



Western Sydney Parklands Trust

Western Sydney Parklands and Fernhill Estate

Annual Report

2022 – 23



**GREATER
SYDNEY
PARKLANDS**



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 First Nations peoples' unique cultural and spiritual relationships to place and their rich contribution to society. We acknowledge the rights and interests of First Nations peoples 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 First Nations communities of Greater Sydney. We will support their custodianship of the natural and cultural heritage of parklands so that these are places where First Nations peoples feel socially, culturally and economically included.

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Disclaimer

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Letter of submission



**GREATER
SYDNEY
PARKLANDS**

27 November 2023

The Hon. Paul Scully MP
Minister for Planning and Public Spaces
52 Martin Place
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Annual Report for the Western Sydney Parklands Trust for the year ended 30 June 2023.

This report has been prepared in accordance with the annual reporting provisions (Division 7.3) of the *Government Sector Finance Act 2018* (GSF Act) and *Treasury Policy and Guidelines 23-10 Annual Reporting Requirements* (TPG23-10).

Michael Rose AM
Chair
Western Sydney Parklands Trust

Joshua French
Chief Executive
Western Sydney Parklands Trust



Chair's foreword

The work of Greater Sydney Parklands is shaped by the 4 strategic priorities of the NSW Government's *50-Year Vision for Greater Sydney's Open Space and Parklands*, as well as the *Greater Sydney Parklands Trust Act 2022*.

These priorities set a clear ambition for Greater Sydney. We want to help realise that ambition by making our parks accessible, connected, protected and cared for.

Over the last year, we have worked hard to achieve this goal and to welcome the millions of visitors who come to enjoy the extraordinary parklands of Greater Sydney.

Managing and caring for our parks requires a close working relationship between our Greater Sydney Parklands team and our many partners in the community, local government and the NSW Government.

On behalf of the Board, I want to acknowledge the enthusiasm with which these partners have engaged with us over the last 12 months.

I would like to thank my fellow board members for their contribution to the work of Greater Sydney Parklands. Thanks also to our Chief Executive, Joshua French and to the dedicated team that conserves, enhances and manages our parks, for the benefit of all who love them and use them.



Michael Rose AM

Chair
Western Sydney Parklands Trust

Chief Executive's report

The 2022-23 financial year was one of big wins – a year when we could focus on our parklands, our communities and our partners.

Our first Reconciliation Action Plan (RAP), released during 2022-23, is an important step as we journey toward a sustainable parklands estate where Country is at the heart of our actions.

Our Consultation and Engagement Framework, also released during 2022-23 and shaped by the community, is a transparent way for us to show how we will engage with park users, visitors, the wider community and our stakeholders.

Our events and education programs are growing. We are creating new and improved park facilities, and we are leaders in operational excellence in park management.

As a government agency, we now have a stronger corporate planning framework that will directly benefit communities and the natural and cultural environment.

The Greater Sydney Parklands team works across the parklands estate and directly with communities. I would like to thank my colleagues at Greater Sydney Parklands – a team of passionate and experienced parks professionals – for their dedication and hard work over the last year.



Joshua French
Chief Executive
Western Sydney Parklands Trust

01

Overview



Overview

The *Western Sydney Parklands Act 2006* (WSP Act) formalises the boundaries of Western Sydney Parklands and establishes the Western Sydney Parklands Trust.

The Western Sydney Parklands Trust is one of the associated trusts of Greater Sydney Parklands Trust, the NSW Government's agency that is dedicated to managing Greater Sydney Parklands' estate.

Under the Act, our principal function is to develop Western Sydney Parklands into a multi-use urban parkland for the region of Western Sydney. We must also maintain and improve the parklands on an ongoing basis.

The Trust Board consists of 8 trustees appointed by and responsible to the Minister for Planning and Public Spaces. The Trustees oversee the management and strategic direction of the organisation, meeting regularly to consider policy and advice from park management.

We are responsible for the management of Western Sydney Parklands and Fernhill Estate.

Western Sydney Parklands is Australia's largest urban park. Its 5,280 ha of public open space stretching for 27 km over the local government areas (LGAs) 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. This scale provides for a unique suite of land uses and opportunities, from the revival of 2,000 ha of native bushland to major sports and tourism facilities and business hubs which raise revenue which is invested back into the parklands.

Western Sydney Parklands Plan of Management 2030 provides the framework for the parklands' operation and development.

The 423-ha Fernhill Estate sits on the edge of the Cumberland Plain within Penrith LGA. Fernhill Estate is on Darug Country, close to Gandangara 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.

Fernhill 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.



Overview

Greater Sydney Parklands

Western Sydney Parklands and Fernhill Estate are part of Greater Sydney Parklands' estate managed by Greater Sydney Parklands.

We work on behalf of the NSW Government to provide safe, accessible and inclusive parklands for the people of Greater Sydney including residents and visitors.

Aims and objectives

As established under the WSP Act, our objectives are to:

- conserve, restore and enhance the natural environment of Western Sydney Parklands and Fernhill Estate, including through the protection of remnant bushland and the restoration of vegetation or revegetation
- conserve, restore and enhance the cultural and historical heritage of the parklands and Fernhill Estate, including First Nations heritage and scenic qualities
- provide or support recreational, entertainment and tourist facilities and opportunities
- cater for a range of community interests, organisations and groups
- help to meet community health needs and provide opportunities for, and encourage, activities that promote health and wellbeing in the community
- encourage and promote public access to and use and enjoyment of Western Sydney Parklands and Fernhill Estate

- facilitate and promote the parklands and Fernhill Estate as places for education and research
- continue to provide necessary access to major service infrastructure, including by allowing sustainable agriculture, horticulture or forestry in the parklands and supporting commercial, retail and transport activities and facilities.

Management and structure

Chief Executive:

Joshua French BSc, BLandArch, Fellow AILA

Director, Finance and Business Services:

Kerry Jahangir, BBA, DipBus, Member CPA Australia

Director, Property Services:

Ben Tax, BComm

Director, Community, Engagement and Partnerships:

Laura Stevens, BA, Cert Public Participation, Cert Investor Relations, Member IPAA NSW

A/Director, Strategy, Design and Delivery:

Oriana Senese, BLandArch (Hons), DipProjMgt, FAILA, Reg LandArch

David Kirkland, BSc

Stephanie Licciardo, BSc (Architecture), BArch, Dip.Arts (Archaeology), AIA, PIA, MICOMOS

Director, Operations, Visitors and Sport:

Jacob Messer, BAppSc, ADip EM

Organisational chart



Overview

Charter

We operate under the charter for the Greater Sydney Parklands Trust.

The charter sets out the following authority and delegations for Western Sydney Parklands Trust.

Delegation of the Trust's functions

In accordance with Part 2 Clause 10 of the WSP Act the Trust may delegate to an authorised person any of its functions, other than this power of delegation.

A delegate may subdelegate to an authorised person any function delegated by the Trust if the delegate is authorised in writing to do so by the Trust.

Authority/functions

In accordance with Part 3 Clause 12 of the WSP Act the following functions may be undertaken.

- 1** The principal function of the Trust is to develop the parklands into a multi-use urban parkland for the region of Western Sydney and to maintain and improve the parklands on an ongoing basis.
 - 2** The Trust also has the following functions:
 - a** to conserve, restore and enhance the natural environment of the parklands, including through the protection of remnant bushland and the restoration of vegetation or revegetation
 - b** to conserve, restore and enhance the cultural and historical heritage of the parklands, including its indigenous heritage and its scenic qualities
 - c** to provide or facilitate the provision of a diverse range of recreational, entertainment and tourist facilities and opportunities in the parklands, such as major sporting facilities, private amusement and recreational attractions and accommodation
 - d** to cater, at a regional level, for a diverse range of community interests, organisations and groups, including through the provision of facilities such as multi-use community halls
 - e** to facilitate the use of the parklands to meet community health needs and provide opportunities for, and encourage, activities that promote health and wellbeing in the community
 - f** to encourage and promote public access to and use and enjoyment of the parklands where appropriate
 - g** to facilitate and promote the use of the parklands for education and research (such as scientific research), including the provision of facilities for these purposes (such as camping facilities, learning centres and accommodation)
 - h** to ensure that government agencies and state-owned corporations continue to have access to major service infrastructure within the parklands
 - i** to maintain the rural character of parts of the parklands by allowing sustainable agriculture, horticulture or forestry in the parklands
 - j** to undertake or provide, or facilitate the undertaking or provision of, commercial, retail and transport activities and facilities in or in relation to the parklands with the object of supporting the viability of the management of the parklands.
- 3** The Trust may do all such supplemental, incidental or consequential acts as may be necessary or expedient for the exercise of its functions, including, for example, merchandising or the sale of the Trust's expertise in relation to any matter for the purpose of raising funds for its operations.
 - 4** In carrying out its functions, the Trust is to have regard to the principles of sustainable development, including ecologically sustainable development.
 - 5** The Trust may, with the consent of the Minister, exercise functions on or in relation to land outside the parklands (including, for example, acquiring any such land). The consent of the Minister is to be given only if the Minister is satisfied that the exercise of the Trust's functions in relation to that land is consistent with the exercise of its functions in relation to the parklands.
 - 6** The Trust has such other functions as are conferred or imposed on it by or under this or any other Act.

Overview

Combined annual reports

The Trust's corporate services – including finance, human resources and information technology – were managed in 2022–23 by the Department of Planning and Environment's Cluster Corporate Shared Services. Information from the cluster is incorporated into sections of this annual report.

Application for extension of time

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*.

Bungarribee Park, Western Sydney Parklands



02

Strategy



Strategy

As a part of Greater Sydney Parklands, our work balances objectives for natural and cultural heritage, communities and local economies. We continuously assess how achieving one objective impacts another so we can adapt to the changing context.

To meet our obligations and achieve our objectives, our work is driven by 8 operating principles:

1 VISITOR FOCUSED

We put the park user at the centre. We engage with a diversity of park users and many others to understand their needs before making decisions that impact them. We aim to be their trusted partner.

2 EVIDENCE-BASED DECISION-MAKING

We act on evidence. Our science-based, best-practice approach to planning and decision-making responds to demand and recognises the changing context.

3 ENTREPRENEURIAL MINDSET

We think strategically. We are creative and innovative to maximise public policy outcomes from our investments. We balance risk and reward and aim for a sustainable business model.

4 CITY-WIDE FOCUS

We link local to the big picture. We think beyond land ownership boundaries to connect the parklands estate to our communities and champion blue-green connectivity across the city.

5 SCALABLE AND ADAPTABLE

We plan for growth. We design business models, systems and processes that scale in a sustainable way with a low administration burden and are tailored to the opportunities and challenges of individual parks.

6 EXCELLENCE

If we do it, we nail it. We identify core functions and activities that we commit to through a culture of continuous improvement, trials and pilots, and aiming high.

7 INTERNAL EXPERTISE

We lead in parks. Our internal expertise is targeted to our core business areas. Where appropriate, we partner with the community, local or state agencies or the private sector, allowing for an agile and efficient workforce focused on our long-term goals.

8 ACCOUNTABILITY

We get the job done. Clear roles and responsibilities for all employees are transparent, agreed and linked to organisational values, objectives and measures.

A key element of our work in the 2022–23 financial year was the finalisation of our Consultation and Engagement Framework in February 2023. We also called on people to nominate for a place on the new community trustee boards established under the *Greater Sydney Parklands Trust Act 2022*. The community trustee boards support the management and enhancement of each of the parks in the parklands estate.

Each board includes at least 7 members including council-nominated community representatives, First Nations representatives, people with experience in heritage management and those with a sound knowledge of the relevant parks.



Horsley Park Urban Farms,
Western Sydney Parklands

Strategy

Strategic objectives and/or outcomes

We are the key advocate across government for the NSW Government's *50-Year Vision for Greater Sydney's Open Space and Parklands*. Our work is framed around the vision's 4 strategic directions:

- 1 Growing parks for people
- 2 Connecting people to parks
- 3 Keeping Sydney green and vibrant
- 4 Caring for the environment.

We have established a strategic framework for 2023 to 2028. The vision for that period is:

A city of connected parklands

To achieve this, our purpose is:

Caring for parklands and connecting communities

Over that period, our objectives are:

- **Accessibility:** To create environments that are accessible and enjoyable, inclusive and engaging for all visitors.
- **Partnerships:** To foster public and private partnerships that improve the visitor experience and return value to government and the community over a range of policy areas.
- **Advocacy:** To advocate for a connected network of waterways and parks, and policies that align with our purpose.
- **Sustainability:** To contribute to long-term social, economic and environmental sustainability through the management and growth of the parklands estate.

- **Growth:** To plan for a growing parklands estate with a scalable and efficient operation that allows us to meet our statutory objectives.

In the immediate term, we will work towards these outcomes by achieving the following priorities:

- 1 Support community trustee boards to protect and activate the parklands estate in a sustainable way through our Consultation and Engagement Framework.
- 2 Develop place-based approaches that improve accessibility and foster enjoyment and partnerships for sustainability.
- 3 Prepare to expand the parklands estate through efficient, effective and scalable operations, and to support the NSW Government's housing agenda.
- 4 Identify and cultivate key partnerships with state and local agencies and private partnerships to improve the visitor experience and generate revenue.
- 5 Create a program to plan, monitor and evaluate protected areas of natural environment.

We see opportunities for the future expansion of the parklands estate.

As we work towards this goal, we want each of these parks to retain their distinctive qualities while enhancing their public value.

This will give the people of Greater Sydney a diversity of options and experiences, alongside consistent and best practice policy, advocacy and management.



03

Operations and performance



Operations and performance

Management and activities

Community trustee boards

In 2022–23, we established community trustee boards as one form of engaging with local communities on the future of Western Sydney Parklands and Fernhill Estate. The Board's play an advisory role, representing a range of community interests and local perspectives on:

- park stewardship
- activities and usage
- environmental, heritage and cultural issues.

The community trustee boards have a direct impact on how Western Sydney Parklands operates, with its advice considered directly by the Western Sydney Parklands Trust Board.

Community trustee board members were appointed by the Minister for Cities and Active Transport on 5 December 2022.



Lizard Log, Western Sydney Parklands

Western Sydney Parklands community trustee board

- Cr Chris Quilkey (Blacktown City Council nominated representative)
- Christine Deaner (Liverpool City Council nominated representative)
- Colin Locke (First Nations representative)
- Douglas Belton (heritage representative)
- Edward Saulig (Fairfield City Council nominated representative)
- Ellie Robertson
- Rebecca Anderson
- Sririsay Vukovic

Fernhill Estate community trustee board

- Cindy Laws (First Nations representative)
- Nicholas Leech
- Mayor Cr Patricia Hitchen (Penrith City Council nominated representative)
- Peter Harvey
- Poonam Naik
- Robert Bennett (heritage representative)
- Shari Driver (Chair)

Operations and performance

Western Sydney Parklands

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

The parklands provide distinctive natural experiences and qualities and are an integral part of Western Sydney's identity.

Our work in Western Sydney Parklands respects the area's heritage. We aim to create a sustainable legacy for generations to come.

Throughout 2022–23, this rich urban parkland provided valuable open spaces and diverse community facilities for the Western Sydney community.

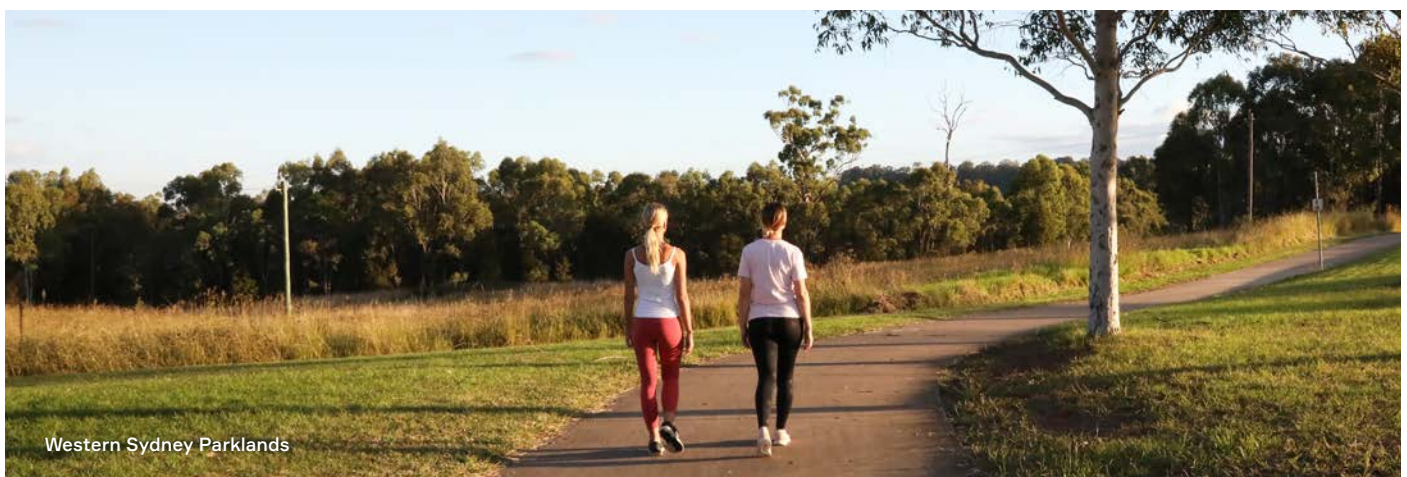
Connecting with our communities

- More than **5.6 million visits to Western Sydney Parklands** in 2022–23 represented an 11% increase from the previous financial year. We attribute this to community events and visits to business partnerships spaces. Of these visitor numbers, 2.91 million people visited recreation areas and 2.75 million people visited partner tourism venues.
- Our biannual customer satisfaction surveys continue to reflect **high standards of customer service** with 86% of those surveyed satisfied with their experience. The average Net Promoter Score is 87%.
- Greener Wilder West was a series of multi-sensory walks, workshops and activities from September to November. This **collaborative effort with Blacktown Arts and other Western Sydney community organisations** enriched the parklands with free workshops and programs for all ages.
- Significant 3-year funding to Guardians of the Park enabled an expanded program, **empowering disadvantaged students through skills building in a 10-week environmental stewardship course**. The course covered land management practices, nature connection and wellbeing techniques that help young people to build self-esteem and resilience.

- We launched the inaugural Science in the Scrub event at Lizard Log at Western Sydney Parklands, **attracting 8,000 attendees**.
- Our long-running schools program Bringing Back the Bush extended Cumberland Plain Woodland remnants and involved thousands of local students. We expanded the program to include a **community tree-planting day at Lizard Log for World Environment Day**.
- We **relaunched our summer tourism campaign 'Stay and Play'** to encourage people to come and explore everything the parklands has to offer.
- The opening of the new **Wylde Mountain Bike (MTB) and BMX facility saw visitation double**, thanks to the great uptake by the community in partnership with Liverpool City Council and stakeholders.

Caring for the environment and protecting our heritage

- With **1,500 ha of bushland under bush regeneration management programs** throughout the parklands, we are on track with our goal to create a 2,000-ha bushland corridor. We undertook intensive clearing of riparian weeds along Eastern Creek in Horsley Park, which features the threatened species Spiked Rice Flower.
- Through nature education programs, children and community members **planted 8,000 trees, shrubs and grasses**. This effort enhances the connection of remnants of the Cumberland Plain Woodlands.
- **Native flora and fauna continue to return**, including increased snake activity and sightings. This is a good sign that other animals are in abundance.
- We made up to 1,500 native trees including wattle and spotted gums available for families to plant at Lizard Log in Western Sydney Parklands at the **Bringing Back the Bush Family Day** on 4 June 2023.



Western Sydney Parklands

Operations and performance

Creating community and recreational facilities

- We undertook **significant infrastructure renewal works** at Plough and Harrow, Bungaribee Park, Lizard Log and The Dairy. This included the rejuvenation of various timber assets throughout the parklands, the replacement of the viewing deck at Plough and Harrow, and path and pedestrian bridge replacement at Lizard Log.
- We undertook an **extensive repair and renewal program** throughout the track network following the unprecedented La Nina weather event.
- The Wylde Mountain Bike (MTB) and BMX facility reopened in August 2022. At 86 ha, it is the largest mountain bike and BMX hub in the country. The **opening attracted 1,300 mountain bike and BMX enthusiasts**, both adults and children. People travelled from as far as Terrigal and Lithgow to enjoy the facility.
- The facility won the **Outstanding Sport, Recreation and Tourism Project of the Year** at the Western Sydney Leadership Dialogue Boomtown! Awards.
- We **hosted an E-scooter trial**, giving visitors to Bungaribee Park, Lizard Log and Shale Hills an early opportunity to try an E-scooter before they were approved in NSW.

Maintaining a sustainable organisation

- We continued to **harmonise systems, processes and services** of Western Sydney Parklands with the administration of the rest of the parklands estate under Greater Sydney Parklands.
- The Trust generated an income of **\$43.2 million** from self-generated funds and grants from government and other agencies.
- Recurrent income from property, events and parking fees was **\$34.7 million** compared to **\$29 million** the previous year.

- Recurrent expenditure including depreciation was **\$24.1 million** compared to **\$17.7 million** the previous year.
- Our operating model continued to provide the financial sustainability to secure the long-term future for the parklands, with over **\$16.8 million generated from finance lease income**.
- The Trust entered into development management agreements with various developers to **grow business hubs**, whereby land and buildings owned by the Trust are leased to third parties. The term of these agreements are typically 50 years plus.

Fernhill Estate

Fernhill Estate 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.

Through the *Foundation Plan of Management to 2026* we are working 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.

Connecting with our communities

- We held the first community open weekend at Fernhill Estate since the NSW Government purchase in 2018. The **Discover Fernhill Estate free community event in April 2023** included workshops and tours celebrating First Nations culture and highlighting historical and environmental features. The event included live music, picnic food and drinks, and kids' arts, crafts and games. An estimated 1,600 visitors enjoyed this event, many who were first-time visitors.
- Our new **community trustee board visited the estate in April 2023** to understand the work to date on the *Foundation Plan of Management to 2026*, Landscape Master Plan, environmental and heritage work, and maintenance work.
- More than **550 visitors registered for the Sunday self-guided walking tours**.



Bungaribee Park, Western Sydney Parklands

Operations and performance

Caring for the environment and protecting our heritage

- **Habitat improvement works** included the creation of more than 165 hollows in trees across the estate. We observed Spotted Pardalote, Australian Owlet Nightjar and possums using these new homes, and expect to welcome many more birds and animals as the hollows mature.
- We are continuing to **rehabilitate the natural environment** where Lantana and exotic grasses remain major threats.
- We continue to **work with Local Land Services** on its regional deer control program and our fox control program benefits local wildlife.
- We commenced the project to **rehome the Przewalski Horses** that were abandoned on the Estate.
- We completed the **Stage 1 repair and painting works to the Early Colonial Fernhill House** and commenced the Stage 2 roof slate renewal. We also completed the Stage 1 repointing and stone repair conservation works to the Early Colonial stone bridges and commenced the Stage 2 footing investigation and structural monitoring.

Creating community and recreational facilities

- We continued **planning activities** as the foundation for creating community and recreation facilities over time.
- We **worked with Transport for NSW** on 2 options to test with the community and stakeholders regarding reducing speed and improving access to Fernhill Estate between Winbourne Road and Mayfair Road in Mulgoa. A consultation outcomes report was released in December 2022.
- We completed **improvement works to visitor facilities** before the open day in April 2023. We installed a permanent all-accessibility toilet, improved the water supply and reconfigured the overflow car park.
- We completed **significant dam infrastructure repairs** following the extreme La Nina wet weather conditions.

Maintaining a sustainable organisation

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

Land disposal

In 2022–23 no land disposals of value greater than \$5 million occurred that would have required disposal by way of public auction or tender.

Research and development

In 2022–23, we continued to facilitate research at our sites with access and support to researchers for work including:

- hollows for habitat
- microbat habitat and surveys
- floristics of ecological reconstruction
- genetic studies.

Other research included:

- studies of Fernhill House, garden and landscape setting to inform the final Conservation Management Plan
- Djinjama's First Nations reading of Country for Fernhill Estate.

Implementation of price determination

The Trust has not been subject to a determination or recommendation of the Independent Pricing and Regulatory Tribunal.

04

Management and accountability



Management and accountability

Number and remuneration of senior executives

Number of senior executives						
Band	2021–22			2022–23		
	Female	Male	TOTAL	Female	Male	TOTAL
Band 4 Secretary	–	–	–	–	–	–
Band 3 Group/Deputy Secretary	–	–	–	–	–	–
Band 2 Executive Director	1	–	1	–	1	1
Band 1 Director	1	3	4	2	3	5
TOTAL	2	3	5	2	4	6

Note 1: These are senior executive statistics as of 30 June 2023. This data is based solely on senior executives in their substantive role and band level.

Average remuneration of senior executives		
Band	2021–22	2022–23
	Average remuneration (\$)	Average remuneration (\$)
Band 4 Secretary	–	–
Band 3 Group/Deputy Secretary	–	–
Band 2 Executive Director	317,876	335,017
Band 1 Director	224,125	225,862

Total employee-related expenditure relating to senior executives (%)	
2021–22	2022–23
91%	91%

Management and accountability

Human resources

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 among the Trusts.

Number of officers and employees by category with previous year comparison			
Role	2020–21	2021–22	2022–23
Ongoing	67	69	76
Temporary	4	16	13
Casual	8	7	15
Executive	5	5	6
TOTAL	84	97	110

Note 1: Headcount data reported at end of reporting period

Consultants

Consultants equal to or more than \$50,000		
Consultant name	Title of project	Actual costs (\$'000)
Strategem Holdings Pty Limited	GSP Business Planning	\$94,218.75
Aurecon Australasia	Climate Adaptation Strategy	\$66,800
TOTAL		\$161,018.75

Consultants less than \$50,000	
Total number of engagements	Total costs
15	\$219,609.17

Management and accountability

Promotion

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

Requirements arising from employment arrangements

The Trust did not provide personnel services to any entities.

The Trust received personnel services from the Department of Planning and Environment.

Legal change

Responsibility for the Trust has moved to the Minister for Planning and Public Spaces (previously the Minister for Cities and Active Transport) under the 5 April 2023 *Administrative Arrangements (Minns Ministry–Administration of Acts) Order 2023*. However no administrative order to transfer the Trust's staff and functions was formalised at that date.

As per *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 5) 2023* dated 28 June 2023, the Trust's staff and functions transferred to the Department of Planning and Environment from 1 July 2023.

Events arising after the end of the annual reporting period

The Trust has not identified any further significant event after reporting date that is required to be included in the financial statements or the annual report.

Risk management and insurance activities

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.

Internal audit and risk management policy attestation

We are of the opinion that we have 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*.

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

Management and accountability

Cyber security policy (CSP) attestation

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

In relation to the information systems provided by the Department of Planning and Environment Cluster Corporate Services to the Western Sydney Parklands Trust:

- The Department of Planning and Environment has 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 its enterprise risk management framework.
- Governance is in place to manage the department's cyber security maturity and initiatives.
- Risks to the Department of Planning and Environment's information and systems are assessed and managed.
- The existing cyber incident response plan for the department has been tested during the reporting period.
- The Department of Planning and Environment 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 2022-23 (Certificate Number: IS 645082).
- The Department of Planning and Environment Cluster Corporate Service's Cyber Security Strategy ensures continuous improvement and management of cyber security governance and resilience.

In relation to the information systems managed by the Trust:

- The Trust manages cyber security risks using an enterprise risk management framework and continues to improve the management of its cyber risks.
- Cyber security is an evolving landscape that requires an ongoing program of work. The Trust is committed to maturing cyber security controls through risk assessment, appropriate resourcing and maturity targets.
- The Trust does not have any Crown Jewels that are agency-managed. The Trust has identified its Business Critical Assets and conducted a risk assessment of cyber security-related risks for those assets.
- There is a governance committee at Department level for cyber security including risks, plans and meeting the requirements of the Cyber Security Policy.
- The Trust's Business Critical Assets are hosted by third party vendors. The Trust's cyber incident response plan for information systems relies on our Cyber Security Incident Response Procedure and vendor response plan. The Trust's Information Security Management System (ISMS) relies on vendors' systems.
- The vendors of information systems utilised by the Trust have Information Security Management System (ISMS) in place and the Trust's assessment criteria for preferred vendors of information systems includes a requirement for an ISMS is managed by CIO at Department level.



Joshua French
Chief Executive
Western Sydney Parklands Trust

Management and accountability

Compliance with the *Privacy and Personal Information Protection Act 1998* (PIIP Act)

Under Clause 6 of the *Annual Reports (Departments) Regulation 2010*, we must provide a statement of our actions to comply with the PIIP 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 PIIP 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 PIIP 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 2022–23 Western Sydney Parklands Trust received no applications for review under Part 5 of the PIIP Act.

Government Information (*Public Access*) Act 2009 (GIPA Act)

Western Sydney Parklands Trust has delegated its functions under section 9 of the GIPA Act to the Information Access and Privacy Unit of the Department of Planning and Environment. All trust-related information about access applications are included in an annual report under the GIPA Act and *Government Information (Public Access) Regulation 2018*. This is included in the department's annual report.

Public Interest Disclosures Act 1994 (PID Act)

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

Costs incurred in the production of this report

\$13,348.80

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.

Website to access this report

The Western Sydney Parklands Trust Annual Report 2022–23 is available online at [Western Sydney Parklands | Corporate](#)

Exemptions

Western Sydney Parklands Trust has not applied for, or received, any exemptions from including certain information in the 2022–23 annual report.

05

Sustainability



Sustainability

Disability inclusion action plans

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

Modern Slavery Act 2018 (NSW)

Western Sydney Parklands Trust operates under the Department of Planning and Environment's procurement framework, with services provided to the Trust. *Modern Slavery Act 2018 (NSW)* requirements are managed through this framework. Further information is captured in the Department of Planning and Environment's Annual Report.

Work 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 3 incidents reported in 2022–23 across Western Sydney Parklands Trust and Parramatta Park Trust involving staff, volunteers or contractors and resulting in an injury. We recorded 2 workers compensation insurance claims in 2022–23. No incidents needed to be notified to SafeWork NSW.

Sustainability

Workforce diversity

Our workforce diversity strategies and achievements fall under the Department of Planning and Environment and are reported in the department's 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	2021	2022	2023
Women	50%	45.1%	45.0%	50%
Aboriginal and/or Torres Strait Islander peoples	3.3%	1.2%	1.0%	1.0%
People whose first language spoken as a child was not English	23.2%	11.9%	15.0%	12%
People with a disability	5.6%	2.7%	1.3%	1.0%
People with disability requiring work-related adjustment	N/A	1.2%	0.0%	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.

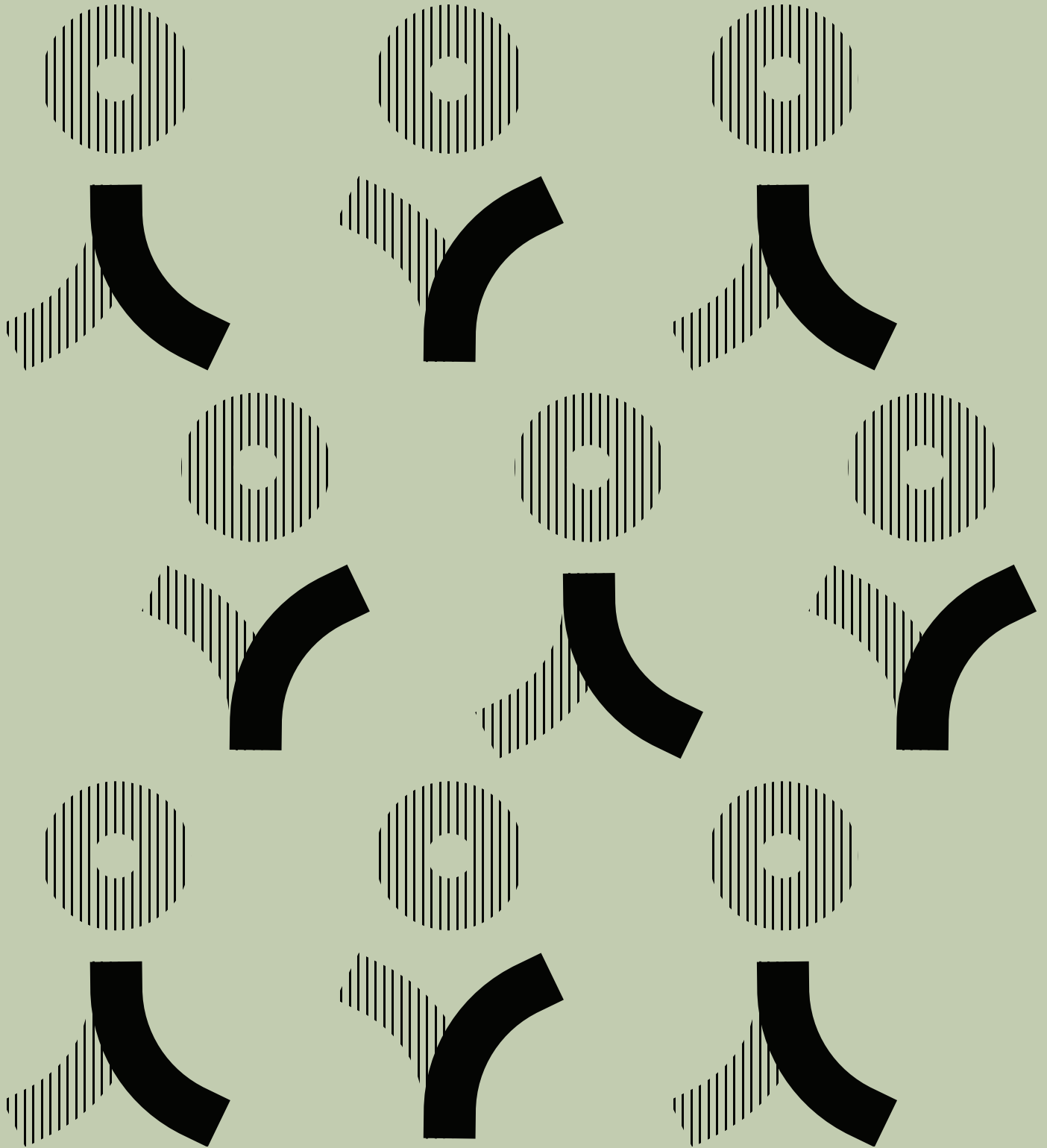
Trends in the distribution index for workforce diversity groups				
Workforce diversity group	Benchmark	2021	2022	2023
Women	100	N/A	N/A	N/A
Aboriginal and/or Torres Strait Islander peoples	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	N/A	N/A
People with a disability	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.

Financial performance

Year ended 30 June 2023





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 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

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

Other Information

The Trust's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board of the Trust are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the annual report.

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

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

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

I have nothing to report in this regard.

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.

Nirupama Mani

Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 November 2023
SYDNEY

Statement by the Accountable Authority

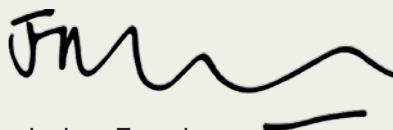
Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (GSF Act) we state that:

- a) the accompanying financial statements have been prepared in accordance with the Australian Accounting Standards and any other requirements specified by the GSF Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions.
- b) the statements present fairly the Western Sydney Parklands Trust (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
Chairman
Western Sydney Parklands Trust

24 November 2023



Joshua French
Chief Executive
Western Sydney Parklands Trust

24 November 2023

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Statement of Comprehensive Income for the year ended 30 June 2023

		Actual 2023	Budget 2023	Actual 2022
	Notes	\$'000	\$'000	\$'000
CONTINUING OPERATIONS				
REVENUE				
Sale of goods and services from contracts with customers	2(a)	368	726	197
Investment revenue	2(b)	34,357	27,067	28,804
Retained taxes, fees and fines	2(c)	4	–	4
Grants and other contributions	2(d)	6,414	3,925	79,865
Acceptance by the Crown of employee benefits and other liabilities	2(e)	190	–	(39)
Other income	2(f)	1,908	806	2,684
Total revenue		43,241	32,524	111,515
EXPENSES EXCLUDING LOSSES				
Personnel services expenses	3(a)	3,656	3,618	3,449
Other operating expenses	3(b)	11,533	10,763	8,411
Depreciation and amortisation	3(c)	8,927	8,126	5,760
Finance costs	3(d)	3	–	31
Total expenses excluding losses		24,119	22,507	17,651
Operating result		19,122	10,017	93,864
Net loss on disposal	4(a)	(682)	–	(1,251)
Other losses	4(b)	–	–	(20)
Gain on lease assets	4(b)	4,515	–	–
Impairment loss on financial assets	4(b)	(219)	–	(56)
Gain on de-recognition of right-of-use assets	4(c)	–	–	83
Net result		22,736	10,017	92,620
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment	10(a)	90,013	–	71,922
Total other comprehensive income		90,013	–	71,922
TOTAL COMPREHENSIVE INCOME		112,749	10,017	164,542

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	5	103,839	109,868	72,817
Receivables	6	2,550	10,770	30,122
Lease receivables	7(a)	13,722	–	7,814
Total Current Assets		120,111	120,638	110,753
Non-Current Assets				
Lease receivables	7(b)	237,769	180,475	168,029
Other receivables	8	8,227	–	8,152
Property, plant and equipment	10(a)	1,252,598	1,127,573	1,224,234
Right-of-use assets	11	42	74	78
Total Non-Current Assets		1,498,636	1,308,122	1,400,493
Total Assets		1,618,747	1,428,760	1,511,246
LIABILITIES				
Current Liabilities				
Payables	13	4,488	5,096	4,052
Provisions	14	417	574	603
Contract liabilities	9	50	–	–
Other lease liabilities	15	38	40	37
Lease liabilities	16(a)	4,193	1,808	3,964
Other current liabilities	17(b)	1,028	–	1,370
Total Current Liabilities		10,214	7,518	10,026
Non-Current Liabilities				
Provisions	14	7	–	11
Other provisions make-good	14(iv)	–	170	170
Other lease liabilities	15	5	87	44
Lease liabilities	16(b)	11,813	10,000	16,644
Other non-current liabilities	17(a)(b)	15,919	23,067	16,311
Total Non-Current Liabilities		27,744	33,324	33,180
Total Liabilities		37,958	40,842	43,206
NET ASSETS		1,580,789	1,387,918	1,468,040
EQUITY				
Reserves		691,672	557,091	601,659
Accumulated funds		889,117	830,827	866,381
TOTAL EQUITY		1,580,789	1,387,918	1,468,040

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2023

		Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
	Notes			
Balance at 1 July 2022		866,381	601,659	1,468,040
Net result		22,736	–	22,736
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	10(a)(iv)	–	90,013	90,013
Total other comprehensive income		-	90,013	90,013
Total comprehensive income for the year		22,736	90,013	112,749
Balance at 30 June 2023		889,117	691,672	1,580,789
Balance at 1 July 2021		773,761	529,737	1,303,498
Net result		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
Balance at 30 June 2022		866,381	601,659	1,468,040

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(3,492)	(3,618)	(4,421)
Suppliers for goods and services		(10,774)	(7,763)	(10,751)
Finance costs		(3)	–	(31)
Total payments		(14,269)	(11,381)	(15,203)
Receipts				
Sale of goods and services from contracts with customers		368	56,679	196
Grants and other contributions		6,070	3,925	22,774
Rent received		3,932	–	2,902
Retained taxes, fees and fines		4	–	4
Finance lease income		15,977	–	7,826
Interest received		2,950	400	111
Offset and environmental management fee		394	–	529
Reimbursements from the Crown		190	–	(39)
Other		2,020	4,077	1,777
Total receipts		31,905	62,081	36,080
Net cash flows from operating activities	23	17,636	50,700	20,877
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property plant and equipment		26,819	–	26,711
Proceeds from sale of financial assets		–	(3,882)	5,004
Purchase of property, plant and equipment and intangibles		(13,397)	(8,560)	(16,456)
Net cash flows from investing activities		13,422	(12,442)	15,259
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of principal portion of lease liabilities	11	(36)	(230)	(341)
Net cash flows from financing activities		(36)	(230)	(341)
Net increase in cash and cash equivalents		31,022	38,258	35,795
Opening cash and cash equivalents		72,817	71,609	37,022
CLOSING CASH AND CASH EQUIVALENTS	5	103,839	109,867	72,817

The accompanying notes form part of these financial statements.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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 kilometers 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 April 2022, the Department of Transport (DoT) has provided these services (refer *Administrative Arrangements (Administrative Changes - Miscellaneous) Order 2022*) prior to 1 April 2022 these services were provided by the Department of Planning and Environment (DPE). The Trust reports employee related information as "personnel services" in its financial statements.

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Trust on the 24 November 2023.

(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 2022-23

Business Hub Accounting Policy

In the FY2023 year the new accounting policy for Business Hubs accounting was formalised and implemented based on principles agreed in the prior (FY2022) year. It should be noted adjustments from key principles in the policy were made retrospectively to the Trust's FY2022 financial statements in accordance with AASB 108.

(ii) Effective for the first time in FY 2022-23

The accounting policies applied in FY2022-23 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 per TPG23-04 Mandates of 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 FY2022-23, but do not 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 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15.

(iii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise (refer TPG23-04 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 17 Insurance Contracts
- *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts*
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

2 Revenue

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

	2023 \$'000	2022 \$'000
Rendering of services		
Use of recreational facilities	368	196
Fees received	–	1
Total	368	197

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 Mountain Bike Trail (MTB) 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 2023 is nil (2022: 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

	2023 \$'000	2022 \$'000
Interest income from financial assets at amortised cost	2,950	107
Finance lease income	16,793	13,443
Rental income	14,540	16,102
Gain / (loss) on Bio-banking Trust Fund	74	(848)
Total	34,357	28,804

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 de-recognises 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 at amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease Initial direct costs.

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

Finance lease income reflects 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

	2023	2022
	\$'000	\$'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. Parking Infringement income is recognised as revenue when the service has been provided, the payment is received, or when the penalty has been finalised, whichever occurs first.

(d) Grants and other contributions

	2023	2022
	\$'000	\$'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
NSW Government through Transport for NSW	3,809	–
Transport for NSW (Wylde MTB)	1,773	6,000
Transport for NSW (Mirror Dam Shared Path)	271	186
Department of Planning and Environment (Greening Western Sydney)	162	88
Federal Government - National Science Week	–	20
Athasal infrastructure works	399	
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	6,414	79,830
Grants with sufficiently specific performance obligations		
Department of Planning and Environment (Greener Wilder)	–	35
Total Other Grants with sufficiently specific performance obligations	0	35
Total grants and other contributions	6,414	79,865

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).

Grants and Other Contributions

The Trust receives grants from the NSW State Government and other funding bodies. The Trust also receives capital grants funding from communities and other governments departments for capital works such as construction of assets and infrastructure upgrades with key projects listed below.

(i) Premier’s 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 2023, \$1,020,630 YTD has been spent (\$873,864 YTD spent during FY2022) and \$719,370 has been deferred. The remaining is expected to be spent in FY2024 and thereafter.

(ii) Pilot Program to control deer

In FY2021, the Trust received \$70,000 from the DPE to undertake a Pilot Program to control deer in Western Sydney Parklands. As at 30 June 2023, all funds have been spent for the program.

(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 YTD \$457,346 has been spent as at 30 June 2023. The remaining \$9,542,654 has been accounted for as deferred revenue as at 30 June 2023. 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 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. During FY2023 WSPT has received \$1,772,617 as a final payment under the Deed.

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

During FY2022 Speedway assets of \$69,113,000 were transferred and recognised as an In-kind non-cash contribution from Sydney Metro. The transfer was subject to known defects being addressed by Sydney Metro which are yet to be resolved (refer notes 10 and 21).

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

	2023	2022
	\$’000	\$’000
Superannuation – defined contributions	6	4
Long service leave provision	184	(43)
Total	190	(39)

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, the Trust recognises an income equivalent to the liability assumed.

(f) Other income

	2023	2022
	\$'000	\$'000
Expense recoveries	674	1,908
Insurance recoveries	687	78
Environment scheme income	426	509
Bio-banking liability amortisation	121	189
Total	1,908	2,684

Expense recoveries includes staff, contactors, consulting, fee for services, legal, security services, utilities, staff car parking, property damages and maintenance of venues and facilities. Expense recoveries are recognised based on the pattern of consumption of service.

Insurance recoveries primarily include progress payment for property damage claims which are recognised once insurance claims are finalised by the insurance provider.

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

	2023	2022
	\$'000	\$'000
Salaries and wages (including recreation leave)	3,002	3,000
Superannuation - defined contributions	276	295
Long service leave	183	(41)
Workers compensation insurance	14	21
Payroll tax and fringe benefits tax	181	174
Total	3,656	3,449

Employee related costs of \$79,043 (2022: nil) have been capitalised, in particular property, plant and equipment or intangible assets accounts, and therefore excluded from the above.

Personnel services are provided by the Department of Transport (DoT) (refer Note 1(a)).

(b) Other operating expenses include the following:

	2023	2022
	\$'000	\$'000
Maintenance	4,212	3,750
Fees for services	3,188	1,399
Shared services costs	703	755
Insurance	618	392
Marketing	608	186
Rent	479	1
Consultants	381	296
Information technology	253	93
Waste removal and cleaning	232	37
Legal fees	176	212
Utilities	169	99
Training and conferences	156	40
Audit fees	140	123
Board fees	60	127
Motor vehicle and fleet	32	82
Parklands – ranger services	30	471
Security	21	274
Telecommunications	16	54
Other	59	20
Total	11,533	8,411

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.

Shared Services Cost

A legacy Service Partnership Agreement (SPA) was developed in 2017 which has supported the provision of services by DPE (formerly DPIE) to Western Sydney Parklands Trust (WSPT), Paramatta Parklands Trust (PPT), and Centennial Park and Moore Park Trust (CPMPT).

From 1 July 2022, a new SPA arrangement was entered with GSPT and the Department of Planning and Environment (DPE). The new SPA will replace the legacy SPA and will cover services to be provided to WSPT, PPT, CPMPT through GSPT.

The Shared Services include Finance and shared services, ICT, procurement, workplace accommodation, legal fees and all other services included in the agreement. These are provided under the SPA between DPE and GSPT under an annual standard service fee.

The shared service fee is recognised on a straight-line basis over the financial year as services are consumed.

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

	2023	2022
	\$'000	\$'000
Buildings	1,410	1,184
Infrastructure systems – other	6,907	3,538
Plant and equipment	574	732
Right-of-use assets	36	306
Total	8,927	5,760

Recognition and Measurement

Refer to Note 10 for the depreciation policy related to property, plant and equipment and Note 11 for the depreciation policy related to right-of-use assets.

(d) Finance costs

	2023	2022
	\$'000	\$'000
Interest expense from lease liabilities	3	31
Total	3	31

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) Gains / (losses) on disposal

	2023	2022
	\$'000	\$'000
Proceeds from the sale of assets	108	–
Less written down value of assets disposed	(790)	(1,251)
Total losses on disposal	(682)	(1,251)

(b) Other gains / (losses)

	2023	2022
	\$'000	\$'000
Loss on Biodiversity assets	–	(20)
Gain on lease assets	4,515	–
Impairment loss on financial assets	(219)	(56)
Total other gains / (losses)	4,296	(76)

(c) Gain on de-recognition of property lease

	2023	2022
	\$'000	\$'000
Gain on de-recognition of right-of-use assets and lease liabilities with Property NSW*	–	83
Total gain on de-recognition of property lease	–	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.

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 10: Property, plant and equipment

Note 11: Right-of-use assets

5 Current Assets - Cash and Cash Equivalents

	2023	2022
	\$'000	\$'000
Cash at bank	103,839	72,817
Total	103,839	72,817
Closing cash and cash equivalents (per Statement of Cash Flows)	103,839	72,817

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	2023	2022
		\$'000	\$'000
Trade receivables from contracts with customers		516	28,090
Rent receivable		2,506	1,543
Subtotal		3,022	29,633
<i>Less Allowance for expected credit losses*</i>	25(c)(i)	(376)	(136)
Retained taxes and GST receivable		(107)	513
Prepayments		11	112
Total		2,550	30,122
<i>*Movement in the allowance for expected credit loss</i>			
Balance at the beginning of year		(136)	(156)
Amounts utilised during the year		(21)	76
Decease / (Increase) in allowance recognised in net results		(219)	(56)
<i>*Closing balance as at June 2023</i>		(376)	(136)

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 completed a review of rent relief guidelines on the property portfolio. For the year ended 30 June 2023 the Trust has recognised Rent relief (inclusive of rental waivers and deferrals) of \$63,660 (2022: \$530,000) (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.

7 Current / Non-Current lease receivables

(a) Current lease receivable

	2023	2022
	\$'000	\$'000
Current finance lease receivables	13,722	7,814
Total lease receivables	13,722	7,814

(b) Non-current lease receivable

	2023	2022
	\$'000	\$'000
Non-current operating lease receivables	4,238	8,073
Non-current finance lease receivables	233,531	159,956
Total lease receivables	237,769	168,029

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).

8 Current / Non-Current Assets – Other Receivables

	2023	2022
	\$'000	\$'000
Non-current other receivables		
Bio-banking Trust Fund deposit	8,227	8,152
Total	8,227	8,152

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.

9 Contract Assets and Liabilities

	2023	2022
	\$'000	\$'000
Contract liabilities	50	–
Total Contract liabilities	50	–

Recognition and Measurement

Contract assets relate to the Trust's right to consideration in exchange for goods transferred to customers / works completed, but not billed at the reporting date in respect of event recoveries. There were no contract assets at 30 June 2023.

Contract liabilities relate to consideration received in advance from customers in respect of sufficiently specific performance obligations.

	2023	2022
	\$'000	\$'000
Opening balance of contract liabilities	–	–
Contract liabilities with satisfied performance obligation	–	–
Contract liabilities with unsatisfied performance obligation	50	–
Closing balance of Contract Liabilities	50	–

Under the AASB15, the Trust is obliged to perform in accordance with the conditions specified in the agreements before recognising as revenue during the year. Where the Trust has not completed its performance obligations, revenue is deferred.

The closing balance of contract liabilities reflects the transaction price allocated to the remaining performance obligations. The unearned revenue is expected to be recognised as revenue in the 2024 financial year.

10 Non-Current Assets – Property, Plant and Equipment

(a) Total property, plant and equipment

	2023	2022
	\$'000	\$'000
(i) Land and Buildings		
At Fair Value	981,213	958,955
<i>Less Accumulated Depreciation</i>	(29,591)	(22,257)
Net carrying amount	951,622	936,698
(ii) Plant and Equipment		
At Fair Value	9,539	9,449
<i>Less Accumulated Depreciation</i>	(2,617)	(3,065)
Net carrying amount	6,922	6,384
(iii) Infrastructure Systems		
Biodiversity Assets		
At Fair Value	50,672	42,035
Net carrying amount	50,672	42,035
Other		
At Fair Value	280,122	266,465
<i>Less Accumulated Depreciation</i>	(36,740)	(27,348)
Net carrying amount	243,382	239,117
Total Infrastructure Systems Net Carrying Amount	294,054	281,152
Total Property, Plant and Equipment Net Carrying Amount	1,252,598	1,224,234

(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
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2023						
Net carrying amount at the beginning of year		936,698	6,384	42,035	239,117	1,224,234
Additions		(6)	712	–	12,690	13,396
Disposals		(65,585)	(399)	–	–	(65,984)
De-recognition of Make Good		–	(170)	–	–	(170)
Net revaluation increment		78,733	–	8,637	2,643	90,013
Transfer between asset classes		3,192	969	–	(4,161)	-
Depreciation expense	3(c)	(1,410)	(574)	–	(6,907)	(8,891)
Net Carrying amount at the end of year		951,622	6,922	50,672	243,382	1,252,598
	Note	Land and Buildings	Plant and Equipment	Infrastructure Systems: Biodiversity Assets	Infrastructure Systems: Other	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2022						
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		(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 year		936,698	6,384	42,035	239,117	1,224,234

Further details regarding the fair value measurement of property, plant and equipment are discussed in Note 12.

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

	2023	2022
	\$'000	\$'000
(i) Land and Buildings		
At Fair Value	926,493	912,043
<i>Less Accumulated Depreciation</i>	(928)	(827)
Net carrying amount	925,565	911,216
(ii) Plant and Equipment		
At Fair Value	7,470	7,379
<i>Less Accumulated Depreciation</i>	(2,473)	(3,051)
Net carrying amount	4,997	4,328
(iii) Infrastructure Systems		
Biodiversity Assets		
At Fair Value	50,672	42,035
Net carrying amount	50,672	42,035
Other		
At Fair Value	168,753	153,035
<i>Less Accumulated Depreciation</i>	(33,040)	(26,652)
Net carrying amount	135,713	126,383
Total Infrastructure Systems Net Carrying Amount	186,385	168,418
Total Property, Plant and Equipment Net Carrying Amount	1,116,947	1,083,962

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

(iv) Reconciliation

		Land and Buildings	Plant and Equipment	Infrastructure Systems: Biodiversity Assets	Infrastructure Systems – Other	Total
As at 30 June 2023	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at the beginning of year		911,216	4,328	42,035	126,383	1,083,962
Additions		(6)	712	–	12,672	13,378
Disposals		(63,647)	(399)	–	–	(64,046)
Derecognition of Make Good		–	(170)	–	–	(170)
Net revaluation increment/decrement		74,988	–	8,637	4,046	87,671
Transfer between asset classes		3,116	970	–	(4,166)	(80)
Depreciation expense		(102)	(444)	–	(3,222)	(3,768)
Net Carrying amount at the end of year		925,565	4,997	50,672	135,713	1,116,947

		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		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

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

	2023	2022
	\$'000	\$'000
Land and Buildings		
At Fair Value	54,720	46,913
<i>Less Accumulated Depreciation</i>	(28,663)	(21,430)
Net carrying amount	26,057	25,483
Plant and Equipment		
At Fair Value	2,069	2,070
<i>Less Accumulated Depreciation</i>	(144)	(15)
Net carrying amount	1,925	2,055
Infrastructure System		
At Fair Value	111,369	113,430
<i>Less Accumulated Depreciation</i>	(3,700)	(696)
Net carrying amount	107,669	112,734
Total Property, Plant and Equipment Net Carrying Amount	135,651	140,271

(ii) Reconciliation

	Land and Buildings	Plant and Equipment	Infrastructure Systems – Other	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2023				
Net carrying amount at the beginning of year	25,483	2,055	112,734	140,272
Additions	–	–	18	18
Disposals	(1,938)	–	–	(1,938)
Net revaluation increment/decrement	3,745	–	(1,403)	2,342
Transfer between asset classes	75	–	5	80
Depreciation expense	(1,308)	(130)	(3,685)	(5,123)
Net Carrying amount at the end of period	26,057	1,925	107,669	135,651

	Land and Buildings	Plant and Equipment	Infrastructure Systems – Other	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2022				
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 end of year	25,483	2,055	112,734	140,271

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.

Biodiversity Assets

From FY2020 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, which has been established via 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. The comprehensive valuation was performed during FY2020. The revaluation of Biodiversity Assets is subject to every five-year cycle comprehensive valuation and is due during FY2025. During FY2023, (an interim period) the Trust's staff (Environment team) performed an internal assessment of both impairment and replacement cost. Whilst no impairment indicators were identified, the Trust has reflected a valuation gain of \$8.63 million for FY2023 based on replacement cost model valuation methodology.

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:

	<u>Useful Life Years</u>	
	2023	2022
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 13 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.

A comprehensive valuation of the Trust's land holdings, building and infrastructure systems assets was conducted as at 31 March 2023 *.

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 of land (except Business Hub land) was performed as at 31 March 2023, by professional valuer, Mr. Mark Skeed, Certified valuer, Bachelors of Town Planning and Master of Real Estate from CBRE. The valuation has been performed in accordance with the requirements of NSW Treasury TPP 21-09, AASB 13 and AASB 116. Appropriate consideration has been given for uses of land within the parklands and recent sales evidence in order to determine the fair value of land. As a result of the comprehensive revaluation, there is a revaluation uplift of approximately 6% in open space as compared to the fair value of the prior year *.

Business hub land is valued at the time of signing Development Management Agreement (DMA) with the developer. An updated valuation is performed whenever there is a mutually agreeable variation / update of conditions in the DMA. Business Hub land is annually indexed by the escalation rate stipulated in DMA as per Business Hub Accounting Policy.

(ii) Buildings and infrastructure systems - Other

A comprehensive valuation of buildings and infrastructure systems (landscaping, park infrastructure assets including playgrounds, paths, car parks etc.) was performed as at 31 March 2023 by Mark Skeed, Certified Practising Valuer, Bachelors of Town Planning and Master of Real Estate from CBRE. The valuation has been performed in accordance with the requirements of NSW Treasury TPP 21-09, AASB 13 and AASB 116. A physical inspection of key buildings and infrastructure assets has been performed to ascertain the current condition and status of assets to determine fair value. As a result of the comprehensive revaluation, there is a revaluation uplift of 5% in Buildings and Infrastructure systems others as compared to the fair value of the prior year *.

* For the valuation of land, buildings, and infrastructure other above the Trust has received a valuation statement from external valuers confirming no material change in value between 31 March 2023 and 30 June 2023 after taking into account the impacts of COVID-19 and changes in the 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:

	2023	2022
	\$'000	\$'000
Land & Buildings	1,366	76
Plant and Equipment	417	1,550
Infrastructure Systems – Other	29,005	53,473
Total	30,788	55,099

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. Lease contracts are made for a maximum period of 4 years for motor vehicles and terminated thereafter. 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.

As at 30 June 2023, 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:

	2023	2022
	\$'000	\$'000
Right-of-use assets		
Balance at 1 July 2022	78	1,520
Additions	–	28
Depreciation expense	(36)	(306)
De-recognition of right-of-use assets (net book value)	–	(1,164)
Balance at 30 June 2023	42	78

(ii) Lease liabilities

	2023	2022
	\$'000	\$'000
Balance at 1 July 2022	81	1,585
Additions	–	81
Interest expenses	(3)	(25)
Payments	(35)	(313)
De-recognition of lease liabilities	–	(1,247)
Balance at 30 June 2023	43	81

The following amounts were recognised in the statement of comprehensive income for the year ended 30 June 2023 in respect of leases where the Trust is the lessee:

	2023	2022
	\$'000	\$'000
Depreciation expense of right-of-use assets	36	306
Interest expense on lease liabilities	(3)	25
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	33	248

The Trust had total cash outflows for leases of \$35,851 (2022: \$278,576).

Future minimum lease payments under non-cancellable leases as at 30 June 2023 are, as follows:

	2023	2022
	\$'000	\$'000
Within one year	39	36
Later than one year and not later than five years	-	39
Less: GST recoverable from the Australian Tax Office	(3)	(7)
Total (excluding GST)	36	68

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:

	<u>Useful Life Years</u>	
	2023	2022
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 3(d).

(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 2023 are:

	2023	2022
	\$'000	\$'000
Within one year	6,775	6,775
One to two years	2,162	2,210
Two to three years	2,049	2,087
Three to four years	1,939	2,042
Four to five years	1,935	1,941
Later than five years	17,360	19,075
Total (including GST)	32,220	34,130

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 de-recognises 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 2023 are:

	2023	2022
	\$'000	\$'000
Within one year	13,722	7,814
One to two years	14,783	9,778
Two to three years	15,186	10,126
Three to four years	15,601	10,402
Four to five years	16,027	10,685
Later than five years	5,966,863	4,086,457
Total (including GST)	6,042,182	4,135,262
Less future interest revenue	(5,794,929)	(3,967,492)
Present value of minimum lease payments receivable	247,253	167,770
Finance lease receivables resulted in:		
Unguaranteed residual values accruing to lessor's benefit	4,497	3,906
Contingent rents recognised as income	–	–

	2023	2022
	\$'000	\$'000
Reconciliation of net investment in leases		
Carrying amount at the beginning of year	167,770	161,161
Addition of new leases	78,667	–
Lease payments received	(15,977)	(6,832)
Finance lease income	16,793	13,441
Net investment in finance leases	247,253	167,770

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

2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment (Note 9)				
Land	–	919,935	–	919,935
Buildings	–	–	31,687	31,687
Infrastructure Systems				
(i) Bio-diversity Assets	–	–	50,672	50,672
(ii) Other	–	–	243,382	243,382
Total	–	919,935	325,741	1,245,676
<hr/>				
2022	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment (Note 9)				
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

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:

<u>Asset Class</u>	<u>Valuation Technique</u>	<u>Comments</u>
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	Replacement cost	Based on the cost that would have to be expended to recreate the asset
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. A comprehensive valuation of; Land, Buildings and Infrastructure was undertaken as at 31 March 2023. 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. It should be noted desktop valuations outside of the five yearly cycle for biodiversity assets are undertaken internally by specialist Trust staff.

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.

For the valuation of land, buildings, and infrastructure other above the Trust has received a valuation statement from external valuers confirming no material change in value between 31 March 2023 and 30 June 2023 after taking into account the impacts of COVID-19 and changes in the economic environment.

(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 2022	27,838	42,035	239,117	308,990
Additions	(6)	–	12,690	12,684
Revaluation increment	2,464	8,637	2,643	13,744
Disposals	(391)	–	–	(391)
Transfer between asset classes	3,192	–	(4,161)	(969)
Depreciation expense (Per note 3(c))	(1,410)	–	(6,907)	(8,317)
Fair value as at 30 June 2023	31,687	50,672	243,382	325,741
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

13 Current Liabilities - Payables

	2023 \$'000	2022 \$'000
Creditors	4,119	3,676
Personnel services	59	59
Security deposits	310	317
Total	4,488	4,052

Creditors includes personnel services for payroll expenses of nil (2022: nil) payable to the Department of Transport (DoT) (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

	2023 \$'000	2022 \$'000
Employee benefits and related on costs		
Provisions current	417	603
Provisions non - current	7	11
Total	424	614

Reconciliation of aggregate employee benefits and related on-costs

	2023 \$'000	2022 \$'000
Annual leave	276	405
Long service leave on-costs	124	178
Provisions present value adjustments	24	31
Total	424	614
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 (LSL) 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 DoT.

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

	2023	2022
	\$'000	\$'000
Other provision make-good	-	170
Total other provisions	-	170

Other provisions comprise make-good provision for office accommodation with Property NSW in the prior year.

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

	2023	2022
	\$'000	\$'000
Current other lease liabilities	38	37
Non-current other lease liabilities	5	44
Total right-of- use liabilities	43	81

16 Current / Non-Current lease liabilities

(a) Current lease liabilities

	2023	2022
	\$'000	\$'000
Current operating lease liabilities	4,193	3,964
Current finance lease liabilities	-	-
Total current lease liabilities	4,193	3,964

b) Non-current lease liabilities

	2023	2022
	\$'000	\$'000
Non-current operating lease liabilities	7,716	12,547
Non-current finance lease liabilities	4,097	4,097
Total non-current lease liabilities	11,813	16,644

Current / non-current lease liabilities

Operating lease liabilities reflects cash received for Upfront Development Payments (UDP) in relation to Business Hubs. 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

	2023	2022
	\$'000	\$'000
Current	–	–
Non-current	6,376	6,497
Total other liabilities	6,376	6,497

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

	2023	2022
	\$'000	\$'000
Current deferred revenue	1,028	1,370
Non-current deferred revenue	9,543	9,814
Total other liabilities	10,571	11,184

Current / non-current liabilities - deferred revenue-

The current portion of deferred revenue under AASB 1058 represents \$1,028,427 which is combination of \$719,370 for Greening Western Sydney under Premier Priority Project and \$309,057 for other various programs.

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. Out of \$10,000,000, YTD \$457,346 has been spent and remaining balance \$9,542,654.

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

	2023	2022
	\$'000	\$'000
Opening balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the Trust	11,184	969
Add: receipt of cash during the financial year	–	10,489
Deduct: income recognised during the financial year	(613)	(274)
Closing balance of liabilities arising from transfers to acquire/construct non-financial assets to be controlled by the Trust	10,571	11,184

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 \$612,682 to revenue as at 30 June 2023 as assets were constructed/acquired. The closing balance represents unsatisfied obligations expected in future reporting periods, 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(d)(vii).

Accumulated funds

Accumulated funds include all current and prior period retained funds.

19 Commitments for Expenditure

(a) Capital commitments

	2023 \$'000	2022 \$'000
Aggregate capital expenditure for the acquisition of infrastructure works contracted for at balance date and not provided for:		
Within one year	4,477	10,200
Between one year and five years	5,133	327
Total (including GST)	9,610	10,527

The commitments shown above include input tax credits of \$873,667 (2022: \$1,195,807).

20 Remuneration of Auditors

	2023 \$'000	2022 \$'000
Audit Office of NSW - audit of financial statements*	140	95
Total	140	95

*Audit fees for FY2023 and FY2022 per the audit engagement plans were \$110,000 and \$119,000 respectively. It should be noted the difference between actuals and audit engagement plans reflects timing in payment of audit cost overruns.

21 Contingent Assets and Liabilities

(a) Contingent assets

In FY2022 Sydney International Speedway assets (Speedway Assets) constructed by Sydney Metro, with a book value of \$69,113,000, were transferred to the Trust and recognised in the Trust's financial statements for FY2022. The transfer was subject to known defects being addressed by Sydney Metro which are yet to be resolved.

Following on from this, an independent review of the assets has found significant risks present at the facility with numerous defects which are still to be resolved by Sydney Metro.

Given the extent of the defects outlined in the independent review and the likely impact on the Speedway assets fair value, the Trust has sought an independent assessment of the likely dollar impact of rectification works on the Speedway Assets and subsequently impaired Speedway assets by \$7,500,000 for the estimated value of the rectification works.

Sydney Metro are responsible for rectifying the Speedway assets defects under the Speedway Delivery Agreement. However, as the recovery of this estimated amount is not virtually certain, the Trust has disclosed this as a contingent asset of \$7,500,000.

Other than the above the Trust has no contingent assets for the year ending 30 June 2023 (2022: 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

The net result for the year ended 30 June 2023 of \$22.74 million surplus was \$12.74 million higher than budget primarily attributable to higher investment revenues from business operations partially offset by higher expenses.

Total revenue of \$43.24 million was \$10.72 million higher than budget mainly due to higher investment revenue due to the addition of three new business hubs and higher interest income.

Total expenses of \$24.12 million were \$1.62 million over budget due to higher operating, personnel services and depreciation expenses.

Assets and liabilities

Total assets of \$1,618.7 million were higher than budget by \$190 million primarily driven by revaluation gain of \$90 million and increase in lease receivables of \$71 million due to the addition of three new business hubs.

Total liabilities of \$37.96 million are lower than budget by \$2.88 million primarily reflecting lower deferred income received in relation to Business Hubs and capital projects.

Cash flows

Net cash inflows from operating, investing and financing activities of \$31.02 million are lower than budget by \$7.24 million primarily attributable to lower operating cashflows partially offset by higher investing cashflow inflows.

23 Reconciliation of Cash Flows from Operating Activities to Net Result

	Notes	2023 \$'000	2022 \$'000
Net cash flows from operating activities		17,636	20,877
Assets acquired free of charge	2(d)	–	69,113
Depreciation and amortisation expense	3(c)	(8,927)	(5,760)
Finance cost	3(d)	(3)	(31)
Other losses	4(a)	(682)	(1,251)
Net loss on Biodiversity Assets	4(b)	–	(20)
Net gain on finance lease	4(b)	4,515	–
Net gain on de-recognition of property leases	4(c)	–	83
Increase in current receivables	6	100	1,305
(Increase) / decrease in allowance for impairment	6	(235)	20
(Decrease) / increase in prepayment and other assets	6	(721)	105
Increase in lease receivables	7	5,939	13,548
Increase / (decrease) in Bio-banking receivables	8	75	(868)
(Increase) / decrease in payables	13	(437)	2,690
Decrease / (increase) in provisions	14	190	(54)
Decrease in lease liabilities	16	4,552	2,400
Decrease in biobanking liability	17(a)	121	189
Decrease / (increase) in other liabilities	17(b)	613	(9,726)
Net result		22,736	92,620

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 and Compliance Committee (ARCC) on a continuous basis.

(a) Financial instrument categories

Class	Notes	Category	Carrying Amount	
			2023 \$'000	2022 \$'000
Financial Assets				
Cash and cash equivalents	5	Amortised cost	103,839	72,817
Current receivables ¹	6	Amortised cost	2,646	29,947
Current lease receivables	7(a)	Amortised cost	13,722	7,814
Non-current lease receivables	7(b)	Amortised cost	237,769	168,029
Total Financial Assets		–	357,976	278,157
Financial Liabilities				
Payables ²	13	Financial liabilities at amortised cost	4,488	4,052
Current leases	15	Financial liabilities at amortised cost	38	37
Non-current leases	15	Financial liabilities at amortised cost	5	44
Bio-Banking liabilities	17(a)	Financial liabilities at amortised cost	6,376	6,497
Total Financial Liabilities		–	10,907	10,630

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.

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 2023 was determined as follows:

	30 June 2023					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	3%	21%	66%	271%	8%	
Estimated total gross carrying amount at default	1,818	236	76	58	834	3,022
Expected credit loss	53	51	50	158	64	376

	30 June 2022					
	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

(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	Fixed Interest Rate	Variable Interest Rate	Non-Interest bearing	< 1 year	1-5 years	>5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023								
Payables:								
Securities	–	310	–	–	310	310	–	–
Creditors	–	4,119	–	–	4,119	4,119	–	–
Leases	4.07%	43	–	43	–	38	5	–
Total	–	4,472	–	43	4,429	4,467	5	–
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	–

(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:

	2023		2022	
	\$'000		\$'000	
	-1%	1%	-1%	1%
Net Result	(1,038)	1,038	(728)	728
Equity	(1,038)	1,038	(728)	728

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 2023 (2022: Nil).

25 Related Party Disclosure

Key management personnel

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

	2023	2022
	\$'000	\$'000
Remuneration	403	212
Total	403	212

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	2023	2022
			\$'000	\$'000
Department of Transport (DoT)	3(a)	Provide Personnel Services	3,656	3,428
Crown Finance (NSW Treasury)	3(a)	LSL & Super defined contributions	190	(39)
Department of Planning and Environment	3(b)	Provide Corporate services	703	755
Revenue				
NSW Government through Transport	2(d)	Capital grant	3,809	–
NSW Government through DPE	2(d)	Capital grant	–	3,923
Department of Planning and Environment	2(d)	Premier Priority-Greening Western Sydney	162	88
Transport for NSW	2(d)	Mirror Dam Shared Path	271	186
Transport for NSW	2(b)	M12 compulsory acquisition – leasehold	640	264
Transport for NSW	2(d)	Wylde Mountain Bike Trail	1,773	6,000
Sydney Metro	2(d)	Speedway asset transfer	–	69,113
Local Government (Liverpool City)	2(d)	Capital grant	–	500
Department of Planning and Environment other	2(d)	Non - capital grant	–	35
Biodiversity Conservation Trust	2(b)	Gain / (loss) on Trust Fund	74	(848)
Crown Finance (NSW Treasury)	2(e)	LSL & Super reimbursement	190	(39)
Parramatta Park Trust	2(f)	Expense recovery	1,034	1,021
Parramatta Park Trust	2(f)	Board Fee	43	–
Parramatta Park Trust	2(f)	Payroll	5	–
Office of Strategic Lands	2(f)	Cost recovery	–	33
Centennial Park & Moore Park Trust	2(f)	Board fees	127	114
Centennial Park & Moore Park Trust	2(f)	Management fees	–	2
Centennial Park & Moore Park Trust	2(f)	Contractor expenses	97	–
Centennial Park & Moore Park Trust	4(a)	Sale of Furniture & Fixture_10 Valentine Avenue, Parramatta	108	–

Receivables

Parramatta Park Trust	6	Expense Recovery	132	690
Parramatta Park Trust	6	Board Fee	9	–
Parramatta Park Trust	6	Payroll	5	–
Biodiversity Conservation Trust	8	Trust Fund investment	8,227	8,152
Centennial Park & Moore Park Trust	6	Board fees	65	69
Centennial Park & Moore Park Trust	6	Payroll reimbursement	–	332
Centennial Park & Moore Park Trust	6	Share of common costs	202	530
Centennial Park & Moore Park Trust	6	Contractor expense	184	–
Transport for NSW	6	M12 compulsory acquisition-freehold	–	26,711

Payables

Centennial Park & Moore Park Trust	13	Payroll	163	98
Centennial Park & Moore Park Trust	13	Share of common projects	259	–

26 Impact of Climate Change and Risks on the Trust’s Assets and Services

The Trust has currently established a Working group and applied dedicated resourcing to:

- Assess and identify the risks and impacts of climate change to the Trusts critical assets and services
- Consider the application of the metrics and targets established in line with the Task Force on Climate – Related Financial Disclosures (TCFD) framework
- Develop Climate change adaptation action plan that is expected to complete in 2023-2024

The project will provide a comprehensive overview and will align with Treasury’s financial reporting code (FRC).

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 had a direct flow on effect to the Trust including rentals, events and hire, infringements and other revenues causing major disruption to business impacting the Trust’s prior financial performance and cash flows.

For the year ended 30 June 2023 the Trust has received Treasury funding of nil (2022: nil) 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 continues to be 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 a 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 \$305,187 (2022: \$530,000).

With the take up of the national vaccination rollout and the easing of government restrictions, business operating conditions have improved since the declaration of the pandemic in March 2020. However against the backdrop of an elevated global inflationary and higher interest rate environment, the outlook, whilst improved continues to remain uncertain, which will continue to have a flow on effect to revenue, expenses and cashflow in financial year 2024.

28 Greater Sydney Parklands Trust Act (GSPT Act)

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 Act 2022* (GSPT act) commenced on 1 July 2022 and creates a new, legislated trust for Greater Sydney Parklands. The 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; i.e. Western Sydney Parklands Trust, Parramatta Park Trust, and Centennial Park and Moore Park Trust (underlying Trust's). This umbrella management will be provided under the terms of the existing associated Trust legislation which remains protected by their own legislation, unchanged except where amended by the GSPT Act (as outlined in Schedule 5 of the GSPT Act when it commenced).

Whilst GSPT has significant influence over the underlying Trusts and would disclose this in its financial statements, GSPT would not apply equity accounting as it has no equity interest in the underlying Trust's.

In addition the underlying Trusts are effectively members of the same group being the State of NSW (as their net asset holdings are thus assets of the Crown) as such they are all related parties of each other.

29 Machinery of Government (MOG) Update

Post the outcome of the recent NSW state election on the 25 March 2023, responsibility for the Trust has moved to the Minister for Planning and Public Spaces (previously the Minister for Cities and Active Transport), refer Administrative Arrangements (Minns Ministry—Administration of Acts) Order 2023 dated 5 April 2023 however no administrative order to transfer Trust staff and functions was formalised at that date.

As per Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 5) 2023 dated 28 June 23 Trust staff and functions will transfer to the Department of Planning and Environment (DPE) effective from 1 July 2023.

MOG changes can have material implications for the financial architecture of the public sector, Budget decision making processes, presentation of budget papers, and appropriation arrangements (for both temporary supply arrangements from 1 July 2023, and the annual Appropriation Bills).

Noting the 2023-24 Budget and associated decision-making processes were presented based on current administrative arrangements.

While the Government has signaled its intent to cease the current cluster model, an alternate model has not yet been determined. Hence, existing administrative arrangements, including the treatment of appropriation, cluster grants, and application of Treasury Budget Control circulars remain in place.

As this stage it is not envisaged MOG changes will materially impact either; the Trust, or Greater Sydney Parklands ability to operate as a going concern or its business as usual operations in FY2024.

30 Events Occurring After Reporting Date

On the 18 August 2023 NSW Government announced the Department of Planning, Housing and Infrastructure will become two separate departments viz; The Department of Planning, Housing and Infrastructure and The Department of Climate Change, Energy, the Environment and Water. The MOG change has an effective date of 1 January 2024 with Trust staff and functions to reside within The Department of Planning, Housing and Infrastructure under Crown Lands and Public Spaces.

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

END OF AUDITED FINANCIAL STATEMENTS

