared to forecasted budget.

Provisions are \$10 million unfavourable to the budget due to increased provision for restoration costs.

Other liabilities are \$12 million unfavourable to the budget due to differences in opening balances between actuals and budget.

Non Current Liabilities

Provisions are \$28 million favourable to the budget mainly due to the Crown Entity assuming the liability for the defined benefits superannuation as at 1 July 2017.

Statement of Cash Flows

Cash flows from operating activities

Payments

Employee related are \$28 million favourable to the budget due mainly to the Crown Entity assuming the liability for the defined benefits superannuation as at 1 July 2017.

Grants and subsidies are \$311 million favourable to the budget due to lower expenditures, refer Expenses \$178 million and classification differences, refer unfavourable variance in other cash flows.

Other are \$191 million unfavourable to the budget due to classification differences, refer favourable variance in Grants and subsidies.

Receipts

Sales of goods and services are \$123 million favourable to the budget due to increased sales and higher than budget reduction in lease receivables. Interest received are \$18 million unfavourable to budget due to a classification difference where the interest earned from finance leases is included in Sales of goods and services receipts. The Treasury cash flow budget assumes that all interest revenue is from cash deposits and the investment revenue all flows to interest receipts.

Appropriations are \$133 million less than the budget in line with overall lower expenditure.

Grants and contributions are \$18 million favourable to budget due to grants received from the Jobs for NSW fund.

Other are \$86 million unfavourable to budget due to classification differences for treatment of net GST which for budget is included in Other and actuals are spread throughout other classifications.

Cash flows from investing activities

Proceeds from sale of land and buildings, plant and equipment and infrastructure systems are \$11 million unfavourable to budget due to lower than expected sales.

Other are \$8 million favourable to the budget due to investment in financial assets rather than payment of grants.

27. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	Consolidated		Parent	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Net Cash from operating activities	74,819	12,609	69,494	6,690
Depreciation and amortisation	(92,530)	(87,747)	(86,221)	(82,652)
Non-cash expenses	4,337	(101)	(1,362)	(101)
Gain / (loss) on disposal of PPE	14,904	(38,005)	14,223	(34,248)
Non-cash Grants	(26,051)	24,255	(45,990)	26,293
Other Gains/(Losses)	2,492	-	-	-
Impairment of Property Plant and Equipment	(8,764)	-	-	-
Superannuation actuarial gains / (losses)	-	(10,390)	-	(10,390)
Provision for doubtful debt expense	(1,349)	2,787	(1,349)	2,787
Decrease / (Increase) in provisions	5,899	(2,588)	4,245	(9,365)
Increase / (Decrease) in receivables	(11,420)	(78,137)	(7,762)	(61,799)
Increase / (Decrease) in other financial assets	(923)	(1,119)	(923)	(957)
Increase / (Decrease) in inventories	(4,568)	(379)	(4,568)	(379)
Decrease / (Increase) in creditors	(7,865)	(32,037)	(7,941)	(34,105)
Decrease / (Increase) in other liabilities	(3,547)	(14,655)	(3,512)	(14,665)
Net gain / (loss) in sale of plant and equipment	(1)	-	-	-
Net Result	(54,567)	(225,507)	(71,666)	(212,891)

28. ADMINISTERED ASSETS AND LIABILITIES

Royalties and Licences

Department of Industry administers certain activities on behalf of other bodies. The assets and liabilities associated with these activities are listed below:

	2018 \$000	2017 \$000
Administered Assets		
Receivables	5,977	-
	<u>5,977</u>	<u>-</u>
Administered Liabilities		
Current		
Income received in Advance	17,417	11,722
Non Current		
Income received in Advance	210,861	159,946
	<u>228,278</u>	<u>171,668</u>

Retail Tenancy Trust Fund

Retail Lease Security Bonds are lodged with the Secretary in accordance with Section 16C of the *Retail Leases Act 1994*. These monies are excluded from the financial statements of NSW Department of Industry as the Department cannot use them for the achievement of its objectives other than the recovery of expenses relating to administration of the Retail Leases Act.

Department of Industry holds money with NSW T-Corp, as well as term deposits with the Bank of Queensland, National Australia Bank Ltd and Suncorp Bank in relation to Retail Tenancy Trust Fund.

	Clearing Account \$000	Interest Account \$000	Trust Account \$000	Term Deposits \$000	Total \$000
Cash Balance at 30 June 2017	-	6,132	24,641	150,000	180,773
Add:					
Bonds Lodgements	47,536	-	-	-	47,536
Transfers between Accounts	-	675	10,095	-	10,770
Interest Revenue	-	3,708	516	-	4,224
Less:					
Transfers between Accounts	(10,095)	-	(675)	-	(10,770)
Bonds Released	(35,637)	-	-	-	(35,637)
Transfer to the Department	-	(7,410)	-	-	(7,410)
Balance at 30 June 2018	<u>1,804</u>	<u>3,105</u>	<u>34,577</u>	<u>150,000</u>	<u>189,486</u>

	Clearing Account \$000	Interest Account \$000	Trust Account \$000	Term Deposits \$000	Total \$000
Cash Balance at 30 June 2016		1,116	163,712	-	164,828
Add:					
Bonds Lodgements		-	40,773	-	40,773
Transfer between Interest and Trust Account		2,059	-	150,000	152,059
Interest Revenue		2,957	845	-	3,802
Less:					
Transfer between Interest and Trust Account		-	(152,059)	-	(152,059)
Bonds Released		-	(28,630)	-	(28,630)
Balance at 30 June 2017	<u>-</u>	<u>6,132</u>	<u>24,641</u>	<u>150,000</u>	<u>180,773</u>

29. ADMINISTERED EXPENSES & INCOME

INCOME

	2018 \$000	2017 \$000
The following monies have been collected on behalf of the Crown Entity and forwarded to NSW Treasury:		
Fees	351	1,725
Fines	568	773
Licences	19,190	1,975
Levies Received *	290,260	-
	<u>310,369</u>	<u>4,473</u>

* Levies received is made up of ILGA levies, eg Casino Supervisory Levy, Casino Duty, etc.

30. JOINT ARRANGEMENTS

Department of Industry is engaged with several joint arrangements.

As at the period ended 30 June 2018, NSW Department of Industry had an interest in the following joint arrangements:

- 50% share in the joint arrangement entity Dumaresq-Barwon Border Rivers Commission
- 26.67% share in the joint arrangement entities Living Murray Initiative and the River Murray Operations. These assets are administered by the Murray-Darling Basin Authority.

An assessment of AASB 11 *Joint Arrangements* has determined that River Murray Operations, Living Murray Operations and Dumaresq-Barwon Borders Rivers Commission are all joint operations that require recognition of a share of assets and liabilities.

(a) Murray-Darling Basin Authority - Living Murray and River Murray Operations

Upon transition of the former Murray-Darling Basin Commission (MDBC) to the Murray-Darling Basin Authority two joint arrangements were established to hold the jurisdictional assets previously held by the MDBC on behalf of the jurisdictions. The joint arrangements were established through agreements called "Asset Agreement for River Murray Operations Assets" (River Murray Operations Joint Arrangement) and the "Further Agreement on Addressing Water Overallocation and Achieving Environmental Objectives in the Murray-Darling Basin - Control and Management of Living Murray Assets" (Living Murray Joint Arrangement)

	2018	2017
	\$000	\$000
Ownership Interest	26.67%	26.67%
Reporting Date	30 June	30 June
Net Assets	<u>3,278,920</u>	<u>3,286,335</u>
Summarised financial information		
Statement of Financial Position		
	2018	2017
	\$000	\$000
ASSETS		
Non-Current Assets		
Infrastructure Assets	2,626,178	2,643,085
Property, Plant and Equipment	8,932	8,881
Intangibles	632,404	622,963
Other	11,406	11,406
Net Assets	<u>3,278,920</u>	<u>3,286,335</u>
Statement of Comprehensive Income		
	2018	2017
	\$000	\$000
Revenues	19,149	23,602
Expenses	38,804	38,636
Surplus / (Deficit) for the year	<u>(19,655)</u>	<u>(15,034)</u>
Aggregate asset revaluation increment for the financial year	<u>12,240</u>	<u>69,541</u>

30. JOINT ARRANGEMENTS (continued)

(b) Dumaresq-Barwon Border Rivers Commission

The Dumaresq-Barwon Border Rivers Commission is established by the New South Wales - Queensland Border Rivers Agreement and is responsible for the sharing of waters of the rivers and streams which either form or intersect the boundary between the two States and the associated groundwater resources. The Commission undertakes the investigation, construction and operation of works to conserve and regulate those waters where considered desirable.

	2018	2017
	\$000	\$000
Ownership Interest	50.00%	50.00%
Reporting Date	30 June	30 June
Net Assets	<u>139,113</u>	<u>136,908</u>
Summarised financial information		
Statement of Financial Position		
	2018	2017
	\$000	\$000
ASSETS		
Current assets		
Cash and cash equivalents	4,587	3,920
Receivables	-	69
Non-Current Assets		
Property, Plant and Equipment	135,732	133,581
Total Assets	<u>140,319</u>	<u>137,570</u>
LIABILITIES		
Current Liabilities		
Payables	1,206	662
Total Liabilities	<u>1,206</u>	<u>662</u>
Net Assets	<u>139,113</u>	<u>136,908</u>
Statement of Comprehensive Income		
	2018	2017
	\$000	\$000
Revenues	2,707	2,732
Expenses	4,540	4,467
Surplus / (Deficit) for the year	<u>(1,833)</u>	<u>(1,735)</u>
Aggregate asset revaluation increment/(decrement) for the financial year	<u>4,036</u>	<u>(1,306)</u>

31. FINANCIAL INSTRUMENTS

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

The consolidated entity's main risks arising from financial instruments are outlined below, together with Department of Industry'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 consolidated entity's, to set risk limits and controls and to monitor risks. Compliance is reviewed by the audit and risk committee.

(a) Financial Instrument Categories

Financial Assets Class:	Note	Category	Carrying Amount 2018 \$000	Carrying Amount 2017 \$000
Cash and Cash Equivalents	10	N/A	282,245	275,398
Receivables ¹	11	Loans and receivables (at amortised cost)	281,112	288,011
Financial Assets at fair value	13	Available for sale Financial Assets	8,740	30
Other Financial Assets	17	Loans and receivables (at amortised cost)	13,451	15,153
			585,548	578,592
Financial Liabilities Class:	Note	Category	Carrying Amount 2018 \$000	Carrying Amount 2017 \$000
Payables ²	20	Financial Liabilities measured at amortised cost	329,136	301,697
			329,136	301,697

Notes

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).

(b) Credit Risk

Credit risk arises when there is the possibility of the consolidated entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the consolidated entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the consolidated entity, including cash, receivables, authority deposits and advances receivable. No collateral is held by the consolidated entity. The consolidated entity has not granted any financial guarantees.

Credit risk associated with the consolidated entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

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 debtors

All trade debtors are recognised as receivable amounts at balance date. The policy is to review collectability of trade debtors on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand where necessary. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The consolidated entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Debtors that are not past due \$26.9m (2017 \$24.6m) and past due but not considered impaired \$40.4m (2017 \$25.2m), together represent 94% (2017: 83%) of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

31. FINANCIAL INSTRUMENTS (continued)

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance sheet.

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
2018			
<3 months overdue	26,691	26,407	284
3 months - 6 months overdue	2,627	1,439	1,188
> 6 months overdue	22,590	12,585	10,005
2017			
<3 months overdue	7,651	7,552	99
3 months - 6 months overdue	5,764	5,577	187
> 6 months overdue	21,978	12,109	9,869

Notes

1. Each Column in the table reports "gross receivables".
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" does not reconcile to the receivables total recognised in the statement of financial position.

Authority Deposits

The consolidated entity has no funds placed on deposit with Tcorp except as disclosed in Note 29.

Other Facilities

NSW Department of Industry has access to the following banking facilities:

	2018	2017
	\$000	\$000
Credit Card Limit	19,700	16,000
Guarantee	15	15

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity will be unable to meet its payment obligations when they fall due. The consolidated entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current year and prior year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The consolidated entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. 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 table below summarises the maturity profile of the consolidated entity's financial liabilities, together with the interest rate exposure.

31. FINANCIAL INSTRUMENTS (continued)

	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$000	Variable Int. Rate \$000	Non-interest Bearing \$000	< 1 yr	1 - 5 yrs	> 5 yrs
2018								
Payables	0.0%	329,136	-	-	329,136	329,136	-	-
		329,136	-	-	329,136	329,136	-	-
2017								
Payables	0.0%	301,697	-	-	301,697	301,697	-	-
		301,697	-	-	301,697	301,697	-	-

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The consolidated entity's exposures to market risk are primarily through interest rate risk on the consolidated entity's new borrowings. Department of Industry has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the consolidated entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting 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

Exposure to interest rate risk arises primarily through the consolidated entity's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW Tcorp. The consolidated entity does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The consolidated entity's exposure to interest rate risk is set out below.

	Carrying Amount \$000	Result \$000	Equity \$000	Result \$000	Equity \$000
		-1%		+1%	
2018					
Financial Assets					
Cash and cash equivalents	282,245	(2,822)	(2,822)	2,822	2,822
Receivables	281,112	-	-	-	-
Financial assets at fair value	8,740	-	-	-	-
Other Financial Assets	13,451	(135)	(135)	135	135
Financial Liabilities					
Payables	329,136	-	-	-	-
2017					
Financial Assets					
Cash and cash equivalents	275,398	(2,754)	(2,754)	2,754	2,754
Receivables	288,011	-	-	-	-
Financial assets at fair value	30	-	-	-	-
Other Financial Assets	15,153	(152)	(152)	152	152
Financial Liabilities					
Payables	301,697	-	-	-	-

Other price risk - Tcorp Hour Glass Investment facilities

The consolidated entity holds no units in Hour-Glass investment trusts.

31. FINANCIAL INSTRUMENTS (continued)

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of loans receivable and financial assets at fair value. The loans receivable are measured at fair value and calculated based on the present value of future principal and interest discounted cashflows. Financial assets at fair value are valued at cost, listed price as per the stock exchange or at specialised valuation. The amortised cost of the other financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

(f) Fair value recognised in the statement of financial position

The Department of Industry uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly
- Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs).

	2018			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value				
Loans Receivable	-	13,451	-	13,451
Shares	-	40	8,700	8,740
	-	13,491	8,700	22,191

	2017			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value				
Loans Receivable	-	15,153	-	15,153
Shares	-	30	-	30
	-	15,183	-	15,183

There were no transfers between Level 1 and 2 during the year ended 30 June 2018.

32. RELATED PARTY DISCLOSURES

The Department of Industry's key management personnel includes the following positions: the Secretary; Deputy Secretary, Skills & Economic Development; Deputy Secretary, Lands & Water; Deputy Secretary, Liquor, Gaming & Racing; Deputy Secretary, Corporate Service Partners; and Director General, NSW Department of Primary Industries. The combined compensation for the abovenamed personnel is as follows:

	2018 \$000	2017 \$000
Short-term employee benefits:		
Salaries	2,287	2,205
Other monetary allowances	-	1
Non-monetary benefits	30	21
Other long-term employee benefits	-	-
Post-employment benefits	159	104
Termination benefits	379	-
Total remuneration	2,855	2,331

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

32. RELATED PARTY DISCLOSURES (continued)

During the year, the Department of Industry entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of the entity's revenue and expenses, and the nature of these significant transactions are detailed below;

Entity/Fund	Nature of Transaction
Audit Office of New South Wales	Audit services
Board of Studies, Teaching and Educational Standards	Support and provision of vocational education in schools
Crown Solicitor's Office	Legal advice
Department of Education	Payments to private vocational education providers on behalf of the Department of Industry. Receipt of funds in relation to educational programmes
Department of Family and Community Services	Grants paid
Department of Finance, Services and Innovation	Payments to Infrastructure NSW associated with management of projects, tenders and stakeholder engagement
Department of Justice	Mediation and dispute resolution
Department of Planning & Environment	Rent received and reimbursement of expenses
Department of Premier and Cabinet	Communications
Destination NSW	Grants paid
Essential Energy	Pensioner rebates
Forestry Corporation of NSW	Grants paid
Government Property NSW	Rent and accommodation
Greyhound Racing NSW	Grants paid
Independent Liquor & Gaming Authority	Grants paid
Infrastructure NSW	Professional fees
Jobs for NSW Fund	Grants paid
Landcom T/A Urban Growth NSW	Seconded staff
Lands Administration Ministerial Holding Corporation	Administrative, secretarial support and operational assistance
Local Land Services	Fleet and shared service fees, grants paid
Mid North Coast Local Health District	Grants paid
NSW Food Authority	Administrative, secretarial support and operational assistance
NSW Rural Assistance Authority	Grants paid and transfer payments
NSW Self Insurance Corporation	Insurance premiums and claims receipts
NSW Skills Board	Grants Paid
Office of Environment and Heritage	Soil conservation work and service fees
Office of Local Government	Grants Paid
Office of Sport	Grants Paid
Public Reserves Management Fund	Grants received
Public Service Commission	Consulting
Responsible Gambling Fund	Grants paid
Roads and Maritime Services	Land sales
Service NSW	Software licences
State Emergency Services NSW	Grants paid
State Records Authority of New South Wales	Library services
Sydney Olympic Park Authority	Grants paid
Sydney Water	Water rates and usage
TAFE Commission	Delivery of training in accordance with funding deed
Water Administration Ministerial Corporation	Administrative, secretarial support and operational assistance and grants
Water NSW	Transfer of IPART revenue from WaterNSW
Transfer payments (Refer note 8)	
Cluster grants (refer note 2(d))	
Personnel Services (refer note 3(f))	

33. EVENTS AFTER REPORTING DATE

The Department of Industry is unaware, except as noted below, of any significant events after balance date that would impact the financial statements and the notes to the financial statements.

On 30th July 2018, the NSW Government announced an Emergency Drought Relief Package (EDRP). Included in the package is the Drought Transport Subsidies, approximately \$190 million, this relief measure will allow farmers to claim subsidies for freight expenses incurred since 1 January 2018. The Department's liability to fund these subsidies arises after 30 June 2018, as claims are submitted and approved by the Rural Assistance Authority. Also included in the EDRP is approximately \$100 million, for the waiving of various fees and charges.

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NSW Department of Industry

Web: www.industry.nsw.gov.au
 Email: <http://www.industry.nsw.gov.au/contact-us-email>

Media enquiries:
 Ph: + 61 (0)437 504 752
 Email: media@industry.nsw.gov.au

MLC Centre
 19 Martin Place
 Sydney NSW 2000
 GPO Box 5477
 Sydney NSW 2001
 Ph: +61 2 9338 6600
 Business hours: Monday to Friday,
 9.00 am–5.00 pm

323 Castlereagh Street
 Sydney NSW 2000
 PO Box K348
 Haymarket NSW 1240
 Ph: +61 2 9338 6600
 Business hours: Monday to Friday,
 9.00 am–5.00 pm

10 Valentine Avenue
 Parramatta NSW 2150
 Locked Bag 5123
 Parramatta NSW 2124
 Ph: +61 2 9338 6600
 Business hours: Monday to Friday,
 9.00 am–5.00 pm

NSW Department of Primary Industries

Web: www.dpi.nsw.gov.au
 161 Kite Street
 Orange NSW 2800
 Locked Bag 21
 Orange NSW 2800
 Ph: +61 2 6391 3100
 Business hours: Monday to Friday,
 8.30 am–4.30 pm

NSW Small Business Commissioner

Web: www.smallbusiness.nsw.gov.au
 Email: we.assist@smallbusiness.nsw.gov.au

MLC Centre
 19 Martin Place
 Sydney NSW 2000
 GPO Box 5477
 Sydney NSW 2001
 Ph: 1300 795 534 or + 61 2 8222 4800
 Business hours: Monday to Friday,
 9.00 am–5.00 pm

NSW Chief Scientist and Engineer

Web: www.chiefscientist.nsw.gov.au
 Email: nswchiefscientist@chiefscientist.nsw.gov.au

MLC Centre
 19 Martin Place
 Sydney NSW 2000
 GPO Box 5477
 Sydney NSW 2001
 Ph: +61 2 9338 6786
 Business hours: Monday to Friday,
 9.00 am–5.00 pm

Training Services NSW

Web: www.training.nsw.gov.au
 Level 12, 1 Oxford Street
 Darlinghurst NSW 2010
 PO Box 960
 Darlinghurst NSW 1300
 Ph: +61 13 28 11
 Business hours: Monday to Friday,
 9.00 am–5.00 pm

Access to the annual report

After it has been presented to NSW Parliament in November 2018, this annual report will be available from the NSW Government's [OpenGov NSW website](#)⁶⁵ and from the [department's website](#).⁶⁶

⁶⁵ <https://www.opengov.nsw.gov.au/>

⁶⁶ <http://www.industry.nsw.gov.au/about/our-business/publications>