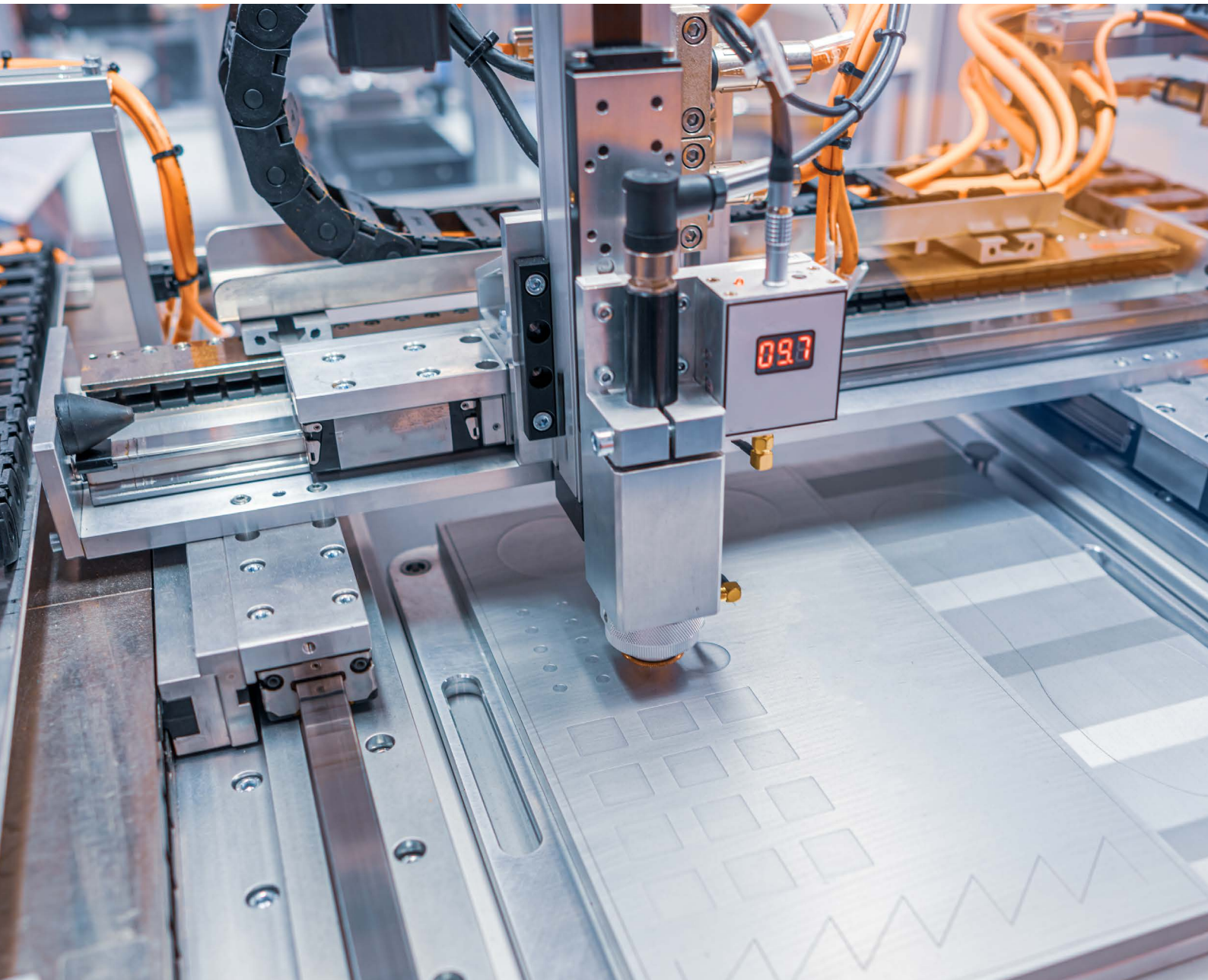



Department
of Enterprise,
Investment
and Trade

Annual Report



2021-2022





The Department of Enterprise, Investment and Trade acknowledges the traditional custodians of the land on which we work and live. We pay our respects to Elders past and present and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

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**Department of Enterprise,
Investment and Trade**

The Hon. Alister Henskens SC MP, Minister for Enterprise, Investment and Trade, Minister for Science, Innovation and Technology, Minister for Sport, Minister for Skills and Training

The Hon. Kevin Anderson MP, Minister for Hospitality and Racing, Minister for Lands and Water

The Hon. Ben Franklin MLC, Minister for the Arts, Minister for Tourism, Minister for Aboriginal Affairs and Minister for Regional Youth

The Hon. David Elliot MP, Minister for Western Sydney, Minister for Transport and Minister for Veterans

52 Martin Place Sydney
NSW 2000

30 November 2022

Dear Ministers,

I am pleased to submit the Annual Report of the Department of Enterprise, Investment and Trade for the period 21 December 2021 to 30 June 2022 for presentation to the NSW Parliament.

This report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*, and the *Annual Reports (Departments) Regulation 2015*.

The financial statements for 2021–2022, which form part of the report, have been certified by the Auditor-General of New South Wales.

The Department of Enterprise, Investment and Trade received an extension under section 16(3) of the *Annual Reports (Departments) Act 1985* to submit the Annual Report by 30 November 2022.

Yours sincerely,

Elizabeth Mildwater

Secretary
Department of Enterprise,
Investment and Trade



Secretary Foreword

Established on 21 December 2021, the Enterprise, Investment and Trade cluster – with its Principal Department, the Department of Enterprise, Investment and Trade – aligns the state’s key arts, sport, hospitality, entertainment and tourism agencies and organisations, with its leading economic development and investment attraction organisations, to drive our state’s long-term economic transformation and create well-connected communities.

By bringing together the NSW Government’s teams across enterprise and investment, trade, the arts, sport, the visitor economy, hospitality and racing and Western Sydney, we’re propelling the delivery of investment, business, lifestyle, entertainment, and cultural opportunities.

We do this by:

- driving economic development and investment attraction, recognising NSW as the most desirable place in the world to invest and do business
- creating vibrant, active and culturally rich communities across NSW, making it the best place to live and visit
- ensuring a dynamic, safe and responsible hospitality and racing industry
- building an economic powerhouse in the Western Parkland City, creating jobs and opportunities for future generations
- catalysing research and development, commercialisation and entrepreneurship through strong partnerships with the private and academic sectors.

The Department and its cluster agencies are positioning NSW to be the best place in the world to live, invest, visit, study, grow and play. We are positioning NSW nationally and globally as a safe and attractive place to do business. Positioning NSW as a place where innovation, trade, tourism, sport and culture work together to generate substantial economic, environmental and social benefits.



Elizabeth Mildwater
Secretary, Department of Enterprise,
Investment and Trade

Formation of the Department of Enterprise, Investment and Trade

The Department of Enterprise, Investment and Trade (DEIT) is the Principal Department of the new Enterprise, Investment and Trade (EIT) cluster.

Established on 21 December 2021, the Department and its cluster agencies seek to drive the NSW Government's commitment to economic transformation and well-connected communities.

The cluster brings together the state's key arts and cultural, sport, hospitality, entertainment and tourism agencies alongside its leading economic development and investment attraction organisations. The Department works with the broader EIT cluster to propel the delivery of investment, business, lifestyle, entertainment, and cultural opportunities.

A summary of the respective administrative arrangements orders establishing the Department and cluster is provided in the Statutory Reporting section at the end of this report.

The Department and its cluster agencies seek to operate effectively and sustainably to deliver the NSW Government's priorities of building a strong economy and creating well-connected communities.

To achieve better integration, from 1 July 2022, Investment NSW ceased to be an executive agency and became a group within the Department, alongside Create NSW, Hospitality and Racing, and Engagement, Operations and Governance.





The Department of Enterprise, Investment and Trade

The core delivery groups of DEIT – Hospitality and Racing, Create NSW, and Investment NSW (from 1 July 2022) – drive the delivery of investment, business, lifestyle, entertainment, and cultural opportunities in NSW.

These core delivery groups are supported by the Engagement, Operations and Governance group and the Office of the Group Deputy Secretary, Arts, Sport and Tourism.

Office of the Group Deputy Secretary, Arts, Sport and Tourism

The Office supports the Group Deputy Secretary, Arts, Sport and Tourism, through coordination of strategic issues management, business processes departmental strategies and support for NSW Government policy implementation.

Create NSW

On 1 April 2022, Create NSW, formerly a branch of the Department of Premier and Cabinet, became a group within DEIT. Create NSW and executive agencies within the arts portfolio are responsible for furthering the NSW Government's vision for a bold and exciting arts and culture sector that engages the community and reflects the state's rich diversity.

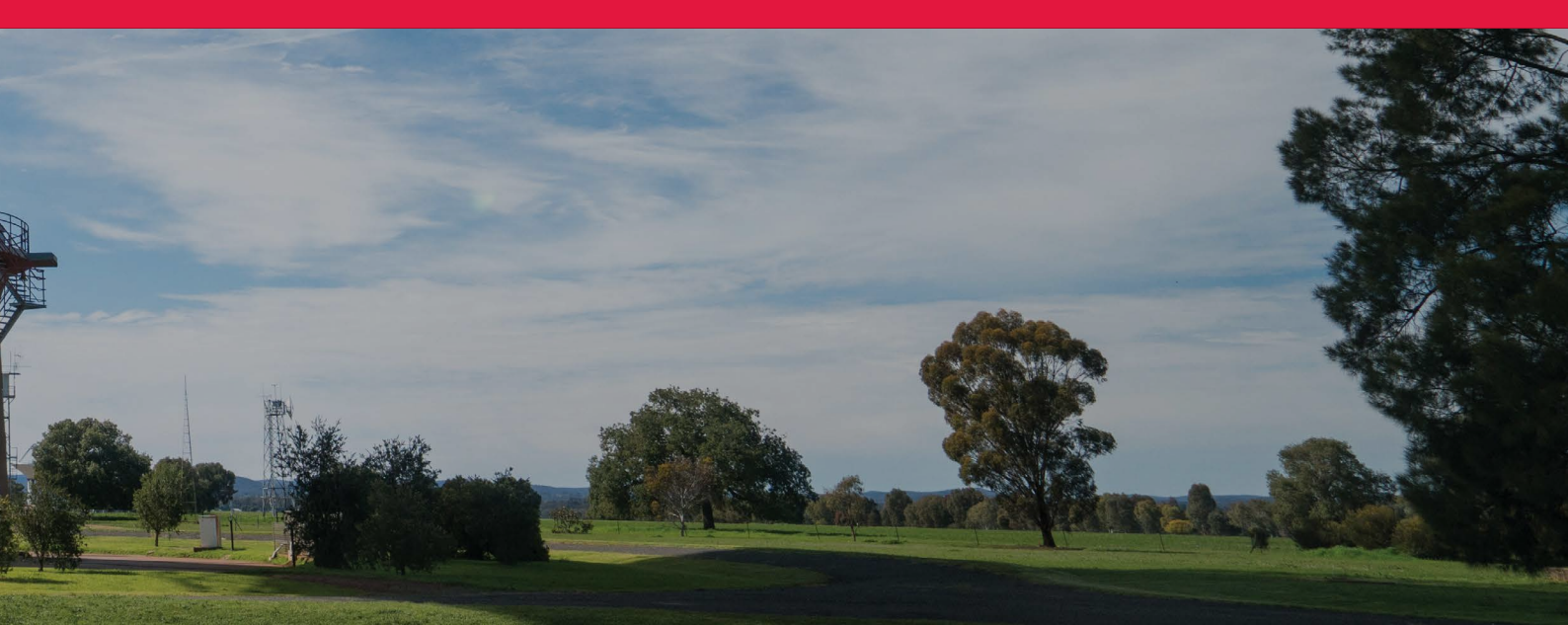
Create NSW invests in the success and future of arts, screen and culture in NSW through infrastructure and funding programs.

Hospitality and Racing

On 1 April 2022, the Hospitality and Racing group, formerly part of the Department of Customer Service, became a group within DEIT.

Liquor and Gaming NSW is responsible for administering the regulatory framework for the liquor, gaming, wagering, casino and registered clubs sectors in NSW. The group also undertakes revenue assurance, compliance and enforcement activities, provides policy advice to government, holds regulatory responsibility for certain licensing activities and licences, and delivers industry support and education activities.

Hospitality and Racing also includes the Office of Responsible Gambling which leads on the development of responsible gambling strategy, programs and public policy advice to the NSW Government, as well as the Office of Racing, which leads racing policy advice and legislation management.



Investment NSW

On 29 March 2021, Investment NSW was established as an executive agency within the Premier and Cabinet cluster.

On 1 July 2022, Investment NSW was abolished as an executive agency and became a group within DEIT.

Investment NSW delivers economic and social benefits for the people of NSW by growing the state's economy to help make NSW a prosperous, inclusive and thriving global hub for business, innovation, talent, visitors and residents.

Investment NSW also supports the effective management of the NSW Government Unsolicited Proposals process, as well as any updates to NSW's Unsolicited Proposals process and Direct Dealing policy and guidelines.

Engagement, Operations and Governance

Engagement, Operations and Governance provides key business support functions that enable DEIT groups to deliver for the people of NSW. The group works with internal clients across the department to ensure the highest standards in all aspects of administration and project delivery.

Engagement, Operations and Governance supports this through the dedicated focus of small, specialist teams covering People and Culture; Legal; ICT; Finance; Governance, Audit and Risk; Communications, Media, Marketing and Engagement; and Built Environments. Together, the teams create and implement policies and procedures to guide DEIT's internal and external activity, reduce risk and embed an inclusive culture of excellence.



How we delivered

Increased economic development and investment attraction

DEIT is driving economic opportunities to ensure NSW is a prosperous, inclusive and thriving global hub for business, innovation and talent. It facilitates investment to support high-value job creation for future focussed and creative industries, boost exports, lift productivity and activates precinct development opportunities, including within the Western Parkland City.

It achieves this by:

- boosting research and development
- fostering start-ups and innovations
- growing priority sectors and precincts
- attracting global investment and talent
- exporting to the world

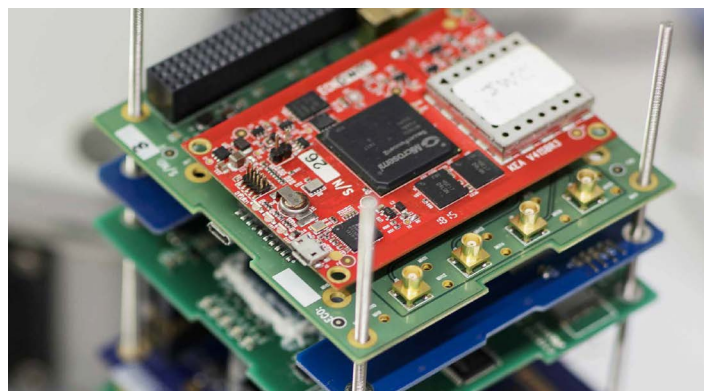
This delivery included the following initiatives:

Establishing the Modern Manufacturing Taskforce

In December 2021, the Premier announced the NSW Government would appoint a Modern Manufacturing Commissioner, as well as a Modern Manufacturing Taskforce to be chaired by Mr Tony Shepherd AO. The Taskforce was established in April 2022, with members coming from successful manufacturing businesses, industry associations, and academia, including Dr Bronwyn Evans AM, CEO, Engineers Australia; Professor Roy Green, Deputy Vice-Chancellor, UTS; Dig Howitt, CEO and President, Cochlear Limited; and Chris Jenkins, Country Director and CEO, Thales Australia (now Non-Executive Director of the Thales Australia and NZ Board).



The Taskforce delivered an independent report to government on actions that can improve NSW's modern manufacturing capabilities and capacities. As of 30 June 2022, the Taskforce had held seven meetings, conducted consultations with over 50 individuals and held two industry roundtables. The Commissioner will be tasked with developing the NSW Government's modern manufacturing strategy in response to this report and leading the implementation of the actions.



Securing Atlassian's HQ in Tech Central

In July 2022, Investment NSW and Transport for NSW secured the finalisation of agreements between the state, Atlassian and Dexu to proceed with the construction of Atlassian's Australian HQ at Tech Central.

The development commits Atlassian as anchor tenant in Tech Central, contributing to the NSW Government's ambitious plan to develop a world-class technology precinct. The building will play a vital role in supporting NSW talent attraction and retention efforts and become a beacon for the technology industry in a competitive global skills market. It will welcome 5,000 future technology and supporting industry jobs on completion, in addition to over 800 construction jobs.

It is estimated the development will generate \$910 million in economic outputs. It is also a key enabler of the Central Precinct Strategic Framework and the Greater Cities Commission's Action Plan for Tech Central and aligns with the Future Transport Strategy and the NSW COVID-19 Economic Recovery Strategy.

The building further contributes to Tech Central's vision in providing over 20 per cent of the 250,000 square metres of space for technology companies across the precinct and will provide significant public benefits, including the activation of critical infrastructure, significantly enhancing accessibility around Central Station and kickstarting Transport's Central Precinct Renewal Program.



Australian Satellite Manufacturing Hub

Announced in May 2022, Investment NSW committed \$22.85 million to support a successful federal Modern Manufacturing Initiative proposal to establish the Australian Satellite Manufacturing Hub in NSW. The Hub will be established through a \$71 million investment and collaboration between Electro Optic Systems, Nova Systems, and the federal and NSW Governments.

The Hub will enable the manufacture of large Earth Observation satellites up to 500 kg at the South Jerrabomberra Regional Jobs Precinct in NSW and at the UTS Tech Lab, adjacent to the Sydney Innovation and Technology Precinct in Botany, NSW.



Indo Pacific International Maritime Exposition 2022

Investment NSW was the Principal Sponsor of the Indo Pacific International Maritime Exposition (Indo Pacific), the largest domestic defence tradeshow held from 10–12 May 2022. Over three days, at Sydney's International Convention Centre in Darling Harbour, Indo Pacific attracted 736 participating exhibitor companies, and more than 25,000 visitors from over 40 nations into NSW. The sponsorship helped to position NSW as the state best able to deliver Australia's current and future sovereign defence and aerospace capability needs.

Indo Pacific provided Investment NSW with an opportunity to promote the NSW defence and aerospace industry capabilities (including supporting 38 NSW small and medium businesses to co-exhibit), help the local industry to win future work from the Department of Defence and Prime Contractors, and showcase the depth and breadth of local capability to critical domestic and international industry decision makers.

Since the event ten co-exhibitors have indicated anticipated sales opportunities ranging from \$0.25-\$30 million and are also expecting to create at least 30 new jobs over the next 24 months as a direct result of exhibiting at Indo Pacific.

Further information relating to increased economic development and investment attraction can be found in Create NSW's Year in Review and in the Investment NSW Annual Report 2021-22. (Investment NSW was a separate executive agency within the EIT cluster until 30 June 2022.)



Excellence in arts, sport and tourism

DEIT and the EIT cluster seek to maximise excellence in arts, sport and tourism to position the state as a world-class centre for performances, events, exhibitions and visitation, including developing the state's cultural assets for future generations.

Arts, sport and tourism play a critical role in the state's economy, from job creation and skills development to attracting tourists.

DEIT's Office of the Group Deputy Secretary for Arts, Sport and Tourism and delivery group Create NSW support and amplify the work of the arts, screen and culture sector, delivering a strong, sustainable cultural ecosystem to benefit the people of NSW. By enabling arts and cultural participation, production, distribution, access and enjoyment in the community, DEIT shapes NSW as a place where creative excellence thrives, ensuring that NSW is a great place to live, work, visit and invest.

To achieve excellence, Create NSW actively supports the arts and culture sector through policy, investment, partnerships and advocacy, driving investment and jobs in the creative industries and delivering the cultural infrastructure needs of the state.

The artists, programs and events that Create NSW supports play a major role in the NSW economy – enlivening our cities, stimulating the economy (including the night-time economy) and providing valuable educational and cultural experiences that enhance well-being and bring joy to our residents and visitors.

Delivering a sizeable ongoing portfolio of cultural infrastructure has assisted with stimulating the economy during the COVID-19 pandemic, while providing a step change for the arts and culture sector by offering renewed and new fit-for-purpose facilities in which to produce and experience art.

Create NSW works closely with EIT cluster agencies delivering tourism, sport and cultural experiences for NSW. Further information relating to sport, tourism and cultural institution activities in the EIT cluster can be found in the Annual Reports referenced further below in this report.

In 2021-22, this support included:

Arts and Cultural Funding Program (ACFP)

The ACFP is one of several mechanisms by which the government provides support to creative and cultural activity throughout the state. The program provides funding opportunities for arts and cultural organisations, professional artists and arts/cultural workers across a wide range of artforms and disciplines. In 2021-22, 558 applications received \$66,454,596 in ACFP funding, including \$12,646,127 in Regional NSW.

Screen NSW

In 2021-22, Screen NSW committed around \$98 million to support screen investment in NSW, including \$34.5 million for Made in NSW International Footloose program, \$46.6 million for Digital games and Post, Digital and Visual Effects and \$16.6 million for all other screen support activities. This investment in the NSW screen industry has attracted further investment of \$913 million from the private sector.



Cultural Infrastructure

The NSW Government committed over \$2 billion over the past four years in cultural infrastructure investment, including significant state projects such as the Sydney Opera House Renewal, Sydney Modern (Art Gallery of NSW) development, Walsh Bay Arts Precinct redevelopment, and the Powerhouse Museum program. DEIT, through Create NSW, is also delivering \$100 million across 146 cultural infrastructure projects across regional NSW through the Regional Cultural Fund, and continues to deliver projects across NSW through the \$72 million Creative Capital funding.

Disaster Recovery and Support

NSW has led the way in supporting the arts sector through the various stages of COVID-19 over the last two years. The impact of COVID-19 on the arts sector was mitigated through \$165.2 million in support through Event Saver, Festival Restart and Performing Arts Package.

Further, in the wake of the worst floods in recorded history across the Northern Rivers region, Create NSW immediately established a team to respond to the needs of the arts and culture community. This rapid response enabled the preservation of collections, assisted in clean up, and provided much needed financial and logistical support to address the significant damage to key arts organisations, important arts and cultural collections, as well as artists and arts worker's homes, studios, and equipment.

Creative Kids

Creative Kids was established by the NSW Government in 2019 to help ease financial pressures on families and to encourage children and young people to participate in creative and cultural activities. Families can claim a \$100 voucher per eligible child each year to put towards the cost of creative lessons and learning experiences with registered providers. Create NSW provided \$61.48 million in funding (FY 21-22), with vouchers redeemed providing arts and cultural experiences to more than 56% of NSW children. Over 38% involved children trying out a new creative artform activity.



Investment in the Arts

Through Create NSW's investment in the sector, the following outcomes were achieved:

- Leveraged \$334 million in total program and project support*
- Audience:
 - 8.1 million attendees at ACFP events, performances, exhibitions, and programs
 - The Screen Audience Development program supported film festivals delivering to audiences of over 210,000 in 48 venues across Sydney, Western Sydney and Regional NSW.
- Employment:
 - 35,192 artists employed*
 - 4,189 volunteers supported arts and cultural activity*
 - NSW is the leading state for screen production in Australia, with over 1,500 screen production businesses employing 9,600 people and generating annual income of more than \$1.6 billion.

*Based on projections provided by applicants to the Arts and Cultural Funding Program

Further information about DEIT's support for the arts and cultural sector can be found in Create NSW's 2021-22 Year in Review.

Vibrant, safe and responsible hospitality and racing

The Hospitality and Racing group within DEIT, and its cluster agencies, supported a state where people enjoy a vibrant, dynamic, safe and responsible, liquor and gaming environment. It also ensures industry integrity and seeks to minimise the risk of alcohol-related and gambling harm.

Liquor and Gaming NSW administers the regulatory framework for the liquor, gaming, wagering, casino and registered clubs sectors in NSW. This includes undertaking revenue assurance, compliance and enforcement activities, providing policy advice to government, licensing certain activities and delivering industry support and education activities.

This support included:

COVID-19 Response

As part of the NSW Government response to the COVID-19 pandemic, Liquor and Gaming NSW helped the business community understand their obligations under the Public Health Orders. This important work contributed to the overall safety of NSW communities.

Liquor and Gaming NSW undertook a wide range of initiatives to assist liquor and gaming businesses during the COVID-19 pandemic, with targeted strategies to help businesses survive the pandemic and transition back to normal trading once the crisis eased. These initiatives included:

- extending the date by which licensees need to pay their 2022 annual liquor licence fees to 30 September 2022; an additional four months to make the payment, or to apply for fee waivers if they are facing financial hardship
- allowing takeaway alcohol to be sold and delivered by licensed restaurants, cafés and small bars during the existing trading hours specified on their licence
- streamlining processes to allow venues to temporarily expand their licensed boundaries outdoors
- providing free refresher training courses to those with a Responsible Supply of Alcohol (RSA) or Responsible Conduct of Gambling (RCG) competency card to encourage former hospitality workers to return to the sector. As of 30 June, 21,189 RSA competencies and 10,084 RCG competencies have been refreshed under this program

- hosting a roundtable to bring together peak hospitality and security industry bodies, police, local government, training providers, large-scale and music festival event organisers to generate ideas and solutions to address concerns regarding staff and security personnel shortages.

Alcohol Delivery Laws

An enhanced framework to regulate alcohol deliveries began on 1 July 2021, as the first targeted framework of its kind in Australia. This included the introduction of new laws and training to help lift harm minimisation standards, particularly for alcohol deliveries made on the same day as they are ordered.

RSA Training went live on 1 July 2021 and became mandatory from 1 December 2021 for all people making same day alcohol deliveries directly to the public in NSW. The course has been well received by the industry and 23,337 learners have successfully completed the course to 30 June 2022.

Bergin Crown Casino Inquiry Reform Implementation

A high-level implementation plan was agreed in September 2021 to implement the findings and recommendations of the Report from the Bergin Inquiry relating to the regulation of casinos in NSW. The approach will strengthen the regulatory structure for casinos in NSW to help improve oversight and address misconduct and unlawful behaviour.

Outdoor Dining Reforms

Various liquor law amendments were made by the end of June 2022 to support outdoor dining and provide free, fast-tracked pathways for venues to expand their licensed boundaries outdoors. These changes form part of broader government measures to make it easier for businesses to offer outdoor dining.

Office of Responsible Gambling

The Office of Responsible Gambling provides public policy advice to the NSW Government and leads programs and initiatives to prevent and reduce gambling harm in the NSW community, including managing GambleAware services offering face to face, phone and online counselling and specialist services to anyone adversely affected by gambling, including their family and friends.

In 2021/22, the Office of Responsible Gambling delivered key initiatives in support of the Responsible Gambling Fund's key outcome areas, including:

- launching two new apps to support people impacted by gambling harm – 'GamblingLess: In the moment' which acts as a counsellor in your pocket and 'Gambling Habit Tracker' which is designed for people that want to reduce the time and money spent gambling
- developing and piloting of an improved RCG training course, online RCG refresher and a new Advanced RCG course. The courses will be finalised and implemented in 2023
- launching the Be GambleAware campaign to raise awareness of GambleAware as an information source and support service for anyone in NSW impacted by gambling harm. This campaign acts as a thought-starter to encourage people to think about how gambling might be impacting their lives and encourages them to access the full range of information, support and treatment options available through GambleAware. To date the campaign has achieved great results achieved great results, with a 27 per cent increase in visits to the website in the first month
- expanding of the Reclaim the Game program to four new partners. This program challenges the normalisation of sports betting and advertising in sport. The Canterbury-Bankstown Bulldogs and South Sydney Rabbitohs NRL clubs and the Sydney Kings and Sydney Flames in basketball, joined existing partners – Cricket NSW (Sydney Sixers and Sydney Thunder), Sydney Swans, Macarthur FC and the Western Sydney Wanderers. These partnerships reached millions of people viewing sports at home and in stadium at over 40 home games, as well as through targeted online communication. A survey of our partner's fans has found promising changes in attitudes and behaviours towards gambling, and increased awareness of services and support.

Office of Racing

The Office of Racing provides racing policy advice and manages legislation to support the effective oversight and economic viability of racing in NSW. The Office also manages relationships between the NSW Government and organisations responsible for the three racing codes (Thoroughbred, Harness and Greyhound racing).

In 2021-22, the Office of Racing's achievements included:

- the enactment of the *Racing and Gambling Legislation Amendment Act 2022* that amended four pieces of legislation to enhance the regulation of the New South Wales racing industry and consumer protection for online wagering, including by:
 - strengthening consumer protections to reduce negative outcomes for individuals who participate in online wagering
 - enhancing governance, integrity and consultation frameworks for the New South Wales harness racing industry
 - establishing a new avenue of appeal for harness racing participants, and
 - providing legislative clarity to the controlling bodies for harness and greyhound racing to guide decision makers and those exercising legislative functions.
- commitment of \$3.24 million in funding from the Greyhound Capital Grants Program assisting Greyhound Racing NSW and its clubs upgrade race tracks to make them safer for greyhounds.
- finalised a \$60 million funding deed with Racing NSW as part of the NSW Government's Racing for the Regions program, to deliver new and upgraded infrastructure at nine regional racecourses.

Further information can be found in the Department of Customer Service Annual Report.

The Enterprise, Investment and Trade cluster

DEIT and its cluster agencies partner across government and with the private sector, both domestically and internationally, to deliver on the NSW Government's priorities to build a strong economy and support communities.

Cluster entities, including statutory bodies, are:



Art Gallery of NSW



Australian Museum



Destination NSW



Office of the Greyhound Welfare and Integrity Commission



NSW Independent Casino Commission



NSW Independent Liquor and Gaming Authority



NSW Institute of Sport



Office of Sport
NSW Office of Sport



State Library of NSW



State Archives & Records
State Archives and Records Authority



Sydney Living Museums



Sydney Opera House



Venues NSW



Western Parkland City
Authority
Western Parkland City Authority



Further information regarding these cluster entities can be found in their annual reports:

- **Art Gallery of NSW**
<https://www.artgallery.nsw.gov.au/about-us/corporate-information/annual-reports/agnsw/>
- **Australian Museum**
<https://australian.museum/about/organisation/reports/annual-reports/>
- **Destination NSW**
<https://www.destinationnsw.com.au/about-us/annual-reports>
- **Independent Liquor and Gaming Authority**
<https://www.liquorandgaming.nsw.gov.au/about-us/annual-reports>
- **Museum of Applied Arts and Sciences**
<https://www.maas.museum/about/annual-report/>
- **NSW Institute of Sport**
<https://www.nswis.com.au/nswis-policies/>
- **Office of Responsible Gambling**
<https://www.gambleaware.nsw.gov.au/about-us/corporate-information/corporate-documents>
- **Office of Sport**
<https://www.sport.nsw.gov.au/corporate-information/annual-reports>
- **Office of the Greyhound Welfare and Integrity Commission**
<https://www.gwic.nsw.gov.au/about/annual-report>
- **State Archives and Records Authority of NSW***
<https://www.records.nsw.gov.au/about-state-records/annual-report>
- **State Library of NSW**
<https://www.sl.nsw.gov.au/annual-reports>
- **Sydney Living Museums***
<https://sydneylivingmuseums.com.au/about-us/reports-plans>
- **Sydney Opera House**
<https://www.sydneyoperahouse.com/general/corporate-information/annualreport.html>
- **Venues NSW**
<https://www.venuesnsw.com/page/annual-reports>
- **Western Parkland City Authority**
<https://wpca.sydney/resources/annual-reports/>

*Following the passage of the Museums of History Act 2022, Sydney Living Museums and the State Archives and Records Authority of New South Wales will join to form Museums of History NSW. Certain functions relating to records management services and State records will transfer to the new Museums of History NSW, and the State Archives and Records Authority of New South Wales will be renamed State Records Authority NSW. The two new agencies are expected to be effective from 31 December 2022, with a 12-month transition period for provisions relating to access and transfer amendments to the State Records Act 1998 to commence operation on 1 January 2024.

Statutory reporting

Human Resources

Our People

This report covers the Department of Enterprise, Investment and Trade (DEIT) from 21 December 2021 to 30 June 2022.

The structure of the DEIT was a consolidation of several groups from across the NSW Government.

Up until 30 June 2022, a memorandum of understanding with the Department of Customer Service and the Department of Premier and Cabinet remained in place for support to employees transferring from those departments. The arrangement with Department of Planning and Environment for staff in Create NSW will remain in place while the payroll systems are in transition.

Further information regarding the groups within DEIT for the remainder of 2021/22 can be found at:

- Investment NSW and the Office of the NSW Chief Scientist and Engineer – the Investment NSW 2021/22 Annual Report is available at <https://www.investment.nsw.gov.au/resources/publications/>
- Hospitality and Racing (including the Office of Racing) – the Department of Customer Service 2021/22 Annual Report is available at <https://www.nsw.gov.au/customer-service/publications-and-reports>
- Create NSW – Create NSW's '2021/22 Year in Review' is available at: <https://www.create.nsw.gov.au>

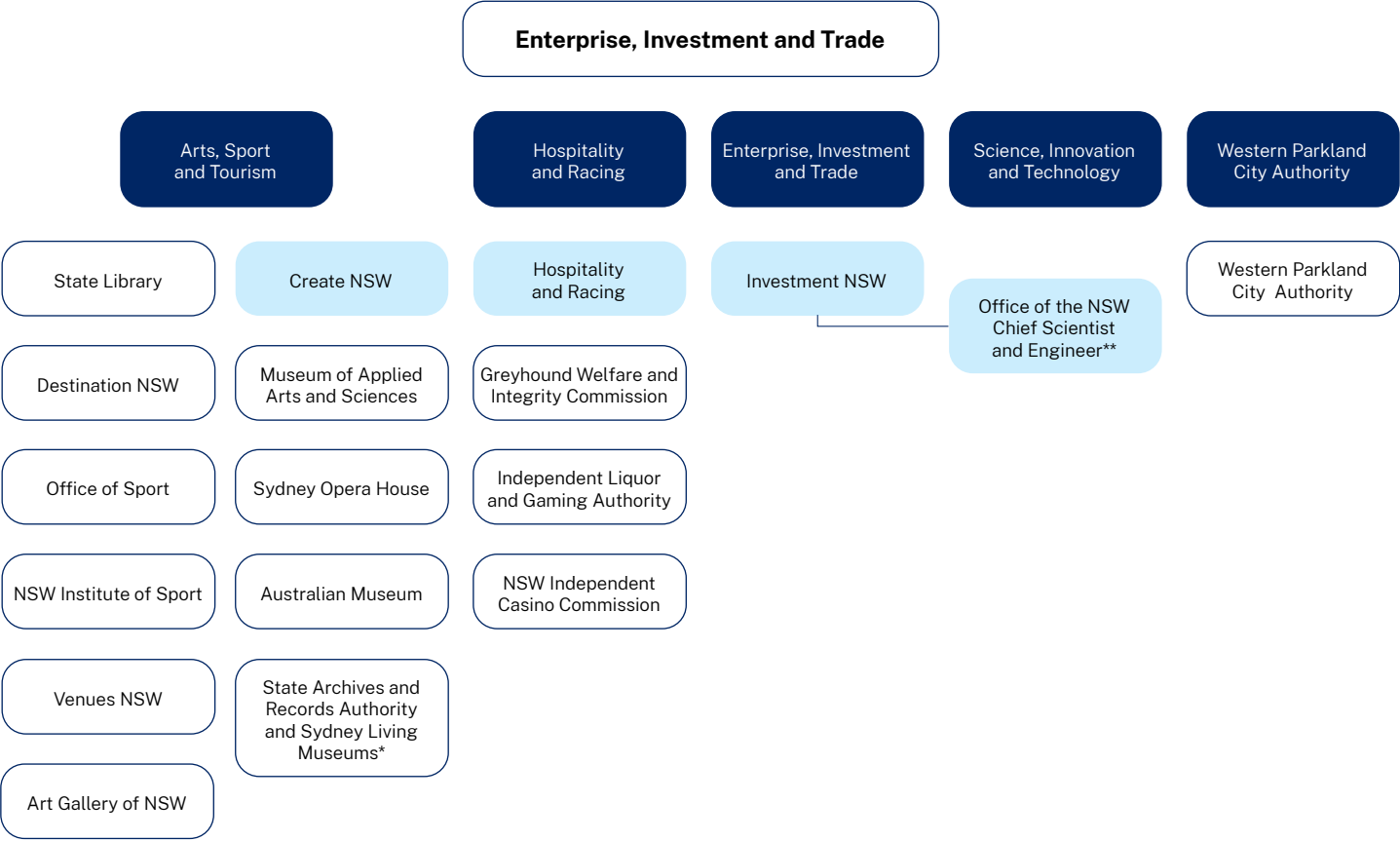
Organisational Structure

The Enterprise, Investment and Trade cluster incorporates areas of operation:





Enterprise, Investment and Trade Cluster Structure

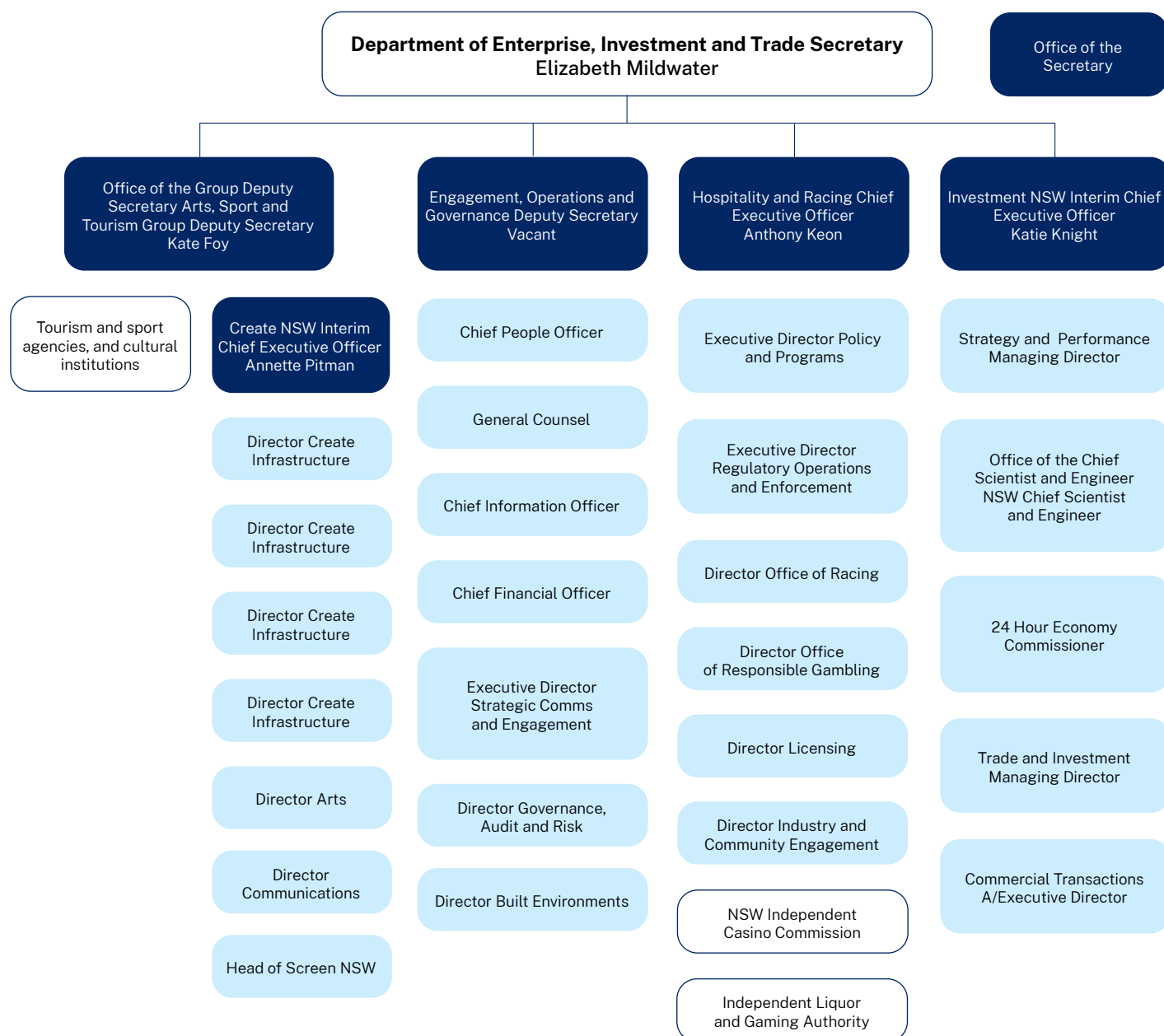


*Following the passage of the Museums of History Act 2022, Sydney Living Museums and the State Archives and Records Authority of New South Wales will join to form Museums of History NSW. Certain functions relating to records management services and State records, will transfer to Museums of History NSW, and the State Archives and Records Authority of New South Wales will be renamed State Records Authority NSW. For further information see: <https://www.parliament.nsw.gov.au/bills/Pages/bill-details.aspx?pk=3991>

**Office of the Chief Scientist and Engineer is within Investment NSW

***EIT cluster structure as at September 2022

Department of Enterprise, Investment and Trade Structure



*Structure at November 2022.



Workforce Diversity

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark/target	2022
Women	50%	55.4%
Aboriginal and/or Torres Strait Islander peoples	3.3%	6.7%
People whose language first spoken as a child was not English	23.2%	12.2%
People with disability	5.6%	1.5%
People with disability requiring work-related adjustment	N/A	1.0%

Workforce Diversity Actual and Estimated Staff Numbers (Non-casual Headcount at Census Date)

Remuneration level of substantive position	\$50,479 - \$66,298	\$66,298 - \$74,117	\$74,117 - \$93,791	\$93,791 - \$121,288	\$121,288 - \$151,609	\$151,609 and above (Non SES)	\$151,609 and above (SES)	Total
Total staff	3	0	98	164	107	0	26	398
Respondents	3	0	96	147	87	0	20	353
Men	2	0	45	64	45	0	15	171
Women	1	0	53	100	62	0	11	227
Unspecified Gender	0	0	0	0	0	0	0	0
Aboriginal and/or Torres Strait Islander peoples	0	0	3	7	0	0	0	10
People from racial, ethnic, ethno-religious minority groups	0	0	19	19	9	0	0	47
People whose language first spoken as a child was not English	0	0	17	22	10	0	1	50
People with disability	1	0	1	7	1	0	0	10
People with disability requiring work-related adjustment	1	0	0	4	0	0	0	5

Estimated figures are calculated for each salary band by taking the number of employees who have responded “yes” to the Workforce Diversity question as a proportion of the total number of employees who have responded to the Workforce Diversity survey, multiplied by the total number of staff, and rounded to zero decimal places. E.g. Estimated number of people with disability in Salary Band 1 = (actual number of people with disability in Salary Band 1 / total number of survey respondents in Salary Band 1) *total number of staff in Salary Band 1, and rounded to zero decimal places.

Average Remuneration of Public Service Senior Executives (PSSEs) Employed in Each Band*

PSSE band	2022	
	Average Remuneration (\$)	Range (\$)
1. Director	\$239,504.5	\$197,400–\$281,550
2. Executive Director	\$283,467.2	\$281,551–\$354,200
3. Deputy Secretary/Chief Executive	\$413,762.3	\$354,201–\$499,250
4. Secretary	\$614,000.0	\$499,251–\$576,700

	Band 1	Band 2	Band 3	Band 4
FY 21/22	6 (Female) 9 (Male)	1 (Female) 3 (Male)	3 (Female) 1 (Male)	1 (Female)

*21 December 2021 - 30 June 2022

Employee Relations

DEIT has engaged with the relevant union, the Public Service Association of NSW (PSA), throughout the reporting period and during the formation of the Department.

There were no industrial disputes lodged and no working time was lost due to industrial disputes relating to DEIT during the reporting period. The only industrial action relates to the PSA's Day of Action held on 8 June 2022, which impacted across the NSW Public Sector.

Workplace Health and Safety

DEIT is committed in continuing to provide a safe and healthy workplace, so far as is reasonably practicable. A Work Health and Safety (WHS) Policy and supporting processes have been established to provide a WHS management system, assess and mitigate work-related risks, and to identify, report and respond appropriately to hazards, incidents and injuries.

During the reporting period there were no injuries, near misses or hazards reported for DEIT.

Workers Compensation

During the reporting period there was one workers compensation claim received for DEIT.

Multicultural Policies and Services

All NSW Government agencies are expected to provide high-quality services and programs for all the people of NSW. The Multicultural Policies and Services Program is a whole-of-government program, led by Multicultural NSW, that assists public authorities to implement multicultural principles and to report on their accountabilities in this area.

To June 2022, DEIT continued to review and develop appropriate strategies and programs to improve workforce diversity and inclusion outcomes, aligned to business priorities and goals, which support the diverse communities we serve.

Legal

Government Information (Public Access) (GIPA) Act 2009

The GIPA Act requires NSW Government agencies to make mandatory disclosures of information, encourages proactive release of information and provides mechanisms for individuals to apply to access government information. More information on how to access departmental information is available at: <https://www.nsw.gov.au/enterprise-investment-trade/policy/access-to-information>.

Section 7 of the GIPA Act authorises NSW Government agencies to proactively release government information for which there are no overriding public interest against disclosure. Section 7(3) of the GIPA Act requires agencies, at intervals of not more than 12 months, to review their proactive release program. DEIT (as a recently created Department) is currently developing policies and processes to identify and release government information under this section.

From 1 April to 30 June 2022, DEIT received nine access applications, including withdrawn applications, but not including invalid applications. Reporting for the eight access applications relating to Hospitality and Racing is in the annual report of the Department of Customer Service.

Number of Applications by Type of Applicant and Outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	1	0	0

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to the table below.

Number of Applications by Type of Application and Outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn/pending
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	1	0	0

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

Invalid Applications

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

Conclusive Presumption of Overriding Public Interest Against Disclosure: Matters Listed in Schedule 1 to Act

	Number of times consideration is used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (Authorised Transactions) Act 2015	0
Information about authorised transaction under Land and Property Information NSW (Authorised Transaction) Act 2016	0

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

Other Public Interest Considerations Against Disclosure: Matters Listed in Table to Section 14 of Act

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

Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1

Number of Applications Reviewed under Part 5 of the Act (By Type of Review and Outcome)

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

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Applications for Review under Part 5 of the Act (By Type of Applicant)

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

Applications Transferred to Other Agencies under Division 2 of Part 4 of the Act (By Type of Transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Public Interest Disclosures

All DEIT staff have a responsibility to report suspected wrongdoing including:

- corruption
- maladministration
- serious and substantial waste of public money
- breaches of the Government Information (Public Access) Act 2009.

DEIT encourages and facilitates the disclosure, in the public interest, of wrongdoing in the public sector and is committed to protecting staff that make public interest disclosures.

The Secretary, Department of Enterprise, Investment and Trade has ensured staff are aware of their responsibilities under the *Public Interest Disclosures Act 1994* (PID Act) by:

- publishing and endorsing an internal reporting policy and commitment to the objectives of the PID Act. The policy and procedure supports an effective framework for the making and management of disclosures and the protection and support for people who make them
- providing staff with guidance material and links to additional external and internal PID resources
- providing staff with access to advice and guidance from the agency's disclosures coordinator.

The PID Act Section 31 requires each public authority to prepare an annual report on its obligations under the Act. In accordance with section 4 of the Public Interest Disclosures Regulation 2011 the following public interest disclosures were received in the reporting period.

	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made public interest disclosures to your public authority	0	0	0
Number of public interest disclosures received by your public authority	0	1	0

Of public interest disclosures received, how many were primarily about each of the following types of wrongdoing:

Corrupt conduct	0	0	0
Maladministration	0	1	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Total	0	1	0

No public interest disclosures were finalised during the reporting period.

Judicial Decisions

Nil in the reporting period.

Legislation Administered*

Minister for Enterprise, Investment and Trade

- Jobs for NSW Act 2015
- Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011, jointly with the Minister for Customer Service and Digital Government
- Western Parkland City Authority Act 2018

Minister for Sport

- Combat Sports Act 2013
- Crown Land Management Act 2016, in so far as it relates to the Crown land known as Parramatta Park, reserve number D500239, the Crown land known as Wollongong Sportsground, reserve number D580096 for public recreation and tourist purposes, in the Parish of Wollongong, County of Camden, the Crown land known as Newcastle International Sports Centre, reserve number D84753 for public recreation, in the Parish of Newcastle, County of Northumberland, and the Crown land known as Newcastle Showground, reserve number D570083 for showground, in the Parish of Newcastle, County of Northumberland
- Institute of Sport Act 1995
- Major Events Act 2009
- Motor Racing (Sydney and Newcastle) Act 2008
- Motor Sports (World Rally Championship) Act 2009
- Motor Vehicle Sports (Public Safety) Act 1985
- Mount Panorama Motor Racing Act 1989
- Sporting Bodies' Loans Guarantee Act 1977
- Sporting Venues Authorities Act 2008 (except section 15 and Schedule 1, jointly with the Attorney General)

Minister for Tourism

- Destination NSW Act 2011

Minister for Science, Innovation and Technology

- Innovation and Productivity Council Act 1996

Minister for Hospitality and Racing

- Australian Jockey and Sydney Turf Clubs Merger Act 2010
- Betting and Racing Act 1998
- Casino Control Act 1992
- City Tattersall's Club Act of 1912
- Gambling (Two-up) Act 1998
- Gaming and Liquor Administration Act 2007
- Gaming Machine Tax Act 2001, Part 4 and Schedule 1 (and the remaining provisions of the Act jointly with the Treasurer and the Minister for Finance)
- Gaming Machines Act 2001
- Greyhound Racing Act 2017
- Harness Racing Act 2009
- Hawkesbury Racecourse Act 1996
- Liquor Act 2007
- Music Festivals Act 2019
- Public Lotteries Act 1996
- Racing Appeals Tribunal Act 1983
- Registered Clubs Act 1976
- Thoroughbred Racing Act 1996
- Totalizator Act 1997 (except section 76, the Treasurer)
- Unlawful Gambling Act 1998
- Wagga Wagga Racecourse Act 1993 (except parts, the Minister for Lands and Water)

Minister for the Arts

- Art Gallery of New South Wales Act 1980
- Australian Museum Trust Act 1975
- Film and Television Industry Act 1988
- Historic Houses Act 1980
- Library Act 1939
- Museum of Applied Arts and Sciences Act 1945
- State Records Act 1998
- Sydney Opera House Trust Act 1961

Minister Western Sydney

Nil.

*Note legislation referenced above relates to the Enterprise, Investment and Trade cluster as of August 2022.

Administrative Change Orders – Formation of DEIT and the EIT Cluster

The table below summarises the administrative orders which established and formed DEIT, and the EIT cluster.

Administrative Change Order	Date of Order	Explanation
Administrative Arrangements (Second Perrottet Ministry – Transitional) Order 2021	21 December 2021	<ul style="list-style-type: none"> Established Department of Enterprise, Investment and Trade (DEIT) on 21 December 2021 and listed a number of executive agencies and entities as related to the Department (Destination NSW, Institute of Sport, Investment NSW, Office of Sport, Venues NSW and Western Parkland City Authority). Established Destination NSW and State Archives and Records Authority (SARA) as executive agencies from 1 April 2022. Transferred Destination NSW staff from Investment NSW to Destination NSW effective 1 April 2022. Transferred SARA staff from the Department of Premier and Cabinet (DPC) to SARA effective 1 April 2022. Transferred Independent Liquor and Gaming Authority staff from DCS to DEIT effective 1 April 2022. Amended Government Sector Employment Act 2013 (GSE Act) to reflect above changes.
Administrative Arrangements (Administrative Changes – Ministers and Public Service Agencies) Order (No 5) 2021	23 December 2021	<ul style="list-style-type: none"> Amended references on 21 December 2021 Order from DPC to DEIT as the Related Department for particular agencies under the GSE Act (Art Gallery of NSW, Australian Museum, Create NSW, Library Council of NSW, State Archives and Records Authority, Sydney Opera House, Museum of Applied Arts and Sciences).
Administrative Arrangements (Administrative Changes – Miscellaneous) Order 2022	16 February 2022	<ul style="list-style-type: none"> Listed the Ministers to whom DEIT is responsible to. Transferred staff who are principally involved in the administration of legislation allocated to the Minister for Hospitality and Racing from DCS to DEIT effective 1 April 2022. Amended the GSE Act to list the executive agencies which are related to DEIT with effect from 17 February 2022. This mostly impacted the cultural institutions plus Investment NSW.

Administrative Arrangements (Administrative Changes — Miscellaneous) Order (No 3) 2022	30 March 2022	<ul style="list-style-type: none"> • Provided that certain references in Acts are to be read as DEIT. • Clarified delegations under the Government Sector Finance Act 2018.
Administrative Arrangements (Administrative Changes — Miscellaneous) Order (No 5) 2022	1 April 2022	<ul style="list-style-type: none"> • Amended the 21 December 2021 Order to omit references to Create NSW becoming an executive agency. Create NSW became a group within DEIT instead. • Transferred Create NSW and Create Infrastructure staff from DPC to DEIT on 1 April 2022.
Administrative Arrangements (Administrative Changes — Miscellaneous) Order (No 6) 2022	1 June 2022	<ul style="list-style-type: none"> • Abolished Investment NSW on 1 July 2022 and transferred persons employed in Investment NSW to DEIT. Investment NSW became a group within DEIT from 1 July 2022.
Administrative Arrangements (Administrative Changes — Miscellaneous) Order (No 7) 2022 and Administrative Arrangements (Administrative Changes — Miscellaneous) Order (No 8) 2022	5 August 2022 and 8 August 2022	<ul style="list-style-type: none"> • Reallocation of legislation to reflect changed Ministerial arrangements by amending the Administrative Arrangements (Administrative Changes — Ministers and Public Service Agencies) Order (No 5) 2021. Relevant changes include: <ul style="list-style-type: none"> – Minister for Enterprise, Investment and Trade administers the Western Parkland City Authority Act 2018 (previously Minister for Western Sydney was the responsible minister); – Minister for Sport administers the Major Events Act 2009; – Minister for Tourism administers the Destination NSW Act 2011; and – Minister for Western Sydney administers no legislation but remains a Minister to whom the Department is accountable.

Privacy

All DEIT staff must comply with the *Privacy and Personal Information Protection Act 1998* (NSW).

When dealing with personal information, unless otherwise expressly permitted not to, DEIT staff need to comply with the 12 information protection principles unless there is a relevant exemption that applies. The 12 principles can be separated into the stage of the 'personal information life-cycle' that they relate to.

Governance

Annual Report Production

The production cost for the 2021–2022 Annual Report was \$10,880.

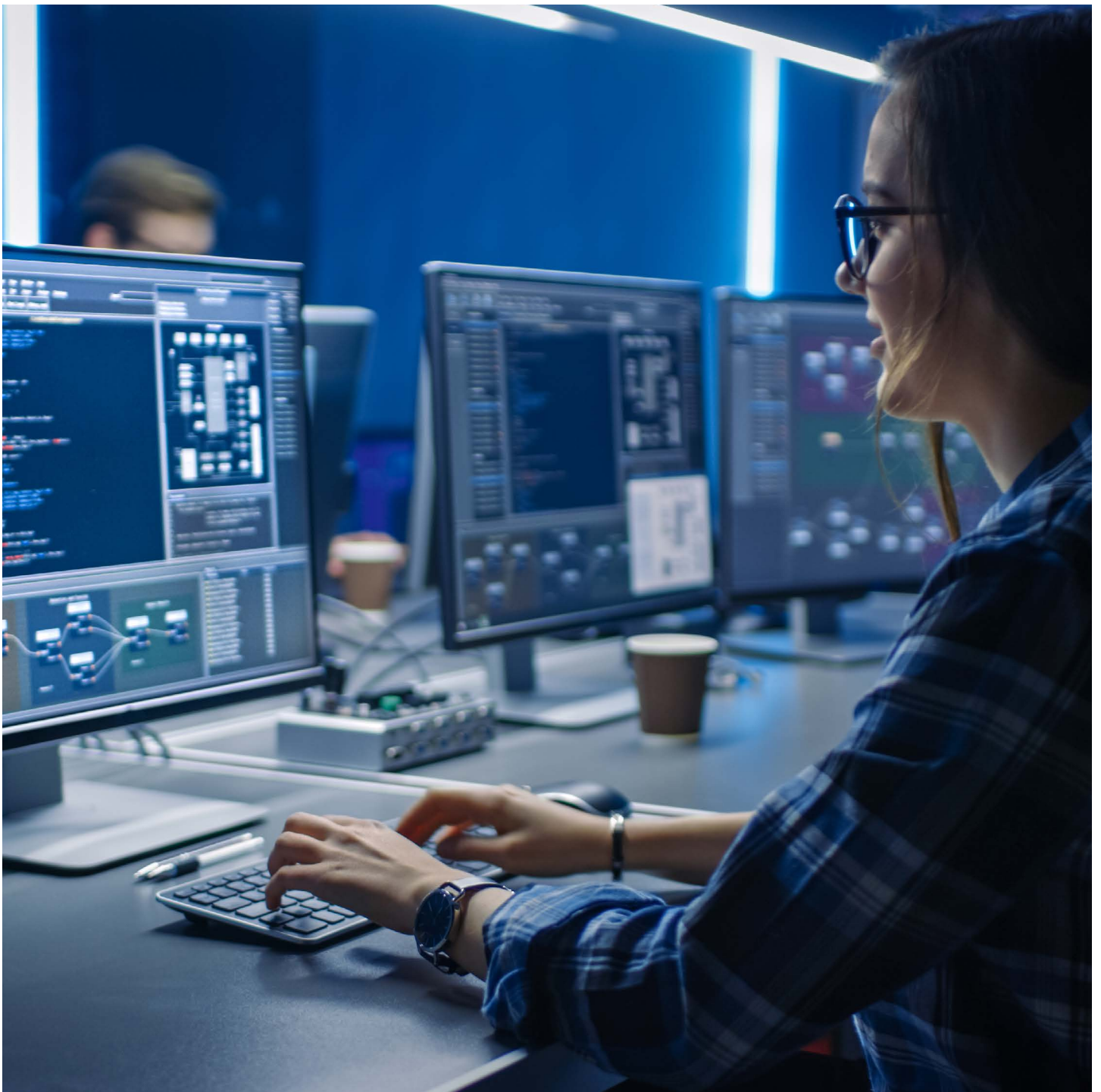
Responding to Consumers

No complaints were received during the reporting period (21 December 2021–30 June 2022). Information regarding complaints for the FY2021/22 relating to Hospitality and Racing can also be found in the Department of Customer Service Annual Report.

Risk Management Framework

During the period, the Department was establishing a Risk Management Framework that would apply to all DEIT staff. DEIT's groups have continued to apply their current risk management frameworks to identify and manage risk in accordance with agreed risk appetite and tolerance levels.

The Department's Risk Management Framework will be established within 12 months of the Department's establishment in accordance with the provisions of NSW Treasury Policy TPP 20-08.



Internal Audit and Risk Management

Some groups of the Department were subject to the internal audit and risk management frameworks of transferring agencies DPC and DCS during the reporting period. Further detail regarding these agencies can be found in their respective Annual Reports.

Internal Audit and Risk Management Attestation Statement for the 2021-2022 Financial Year for the Department of Enterprise, Investment and Trade

I, Elizabeth Mildwater, am of the opinion that the Department of Enterprise, Investment and Trade has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	In transition
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	In transition
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	In transition
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	In transition
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	In transition
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	In transition
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	In transition

Membership

The independent chair and members of the Audit and Risk Committee were not appointed during the reporting period.

Departures from Core Requirements

I, Elizabeth Mildwater, advise that the internal audit and risk management processes for the Department of Enterprise, Investment and Trade depart from the following Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*.

The departure from the Core Requirements is due to the Department implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements.

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
In Transition	
<ul style="list-style-type: none"> Core Requirements 1.1, 1.2, 2.1, 2.2, 2.3, 3.1 and 3.2 	<ul style="list-style-type: none"> The Department of Enterprise, Investment and Trade was established on 1 April 2022 and has transitional governance processes in place, including oversight of key risk areas by the Executive Leadership Team. The risk management framework, internal audit function and Audit & Risk Committee will be established within 12 months, consistent with the permitted transitional arrangements.

These processes, including the practicable alternative measures implemented, demonstrate that the Department of Enterprise, Investment and Trade has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Department.



Elizabeth Mildwater
Acting Secretary
Department of Enterprise, Investment and Trade

Thomas Luckey
 Director, Governance, Audit & Risk
 Contact: (02) 9228 3591

Date: 14/10/2022

Cyber Security Policy Attestation

Under the Machinery of Government changes, DEIT staff remained under the controls of their agencies of origin for the period 1 April to 30 June 2022, including in relation to cyber security.

The cyber security attestations of DPC, DCS and Investment NSW also applied to DEIT for this reporting period.





Department of Enterprise, Investment and Trade

Department of Enterprise, Investment and Trade Cyber Security Annual Attestation Statement for the 2021-2022 Financial Year

I, Lisa Braid, am of the opinion that Department of Enterprise, Investment and Trade (DEIT) is managing cyber security risks in a manner consistent with the Mandatory requirements set out in the NSW Government Cyber Security Policy.

- Governance is in place to manage cyber security maturity and initiatives.
- New system and processes are in development to further strengthen the cyber security environment.
- There is an approved cyber security plan to ensure continuous improvement and management of cyber security governance and resilience.
- There is an approved incident response plan, which was formally tested in-line with the NSW Cyber Security Policy.
- Risks to information and systems have been assessed and are managed.

This attestation covers systems managed by the DEIT Information Technology Team. The Department also utilises systems managed by the Department of Customer Service, under GovConnect arrangements for which a separate cyber attestation is made.

DEIT was established on 21 December 2021, however some groups within DEIT were only transferred to DEIT on 1 April 2022. Accordingly, separate Attestations will be provided by the Department of Premier and Cabinet and the Department of Customer Service. Prior to 1 April 2022 the Hospitality and Racing group was managed by the Department of Customer Service and Create NSW was managed by the Department of Premier and Cabinet.

Lisa Braid

Acting Secretary, Department of Enterprise Investment and Trade

Date: 8/9/2022

Financial information

Accounts Payment Performance

DEIT consolidated several functions that were transferred from DPC and DCS. The transferring agencies provided corporate support, including the management and payment of accounts on behalf of DEIT within their Enterprise Resource Planning (ERP) systems until 30 June 2021. All payments were appropriately approved by authorised delegated officers. Due to the combined nature of the operations in the transferring agencies' ERP systems, it was not possible to reliably separate payment transactions pertaining to DEIT.

Accordingly, DEIT's payments performance data are included in the transferring agencies' annual reporting. Refer to the 2021–22 Annual Reports of DPC and DCS for disclosure of accounts payable performance data, which includes payments made on behalf of DEIT for the reporting period from 1 April to 30 June 2022.

Insurance

DEIT is a member agency of the Treasury Managed Fund (TMF). The TMF is a self-insurance scheme created by the NSW Government to insure government agency risk. As a member agency, DEIT is indemnified for all insurable risks, with claims funded by deposit contributions and managed by iCare. The TMF provides cover for the following:

- workers compensation
- legal liability
- property
- motor vehicle
- miscellaneous risks.

Overseas Travel

There was no overseas travel to promote the agency.

Disclosure of Controlled Entities

Nil to disclose.

Disclosure of Subsidiaries

Nil to disclose.

Land Disposal

There were no land disposals for the period from 21 December 2021 to 30 June 2022.

Funds Granted to Non-government Community Organisations

Grant details		Amount \$'000 (excl. GST)
Arts Maintenance and Upgrade (AMU)	Funding to improve the accessibility, sustainability and functionality of the state's art and cultural venues.	1,187
Arts and Cultural Funding Program	Provide funding opportunities for arts and cultural organisations, professional artists and arts/cultural workers across a wide range of artforms and disciplines.	29,060
Centralised Monitoring System (CMS)	Assistance towards CMS monitoring fees (payable to the state) for clubs or hotels operating gaming machines where annual metered profit is below \$100,000 or suffering financial hardship.	512
Creative Capital	The Creative Capital fund was established to meet the demands for facilities to support the creative economy and improve access to and participation in quality cultural experiences across NSW. Cultural equity is at the heart of the new Creative Capital Program and will ensure that more people have access to and can participate in the arts.	2,091
Creative Kids Voucher Grant	The voucher may be used with a registered activity provider for registration, participation and tuition costs for a range of creative activities, including arts, drama, dance, digital design, coding and music lessons.	7,150
Culture Up Late	Culture Up Late is a part of the CBD Revitalisation initiatives designed to support businesses, jobs, and boost Sydney's cultural life.	1,603
Event Saver	Financial support to organisers of major events scheduled to be held between 15 December 2021 and 31 December 2022 where an event is cancelled or significantly disrupted as a direct result of Public Health Orders.	2,968
Festival Relaunch Package	Assistance to established festivals to relaunch after major disruption brought about by COVID-19.	27,052
Grants-Regional Cultural Infrastructure	Provide support for the development of cultural infrastructure to deliver educational, recreational and tourism benefits to local communities. The program will boost community participation and cultural tourism, ranging from major new exhibition and performing arts spaces, refurbishment of libraries, theatres and museums through to small, grass-roots community and digitisation projects.	3,708

Greyhound Racing Capital Grants	As part of the NSW Government's reform of the greyhound racing industry, capital grants are available to improve animal welfare, including to upgrade track facilities to make them safer for greyhounds.	886
Holiday Break Partnership	Funding for arts and cultural organisations, professional artists, and arts/cultural workers across a wide range of artforms and disciplines.	274
Made in NSW	Support to facilitate the attraction to NSW of significant international and domestic feature film and major TV drama production to maintain a vibrant, thriving film industry here in NSW.	30,386
NSW Post, Digital and Visual Effects (PDV) Rebate	To grow the State's reputation as a leading and globally competitive screen production and PDV center, known for its innovation and excellence. The Rebate complements the Australian Government's PDV, Producer and Location Offsets, and Location Incentive.	3,916
Performing Arts COVID Support Package	Provide urgent financial support to performing arts venues, producers and promoters impacted by the cancellation or postponement of performances resulting from the NSW Government COVID-19 Public Health Orders from 26 June 2021.	1,532
Performing Arts Relaunch Package	Assistance to relaunch the performing arts sector in line with the NSW Government roadmap to recovery.	62,830
Screen NSW	Support the development and production of high quality, compelling and diverse NSW screen projects, while also developing talent and skills, and promoting industry and audience development.	3,981
Regional Cultural Infrastructure	Provide support for the development of cultural infrastructure to deliver educational, recreational and tourism benefits to local communities. The program will boost community participation and cultural tourism, ranging from major new exhibition and performing arts spaces, refurbishment of libraries, theatres and museums through to small, grass-roots community and digitisation projects.	3,620
Sydney Blockbuster	Support the attraction of major cultural exhibitions from across the globe to NSW.	1,830
		180,878

Research and Development Funding

DEIT did not grant any research and development funding during the reporting period.

Consultants

Consultant	Product Description	Amount
Consultants costing \$50,000 or more		
CITY PLAN SERVICES	Review of grants administration	126,000
DELOITTE CONSULTANCY	Advice and development of organisational finance function	233,280
DATISAN PTY LTD	Digital experience managed services for the Website Consolidation project	150,000
SAPERE RESEARCH GROUP LIMITED	Economic and financial analysis for the Stolen Generations Keeping Places project	60,620
SLATTERY AUSTRALIA	Advisory services for the Stolen Generations Keeping Places project	75,260
DEPARTMENT OF REGIONAL NSW	Provision of asset maintenance plan and infrastructure project management and delivery services for the Stolen Generations Keeping Places project	143,867
THE FULCRUM AGENCY	Provide masterplan, concept designs, cultural guidance and community engagements for the Stolen Generations Keeping Places	129,366
Consultant engagement less than \$50,000		
Total number of engagements		-
16		139,358
Total expenditure on consultants		1,057,751

Address of Principal Office/s

As at 30 June 2022, DEIT had offices at:

- 52 Martin Place, Sydney
- 11-31 York Street, Sydney
- 4 Parramatta Square, Parramatta
- 105 Prince Street, Orange

A smaller number of staff work regionally in NSW under occupancy arrangements with other agencies.

- Business Incubator Building, Ourimbah
- 437 Hunter Street, Newcastle
- 5 O'Keefe Street, Nowra
- 21-27 Grant Street, Port Macquarie

- 155-157 Marius Street, Tamworth
- 76 Morgan Street, Wagga Wagga
- 92-100 Donnison Street, Gosford
- 32 Mann Street, Gosford
- 56-60 Burelli St, Wollongong
- 2-24 Rawson St, Haymarket
- 346 Panorama Avenue, Bathurst
- 18-20 King Street, Grafton

Investment NSW also had a number of staff based in international office locations during this reporting period. Details of these offices can be found in the Investment NSW Annual Report 2021-22. Destination NSW also has offices at 88 Cumberland Street, The Rocks.



INDEPENDENT AUDITOR'S REPORT

the Department of Enterprise, Investment and Trade

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Department of Enterprise, Investment and Trade (the Department), which comprise the Statement by the Secretary, the Statement of Comprehensive Income for the period 21 December 2021 to 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the period then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the period 21 December 2021 to 30 June 2022. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the matter
<p>Machinery of Government changes</p> <p>The Department was created by the Administrative Arrangements (Second Perrottet Ministry – Transitional) Order 2021 on 21 December 2021. As a result, the following were transferred into the Department on 1 April 2022:</p> <ul style="list-style-type: none"> the liquor, gaming and racing group from the Department of Customer Service Create NSW from the Department of Premier and Cabinet. <p>The Department's net assets from equity transfers totalled \$1.0 billion.</p> <p>I consider this to be a key audit matter because:</p> <ul style="list-style-type: none"> the values of assets and liabilities transferred to the Department as a result of the Machinery of Government changes is financially significant to the Department of the complexity and judgement involved in assessing the completeness and accuracy of the <ul style="list-style-type: none"> transfer of assets and liabilities at fair value migrated financial data. 	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> obtained an understanding of how: <ul style="list-style-type: none"> assets and liabilities were identified and transferred into the Department financial data extracted from the transferors' systems were used to prepare the Department's financial statements assessed the reasonableness of the fair value of assets and liabilities transferred into the Department obtained inter-entity confirmations for transferred functions, funds and activities reviewed the appropriateness of the disclosures in the financial statements arising from the Machinery of Government changes.

Secretary's Responsibilities for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Secretary's responsibility also includes such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Department'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 Department carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Margaret Crawford
Auditor-General for New South Wales

30 November 2022
SYDNEY



**Department of
Enterprise, Investment and Trade**

**Financial Statements
for the period ended
30 June 2022**

Department of Enterprise, Investment and Trade

Statement by the Secretary

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

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



Elizabeth Mildwater
Secretary

21 November 2022

Department of Enterprise, Investment and Trade

**Statement of Comprehensive Income
for the period ended 30 June 2022**

	Notes	For the period 21 December 2021 to 30 June 2022 \$'000
Continuing operations		
Expenses excluding losses		
Employee-related expenses	3(a)	14,178
Operating expenses	3(b)	13,014
Depreciation and amortisation	3(c)	1,951
Grants and subsidies	3(d)	484,231
Total expenses excluding losses		513,374
Revenue		
Appropriation	4(a)	501,367
Sale of goods and services from contracts with customers	4(b)	8,247
Grants and other contributions	4(c)	4,708
Investment revenue	4(d)	1,044
Acceptance by the Crown of employee benefits and other liabilities	4(e)	(339)
Total revenue		515,027
Net result		1,653
Other comprehensive income		
Items that will not be reclassified to net result in subsequent periods:		
Changes in revaluation surplus of property, plant and equipment		23,043
Total other comprehensive income		23,043
Total comprehensive income		24,696

The accompanying notes form part of these financial statements

Department of Enterprise, Investment and Trade

**Statement of Financial Position
as at 30 June 2022**

	Notes	30 June 2022 \$'000
Assets		
Current		
Cash and cash equivalents	5	29,219
Receivables	6	60,775
Other financial assets	7	252
Total current assets		90,246
Non-current		
Other financial assets	7	5,709
Property, plant and equipment	8	
Land and buildings		1,061,760
Plant and equipment		7,535
Total property, plant and equipment		1,069,295
Right-of-use assets	10	16
Intangible assets	11	2,008
Total non-current assets		1,077,028
Total assets		1,167,274
Liabilities		
Current		
Payables	12	105,668
Contract liabilities	13	5,671
Provisions	15	15,504
Total current liabilities		126,843
Non-current		
Borrowings	14	16
Provisions	15	83
Total non-current liabilities		99
Total liabilities		126,942
Net assets		1,040,332
Equity		
Accumulated funds		1,017,289
Reserves		23,043
Total equity		1,040,332

The accompanying notes form part of these financial statements

Department of Enterprise, Investment and Trade

**Statement of Changes in Equity
for the period ended 30 June 2022**

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 21 December 2021		-	-	-
Net result for the period		1,653	-	1,653
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment		-	23,043	23,043
Total other comprehensive income		-	23,043	23,043
Total comprehensive income for the period		1,653	23,043	24,696
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	16	1,015,636	-	1,015,636
		1,015,636	-	1,015,636
Balance at 30 June 2022		1,017,289	23,043	1,040,332

The accompanying notes form part of these financial statements

Department of Enterprise, Investment and Trade

**Statement of Cash Flows
for the period ended 30 June 2022**

	For the period 21 December 2021 to 30 June 2022
Notes	\$'000
Cash flows from operating activities	
Payments	
Employee related	(4,034)
Suppliers for goods and services	(15,672)
Grants and subsidies	(387,071)
Total payments	<u>(406,777)</u>
Receipts	
Appropriations	501,370
Sale of goods and services	2,399
Grants and other contributions	4,708
Rental income	1,008
Total receipts	<u>509,485</u>
Net cash flows from operating activities	<u>102,708</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(38,706)
Net cash flows from investing activities	<u>(38,706)</u>
Cash flows from financing activities	
Payment of principal portion of lease liabilities	(35,483)
Net cash flows from financing activities	<u>(35,483)</u>
Net cash increase / (decrease) in cash and cash equivalents	28,519
Opening cash and cash equivalents	-
Cash transferred in / (out) as a result of administrative restructuring	700
Closing cash and cash equivalents	<u>29,219</u>

The accompanying notes form part of these financial statements

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

1. Reporting entity

The Department of Enterprise, Investment and Trade ('the Department') was established on 21 December 2021 under the *Administrative Arrangements (Second Perrottet Ministry—Transitional) Order 2021*.

The Department is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

Effective 1 April 2022, under the *Administrative Arrangements (Second Perrottet Ministry - Transitional) Order 2021* and the *Administrative Arrangements (Administrative Changes - Miscellaneous) Order 2022*, assets, liabilities and employees related to the following functions were transferred to the Department:

- Create NSW and Create Infrastructure
- Hospitality and Racing (previously referred to as Liquor, Gaming and Racing)

Refer to Note 16 for further information on the equity transfers made under these administrative restructures.

The financial statements for the period ended 30 June 2022 have been authorised for issue by the Secretary on the date the accompanying Statement by the Secretary was signed.

2. Statement of significant accounting policies

(a) Basis of preparation

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

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

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

The Department was established after the presentation of the NSW Budget 2021-22 to the NSW Parliament. In preparing these financial statements, budget information, including budget review is not presented because AASB 1055 *Budgetary Reporting* is not applicable to the Department for this financial period.

The Statement of Cash Flows include transactions where there is cash inflows or outflows from the Department's bank accounts. Other payments and receipts were administered by the transferring agencies under the Department's instructions following the administrative restructure until 30 June 2022. The net of payments out of, and receipts into, their accounts will be recouped from the Department and are presented as payables at the reporting date.

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

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

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

2. Statement of significant accounting policies (*continued*)

(b) Statement of compliance

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

(c) Administered activities

The Department administers, but does not control, certain activities on behalf of the Crown. It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of its own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered Income', 'Administered Expenses', 'Administered Assets' and 'Administered Liabilities'.

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

(d) Insurance

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

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

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

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Foreign currency translation

The Department did not enter into foreign currency transactions during the reporting period.

(g) Comparative information

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

As per Treasury Circular TC19-06 *Financial Statements Disclosures for Machinery of Government Changes*, comparative information is presented in Note 16.

(h) Changes in accounting policies, including new or revised AAS

i. Effective for the first time in FY2021-22

The accounting policies applied in FY2021-22 are consistent with those of the previous financial year. Several other amendments and interpretations apply for the first time in FY2021-22, but do not have an impact on the financial statements of the Department.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

2. Statement of significant accounting policies (*continued*)

These are as follows:

- AASB 2020-5 Amendments to Australian Accounting Standards – *Insurance Contracts*
- AASB 2020-7 Amendments to Australian Accounting Standards – *COVID-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2020-8 Amendments to Australian Accounting Standards – *Interest Rate Benchmark Reform – Phase 2*
- AASB 2020-9 Amendments to Australian Accounting Standards – *Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other*
- AASB 2021-1 Amendments to Australian Accounting Standards – *Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- AASB 2021-3 Amendments to Australian Accounting Standards – *COVID-19-Related Rent Concessions beyond 30 June 2021*
- AASB 1060 General Purpose Financial Statements – *Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS unless Treasury determines otherwise.

The following new AAS have not been applied and are not yet effective, in accordance with the NSW Treasury mandate TPG 22-07 *Mandates of options and major policy decisions under Australian Accounting Standards*:

- AASB 17 *Insurance Contracts*
- AASB 2020-1 Amendments to Australian Accounting Standards – *Classification of Liabilities as Current or Non-current*
- AASB 2020-3 Amendments to Australian Accounting Standards – *Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 Amendments to Australian Accounting Standards – *Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- 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 relates 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 2021-7a Amendments to Australian Accounting Standards – *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- 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*

The Department anticipates that the adoption of these Standards in the period of initial application will have no material impact on the financial statements.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

2. Statement of significant accounting policies (*continued*)

(i) Impact of COVID-19 on financial reporting

The effect of COVID-19 on the financial position and performance of the Department has been assessed in the preparation of these financial statements. There is no material impact as a result of COVID-19.

3. Expenses excluding losses

a) Employee related expenses

	For the period 21 December 2021 to 30 June 2022 \$'000
Salaries and wages (including annual leave)	12,890
Superannuation – defined benefit plans	76
Superannuation – defined contribution plans	835
Long service leave	(266)
Payroll tax and fringe benefit tax	625
Workers' compensation insurance	18
	14,178

b) Operating expenses

Administration and corporate services provided	495
Advertising	63
Auditor's remuneration	120
Consultancy	1,058
Contractors	335
Courier and Freight	430
Electricity	77
Fees for services	5,014
Information and communication technology	1,387
Insurance	44
Legal fees and disbursements	185
Maintenance*	379
Occupancy	1,156
Travel	48
Telephone and telecommunication Services	66
Training	708
Other	1,449
	13,014

*Reconciliation - Total maintenance expense

Maintenance expense – contracted labour and other (non-employee related), as above	379
Employee related maintenance expense included in Note 3(a)	-
Total maintenance expenses included in Note 3(a) + 3(b)	379

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

3. Expenses excluding losses (*continued*)

Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

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

Lease expense

The Department recognises the 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.

Variable lease payments not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

c) Depreciation and amortisation

	For the period 21 December 2021 to 30 June 2022 \$'000
Depreciation - buildings and improvements	1,616
Depreciation - right-of-use assets	2
Depreciation - plant and equipment	3
	1,621
Amortisation - software	330
	330
	1,951

Refer to Notes 8, 10 and 11 for recognition and measurement policies on depreciation and amortisation.

d) Grants and subsidies

NSW government agencies	303,353
Grants to external organisations *	180,878
	484,231

* Grants to external organisations primarily comprise payments made under Arts and cultural grants, Creative Kids voucher grants, Clubgrants Category 3 and Community Development Fund schemes.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

4. Revenue

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.

a) Appropriation

	For the period 21 December 2021 to 30 June 2022 \$'000
Summary of compliance	
Original Budget per Appropriation Act	-
Other Appropriations	-
Variations made to the appropriations during the financial year	
- Section 4.9 GSF Act (transfers of functions between GSF agencies)	1,084,009
Total spending authority from parliamentary appropriations, other than deemed appropriations	1,084,009
Add:	
Own source revenue money received during the year	223,428
Total	1,307,437
Less:	
Total expenditure	(824,248)
Variance	483,189
Less:	
The spending authority from appropriations lapsed at 30 June	(259,761)
Deemed appropriations balance carried forward to following years	223,428
Appropriations (per Statement of Comprehensive Income)	501,367
Total amount drawn down against Annual Appropriations	501,367

The *Appropriation Act 2021* (Appropriations Act) (and the subsequent variations) appropriates the sum of \$1,084,009,000 to the Minister for Enterprise, Investment and Trade out of the Consolidated Fund for the services of the Department for the year 2021–22. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Department and entities that it is administratively responsible for, including:

- Art Gallery of NSW Trust
- Australian Museum Trust
- Destination NSW
- Historic Houses Trust of NSW (Sydney Living Museums)
- Independent Liquor and Gaming Authority
- Institute of Sport
- Investment NSW
- Jobs for NSW
- Library Council of NSW (State Library)
- Office of the Greyhound Welfare and Integrity Commission
- Office of Sport
- State Archives and Records Authority of New South Wales
- Sydney Opera House Trust
- Trustees of the Museum of Applied Arts and Sciences
- Western Parkland City Authority
- Venues NSW

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

4. Revenue (*continued*)

The responsible Ministers for each entity above are taken to have been given an appropriation out of the Consolidated Fund under the authority of s4.7 of the *Government Sector Finance Act 2018*, at the time the entity receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the entity. The spending authority of the responsible Ministers from deemed appropriation money has been delegated or sub-delegated to officers of the entity that receives or recovers the deemed appropriation money for its own services.

The delegation/sub-delegations for FY2021-22 authorising officers of the Department to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but do not specify an aggregate expenditure limit for the Department. However, as it relates to expenditure in reliance on a sum appropriated through an annual Appropriations Act, the delegation/sub-delegations are referable to the overall authority to spend set out in the relevant Appropriations Act. The individual transaction limits have been properly observed. The information in relation to the limit from the Appropriations Act is disclosed in the summary of compliance table above.

The summary of compliance has been prepared on the basis of aggregating the spending authorities of both the Minister for Enterprise, Investment and Trade for the services of the Department and the responsible Ministers for the services of the entities listed above that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made.

Parliamentary appropriations other than deemed appropriations

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, except as specified below, appropriations (other than deemed appropriations) are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

b) Sale of goods and services from contracts with customers

	For the period 21 December 2021 to 30 June 2022 \$'000
<i>Rendering of services</i>	
License revenue	3,489
Fee revenue	1,693
Other	3,065
	8,247

Revenue from rendering of services is recognised when the Department satisfies the performance obligation by transferring the promised services.

c) Grants and contributions

Grants from Non-Budget Departments	4,708
	4,708

Revenue from grants with sufficiently specific performance obligations is recognised when the Department satisfies a performance obligation by transferring the promised services. The Department uses various methods to recognise revenue over time, depending on the nature and terms and conditions of the grant contract.

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.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

4. Revenue (*continued*)

Income from grants without sufficiently specific performance obligations are recognised when the Department obtains control over the assets comprising the grants. Control over grants is normally obtained on receipt of cash.

d) Investment revenue

	For the period 21 December 2021 to 30 June 2022 \$'000
Rental income	1,008
Finance income on the net investment in the lease	36
	<u>1,044</u>

Rental income

Rental income arising from operating leases is accounted for based on the terms of the lease, over the lease term.

Interest income

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

e) Acceptance by the Crown of employee benefits

Superannuation – defined benefit	76
Long service leave provision	(418)
Payroll tax	3
	<u>(339)</u>

5. Cash and cash equivalents

	30 June 2022 \$'000
Cash at bank and on hand	29,219
	<u>29,219</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank.

Refer Note 19 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

6. Receivables

	30 June 2022
	\$'000
Trade receivables from contracts with customers	31,742
Less: Allowance for expected credit losses*	
- Trade receivables from contracts with customers	(52)
Total expected credit losses	(52)
Prepayments	20,027
Goods and Services Tax recoverable from ATO	9,058
	60,775

* Movement in the allowance for expected credit losses

	2022
	\$'000
Balance at the beginning of the period	-
Acquisitions through administrative restructures	51
Increase/(decrease) in allowance recognised in net results	1
Balance at the end of the period	52

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 19.

Recognition and measurement

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

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

Subsequent measurement

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

Impairment

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

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

Department of Enterprise, Investment and Trade

Notes to the financial statements
for the period ended 30 June 2022

7. Other financial assets

	2022 \$'000
Receivables on finance leases as lessor (Note 10)	
Current	252
Non-current	5,709
	5,961

Refer to Note 19 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and measurement

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

Subsequent measurement

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

Impairment

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

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e., a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e., a lifetime ECL). In addition, the Department considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For lease receivables, the Department applies the simplified approach permitted by AASB 9, where the loss allowance is based on lifetime ECLs.

Department of Enterprise, Investment and Trade

**Notes to the financial statements
for the period ended 30 June 2022**

8. Property, plant and equipment

a) Total property, plant and equipment

	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
At 21 December 2021 – fair value			
Gross carrying amount	-	-	-
Accumulated depreciation and impairment	-	-	-
Net carrying amount	-	-	-
Period ended 30 June 2022			
Net carrying amount at beginning of period	-	-	-
Acquisitions through administrative restructures	1,005,163	4,011	1,009,174
Purchases of assets	35,170	3,527	38,697
Net revaluation increments less revaluation decrements	23,043	-	23,043
Depreciation expense	(1,616)	(3)	(1,619)
Net carrying amount at end of period	1,061,760	7,535	1,069,295
At 30 June 2022 – fair value			
Gross carrying amount	1,222,180	7,819	1,229,999
Accumulated depreciation and impairment	(160,420)	(284)	(160,704)
Net carrying amount	1,061,760	7,535	1,069,295

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 9.

b) Property, plant and equipment held and used by the Department

	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000
At 21 December 2021 – fair value			
Gross carrying amount	-	-	-
Accumulated depreciation and impairment	-	-	-
Net carrying amount	-	-	-
Period ended 30 June 2022			
Net carrying amount at beginning of period	-	-	-
Acquisitions through administrative restructures	642,175	4,011	646,186
Purchases of assets	35,170	3,527	38,697
Net revaluation increments less revaluation decrements	-	-	-
Depreciation expense	-	(3)	(3)
Net carrying amount at end of period	677,345	7,535	684,880

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

8. Property, plant and equipment (*continued*)

c) Property, plant and equipment where the Department is lessor under operating leases

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
At 21 December 2021 – fair value			
Gross carrying amount	-	-	-
Accumulated depreciation and impairment	-	-	-
Net carrying amount	-	-	-
Period ended 30 June 2022			
Net carrying amount at beginning of period	-	-	-
Acquisitions through administrative restructures	362,988	-	362,988
Purchases of assets	-	-	-
Net revaluation increments less revaluation decrements	23,043	-	23,043
Depreciation expense	(1,616)	-	(1,616)
Net carrying amount at end of period	384,415	-	384,415

Acquisition of property, plant and equipment

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

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

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 16).

Capitalisation thresholds

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

Major inspection costs

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

Restoration costs

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

8. Property, plant and equipment (*continued*)

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Department.

All material identifiable components of assets (except for land) are depreciated separately over their useful lives.

The expected useful lives of items of property, plant and equipment are as follows:

- Buildings: 17 – 80 years
- Plant and equipment: 1 – 3 years

Each asset's useful life, residual value and depreciation method are reviewed each year and any resulting adjustments are accounted for as a change in accounting estimate.

Right-of-Use Assets acquired by lessees

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

Further information on leases is contained at Note 10.

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). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13, AASB 116 and AASB 140 Investment Property.

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 9 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Department conducts a comprehensive revaluation at least every three years for its land and buildings where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim management revaluation for buildings was completed on 30 June 2022 as a result of a cumulative increase in indicators of 9.7%. The Department used an external professionally qualified valuer to conduct the interim revaluation.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The Department has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

8. Property, plant and equipment (*continued*)

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Land and Buildings – held and used by the Department

This asset class balance reflects the fair value of the land and buildings comprising land at Parramatta, for development of the Parramatta Powerhouse Museum. The Parramatta Powerhouse site which was acquired by Government during 2019-20 was transferred in as a result of machinery of government changes effective 1 April 2022. This property remains held at cost.

Land and Buildings – subject to operating leases

This asset class includes land and building assets in the Create NSW property portfolio, which transferred into the Department as part of the Administrative Order changes on 1 April 2022.

During the period, an indexation assessment was conducted by Colliers, which resulted in an overall increase of 9.7% to the carrying value of buildings within this asset class.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

8. Property, plant and equipment (*continued*)

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

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

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in net result, then the reversal recognised in net result.

9. Fair value measurement of non-financial assets

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

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

- **Level 1** - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- **Level 3** – inputs that are not based on observable market data (unobservable inputs).

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

a) Fair value hierarchy

	2022			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (Note 8)				
Land and buildings		305,440	756,320	1,061,760
	-	305,440	756,320	1,061,760

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

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

b) Valuation techniques, inputs and processes

The fair value hierarchy of the land assets are generally level 2, utilising recent site sales of similarly zoned land, that are analysed to provide the market value of the land component of the subject properties.

Building assets, valued using depreciated replacement cost, are categorised as level 3. Published cost information has been utilised by valuers to ascertain the replacement cost of improvements. Allowances for physical depreciation and functional obsolescence have been applied to arrive at the assessed depreciated replacement cost of the building components.

c) Reconciliation of recurring Level 3 fair value measurements

	Land and buildings \$'000	Total \$'000
Fair value as at 21 December 2021	-	-
Acquisitions through administrative restructures	699,723	699,723
Additions	35,170	35,170
Revaluation increments recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment'	23,043	23,043
Depreciation expense	(1,616)	(1,616)
Fair value as at 30 June 2022	756,320	756,320

10. Leases

a) Department as a lessee

The Department leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 1 to 100 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Department does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Department and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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

The Department has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

10. Leases (*continued*)

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

	Plant and equipment \$'000	Total \$'000
Balance at 21 December 2021	-	-
Acquisitions through administrative restructures	18	18
Depreciation expense	(2)	(2)
Balance at 30 June 2022	16	16

Lease liabilities

The following table presents liabilities under leases, including leases in respect of investment properties.

	2022 \$'000
Balance at 21 December 2021	-
Acquisitions through administrative restructures	35,502
Payments	(35,486)
Balance at 30 June 2022	16

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the Department is the lessee:

Depreciation expense of right-of-use assets	2
Total amount recognised in the statement of comprehensive income	2

The Department had no cash outflows for leases during the period 21 December 2021 to 30 June 2022.

Recognition and Measurement

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

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

i. Right-of-use assets

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

10. Leases (*continued*)

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor vehicle: 5 years

If ownership of the leased asset transfers to the Department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Department assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Department estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

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

Lease payments include:

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses (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 Department's leases, the lessee's incremental borrowing rate is used, being the rate that The Department would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

The Department lease liabilities are included in borrowings.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

10. Leases (*continued*)

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

The Department applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

b) Department as a lessor

The Department holds a portfolio of arts properties, which are leased to tenants under operating leases, 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. The leases are made available at rates significantly lower than market terms as support to the arts sector.

Lessor for finance leases

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

	2022
	\$'000
Within one year	134
One to two years	200
Two to three years	200
Three to four years	200
Four to five years	200
Later than five years	9,901
Total (excluding GST)	10,835

Reconciliation of net investment in leases

Future undiscounted rentals receivable	10,835
Less: unearned finance income	(4,874)
Net investment in finance leases	5,961

Leases that the Department transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

At the lease commencement date, the Department recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease. Initial direct costs.

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

10. Leases (*continued*)

Lessor for operating leases

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

	2022 \$'000
Within one year	1,042
One to two years	894
Two to three years	865
Three to four years	865
Four to five years	865
Later than five years	20,292
Total (excluding GST)	<u>24,823</u>

Recognition and measurement - lessor for operating leases

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

11. Intangible assets

	Software \$'000	Total \$'000
At 21 December 2021		
Cost (gross carrying amount)	-	-
Accumulated amortisation and impairment	-	-
Net carrying amount	-	-
Period ended 30 June 2022		
Net carrying amount at beginning of period	-	-
Acquisitions through administrative restructures	2,317	2,317
Additions	21	21
Amortisation (recognised in 'depreciation and amortisation')	(330)	(330)
Net carrying amount at end of period	<u>2,008</u>	<u>2,008</u>
At 30 June 2022		
Cost (gross carrying amount)	8,165	8,165
Accumulated amortisation and impairment	(6,157)	(6,157)
Net carrying amount	<u>2,008</u>	<u>2,008</u>

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

11. Intangible assets (*continued*)

The entity recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite. The Department's intangible assets are amortised using the straight-line method over a period of 4 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

12. Payables

	2022
	\$'000
Accrued salaries, wages and on-costs	242
Advance Claims	4,759
Creditors	100,667
	105,668

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

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

Details regarding liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

13. Contract assets and liabilities

Contract liabilities - current	5,671
	5,671
Contract receivables (included in Note 6)	31,742

Contract liabilities relate to consideration received in advance from customers in respect of Annual Liquor Licence Fees recognised on a straight-line basis over the period of the licence.

All of the contract liabilities are expected to be satisfied of its obligations and recognised as revenue in the next financial year.

Department of Enterprise, Investment and Trade

Notes to the financial statements
for the period ended 30 June 2022

14. Borrowings

	2022 \$'000
Lease liabilities (see Note 10)	16
	16

Borrowings represents interest bearing liabilities raised through lease liabilities.

Financial liabilities at amortised cost

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

Details regarding liquidity risk, including a maturity analysis of the above lease liabilities are disclosed in Note 19.

Changes in liabilities arising from financing activities

	Leases	2022
21 December 2021	-	-
Leases acquired through administrative restructures	35,502	35,502
Cash flows*	(35,483)	(35,483)
Other movements	(3)	(3)
30 June 2022	16	16

* Cash flows relate to repayment of principal portion of lease liabilities

15. Provisions

Employee benefits and related on-costs

Current

Annual leave, including on-costs	6,036
Long service leave on-costs	1,167
	7,203

Non-current

Annual leave, including on-costs	5
Long service leave on-costs	78
	83

Other Provisions

Current

Grant funding committed	8,301
	8,301

Aggregate employee benefits and related on-costs

Provisions	7,286
Accrued salaries, wages and on-costs (Note 12)	242
	7,528

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

15. Provisions (*continued*)

Movements in provisions (other than employee benefits)

	2022 \$'000
Carrying amount at 21 December 2021	-
Acquisitions through administrative restructures	11,271
Amounts used	(2,970)
Carrying amount at 30 June 2022	8,301

Employee benefits and related on-costs

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

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Department has assessed the actuarial advice based on its 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 Department does not expect to settle the liability within 12 months as it does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

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

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

The superannuation expense for the financial period 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.

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.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

15. Provisions (*continued*)

Other provisions

Other provisions consist of grants to Club Grants Category 3 and Grants to Greyhound Capital Grants. Grants to Club Grants Category 3 consist of grants to community organisations for infrastructure projects while Greyhound Racing Capital Grants is a government commitment as part of the NSW Government greyhound racing reforms. The purpose of the grants program is to assist Greyhound Racing NSW (not a government agency) and its clubs improve animal welfare by upgrading greyhound racing facilities across NSW to reduce injury rates for racing dogs. Grants Program funding is protected and publicly committed by the Government solely for this purpose.

16. Equity

Pursuant to the *Administrative Arrangements (Second Perrottet Ministry—Transitional) Order 2021*, staff employed in the various NSW Government Departments and agencies to enable the Department to exercise its functions were transferred to the Department effective from 1 April 2022. Assets and liabilities associated with the affected staff were also transferred on this date.

a) Increase in net assets from equity transfers

Financial period ended 30 June 2022	Create NSW \$'000	H&R \$'000	Total \$'000
Current assets			
Cash and cash equivalents	700	-	700
Receivables	35,996	22,186	58,182
Other financial assets	201	-	201
Total current assets	36,897	22,186	59,083
Non-Current assets			
Property, plant and equipment	1,009,174	-	1,009,174
Right-of-use assets	-	18	18
Intangible assets	29	2,288	2,317
Other financial assets	5,723	-	5,723
Total non-current assets	1,014,926	2,306	1,017,232
Total assets	1,051,823	24,492	1,076,315
Current liabilities			
Payables	(41)	3,788	3,747
Provisions	1,787	16,370	18,157
Borrowings	35,483	-	35,483
Other	3,254	-	3,254
Total current liabilities	40,483	20,158	60,641
Non-Current liabilities			
Provisions	19	-	19
Borrowings	-	19	19
Total non-current liabilities	19	19	38
Total liabilities	40,502	20,177	60,679
Net assets from equity transfer	1,011,321	4,315	1,015,636

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

16. Equity (continued)

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

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

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

b) Comparative information

The Statement of Comprehensive Income for 12 months FY2021-22 and FY2020-21 for the transferred activities:

	2021 \$'000	Create NSW 1 July 21 to 31 March 22 \$'000	H&R 1 July 21 to 31 March 22 \$'000	DEIT 21 Dec 21 to 30 June 22 \$'000	Total 1 July 21 to 30 June 22 \$'000
Expenses excluding losses					
Employee-related expenses	42,509	14,436	22,408	14,178	93,531
Operating expenses	46,307	25,120	13,270	13,014	97,712
Depreciation and amortisation	7,088	4,885	1,082	1,951	15,006
Grants and subsidies	490,838	420,546	11,358	484,231	1,406,973
Total expenses excluding losses	586,742	464,987	48,118	513,374	1,613,222
Revenue					
Appropriation	-	-	-	501,367	501,367
Sale of goods and services from contracts with customers	12,790	5,292	28,558	8,247	54,887
Investment revenue	-	-	-	1,044	1,044
Grants and other contributions	199,157	74,204	20,279	4,708	298,348
Acceptance by the Crown of employee benefits and other liabilities	(546)	268	899	(339)	282
Other revenue	17,462	-	28		17,490
Total revenue	228,863	79,764	49,764	515,027	873,418
Gain / (loss) on disposal	(364)	(333)	(183)	-	(880)
Net result	(358,243)	(385,556)	1,463	1,653	(740,684)

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

17. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets as at the reporting date.

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

	For the period 21 December 2021 to 30 June 2022 \$'000
Net cash from operating activities	102,707
Depreciation and amortisation	1,951
Increase / (decrease) in receivables	60,775
Increase / (decrease) in ROUA	(44,353)
Increase / (decrease) in Other financial assets	5,961
Decrease / (increase) in provisions	(15,587)
Decrease / (increase) in borrowings	(16)
Decrease / (increase) in creditors	(109,786)
Net result	1,652

19. Financial instruments

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

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

The Secretary has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Department, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Department on a continuous basis.

Department of Enterprise, Investment and Trade

**Notes to the financial statements
for the period ended 30 June 2022**

19. Financial instruments (*continued*)

a) Financial instrument categories

Class	Note	Category	Carrying Amount 2022
Financial assets			
Cash and cash equivalents		Amortised cost	29,219
Receivables ¹		Amortised cost	31,690
Other financial assets		Amortised cost	5,961
			66,870
Financial liabilities			
Payables ²		Financial liabilities measured at amortised cost	100,764
Borrowings		Financial liabilities measured at amortised cost	16
			100,780

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

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

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

b) Derecognition of financial assets and financial liabilities

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

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

When the entity 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 entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

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

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

19. Financial instruments (*continued*)

c) Offsetting financial instruments

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

d) Financial risks

i. Credit risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to The Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Department, including cash and receivables. No collateral is held by The Department. The Department has not granted any financial guarantees.

Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

The Department considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Department may also consider a financial asset to be in default when internal or external information indicates that the Department is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Department.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Receivables - trade receivables

Collectability of trade debtors is reviewed on an ongoing basis.

The Department applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Department's trade receivables are not significantly exposed to debtors directly impacted by the economic downturn due to COVID-19. As such, the expected credit loss is based on historical loss rates.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at the reporting date.

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

19. Financial Instruments (*continued*)

ii. *Liquidity risk*

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets.

During the current period, there were no defaults of borrowing. No assets have been pledged as collateral. The Department's exposure to liquidity risk is deemed insignificant.

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 *Payment of Accounts*. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice.

For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. No interest for late payment was made during the period.

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Nominal Amount ¹ \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000
2022								
Payables²	-	100,764	-	-	100,764	100,764	-	-
Borrowings:								
Lease liabilities	1.42%	16	16	-	-	-	16	-

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Department can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the statement of financial position.

² The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB 7).

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

19. Financial Instruments (*continued*)

iii. **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Department's exposures to market risk are primarily through interest rate risk on the Department's borrowings. The Department has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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

	Carrying amount \$'000	-1% Profit \$'000	-1% Equity \$'000	1% Profit \$'000	1% Equity \$'000
Financial assets					
Cash and cash equivalents	29,219	(292)	(292)	292	292

Foreign exchange risk

The department does not have any exposure to foreign exchange risk.

20. Related party disclosures

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Department. KMP of the Department includes the Secretary, and the leadership team.

The Department's KMP compensation are provided below.

Short-term employee benefits:

	2022 \$'000
Salaries	624
Other monetary allowances	3
Other long-term employee benefits	5
Total remuneration	632

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

Department of Enterprise, Investment and Trade

Notes to the financial statements for the period ended 30 June 2022

20. Related party disclosures (*continued*)

During the reporting period, the Department entered into transactions with NSW Government related entities that are controlled, jointly controlled or significantly influenced by the NSW Government. There were no individually significant transactions, except for the equity transfers disclosed in Note 16. Where transactions with NSW Government related entities are collectively, but not individually, significant, the nature of these transactions have been disclosed in the table below.

Entity	Nature of transaction(s)
Crown in the right of New South Wales	Recurrent and capital appropriations made to DEIT out of the Consolidated Fund.
Western Parkland City Authority	Recurrent and capital cluster grants from DEIT to Western Parkland City Authority.
Destination NSW	Recurrent and capital cluster grants from DEIT to Destination NSW.
Office of Sport	Recurrent and capital cluster grants from DEIT to Office of Sport.
Australian Museum	Recurrent and capital cluster grants from DEIT to Australian Museum.
Museum of Applied Arts and Sciences	Recurrent and capital cluster grants from DEIT to Museum of Applied Arts and Sciences.
State Library of New South Wales	Recurrent and capital cluster grants from DEIT to State Library of New South Wales.

21. Administered assets and liabilities

	2022 \$'000
Licence receivable - Non Current ¹	25,000
Total administered assets	25,000

¹ Licence fee receivable under the *Totalizer Act 1997*.

In accordance with AASB 9 Financial Instruments, taxes and fines are initially recognised where statutory requirements establish a right to receive the financial asset. Such a right arises on the occurrence of a past event.

Taxes and fines are initially recognised at the original levied amount. An allowance for impairment is subsequently recognised (where required) under AASB 136 *Impairment of Assets*.

Department of Enterprise, Investment and Trade

Notes to the financial statements
for the period ended 30 June 2022

22. Administered income and expenses

	For the period ended 30 June 2022 \$'000
Casino Gaming Duty	2,080
Liquor Licences	1,683
Fines - Greyhound Racing	13
Total revenue earned	3,776

Administered income information is presented on a revenue earned (accrual) basis.

The entire amount of revenue received above has been transferred to the Crown at 30 June 2022.

During the period 21 December 2021 to 30 June 2022, the Department did not incur any administered expenditure.

Administered revenue is recognised when the underlying past event under statutory requirements results in the right to receive revenue, unless it cannot be reliably measured before the financial statements are signed.

23. Events after the reporting period

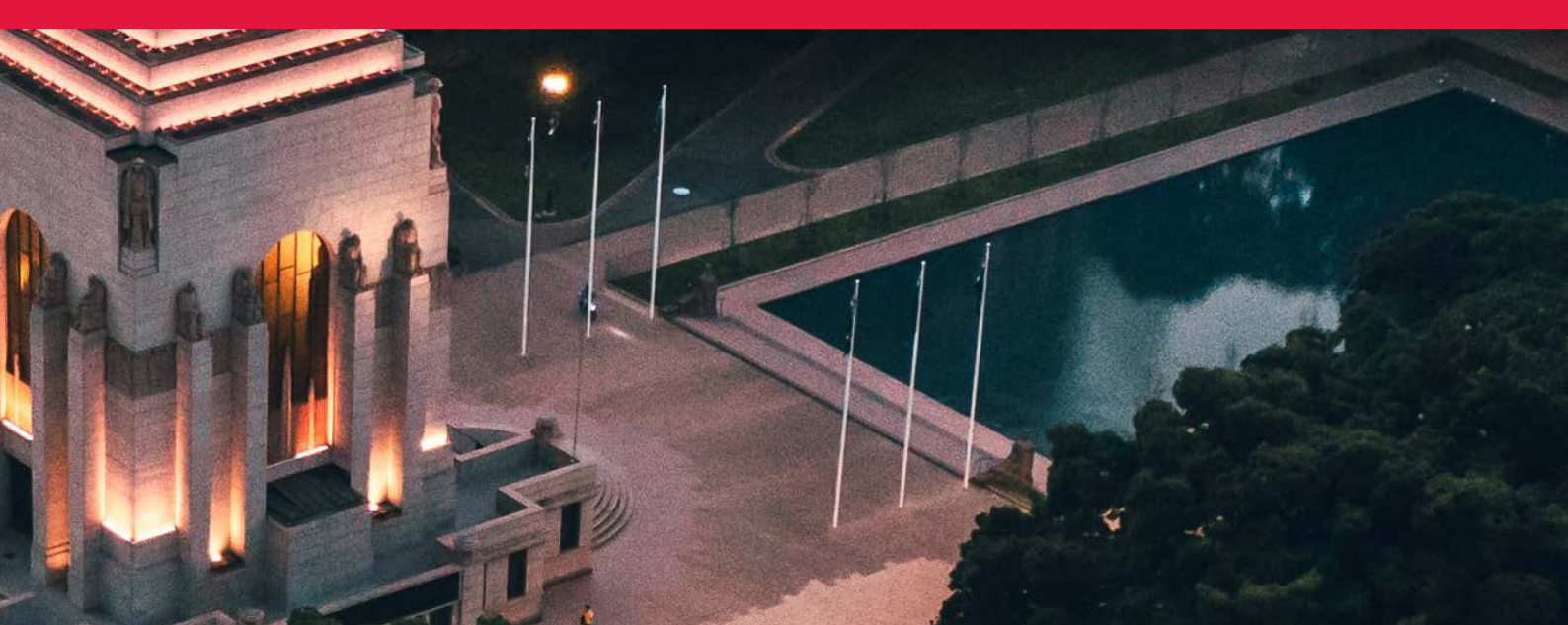
Abolishment of Investment NSW

Effective 1 July 2022 under the *Administrative Arrangements (Administrative Changes—Miscellaneous) Order (No 6) 2022*, employees in Investment NSW were transferred to the Department and Investment NSW was abolished.

End of the financial statements

Annual Report Compliance Checklist

Requirement	Description	Section
Letter of Submission	<ul style="list-style-type: none"> • Stating report submitted to Minister for presentation to Parliament • Provisions under which report prepared • If applicable, length of lateness in submitting report and reasons • If no application for extension, reasons for lateness and lack of application • To be signed by Department Head 	Letter to the Ministers
Charter	<ul style="list-style-type: none"> • Manner in which and purpose for which agency was established • Principal legislation administered within department 	Who we are Statutory Reporting
Aims and objectives	<ul style="list-style-type: none"> • What department sets out to do • Range of services provided • Clientele/community served 	Who we are Delivering for NSW
Access	<ul style="list-style-type: none"> • Address of principal office/s • Telephone number of principal office/s • Business and service hours 	Statutory Reporting
Management and structure	<ul style="list-style-type: none"> • Names, offices and qualifications of principal officers • Organisation chart indicating functional responsibilities 	Statutory Reporting
Summary review of operations	<ul style="list-style-type: none"> • Narrative summary of significant operations • Financial and other quantitative information for programs or operations 	Delivering for NSW Statutory Reporting



Funds granted to non-government community organisations	<ul style="list-style-type: none"> • Name of recipient organisation • Amount of grant • Program area as per Budget paper • Program as per Budget paper 	Statutory Reporting
Legal Change	<ul style="list-style-type: none"> • Changes in Acts and subordinate legislation • Significant judicial decisions affecting agency or users of its services 	Statutory Reporting
Economic or other factors	<ul style="list-style-type: none"> • Affecting achievement of operational objectives 	Delivering for NSW
Management and activities	<ul style="list-style-type: none"> • Describe nature and range of activities • If practicable, qualitative and quantitative performance measures showing efficiency and effectiveness • Nature and extent of internal and external performance reviews conducted and resulting improvements in achievements • Benefits from management and strategy reviews • Management improvement plans and achievements reaching previous targets • Major problems and issues which arose • Major works in progress, cost to date, dates of completion, significant cost overruns or delays / amendments / deferments / cancellations 	Delivering for NSW Statutory Reporting

Research and development	<ul style="list-style-type: none"> Completed and continuing research and developmental activities including resources allocated Unless will adversely affect business 	Statutory Reporting
Human resources	<ul style="list-style-type: none"> Number of officers and employees by category and compared to prior three years Exceptional movements in wages, salaries or allowances Personnel policies and practices Industrial relations policies and practices 	Statutory Reporting
Consultants	<p>Consultants or each engagement costing equal to or greater than \$50,000:</p> <ul style="list-style-type: none"> Name of consultant Title of project Actual costs <p>For engagements costing less than \$50,000:</p> <ul style="list-style-type: none"> Total number of engagements Total cost <p>Or a statement that no consultants used</p>	Statutory Reporting
Workforce Diversity	<ul style="list-style-type: none"> Departments must report statistics for both the representation and distribution of employees in diversity groups, in the same format as the report provided to each agency by the Public Service Commission Additionally, Departments must report on the workforce diversity achievements during the reporting year and the key workforce diversity strategies proposed for the following year 	Statutory Reporting
Disability Inclusion Action Plans	<ul style="list-style-type: none"> If the Department is required to have a disability inclusion action plan under the Disability Inclusion Act 2014, a statement setting out the progress during the reporting year in implementing that plan 	Statutory Reporting
Land Disposal	<ul style="list-style-type: none"> If value greater than \$5,000,000 and not sold by public auction or tender <ul style="list-style-type: none"> list of properties for each case, name of person who acquired the property and proceeds Details of family or business association between purchaser and person responsible for approving disposal Reasons for the disposal Purpose/s for which proceeds were used Statement that access to documents relating to the disposal can be obtained under the Government Information (Public Access) Act 2009 	Statutory Reporting
Promotion	<ul style="list-style-type: none"> Overseas visits by employees and officers with main purposes highlighted 	Statutory Reporting

Consumer Response	<ul style="list-style-type: none"> • Extent and main features of complaints • Services improved/changed in response to complaints/suggestions 	Statutory Reporting
	<ul style="list-style-type: none"> • Details of performance in paying accounts for each quarter, from due dates: <ul style="list-style-type: none"> – Current, 0-30, 30-60, 60-90 and 90+ <p>\$ amounts</p> <ul style="list-style-type: none"> – Target %, actual % and \$ for on time – Total dollar amount paid in quarter – (Can use proper sampling techniques) 	
Payment of Accounts	<ul style="list-style-type: none"> • Details of accounts due or paid within each quarter – A schedule of the number and dollar amount of accounts/ invoices due or paid within each quarter of the financial year as follows, separately disclosed for all suppliers and small business suppliers: <ul style="list-style-type: none"> – Number of accounts due for payment – Number of accounts paid on time • Actual percentage of accounts paid on time (based on number of accounts) • Dollar amount of accounts due for payment – Dollar amount of accounts paid on time • Actual percentage of accounts paid on time (based on dollar amount of accounts) <ul style="list-style-type: none"> – Number of payments for interest on overdue accounts – Interest paid on late accounts • Commentary on problems affecting prompt processing of payments during the year and on initiatives implemented to improve payment performance 	Statutory Reporting
Time for Payment of Accounts	<ul style="list-style-type: none"> • Where interest was paid due to late payments, list of instances and reasons for delay which caused late payment 	Statutory Reporting
Risk management and insurance activities	<ul style="list-style-type: none"> • Report on the risk management and insurance arrangements and activities affecting the agency 	Statutory Reporting
Internal audit and risk management policy attestation	<p>Department heads must:</p> <ul style="list-style-type: none"> • attest to compliance with the TPP's 'core requirements' in an attestation statement based on the relevant template at Annexure C of the TPP, and • ensure that this Statement is published in the Department's Annual Report, adjacent to the requirement to disclose 'risk management and insurance activities' 	Statutory Reporting

Disclosure of Controlled Entities	<p>For each controlled entity:</p> <ul style="list-style-type: none"> • Name, objectives, operations, activities • Performance targets and actual performance measures 	Statutory Reporting
Disclosure of Subsidiaries	<p>For each public sector subsidiary, the parent must:</p> <ul style="list-style-type: none"> • Identify each subsidiary in which shares are held, and the number and % of shares held • Include key figures for each subsidiary (turnover, profit, assets) and their proportion to group totals • Include detailed statement of objectives, activities and operations of each subsidiary, performance targets and measures and accounts; and • Include description of nature and extent of involvement in any other companies, joint ventures, partnerships, trusts or other such associations (whether incorporated or not) 	Statutory Reporting
Multicultural Policies and Services Program	<ul style="list-style-type: none"> • Statement setting out the key multicultural strategies proposed for the following year • Progress in implementing the Department's multicultural policies and service plan • Information as to the multicultural policies and services plans of any bodies reporting to the Department 	Statutory Reporting
Agreement with Multicultural NSW	<ul style="list-style-type: none"> • Description of any agreement entered into with Multicultural NSW under the Multicultural NSW Act 2000 and statement setting out progress in implementing any agreement 	Statutory Reporting
Work Health and Safety (WHS)	<ul style="list-style-type: none"> • Statement setting out WHS performance • Details of injuries and prosecutions under the Work Health and Safety Act 2011 	Statutory Reporting
Financial Statements	<ul style="list-style-type: none"> • Inclusion of Financial Statements • Controlled Entities' Financial statements • Audit Opinion on Financial Statements • Response to significant issues raised by Auditor-General 	Statutory Reporting
Identification of audited financial statement	<ul style="list-style-type: none"> • At start and finish 	Statutory Reporting
Inclusion of unaudited financial statement	<ul style="list-style-type: none"> • Unaudited financial information to be distinguished by note or otherwise 	Statutory Reporting

Additional matters for inclusion in annual reports	<ul style="list-style-type: none"> • Statement of the action taken by the Department in complying with the requirements of the Privacy and Personal Information Protection Act 1998 (PPIPA) and statistical details of any review conducted by or on behalf of the Department under Part 5 of the PPIPA • After balance date events having a significant effect in succeeding year on: <ul style="list-style-type: none"> – Financial operations – Other operations – Clientele/community served • Total external costs (such as fees for consultants and printing costs) incurred in the production of the report • The website at which the report may be accessed (or the Department's website) 	Statutory Reporting
Numbers and remuneration of senior executives	<ul style="list-style-type: none"> • Number of senior executives employed at the end of the reporting year broken down by band and then gender within each band, compared with the numbers at the end of the previous reporting year • Average total remuneration package of senior executives in each band at the end of the reporting year, compared with the average at the end of the previous reporting year • The percentage of total employee-related expenditure in the reporting year that relates to senior executives, compared with the percentage at the end of the previous reporting year 	Statutory Reporting
Implementation of Price Determination	<p>If agency subject to determination or recommendation of Tribunal then:</p> <ul style="list-style-type: none"> • Statement that it was implemented and details of implementation; or • Reasons for not being implemented 	Statutory Reporting
Government Information (Public Access) Act 2009	<ul style="list-style-type: none"> • Details of the agency's review under s7(3) of the Act during the year and details of any information made publicly available as a result of the review • Total number of access applications received during the year (including withdrawn applications but not including invalid applications) • Total number of access applications received that agency refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure • Statistical information as described in Sch 2 • Each agency referred to in Sch 3 of the Regulation (subsidiary agency) is declared to be part of and included in the parent agency specified in Sch 3 	Statutory Reporting

Cyber Security
Policy (CSP)
attestation

Department heads must include an annual report attestation statement addressing the following:

- The Agency has assessed its cyber security risks
- Cyber security is appropriately addressed at Agency governance forums
- The Agency has a cyber incident response plan, it is integrated with the security components of business continuity arrangements, and has been tested over the previous 12 months (involving senior business executives), and
- Certification of the Agency's Information Security Management System (ISMS) is in place or an alternative independent review or audit has been undertaken

Statutory Reporting

Separately report on:

Public Interest
Disclosures (PID)

- PIDs made by public officials in performing their day-to-day functions as public officials
- PIDs not covered above that are made under a statutory or other legal obligation
- All other PIDs. For each PID, a public authority should disclose the following information:
 - Number of public officials who have made a PID to the public authority
 - Number of PIDs received by the public authority in total and the number of PIDs received by the public authority relating to each of the following:
 - corrupt conduct
 - maladministration
 - serious and substantial waste of public or local government money
 - government information contraventions
 - local government pecuniary interest contraventions
 - Number of PIDs finalised
 - Whether the public authority has a PID policy in place
 - Actions taken to ensure staff awareness responsibilities under s6E(1)(b) of the PIDA have been met

Statutory Reporting





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