Western Sydney Parklands Trust

Western Sydney Parklands and Fernhill Estate

Annual Report 2021–22

Acknowledgement of Country

Greater Sydney Parklands acknowledges the Traditional Custodians of the lands, waters and sky upon which the parklands are located and pays respect to the Elders of these lands – past, present and emerging.

We recognise Aboriginal people's unique cultural and spiritual relationships to place and their rich contribution to society. We acknowledge the rights and interests of Aboriginal people to be involved in the ongoing management of these traditional lands.

We will work in a respectful manner with Traditional Custodians, Local Aboriginal Land Councils and the Aboriginal communities of Greater Sydney to support their custodianship of the natural and cultural heritage of parklands so that these are places where Aboriginal people feel socially, culturally and economically included.

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Disclaimer

Western Sydney Parklands Trust has compiled this report in good faith, exercising all due care and attention. No representation is made about the accuracy, completeness, or suitability of the information in this publication for any particular purpose. The Trust shall not be liable for any damage which may occur to any person or organisation taking action or not on the basis of this publication.

Letter of submission

Greater Sydney Parklands

November 2022

The Hon Rob Stokes MP
Minister for Infrastructure, Cities and Active Transport
52 Martin Place
Sydney NSW 2000

Dear Minister

Under section 12A of the *Annual Reports (Statutory Bodies) Act 1984*, I have pleasure in submitting for the information of members this report of the activities of the Western Sydney Parklands Trust for the year ended 30 June 2022.

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

Yours sincerely,

Michael Rose AM
Chair
Western Sydney Parklands Trust
Greater Sydney Parklands

Joshua French
Chief Executive
Western Sydney Parklands Trust
Greater Sydney Parklands

Chair's report

Greater Sydney Parklands is charged with protecting and conserving the unique environmental and cultural heritage of the Greater Sydney Parklands Estate.

We care for and manage these parklands in a sustainable, thoughtful and coordinated way, so that they continue to play a vital part in the life of the city, now and in the future.

This annual report covers the second year in which the Western Sydney Parklands Trust formed part of Greater Sydney Parklands. It was another year in which responses to the COVID-19 pandemic changed how people used our parklands. It was also a year in which the impact of the La Niña climate pattern created challenges for the management of the parklands.

Near the end of the year, the NSW Parliament enacted the *Greater Sydney Parklands Trust Act 2022*. The Act provides the framework for our ongoing stewardship of the Parklands Estate and outlines our obligations in relation to community consultation and engagement, and the realisation of the NSW Government's *50-Year Vision for Greater Sydney's Open Space and Parklands*.

It's been gratifying to see more and more visitors attending the open days at Fernhill Estate and helping us to shape both the Plan of Management and our draft Landscape Master Plan.

We've also welcomed new visitors to Western Sydney Parklands, who can now enjoy new facilities that cover motorsports, BMXing and mountain biking, while we also saw a 100% increase in those using the 60 kilometres of tracks and trails.

At the end of the year we said farewell to our Chief Executive Suellen Fitzgerald. As the inaugural Chief Executive of Greater Sydney Parklands, Suellen brought more than a decade of experience from her time as the Executive Director of the Western Sydney Parklands Trust.

Suellen played a pivotal role in the creation of Greater Sydney Parklands and our planning for the future. On behalf of the Greater Sydney Parklands Board, and the communities we serve, I congratulate Suellen on her achievements and thank her for her outstanding contribution to Sydney's great parks.

Since the year end, Joshua French, our former Director of Strategy, Design and Delivery, has been appointed Chief Executive. We welcome Josh to the role and look forward to working with him.

Josh highlights some of the achievements of the Western Sydney Parklands Trust in his report. I would like to thank him and the Greater Sydney Parklands team for their dedication, energy and efforts over the last year.

Thanks also to my Board colleagues for their great contributions to the work of Greater Sydney Parklands.

Michael Rose AM
Chair
Western Sydney Parklands Trust
Greater Sydney Parklands

Chief Executive's report

This was a year of change, not just for the places and spaces that people use in Western Sydney Parklands and Fernhill Estate, but for us as an organisation.

With all this change, the teams and our partners continued to find ways to support the communities and the environments that make these places special.

They were ready to adapt to online education programs when that was called for; they have completed a seamless transition to Greater Sydney Parklands; and they have continued to deliver the new facilities, infrastructure and maintenance activities we need, despite the impacts of yet another La Niña weather event.

Their work makes me feel extremely positive about the year ahead as we look to continue our engagement with the community to create the right spaces, places, events and activities at Western Sydney Parklands and Fernhill Estate.

Consultation in this busy year ranged from our conversations with the community on the Plan of Management and Landscape Master Plan for Fernhill Estate – the key documents that will guide the opening up of this beautiful estate – to our work with Transport for NSW and Liverpool City Council to construct the new Wylde BMX and Mountain Bike facility at Cecil Park in Western Sydney Parklands.

I want to thank the community organisations and individuals I've spoken with or whose submissions I've read for their ongoing engagement and interest in the parklands and Fernhill Estate.

The teams and our partners who help to make Western Sydney Parklands and Fernhill Estate great places to visit should be congratulated for all their efforts during the upheaval of the last 12 months.

They were there when the community needed outdoor space and they are there when we look to make the right investments and improvements to deal with Western Sydney's unique climactic challenges.

I also want to thank former Chief Executive Suellen Fitzgerald, who has created a Greater Sydney Parklands team that works as one cohesive group.

Thanks to her leadership, we are ready to take on the responsibility of working for Sydney's first city-wide parks agency by taking a metropolitan perspective and a local focus.

Joshua French
Chief Executive
Western Sydney Parklands Trust
Greater Sydney Parklands

Greater Sydney Parklands

The *Greater Sydney Parklands Trust Act 2022* came into effect on 1 July 2022. This legislation establishes the Greater Sydney Parklands Trust and provides for the management of the Greater Sydney Parklands Trust Estate (referred to as the Parklands Estate).

The passing of this legislation follows extensive work by Greater Sydney Parklands, partners across government, stakeholders and community members to formalise arrangements that had been in place since 2020.

Greater Sydney Parklands is led by an independent board and uses a combined administration model to care for Greater Sydney's iconic parks, maintain park infrastructure and employ park staff.

The iconic parks that currently form the Parklands Estate are – from west to east – Fernhill Estate, Western Sydney Parklands, Parramatta Park, Callan Park and Centennial Parklands (Centennial, Moore and Queens parks).

Western Sydney Parklands and Fernhill Estate continue to be managed under the framework of the *Western Sydney Parklands Act 2006* with all its objects, functions and protections.

We are the key advocate of the NSW Government's 50-Year Vision for Greater Sydney's Open Space and Parklands. We take a city-wide view as we champion the care, management and expansion of open spaces and parklands in partnership with local communities and councils.

In the last 12 months, we:

- continued to advocate across government and with our partners to help achieve the 50-Year Vision
- co-hosted the Sydney showcase day of the World Urban Parks (WUP) Congress
- released the *Nature Play for NSW – Insights and Recommendations Report* and established a Nature Play NSW Steering Committee, with the support of the Centennial Parklands Foundation
- used the NSW Net Zero Pathway Tool to model a baseline greenhouse gas emissions profile and prepare emission reduction opportunities to guide the development of a Net Zero Action Plan for Greater Sydney Parklands
- ran online cultural competency training for all staff, hosted by Mirri Mirri.

Over the next 12 months, we will focus on:

- implementing the objectives of the new Act and the ambitions of the 50-Year Vision
- developing a consultation and engagement framework to guide how we consult and engage with the community
- establishing community trustee boards for each of the parks in the Parklands Estate, while continuing to engage extensively and creatively with the community
- improving and expanding the Greater Sydney Blue Green Grid, including progressing the establishment of a Blue Green Grid Committee
- investigating potential additions to the Parklands Estate, particularly in response to the expected population growth in Western Sydney
- building the resilience of the Parklands Estate to a changing climate and more intense natural hazards
- continuing our ongoing efforts to sustainably and efficiently manage the Parklands Estate.

Highlights

WESTERN SYDNEY PARKLANDS

Western Sydney Parklands are the green lungs of Sydney's growing Western Parkland City.

It offers diverse experiences and natural qualities, and is part of the Western Sydney identity. Our work in Western Sydney Parklands respects the area's heritage and our plans for the future aim to create a sustainable legacy for generations to come.

Throughout 2021–22, this rich urban parkland provided valuable open spaces and diverse community facilities for the Western Sydney community, essential at a time when many faced an extended lockdown.

Connecting with our communities

- We saw **more than 5 million visits to Western Sydney Parklands** in 2021–22. Of these visitor numbers, 3.5 million visited recreation areas and 1.5 million people visited our partner tourism venues.
- Our biannual customer satisfaction surveys continue to reflect **high standards of customer service** with 84% of those surveyed satisfied with their experience.
- The COVID-19 lockdown required a **switch to online learning for community programs**, including the Spring School Holiday Program in September 2021 and a virtual Swamp to Scrub program as part of National Science Week in August 2021.
- There was a **100% increase in usage of the 60 kilometres of tracks and trails**, as locals sought green space for fresh air and exercise during the COVID-19 lockdowns.
- In line with the Horsley Park Master Plan, we continued to **work on opportunities for a potential agri-tourism destination**. We spoke to farming tenants and surveyed users and visitors to incorporate their ideas.

Caring for the environment and protecting our heritage

- **1,500 hectares of bushland were under bush regeneration management programs** throughout the parklands, on track with our goal to create a 2,000-hectare bushland corridor. Cumberland Plain Woodland and River-flat Eucalypt Forest communities continue to improve, with grasses and wildflowers in abundance after the heavy rain.
- **We planted 16,000 trees across Western Sydney Parklands** for the Premier's Priority Tree Planting, helping to improve the tree canopy and reduce heat effects. We removed invasive weeds, particularly the Lantana which benefits from heavy rain and mild weather.
- **Native flora and fauna continue to return**, including the sighting of a Sea Eagle that has taken up residence in Abbotsbury.
- We held the Bringing Back the Bush program with primary school students, which saw 982 students plant **2,800 trees and shrubs** throughout the year. This was despite rain and adverse weather resulting in a number of sessions being cancelled.

Creating community and recreational facilities

- We directed **$7.3 million of capital investment**. This included road resurfacing at The Dairy, and the first stage of improvement works at the Plough and Harrow shelters.
- The **$13.5 million relocation of the 86-hectare Wylde BMX and Mountain Bike facility** continued in partnership with Transport for NSW and Liverpool City Council.
- We finalised the **Eastern Creek Motor Sports Precinct Vision and Master Plan** with the NSW Office of Sport to create a premier destination for motorsports, entertainment, education and events. The first event at Eastern Creek Speedway was held in March 2022.
- We **upgraded the Australian Racing Drivers' Club track lighting** at Sydney Motorsports Park.

Maintaining a sustainable organisation

- We continued to **harmonise systems, processes and services** of Western Sydney Parklands with the administration of Centennial Parklands and Parramatta Park under Greater Sydney Parklands.
- The Trust **generated an income of $111.5 million** (including $69.1 million non-cash capital grant) from self-generated funds and grants from government and other agencies.
- **Recurrent income from property, events and parking fees was $29.0 million** compared to $22.8 million the previous year.
- **Recurrent expenditure including depreciation was $17.7 million** compared to $14.8 million the previous year.
- Our operating model continued to provide the **financial sustainability to secure the long-term future for the parklands**, with two new leases at Bringelly Road business hub and five new urban farming leases issued to successful farming operators.
- The opening of the **Eastern Creek Business Hub stage 2** has provided additional revenue.
- We continued to **provide rent relief to impacted tenants** to support our partners through the difficult lockdown period.

FERNHILL ESTATE

Fernhill Estate was vested into Western Sydney Parklands Trust in December 2020 and is a place of significance to many in the community, given its cultural and natural heritage in an idyllic bushland setting in the Mulgoa Valley.

The Foundation Plan of Management to 2026 was adopted in October 2021. We have been in regular contact with local stakeholder groups, First Nations community members and Penrith City Council to carefully guide how Fernhill Estate will be activated and managed over time.

The draft Landscape Master Plan responded to community and stakeholder feedback and was informed by the draft Conservation Management Plan and Foundation Plan of Management to 2026. It was open for community feedback from late 2021 to early 2022.

Connecting with our communities

- **More than 850 visitors registered for the Sunday self-guided walking trail** between October 2021 and June 2022 (the trail was closed due to COVID-19 lockdowns in the first quarter).
- With Transport for NSW, we hosted a pop-up community consultation at Mulgoa Public School on 4 June 2022, with 120 people in attendance and 470 people completing the online survey to talk about **how Mulgoa Road and access to Fernhill Estate could be improved**.

Caring for the environment and protecting our heritage

- Our **landscape remediation works** in high-profile areas included renovation works around Homestead Precinct, dam remediation works and extensive site-wide fencing renewals.
- **Caring for bushland program, undertaken by Mulgoa Valley Landcare Group**, included work to control invasive Lantana and privet, particularly around Littlefields Creek and Mulgoa Creek riparian corridors.
- We undertook **fox and deer control programs** with Local Land Services to align to regional programs.
- We **undertook emergency dam repair works** to stabilise the dam wall and spillway, which are important water bodies for the Regent Honeyeater and other bird habitat such as nesting Black Swans.
- We completed **Aboriginal due diligence** to help us identify suitable locations to plant trees for habitat enhancement and heritage succession planting.
- We **prepared an archival photographic record of the estate** as part of our heritage program and commenced conservation works to stone bridges.

Creating community and recreational facilities

- With the Foundation Plan of Management in place, and the draft Landscape Master Plan considered by the community, **our focus is now on the planning works** required for us to start creating community and recreation facilities over time.

Maintaining a sustainable organisation

- The equestrian centre and facilities remained privately leased, **generating a recurring income**.
- We investigated **opportunities for adaptive re-use** of existing buildings and facilities.
- We investigated new ways for people to engage with the estate while also **ensuring sound stewardship and fiscal management**.

About our parks

WESTERN SYDNEY PARKLANDS

Western Sydney Parklands is Australia's largest urban park with 5,280 hectares of public open space stretching for 27 kilometres over the local government areas of Blacktown, Liverpool and Fairfield.

Western Sydney Parklands is on the traditional lands of the Gandangara and Darug people. This corridor through the suburbs and former farming and grazing lands of Western Sydney is 16 times the size of Centennial Parklands and 62 times the size of Parramatta Park, a scale that provides for a unique suite of land uses and opportunities. This includes the revival of 2,000 hectares of native bushland alongside major sports and tourism facilities and revenue-raising business hubs.

The *Western Sydney Parklands Act 2006* formally set the boundaries of the parklands and established the Western Sydney Parklands Trust. The *Western Sydney Parklands Plan of Management 2030* provides the framework for the parklands' operation and development.

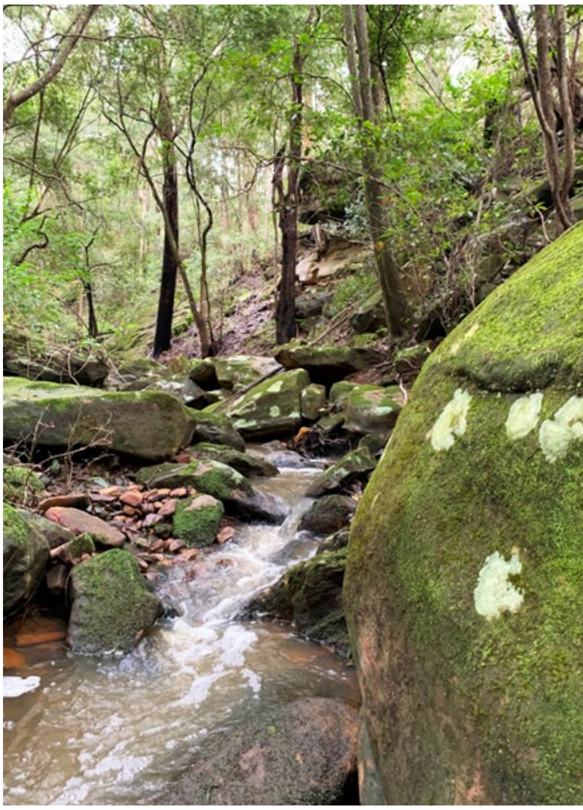
FERNHILL ESTATE

The 423-hectare Fernhill Estate sits on the edge of the Cumberland Plain within Penrith Local Government Area. Fernhill Estate is on Darug Country, close to Gundungurra Country, and was part of a vast First Nations estate across the Cumberland Plain prior to the 1800s.

Fernhill House is one of the most significant Greek Revival houses built in the Early Colonial era, with an almost intact estate setting today of rural open parklands leading down into the valley below and natural bushland up into the mountains behind.

Early pictorial representations of the house and estate show a natural landscape setting for Fernhill House that historical records imply were consciously created, and curated, from the native woodland of the Cumberland Plain.

The estate was vested into the Western Sydney Parklands Trust in December 2020. We released the Foundation Fernhill Estate Plan of Management 2026 in October 2021.



About the Western Sydney Parklands Trust

BOARD MEMBERS

Michael Rose AM
Chair

Ceinwen Kirk-Lennox

Dr Robert Lang

Lyall Gorman

Julie Bindon

Patrick St John

Siobhan Toohill

Suellen Fitzgerald
(to 30 June 2022)

Governance

Western Sydney Parklands Trust is a statutory body established under the *Western Sydney Parklands Act 2006*.

The Trust consists of eight trustees, who are appointed by and are responsible to the Minister for Infrastructure, Cities and Active Transport. The trustees oversee the management and strategic direction of the organisation, meeting regularly to consider policy and advice from park management.

Financial statements

Year ended 30 June 2022

INDEPENDENT AUDITOR'S REPORT

Western Sydney Parklands Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Western Sydney Parklands Trust (the Trust), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

I am independent of the Trust in accordance with the requirements of the:

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

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

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

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

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

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

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, the GSF Act, GSF Regulation and Treasurer's Directions. The Board's responsibility also includes such internal control as the Board 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 Board is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Trust 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.

Mary Yuen
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

16 November 2022
SYDNEY

Statement by the Accountable Authority

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 (the Act):

a) the accompanying financial statements have been prepared in accordance with the Australian Accounting Standards and any other requirements specified by the Government Sector Finance Regulation 2018 and the Treasurer's directions.

b) the statements present fairly the Trust's financial position, financial performance and cashflows.

c) we are not aware of any circumstances that would render any particulars included in the financial statements to be materially misleading or inaccurate.

Michael Rose AM
Chair
Western Sydney Parklands Trust
Greater Sydney Parklands

Joshua French
Chief Executive
Western Sydney Parklands Trust
Greater Sydney Parklands

Contents

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Actual 2022 $'000	Budget 2022 $'000	Actual 2021 Restated $'000
CONTINUING OPERATIONS				
REVENUE				
Sale of goods and services from contracts with customers	2(a)	197	379	314
Investment revenue	2(b)	28,804	23,517	22,465
Retained taxes, fees and fines	2(c)	4	–	4
Grants and other contributions	2(d)	79,865	4,214	10,847
Acceptance by the Crown Entity of employee benefits and other liabilities	2(e)	(39)	–	81
Other income	2(f)	2,684	2,759	1,654
Total revenue		**111,615**	**30,869**	**35,365**
EXPENSES EXCLUDING LOSSES				
Personnel services expenses	3(a)	3,449	3,452	2,887
Other operating expenses	3(b)	8,411	8,389	7,144
Depreciation	3(c)	5,760	7,266	4,708
Finance costs	3(d)	31	34	38
Total expenses excluding losses		**17,651**	**19,141**	**14,777**
Operating result		**93,864**	**11,728**	**20,588**
Net gain / (loss) on disposal	4(a)	(1,251)	–	(624)
Other gains / (losses)	4(b)	(20)	–	14,470
Gain on lease assets	4(b)	–	–	15,317
Impairment loss on financial assets	4(b)	(56)	–	(156)
Gain / loss on de-recognition of right-of-use assets	4(c)	83	–	–
Net result		**92,620**	**11,728**	**49,595**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net result in subsequent periods				
Changes in revaluation surplus of property, plant and equipment	10(a)	71,922	–	153,580
Total other comprehensive income		**71,922**	**–**	**153,580**
TOTAL COMPREHENSIVE INCOME		**164,542**	**11,728**	**203,175**

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2022

	Notes	Actual 2022 $'000	Budget 2022 $'000	Actual 2021 Restated $'000	Actual 1 July 2020 Restated $'000
ASSETS					
Current Assets					
Cash and cash equivalents	5	72,817	2,783	37,022	35,051
Receivables	6	30,122	8,680	1,981	2,191
Other financial assets	7	–	18,569	5,004	8,102
Lease receivable	8(a)	7,814	–	6,832	5,915
Total Current Assets		**110,753**	**30,032**	**50,839**	**51,259**
Non-Current Assets					
Lease receivables	8(b)	168,029	132,680	155,463	79,868
Other receivables	9	8,152	–	9,020	7,345
Property, plant and equipment	10(a)	1,224,234	1,138,894	1,126,870	932,297
Right-of-use assets	11	78	1,309	1,520	1,670
Total Non-Current Assets		**1,400,493**	**1,272,883**	**1,292,873**	**1,021,180**
Total Assets		**1,511,246**	**1,302,915**	**1,343,712**	**1,072,439**
LIABILITIES					
Current Liabilities					
Payables	13	4,052	4,596	6,746	3,999
Provisions	14	603	396	549	387
Other lease liabilities	15	37	285	281	232
Lease liabilities	16(a)	3,964	–	5,183	5,212
Other current liabilities	17(b)	1,370	–	969	
Total Current Liabilities		**10,026**	**5,277**	**13,728**	**9,830**
Non-Current Liabilities					
Provisions	14	11	170	11	9
Other provisions make-good	14(iv)	170	–	170	170
Other lease liabilities	15	44	1,128	1,305	1,467
Lease liabilities	16(b)	16,644	–	18,314	4,097
Other non-current liabilities	17(a)(b)	16,311	10,068	6,686	5,971
Total Non-Current Liabilities		**33,180**	**11,366**	**26,486**	**11,714**
Total Liabilities		**43,206**	**16,643**	**40,214**	**21,544**
NET ASSETS		**1,468,040**	**1,286,272**	**1,303,498**	**1,050,895**
EQUITY					
Reserves		601,659	756,536	529,737	376,157
Accumulated funds		866,381	529,736	773,761	674,738
TOTAL EQUITY		**1,468,040**	**1,286,272**	**1,303,498**	**1,050,895**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2022

	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Restated balance at 1 July 2021		**773,761**	**529,737**	**1,303,498**
Net result for the year		92,620	–	92,620
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	10(a)(iv)	–	71,922	71,922
Total other comprehensive income		**–**	**71,922**	**71,922**
Total comprehensive income for the year		**92,620**	**71,922**	**164,542**
Transactions with Owners in their capacity as owners				
Increase / (decrease) in land assets from equity transfers		–	–	–
Balance at 30 June 2022		**866,831**	**601,659**	**1,468,040**
Balance as at 1 July 2020		**673,376**	**376,157**	**1,049,533**
prior period lease receivable error		1,362	–	1,362
Restated balance at 1 July 2020		**674,738**	**376,157**	**1,050,895**
Restated net result for the year		49,595	–	49,595
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	10(a)(iv)	–	153,580	153,580
Total other comprehensive income		**–**	**153,580**	**153,580**
Restated total comprehensive income for the year		**49,595**	**153,580**	**203,175**
Transactions with Owners in their capacity as owners				
Increase / (decrease) in land assets from equity transfers	26	49,428	–	49,428
Restated transactions with Owners in their capacity as owners		49,428	–	49,428
Restated balance at 30 June 2021		**773,761**	**529,737**	**1,303,498**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2022

	Notes	Actual 2022 $'000	Budget 2022 $'000	Actual 2021 Restated $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(4,421)	(3,452)	(2,715)
Suppliers for goods and services		(10,751)	(8,389)	(11,815)
Finance costs		(31)	(34)	(38)
Total payments		**(15,203)**	**(11,875)**	**(14,568)**
Receipts				
Sale of goods and services from contracts with customers		196	379	–
Grants and other contributions		22,774	4,214	10,817
Rent received		2,902	7,410	8,531
Retained taxes, fees and fines		4	–	4
Finance lease income		7,826	16,107	27,139
Interest received		111	–	140
Offset and environmental management fee		529	–	441
Crown revenue		(39)	–	–
Other		1,777	2,759	2,688
Total receipts		**36,080**	**30,869**	**49,760**
Net cash flows from operating activities	23	**20,877**	**18,994**	**35,192**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property plant and equipment		26,711	–	–
Proceeds from sale of financial assets		5,004	–	9,341
Purchase of property, plant and equipment and intangibles		(16,456)	(16,493)	(42,233)
Net cash flows used in investing activities		**15,259**	**(16,493)**	**(32,892)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities	11	(341)	(230)	(329)
Net cash flows from financing activities		**(341)**	**(230)**	**(329)**
Net increase / (decrease) in cash and cash equivalents		35,795	2,271	1,971
Opening cash and cash equivalents		37,022	9,081	35,051
Reclassification of cash equivalents		–	(8,569)	–
CLOSING CASH AND CASH EQUIVALENTS	5	**72,817**	**2,783**	**37,022**

The accompanying notes form part of these financial statements.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Western Sydney Parklands Trust (the Trust) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Trust operates as one program group and there are no other entities under its control which are required to be consolidated in these financial statements.

The Trust is a not-for-profit entity (as profit is not its principal objective) and is consolidated as part of the NSW Total State Sector.

The Trust's principal objectives are to protect and conserve the natural and cultural heritage of Western Sydney Parklands and Fernhill Estate. Covering 5,280 hectares, Western Sydney Parklands provides space for recreation, sport, environment, community facilities, services infrastructure, agribusiness, business and employment. Fernhill Estate covers 425 hectares and includes a heritage-listed homestead, one of Australia's finest examples of Georgian architecture, plus another home and outbuildings, gardens, lakes and equine facilities including a two-kilometre horse racetrack.

As a result of the *Government Sector Employment Act 2013*, employees of the Trust are reported as employees of a Division of the Government Service. From 1 July 2019, the Department of Planning and Environment has provided these services as per *Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2019*, the Trust reports employee related information as "personnel services" in its financial statements.

As a result of machinery of government (MOG) changes the Greater Sydney Parklands (encompassing Parramatta Park Trust; Fernhill Estate; Western Sydney Parklands Trust; Centennial Park and Moore Park Trust, including part of Callan Park) has transferred from the Department of Planning and Environment (DPE) cluster to Cities and Active Transport (CAT) within the Transport and infrastructure cluster from 1 April 2022 (refer Note 29).

These financial statements for the year ended 30 June 2022 have been authorised for issue by the Trust on the 15 November 2022.

(b) Basis of preparation

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

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

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

The impact of COVID-19 increases the level of judgement across a number of key areas for the Trust, in particular recognition and measurement of the assets of the Trust. Judgements, key assumptions and estimations that management has made, are disclosed in the relevant notes to the financial statements.

Unless otherwise stated, amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency which is the Trust's presentation and functional currency.

The Trust's financial statements have been prepared on a going concern basis. In making its assessment that this basis was appropriate, the Trust has taken into account all available information about the future of the Trust including reliance upon Government approved funding, known efficiency dividends, estimated insurance recoveries and consideration of currently expected effects of COVID-19 on the Trust's activities.

(c) Statement of compliance

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

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

(d) Administered activities

The Trust does not administer or control activities on behalf of the Crown.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item 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 activities and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Where necessary, comparative information has been reclassified to ensure consistent presentation with the current year.

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

(i) Effective for the first time in FY 2021-22

The accounting policies applied in FY2021-22 are consistent with those of the previous financial year.

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. TPP22-07 mandates options and major policy decisions under Australian Accounting Standards. It also mandates that all Government Finance Statistics (GSF) classified agencies must apply Tier 1 (Australian Accounting Standards) reporting requirements.

The following amendments and interpretations apply for the first time in FY2021-22, but do not have any material impact on the financial statements of the Trust.

- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions beyond 30 June 2021.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise (TPP22-07 Mandates of options and major policy decisions under Australian Accounting Standards).

The following Standards / Interpretations have not been applied and are not yet effective.

These Standards/Interpretations are not expected to have any material impact on the financial statements of the Trust.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-4 Amendments to Australian Accounting Standards - Covid -19-Relatd Rent Concessions
- 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase2.

2 Revenue

(a) Sale of goods and services from contracts with customers

	2022 $'000	2021 $'000
Rendering of services		
Use of recreational facilities	196	314
Fees received	1	–
Total	**197**	**314**

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers. As AASB 1058 undertakes a residual approach, the Trust assesses the applicability of AASB 15 before it considers the application of AASB 1058.

In applying the recognition and measurement principles above, the majority of the Trust's income streams fall within either AASB 15 (refer Note 2(a)) or AASB 1058 (refer Note 2(d)).

Sale of goods and services

Revenue from sale of goods and services is recognised as when the Trust satisfies a performance obligation by transferring the promised goods or services. The Trust typically satisfies its performance obligations at a point in time when the control of the goods or services is transferred to the customers.

Revenue from sales is recognised based on the price specified in the contract revenue and is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Rendering of services

The Trust has a range of outdoor areas comprising Bungarribee Park, The Dairy, Lizard Log, Nurragingy Reserve, Plough and Harrow, Shale Hills, Sugarloaf Ridge & Moonrise Lookout and Wylde MTB Trail which are made available to the community for recreational, sporting, cultural and educational activities. Events and activities that require an upfront payment result in the recognition of revenue from rendering of services when the Trust satisfies the performance obligation at a point in time. The value of unsatisfied obligations for revenue contracts with customers have been recognised as liabilities as at 30 June 2022 is nil (2021: Nil).

Revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when service is provided.

(b) Investment revenue

	2022 $'000	2021 Restated $'000
Interest income from financial assets at amortised cost	107	103
Finance lease income	13,443	10,138
Rental income	16,102	11,549
Loss on Bio-banking Trust Fund	(848)	675
Total	**28,804**	**22,465**

Recognition and Measurement

Interest revenue

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Lease income

(i) Rental income

Property leases

The Trust has entered into a number of lease agreements as Lessor, whereby land and buildings owned by the Trust are leased to third parties for the purpose of operating various commercial enterprises. The term of these agreements ranges from one to forty-nine years.

Business Hub operating lease income

The Trust has entered into various Development Management Agreement (DMA) with various developers to develop Business Hubs. In consideration for the right to develop the site, the developer has paid a non-refundable Upfront Development Payment (UDP). The UDP and the estimated present value (PV) of the infrastructure works for the operating lease over the operating lease period (refer note 11) are recognised as operating lease income.

Rental income arising from these operating leases are accounted for on a straight-line basis over the term of the lease. Rent received in advance is recognised as revenue over the period to which the prepaid rent refers. Contingent rents are recognised as revenue in the period in which they are earned.

These leases are classified as operating leases as the lease payments do not represent substantially all the fair value of the land and as a result, the lessee does not substantially hold all the risks and rewards incidental to ownership of the leased asset. The respective leased assets are included by the Trust in the Statement of Financial Position based on their nature.

(ii) Business hub finance lease income

Leases that the Trust transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. Finance leases represent new and existing lease agreements in accordance with AASB 16 Leases.

At the point in time when the up-front land payment is received the Trust derecognises the land subject to finance lease and recognises the finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease Initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease (refer Note 11).

Finance lease income reflect payments from the lessees under the respective Business Hub Ground lease agreements (refer note 11).

Bio-banking Trust Fund

Bio-banking credits are recognised at cost equivalent to the Trust fund deposit amount as per the Bio-banking agreement. The Trust Fund deposit represents the future expected cost of undertaking the environmental management obligations, as specified under the agreement. The Trust recognises the difference between the environmental management obligation cost and sale price received as a gain or loss on sale of the Bio-banking credits.

(c) Retained taxes, fees and fines

	2022 $'000	2021 $'000
Parking fines and penalty income	4	4
Total	**4**	**4**

Recognition and Measurement

Retained taxes, fees and fines primarily relate to fines received from issuance of infringement notices for breaches of Trust regulations and parking fines and penalty income arising from parking meters.

(d) Grants and other contributions

	2022 $'000	2021 $'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the Trust		
Sydney Metro - Speedway Assets acquired free of charge	69,113	–
NSW Government through Department of Planning and Environment	3,923	3,950
Transport for NSW (Wylde MTB)	6,000	5,351
Transport for NSW (Mirror Dam Shared Path)	186	–
Department of Planning and Environment (Greening Western Sydney)	88	–
Federal Government -National Science Week	20	20
Local Government (Contribution by Liverpool City Council Wylde MTB)	500	–
Total grants to acquire/construct a recognisable non-financial asset to be controlled by the Trust	**79,830**	**9,321**
Other Grants with no specific performance obligations		
NSW Government through Department of Planning and Environment	–	1,496
Total Other Grants with no specific performance obligations	**–**	**1,496**
Grants with sufficiently specific performance obligations		
Department of Planning and Environment (Greener Wilder)	35	30
Total Other Grants with sufficiently specific performance obligations	**35**	**30**
Total	**79,865**	**10,847**

In addition to the general grants, the Trust also receives capital grants funding from communities and other government departments for capital works such as infrastructure assets upgrades. Under the AASB1058, these grants are recognised as "transfers to acquire/construct non-financial assets" that are controlled by the Trust to further its objectives, therefore giving rise to future obligations (liabilities).

Liabilities with unsatisfied obligations

(i) Premier Priority Project

In FY2020, the Trust received $1,650,000 from the Department of Planning and Environment (DPE) to plant Trees in Western Sydney Parklands as a part of Premier's Priority Project 'Greening Our City', an additional $90,000 was received in FY2021. As at 30 June 2022 $873,864 has been spent ($33,273 spent during FY2022) and $866,136 has been deferred. The remaining is expected to be spent in FY2023 and thereafter.

(ii) Pilot Program to control deer

In FY 2021, the Trust received $70,000 from the DPE to undertake a Pilot Program to control deer in Western Sydney Parklands. As at 30 June 2022, no funds have been spent and the whole amount has been deferred. The grant is expected to be utilised in the program in FY2023 and thereafter.

(iii) WSPT - M12 Interface Deed

The M12 Interface deed was executed on Monday, 28 February 2022 between Transport for NSW (TfNSW) and Western Sydney Parklands Trust (Trust). As per the Deed the Trust is responsible to construct and undertake the alignment of the Mirror Dam Shared Path in accordance with WSPT's Design Documentation developed under clause 11.1(a). The total estimated cost of the project is $15,000,000 of which TfNSW has paid $10,000,000. Of the $10,000,000 paid, only $186,000 is spent. The remaining $9,814,000 has been accounted for as deferred revenue as at 30 June 2022. The project is due to complete by 1 December 2025 and rectification of any defects in such works by 1 December 2026. In accordance with the Deed the remaining $5,000,000 will be paid within 60 days of the completion date of the Mirror Dam Shared Path works.

(iv) Wylde Mountain Bike Trail Facility

Under Clause 10.2 of the Deed TfNSW has approved and will be responsible for the agreed cost contribution for the Mountain Bike Bike facility works as set out in Schedule 5. The cost of the project is $6,000,000 plus variations. TfNSW has agreed to pay 50% of the agreed cost contribution as per Schedule 5 within 30 days of the Deed. The balance will be paid within 30 days from the date the Trust provides evidence to TfNSW that it has paid such amounts to be the relevant design consultant or the Trust contractors.

(v) Sydney Metro In-kind Non-Cash contribution – Speedway Assets

As per the Speedway Delivery Agreement (SDA) between Western Sydney Parklands Trust (Trust) and Sydney Metro dated 19 August 2020, Speedway related assets comprising Speedway, Grandstands, Car Parks, Ticket Booth and other Infrastructure assets were formally transferred to the Trust on 20 April 2022. The value of assets transferred is $69,113,000 and is recognised as an In-kind non-cash contribution from Sydney Metro. The accounting treatment of the Speedway Asset transfer between the Trust and Sydney Metro has been mutually confirmed and agreed.

Recognition and Measurement

Grants and contributions are recognised in accordance with the requirements of AASB 1058 Income of Not-for-Profit Entities. AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g., AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Trust is recognised when the Trust satisfies its obligations under the transfer. The Trust satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Revenue from grants with sufficiently specific performance obligations is recognised when the Trust satisfies a performance obligation by transferring the promised goods. The Trust typically satisfies its performance obligations when milestones are completed. Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Revenue from grants without sufficiently specific performance obligations is recognised when the Trust obtains control over the granted assets (e.g., cash).

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

	2022 $'000	2021 $'000
Superannuation – defined benefit	4	–
Long service leave provision	(43)	81
Total	**(39)**	**81**

Recognition and Measurement

On initial incurrence of the liability, the Trust recognises a liability and an expense. When the liability is assumed by the Crown Entity, the Trust recognises an income equivalent to the liability assumed.

(f) Other income

	2022	2021
	$'000	$'000
Expense recoveries	1,908	221
Insurance recoveries	78	740
Environment scheme income	509	441
Bio-banking liability amortisation	189	252
Total	**2,684**	**1,654**

Expense recoveries includes staff, contactors, consulting, fee for services, legal, security services, utilities, staff car parking, property damages and maintenance of venues and facilities.

Insurance recoveries primarily include progress payment for property damage claims of $77,567 (2021: $740,140).

Environment scheme income is an annual disbursement/allocation of funds to the Trust from Biodiversity Conservation Trust in order to maintain / operate the Bio-banking Sites that the landowner is responsible for.

Bio-banking liability amortisation is the value of obligations the landowner is responsible for to maintain / operate in relation to Bio-banking sites as per the agreement. Bio-banking liability amortisation relates to the unwinding of the Bio-banking liability every year as the landowner fulfills its obligations as per agreement.

3 Expenses Excluding Losses

(a) Personnel services expenses

	2022	2021
	$'000	$'000
Salaries and wages (including recreation leave)	3,000	2,434
Superannuation - defined contributions plans	295	189
Long service leave	(41)	81
Workers compensation insurance	21	25
Payroll tax and fringe benefits tax	174	158
Total	**3,449**	**2,887**

Personnel services are provided by the Department of Planning and Environment (refer Note 1(a)).

(b) **Other operating expenses include the following:**

	2022 $'000	2021 $'000
Maintenance	3,746	2,482
Fees for services	1,406	985
Shared services costs	755	755
Parklands – ranger services	471	302
Insurance	392	210
Consultants	296	490
Security	274	317
Legal fees	212	376
Marketing	186	231
Board fees	127	94
Audit fees	123	128
Information technology	93	58
Utilities	93	283
Motor vehicle and fleet	82	120
Telecommunications	54	27
Training and conferences	40	85
Waste removal and cleaning	37	64
Other	24	137
Total	**8,411**	**7,144**

Recognition and Measurement

Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred. However, where they relate to the replacement of a component of an asset which restores the service potential and extends the life of the asset beyond that which it had originally, the costs are capitalised and depreciated.

Insurance

The Trust's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

Lease expense

The Trust recognises lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option;
- Leases of assets that are valued at $10,000 or under when new.

The Trust does not have any short-term lease or leases of assets of $10,000 or less.

(c) Depreciation

	2022 $'000	2021 $'000
Buildings	1,184	1,134
Infrastructure systems – other	3,538	2,795
Plant and equipment	732	484
Right-of-use assets	306	295
Total depreciation	**5,760**	**4,708**

Recognition and Measurement

Refer to Note 9 for the depreciation policy related to property, plant and equipment and Note 10 for the depreciation policy related to right-of-use assets.

(d) Finance costs

	2022 $'000	2021 $'000
Interest expense from lease liabilities	31	38
Total	**31**	**38**

Recognition and Measurement

Finance cost in this Note represents the interest in respect of lease liabilities recognised in accordance with AASB 16. The Trust does not have any other borrowing costs.

4 Other Gains / (Losses)

(a) Gain / (losses) on disposal

	2022 $'000	2021 $'000
Proceeds from the sale of assets	–	–
Less written down value of assets disposed	(1,251)	(624)
Total gain / (losses) on disposal	**(1,251)**	**(624)**

(b) Other gain / (losses)

	2022 $'000	2021 Restated $'000
(Loss) / gain on Biodiversity assets	(20)	14,470
Gain on lease assets	–	15,317
Impairment loss on financial assets	(56)	(156)
Total other gain / (losses)	**(76)**	**29,631**

(c) Other gain / (losses) – de-recognition of property leases

	2022 $'000	2021 $'000
Gain on de-recognition of right-of-use assets and lease liabilities with Property NSW*	83	–
Total gain / (losses) on disposal	**83**	–

*The net gains(losses) are recognised from the de-recognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022. Please refer to Note 11 for further details on the de-recognition.

	2022 $'000
Right-of-use asset	
Gross carrying value	1,925
Less: accumulated depreciation and accumulated impairment provision	(761)
Net book value	**1,164**
Amortised balance of incentives received	**–**
Less: Lease Liability	**1,247**
Net gains / (losses)	**83**

Impairment losses

Impairment losses may arise on assets held by the Trust from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Note 6: Current assets - receivables

Note 7: Current assets - other financial assets

Note 10: Property, plant and equipment

Note 11: Right-of-use assets

5 Current Assets - Cash and Cash Equivalents

	2022 $'000	2021 $'000
Cash at bank	72,817	32,022
Short term deposits	–	5,000
Total	**72,817**	**37,022**
Closing cash and cash equivalents (per Statement of Cash Flows)	**72,817**	**37,022**

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand and short-term deposits with maturity of three months or less and subject to an insignificant risk of changes in value.

Refer to Note 24 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

6 Current Assets - Receivables

	Notes	2022	2021
		$'000	$'000
Trade receivables from contracts with customers		29,526	896
Rent receivable		107	184
Subtotal		29,633	1,080
*Less Allowance for expected credit losses**	24(c)(i)	(136)	(156)
Retained taxes and GST receivable		513	1,050
Prepayments		112	7
Total		**30,122**	**1,981**
**Movement in the allowance for expected credit loss*			
Balance at the beginning of year		(156)	–
Amounts utilised during the year		76	–
Decease / (Increase) in allowance recognised in net results		(56)	(156)
**Balance at the end of the year*		**(136)**	**(156)**

Recognition and Measurement

Receivables are initially recognised at fair value, plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

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

Commercial leases COVID-19 Regulation - Guidance to NSW Government Agencies

From April 2020 to June 2021 the Trust has assessed deferred debtors in accordance with *Retail and Other Commercial Leases (COVID-19) Regulation 2020 (under the Retail Leases Act 1994)* and *National Code of Conduct SME Commercial Leasing Principles* (the Code).

The Expenditure Review Committee of Cabinet (ERC) agreed on a package to support commercial tenants in financial distress due to COVID-19.

As landlords, NSW Government agencies must negotiate rent relief agreements with eligible tenants by applying the 14 leasing principles in the Code.

The leasing principles of the Code should be applied on a case-by-case basis. Landlords and tenants can opt out of any, or all, of the principles and reach their own agreement provided both parties agree.

1) Offer a rent waiver consistent with the Code leasing principles; and

2) Defer all other rent owed for the 6-month period already committed to by the NSW Government.

On 13 January 2022, the Regulation was repealed and remade under *the Retail and Other Commercial Leases (COVID-19) Regulation 2022 (the Regulation)*. This served to extend the prescribed period for an additional two months until 13 March 2022.

Impact on agencies

If agencies have not negotiated rent relief for the full prescribed period, they may limit the duration of rent relief to:

- For tenants with a turnover from $5 million and less than $50 million – the period in which the tenant received a COVID-19 grant up to 30 November 2021.
- For tenants with a turnover of less than $5 million – the period in which the tenant received or would have received a COVID-19 grant if the JobSaver and Micro-business grant programs continued up to 13 March 2022.

It should be noted where the tenant has an annual turnover of $5 million or more, the agency is not required to negotiate rent relief beyond 30 November 2021.

The Trust has finalised a comprehensive review of rental relief guidelines on the property portfolio. For the year ended 30 June 2022 the Trust has recognised Rent relief (inclusive of rental waivers and deferrals) of $530,000 (2021: $820,000) (refer note 27).

Impairment

The Trust recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Trust expects to receive, discounted at the original effective interest rate.

For trade receivables, the Trust applies a simplified approach in calculating ECLs. The Trust recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

The ECL and provision has placed reliance upon potential recovery through bank guarantees held. Given the current experience with the COVID-19 pandemic to date, there is a possibility some current receivables may not be collected within twelve months.

7 Current Assets - Other Financial Assets

	2022 $'000	2021 $'000
Term deposits at amortised cost	–	5,004
Total	**–**	**5,004**

Refer to Note 24 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

Recognition and Measurement

Other financial assets are initially measured at fair value plus any transaction cost.

Subsequent measurement

Financial assets at amortised cost

The Trust's financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as a separate line item in the Statement of Comprehensive Income. Any gain or loss arising on de-recognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

Impairment

The Trust recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Trust expects to receive, discounted at the original effective interest rate.

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12 months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL).

8 Current / Non-Current lease receivables

(a) Current lease receivable

	2022	2021
		Restated
	$'000	$'000
Current operating lease receivables	–	–
Current finance lease receivables	7,814	6,832
Total lease receivables	**7,814**	**6,832**

(b) Non-current lease receivable

	2022	2021
	$'000	$'000
Non-current operating lease receivables	8,073	1,134
Non-current finance lease receivables	159,956	154,329
Total lease receivables	**168,029**	**155,463**

Operating lease receivables

The operating lease receivable refers to payments outstanding from the lessees under the respective property and Business Hub operating lease agreements (refer note 11).

Finance lease receivable

The Finance lease receivable refers to payments outstanding from the lessees under the respective Business Hub Ground lease agreements (refer note 11).

9 Current / Non-Current Assets – Other Receivables

	2022	2021
	$'000	$'000
Non-current other receivables		
Bio-banking Trust Fund deposit	8,152	9,020
Total	**8,152**	**9,020**

Recognition and Measurement

Bio-banking Trust Fund deposit

The Bio-banking Trust Fund is managed by the Biodiversity Conservation Trust (BCT). The annual allocation of the fund is provided to the Trust in order to meet its annual obligation in relation to the maintenance and operation of Bio-banking sites.

The Bio-banking agreement requires a pre-determined portion of proceeds from the sale of credits be deposited into the Bio-banking Trust Fund. The balance of the Bio-banking Trust Fund represents amounts that will be made available to the Trust to finance the environmental works required under each Bio-banking agreement.

The Bio-banking receivable relates to the fund's receivable to the Trust for the operation and maintenance of the site in accordance with the agreement.

10 Non-Current Assets – Property, Plant and Equipment

(a) Total property, plant and equipment

		2022 $'000	2021 $'000
(i)	**Land and Buildings**		
	At Fair Value	958,955	941,311
	Less Accumulated Depreciation	(22,257)	(19,929)
	Net carrying amount	**936,698**	**921,382**
(ii)	**Plant and Equipment**		
	At Fair Value	9,449	6,105
	Less Accumulated Depreciation	(3,065)	(2,196)
	Net carrying amount	**6,384**	**3,909**
(iii)	**Infrastructure Systems**		
	Biodiversity Assets		
	At Fair Value	42,035	40,316
	Net carrying amount	**42,035**	**40,316**
	Other		
	At Fair Value	266,465	183,944
	Less Accumulated Depreciation	(27,348)	(22,681)
	Net carrying amount	**239,117**	**161,263**
	Total Infrastructure Systems Net Carrying Amount	**281,152**	**201,579**
	Total Property, Plant and Equipment Net Carrying Amount	**1,224,234**	**1,126,870**

(a) **Total property, plant and equipment**

(iv) **Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current and prior reporting period is set out below.

		Land and Buildings	Plant and Equipment	Infrastructure Systems: Biodiversity Assets	Infrastructure Systems: Other	Total
As at 30 June 2022	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net carrying amount at the beginning of year		**921,382**	**3,909**	**40,316**	**161,263**	**1,126,870**
Additions		4,153	2,882	377	78,157	85,569
Disposals	4(a)	(53,422)		(746)	(505)	(54,673)
Net revaluation increment		66,174	155	–	5,593	71,922
Transfer between asset classes		(405)	170	2,088	(1,853)	–
Depreciation expense	3(c)	(1,184)	(732)	–	(3,538)	(5,454)
Net Carrying amount at the end of the year		**936,698**	**6,384**	**42,035**	**239,117**	**1,224,234**

		Land and Buildings	Plant and Equipment	Infrastructure Systems: Biodiversity Assets	Infrastructure Systems: Other	Total
As at 30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net Carrying amount at the beginning of year		**780,606**	**3,723**	**25,847**	**122,121**	**932,297**
Additions		1,568	776	–	41,407	43,751
Disposals	4(a)	(624)	–	–	–	(624)
Asset recognised for the first time	4(b)	–	–	14,469	–	14,469
Net revaluation increment		153,580	–	–	–	153,580
Transfer to finance lease		(61,618)	–	–	–	(61,618)
Transfer between asset classes		(424)	(106)	–	530	–
Transfers – Equity		49,428	–	–	–	49,428
Depreciation expense	3(c)	(1,134)	(484)	–	(2,795)	(4,413)
Net Carrying amount at the end of year		**921,382**	**3,909**	**40,316**	**161,263**	**1,128,870**

Further details regarding the fair value measurement of property, plant and equipment are discussed in Note 11.

(b) Property, plant and equipment held and used by the Trust

		2022 $'000	2021 $'000
(i)	**Land and Buildings**		
	At Fair Value	912,043	900,723
	Less Accumulated Depreciation	(827)	(709)
	Net carrying amount	**911,216**	**900,014**
(ii)	**Plant and Equipment**		
	At Fair Value	7,379	6,105
	Less Accumulated Depreciation	(3,051)	(2,196)
	Net carrying amount	**4,328**	**3,909**
(iii)	**Infrastructure Systems**		
	Biodiversity Assets		
	At Fair Value	42,035	40,316
	Net carrying amount	**42,035**	**40,316**
	Other		
	At Fair Value	153,035	183,944
	Less Accumulated Depreciation	(26,652)	(22,681)
	Net carrying amount	**126,383**	**161,263**
	Total Infrastructure Systems Net Carrying Amount	**168,418**	**201,579**
	Total Property, Plant and Equipment Net Carrying Amount	**1,083,962**	**1,105,502**

(b) Property, plant and equipment held and used by the Trust

(iv) Reconciliation

As at 30 June 2022	Note	Land and Buildings $'000	Plant and Equipment $'000	Infrastructure Systems: Biodiversity Assets $'000	Infrastructure Systems – Other $'000	Total $'000
Net carrying amount at the beginning of year		**900,014**	**3,909**	**40,316**	**161,263**	**1,105,502**
Additions		76	812	377	14,884	16,149
Disposals		(53,464)	(138)	(746)	(1,834)	(56,182)
Net revaluation increment/decrement		65,085	292	–	5,169	70,546
Transfer between asset classes		(419)	170	2,088	(50,251)	(48,412)
Depreciation expense		(76)	(717)	–	(2,848)	(3,641)
Net Carrying amount at the end of year		**911,216**	**4,328**	**42,035**	**126,383**	**1,083,962**

As at 30 June 2021	Note	Land and Buildings $'000	Plant and Equipment $'000	Infrastructure Systems: Biodiversity Assets $'000	Infrastructure Systems – Other $'000	Total $'000
Net carrying amount at the beginning of year		**761,169**	**3,723**	**25,847**	**122,121**	**912,860**
Additions		800	776	–	41,407	42,983
Asset recognised for the first time		–	–	14,469	–	14,469
Net revaluation increment/decrement		153,580	–	–	–	153,580
Transfer to Finance Lease		(61,618)	–	–	–	(61,618)
Transfer between asset classes		(3)	(106)	–	530	421
Transfers – Equity		46,161	–	–	–	46,161
Depreciation expense		(75)	(484)	–	(2,795)	(3,354)
Net Carrying amount at the end of year		**900,014**	**3,909**	**40,316**	**161,263**	**1,105,502**

(c) Property, plant and equipment where Trust is Lessor under operating leases

	2022 $'000	2021 $'000
Land and Buildings		
At Fair Value	46,913	40,588
Less Accumulated Depreciation	(21,430)	(19,220)
Net carrying amount	**25,483**	**21,368**
Plant and Equipment		
At Fair Value	2,070	–
Less Accumulated Depreciation	(15)	–
Net carrying amount	**2,055**	**–**
Infrastructure System		
At Fair Value	113,430	–
Less Accumulated Depreciation	(696)	–
Net carrying amount	**112,734**	**–**
Total Property, Plant and Equipment Net Carrying Amount	**140,271**	**21,368**

(ii) Reconciliation

As at 30 June 2022	**Land and Buildings $'000**	**Plant and Equipment $'000**	**Infrastructure Systems - Other $'000**	**Total $'000**
Net carrying amount at the beginning of year	**21,368**	–	–	**21,368**
Additions	4,078	2070	63,273	69,420
Net revaluation increment/decrement	1,131	–	1,754	2,885
Transfer between asset classes	14	–	48,398	48,412
Depreciation expense	(1,108)	(15)	(691)	(1,814)
Net Carrying amount at the end of year	**25,483**	**2,055**	**112,734**	**140,271**

As at 30 June 2021	**Land and Buildings $'000**	**Plant and Equipment $'000**	**Infrastructure Systems - Other $'000**	**Total $'000**
Net carrying amount at the beginning of year	**19,437**	**–**	**–**	**19,437**
Additions	768	–	–	768
Disposals	(624)	–	–	(624)
Transfer between asset classes	(421)	–	–	(421)
Transfers – Equity	3,267	–	–	3,267
Depreciation expense	(1,059)	–	–	(1,059)
Net Carrying amount at end of year	**21,368**	**–**	**–**	**21,368**

Where the Trust is the lessor for operating leases, the underlying assets are classified based on the nature as 'land and buildings' as disclosed above.

(d) Recognition and Measurement

(i) Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid, or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent i.e. the deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Refer asset transferred as a result of an equity transfer (refer Note 26)

Biodiversity Assets

From 2019-20 onwards, Biodiversity Assets are measured at fair value using the replacement cost methodology, whereby the value of an asset is estimated by reference to the costs that would have to be expended in order to recreate the asset. This approach has been determined by the Trust to be the most appropriate methodology, as a reliable estimate of the replacement costs has been established through the engagement of environmental specialists. The total land area assessed as part of the determination of the replacement value of Biodiversity Assets was 1,383.1 hectares, comprising 143 individual biometric plot sites.

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

(iii) Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

(iv) Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

(v) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred. However, where they relate to the replacement of a component of an asset, which restores the service potential and extends the life of the asset beyond that which it had originally, the costs are capitalised and depreciated.

(vi) Depreciation of property, plant and equipment

Except for certain non-depreciable 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 Trust.

Land and Biodiversity Assets are not depreciable assets. Certain heritage assets including heritage buildings and infrastructure may not have limited useful lives 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. In addition, the turfing of parklands is considered to have a useful life greater than 100 years and not all material separately identifiable components of assets are recognised and depreciated over their shorter useful lives. Useful lives of the Trust's assets have been determined as follows:

	Useful Life Years	
	2022	**2021**
Building	25 - 100	25 -100
Plant and Equipment	5 - 20	5 - 20
Infrastructure Systems	5 - 50	5 - 50

(vii) 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 (TPP21-09) and Treasurer’s Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants’ perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 12 for further information regarding fair value.

Revaluation is made with sufficient regularity to ensure the carrying amount of each asset does not differ materially from its fair value at reporting date. The Trust conducts a comprehensive revaluation at least every three years for its land and at least every five years for buildings and infrastructure assets.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The Trust uses an external professionally qualified valuer to conduct interim revaluations. For the period ended 31 March 2022, the Trust's land holdings, building and infrastructure systems assets were revalued using an indexation based on movement in relevant prices in the past 12 months. It should be noted the last comprehensive valuations for land holdings and buildings and infrastructure were carried in FY2020. The next comprehensive valuation is due in FY2023

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Trust 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 of 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 asset revaluation reserve 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.

(i) Land

A Comprehensive Valuation was performed during FY2020 for the overall land assets of the Trust, except Business Hub land. As at 31 March 2022 the Trust's land has been valued based on an indexation factor independently calculated by professional valuer, Mr. Mark Skeed, Certified valuer from CBRE. The valuation Methodology reflects various economic indicators i.e. the Reserve Bank of Australia Cash Rate, Labour Market, Unemployment Rate and Wages growth, Consumer Price Index, forward National growth rate and others. CBRE considers that the commercial market in NSW has generally remained towards the top of the market across FY2021 for the major three cities (Sydney, Wollongong and Newcastle) and across Regional NSW. The analysis indicates the market for the subject land assets has shown a modest growth in the 12 months to 31 March 2022, for which CBRE have adopted indexation of 1.03 (+3% change) for the land values within the Trust's portfolio.

Sale of M12 land

Transport for NSW (TfNSW) has performed a compulsory acquisition of Western Sydney Parklands Trust's (WSPT) land with Gazettal Notice dated 17 December 2021. The acquisition of land relate to State Significant Infrastructure project, approval SSI-9364 (M12 Motorway), approved by the State Minster for Planning and Public Spaces on 23 April 2021, and EPBC Act Referral Number 2018/8286 (M12 Motorway Project), approved by Commonwealth Minister for the Environment on 3 June 2021. As per Section 29 of the Deed-Freehold and Leasehold signed dated 15 November 2021 between TfNSW and WSPT, the acquisitions are for:

- Compulsory Acquisition Freehold land approximately 51.44 hector and

  Compulsory Acquisition Leasehold land approximately 16.202 hectors

The Trust has revalued the land subject to compulsory acquisition at fair value based on the Lunney Watt and Associates valuation of $53,421,698 dated 27 July 2021. This has resulted in the recognition of a revaluation gain of $44,566,968 on the compulsory acquisition of freehold land.

(ii) Buildings and infrastructure systems - Other

The valuation of buildings and infrastructure systems (landscaping, park infrastructure assets including playgrounds, paths, car parks etc.) was independently undertaken by Mark Skeed, Certified Practicing Valuer, Bachelors of Town Planning and Master of Real Estate from CBRE. Based on CBRE's experience (referencing information provided in Rawlinson's), the valuation adopted an indexation of 5.5% increase in the 12 months to 31 December 2021 for the construction cost rate increases for the subject improvements for Buildings, Infrastructure and Plant & Equipment Construction Indices.

** For the valuation of land, building, Biodiversity and infrastructure assets above there has been no material change in value between 31 March 2022 and 30 June 2022 after taking into account the impacts of COVID-19 and changes in economic environment.

(e) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, 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.

The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(f) Work in progress

Included in property, plant and equipment are the following amounts of work in progress which will not commence to be depreciated until construction is completed or the items are installed ready for use:

	2022 $'000	2021 $'000
Land & Buildings	76	250
Plant and Equipment	1,550	780
Infrastructure Systems – Other	53,473	89,172
Total	**55,099**	**90,202**

11 Leases

(a) Trust as a lessee

(i) Right-of-use assets acquired by lessee

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Trust has 5 motor vehicle fleet leases with Smart Fleet, and office accommodation with Property NSW. Lease contracts are made for a maximum period of 4 years for motor vehicles and terminated thereafter, and 3 to 5 years with option to review for office accommodation. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Trust does not provide residual value guarantees in relation to the leases.

De-recognition of Property leases

Property NSW (PNSW) provides office accommodation to other NSW government agencies under an occupancy agreement. These occupancy agreements have been accounted for as leases under AASB 16 Leases since effective.

PNSW introduced changes to its occupancy agreement, referred to as Client Acceptance Letter (CAL), with other government agencies during the financial year 2021-22. The Standard CAL introduced “substitution right” clauses that allow PNSW to have the ultimate right to relocate an agency to another location with due consultation process. The “substitution right” clauses effectively remove the ability of the agency to control the use of an identified office accommodation area for a specified period. Occupancy agreements between PNSW and agencies with such clauses do not meet the lease definition according to AASB16.B14, unless there is other evidence indicating that PNSW’s substitution right is not substantive (e.g. the accommodation with specialised features impracticable to be substituted). These agreements should not be accounted for as a lease under AASB 16.

During financial year ended 30 June 2022, the Trust has accepted the changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the “substitution right” clause for PNSW to relocate the Trust during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the de-recognition is recognised in “Other Gains/(Losses) (refer to Note 4(c)). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

The Trust continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as the Trust receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation). The incentives received prior to the 30 June 2022 apply to the remaining occupancy period. Therefore, the Trust’s accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation remains unchanged. A liability in relation to the amortised balance of incentives received has been recognised as a liability as at 30 June 2022 and will be amortised during the remaining occupancy period.

As at 30 June 2022, the Trust does not have any short-term leases and low value leases.

The Trust has elected to present right-of-use assets separately in the Statement of Financial Position.

The following table presents the right-of use assets:

Right-of-use assets	2022 $'000	2021 $'000
Balance at 1 July 2021	1,520	1,670
Additions	28	145
Depreciation expense	(306)	(295)
De-recognition of right-of-use assets (net book value)	(1,164)	–
Balance at 30 June 2022	**78**	**1,520**

(ii) Lease liabilities

	2022 $'000	2021 $'000
Balance at 1 July 2021	1,585	1,699
Additions	81	145
Interest expenses	(25)	(38)
Payments	(313)	(221)
De-recognition of lease liabilities	(1,247)	–
Balance at 30 June 2022	**81**	**1,585**

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2022 in respect of leases where the Trust is the lessee:

	2022 $'000	2021 $'000
Depreciation expense of right-of-use assets	306	295
Interest expense on lease liabilities	25	38
Gains or losses arising from de-recognising the right-of-use assets and lease liabilities with Property NSW	(83)	–
Total recognised in the Statement of Comprehensive Income	**248**	**257**

The Trust had total cash outflows for leases of $278,576 (2021: $330,975).

Future minimum lease payments under non-cancellable leases as at 30 June 2022 are, as follows:

	2022 $'000	2021 $'000
Within one year	36	34
Later than one year and not later than five years	39	47
Less: GST recoverable from the Australian Tax Office	(7)	(7)
Total (excluding GST)	**68**	**74**

Recognition and measurement

The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Trust recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful Life Years	
	2022	**2021**
Motor vehicles	4	4

The Trust does not have any right-of-use assets that meet the definition of investment property.

(ii) Lease liabilities

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Trust; and
- payments of penalties for terminating the lease, if the lease term reflects the Trust exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Trust's leases, the lessee's incremental borrowing rate is used, being the rate the Trust would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is an addition, modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

Interest on lease liabilities is included in finance cost, refer to Note (3d).

(iii) Short-term leases and leases of low value assets

The Trust does not have any short-term leases and leases of low value assets.

(iv) Leases that have significantly below-market terms and conditions principally to enable the Trust to further its objectives

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

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, subject to impairment. They are not subject to revaluation.

The trust does not have any leases that have significantly below-market terms and conditions.

(b) Trust as a lessor

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.

Leases that the Trust transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

(i) Operating leases as lessor

(a) Property leases

The Trust has entered into a number of lease agreements whereby land and buildings owned by the Trust are leased to third parties for the purpose of operating various commercial enterprises. The term of these agreements ranges from 1 to 49 years with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the Trust is exposed to changes in the residual value at the end of current leases, it typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

(b) Business Hubs

The Trust has a policy to derive revenue from the development and lease of business hubs located on 2% of the Parklands land to support the management and enhancement of the remaining Parklands.

As part of this initiative, the Trust has entered into various Development Management Agreements (DMA) with various developers to develop the Business Hubs. The developed land is leased in return for a series of upfront payment at various points in the development lifecycle as well as an annual ground lease rent to be paid over 90 years following practical completion of the commercial assets being developed.

(i) The period between the Development Management Agreement and the Agreement for Ground lease is considered as an operating lease. In consideration for the right to develop the site, the developer pays an Upfront Development Payment (UDP). The UDP is non-refundable and is recognised on a straight-line basis as revenue over the operating lease period.

(ii) In addition, the estimated present value (PV) of the infrastructure works is recognised as a non-cash consideration for the operating lease over the operating lease period.

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June 2022 are:

	2022	2021
	$'000	$'000
Within one year	6,775	3,960
One to two years	2,210	2,210
Two to three years	2,087	2,087
Three to four years	2,042	2,042
Four to five years	1,941	1,941
Later than five years	19,075	20,791
Total (including GST)	**34,130**	**33,031**

Recognition and measurement –

(i) Lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(ii) Lessor for finance leases

Business Hubs

The Trust undertakes a competitive expressions of interest process to identify and secure a party to undertake the design, gain the required approvals, construct and manage a substantial facility, on a long leasehold basis (usually 50 years plus). Guidelines regarding the permitted use are provided by the Trust (e.g. tourism, retail, commercial, industrial), and all proposals received are assessed according to pre-arranged criteria.

The Trust has entered into various Development Management Agreements (DMA) with various developers to develop various Business Hubs. The developed land is to be leased in return for a series of upfront payment at various points in the development lifecycle as well as an annual ground lease rent to be paid over the term of the lease (50 plus years), following practical completion of the commercial assets being developed.

At the point in time when the up-front land payment is received the Trust derecognises the land subject to finance lease and recognises the finance lease.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease (refer Note. 2(b)). During the year, additional leases for Business Hubs were entered into and classified as finance leases.

Once the construction is complete and the finance lease commences, the Trust has minimal ongoing management responsibilities and receives ground rent from the lessee.

Future minimum rentals receivable (undiscounted) under non-cancellable finance lease as at 30 June 2022 are:

	2022	2021
	$'000	$'000
Within one year	7,814	6,832
One to two years	9,778	7,814
Two to three years	10,126	9,778
Three to four years	10,402	10,126
Four to five years	10,685	10,402
Later than five years	4,086,457	4,097,142
Total (including GST)	**4,135,262**	**4,142,094**
Less future interest revenue	(3,967,492)	(3,980,933)
Present value of minimum lease payments receivable	**167,770**	**161,161**
Finance lease receivables resulted in:		
Unguaranteed residual values accruing to lessor's benefit	3,906	3,819
Contingent rents recognised as income	–	–

Reconciliation of net investment in leases	2022	2021
	$'000	$'000
Carrying amount at the beginning of year	161,161	81,505
Addition of new leases	–	83,008
Lease payments received	(6,832)	(13,490)
Finance lease income	13,441	10,138
Net investment in finance leases	**167,770**	**161,161**

12 Fair Value Measurement of Non-Financial Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and recognises the use of unobservable inputs. Under AASB 13, the Trust categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

(i) Level 1 – quoted prices in active markets for identical assets / liabilities that the Trust can access at the measurement date.

(ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

(iii) Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

(a) Fair value hierarchy

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Property, Plant and Equipment (Note 10)				
Land	–	908,860	–	**908,860**
Buildings		–	27,838	**27,838**
Infrastructure Systems				
(i) Bio-diversity Assets	–	–	42,035	**42,035**
(ii) Other	–	–	239,117	**239,117**
Total	**–**	**908,860**	**308,990**	**1,217,850**

2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Property, Plant and Equipment (Note 10)				
Land	–	897,358	–	**897,358**
Buildings		–	24,024	**24,024**
Infrastructure Systems				
(i) Bio-diversity Assets	–	–	40,316	**40,316**
(ii) Other	–	–	161,263	**161,263**
Total	**–**	**897,358**	**225,603**	**1,122,961**

There were no transfers between Level 1 or 2 during the financial year.

Level 2 Measurements

Land

Land has been valued using the market value approach. The rates per square meter of land sold for open space purposes have been directly compared to the subject property having regard to matters such as heritage restrictions, zoning, location, topography, aspect, frontage, size, shape, date of contract execution and current market condition.

(b) Valuation techniques, inputs and processes

(i) Valuation techniques and inputs

Fair value for non-financial assets are calculated on the following bases:

Asset Class	Valuation Technique	Comments
Land	Market	Based on market evidence for Open Space land
Buildings	Cost	Based on depreciated replacement cost. Heritage assets are held at replacement cost
Infrastructure Systems		
Biodiversity Assets	Cost	Based on the cost to replace a similar tree in size and condition
Other	Cost	Based on depreciated replacement cost. Heritage assets are held at replacement cost

(ii) Highest and best use

Non-financial assets are valued on a highest and best use basis. The existing use of these assets is considered to be highest and best use.

(b) Valuation techniques, inputs and processes

(iii) Level 3 measurements

Trust assets classed as Level 3 in the fair value hierarchy have been valued using a cost approach given many are unique and of a highly specialised nature, and which do not trade in the marketplace. Cost has been determined based on actual cost information for more recent assets and by utilising available costing guides to determine value based on the size and condition of the relevant asset.

Assets classified as Level 3 in the fair value hierarchy have been valued using current replacement cost. Cost has been determined based on actual cost information.

Comprehensive external valuations are obtained on a three-yearly cycle for Land and buildings and five-yearly cycle for infrastructure and biodiversity asset. The last such valuation was completed in March 2020. Outside of the five-yearly cycle, annual desktop valuations are obtained from external valuers who apply the movement in the relevant available index to determine fair value. The external valuations are prepared by independent professional qualified valuers who hold a recognised relevant professional qualification and have recent experience in the location and category of the respective property.

Movements in indexes such as building cost guides, or the consumer price index will result in an increase in fair value if the movement is positive and a decrease where the movement is negative. Changes in the service potential of assets can also affect fair value either positively or negatively depending on whether service potential increases or decreases.

(c) **Reconciliation of recurring level 3 fair value measurements**

	Buildings $'000	Infrastructure Biodiversity Assets $'000	Infrastructure Other $'000	Total Rec Level 3 Fair Value $'000
Fair value as at 1 July 2021	**24,024**	**40,316**	**161,263**	**225,603**
Additions	4,153	377	78,157	82,687
Revaluation increment	2,395	–	6,928	9,323
Disposals	(1,144)	(746)	(1,840)	(3,730)
Transfer between asset classes	(406)	2,088	(1,853)	(171)
Depreciation expense (Per note 3(c))	(1,184)	–	(3,538)	(4,722)
Fair value as at 30 June 2022	**27,838**	**42,035**	**239,117**	**308,990**
Fair value as at 1 July 2020	**22,172**	**25,847**	**122,121**	**170,140**
Equity Transfer	3,267	–	–	3,267
Additions	767	–	41,407	42,174
Transfer between asset classes	(424)	–	530	106
Asset recognised for the first time	–	14,469	–	14,469
Disposals	(624)	–	–	(624)
Depreciation expense (Per note 3(c))	(1,134)	–	(2,795)	(3,929)
Fair value as at 30 June 2021	**24,024**	**40,316**	**161,263**	**225,603**

13 Current Liabilities - Payables

	2022 $'000	2021 $'000
Creditors	3,676	6,573
Personnel services	59	50
Security deposits	317	123
Total	**4,052**	**6,746**

Personnel services include payroll expenses of nil (2021: nil) payable to the Department of Planning and Environment (DPE) (refer note 1(a)).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 24 (c).

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Trust and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are de-recognised as well as through the amortisation process.

14 Current / Non-Current Liabilities - Provisions

	2022 $'000	2021 $'000
Employee benefits and related on costs		
Provisions current	603	549
Provisions non - current	11	11
Total	**614**	**560**

Reconciliation of aggregate employee benefits and related on-costs

	2022 $'000	2021 $'000
Annual leave	405	350
Long service leave on-costs	178	182
Provisions present value adjustments	31	28
Total	**614**	**560**
Current annual leave obligations expected to be settled after 12 months*	–	–
Current long service leave obligations expected to be settled after 12 months**	11	11
Total	**11**	**11**

* Relates to projecting future cash outflows expected to be made to employees with annual leave balances in excess of 40 days and discounting the projected annual leave to its present value every year (TC21-03).

** Relates to current projecting cash outflows expected to be made to employees with Long service leave balances and discounting the projected LSL to its present value every year.

Recognition and Measurement

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

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

Annual leave is not expected to be settled wholly before 12 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. Actuarial advice obtained by Treasury has confirmed that the nominal (undiscounted) annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave, per Treasury Circular TC21 -03 Accounting for Long Service Leave and Annual Leave) can be used to approximate the present value of the annual leave liability. The Trust has assessed the actuarial advice based on the Trust'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 Trust does not expect to settle the liability within 12 months as the Trust 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.

Superannuation on Annual Leave Loading

The Trust has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period. This position will be re-assessed in future reporting periods as new information comes to light on this matter.

(ii) Long service leave and superannuation

The Trust's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Trust accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item 'Crown grant LSL & superannuation'. However, oncosts associated with long service leave remains with the Trust.

Long service leave is measured at 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.

(iv) Other provisions – non-current

	2022 $'000	2021 $'000
Other provision make-good	170	170
Total other provisions	**170**	**170**

Other provisions comprise make-good provision for office accommodation with Property NSW.

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

15 Current / Non-Current other lease liabilities

	2022 $'000	2021 $'000
Current other lease liabilities	37	281
Non-current other lease liabilities	44	1,305
Total right-of- use liabilities	**81**	**1,586**

16 Current / Non-Current lease liabilities

(a) Current lease liabilities

	2022 $'000	2021 $'000
Current operating lease liabilities	3,964	5,183
Current finance lease liabilities	–	–
Total current lease liabilities	**3,964**	**5,183**

b) Non-current lease liabilities

	2022 $'000	2021 $'000
Non-current operating lease liabilities	12,547	14,217
Non-current finance lease liabilities	4,097	4,097
Total non-current lease liabilities	**16,644**	**18,314**

Current / non-current lease liabilities

Operating lease liabilities reflects cash received for Upfront Development Payments (UDP) in relation to Business Hub. The recognition of revenue will occur in future reporting periods on a straight-line basis in line with the development agreement.

Finance lease liabilities reflects the construction cost liabilities in relation to Business Hubs Infrastructure assets. Currently construction cost liabilities are related to Eastern Creek and Bringelly Road Business Hubs.

17 Current / Non-Current other liabilities

(a) Current / non-current other liabilities – Biobanking liabilities

	2022 $'000	2021 $'000
Current	–	–
Non-current	6,497	6,686
Total other liabilities	**6,497**	**6,686**

Current / non-current other liabilities - Biobanking liabilities

Under the Bio-banking and Offsets Scheme (per Biobanking agreement), Biobanking liabilities represent the Trust's responsibilities as the land owner to undertake actions and implement management plans to improve the biodiversity values of the biobank sites as set out in the concerned agreement. Currently the Trust holds five Biobanking sites.

(b) Current / non-current other liabilities

	2022 $'000	2021 $'000
Current deferred revenue	1,370	969
Non-current deferred revenue	9,814	–
Total other liabilities	**11,184**	**969**

Current / non-current liabilities - deferred revenue

The current portion of deferred revenue under AASB 1058 represents $866,135 for Greening Western Sydney under Premier Priority Project and $70,000 for Pilot Program to Control Deer in Western Sydney Parklands.

The non-current portion of deferred revenue under AASB 1058 represents $10,000,000 received from TfNSW in relation to the Mirror Dam Shared Path Project as per M12 Interface Deed executed on 28 February 2022.

Reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the Trust

	2022 $'000	2021 $'000
Opening balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the Trust	**969**	**1,591**
Add: receipt of cash during the financial year	10,489	–
Deduct: income recognised during the financial year	(274)	(622)
Closing balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the Trust	**11,184**	**969**

Refer to Note 2(d) for a description of the Trust's obligations under transfers received to acquire or construct non-financial assets to be controlled by the Trust. The Trust has recognised satisfied obligations of $273,839 to revenue in FY2022 as assets were constructed/acquired. The closing balance represents unsatisfied obligations expected in future reporting periods thereafter, as the related asset(s) are constructed/acquired.

18 Equity

Recognition and Measurement

Asset revaluation reserve

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the revaluation of property, plant and equipment as discussed in Note 10(c)(vii).

Accumulated funds

Accumulated funds include all current and prior period retained funds.

19 Commitments for Expenditure

(a) Capital commitments

	2022 $'000	2021 $'000
Aggregate capital expenditure for the acquisition of infrastructure works contracted for at balance date and not provided for:		
Within one year	10,200	10,355
Between one year and five years	327	8,774
Total (including GST)	**10,527**	**19,129**

The commitments shown above include input tax credits of $1,195,807 (2021: $1,738,951).

20 Remuneration of Auditors

	2022 $'000	2021 $'000
Audit Office of NSW - audit of financial statements*	95	100
Total	**95**	**100**

* No other amounts were paid to the Audit Office of NSW.

21 Contingent Assets and Liabilities

(a) Contingent assets

The Trust has no contingent assets for financial year 2022 (2021: $Nil).

(b) Contingent liabilities

The Trust has extended bank guarantees on issue to other government authorities. The Trust has assessed the possibility of any outflow of funds at settlement is remote.

22 Budget Review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the budget 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 below.

Net result

Net result for the year ended 30 June 2022 of $92.62 million surplus was $80.89 million higher than budget primarily attributable to higher grant and investment income.

Total revenue of $111.62 million was $80.75 million higher than budget mainly due to higher grant revenue as a result of Speedway assets In-kind transfer of $69.13 million.

Total expenses of $17.65 million were $1.49 million under budget largely driven by lower depreciation.

Assets and liabilities

Total assets of $1,511 million were higher than budget by $208 million primarily driven by revaluation gain of $71.9 million, higher cash (M12 cash received of $29.27 million) and receivables of $64.31 million in addition to Speedway asset transfer of $69.13 million.

Total liabilities of $43.2 million are higher than budget by $26.5 million primarily reflecting deferred income received in relation to Business Hubs and funds received from TfNSW for the Mirror Dam shared Path project.

Cash flows

Net cash flow inflow from operating, investing and financing activities of $35.79 million are higher than budget by $33.52 million primarily attributable to cash received for M12 compulsory land acquisition of $29.27million.

23 Reconciliation of Cash Flows from Operating Activities to Net Result

	Notes	2022	2021
		$'000	$'000
Net cash flows from operating activities		**20,877**	**35,192**
Assets acquired free of charge	2(d)	69,113	–
Depreciation and amortisation expense	3(c)	(5,760)	(4,708)
Finance cost	3(d)	(31)	(38)
Other gains / (losses) other	4(a)	(1,251)	(624)
Net gain / (loss) on Biodiversity Assets	4(b)	(20)	14,469
Net (loss) / gain on finance lease	4(b)	–	15,317
Net gain on de-recognition of property leases	4(c)	83	–
Increase in current receivables	6	1,305	210
Increase / (decrease) in allowance for impairment	6	20	(156)
Increase in prepayment and other assets	6	105	373
Increase/(decrease) in lease receivables	8	13,548	3,877
(Decrease) in Bio-banking receivables	9	(868)	–
Decrease / (increase) in payables	13	2,690	(3,056)
(Increase) in provisions	14	(54)	(184)
Decrease in lease liabilities	16	2,400	–
Decrease in biobanking liability	17(a)	189	252
(Increase) / decrease in other liabilities	17(b)	(9,726)	–
(Increase) / decrease in other		–	(11,329)
Net result		**92,620**	**49,595**

24 Financial Instruments

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

The Trust's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Trust 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 Trust, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the management and the Audit Risk Committee on a continuous basis.

(a) Financial instrument categories

Class	Notes	Category	Carrying Amount 2022 $'000	Carrying Amount 2021 Restated $'000
Financial Assets				
Cash and cash equivalents	5	Amortised cost	72,817	37,022
Current receivables[1]	6	Amortised cost	29,497	924
Current lease receivables	8(a)	Amortised cost	7,814	6832
Non-current lease receivables	8(b)	Amortised cost	168,029	155,463
Other financial assets	7	Amortised cost	–	5,004
Total Financial Assets			**278,157**	**205,245**
Financial Liabilities				
Payables[2]	13	Financial liabilities at amortised cost	4,052	6,696
Current leases	15	Financial liabilities at amortised cost	37	281
Non-current leases	15	Financial liabilities at amortised cost	44	1,305
Bio-Banking liabilities	17(a)	Financial liabilities at amortised cost	6,497	6,686
Total Financial Liabilities			**10,630**	**14,968**

Notes:

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

2 Excludes statutory payable and unearned revenue (not within scope of AASB 7)

The Trust determines the classification of its financial assets and liabilities after initial recognition and when allowed and appropriate. This is re-evaluated at each financial year end.

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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the contractual rights to the cash flows from the financial assets expire; or if the Trust transfers its rights to receive cash flows from the asset; or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

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

(c) Financial risks

(i) Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations, resulting in a financial loss to the Trust. 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 associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash on hand and cash equivalents

Cash comprises predominantly cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the Reserve Bank of Australia cash rate. Interest is not paid on unrestricted cash balances with the NSW Treasury Banking System. The TCorp cash facility is discussed in market risk below.

Receivables - trade receivables and rent receivables

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

For trade receivables, the Trust applies a simplified approach in calculating expected credit losses (ECLs). The Trust recognises ECLs when there is objective evidence the Trust will not be able to collect all amounts due. The Trust has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

The loss allowance for trade debtors as at 30 June 2022 was determined as follows:

	30 June 2022 $'000					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	(50.58%)	(0.44%)	(0.44%)	46.01%	11.48%	
Estimated total gross carrying amount at default	8	940	939	88	946	**2,921**
Expected credit loss	**(4)**	**(4)**	**(4)**	**40**	**108**	**136**

	30 June 2021 $'000					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	0%	0%	0%	5%	31%	
Estimated total gross carrying amount at default	455	80	18	27	500	**1,080**
Expected credit loss	**–**	**–**	**–**	**1**	**155**	**156**

(c) Financial risks

(ii) Liquidity risk

Liquidity risk is the risk the Trust will be unable to meet its payment obligations when they fall due. The Trust continuously manages risk through monitoring future cash flows to ensure adequate holding of high-quality liquid assets. The objective is to maintain continuity of funding and cash and cash equivalent balances.

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12.

For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which 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 Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

No payment of this nature has been made during the reporting period.

The table below summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Maturity Analysis and Interest Rate Exposure of Financial Liabilities

			Interest Rate Exposure			Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount[1] $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-Interest bearing $'000	< 1 year $'000	1-5 years $'000	>5 years $'000
2022								
Payables:								
Securities	–	317	–	–	317	317	–	–
Creditors	–	3,676	–	–	3,676	3,676	–	–
Leases	4.07%	81	–	81	–	37	44	–
Total	**–**	**4,074**	**–**	**81**	**3,993**	**4,030**	**44**	**–**
2021								
Payables:								
Securities	–	123	–	–	123	123	–	–
Creditors	–	6,573	–	–	6,573	6,573	–	–
Leases	4.07%	1,586	–	1,586	–	–	1,586	–
Total	**–**	**8,282**	**–**	**1,586**	**6,696**	**6,696**	**1,596**	**–**

(c) Financial risks

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposure to market risk is primarily through interest rate risk on the Trust's term deposits. The Trust 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 Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence in the Statement of Financial Position at reporting date. The analysis is performed on the same basis for 2022. The analysis assumes that all other variables remain constant.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to interest rate risk arises primarily through the Trust's cash assets.

The Trust 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 following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2022 $'000		**2021 $'000**	
	-1%	1%	-1%	1%
Net Result	(728)	728	(370)	370
Equity	(728)	728	(370)	370

The Trust does not have any other financial assets at balance date.

(d) Fair value measurement

(i) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

(ii) Fair value recognised in Statement of Financial Position

Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Trust categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the Trust 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).

Financial Instruments are generally recognised at cost. The amortised cost of 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. At balance date, the Trust does not hold any financial assets nor financial liabilities at fair value in the statement of financial position. There were no transfers between level 1 and 2 for the year ended 30 June 2022 (2021: $Nil).

25 Related Party Disclosure

Key management personnel

The Trust's key management personnel compensation is as follows:

	2022 $'000	2021 $'000
Remuneration	212	187
Total	**212**	**187**

The Trust's KMP compensation is proportionally shared across Greater Sydney Parklands which has management of; Western Sydney Parklands, Parramatta Park, Centennial Park and Moore Park Trusts, Callan Park and Fernhill Estate. It should be noted all existing Trust legislation, including the *Centennial Park and Moore Park Trust Act 1983* and the *Callan Park (Special Provisions) Act 2002* remain in place.

Based on advice provided by KMP's, and transactional reviews undertaken, the Trust did not enter into any transactions with key management personnel, their close family members and any entities controlled or jointly controlled thereof during the year.

During the year, the Trust entered into transactions with entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions are primarily in the form of fee for services, grants received, provision of personnel services and corporate services as disclosed below.

Expenses	**Note**	**Nature**	**2022 $'000**	**2021 $'000**
Department of Planning and Environment	3(a)	Provide Personnel Services	3,428	2,862
Department of Planning and Environment	3(b)	Provide Corporate services	755	755
Revenue				
NSW Government through DPE	2(d)	Capital grant	3,923	8,101
Department of Planning and Environment	2(d)	Premier Priority-Greening Western Sydney	88	–
Transport for NSW	2(d)	Mirror Dam Shared Path	186	–
Transport for NSW	2(d)	M12 compulsory acquisition – leasehold	264	–
Transport for NSW	2(d)	Wylde Mountain Bike Trail	6,000	–
Sydney Metro	2(d)	Speedway asset transfer	69,113	–
Local Government (Liverpool City)	2(d)	Capital grant	500	–
NSW Government through DPE	2(d)	COVID-19 loss of revenue	–	1,496
Department of Planning and Environment other	2(d)	Non - capital grant	35	–
Department of Planning and Environment other	2(d	Non - capital grant	–	30
Biodiversity Conservation Trust	2(b)	Gain / (loss) on Trust Fund	(848)	675
Parramatta Park Trust	2(f)	Common cost recovery	1021	444
Office of Strategic Lands	2(f)	Cost recovery	33	159
Department of Planning and Environment	2(f)	Payroll cost recovery	–	687
Centennial Park & Moore Park Trust	2(f)	Board fees	114	151
Centennial Park & Moore Park Trust	2(f)	Management fees	2	687
Receivables				
Parramatta Park Trust	6	Intercompany charges	690	69
Biodiversity Conservation Trust	6	Trust Fund investment	8,152	9020
Centennial Park & Moore Park Trust	6	Board fees	69	151
Centennial Park & Moore Park Trust	6	Payroll reimbursement	332	–
Centennial Park & Moore Park Trust	6	Common cost	530	–
Transport for NSW	6	M12 compulsory acquisition-freehold	26,711	–
Payables				
Centennial Park & Moore Park Trust	13	Payroll	98	–
Parramatta Park Trust	13	Payroll	72	–
Equity Transfer				
Office of Strategic Lands	26	Transfer of land and Buildings	–	49,428

26 Increase in Net Assets from Equity transfers

Below is the summary of balance sheet in respect of assets vested to the Trust:

	2022 $'000	2021
Property, plant and equipment		
Land & Buildings	–	49,428
Plant & Equipment	–	–
Infrastructure Biodiversity Assets	–	–
Utilities and Other Infrastructure Systems	–	–
Total Assets	–	**49,428**
Increase in Net Assets from Equity Transfer	**–**	**49,428**

There are no increases in net assets from equity transfers for the year ended June 2022. The Equity Transfer for the year end June 2021 relates to the Vesting of 425.5 hectares of Fernhill Estate land and buildings on 25 November 2020 from Office of Strategic Land by Western Sydney Parklands Amendment Order (No 2) 2020, Published 18 December 2020. The value of land and buildings is $46.16 million and $3.27 million respectively.

Recognition and Measurement

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations', are designated or required by AAS to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'.

This treatment is consistent with AASB 1004 and Australian Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

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

27 Impact of COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus disease (COVID-19) a pandemic. The impacts of COVID-19 have been significant, triggering both federal and state government fiscal and monetary stimulus, Health Orders, mandated closures, social distancing and cancellation of both public events and sports.

These measures have had a direct flow on effect to the Trust including rentals, major events, parking, infringement and corporate partnerships revenues causing major disruption to business and continued to impact the Trust's financial performance and cash flows in the FY2022 financial year.

For the year ended 30 June 2022 the Trust has received Treasury funding of nil (2021: $1,496,000) for loss of self-generated revenue associated with COVID-19.

As part of both the federal and state government stimulus response to the outbreak, rent relief is being provided for tenants. The rent relief guidelines determine if a tenant qualifies for a rent deferral or a rent waiver (refer note 6). The Trust has finalised a comprehensive review of the rent relief guidelines on the property portfolio. The current year impact of COVID-19 rent relief (both rental waivers and deferrals) is $530,000 (2021: $820,000).

Whilst business operating conditions have improved since the declaration of the pandemic in March 2020, with the easing of government restrictions and take up of the national vaccination rollout. Against the backdrop of an elevated global inflationary environment, the outlook continues to remain uncertain, which will have a flow on effect to both revenue and cashflow in financial year 2023.

28 Greater Sydney Parklands Trust Bill 2022

The Greater Sydney Parklands was established in July 2020 as an administrative arrangement, led by an independent board, to care for more than 6,000 hectares of existing parklands: Centennial Parklands (Centennial, Moore and Queens parks), Callan Park, Parramatta Park, Western Sydney Parklands and Fernhill Estate.

The Greater Sydney Parklands Trust Bill 2022 relates to the creation of a new, legislated trust for the Greater Sydney Parklands. The new Greater Sydney Parklands Trust (GSPT) will identify future regional parks, manage these as parkland and protect them in perpetuity. The GSPT will also act as an umbrella trust and take on the operation and management of the lands of the existing associated Trust's, Western Sydney Parklands Trust, Parramatta Park Trust and Centennial Park and Moore Park Trust. This umbrella management will be provided under the terms of the existing Trust legislation which will remain protected by their own legislation, unchanged except where noted in Schedule 5 of the Exposure Bill.

The Greater Sydney Parklands Trust Bill 2022 was passed by both Houses on 29 March 2022, creating a new Greater Sydney Parklands Trust Act 2022 with the act proclaimed as effective from 1 July 2022.

29 Impact of Machinery of Government (MOG) changes

On 21 December 2021 under the *Administrative Arrangements (Second Perrottet Ministry—Transitional) Order* 2021) and 17 February 2022, *Administrative Arrangements (Administrative Changes— Miscellaneous) Order 2022*; resulted in the formation of the Minister for Infrastructure, Cities and Active Transport and the establishment of a Cities and Active Transport team within Transport for NSW.

As a result of the above, from 1 April 2022 the Greater Sydney Parklands (encompassing Parramatta Park Trust; Fernhill Estate; Western Sydney Parklands Trust; Centennial Park and Moore Park Trust, including part of Callan Park) has transferred from the Department of Planning and Environment (DPE) cluster to Cities and Active Transport within the Transport and infrastructure cluster.

MOG changes have not materially impacted either the Trust or Greater Sydney Parklands business as usual operations in FY2022.

30 Events Occurring After Reporting Date

The Trust has not identified any significant event after reporting date that is required to be included in the Financial Statements.

31 Correction Of Prior Period Errors

A number of finance leases where the Trust is a Lessor were incorrectly recognised in prior periods. The errors related to lease recognition date, opening fair values, minimum lease payments and improvements to land affecting the fair value disclosed. The Trust has corrected these errors by restating each of the affected financial statement line items for prior periods. The tables below summarise the impacts on the Trusts financial statements.

Statement of Financial Position

	Impact of correction of error		
1 July 2020	**As previously reported $'000**	**Adjustments $'000**	**As restated $'000**
Lease receivables	84,421	1,362	85,783
Total Assets	**1,071,077**	**1,362**	**1,072,439**
Net Assets	**1,049,533**	**1,362**	**1,050,895**
Accumulated funds	673,376	1,362	674,738
Total Equity	**1,049,533**	**1,362**	**1,050,895**

30 June 2021	**As previously reported $'000**	**Adjustments $'000**	**As restated $'000**
Lease receivables	139,693	22,602	162,295
Property plant and Equipment	1,131,643	(4,773)	1,126,870
Total Assets	**1,325,883**	**17,829**	**1,343,712**
Net Assets	**1,285,669**	**17,829**	**1,303,498**
Accumulated funds	755,932	17,829	773,761
Total Equity	**1,285,669**	**17,829**	**1,303,498**

Statement of Comprehensive Income

	Impact of correction of error		
For the year ended 30 June 2021	**As previously reported $'000**	**Adjustments $'000**	**As restated $'000**
Investment revenue	14,500	7,965	22,465
Gain on finance lease	5,044	10,273	15,317
Others	13,584	(1,771)	11,813
Net Result	**33,128**	**16,467**	**49,595**
Total Comprehensive Income	**186,708**	**16,467**	**203,175**

There is no impact on total operating, investing or financing of cash flows for the years ended 30 June 2022 and 2021.

END OF AUDITED FINANCIAL STATEMENTS

Appendices

Under the *Government Sector Employment Act 2013*, we report employees of the Trust as employees of a Division of the Government Service.

From 1 July 2019, the Department of Planning and Environment provided these services and under Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2019, the Trust reports employee related information as ‘personnel services’ in its financial statements.

As a result of machinery of government changes, Greater Sydney Parklands transferred from the Department of Planning and Environment Cluster to Cities and Active Transport within the Transport and Infrastructure Cluster from 1 April 2022.

Act and regulations administered by the Trust

The Western Sydney Parklands Trust is a statutory body established under the *Western Sydney Parklands Trust Act 2006*. The legislation defines the objectives, powers and functions of the Trust and its Board of Trustees and vests certain land and property in the Trust.

It also governs the regulations relating to the Trust lands under the Western Sydney Parklands Trust Regulation 2019.

There were no changes to the Act or Regulation administered by the Trust in 2021–22.

Trust staff are bound by the requirements of the *Public Sector Employment and Management Act 2002*, the Department of Premier and Cabinet Code of Conduct and other relevant legislation applying to public employment.

Western Sydney Parklands Trust is committed to comply with legislative requirements and NSW public sector policies and procedures. The organisation regularly reviews, updates and develops new policies to improve its governance and performance.

The *Greater Sydney Parklands Trust Act 2022* was proclaimed on 1 July 2022. It created the Greater Sydney Parklands Trust, which acts as an umbrella trust and takes on the operation and management of the lands of the existing associated trusts: Western Sydney Parklands Trust, Parramatta Park Trust and Centennial Park and Moore Park Trust.

This umbrella management is provided under the terms of the existing Trust legislation, which is protected and unchanged except where noted in Schedule 5 of the new Act.

Board members

Member	Appointment	Term Expiry Date
Michael Rose AM (Chair)	17/07/2020	16/07/2023
Dr Robert Lang	17/07/2020	16/07/2023
Ceinwen Kirk-Lennox	17/07/2020	16/07/2023
Julie Bindon	17/07/2020	16/07/2022
Lyall Gorman	17/07/2020	30/06/2022
Patrick St John	01/04/2021	30/06/2022
Siobhan Toohill	01/04/2021	16/07/2023
Suellen Fitzgerald (Chief Executive, Greater Sydney Parklands)	21/07/2020	30/06/2022

The Board met every six weeks.

Audit and Risk Committee

The committee addressed financial, accounting, reporting and internal controls, risk management and compliance issues. Members are:

- Ceinwen Kirk-Lennox, Chair
- Dr Robert Lang
- Anna Guillan AM

Agreements with the Community Relations Commission

We made no agreements with the Community Relations Commission during 2021–22.

Consultants

Thresholds	Engagement	Costs
Consultants equal to or more than $50,000		
Advisory services	1	$53,902
Consultant expense less than $50,000		
Advisory services	22	$242,469
TOTAL COSTS	**23**	**$296,371**

Annual report production costs

$3,807

The submission date for this annual report was extended by NSW Treasury pursuant to section 13(3) of the Annual Reports (Statutory Bodies) Act 1984. Due to limited internal resources, this report was produced with some assistance from third party contractors.

Annual report availability

The Western Sydney Parklands Trust Annual Report 2021–22 is available at westernsydneyparklands.com.au

Electronic service delivery

We are increasing the online availability of information and services via our website westernsydneyparklands.com.au

Contact details

Western Sydney Parklands Trust

Level 7, 10 Valentine Avenue, Parramatta NSW 2150

Telephone 02 9895 7500

Office hours 9.00am to 5.00pm, Monday to Friday

Website: westernsydneyparklands.com.au

Management and structure

Chief Executive
Suellen Fitzgerald, BSc, MLandArch, Fellow AILA (to 30 June 2022)

Director, Finance and Property
Kerry Jahangir, BBA, DipBus, Member CPA Australia

Director, Community, Engagement and Partnerships
Laura Stevens, BA, Cert Public Participation, Cert Investor Relations, Member IPAA NSW

Director, Strategy, Design and Delivery
Joshua French, BSc, BLandArch, Fellow AILA

Director, Operations, Visitors and Sport
Jacob Messer, B.App.Sci, ADEC

Organisational chart

- Chief Executive
  - Director Finance and Property
  - Director Strategy, Design and Delivery
  - Director Community, Engagement and Partnerships
  - Director Operations, Visitors and Sport

Workplace health and safety

We are committed to ensuring the safety and wellbeing of those who come to the parklands including employees, contractors, and volunteers. We operate under the requirements of SafeWork NSW.

There were two incidents reported in 2021–22 across Western Sydney Parklands Trust and Parramatta Park Trust involving staff, volunteers or contractors, resulting in an injury. No workers compensation insurance claims were recorded in 2021–22. No incidents needed to be notified to SafeWork NSW.

Internal audit and risk management

We are of the opinion that the Trust has internal audit and risk management processes in place that, in all material respects, comply with the core requirements set out in *Treasury Policy Paper (TPP) 20-08 Internal Audit and Risk Management Policy for the General Government Sector.*

Internal audit and risk management attestation

I, Joshua French, Chief Executive, am of the opinion that Western Sydney Parklands Trust has internal audit and risk management processes in place and comply with the core requirements in *Treasury Policy Paper (TPP) 20-08 Internal Audit and Risk Management Policy for the General Government Sector.*

Joshua French
Chief Executive
Western Sydney Parklands Trust
Greater Sydney Parklands

Training

Staff attended a variety of training courses, seminars and conferences during the year, reflecting the occupational and functional diversity within the organisation.

Insurance

Our insurance coverage is held with the NSW Treasury Managed Fund and includes policies for workers compensation, public liability, directors and officers liability and motor vehicle, property and miscellaneous insurance.

Disclosure of controlled entities and subsidiaries

The Trust has no controlled entities or subsidiaries.

Cyber Security Policy Attestation

I, Joshua French, Chief Executive, am of the opinion:

- In relation to the information systems provided by Department of Planning and Environment (DPE) Cluster Corporate Services to the Western Sydney Parklands Trust:
- DPE have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy and in alignment with DPE's enterprise risk management framework.
- Governance is in place to manage the cyber security maturity and initiatives of DPE.
- Risks to the information and systems of DPE have been assessed and are managed.
- There exists a current cyber incident response plan for DPE which has been tested during the reporting period.
- The DPE Cluster Corporate Services has maintained certified compliance with ISO 27001 Information technology - Security techniques - Information security management systems - Requirements by an Accredited Third Party (BSI) during the 2021/2022 financial year (Certificate Number: IS 645082).
- The DPE Cluster Corporate Services has a Cyber Security Strategy in place to ensure continuous improvement and management of cyber security governance and resilience.

In relation to the information systems managed by the Trust:

- Cyber security is an evolving landscape that requires an ongoing program of work. The Trust governs and manages cyber investment through strategy and budgeting framework.
- The Trust has identified its crown jewels, the cyber security-related risks, and is working to developing a roadmap to manage security-related risks.
- The Trust's cyber incident response plan for information systems that it manages relies on vendor programs. The Trust is targeting the development of its own response plans and testing for its crown jewels.
- The vendors of information systems utilised by the Trust have Information Security Management System (ISMS) in place.
- The Trust is committed to maturing cyber security controls by working closely with Cluster corporate service provider and third party vendors.

Joshua French
Chief Executive
Western Sydney Parklands Trust
Greater Sydney Parklands

Funds granted to non-government community organisations

No grants were provided to non-government organisations.

Multicultural plan

All multicultural plan initiatives for Western Sydney Parklands Trust fell under the Department of Planning and Environment and are reported in its annual report.

Disability inclusion action plans

All disability inclusion action plan initiatives for Western Sydney Parklands Trust fell under the Department of Planning and Environment and are reported in its annual report.

Multicultural policies and services program

Our strategies, programs and actions align with whole-of-government multicultural policies and services programs. We remain sensitive to the cultural, racial, religious and linguistic traditions of communities in NSW and ensure all people are considered and have full access to appropriate information and services.

We continue to develop and implement initiatives to cater to people from culturally and linguistically diverse backgrounds.

Workforce diversity

Our workforce diversity strategies and achievements fell under the Department of Planning and Environment and are reported in its annual report.

Our workforce diversity information combines data from Centennial Park and Moore Park Trust, Parramatta Park Trust and Western Sydney Parklands Trust.

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	2020	2021	2022
Women	**50%**	49.3%	45.1%	45.0%
Aboriginal and/or Torres Strait Islander people	**3.3%**	0.0%	1.2%	1.0%
People whose first language spoken as a child was not English	**23.2%**	19.1%	11.9%	15.0%
People with disability	**5.6%**	0.0%	2.7%	1.3%
People with disability requiring work-related adjustment	**N/A**	0.0%	1.2%	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community. **Note 2:** The *NSW Public Sector Aboriginal Employment Strategy 2014–17* introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%. **Note 3:** A benchmark from the ABS Census is included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language. **Note 4:** In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at *Jobs for People with Disability: A plan for the NSW public sector.* The benchmark for 'people with disability requiring work-related adjustment' was not updated.

Trends in the distribution index for workforce diversity groups

Workforce diversity group	Benchmark	2020	2021	2022
Women	**100**	N/A	N/A	N/A
Aboriginal and/or Torres Strait Islander people	**100**	N/A	N/A	N/A
People whose first language spoken as a child was not English	**100**	N/A	N/A	N/A
People with disability	**100**	N/A	N/A	N/A
People with disability requiring work-related adjustment	**100**	N/A	N/A	N/A

Note 1: A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff. **Note 2:** The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.

Human resources

As a result of machinery of government changes, Greater Sydney Parklands transferred from the Department of Planning and Environment Cluster to Cities and Active Transport within Transport and Infrastructure Cluster from 1 April 2022.

Our human resources information including executive director remuneration, as approved by the Board, is a combination of Parramatta Park Trust, Centennial Park and Moore Park Trust and Western Sydney Parklands Trust information as payroll shared cost allocation amongst the trusts.

Number of officers and employees by category with previous year comparison			
Role	**2019–20**	**2020–21**	**2021–22**
Ongoing	44	67	80
Temporary	4	4	5
Casual	0	8	7
Executive	5	5	5
TOTAL	**53**	**84**	**97**

Note 1: Headcount data reported at end of reporting period

Numbers and remuneration of senior executives			
Band	**2021–22**		
	Female	**Male**	**TOTAL**
Band 4 Secretary	–	–	–
Band 3 Group/Deputy Secretary	–	–	–
Band 2 Executive Director	1	–	1
Band 1 Director	1	3	4
TOTAL	**2**	**3**	**5**

Note 1: These are senior executive statistics as of 30 June 2022. This data is based solely on senior executives in their substantive role and band level.

Average remuneration of senior executives		
Band	**2021–22**	
	Range ($)	**Average remuneration ($)**
Band 4 Secretary	–	–
Band 3 Group/Deputy Secretary	–	–
Band 2 Executive Director	281,551 to 354,200	317,876
Band 1 Director	197,400 to 281,550	239,475

Exceptional movements in remuneration

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

Industrial relations

There were no industrial relations disputes during the year.

Salary award increases for the Trust in the year were in line with the *Crown Employees (Public Sector Salaries 2008) Award.*

Ethics and integrity

The Department of Planning and Environment revised its Code of Ethics and Conduct in March 2022. The Code is provided online for all employees to understand and comply with their integrity-related obligations.

The revision followed consultation with employees and community stakeholders. The code shapes the way employees act and work together as an organisation.

Significant developments in the reporting period include:

- **Conflicts of interest requirements relating to the NSW Biodiversity Offset Scheme Protocol -** The department implemented this protocol and provided training and awareness. The protocol outlines mandatory requirements to address integrity risks and establishes rules for the consistent management of the scheme and conflicts of interest.
- **Organisational compliance framework –** The framework includes a compliance policy, procedure and register and reports on key legislative and regulatory obligations in the performance of the department's functions.
- **Lobbying of government officials policy –** The lobbying policy was updated in response to the ICAC's public inquiry into lobbying, access and influence in NSW. The revised policy aligns with the Premier's whole-of-government response to lobbying reform, which accepted 27 of the ICAC's recommendations.
- **Ethics portal –** The department operates a centralised, automated declaration platform to make it easier for employees to submit integrity-related declarations and applications. Throughout 2021–22, the portal was enhanced to strengthen safeguards and enable a new range of reporting capabilities.

The department continues to work with central agencies, such as the NSW Ombudsman, the Audit Office of NSW, the ICAC, NSW Procurement, Transport for NSW and NSW Treasury to continually revise, develop and implement leading practice guidance.

Public interest disclosures

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations. Western Sydney Parklands Trust information is captured in the Department of Planning and Environment's annual report, as the department manages all public interest disclosures centrally.

Reviews and appeals

There were no reviews or appeals conducted by the Administrative Decisions Tribunal during the year.

Public access to information

We have delegated our functions under section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) to the Information Access and Privacy Unit of the Department of Planning and Environment. All Trust-related information about access applications required to be included in an annual report under the GIPA Act and Government Information (Public Access) Regulation 2018 is included in the department's annual report.

Privacy

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

We comply with the Privacy Management Plan for the Department of Planning and Environment. The plan outlines how the department and its cluster agencies comply with the principles of the PPIP Act and the *Health Records and Information Privacy Act 2002*. The department's Information Access and Privacy Unit provide specialist privacy advice and training to departmental cluster staff.

In 2021–22, the Western Sydney Parklands Trust received no applications for review under Part 5 of the PPIP Act.

External complaints

Western Sydney Parklands Trust has a complaints handling process. If complaints about the Trust are received through the Department of Planning and Environment's Feedback Assist platform, they are managed under the department's complaint handling process and are included in the department's annual reporting.

Payment of accounts

All suppliers

	30–60		60–90		> 90		< 30		On time			
	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Total count of doc No	Total sum of total $
2021	**111**	**1,175,229**	**47**	**223,968**	**87**	**422,240**	**186**	**7,025,190**	**632**	**7,547,018**	**1063**	**16,393,643**
Qtr3	73	938,967	18	31,022	55	148,045	91	4,963,401	309	4,097,915	546	10,179,349
Qtr4	38	236,262	29	192,946	32	274,195	95	2,061,789	323	3,449,103	517	6,214,294
2022	**87**	**711,363**	**51**	**719,726**	**96**	**577,199**	**218**	**1,691,773**	**842**	**11,899,548**	**1294**	**15,599,610**
Qtr1	45	182,367	24	516,292	58	320,238	105	947,171	355	5,626,875	587	7,592,943
Qtr2	42	528,996	27	203,435	38	256,961	113	744,602	487	6,272,673	707	8,006,666
Grand Total	**198**	**1,886,592**	**98**	**943,694**	**183**	**999,438**	**404**	**8,716,963**	**1,474**	**19,446,566**	**2,357**	**31,993,252**

Small business

	30–60		60–90		> 90		< 30		On time			
	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Count of doc No	Sum of total $	Total count of doc No	Total sum of total $
2021	**7**	**22,364**	**1**	**2,200**	**6**	**21,015**	**34**	**229,092**	**11**	**86,223**	**59**	**360,894**
Qtr3	2	8,330	-	-	4	17,187	14	148,731	8	70,043	28	244,291
Qtr4	5	14,033	1	2,200	2	3,828	20	80,361	3	16,181	31	116,603
2022	**8**	**43,014**	**2**	**4,393**	**14**	**64,761**	**28**	**170,512**	**24**	**225,957**	**76**	**508,638**
Qtr1	4	8,961	2	4,393	11	54,537	13	81,332	6	111,599	36	260,822
Qtr2	4	34,054	-	-	3	10,225	15	89,180	18	114,358	40	247,816
Grand Total	**15**	**65,378**	**3**	**6,593**	**20**	**85,776**	**62**	**399,605**	**35**	**312,180**	**135**	**869,532**

Purchase card use – Statement of responsibility

Western Sydney Parklands Trust's purchase card policies and procedures outline conditions for the eligibility, use and management of corporate cards. These are consistent with NSW Government policy outlined in relevant NSW Treasury circulars and Treasurer's directions.

The Chief Executive certifies that purchase card use by Western Sydney Parklands Trust is in accordance with NSW Government requirements.

Major capital works 2021–22

Project	Cost during the Year ($'000)	Estimated completion
Biodiversity Capital Works	250	Jun-23
Greater Sydney Parklands Expansion Project	300	Jun-24
Eastern Creek Retail Centre	324	Jun-23
Western Sydney Parklands Track Renewal – Shale Hill	329	Jun-23
Parklands Furniture	370	Jun-23
Fences and Gates Minor Works	411	Jun-23
5 year – Abbotsbury Precinct	422	Jun-23
Australian Racing and Driver's Club – Center of Excellence	603	Jun-23
Fernhill Estate Foundation Plan of Management to 2026	790	Jun-23
5 year – Bungarribee Master Plan, Stage 1	861	Jun-24
Southern Parklands Activation and Linking	9,128	Ongoing
TOTAL	**13,788**	

Investment performance

There were nil investments for Western Sydney Parklands Trust in the 2021–22 financial year.

Land disposal

In 2021–22 no land disposals of value greater than $5,000,000 occurred that would have required disposal by way of public auction or tender.

Publications

Throughout the year, we produced and distributed a range of publications, newsletters and brochures. Key publications are available at westernsydneyparklands.com.au

Overseas visits by employees

There were no overseas visits by employees during the reporting period.

Shared services

The Trust's corporate services including finance, human resources and information technology were managed in 2021–22 by the Department of Planning and Environment's Cluster Corporate Shared Services.

Western Sydney Parklands