



UrbanGrowth NSW
Development Corporation

ANNUAL REPORT

2017/2018



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CONTENTS

Contact details	02
Letter to the Premier	04
Our vision	05
Our purpose	05
Year in review	06
Key achievements	08
About UrbanGrowth NSW	10
Senior executives	12
The Bays	14
Redfern - Waterloo	17
Parramatta North	21
Cooks Cove and Granville	24
Engagement	26
Funding and expenditure	26
Next year and beyond	28
People	28
Risk management and compliance	34
Audit opinion	38
Financial statements	39
Appendix - corporate disclosures	146
Index	157

LETTER TO THE PREMIER



**UrbanGrowth NSW
Development Corporation**

22 October 2018

The Hon. Gladys Berejiklian
Premier of New South Wales
52 Martin Place
Sydney NSW 2000

Dear Premier

We are pleased to provide the Annual Report for UrbanGrowth NSW Development Corporation for the year ended 30 June 2018 for submission to Parliament.

The report includes financial statements for Australian Technology Park Sydney Limited, which is controlled by the Corporation.

This report has been prepared in accordance with the *NSW Annual Report (Statutory Bodies) Act 1984*, the *Annual Report (Statutory Bodies) Regulation 2000*, the *Growth Centres (Development Corporations) Act 1974* and their associated regulations.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Barry Mann".

Barry Mann
Chief Executive Officer

OUR VISION

We enable and inspire
the creation of
extraordinary places.

OUR BEHAVIOURS



Trusted



Transparent



Collaborative

YEAR IN REVIEW

In the past 12 months we have established UrbanGrowth NSW Development Corporation (UrbanGrowth NSW) as a forward thinking, transparent and collaborative agency within the Department of Premier and Cabinet cluster. We have embraced a new structure, forged a new identity, and taken new steps to create great places in metropolitan Sydney.

At the start of FY18, we took responsibility for newly declared growth centres in Parramatta North and The Bays, along with our ongoing work in Redfern - Waterloo. The projects in these areas aim to make Sydney a better place to live, work and visit for many years to come.

We were asked to lead our growth centres because they share several significant features. They involve complex projects with long-term horizons. They involve multiple government agencies and numerous other stakeholders. They address the Premier's Priorities for New South Wales, including creating jobs, encouraging investment, delivering infrastructure, increasing housing supply and improving standards of living.

Across our growth centres, we seek to drive economic growth, build greater connections, and preserve local character, culture and history.

Our role focuses on coordination and delivery. By sharing our knowledge and expertise, we ensure cross-government alignment, open broader channels of communication, and help the agencies we work with concentrate on doing what they do best.

Developing strong relationships across government, industry and the community will help us move forward with purpose and navigate the inherent challenges in our work. Focusing on our common goals enables us to achieve something greater than the sum of our parts and deliver better overall outcomes for NSW.

The key achievements this year that are outlined in this report have set up the future structure and direction of our organisation.

Our corporate values have been instrumental to these achievements. Developing a strong positive culture was one of my first priorities when I was appointed as CEO last September. At the start of 2018, we launched the Culture Compass which provides a framework for our behaviour. Being collaborative, transparent and trusted are integral to how we do business.

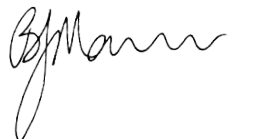
The only way we can succeed is to collaborate within and beyond our organisation and become a trusted agency because we represent the whole of government in a transparent way.

Behind the scenes, we have built a team that will lead our business as it continues to evolve. We have established systems and processes that best suit our new business and structure. This has been a major undertaking, spanning people, procurement, risk management and governance.

Creating a safe environment for all who work for and engage with us is extremely important to us. I am very pleased to report there have been zero reportable injuries during the year to employees and contractors.

I am proud of how far UrbanGrowth NSW has come in the last 12 months. Our progress is a testament to the commitment of our employees and contractors. It also reflects the support we have received from across government, the contribution of our Audit and Risk Management Committee, and the direction and guidance provided by the Premier. Thank you to everyone involved.

Yours sincerely,



Barry Mann
Chief Executive Officer



KEY ACHIEVEMENTS

CORPORATE

- Formally transferred staff, assets, contracts and liabilities to UrbanGrowth NSW Development Corporation in October 2017
- Introduced Culture Compass in February 2018 to embed our new values and behaviours across the business
- Achieved employee engagement score of 68 per cent in People Matters survey, two points above NSW public sector average
- Zero reportable injuries in FY18 to any of our employees, or any contractors working on our sites

BLACKWATTLE BAY

- Completed concept design and progressed functional design of the new Sydney Fish Market, located at the head of Blackwattle Bay
- Consulted and engaged with Sydney Fish Market, NSW Fisherman's Holding and SFM Tenants and Merchants to progress the functional design of the new market
- Appointed engineers for construction of the new Sydney Fish Market
- Appointed urban designers for the Blackwattle Bay masterplan
- Commenced technical studies for the Blackwattle Bay masterplan
- Completed geotechnical testing in Blackwattle Bay in July 2017
- Completed community consultation on draft principles to inform the Blackwattle Bay masterplan in August 2017

BAYS WEST

- Cross-government integrated project team, supported by an urban design team, established in 2018 to prepare urban renewal opportunities for Bays West
- Developed a range of possible land use and transport options to guide rezoning for parts of Bays West, which will include consultation with the community
- Commenced baseline investigations and studies to inform future rezoning application

PARRAMATTA NORTH

- Completed Indigenous and European archaeological investigations in September 2017, uncovering approximately 2000 artefacts, some of which date back 7500 years
- Reaffirmed protection of the heritage values of Parramatta North in November 2017, including supporting the listing of the heritage core on national registry
- Established a Collaboration Forum with key community and local government stakeholders in April 2018
- Held Heritage Open Day as part of the Australian Heritage Festival in May 2018, attracting over 600 visitors
- Completed first stage of critical heritage conservation repairs to the Laundry Building in May 2018 and licensed to Parragirls as first micro-museum in heritage core
- Completed first stage of critical heritage conservation repairs to the Norma Parker Centre, formerly the Roman Catholic Orphan School and the Parramatta Industrial School for Girls, in June 2018
- Completed first stage of critical heritage conservation repairs to the Cricket Pavilion and Recreation Hall in June 2018
- Launched market sounding process in June 2018 to test interest in a Health, Education and Innovation precinct on the Cumberland Hospital campuses

REDFERN

- Partnered with Carriageworks and Australian Technology Park to hold community open day to commemorate the centenary of the Great Strike at Eveleigh Railway Workshops in August 2017
- Completed restoration works to the external façade of the 1887 Chief Mechanical Engineer's Building in August 2017, as part of commitment to local heritage and culture
- Supported local deep tech innovation sector by partnering with Cicada Innovations to host the inaugural STEM Emerge Careers Fair in August 2017
- Funded restoration of '40,000 Years is Long, Long Time...' mural on Lawson Street, Redfern in April 2018

WATERLOO METRO QUARTER

- Design and technical team mobilised in July 2017 to lead the development of a State Significant Precinct Study for an integrated station development to provide approximately 700 homes and 9000m² of commercial, health, retail and other community services above Waterloo Metro station
- Held community consultation on a preferred concept plan for the Waterloo Metro Quarter in May and June 2018
- Prepared studies and reports to support the State Significant Precinct Study to be submitted to the Department of Planning in July 2018
- Worked with Sydney Metro to release the Expression of Interest for the integrated station development in July 2018

WATERLOO ESTATE

- Design and technical team formed to lead the development of State Significant Precinct Study to create an exemplar for social housing renewal in Australia, blending increased social housing with private and affordable housing to provide better access to transport, employment, improved community facilities and open spaces
- Released the Visioning report for the Waterloo Estate in Partnership with NSW Land and Housing Corporation in May 2018
- Prepared design and analysis for the development and delivery of three master planning options for the redevelopment of the Waterloo social housing estate.

ABOUT URBANGROWTH NSW

WHO WE ARE

UrbanGrowth NSW Development Corporation is a New South Wales Government agency established under the Growth Centres (Development Corporations) Act 1974. We are directly accountable to the NSW Premier and form part of the Department of Premier and Cabinet cluster.

We collaborate across government, the community and the private sector to create extraordinary places in metropolitan Sydney that bring together economic, social and environmental benefits.

Our work supports the Premier's Priorities to create jobs, deliver infrastructure, protect our environment and make housing more affordable. It aligns with the objectives set out in the *Greater Sydney Region Plan* and supporting district plans, as well as *Future Transport 2056* and *Building Momentum: State Infrastructure Strategy 2018-2038*.

WHAT WE DO

We promote, coordinate, manage and secure the orderly and economic development in our growth centres by:

- Consulting with the community, businesses, local organisations and other stakeholders
- Conducting land use planning investigations and feasibility studies
- Developing overarching masterplans
- Delivering our objectives by partnering with government agencies and private entities
- Owning, buying and selling government land, as necessary.

Our masterplans support economic and social development and incorporate infrastructure, transport, schools, hospitals, open space and a diversity of new homes and public places.

OUR GROWTH CENTRES

Our growth centres are located in metropolitan Sydney. They consist of:

The Bays



Redfern Waterloo



Parramatta North



Cooks Cove



Granville

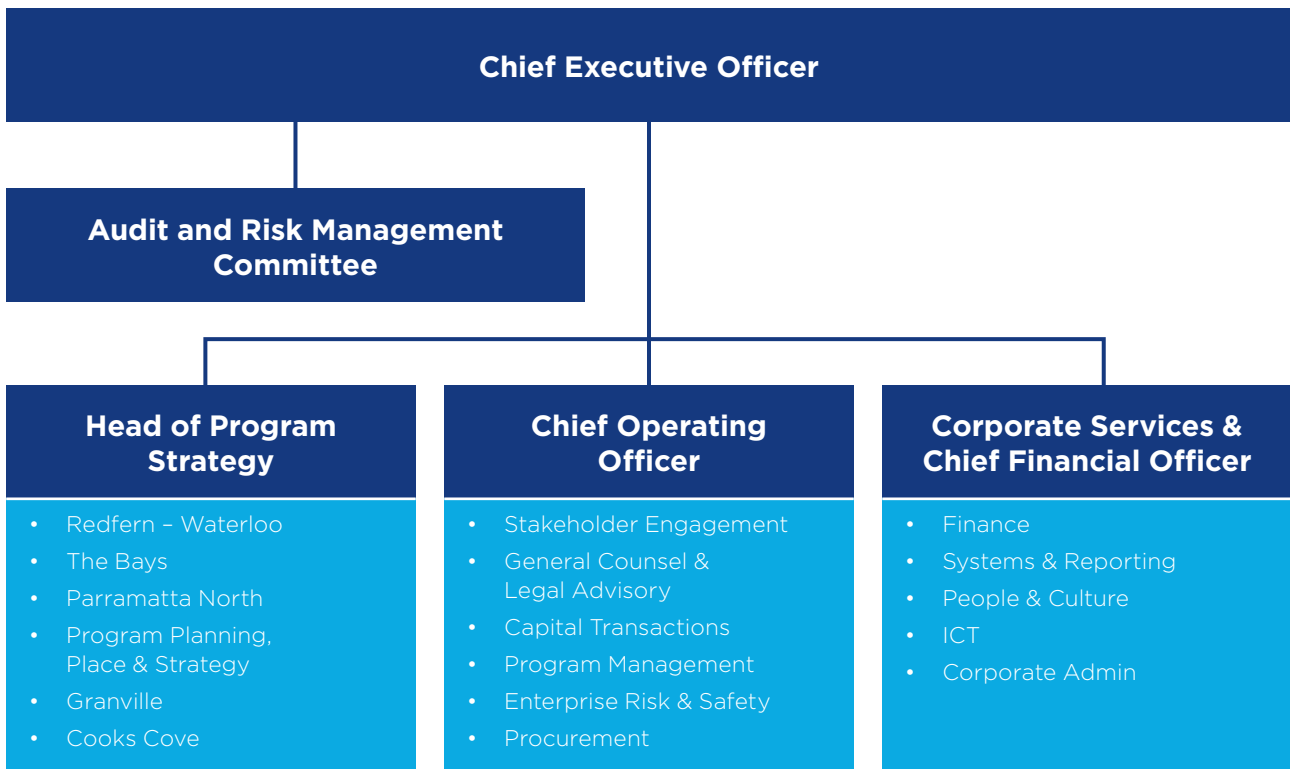


OUR FOUNDATIONS

- 2010** We started out as the Sydney Metropolitan Delivery Authority, established under the Growth Centres (Development Corporations) Act 1974. Our role was to manage and deliver urban renewal in the Redfern Waterloo and Granville growth centres.
- 2013** We were renamed the UrbanGrowth NSW Development Corporation to align with the new focus and branding of Landcom trading as UrbanGrowth NSW. Landcom is a state-owned corporation established under the Landcom Corporation Act 2001. The two corporations shared a CEO to ensure alignment between their businesses and reported to the Minister for Planning and portfolio ministers
- 2017** We were reallocated to the Premier’s administration under the Administrative Arrangements (Administration of Acts—Amendment No 1) Order 2017. This followed a recommendation by an independent government review and resulted in separation of UrbanGrowth NSW Development Corporation and the state-owned corporation (the portfolio separation). The state-owned corporation returned to the Landcom name, and separate CEOs were appointed for the two organisations.

The portfolio separation was designed to better align each organisation, so they could focus on delivering their core responsibilities to the government and the NSW public.

OUR STRUCTURE



Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent advice to the Chief Executive Officer. Refer to page 34 for further details.

SENIOR EXECUTIVES



BARRY MANN
Chief Executive Officer

Barry oversees the strategic direction, activities, staff, financial performance and interface with government.

Barry has more than 30 years of experience managing property development and construction businesses in the listed, private and government sectors. He has held local and global executive management roles overseeing operations and portfolio delivery for leading Australian property organisations including Stockland and Lendlease.

He joined UrbanGrowth NSW (Landcom – state owned corporation) in 2016 as Head of Projects Portfolio where he was responsible for overseeing the strategy, operations and financial management of The Bays Precinct, CBD and Western Sydney project portfolios. Most recently, he was Acting Chief Executive Officer of the state-owned corporation during the portfolio transition. Prior to this, Barry was Director, Property Development and Asset Management for the City of Parramatta, responsible for \$5 billion of property development activities.

Barry is a member of the Australian Institute of Company Directors. He has a Bachelor of Engineering (Civil) from the University of NSW and a Graduate Diploma in Applied Finance and Investment.



STEPHEN DRISCOLL
Head of Program Strategy

Stephen oversees the delivery of major urban redevelopment programs across our growth centres.

Stephen has more than 25 years of experience across the property and government sectors, working for state and local government organisations including Blacktown City Council and the Department of Planning and Environment.

His most recent role was as Interim Chief Executive Officer of the Corporation during the portfolio transition, and prior to this as Head of CBD projects. From 2004, Steve held senior management roles at UrbanGrowth NSW (Landcom – state owned corporation) between 2012 and 2017 in project planning and delivery, sustainability, and corporate strategy.

Stephen has a Bachelor of Town Planning (Honours 1; University Medal) from the University of NSW.



JILLIAN KHOO
Chief Operating Officer

Jillian is the head of operations.

Jillian has more than 20 years of experience in legal advisory and management roles in property development. She has a background in project-specific financing, structured finance, development and capital partnerships. Jillian previously held divisional general counsel and general management positions at Australand Holdings Limited, an ASX listed REIT before its acquisition by Frasers.

She joined UrbanGrowth NSW (Landcom - state owned corporation) in 2015 as General Counsel where she was responsible for overseeing the legal and governance functions of the organisation. In her expanded role as General Counsel and Company Secretary she oversaw the transactional elements of the portfolio transition.

Jillian began her career at Mallesons Stephen Jacques (now King and Wood Mallesons) specialising as a senior associate in structured property finance, capital partnerships and development.

Jillian holds a Bachelor of Laws and a Bachelor of Arts (Politics) from Macquarie University.



CRAIG BECROFT
*Executive Director Corporate Services
and Chief Financial Officer*

Craig joined UrbanGrowth in March 2018 and leads its financial management and reporting, information technology, people & culture and asset strategy & management functions.

Craig has more than 25 years of experience in accounting and financial management in government, media and consumer goods businesses.

Most recently, Craig was Chief Financial Officer at City of Parramatta Council and before that he spent almost 10 years in senior finance roles at News Corporation in its NSW newspaper businesses. He has also worked at Campbell Arnotts, Woolworths and Lion Nathan.

Craig is a Fellow of CPA Australia. He holds a Bachelor of Business (Accounting) from Western Sydney University and is a Justice of the Peace in NSW.

Notes

- Barry Mann was appointed as Chief Executive Officer from 25 September 2017.
- Stephen Driscoll was Interim Chief Executive Officer from 26 June to 24 September 2017.
- James Barry was Acting Chief Financial Officer from September 2017 until 23 March 2018.
- The Head of Program Delivery role is recently created and is currently being recruited

THE BAYS

VISION

Blackwattle Bay

Create a world class market, food and dining precinct rejuvenated by a new fish market.

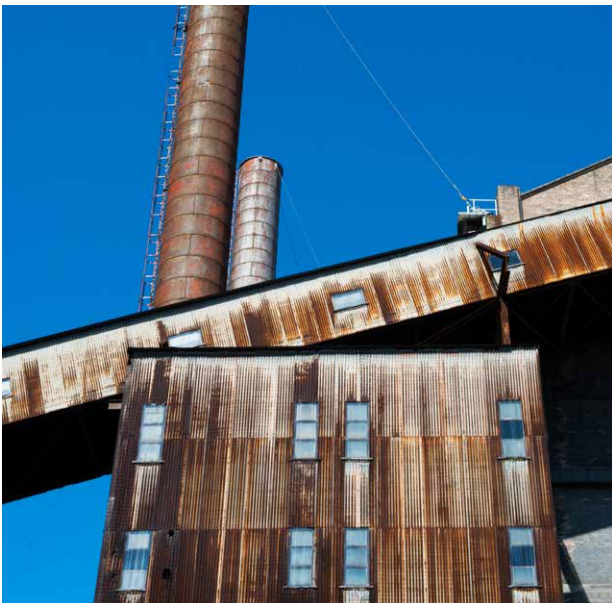
Bays West

Transform strategically located land into a vibrant mixed living and working city fringe community. This new community will be connected to existing neighbourhoods with services, amenities and transport and will support Sydney's global competitiveness.

-
- 95*** Hectares of land
 - 94*** Hectares of Sydney Harbour
 - 5.5*** Kilometres of waterfront
 - 22** Technical studies for the Blackwattle Bay masterplan
 - 508** Online survey responses received for Blackwattle Bay masterplan consultation
-

*Areas are approximate only

∨ White Bay Power Station



OVERVIEW

The Bays growth centre is located approximately two kilometres west of the Sydney CBD.

Over the next 20 to 30 years, it will become a hub of activity and a destination for Sydneysiders and visitors from across the country and around the world. It will provide a mix of cultural, maritime, recreational, retail and commercial spaces. New public spaces, amenities, workplaces and promenades will combine unique design with local character and heritage.

The Bays is divided into two areas separated by the Anzac Bridge:

- Blackwattle Bay including Sydney Fish Market.
- Bays West, including White Bay, the White Bay Power Station, Glebe Island, Rozelle Bay and the former Rozelle Rail Yards.

KEY ACHIEVEMENTS

- Appointed urban designers and engineers for the Bays Market District
 - Started designing the new Sydney Fish Market at the head of Blackwattle Bay
 - Delivered the first phase of formal community consultation for the Blackwattle Bay masterplan
 - Started the numerous technical studies required to prepare the Blackwattle Bay masterplan
 - Established a cross-government integrated project team supported by an urban design team to consider urban renewal opportunities
 - Developed a range of possible land use and transport options for Bays West site.
-

PROGRESS

Blackwattle Bay

Over the past 12 months, we have focused on working with the Sydney Fish Market and our architectural team to create a design for a purpose-built, world-class fish market at the head of Blackwattle Bay. This included geotechnical testing to understand the conditions on the new site. We are on track to deliver a draft design to be included in a development application in late 2018.

In August 2017, a formal community consultation program of activities was delivered to obtain community and stakeholder feedback on draft principles for a masterplan for Blackwattle Bay to guide the future revitalisation of the area. Informed by this feedback, a draft masterplan is now being prepared that will be released for further formal community consultation.

The masterplan considers opportunities for public open space, community and recreational facilities as well as residential, employment and supporting maritime uses in the area. It will include opening the foreshore of Blackwattle Bay to the public after years of private ownership by the construction of a foreshore promenade walk.

Bays West

In November 2017 the NSW Government determined to integrate bulk construction materials with urban renewal on Glebe Island and retain White Bay for other port functions including cruise ships. We are continuing to work closely with the Port Authority of NSW to these ends.

The next steps to develop an integrated land use and transport masterplan and strategic business case for Bays West (Glebe Island, White Bay, Rozelle Bay, White Bay Power Station) are underway. This involves a newly established cross-agency project team led by UrbanGrowth NSW and includes Transport for NSW, Roads and Maritime Services, Port Authority of NSW.

The masterplan will seek to realise the wider vision for the Bays – creating great destinations on Sydney Harbour and a new centre for knowledge industries critical to Sydney's economy.

To keep up with demand for services and ensure Sydney is a great place to live, work and visit, the NSW Government is delivering multiple infrastructure projects including WestConnex, Western Harbour Tunnel and Sydney Metro West. The focus for Bays West over the next decade is on planning and delivering several of these major projects.

CONNECT

The scale and complexity of The Bays requires an unprecedented level of coordination across the public sector, industry and the community. Eight government agencies are represented in the cross-agency project team, each with different responsibilities and perspectives.

Our role is to bring these stakeholders together and help navigate a pathway that achieves our shared goals for the people of NSW.

The long-term success of The Bays depends on effectively aligning and delivering multiple priorities including transport, infrastructure, employment, innovation and public space.

Building and sustaining strong relationships with the many stakeholders involved in The Bays will help create a place that forges new connections between the public and urban harbourside locations.



GROW

REDFERN - WATERLOO

VISION

Waterloo Metro Quarter

Create a world class mixed-use development as the entry point to the renewed Waterloo Estate, integrating transport, services, community facilities and retail spaces that support residents and commuters.

Waterloo Estate

Create the best urban village in Sydney: a contemporary urban location that is welcoming and affordable, interesting and accessible, green and easy to get around, alive with Indigenous culture, and inspiring for residents and visitors.

Redfern - Eveleigh

Bring new life to the North Eveleigh precinct by planning and delivering renewal opportunities.

20*	Hectares across Waterloo Estate and Metro Quarter
2000+	Improved social housing homes at Waterloo Estate
5%+	Additional affordable housing homes at Waterloo Estate
26	Categories of study requirements for the Waterloo State Significant Precinct process
32%	Community consultation feedback forms received in diverse languages
4	Minutes between peak time trains at Waterloo Metro

OVERVIEW

The Redfern Waterloo growth centre is a unique inner-city area on the southern edge of the City of Sydney. It is characterised by a high level of accessibility, strong transport links to the airport, and proximity to major employment, education, open space and health institutions. It continues to develop as a major technology, cultural and creative hub with a diverse community.

The growth centre contains one of Sydney's largest areas of social housing on land owned by the Land and Housing Corporation. There is the opportunity to upgrade the standard of existing social housing, and provide new affordable housing and private housing, building on the strengths of the area.

The new Waterloo Metro station currently being built will improve access to transport and amenities for local residents and workers. It will encourage new employment in the area and accommodate further growth.

KEY ACHIEVEMENTS

- Finalised collaboration agreement with Sydney Metro for the Waterloo Metro Quarter
 - Held community consultation on preferred plan
 - Prepared for lodging state significant precinct study
 - Placemaking and activation in the local Redfern community.
-

REDFERN - WATERLOO

PROGRESS

Waterloo Metro Quarter

In April 2018, the NSW Government approved the Waterloo Metro Quarter applying the Integrated Station Development model. This means the underground station is built at the same time as the buildings above it. It results in better integration between the station and its surrounds and can reduce costs, community disruption and project duration.

A collaboration agreement with Sydney Metro was executed in May 2018. It sets out the commitments and roles of the parties and the basis for the joint procurement to construct Waterloo Station and the Metro Quarter development.

Further work has focused on satisfying the study requirements for the Waterloo nominated state significant precinct (SSP) which supports its potential rezoning. The SSP relates to both Waterloo Metro Quarter and Waterloo Estate under requirements which were revised by the Department of Planning and Environment in March 2018.

Formal community consultation took place in May and June 2018 together with Sydney Metro, seeking feedback on a preferred plan including design, transport, shops, services, community and cultural uses. The plan was preceded by extensive public engagement by NSW Land and Housing Corporation in late 2017.

Waterloo Estate

Our focus has been on completing the requirements of the SSP study for Waterloo Estate to enable it to be lodged with the Department of Planning and Environment in early FY19.

As part of our masterplanning role, we have developed options for the redevelopment of Waterloo Estate which will be the subject of consultation and input in early FY19.

Redfern - Eveleigh

Planning for renewal of Redfern and North Eveleigh has continued in collaboration with Transport for NSW, guided by the concept plan approved in 2008.

Survey investigations and geotechnical studies for the proposed upgrade works at Redfern Station were completed during the year. Opportunities to incorporate the Redfern Station upgrade works into broader renewal, including possible concept plan changes, are also being explored. Further preliminary planning activities are continuing.

∨ TAFE NSW Eora students at Redfern's 40,000 Years Mural



Place excellence and community

Parallel with coordinating and planning the long-term renewal of Redfern to Waterloo with other government agencies, its distinctive character is being preserved.

Activation projects and community programs have brought new life to the area's unique heritage, redefining under-used spaces into community places, and celebrating the local cultural and innovation sectors in a way that is welcoming, inclusive, and engaging.

Chief Mechanical Engineer's Office restoration

A community open day was held in August 2017 to mark the completion of external heritage works at the Chief Mechanical Engineer's Office on Wilson Street and commemorate 100 years since the Great Strike at Eveleigh Railway Workshops.

The event took place in partnership with the City of Sydney, Australian Technology Park, Carriageworks and others. Scoping of work for the internal restoration is underway and will be subject to separate approval.

Supporting local innovation

The first STEM Emerge Careers Fair hosted more than 900 young graduates and job hunters in August 2017. Our partnership with Cicada Innovations reflects our commitment to promote Redfern as a business innovation centre as part of a larger cluster of new digital, technology and creative industries from Redfern to Eveleigh and through to Chippendale and White Bay.

The inaugural Indigenous Digital Excellence (IDX) Awards in September 2017 recognised Indigenous leaders from across Australia who start and build innovative businesses. We supported the National Centre of Indigenous Excellence by sponsoring the entrepreneurship award, one of twelve categories including learnings and education, culture and country, pathways and employment, and wellbeing.

'40,000 years is a long, long time' mural

Restoration of the mural was completed by local artists, local Indigenous groups and students from Eora College in April 2018.

The mural celebrates the rich diversity and history of Redfern and is culturally significant to local people and the Indigenous community. It is located on the Lawson Street bridge opposite Redfern station and was created in 1983 by local residents including artist Carol Ruff.

We contributed a community grant of \$33,850 towards the project, which also received funding from several other organisations.

Clothing Store activation milestone

The first anniversary of the historic Clothing Store's use as a temporary home for artist studios and community workshops was celebrated in June 2018. We have sponsored and enabled this new use of the North Eveleigh building under licensing arrangements with Railcorp and Carriageworks, which have been extended to December 2018.

Community Education and Arts Development at Yaama Dhiyaan, Wilson Street

The use of Yaama Dhiyaan for community education and art development programs was extended to June 2019 through our partnership with TAFE NSW. The building hosts creative and construction courses and is the home to social enterprises including Two Good Food.

Community and social programs at 125 Little Eveleigh Street

The Big Issue's Sydney headquarters are located at our Little Eveleigh Street building, which we support through ongoing licensing arrangements. The not for profit social enterprise offers homeless people, or individuals at risk of homelessness, the opportunity to earn a legitimate income through sales of the Big Issue magazine.

REDFERN - WATERLOO

Australian Technology Park (ATP)

The first building being constructed by Mirvac at ATP for the Commonwealth Bank of Australia reached its highest point in February 2018. At nine storeys, it is the tallest of the three new buildings that are part of the site's redevelopment. A 'topping-out' ceremony was hosted by Mirvac at the site to mark this milestone, attended by the Minister for Planning.

The government's sale of ATP to a Mirvac consortium in 2016 required Mirvac to move quickly with the site's development, focussing on technology employment uses. The topping out of the first building ahead of schedule demonstrates Mirvac's commitment to these priorities.

CONNECT

Ongoing alignment of plans, designs and outcomes for housing at Waterloo Estate and transport at Waterloo Metro Quarter are central to the success of both projects.

Our masterplanning role supports coordination between key government agencies including:

- Land and Housing Corporation
- Family and Community Services
- Sydney Metro
- Department of Planning and Environment.

This helps share knowledge and increase efficiency.

✓ Artist's impression of new plaza, looking from Cope Street towards Botany Road



PARRAMATTA NORTH

VISION

Create a vibrant mixed-use neighbourhood where people can work, live and connect, which preserves and shares its history and contributes to Parramatta's growth and strategic importance.

30	Hectares of government-owned land
35%	Public space
46	Heritage buildings and surrounds
\$11M	Heritage repair works completed
1818	Year construction began on the Female Factory, the earliest building on the site
20,000+	Years of history, beginning with the Burramatta clan of the Darug people
2000+	Artefacts discovered, catalogued and preserved during archaeological investigations

*Numbers in this table are approximate only

KEY ACHIEVEMENTS

- Completed Indigenous and European archaeological test program
 - Established Collaboration Forum with key community stakeholders
 - Public open day to celebrate Australian Heritage Festival attended by around 600 people
 - Completed critical heritage repair works on five significant buildings
 - Released market sounding process for Cumberland Hospital East and West campuses.
-

OVERVIEW

The Parramatta North Growth Centre is adjacent to the Parramatta River, across from the Westmead medical precinct, and beside the old Parramatta Gaol. The site contains historically significant buildings which date back to the 1800s originally used as a convict facility and later becoming government health and welfare institutions. Before that, it was the location of colonial farming, and has many thousands of years of Indigenous presence and culture.

Its renewal will create new jobs and homes to support Parramatta's strategic importance to our economic future. This includes helping expand the emerging Westmead health, education, research and innovation precinct. The Parramatta Light Rail network and the Sydney Metro West will further support the area's growing needs.

The heritage core will remain in public ownership. While ancillary buildings may be sympathetically constructed, in order to support adaptive re-use and activation that will bring these remarkable buildings back to life, residential uses will be excluded.

∨ Sandstone repairs, Parramatta North



PARRAMATTA NORTH

PROGRESS

Heritage works

The first stage of heritage conservation repairs was completed in June 2018. This occurred over 18 months has made buildings safe, secure and watertight, protecting them from further degradation. It included replacing roof tiles, underpinning walls, repairing floors, doors and windows, repointing brickwork, clearing invasive vegetation and removing building extensions from the 1950s and beyond. The repairs employed traditional techniques consistent with the original construction of the buildings.

Conservation repairs were made to:

- The main building and laundry at the Norma Parker Centre.
- The recreation hall and chapel.
- The male asylum shelter shed (also known as the cricket pavilion).
- The dining, bath and boiler room at the former Lunatic Asylum.

Initial archaeological investigations were completed in December 2017. The findings will inform future repairs and the design of public open spaces.

Collaboration Forum

A collaboration framework was established in April 2018 to look at future uses of the heritage core and its relationship to the old Parramatta Gaol.

It brings together local groups with significant links to the Parramatta North community and its culture and heritage and provides a forum to:

- Share ideas and information about conserving and sustaining the site
- Consider principles that guide how decisions on the heritage core will be made
- Explore new uses that encourage public access, broader community relevance and respect the site's sensitive historic and cultural significance
- Help us engage with stakeholders and the broader community on the site's new uses, including developing an annual events program

The collaboration framework includes the Deerubbin Local Aboriginal Land Council, Parragirls, Parramatta Female Factory Friends, Parramatta District Men's Shed, the National Trust and the City of Parramatta Council.

Community engagement

The Parramatta North heritage open day was held in May 2018 as part of the National Trust's Australian Heritage Festival which this year focused on 'My Culture, My Story'. This theme was particularly resonant for the site's history which encompasses Indigenous culture, early colonial farming and numerous public institutions.

The open day was held in collaboration with the Deerubbin Local Aboriginal Land Council, which owns the adjacent Parramatta Gaol, and provided the opportunity for the public to explore both these sites and their history. It included site tours, talks by historians and authors, artworks and displays by local community groups, demonstrations of building restoration techniques and presentation of some of the findings from the recent archaeological site testing works.

Market sounding

A market sounding to investigate developing a health, education and innovation precinct was jointly launched with Health Infrastructure NSW in June 2018. It relates to the Cumberland Hospital East and West campuses on either side of the Parramatta River.

The process aims to:

- Gather insights from industry, academia and the community on creating the precinct.
- Test market appetite for potential participation and partnerships.
- Identify critical drivers, opportunities and constraints for success.
- Consider how to attract diverse local and international interest.

CONSERVE

The Australian Government included the Parramatta Female Factory and surrounding institutions on the National Heritage List in November 2017. We support this as an important step to help conserve this precinct.

The Parramatta Female Factory and Institutions Precinct has the capacity to tell the stories of women and children in institutions over the course of Australian history. Beginning in the 1820s, it was initially used to deal with the perceived social problem of vulnerable women and children, and then formed a key part of the system for mental health treatment.

“The institutions of the Parramatta Female Factory and Institutions Precinct were places where many women and children suffered greatly under the authority of those who were meant to care for and protect them...”

Recognising the history of this Precinct allows Australians to remember and serve witness to these women, their children and the children of later generations who experienced out-of-home care, known as the Forgotten Australians, Child Migrants and Stolen Generations – a recognition that they were not afforded while confined to the institutions of the Precinct.”

– National Heritage Listing

Planning for renewal

The Development Control Plan for the Parramatta North growth centre was approved by the City of Parramatta Council in July 2017. This lays the foundations for key elements of the site’s masterplan. It includes objectives, principles and controls for design quality, public open space, heritage, access and connectivity, subdivision and development.

A development application for a range of early works is being considered by the City of Parramatta Council. It includes street upgrades, cycleways and pavements, drainage and other underground services, rehabilitation of the foreshore, demolition of some buildings, landscaping and new playgrounds. Future new buildings will require further and ongoing approval before development.

Integration of the Parramatta Light Rail into the site masterplan has occurred in partnership with Transport for NSW. This will link Parramatta North to locations including the Parramatta CBD, the Westmead health and medical research precinct and Western Sydney University campuses.

Relocation of critical health services to more appropriate facilities is also continuing in consultation with NSW Health.

✓ Connecting people and places at Parramatta North



COOKS COVE AND GRANVILLE

COOKS COVE

The Cooks Cove growth centre is located in Arncliffe, approximately 10 kilometres south of the Sydney CBD.

UrbanGrowth NSW has supported the Department of Planning and Environment in the process to produce the Bayside West Land Use and Infrastructure Implementation Plan that includes Cooks Cove. The final plan will recommend a future development scheme for the growth centre, including any future involvement of UrbanGrowth NSW.

GRANVILLE

The Granville growth centre comprises land in the City of Parramatta and Cumberland Council areas that has high potential for economic and social growth.

A recommendation has been made to abolish the Granville growth centre under the Growth Centres (Development Corporations) Act 1974 (Part 5, Division 1, Section 5).

The Granville growth centre is one of eight precincts in the Parramatta Road Urban Transformation Strategy produced by UrbanGrowth NSW (the state-owned corporation) and being implemented by the Greater Sydney Commission. This strategy does not rezone land but has statutory weight through a Ministerial Direction made under the *Environmental Planning and Assessment Act 1979* (section 117).

ENGAGEMENT

CONSULTATION

Collaboration with other government agencies, industry, academia and the wider community is essential to fulfil our coordination, planning and delivery role across our growth centres.

We engage with our government stakeholders through formal mechanisms such as project steering committees and the Infrastructure NSW Investor Assurance Framework, routine reporting, and by building strong and supportive individual relationships.

Consultation with local government, the private sector, community groups and individuals is a central part of our projects. We seek feedback and input at multiple stages through processes including face to face discussions, information sessions, workshops, surveys, phone and email inquiry services and social media.

OVERALL			
<ul style="list-style-type: none"> • Department of Premier and Cabinet • Department of Planning and Environment • Infrastructure NSW 		<ul style="list-style-type: none"> • NSW Treasury • Jobs for NSW • Greater Sydney Commission 	
GROWTH CENTRES			
THE BAYS	REDFERN WATERLOO	PARRAMATTA NORTH	COOKS COVE AND GRANVILLE
NSW GOVERNMENT			
<ul style="list-style-type: none"> • Transport for NSW • Port Authority of NSW • Sydney Harbour Foreshore Authority • Property NSW • NSW Trade and Investment • Arts NSW • Family and Community Services • Destination NSW 	<ul style="list-style-type: none"> • Transport for NSW • Sydney Metro • Land and Housing Corporation • Family and Community Services 	<ul style="list-style-type: none"> • NSW Ministry of Health • Transport for NSW • Health Infrastructure NSW • Office of Environment and Heritage • NSW Heritage Council 	<ul style="list-style-type: none"> • Department of Planning and Environment • Greater Sydney Commission
LOCAL GOVERNMENT, COMMUNITY AND INDUSTRY			
<ul style="list-style-type: none"> • City of Sydney Council • Sydney Fish Market 	<ul style="list-style-type: none"> • City of Sydney Council • Waterloo Estate residents • The University of Sydney 	<ul style="list-style-type: none"> • City of Parramatta Council • Deerubbin Local Aboriginal Land Council • Parragirls • Parramatta Female Factory Friends • Parramatta District Men's Shed 	<ul style="list-style-type: none"> • Bayside Council • City of Parramatta Council • Cumberland Council

ENGAGEMENT

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

The following grants to non-government community organisations were made during the year:

ORGANISATION	PURPOSE	AMOUNT
Counterpoint Community Services	Restoration of the 40,000-year mural at Redfern Station including project planning, risk assessment and licences	\$33,850
National Centre for Indigenous Excellence	Sponsorship of the entrepreneurship award at the inaugural National IDX Awards recognising Indigenous digital excellence	\$30,000
Western Sydney University	Sponsorship of the Catalyst West New Directions for Sydney forum addressing change in Western Sydney	\$11,000

FUNDING AND EXPENDITURE

ECONOMIC DRIVERS

The Corporation is funded from a combination of Treasury Grants and existing cash reserves. Neither have been materially affected by external economic drivers during FY18.

Funds derived from development and affordable housing contributions in the Redfern-Waterloo growth centre are held in separate bank accounts and all interest income is reinvested. The scale and timing of contributions cannot be predicted.

INVESTMENT PERFORMANCE

During the year the Corporation held term deposits through T-Corp's Hour Glass Facilities. Rates received ranged between 2.53% and 2.85%. All term deposits matured during the period and were placed in the State Government pooled fund.

MANAGEMENT ACTIVITY

During FY18 we achieved full operational independence from Landcom. New accounting, business intelligence, procurement and record management applications and processes were also

implemented, all on time and within budget.

The FY18 operating costs were materially lower than budget and savings were returned to NSW Treasury.

The cost base of our new operating model is lower than originally anticipated and costs have been redirected to infrastructure spending over the next four years.

REDFERN WATERLOO CONTRIBUTION PLAN AND AFFORDABLE HOUSING CONTRIBUTIONS PLAN

The *Redfern-Waterloo Authority Contributions Plan 2006* and the *Affordable Housing Contributions Plan 2006* both continue to apply to development on State Significant Development sites in the Redfern - Waterloo growth centre.

We are responsible for administering these plans and collecting and allocating contributions to our works priorities. Use of the funds is fully dedicated to qualifying projects as determined by the Redfern - Waterloo contribution plans.



**CULTURE
COMPASS**

CONNECT

PEOPLE

CULTURE AND VALUES

Our Culture Compass defines our purpose, vision, behaviours and values. It sets the foundation for everything we do and provides clarity and alignment across the whole business.

The Culture Compass was launched at the start of 2018 to support our realignment, capability and structure. The development process included broad consultation across employees and senior executives. It builds on the NSW public sector values while providing additional guidance to help us unite around our common goals, including to:

- Share the overall direction of our business.
- Understand our individual roles in achieving the business direction.
- Help us make ethical decisions and work together.
- Improve engagement, job satisfaction, retention and productivity.
- Support a high-performing culture that supports people and delivers the best outcomes.

FUNCTIONS AND STRUCTURE

The roles and capacity needed for our realigned business were reviewed by management during FY18. This has resulted in a revised organisational structure which supports the key work in our growth centres with functions that provide professional, operational and corporate services.

This structure was implemented in May 2018 and is reflected in the organisation chart on page 11. A project delivery function will also be established with responsibility to deliver approved business cases, focusing on Parramatta North. A senior executive responsible for this function will be appointed in FY19.

BEHAVIOURS	TRUSTED Making choices with integrity because it matters
	TRANSPARENT Communicate and be accountable to ourselves and our partners
	COLLABORATIVE Working together towards a common vision influencing innovative results
VALUES	INTEGRITY Being honest with strong principles
	TRUST Being honest with strong principles
	SERVICE Helping and working for others
	ACCOUNTABILITY Accepting responsibility for your actions.

EMPLOYEES

There was a total of 62 employees as at 30 June 2018.

In FY17, the sole employee was the Chief Executive Officer. All other staff who provided services were engaged from Landcom under a service level agreement. During the absence of a Staff Agency, the Interim Chief Executive Officer was employed by the Department of Premier and Cabinet and seconded to UrbanGrowth NSW

Workforce breakdown by grade and gender as at 30 June 2018

BAND	FEMALE	MALE	TOTAL
Grade 1-2 or equivalent	-	-	-
Grade 3-4 or equivalent	1	1	2
Grade 5-6 or equivalent	13	-	13
Grade 7-8 or equivalent	3	1	4
Grade 9-10 or equivalent	3	1	4
Grade 11-12 or equivalent	10	7	17
Senior Executives Band 1-3	10	12	22
TOTAL	40	22	62

SENIOR EXECUTIVES

In 2017- 2018, a total of 51.7% of the Corporation's employee-related expenditure was for Senior Executive employees.

Senior executive breakdown by band and gender as at 30 June 2018

BAND	AVERAGE REMUNERATION	FEMALE	MALE	TOTAL
Senior Executive Band 3	333,582	-	1	1
Senior Executive Band 2	236,538	1	2	3
Senior Executive Band 1	141,853	9	9	18
TOTAL		10	12	22

PEOPLE

DIVERSITY AND INCLUSION

Multicultural Policies and Services Program

We recognise and value the different linguistic, religious and ancestral backgrounds of all the people of NSW and endorse the six principles of multiculturalism set out in the Multicultural NSW Act 2000 as promoted by Multicultural NSW.

Initiatives in FY18 to support multiculturalism included:

- Providing targeted information and feedback sessions for diverse communities as part of engagement on the Waterloo Metro Quarter. This included the Indigenous community and Russian and Chinese language groups and involved liaison officers and bilingual educators.
- Entering into an agreement with Supply Nation to improve procurement opportunities for Indigenous suppliers refer breakout box on page 31.
- Partnering with Deerubbin Local Aboriginal Land Council for the Parramatta North heritage open day, which included displaying artefacts from archaeological investigations refer page 31.
- Providing funding to support the restoration of the 40,000 Years mural in Redfern refer page 19.
- Sponsoring the Entrepreneurship award at the inaugural IDX Awards held by the National Centre for Indigenous Excellence refer page 19.

All employees must agree to conditions included in their letter of offer when they accept employment with us. This includes agreeing to abide by the core NSW Government values of cultural diversity, equity and ethical practice, and a healthy, safe and fair workplace.

Workplace Diversity Plan

Actively encouraging diversity underpins our ability to deliver high quality services and attract, retain, motivate and develop the best talent. We are committed to maintaining and promoting workplace diversity at all levels.

The importance of diversity is reflected in our corporate values and behaviours, under which we:

- consider people equally without prejudice or favour
- appreciate difference and welcome learning from others
- recruit and promote staff on merit
- proactively involve others who have diverse views and expertise.

Our Diversity and Inclusion Policy provides the framework for us to achieve:

- a diverse and skilled workforce
- a strong culture of genuine inclusion
- increased awareness by all staff of their rights and responsibilities for diversity
- improved employment and career development opportunities for people who are under-represented in our workforce.

Disability Inclusion Action Plan

We continue to promote diversity and inclusion through various recruitment strategies and initiatives. In FY19 we will develop and implement a Disability Action Plan for 2018 - 2020 to increase awareness and inclusion regarding members of the community with a disability.

Disability Access Policy

Following the NSW Government Disability Framework provides a process for us to better meet the needs of staff and the community in relation to people with a disability. UrbanGrowth NSW is committed to ensuring all people have reasonable access to the resources and spaces under our governance.

GROW

As part of our commitment to greater diversity across our supply chain, we entered into an agreement with Supply Nation in July 2017. This provides over 1200 Indigenous-owned businesses with access to tendering and procurement opportunities across our business.

Supply Nation connects companies, government agencies and other organisations with Indigenous-owned businesses, with the vision of building a prosperous, vibrant and sustainable Indigenous enterprise sector.

We aim to align with the Aboriginal Procurement Policy which aims for at least 3% of the total number of domestic contracts issued by NSW Government agencies to be awarded to Aboriginal-owned businesses by 2021.

CONSERVE

Archaeological excavation completed at Parramatta North during the year uncovered over 2000 artefacts from its occupation by the Burramatta clan of the Darug, including:

- stone tools for woodworking such as making canoes and coolamons
- spear barbs for hunting
- cutting implements for skinning animals and preparing meat.

∨ Sharing Aboriginal stories at Parramatta North



PEOPLE

TRAINING AND DEVELOPMENT

We are committed to giving our employees a clear plan and pathway for their growth and development. Continuous learning and individual skill development are important to enable people to thrive in our rapidly changing and fast paced environment.

Specific training for individuals is identified and included in their personal development plan. We also offer group training sessions to help people develop essential skills to support their work. In FY18 an average of more than two sessions were attended per employee.

Fourteen training courses were offered during the year on:

- Leadership and people management
- Risk management
- Fraud and corruption prevention
- Government operations
- Public participation
- Work practices and productivity
- Business writing.

POLICIES

Code of Conduct

Our Code of Conduct was developed in accordance with the principles of ethical and responsible decision making. It sets out the standards our people must uphold and supports our corporate behaviours and values. The Code applies to our workforce, including employees, contractors and consultants.

Equal Employment Opportunity Policy

We support and are dedicated to complying with Equal Employment Opportunity principles including:

- fair workplace practices
- unbiased management decisions
- recognising and respecting the cultural backgrounds of our workforce, customers, suppliers and stakeholders
- workplace practices which produce high staff satisfaction, job commitment and quality service
- improved productivity.

Work, Health and Safety Policy

Our Work Health and Safety Policy sets out the requirements to support our operations being conducted in a manner which safeguards the health and wellbeing of all workers. Further details of our approach to work health and safety are provided at page 35.

Fraud and Corruption Control Framework

We have a community obligation to ensure our operations are efficient, effective and free from corruption. All staff are responsible for preventing corruption. Our Fraud and Corruption Control Framework provides a guide for staff to identify, report, assess and deal with conduct that could constitute corruption.

Sustainability

We are committed to implementing the Government's Waste Reduction and Purchasing Policy.

Paper and cardboard are recycled by an environmental management company. We also recycle toner and ink cartridges and buy carbon neutral printer paper.

As our projects move through to delivery phase, we will consider how our waste reduction and purchasing practices can expand to consider wider sustainability initiatives.

Policy development

We are currently reviewing and updating our human resources policies to ensure they are suitable for our evolving operations and comply with NSW Public Service requirements.



CONSERVE

RISK MANAGEMENT AND COMPLIANCE

RISK MANAGEMENT FRAMEWORK

Effective risk management is an essential part of our culture. It is central to our values of integrity, trust, accountability and service.

Our risk management framework is used to identify, assess and manage risks which may affect our business and the ability to meet our objectives. It is consistent with international risk management standard ISO 31000:2009 and applies the NSW Treasury Risk Management Toolkit for NSW Public Sector Agencies (TPP 12-03).

The risk management framework seeks to raise risk awareness throughout the organisation. It provides policies and procedures to manage inherent business risks in line with our risk appetite and processes to govern, review and audit our risks.

We take a balanced and robust approach to risk management in which we:

- set the tone from the top by the Chief Executive Officer and senior executive team
- equip managers to cascade clear, consistent and appropriate risk messaging
- assign clearly defined risk management accountabilities
- engage in constructive debate and challenge the status quo
- aggregate risk data to identify leading risk indicators
- learn from each other and share our experience.

Risk management is underpinned by our three lines of accountability model, which gives primary risk ownership to the relevant business area. As part of this process:

- Business owners identify and review risks each month with input from risk specialists.
- Executive management team evaluates the efficacy of mitigation treatments for material risks and recalibrates risk profiles based on residual risk.
- Audit and Risk Management Committee receives quarterly risk reports and conducts regular risk reviews.

- Internal auditors conduct periodic reviews based on an approved program, supported by independent reviewers.

Material risks are detailed in the enterprise risk profile, and their rankings and ongoing management are summarised in the risk heat map.

Key risk management activities planned for FY19 are:

- review and update our risk appetite statement and refine our risk tolerances
- continue increasing employee capability based on our three lines of accountability model
- finalise our enterprise risk management framework.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (the Committee) is an essential part of UrbanGrowth NSW's risk management framework.

The Committee provides independent assistance to the Chief Executive Officer by monitoring our risk management and control frameworks, governance and compliance processes, financial accounting and management, and external reporting and accountability. This includes overseeing the effectiveness and independence of the internal and external auditors.

During FY18, the Committee also oversaw the portfolio transition resulting from the separation of UrbanGrowth NSW and Landcom, including our establishment of separate governance, risk management, internal control and information technology systems.

The Chief Audit Executive has a direct reporting line to the Committee. Functionally, and in his capacity as Senior Manager Safety & Risk, he reports to the Chief Operating Officer.

Committee members

The Committee currently consists of three independent non-executive members. Collectively, the Committee possesses extensive experience in public sector governance, financial management, accounting and auditing, risk management, technology and property.

The members of the Committee are:

- Victoria Weekes (Chair)
Appointed in August 2011, appointed as Chair in June 2015
- Ian Breedon
Appointed in September 2017
- Elizabeth Carr AM
Appointed in July 2015

Sarah Glennan (non-independent member) resigned as a Committee member in September 2017.

Meetings

The Committee held four meetings in FY18.

Ms Weekes, Mr Breedon and Ms Carr each attended all four meetings. No Committee meetings were held during the period of FY18 while Ms Glennan was appointed.

WORK HEALTH AND SAFETY

Everyone at UrbanGrowth NSW plays a part in creating and maintaining a strong safety culture. Safety is ingrained in our corporate values and behaviours. It is a central element of being trusted, transparent and collaborative.

We do not take shortcuts when it comes to safety and we will not compromise the health and safety of our employees, contractors or the public. We hold ourselves accountable to ensuring everyone goes home safely each day.

Our WHS Committee, the executive management team and the Audit and Risk Management Committee have specific responsibilities in relation to safety.

The WHS Committee currently comprises the Chief Executive Officer; Chief Operating Officer; Head of Program Strategy; Director of People and Culture; Senior Manager Safety and Risk; Senior Manager Legal; and representatives from each growth centre project.

The WHS Committee meets monthly and addresses key work health and safety matters across the growth centres and at a corporate level.

Key work health and safety activities during FY18 included:

- launching refreshed e-learning for WHS training
- expanding the functionality of the incident management system
- introducing a new verification and validation audit process
- improving the WHS workplace induction process
- enhancing WHS governance and reporting.

During FY18 there were:

- no reportable injuries to any of our employees, or any contractors undertaking works on our sites
- no prosecutions or enforceable undertakings under the *Work Health and Safety Act 2011* or the *NSW WHS Regulations 2017*.

INSURANCE

We are a member of the Treasury Managed Fund (TMF) which provides protection under a government self-insurance scheme. Our coverage under the TMF scheme includes insurance for legal liability, workers compensation, motor vehicles, public liability, property loss or damage and other insurances in accordance with the contract of coverage.

LEGAL CHANGES

- During the year, in line with the transition, the *Growth Centres (Development Corporations) Act 1974* was amended to include The Bays and the Parramatta North growth centres.
- In addition, there were changes to privacy laws relating to tax file numbers and a change to the *Environmental Planning & Assessment Act 1979* relating to occupation certificates which will impact the organisation.

RISK MANAGEMENT AND COMPLIANCE

INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION STATEMENT FOR THE 2017-2018 FINANCIAL YEAR

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

CORE REQUIREMENTS

Risk management framework

1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant

Internal audit function

2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant

Audit and risk committee

3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership of the Audit and Risk Committee is shown on page 35



Barry Mann
Chief Executive Officer

05 October 2018

Paul Farrell
Chief Audit Executive and Senior Manager Safety & Risk
pfarrell@ugdc.nsw.gov.au

DIGITAL INFORMATION SECURITY ATTESTATION STATEMENT FOR THE 2017-2018 FINANCIAL YEAR

We are of the opinion that UrbanGrowth NSW Development Corporation will have an Information Security Management System in place during the 2018-2019 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

In the interim, the controls in place to mitigate identified risks to the digital information and digital information systems of UrbanGrowth NSW Development Corporation are adequate.

Risks to the digital information and digital information system of UrbanGrowth NSW Development Corporation have been assessed with an independent ISMS being developed in accordance with the NSW Government Digital Information Security Policy.



Barry Mann
Chief Executive Officer
Appointed 25 September 2017

05 October 2018



Stephen Driscoll
Interim Chief Executive Officer
26 June 2017 to 24 September 2017

05 October 2018

AUDIT OPINION FINANCIAL STATEMENTS

UrbanGrowth NSW Development Corporation

Financial Statements

For the year ended 30 June 2018



INDEPENDENT AUDITOR'S REPORT

UrbanGrowth NSW Development Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UrbanGrowth NSW Development Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Corporation's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Chief Executive Officer is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise of the Statement by the Chief Executive Officer.

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

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

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

I have nothing to report in this regard.

The Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive Officer determines 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 Chief Executive Officer is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Corporation will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Weini Liao
Director, Financial Audit Services

27 September 2018
SYDNEY

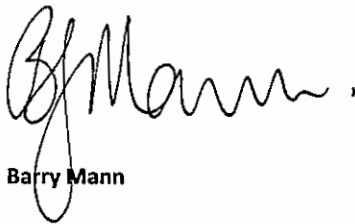
Statement by Chief Executive Officer

Statement by Chief Executive Officer on the adoption of the financial statements for the year ended 30 June 2018.

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983*, I declare that in my opinion:

- (1) The accompanying financial statements and notes thereto exhibit a true and fair view of the financial position and financial performance of *UrbanGrowth NSW Development Corporation* as at 30 June 2018.
- (2) The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions mandated by the Treasurer; and

I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Barry Mann

Chief Executive Officer

UrbanGrowth NSW Development Corporation

Sydney, 27 September 2018

URBANGROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated		Actual 2017 \$000	UGDC	
		Actual	Budget		Actual	Actual
		2018 \$000	2018 \$000		2018 \$000	2017 \$000
Continuing operations						
Expenses excluding losses						
Operating expenses						
-Employee related	2(a)	9,233	40,215	-	-	-
-Personnel services expenses	2(a)	4,056	-	2,966	13,244	2,966
-Other operating expenses	2(b)	22,533	83,077	4,438	22,533	4,438
Depreciation and amortisation	2(c)	1,112	279	30	1,112	30
Grants and subsidies	2(d)	160,247	192,879	91	160,247	91
Project establishment expenses	2(e)	17,353	-	-	17,353	-
Total expenses excluding losses		214,534	316,450	7,525	214,489	7,525
Revenue						
Sale of goods and services		-	7,161	-	-	-
Investment revenue	3(a)	7,344	7,975	8,694	7,344	8,694
Grants and contributions	3(b)	61,775	125,574	9,689	61,775	9,689
Other revenue	3(c)	69	1,975	-	69	-
Total revenue		69,188	142,685	18,383	69,188	18,383
Other gains / (losses)		-	-	(1,460)	-	(1,460)
Net result from continuing operations		(145,346)	(173,765)	9,398	(145,301)	9,398
Net result from discontinued operations		155	-	621	-	-
Net result		(145,191)	(173,765)	10,019	(145,301)	9,398
Other comprehensive income						
<i>Items that will not be classified to net result</i>						
Net increase/(decrease) in property, plant & equipment revaluation surplus		33	-	250	33	250
Superannuation actuarial gain/(loss) on defined benefit plans		45	-	-	-	-
Total other comprehensive income		78	-	250	33	250
Total comprehensive income		(145,113)	(173,765)	10,269	(145,268)	9,648
Total Comprehensive income for the year attributable to owners of UGDC arises from:						
Continuing operations		(145,268)	(173,765)	9,648	(145,268)	9,648
Discontinued operations		155	-	621	-	-
		(145,113)	(173,765)	10,269	(145,268)	9,648

The accompanying notes form part of these financial statements.

URBANGROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	Consolidated		UGDC		
		Actual	Budget	Actual	Actual	
		2018	2018	2017	2018	
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	4	202,774	55,814	18,284	186,161	2,271
Receivables	5	7,739	1,008	4,152	7,739	4,138
Other financial assets	6	-	23,645	330,100	-	330,100
Other assets	8	299	-	-	299	-
Non-current assets held for sale	10	270	-	270	270	270
Total current assets		211,082	80,467	352,806	194,469	336,779
Non-current assets						
Other financial assets		-	102,221	-	-	-
Inventory	7	7,244	12,675	-	7,244	-
Other assets	8	90	-	-	90	-
Property, plant and equipment	9	5,809	6,005	3,570	5,809	3,570
Total non-current assets		13,143	120,901	3,570	13,143	3,570
Total assets		224,225	201,368	356,376	207,612	340,349
Liabilities						
Current liabilities						
Payables	13	4,418	2,003	1,367	5,918	1,316
Other financial liabilities	14	24	-	-	24	-
Provisions	15	1,759	10,051	748	462	727
Total current liabilities		6,201	12,054	2,115	6,404	2,043
Non-current liabilities						
Other financial liabilities	14	99	-	-	99	-
Provisions	15	1,163	-	-	457	-
Total non-current liabilities		1,262	-	-	556	-
Total liabilities		7,463	12,054	2,115	6,960	2,043
Net assets		216,762	189,314	354,261	200,652	338,306
Equity						
Reserves		789	-	756	789	756
Accumulated funds		215,973	189,314	353,505	199,863	337,550
Total equity		216,762	189,314	354,261	200,652	338,306

The accompanying notes form part of these financial statements.

URBANGROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

Consolidated Entity

	Notes	Accumulated funds \$000	Asset revaluation surplus \$000	Total \$000
Balance at 1 July 2017		353,505	756	354,261
Net result for the year		(145,191)	-	(145,191)
Other comprehensive income:				
Net increase/(decrease) in assets revaluation surplus		-	33	33
Superannuation actuarial gain/(loss) on defined benefit plans		45	-	45
Total other comprehensive income		45	33	78
Total comprehensive income for the year		(145,146)	33	(145,113)
Transactions with owners in their capacity as owners	16	7,614	-	7,614
Balance at 30 June 2018		215,973	789	216,762
		Accumulated funds \$000	Asset revaluation surplus \$000	Total \$000
Balance at 1 July 2016		343,486	506	343,992
Net result for the year		10,019	-	10,019
Other comprehensive income:				
Net increase/(decrease) in assets revaluation surplus		-	250	250
Total other comprehensive income		-	250	250
Total comprehensive income for the year		10,019	250	10,269
Balance at 30 June 2017		353,505	756	354,261

The accompanying notes form part of these financial statements.

URBANGROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

UGDC	Notes	Accumulated funds	Asset revaluation surplus	Total
		\$000	\$000	\$000
Balance at 1 July 2017		337,550	756	338,306
Net result for the year		(145,301)	-	(145,346)
Other comprehensive income:				
Net increase/(decrease) in assets revaluation surplus		-	33	33
Total other comprehensive income		-	33	33
Total comprehensive income for the year		(145,301)	33	(145,268)
Transactions with owners in their capacity as owners	16	7,614		7,614
Balance at 30 June 2018		199,863	789	200,652

	Accumulated funds	Asset revaluation surplus	Total
	\$000	\$000	\$000
Balance at 1 July 2016	328,152	506	328,658
Net result for the year	9,398	-	9,398
Other comprehensive income:			
Net increase/(decrease) in assets revaluation surplus	-	250	250
Total other comprehensive income	-	250	250
Total comprehensive income for the year	9,398	250	9,648
Balance at 30 June 2017	337,550	756	338,306

The accompanying notes form part of these financial statements.

URBANGROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated		UGDC		
		Actual	Budget	Actual	Actual	
		2018	2018	2017	2018	2017
		\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Suppliers		(46,147)	(81,874)	(12,641)	(46,332)	(7,122)
Employee related		(12,245)	(40,215)	(4,849)	(12,331)	(2,966)
Grants and subsidies*	2(d)	(180,913)	(192,879)	(91)	(180,913)	(91)
Total payments		(239,305)	(314,968)	(17,581)	(239,576)	(10,179)
Receipts						
Sale of services		41	7,156	5,593	39	-
Interest received		7,660	7,975	8,316	7,344	6,279
Grants and contributions*	3(b)	82,441	127,549	9,689	82,441	9,689
Other		3,713	(1,198)	-	3,702	14,005
Total Receipts		93,855	141,482	23,598	93,526	29,973
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	(145,450)	(173,486)	6,017	(146,050)	19,794
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of property, plant and equipment		(283)	141	177	(283)	-
Sale of investments	6	330,100	160,000	-	330,100	-
Purchase of investments		-	-	(36,923)	-	(46,431)
(Payments)/Receipts from controlled entity		-	-	-	-	11,500
Other Investing		-	(141)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		329,817	160,000	(36,746)	329,817	(34,931)
NET CASH FLOWS FROM FINANCING ACTIVITIES		123	-	-	123	-
NET INCREASE/(DECREASE) IN CASH		184,490	(13,486)	(30,729)	183,890	(15,137)
Opening cash and cash equivalents		18,284	69,300	49,013	2,271	17,408
CLOSING CASH AND CASH EQUIVALENTS	4	202,774	55,814	18,284	186,161	2,271

The accompanying notes form part of these financial statements.

* Grants and subsidies and grants and contributions both include a \$20.7m grant received in error from NSW Treasury relating to Hunter Development Corporation projects. This Grant was paid to Hunter Development Corporation by UrbanGrowth NSW Development Corporation to correct this error.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies

(a) Reporting entity

The UrbanGrowth NSW Development Corporation (the Corporation) is a Statutory Body constituted by the Growth Centre's (Development Corporations) Act 1974 (the Growth Centre's Act) on 17 December 2010. The Corporation is a not-for-profit entity and is responsible for promoting, coordinating, managing and securing the orderly economic development of five Growth Centre's across metropolitan Sydney. UGDC works with government, private sector and community partners on complex, large-scale urban development programs that support the NSW Government's priorities of job creation, housing supply, and economic growth.

The Corporation, as a reporting entity, comprises all the entities under its control including the Australian Technology Park Sydney Limited (ATPSL) and the UrbanGrowth NSW Development Corporation Staff Agency (The Staff Agency). UGDC is the sole member of Australian Technology Park Sydney Limited (ATPSL). ATPSL ceased trading as a conference centre on 31 March 2017. The Board of ATPSL determined that ATPSL has fulfilled the objectives for which it was established and accordingly are proceeding with its wind up by means of deregistration.

The NSW Government directed that certain projects previously being undertaken by Landcom instead be undertaken by other Government agencies, including the Corporation, with effect from 1 July 2017. To facilitate the transfer of projects, certain staff, assets, rights and liabilities were transferred from Landcom to the Corporation by order of the Premier, under the UrbanGrowth NSW Development Corporation (Transfer of Assets, Rights and Liabilities) Order 2017, and the UrbanGrowth NSW Development Corporation (Transfer of Staff) Order 2017. The effective date of both orders was 20 October 2017.

The Staff Agency was re-established as an executive agency related to the Department of Premier and Cabinet on 1 July 2017 in State Revenue and Other Legislation Amendment (Budget Measures) Act 2017. The Staff Agency's objective is to provide personnel services to the Corporation. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. The accounting policy notes relate to the parent entity and its controlled entities unless stated otherwise.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency

The financial statements for the year ended 30 June 2018 have been authorised for issue by the CEO on 27 September 2018.

(b) Basis of preparation

The Corporation's consolidated financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015*; and the Financial Reporting Directions published in the Financial Reporting Code for NSW general government sector entities issued by the Treasurer.
- All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entities presentation and functional currency.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the Corporation as at 30 June 2018 and the results of all controlled entities for the year then ended. The Corporation and its controlled entities together are referred to in this financial report as the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the group.

ATPSL

On 16 December 2016 the Board of ATPSL endorsed its dissolution as a company. The dissolution is expected to be completed by December 2018. Due to the intention to de-register ATPSL, the Board has determined that the going concern basis of preparation (as applied in previous years) is no longer appropriate. Accordingly, the ATPSL's financial statements have been prepared on a liquidated accounts basis. On consolidation this decision has no impact on the carrying values of the assets or liabilities of UGDC. The residual assets of ATPSL consist of cash and short term payables and are carried at their net realisable value.

**URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018****1. Summary of significant accounting policies (continued)**

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

(c) Statement of compliance

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

(d) Insurance

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

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

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

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

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

(f) Income tax

The Corporation is a not-for-profit entity and is not a listed entity in the National Tax Equivalent Regime Entity Register. Hence it is not liable for income tax under the National Tax Equivalent Regime. On 16 February 2005, a private ruling was made in favour of ATPSL, where it was deemed that Section 24AM of Income Tax Assessment Act 1936 applies to exempt ATPSL's income from the imposition of income tax. The ruling has been reconfirmed since 2005 by the Australian Tax Office in a private ruling advice.

(g) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Additional comments regarding the accounting policies for the recognition of revenue is discussed below.

(i) Sale of services

Revenue from the sale of goods is recognised when the consolidated entity transfers the significant risks and rewards of ownership of the assets sold and obtains control of the assets.

(ii) Rendering of services

Revenue from a contract to provide services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date) of the contract.

(iii) Grants and contributions

Unconditional contribution and grants received are recognised as income when the consolidated entity obtains control over the assets comprising the contribution. Control over contributions is normally obtained upon the receipt of cash. Where any unspent contributions at period end are repayable to the funding bodies in the following financial period, the unspent contributions are accounted for as liabilities rather than income.

(iv) Lease income

Rental revenue from operating leases is recognised in accordance with *AASB 117 Leases* on straight-line basis over the lease term. The lease payments received in advance are recorded as a liability and recognised as income over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(v) Investment revenue

Investment revenue comprises interest revenue on funds invested with financial institutions and any changes in fair value of financial assets held with the NSW Treasury Corporation's Hour-Glass facilities represented by a number of units of a management investment pool at fair value through profit and loss. Interest revenue is recognised using the effective interest method as set out in *AASB 139 Financial Instruments: Recognition and Measurement*.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

(vi) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(h) Expenditure

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the consolidated entity has benefited by receiving goods or services and the expenditure can be reliably measured.

Employee benefits expenses

Employee benefits expenses include salaries and wages for the period, workers compensation insurance premium for the period, payroll tax, fringe benefits tax, 9.5% superannuation and defined benefit superannuation contributions incurred for employees. Annual leave and long service leave expenses are charged as stated in Note 2.

Personnel services

The personnel services for the parent UGDC relate to management fees paid to the Staff Agency and Landcom for services provided.

Project Establishment Expenses

UrbanGrowth NSW Development Corporation initially charges all direct expenditure, including direct salaries, on development works to relevant projects via Inventory. Project expenses represent the net write-down of inventory to net realisable value.

(i) Assets

(i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Corporation. 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 Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

(ii) Capitalisation threshold

The Corporation's policy is to capitalise all costs incurred in property development when assets are completed and ready for service. The costs are capitalised in the inventory account, either directly or from capital work in progress when relevant.

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

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with NSW Treasury's Accounting Policy TPP 14-01: Valuation of Physical Non-Current Assets at Fair Value. This policy mandates fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, comprising land and buildings, is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best 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 minimize unobservable inputs. Also refer to note 9 and note 11 for further information regarding fair value.

Arts and artefacts are measured at historical cost, including any costs directly attributable to the asset and any restoration costs associated with the asset.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

Land and buildings are reported at fair value in accordance with AASB 13 Fair Value Measurement, with annual fair value assessments prepared by professional real estate valuers. The last independent assessment was conducted on 31 March 2018 to be effective as at 30 June 2018, by Knight Frank, independent valuers not related to the consolidated entity. Knight Frank are members of the Australian Institute of Valuers and have the appropriate qualifications. The valuation, which conforms to Australian Valuation Standards, was arrived at with regard to market evidence of transaction prices for similar properties.

Land and buildings, including open spaces and roads, are revalued at least every three years or with sufficient regularity to ensure that the carrying value of each asset does not differ materially from its fair value at reporting date. Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

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 recognized 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 that class of asset previously recognised as an expense 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 that, to the extent that it offsets an existing revaluation surplus in respect of the same class of assets, in which case the decrement is debited directly to the revaluation surplus.

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

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

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.

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

(iv) Inventory

Land inventory is measured at the lower of cost and net realisable value. Cost includes acquisition and development costs. The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Land inventories have been classified as current and non-current in line with forecast sales. Wilson Street has been reclassified from Property, Plant & Equipment to Inventory in the current financial year. The reclassification results from the transfer of the Central to Eveleigh Major Urban Renewal Project ("MURP") from Landcom to UrbanGrowth NSW Development Corporation during the year. The Road is located adjacent to the MURP, and within Redfern Eveleigh Growth Centre, and provides access for its orderly and economic development. As such, the access provided by the Road is now being used in the ordinary course of operations for UrbanGrowth NSW Development Corporation and the economic benefits are applied to the inventories.

(v) Impairment of property, plant and equipment

Property, plant and equipment has been reviewed for impairment. As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* is unlikely to arise. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and current replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the consolidated entity are regarded as immaterial.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

(vi) Depreciation of property, plant and equipment

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. All material separately identifiable components of assets are depreciated over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and artefacts may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The following depreciation rates have been applied during the 2017-18 financial year, consistent with previous years:

- Furniture and fittings: 4 to 10 years
- Plant and equipment: 2 to 4 years
- Leasehold improvement: 3 to 5 years
- Buildings: 40 years

(vii) Major inspection costs

When each major inspection is performed, the labour cost of performing inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(viii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(ix) Maintenance costs

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

(x) Leased assets

A distinction is made between finance leases and operating leases. Leases of property, plant and equipment where the Consolidated Entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability (principal component) and interest expense. The interest expense cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Corporation as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Lease incentives include upfront cash payments to the lessee or the reimbursement or assumption by the Corporation, as the lessor, of costs of the lessee (such as relocation costs, leasehold improvements, fit-out contributions and costs associated with a pre-existing lease commitment). Alternatively, the initial period of the lease term may be agreed to be rent-free or at a reduced rent, and shall be recognised, in accordance with the Australian Accounting Interpretations.

Operating lease incentives represent a reduction of rental income over the lease term on a straight-line basis.

(xi) Non-current assets (or disposal groups) held for sale

The consolidated entity has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

(xii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions with original maturities of three months or less and other short-term, highly liquid investments with the NSW Treasury Corporation's Hour-Glass facilities. These are readily convertible to cash and classified as cash and cash equivalent.

For Statement of Cash Flows presentation purposes, cash and cash equivalents consist of cash and cash equivalents as defined above.

(xiii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables include trade and other receivables, and statutory debts. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xiv) Impairment of financial assets

All financial assets, except those measured at fair value through Profit or Loss, are subject to a periodic review for impairment. An allowance for impairment is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Statement of Comprehensive Income, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Statement of Comprehensive Income.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, the only exception being reversals of impairment losses on an investment in an equity instrument classified as 'available for sale', which must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xv) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the consolidated entity transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the consolidated entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the consolidated entity has neither transferred substantially all the risks and rewards nor transferred control of the financial asset, the asset is recognised by the consolidated entity to the extent of its continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(xvi) Other assets

Other assets are recognised on a cost basis.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

(j) Liabilities

a) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

b) Borrowings

Loans are not held for trading or designated at fair value through profit or loss. Loans are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on derecognition.

c) Employee benefits and other provisions

(a) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits) and paid sick leave that are due to be settled within 12 months after the period in which the employees render the services are measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

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

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefit to which they relate have been recognised.

(b) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSW TC 15/09) to employees with five or more years of service, using current rates of pay. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. A discount rate of 2.7% (2017: n/a) was applied for discounting purposes.

(c) Superannuation

Contributions to both the defined contribution and defined benefit funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Movements in the net defined benefit fund liability are recognised in other comprehensive income.

Pillar Administration advises UrbanGrowth NSW Development Corporation of the level of liability for UrbanGrowth NSW's defined benefit superannuation commitments to its employees who are members of the various divisions of the scheme. The calculation of the superannuation position is based on actuarial reviews independent of UrbanGrowth NSW Development Corporation's ongoing activities and involvement. The main drivers of the actuarial calculations are the level of investment return, salary inflation and CPI increases.

UrbanGrowth NSW Development Corporation has an obligation for the defined benefit contribution which becomes payable on and after retirement of staff. Contribution is made to the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non Contributory Superannuation Scheme (SANCS).

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

The SAS Trustee Corporation through the fund's actuary has determined that the unfunded superannuation contributions as at 30 June 2018 for the SAS, SANCS and SSS was estimated at \$552,366 (2017: nil).

Amounts representing prepaid superannuation contributions as recognised as an asset. Amounts representing unfunded superannuation are recognised as a liability. Actuarial gains and losses are recognised immediately as other Comprehensive Income/outside profit and loss in the year in which they occur.

(d) Other provisions

Other provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of a past event and it is probable that the consolidated entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Other provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. For details of the provision for maintenance expenses please refer to note 15.

(k) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the consolidated entity's policy on the revaluation of property, plant and equipment as discussed in Note 1(i)(iii).

(ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(l) Comparative information

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

(m) Fair value hierarchy

A number of the consolidated entity's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Under *AASB 13 Fair Value Measurement*, the entity categorises for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets/liabilities that the 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 consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Notes 9 and 11 for further disclosures regarding fair value measurements of non-financial and financial assets.

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

1. Summary of significant accounting policies (continued)

(n) Application of new and revised Australian Accounting Standards

The accounting policies applied in 2017–18 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time this year:

Standard	Impact
<i>AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</i>	The impact is likely to be minimal.
<i>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	The impact is likely to be minimal
<i>AASB 2016-4 Amendments to Australian Accounting Standards Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The impact is likely to be minimal.
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	To be considered when applicable.
<i>AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</i>	The impact is likely to be minimal

(o) New Australian Accounting Standards issued but not yet effective.

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

The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 17-04):

Accounting Standards/Interpretations	Effective for annual reporting periods beginning on or after	Impact of standards issued but not yet effective	Expected to be initially applied in the financial year ending
<i>AASB 9 Financial Instruments and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

<i>AASB 15 Revenue from contracts with customers. The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118, which covers contracts for goods and services, and AASB 111, which covers construction contracts. AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 16 Leases. This will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet.</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020
<i>AASB 17 Insurance Contracts</i>	1 January 2021	It is considered that this standard will not impact on the financial statements	30 June 2022
<i>AASB 1058 Income of Not-for-profit Entities</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020
<i>AASB 1059 Service Concession Arrangements: Grantors</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020
<i>AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020
<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of significant accounting policies (continued)

<i>AASB 2017-1 Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments</i>	1 January 2018(NFP Jan 2019)	It is considered that this standard will not impact on the financial statements	30 June 2020
<i>AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020
<i>AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>Interpretation 23 Uncertainty over Income Tax Treatments - July 2017 (Principal)</i>	1 January 2019	It is considered that this standard will not impact on the financial statements	30 June 2020

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

2. Expenses Excluding Losses

(a) Employee related and personnel services expenses

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	8,135	-	-	-
Superannuation – defined contribution plans	496	-	-	-
Superannuation – defined benefit plans ¹	155	-	-	-
Payroll tax and fringe benefit tax	437	-	-	-
Other Employee Expenses	10	-	-	-
Personnel services expense ²	4,056	2,966	13,244	2,966
	13,289	2,966	13,244	2,966

(b) Other operating expenses include the following:

Auditor's remuneration				
-audit of financial statements ³	105	42	105	42
Consultants	1,375	4,050	1,375	4,050
Contractors	4,393	159	4,393	159
Property expenses	350	30	350	30
Repairs and maintenance ⁴	63	-	63	-
Legal	268	6	268	6
Advertising	69	-	69	-
IT	2,325	42	2,325	42
Service Level Agreement with Landcom ⁵	1,410	-	1,410	-
Project costs recharged from Landcom ⁶	10,110	-	10,110	-
Rent expense	1,090	8	1,090	8
Other	975	101	975	101
	22,533	4,438	22,533	4,438

¹ Defined benefit contributions paid by Landcom during the year and reimbursed by UrbanGrowth NSW Development Corporation. The final transfer of the net defined benefit liability occurred May 2018.

² consolidated amounts are costs paid by Landcom to 20 October 2017

³ audit fees paid by parent entity

⁴ there is no employee related maintenance included in note 2 (b)

⁵ the Service Level Agreement with Landcom concluded 30 June 2018

⁶ These are costs paid from 1 July to 20 October 2018

c) Depreciation and amortisation expense

Depreciation

Buildings	33	30	33	30
IT Equipment	176	-	176	-
Furniture & Fittings	624	-	624	-
Amortisation				
Leasehold Improvements	279	-	279	-
	1,112	30	1,112	30

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

2. Expenses Excluding Losses (continued)

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
(d) Grants and subsidies				
Community grants	219	91	219	91
Govt agencies grants	160,028	-	160,028	-
	160,247	91	160,247	91

During the year the Corporation made one significant grant:

- \$160.0m to Transport for NSW in accordance with a Collaboration Agreement for the Integrated Station Development in Waterloo.

(e) Project establishment expenses

Project establishment expenses	17,353	-	17,353	-
	17,353	-	17,353	-

3 Revenue

(a) Investment revenue

T Corp Hour-Glass and term deposits	4,602	8,694	4,602	8,694
Bank interest	2,742	-	2,742	-
	7,344	8,694	7,344	8,694

(b) Grants and contributions

Treasury and Commonwealth Grants	56,952	-	56,952	-
Developer Contributions	3,805	848	3,805	848
Affordable Housing Contributions	1,018	8,841	1,018	8,841
	61,775	9,689	61,775	9,689

Developer contributions are made under the Redfern Waterloo Authority Contributions Plan 2006 and administered by the Corporation. Contributions are paid by developers to contribute towards the cost of upgrading infrastructure for community benefit and includes road and intersection upgrades, stormwater drainage works, community facilities and improvements to parks and open spaces.

The Affordable Housing Contributions Plan 2006 sets out development contributions levied on development within the former Redfern Waterloo Authority's Operational Area. The contributions are to specifically fund the provision of refurbishment of affordable housing in the area.

(c) Other revenue

Sundry revenue	69	-	69	-
	69	-	69	-

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

4 Current Assets - Cash and Cash Equivalents

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	186,661	3,896	186,161	2,271
TCorp Hour-Glass facility and term deposits	16,113	14,388	-	-
	202,774	18,284	186,161	2,271

Further details regarding term deposits and restricted assets are disclosed in Notes 11 & 12.

Refer to note 22 Financial Instruments for details regarding risks arising from financial instruments

5 Receivables

Current

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Trade receivables	62	8	62	-
Other receivables	6,120	3,916	6,120	3,916
Goods and Services tax recoverable	1,557	228	1,557	222
	7,739	4,152	7,739	4,138

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

6 Current/Non-Current Assets - Other Financial Assets

	Consolidated					
	2018			2017		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Term Deposit	-	-	-	330,100	-	330,100
	-	-	-	330,100	-	330,100

	UGDC					
	2018			2017		
	Current \$'000	Non-Current \$'000	Total \$'000	Current \$'000	Non-Current \$'000	Total \$'000
Term Deposit	-	-	-	330,100	-	330,100
	-	-	-	330,100	-	330,100

During the year Term Deposits matured and were placed into the Treasury Managed Fund. These are reflected as cash at bank and on hand (refer note 4).

Refer to note 22 Financial Instruments for details regarding risks arising from financial instruments.

7 Inventory

	Consolidated				UGDC	
	2018		2017		2018	2017
	\$'000		\$'000		\$'000	\$'000
Non-Current						
Work in Progress	2,879	-	2,879	-		
Undeveloped Land and Buildings	4,365	-	4,365	-		
	7,244	-	7,244	-		

As part of the transition of projects from UrbanGrowth NSW to the Corporation, an assessment was conducted as to the appropriate accounting treatment for existing and acquired land and buildings. A distinction was made between land and buildings held within Growth Centres for future development (inventory) and those held for on-going economic benefit (Property, Plant & Equipment). Properties included within inventory include Lots 1 & 2, 1 and 1a Fleet Street, North Parramatta and Lots 1 & 2 Wilson Street, Eveleigh. Lots 1 & 2 Wilson Street, Eveleigh were reclassified from property plant & equipment during the year.

8 Other Assets

	Consolidated				UGDC	
	2018		2017		2018	2017
	\$'000		\$'000		\$'000	\$'000
Current						
Prepayments	299	-	299	-		
	299	-	299	-		
Non-Current						
Prepayments	90	-	90	-		
	90	-	90	-		

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

9 Non-Current Assets - Property, Plant and Equipment

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Land and Buildings				
At fair value*	3,300	3,570	3,300	3,570
Accumulated Depreciation and revaluation	-	-	-	-
Carrying amount at fair value	3,300	3,570	3,300	3,570
Plant and Equipment				
At cost	496	-	496	-
Accumulated Depreciation and impairment	(146)	-	(146)	-
Carrying amount at cost	350	-	350	-
Furniture and Fittings				
At cost	2,048	-	2,048	-
Accumulated Depreciation and impairment	(624)	-	(624)	-
Carrying amount at cost	1,424	-	1,424	-
Leasehold Improvements				
At cost	1,014	-	1,014	-
Accumulated Depreciation and impairment	(279)	-	(279)	-
Carrying amount at cost	735	-	735	-
Total Property, Plant and Equipment				
At fair value or at cost	6,858	3,570	6,858	3,570
Accumulated Depreciation and revaluation	(1,049)	-	(1,049)	-
Carrying amount at fair value or at cost	5,809	3,570	5,809	3,570

*being 125-127 Little Eveleigh Street, Redfern.

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

9 Non-Current Assets - Property, Plant and Equipment (continued)

(a) Reconciliation of movements in Property Plant and Equipment

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

	Land and Buildings \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Art and artefacts \$000	Leasehold Improvements \$000	Total \$000
Year ended 30 June 2018						
Net carrying amount at start of year	3,570	-	-	-	-	3,570
Transfers from Landcom	-	243	2,048	-	1,014	3,305
Additions	-	328	-	-	-	328
Asset revaluation surplus	33	-	-	-	-	33
Depreciation	(33)	(176)	(624)	-	(279)	(1,112)
Assets Held for Sale	-	-	-	-	-	-
Transfers to Inventory (refer Note 7)	(270)	-	-	-	-	(270)
Disposals/Reclassifications	-	(45)	-	-	-	(45)
Net carrying amount at end of year	3,300	350	1,424	-	735	5,809

	Land and Buildings \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Art and artefacts \$000	Leasehold Improvements \$000	Total \$000
Year ended 30 June 2017						
Net carrying amount at start of year	3,350	565	44	5	-	3,964
Additions	-	-	-	-	-	-
Asset revaluation surplus	250	-	-	-	-	250
Depreciation	(30)	(418)	(38)	-	-	(486)
Assets Held for Sale	0	-	-	-	-	-
Disposals/Reclassifications	0	(147)	(6)	(5)	0	(158)
Net carrying amount at end of year	3,570	-	-	-	-	3,570

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

9 Non-Current Assets - Property, Plant and Equipment (continued)

(b) Reconciliation of movements in Property Plant and Equipment (UGDC)

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

	Land and Buildings	Plant and Equipment	Furniture and Fittings	Art and artefacts	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2018						
Net carrying amount at start of year	3,570	-	-	-	-	3,570
Transfers from Landcom	-	243	2,048	-	1,014	3,305
Additions	-	328	-	-	-	328
Asset revaluation surplus	33	-	-	-	-	33
Depreciation	(33)	(176)	(624)	-	(279)	(1,112)
Assets Held for Sale	-	-	-	-	-	-
Transfers to Inventory (refer Note 7)	(270)	-	-	-	-	(270)
Disposals/Reclassifications	-	(45)	-	-	-	(45)
Net carrying amount at end of year	3,300	350	1,424	-	735	5,809

	Land and Buildings	Plant and Equipment	Furniture and Fittings	Art and artefacts	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2017						
Net carrying amount at start of year	3,350	-	-	-	-	3,350
Additions	-	-	-	-	-	-
Asset revaluation surplus	250	-	-	-	-	250
Depreciation	(30)	-	-	-	-	(30)
Assets Held for Sale	-	-	-	-	-	-
Disposals/Reclassifications	-	-	-	-	-	-
Net carrying amount at end of year	3,570	-	-	-	-	3,570

10 Assets held for sale

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Assets held for sale				
Investment property*	270	270	270	270
	270	270	270	270

* Earmarked for transfer to Property NSW, pending transfer of leases from ATP to UrbanGrowth NSW Development

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

11 Fair Value Measurement of Non-Financial Assets

(a) Fair value hierarchy

Consolidated entity

Year ended 30 June 2018

	Level 1	Level 2	Level 3	Total fair Value
	\$000	\$000	\$000	\$000
Property, plant and equipment				
Land and buildings	-	3,300	-	3,300
	-	3,300	-	3,300

Consolidated entity

Year ended 30 June 2017

	Level 1	Level 2	Level 3	Total fair Value
	\$000	\$000	\$000	\$000
Property, plant and equipment				
Land and buildings	-	3,300	-	3,300
	-	3,300	-	3,300

UGDC

Year ended 30 June 2018

	Level 1	Level 2	Level 3	Total fair Value
	\$000	\$000	\$000	\$000
Property, plant and equipment				
Land and buildings	-	3,300	-	3,300
	-	3,300	-	3,300

UGDC

Year ended 30 June 2017

	Level 1	Level 2	Level 3	Total fair Value
	\$000	\$000	\$000	\$000
Property, plant and equipment				
Land and buildings	-	3,300	-	3,300
	-	3,300	-	3,300

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

11 Fair Value Measurement of Non-Financial Assets (continued)

(b) Valuation techniques, inputs and processes

The external valuers follow income and market approaches, using the discounted cashflow and income capitalisation methods coupled with market comparisons to assess the fair value. These methods comprise observable inputs within an active market for similar assets with appropriate adjustments specific to the UGDC's assets. The following table summarises the level 2 assets.

Description	Fair value at 30 June 2018 \$'000	Observable inputs	Range of inputs (probability weighted averages)	Relationship of observable inputs to fair value
Land and Buildings	\$3,300	Rental Income P.A. (net of outgoings)	\$229k	The higher the rental growth, the higher the fair value
		Discount rate	n/a	The higher the discount rate, the lower the fair value
		Capitalisation rate	6.25% for Little Eveleigh Street	The higher the capitalisation rate, the lower the fair value

12 Restricted Assets

	Consolidated			UGDC
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash and Cash Equivalents	51,666	-	51,666	-
TCorp Hour-Glass facility and term deposits	16,113	63,154	-	47,190
	67,779	63,154	51,666	47,190

The Corporation under the Waterloo Affordable Housing and Developer Contribution Plans receives contributions for all major developments within the Redfern Waterloo area. These contributions are held in separate deposit facilities and can only be expensed on projects directly related to the specific purposes for which the funds were granted. All interest earned is reinvested in these accounts. UGDC's controlled entity ATPSL is prohibited under its constitution from making distributions. The definition of restricted cash is in accordance with Treasury guidelines.

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

13 Current Liabilities - Payables

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	266	10	-	-
Creditors	2,046	1,357	2,046	1,291
Accruals	2,106	-	2,106	-
Payable to subsidiary	-	-	1,766	25
	4,418	1,367	5,918	1,316

14 Other Financial Liabilities

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Finance Lease Liability	24	-	24	-
	24	-	24	-
Non-Current				
Finance Lease Liability	99	-	99	-
	99	-	99	-

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

15 Current/Non-Current Liabilities - Provisions

	Consolidated					
	2018			2017		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
Employee benefits and related-on costs						
Annual leave	678	-	678	4	-	4
Long service leave	614	154	768	-	-	-
Employee super liability (refer Note 20)	-	552	552	-	-	-
Restructuring costs	-	-	-	17	-	17
Other provisions						
Make good provision	-	457	457	-	-	-
Other provisions	467	-	467	-	-	-
	1,759	1,163	2,922	21	-	21
Provision for maintenance expenses	-	-	-	727	-	727
Total Provision	1,759	1,163	2,922	748	-	748

	UGDC					
	2018			2017		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
Employee benefits and related-on costs						
Annual leave	-	-	-	-	-	-
Long service leave	-	-	-	-	-	-
Employee super liability	-	-	-	-	-	-
Restructuring costs	-	-	-	-	-	-
Other provisions						
Make good provision	-	457	457	-	-	-
Other provisions	462	-	462	-	-	-
	462	457	919	-	-	-
Provision for maintenance expenses	-	-	-	727	-	727
Total Provision	462	457	919	727	-	727

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

15 Current/Non-Current Liabilities – Provisions (continued)

Movements in Provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated

2018	Make good provision \$'000	Provision for maintenance expenses \$'000	Other provisions \$'000	Total \$'000
Carrying Amount at 1 July 2017	-	727	-	727
Additional Provisions recognised	457	-	467	924
Amounts used	-	-	-	-
Unused amounts reversed	-	(727)	-	(727)
Unwinding/change in the discount rate	-	-	-	-
Carrying amount 30 June 2018	457	-	467	924

UGDC

2018	Make good provision \$'000	Provision for maintenance expenses \$'000	Other provisions \$'000	Total \$'000
Carrying Amount at 1 July 2017	-	727	-	727
Additional Provisions recognised	457	-	462	919
Amounts used	-	-	-	-
Unused amounts reversed	-	(727)	-	(727)
Unwinding/change in the discount rate	-	-	-	-
Carrying amount 30 June 2018	457	-	462	919

16 Equity Transfers

During the year assets and liabilities were transferred to UrbanGrown NSW Development Corporation from Landcom and Property NSW. These were recorded as contributions of capital. The net contribution of capital recorded in the Statement of Changes in Equity is \$7.614m. Of this \$4.1m was from Property NSW and \$3.614m from Landcom. Details of the assets and liabilities transferred through equity are set out below:

	2018 \$'000	2017 \$'000
Property, plant and equipment	3,305	-
Inventory	6,467	-
	9,772	-
Employee benefit liabilities	1,702	-
Make good provision	456	-
	2,158	-
Net assets transferred	7,614	-

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

17 Commitments for Expenditure

Operating and finance lease commitments for the group as follows:

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Operating Lease commitments				
<i>Future minimum rentals under non-cancellable operating lease payable</i>				
Not later than one year	1,463	-	1,463	-
Later than one year, not later than 5 years	1,828	-	1,828	-
	3,291	-	3,291	-
Finance Lease commitments				
<i>Future minimum rentals under non-cancellable finance lease payable</i>				
Not later than one year	24	-	24	-
Later than one year, not later than 5 years	99	-	99	-
	123	-	123	-
Total Commitments for Expenditure	3,414	-	3,414	-

18 Contingent Assets and Liabilities

UGDC had no known contingent assets or contingent liabilities in the prior year. Cabinet approval will be sought in the next year for projects that may involve significant remediation works. At this point it is not possible to determine the scale, location or timing of these works and hence no disclosure of contingent liabilities has been made.

UGDC has entered into an agreement with Health NSW relating to works at the Cumberland Hospital site. Market soundings are currently underway which will determine the nature, scale and timing of any potential works. The maximum value of future programmes is \$85 million.

**URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018**

19 Budget review

In October 2017 the transfer of staff and several major urban renewal projects from Landcom (formerly UrbanGrowth NSW) was completed. The 2017-18 budget was finalised in May 2017 at a time when the scale of UGDC had not been determined. The budget conservatively anticipated an organisation materially larger than currently exists, as a consequence there were material underspends across all major line items in the budget. UGDC's project accounting policy had not been determined at budget time and a conservative approach to project expenditure was therefore adopted by Treasury with all project costs classified as "other operating" expenses. UGDC now identifies project related expenses but not employment costs separately in the Income Statement.

Income Statement

Employment costs are \$26.926m lower than budget due to the smaller than anticipated scale of the new structure, as were costs attributed to projects. Other operating costs are lower than budget due to costs being separately identified as project expenses (\$17.353m), timing differences on costs rolled forward to future years \$19.049m with the balance savings in corporate costs due to a reduced scale. Depreciation costs are higher than budget as a result of the deprecation of head office fit out costs transferred from Landcom not being considered. Grant costs are lower by \$32.632m due to the roll forward of grants into future years, a timing difference not a permanent saving.

Sale of goods and service revenue is nil due to the closure of the ATP Conference Centre in April 2016. Grant Income is lower by \$63.799m as UGDC did not draw down on its full allocation given the expense underspends identified above. Investment revenue is higher than anticipated as the grant payment of \$160 million to TfNSW was later than initially planned and hence deposits held during the year were also higher.

Statement of Financial Position

Current assets are higher by \$130.615m as the budget did not anticipate the conversion of all term deposits to cash. Other Financial Assets are lower for the same reason. Treasury directed that all term deposits on maturity be rolled into our Westpac account within the Treasury Banking System. Inventory balances differ from budget as the timing of project expenditure is by its nature difficult to predict and budget for.

Payables and current provisions differ from budget as the scale and structure of UGDC differ from the assumptions made at budget time. Long term employee provision reflect defined benefit pension liabilities not correctly anticipated in the budget. These costs relate to staff transferred from Landcom.

**URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018**

20 Superannuation

Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The most recent investigation was performed as at 30 June 2015. The actuary has commenced work on the 30 June 2018 investigation. Once completed, the report will be available on the Fund's website.

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- * Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- * Management and investment of the fund assets; and
- * Compliance with other applicable regulations.

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** – The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The Pooled Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

There were no fund amendments, curtailments or settlements during the year.

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018
 20 Superannuation (continued)

	SASS 30-Jun-18	SANCS 30-Jun-18	SSS 30-Jun-18	TOTAL 30-Jun-18
Member Numbers				
Contributors	2	2	0	
Deferred benefits	0	0	0	
Pensioners	0	0	0	
Pensions fully commuted	0	0	0	
Superannuation Position for AASB 119 purposes	A\$	A\$	A\$	A\$
Accrued liability (Note 1)	1,960,964	321,772	0	2,282,736
Estimated reserve account balance	(1,514,348)	(216,022)	0	(1,730,370)
1. Deficit/(surplus)	446,616	105,750	0	552,366
2. Future Service Liability (Note 2)	287,704	122,438	0	410,142
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	0	0	0	0
4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.)	446,616	105,750	0	552,366

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed. (Note: this also includes a contribution tax provision).

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

20 Superannuation (continued)

	SASS	SANCS	SSS	Total
	20 October	20 October	20 October	20 October
	2017 to	2017 to	2017 to	2017 to
	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	A\$	A\$	A\$	A\$
Net Defined Benefit Liability/(Asset) at start of year	416,677	102,388	0	519,065
Current service cost	60,328	8,187	0	68,515
Net Interest on the net defined benefit liability/(asset)	7,831	1,980	0	9,811
Past service cost	0	0	0	0
(Gains)/losses arising from settlements	0	0	0	0
Actual return on Fund assets less Interest income	(43,624)	(5,201)	0	(48,825)
Actuarial (gains)/losses arising from changes in demographic assumptions	(2,268)	(1,523)	0	(3,791)
Actuarial (gains)/losses arising from changes in financial assumptions	17,853	4,099	0	21,952
Actuarial (gains)/losses arising from liability experience	(10,181)	(4,180)	0	(14,361)
Adjustment for effect of asset ceiling	0	0	0	0
Employer contributions	0	0	0	0
Effects of transfers in/out due to business combinations and disposals	0	0	0	0
Net Defined Benefit Liability/(Asset) at end of year	446,616	105,750	0	552,366

	SASS	SANCS	SSS	Total
	20 October	20 October	20 October	20 October
	2017 to	2017 to	2017 to	2017 to
	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	A\$	A\$	A\$	A\$
Fair value of Fund assets at beginning of the year	1,419,788	206,916	0	1,626,704
Interest income	27,682	4,001	0	31,683
Actual return on Fund assets less Interest income	43,624	5,201	0	48,825
Employer contributions	0	0	0	0
Contributions by participants	23,511	0	0	23,511
Benefits paid	0	0	0	0
Taxes, premiums & expenses paid	(257)	(96)	0	(353)
Transfers in/out due to business combinations and disposals	0	0	0	0
Contributions to accumulation section	0	0	0	0
Settlements	0	0	0	0
Exchange rate changes	0	0	0	0
Fair value of Fund assets at end of the year	1,514,348	216,022	0	1,730,370

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

20 Superannuation (continued)

	SASS 20 October 2017 to 30 June 2018 A\$	SANCS 20 October 2017 to 30 June 2018 A\$	SSS 20 October 2017 to 30 June 2018 A\$	Total 20 October 2017 to 30 June 2018 A\$
Present value of defined benefit obligations at beginning of the year	1,836,465	309,304	0	2,145,769
Current service cost	60,328	8,187	0	68,515
Interest cost	35,513	5,981	0	41,494
Contributions by participants	23,511	0	0	23,511
Actuarial (gains)/losses arising from changes in demographic assumptions	(2,268)	(1,523)	0	(3,791)
Actuarial (gains)/losses arising from changes in financial assumptions	17,853	4,099	0	21,952
Actuarial (gains)/losses arising from liability experience	(10,181)	(4,180)	0	(14,361)
Benefits paid	0	0	0	0
Taxes, premiums & expenses paid	(257)	(96)	0	(353)
Transfers in/out due to business combinations and disposals	0	0	0	0
Contributions to accumulation section	0	0	0	0
Past service cost	0	0	0	0
Settlements	0	0	0	0
Exchange rate changes	0	0	0	0
Present value of defined benefit obligations at end of the year	1,960,964	321,772	0	2,282,736

	SASS 20 October 2017 to 30 June 2018 A\$	SANCS 20 October 2017 to 30 June 2018 A\$	SSS 20 October 2017 to 30 June 2018 A\$	Total 20 October 2017 to 30 June 2018 A\$
Adjustment for effect of asset ceiling at beginning of the year	0	0	0	0
Interest on the effect of asset ceiling	0	0	0	0
Change in the effect of asset ceiling	0	0	0	0
Adjustment for effect of asset ceiling at end of the year	0	0	0	0

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

20 Superannuation (continued)

Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 June 2018

Asset category	Total (A\$'000)	Quoted prices	Significant	Unobservable
		in active markets for identical assets	observable inputs	inputs
		Level 1 (A\$'000)	Level 2 (A\$'000)	Level 3 (A\$'000)
Short Term Securities	4,401,164	2,185,469	2,215,695	0
Australian Fixed Interest	2,234,921	41,854	2,193,067	0
International Fixed Interest	1,396,107	8,116	1,387,991	0
Australian Equities	9,271,405	8,719,442	548,908	3,055
International Equities	10,891,350	8,499,476	2,391,501	373
Property	3,711,287	788,018	608,934	2,314,335
Alternatives	9,894,829	420,897	5,332,819	4,141,113
Total	41,801,063	20,663,272	14,678,915	6,458,876

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

20 Superannuation (continued)

The percentage invested in each asset class at the reporting date is:

As at	30-Jun-18
Short Term Securities	10.5%
Australian Fixed Interest	5.3%
International Fixed Interest	3.3%
Australian Equities	22.2%
International Equities	26.1%
Property	8.9%
Alternatives	23.7%
Total	100.0%

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

20 Superannuation (continued)

Fair value of entities own financial instruments

The fair value of the Pooled Fund assets as at 30 June 2018 includes \$97.7 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$280 million (30 June 2017: \$250 million).

Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$287 million (30 June 2017: \$261 million).

As at	30-Jun-18
Discount rate	2.65%
Salary increase rate (excluding promotional increases)	2.7% pa for 2018/19; 3.2% pa thereafter.
Rate of CPI increase	2.25% pa for 2018/19 and 2019/20; 2.5% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are those to be used for the 2018 actuarial investigation of the Pooled Fund. These assumptions will be disclosed in the actuarial investigation report which will be available on the Trustee's website when the investigation is complete. The report will show the pension mortality rates for each age. Alternatively, the assumptions are available on request from the Trustee.

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2018.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	2,282,736	2,474,582	2,113,604

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	2,282,736	2,282,736	2,282,736

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

20 Superannuation (continued)

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A\$)	2,282,736	2,373,458	2,196,662

	Base Case	Scenario G Lower Mortality*	Scenario H Higher Mortality**
Defined benefit obligation (A\$)	2,282,736	2,282,736	2,282,736

*Assumes the short term pensioner mortality improvement factors for years 2018-2023 also apply for years after 2023.

**Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for the years 2018 to 2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability Matching Strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding Arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

a) Surplus/deficit

The following is a summary of the 30 June 2018 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

	SASS 30-Jun-18 A\$	SANCS 30-Jun-18 A\$	SSS 30-Jun-18 A\$	Total 30-Jun-18 A\$
Accrued benefits*	1,542,269	221,066	0	1,763,335
Net market value of Fund assets	(1,514,349)	(216,022)	0	(1,730,370)
Net (surplus)/deficit	27,920	5,044	0	32,965

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

20 Superannuation (continued)

b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	Multiple of Member Contributions	% of Member Salary	Multiple of Member Contributions
	0.8	2.52	0.0

c) Economic assumptions

The economic assumptions adopted for 30 June 2018 AASB 1056 Accounting Standard "Superannuation Entities" are (these assumptions are consistent with the assumptions to be used for the 2018 actuarial investigation of the Pooled Fund):

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (excluding promotional salary increases)	2.7% for 2018/19; 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

d) Expected Contributions

	SASS	SANCS	SSS	Total
	Financial Year to 30 June 2019	Financial Year to 30 June 2019	Financial Year to 30 June 2019	Financial Year to 30 June 2019
	A\$	A\$	A\$	A\$
Expected employer contributions	26,093	9,663	0	35,755

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 9.6 years.

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

20 Superannuation (continued)

Profit or Loss Impact

	SASS	SANCS	SSS	Total
	20 October	20 October	20 October	20 October
	2017 to	2017 to	2017 to	2017 to
	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	A\$	A\$	A\$	A\$
Current service cost	60,328	8,187	0	68,515
Net interest	7,831	1,980	0	9,811
Past service cost	0	0	0	0
(Gains)/Loss on settlement	0	0	0	0
Profit or loss component of the Defined Benefit Cost	68,159	10,167	0	78,326

Other Comprehensive Income

	SASS	SANCS	SSS	Total
	20 October	20 October	20 October	20 October
	2017 to	2017 to	2017 to	2017 to
	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	A\$	A\$	A\$	A\$
Actuarial (gains) losses on liabilities	5,404	(1,604)	0	3,800
Actual return on Fund assets less Interest income	(43,624)	(5,201)	0	(48,825)
Change in the effect of asset ceiling	0	0	0	0
Total remeasurement in Other Comprehensive Income	(38,220)	(6,805)	0	(45,025)

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

21 Reconciliation of net cashflows from operating activities to net result

	Consolidated		UGDC	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Net cash flow from operating activities	(145,450)	6,017	(146,050)	19,794
Depreciation and amortisation	(1,112)	(489)	(1,112)	(30)
Write down of project costs	(2,367)	-	(2,367)	-
Operating Costs	(5)	-	(5)	-
Other comprehensive income	(78)	-	(78)	-
Increase/(decrease) in prepayments and other assets	389	1,701	389	(11,238)
Increase/(decrease) in receivables	3,587	-	3,601	-
Increase/(decrease) in inventory	2,879	-	2,879	-
Decrease/(increase)in creditors	(3,051)	1,541	(2,444)	301
Decrease/(increase)in provisions	17	2,709	(159)	2,031
Other gains/(losses)	-	(1,460)	-	(1,460)
Net result	(145,191)	10,019	(145,346)	9,398

22 Financial Instruments

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

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

The Chief Executive Officer has the overall responsibility for the establishment and oversight of the risk management framework, including developing and monitoring the overall risk management strategy and policies. The Chief Executive Officer reports to the Audit and Risk Management Committee with respect to risk management matters.

Risk management framework

Risk management policies are established to identify and analyse the risks faced by the consolidated entity in setting appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and consolidated entity activities. The consolidated entity, through training and the implementation of policies and procedures, has developed a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the consolidated entity. The Chief Audit Executive manages the internal audit function by conducting scheduled and ad hoc reviews of risk management control procedures, the results of which are reported to the Audit and Risk Management Committee.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

22 Financial Instruments (continued)

The consolidated entity's principal financial instruments comprise finance leases, cash and short term deposits. The main purpose of these financial instruments is to fund the consolidated entity's operations. The consolidated entity has various other financial instruments such as debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the consolidated entity's policy that no trading in financial instruments shall be

undertaken. The main risks arising from the consolidated entity's financial instruments are credit risk, liquidity risk, interest rate risk and operational risks. The executive reviews and approves policies for managing each of these risks and they are summarised below.

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included through these consolidated financial statements.

(a) Operational risk

The consolidated entity manages its operational risk as part of the risk management strategy. Operational risk is the direct and indirect losses arising from a wide variety of causes associated with the consolidated entity's processes, personnel, technology, legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the consolidated entity's operations.

The consolidated entity's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the consolidated entity's reputation with overall cost effectiveness and to avoid control procedures that restricts initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The responsibility is supported by the development of standards, policies and procedures in the following areas:

- Requirements for appropriate segregation of duties, including independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for the periodic reporting to senior management and relevant committees
- Training and professional development
- Risk mitigation, including insurance where this is effective

Compliance with established standards, policies and procedures is supported by a programme of periodic review undertaken by Internal Audit. The results of the internal audit reviews are discussed with management of the business unit to which they relate, with reports submitted to Senior Management and the Audit and Risk Management Committee where appropriate.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

22 Financial Instruments (continued)

(a) Financial Instrument categories

Financial assets	Note	Category	Consolidated		UGDC	
			Carrying amount^	Carrying amount^	Carrying amount^	Carrying amount^
			2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash and cash equivalents	4	N/A	202,774	18,284	186,161	2,271
Receivables*	5		6,182	3,924	6,182	3,916
Other financial assets	6	Loans and receivables (at amortised cost)	-	330,100	-	330,100
		Loans and receivables (at amortised cost)				
Total financial assets			208,956	352,308	192,343	336,287

Financial Liabilities	Note	Category	Consolidated		UGDC	
			Carrying amount^	Carrying amount^	Carrying amount^	Carrying amount^
			2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade and other payables**	13	Financial liabilities (at amortised cost)	4,418	1,367	5,918	1,316
Other Financial Liabilities	14	Finance Lease Payable	123	-	123	-
Total financial liabilities			4,541	1,367	6,041	1,316

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

22 Financial Instruments (continued)

(b) Credit risk

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

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

Credit risk associated with the consolidated entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit risk standards. Consolidated entity deposits held with NSW TCorp are guaranteed by the State and are AAA-rated by Standard and Poor's. The units held in Hour-Glass cash facilities represent the investor's share of the net asset value of the facilities and therefore credit risk is not applicable because the counterparty will not default on the contractual obligation.

(i) Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. Interest earned on deposits held for the Developer Contributions and Affordable Housing Contributions are included in those funds for purposes outlined in Note 4. The NSW Treasury Corporation Hour Glass cash facility is discussed in paragraph (g) below.

(ii) Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis using the monthly aged analysis report. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. The Chief Financial Officer is responsible for the credit control functions of all outstanding trade debts. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. The Consolidated entity is not materially exposed to concentrations of credit risk to a single trade debtor or groups of debtors.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

22 Financial Instruments (continued)

(b) Credit risk

(ii) Receivables - trade debtors

	Total	Past due but	Considered
	\$000	not impaired	impaired
		\$000	\$000
Consolidated Entity			
2018			
< 3 months overdue	62	62	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
Consolidated Entity			
2017			
< 3 months overdue	-	-	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
UGDC			
2018			
< 3 months overdue	62	62	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
UGDC			
2017			
< 3 months overdue	-	-	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

22 Financial Instruments (continued)

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity will be unable to meet its payment obligations when they fall due. The consolidated entity continuously manages risk through monitoring future cash flows and maturities so as to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through use of appropriate investment strategies.

During current and prior years, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The consolidated entity's exposure to liquidity risk is deemed insignificant based on prior period data and a current assessment of risk.

The table below summarises the maturity profile of the consolidated entity's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities	Weighted average effective interest rate	Nominal amount	Interest rate exposure	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	%	\$000	\$000	\$000	\$000	\$000	\$000
Consolidated Entity - at 30 June 2018							
Non Interest bearing - payables		4,418	-	4,418	-	-	4,418
		4,418	-	4,418	-	-	4,418
Consolidated Entity - at 30 June 2017							
Non Interest bearing - payables		1,367	-	1,367	-	-	1,367
		1,367	-	1,367	-	-	1,367
UGDC - at 30 June 2018							
Non Interest bearing - payables		5,918	-	5,918	-	-	5,918
		5,918	-	5,918	-	-	5,918
UGDC - at 30 June 2017							
Non Interest bearing - payables		1,316	-	1,316	-	-	1,316
		1,316	-	1,316	-	-	1,316

**URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018**

22 Financial Instruments (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The consolidated entity's exposures to market risk are as follows:

- **Growth:** the depth and length of the global economic downturn, and its impact on the investments held by the consolidated entity
- **Systematic risk:** liquidity and counterparty risks in financial markets
- **Lack of corporate governance:** universal lack of corporate governance leads to fraud and bankruptcies.

The consolidated entity manages its market risk exposure by construction of risk framework that quantifies the risks in the investment strategies and the probable outcomes from the portfolio given different events.

Currency risk

The consolidated entity has indirect exposure to foreign currency risk by investing in funds with the NSW Treasury Corporation. The NSW Treasury Corporation manages the exposure to such risk.

Interest rate risk

The consolidated entity is exposed to interest rate risk as the consolidated entity borrows at floating interest rates from the NSW Treasury Corporation and holds its surplus cash in the NSW Treasury Corporation's 'Hour-Glass' cash facilities. The NSW Treasury Corporation as trustee for the above facility is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, the NSW Treasury Corporation has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties.

The consolidated entity does not account for any financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The entity's exposure to interest rate risk is set out in the next table:

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

22 Financial Instruments (continued)

Interest rate risk

	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
Consolidated entity - as at 30 June 2018	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and cash equivalents	202,774	(2,028)	(2,028)	2,028	2,028
Receivables*	6,182	(62)	(62)	62	62
Other financial assets	-	-	-	-	-
Financial liabilities					
Payables**	4,418	44	44	(44)	(44)
Other Financial Liabilities	123	-	-	-	-
	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
Consolidated entity - as at 30 June 2017	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and cash equivalents	18,284	(183)	(183)	183	183
Receivables*	3,924	(39)	(39)	39	39
Other financial assets	330,100	(3,301)	(3,301)	3,301	3,301
Financial liabilities					
Payables**	1,367	14	14	(14)	(14)
	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
UGDC - as at 30 June 2018	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and cash equivalents	186,161	(1,862)	(1,862)	1,862	1,862
Receivables*	6,182	(62)	(62)	62	62
Other financial assets	-	-	-	-	-
Financial liabilities					
Payables**	5,918	59	59	(59)	(59)
Other Financial Liabilities	123	-	-	-	-
	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
UGDC - as at 30 June 2017	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and cash equivalents	2,271	(23)	(23)	23	23
Receivables*	3,916	(39)	(39)	39	39
Other financial assets	330,100	(3,301)	(3,301)	3,301	3,301
Financial liabilities					
Payables**	1,316	13	13	(13)	(13)

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

22 Financial Instruments (continued)

Other price risk - NSW Treasury Corporation (TCorp) Hour-Glass Facilities

Exposure to 'other price risk' primarily arises through investments with NSW Treasury Corporation's Hour-Glass cash facilities, which are held for strategic rather than trading purposes. The entity has no direct equity investments. The entity holds units in the following Hour-Glass investment trusts.

Facility	Investment sectors	Investment Horizon	2018 \$'000	2017 \$'000
Consolidated				
Cash Facility	Cash, money market instrument	Up to 1.5 years	16,113	14,388
UGDC				
Cash Facility	Cash, money market instrument	Up to 1.5 years	-	-
Impact on Profit/Loss			2018 \$'000	2017 \$'000
			Change in unit price	
Consolidated				
Hour Glass - Cash Facility		+/-1%	161	144
UGDC				
Hour Glass - Cash Facility		+/-1%	-	-

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily. NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash and Strategic Cash Facilities and also manages the Australian Bond portfolio. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historical based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability).

URBANGROWTH NSW DEVELOPMENT CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

22 Financial Instruments (continued)

(e) Fair Value Measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass Strategic Cash, Medium Term and Long Term facilities, which are measured at fair value. The value of the Hour-Glass cash facilities is based on the entity's share of the value of the underlying assets of the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

Except where specified below, the amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments. The consolidated entity has not identified any financial instruments whose fair value differs materially from the carrying amount.

(ii) Fair value recognised in the statement of financial position

The consolidated entity uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets/liabilities
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated entity - at 30 June 2018				
TCorp Hour- Glass facility	-	16,113	-	16,113
Consolidated entity - at 30 June 2017				
TCorp Hour- Glass facility	-	14,388	-	14,388
UGDC- at 30 June 2018				
TCorp Hour- Glass facility	-	-	-	-
UGDC- at 30 June 2017				
TCorp Hour- Glass facility	-	-	-	-

The table above includes only financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.

URBANGROWTH NSW DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

23 Related party disclosures

(a) Key Management Personnel

It has been determined that the Executive Management Committee meet the criteria of key management personnel. During the year, the entity entered into no transactions with key management personnel.

(b) Transactions with government related entities during the financial year

During the year, UGDC entered into the following normal course of business and collectively significant transactions with other NSW Government agencies which are controlled/jointly controlled/significantly influenced by NSW Government:

- Landcom for the reimbursement of personnel services of \$4,047,301, property plant and equipment of \$3,304,738, inventory of \$2,366,910, management of projects during the transition period 10,109,816 and various employment related and other provisions of \$2,157,319.
- Property NSW for acquisition of Parramatta North site \$4,100,000.
- Investment in TCorp Hour Glass facility and term deposits of \$16,113,043
- Interest revenue earned from Treasury Banking System of \$4,917,304

(c) Transactions with Urban Growth Development Staff Agency (wholly owned entity)

The individually significant transactions between the UGDC Staff Agency and UGDC are as follows:

- UGDC was charged \$9,188,350 for employment related expenses incurred by the Staff Agency. \$1,325,000 of which is in respect of key management personnel services.
- UGDC transferred the defined benefit super liability of \$519,065 transferred from Landcom to the Staff Agency.

The entity's key management personnel compensation are as follows:

	2018
	\$'000
Short-term employee benefits	959
Post-employment benefits	47
Other long-term benefits	319
Termination benefits	-
Share-based payment	-
Total Remuneration	<u>1,325</u>

During the year, the entity entered into no transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

(d) Transactions with Australian Technology Park (wholly owned entity)

The individually significant transactions between ATP and UGDC are as follows:

- ATP was reimbursed by UGDC for payments made on its behalf of \$30,943.
- UGDC made payments on behalf of ATP of \$22,147.

24 Discontinued operation

ATPSL ceased trading in March 2017 and is currently in the process of being wound up. Reserves of \$16,109k are represented by of a cash balance of \$16,113k held at TCorp and \$4k in residual payables.

25 Events after reporting period

The Corporation has not identified any material assets after the reporting date that require adjustments or disclosure in the financial statements.

Australian Technology Park Sydney Limited

Financial Statements

For the year ended 30 June 2018



INDEPENDENT AUDITOR'S REPORT

Australian Technology Park Sydney Limited

To Members of the New South Wales Parliament and Members of Australian Technology Park Sydney Limited

Opinion

I have audited the accompanying financial report of Australian Technology Park Sydney Limited (the Company), which comprises the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 12 September 2018, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Emphasis of Matter – Financial report prepared on a liquidation basis

Without qualifying my opinion, I draw attention to Note 1(b) 'Basis of Preparation' which indicates the financial report were not prepared on a going concern basis. The Company is effectively dormant and is expected to be wound up in 2018-19. The financial report have been prepared on a liquidation basis.

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

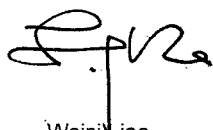
- obtain reasonable assurance about whether the financial report as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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 report.

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

My opinion does not provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Weini Liao
Director, Financial Audit Services

19 September 2018
SYDNEY

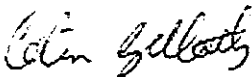
Directors' Declaration

In accordance with a resolution of the Board of Directors of Australian Technology Park Sydney Limited ('ATPSL') made pursuant to *section 295(5) of the Corporations Act 2001* and *section 41C of the Public Finance and Audit Act 1983*, we hereby declare that:

1. The financial statements and notes as set out on the pages that follow:
 - (a) comply with Accounting Standards, the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, the *Corporations Act 2001* and other mandatory NSW Treasury accounting policies as they apply on a liquidation basis; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed by:



Dr Colin Gellatly AO
Chairman
ATPSL

18/9/18



Barry Mann
Managing Director
ATPSL

Sydney, dated 18 September 2018

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
Expenses excluding losses			
Operating expenses			
-Employee related	2(a)	96	897
-Other operating expenses	2(b)	65	4,526
Depreciation and amortisation	2(c)	-	459
Total expenses excluding losses		161	5,882
Revenue			
Sale of goods and services	3(a)	-	5,593
Investment revenue	3(b)	316	893
Total revenue		316	6,486
Gains / (losses) on disposal	4	-	18
Net result		155	622
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive income		155	622

The accompanying notes form part of these financial statements.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
Current assets			
Cash and cash equivalents	5	16,113	16,013
Receivables	6	-	39
Total current assets		16,113	16,052
Total assets		16,113	16,052
Liabilities			
Current Liabilities			
Payables	8	4	77
Provisions		-	21
Total current liabilities		4	98
Total liabilities		4	98
Net assets		16,109	15,954
Equity			
Accumulated funds		16,109	15,954
Total equity		16,109	15,954

The accompanying notes form part of these financial statements.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated funds	Total
	\$000	\$000
Balance at 1 July 2017	15,954	15,954
<hr/>		
Net result for the year	155	155
<hr/>		
Other comprehensive income:		
Net increase/(decrease) in assets revaluation surplus	-	-
Total other comprehensive income	-	-
<hr/>		
Total comprehensive income for the year	155	155
Balance at 30 June 2018	16,109	16,109
<hr/>		
	Accumulated funds	Total
	\$000	\$000
Balance at 1 July 2016	15,332	15,332
<hr/>		
Net result for the year	622	622
<hr/>		
Other comprehensive income:		
Net increase/(decrease) in assets revaluation surplus	-	-
Total other comprehensive income	-	-
<hr/>		
Total comprehensive income for the year	622	622
Transactions with owners in their capacity as owners		-
Balance at 30 June 2017	15,954	15,954
<hr/>		

The accompanying notes form part of these financial statements.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to Parent		-	(14,005)
Suppliers for goods and services		(172)	(5,873)
Employee related		(96)	(1,575)
Total Payments		(268)	(21,453)
Receipts			
Sale of services		2	6,777
Interest Received		355	893
Other		11	-
Total Receipts		368	7,670
NET CASH FLOWS FROM OPERATING ACTIVITIES	12	100	(13,783)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	158
Proceeds from sale of investments		-	9,533
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	9,691
CASH FLOWS FROM FINANCING ACTIVITIES			
Non-Trading advances from parent entity		-	(11,500)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	(11,500)
Net increase/(decrease) in cash held		100	(15,592)
Opening cash and cash equivalents		16,013	31,605
CLOSING CASH AND CASH EQUIVALENTS	5	16,113	16,013

The accompanying notes form part of these financial statements

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

1 Summary of significant accounting policies

(a) Reporting entity

Australian Technology Park Sydney Limited (ATPSL) is a not-for-profit public company limited by guarantee controlled by sole member UrbanGrowth NSW. ATPSL previously managed the Australian Technology Park in Eveleigh prior to the sale of the park in April 2016. The entity is effectively dormant, and it is expected that it will be wound up in Financial year 2018/19 pending the Premiers approval. During the current financial year activities were focused on wind up activities with costs of \$161k. Income of \$316k was derived from short term cash balances held at T Corp. Net assets at 30 June 2018 were \$16,109k and net income for the year ended 30 June was \$155k.

The financial statements for the year ended 30 June 2018 were authorised for issue by the Board.

(b) Basis of preparation

The Company's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015, Corporations Act 2001 and the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Due to the intention to de-register ATPSL, the Board has determined that the going concern basis of preparation (as applied in previous years) is no longer appropriate. Accordingly, the financial statements are not prepared on a going concern basis.

Consistent with the Board's decision, management have applied the requirements of paragraph 25 of AASB 101 Presentation of Financial Statements which states that "When the financial report is not prepared on a going concern basis, it shall disclose that fact, together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern."

Accounts reported on a liquidation basis

These accounts have therefore been prepared on a liquidation basis.

Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities, and disclosures in the financial report:

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. The liquidation value of assets is their net realisable value. Net realisable value is based on the proceeds receivable on disposal less restructure and liquidation costs as detailed in the accounting policies noted below. The liquidation value of liabilities is their expected settlement amount as detailed in the accounting policies noted below. Any gains or losses resulting from measuring assets and liabilities to the liquidation value are recognised in profit or loss.

Under the liquidation basis of accounting, all assets and liabilities are classified as current. In adopting the liquidation basis, management at the Board's direction have continued to apply the disclosure requirements of Australian Accounting Standards, to the extent they are relevant to the liquidation basis and have modified them where this is considered appropriate. In particular, the financial report does not include all of the disclosures required by the following standards on the basis that the disclosures are not considered relevant for decision-making by users as described below:

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations

Given that all ATPSL commercial operations are considered discontinued, the disclosures under AASB 5 that separate between continuing and discontinuing operations are not considered relevant to users.

- AASB 7-Financial Instruments: Disclosures

The information on exposures to financial risks are not considered relevant to users given that the financial risk exposures are not representative of the risks that will exist going forward.

- AASB 101 Presentation of Financial Statements

Information on capital management is not considered relevant for users to understand what is managed as capital given the disclosures around the basis of preparation change from "going concern" to "liquidation".

The accounting policies adopted are consistent with those of the previous financial years except for changes specified related to the adoption of the liquidation basis of preparation.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

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

(d) Insurance

The Company'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) Taxes

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

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office, is recognised as part of the cost of acquisition of the asset or as part of an item of the 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 Australian Taxation Office, are classified as operating cash flows.

(ii) Income tax

On 16 February 2005, a private ruling was made in favour of the Company, where it was deemed that Section 24AM of Income Tax Assessment Act 1936 applies to exempt the Company's income from the imposition of income tax given its status a NSW government agency. The ruling has been reconfirmed several times, most recently on 29 June 2011.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Amounts disclosed as revenue are net of allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Revenue is recognised for the major business activities as follows:

(ii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. Investment revenue comprises interest revenue on funds invested with financial institutions. In addition, any changes in fair value of financial assets held with the NSW Treasury Corporation's Hour-Glass facilities represented by a number of units of a management investment pool at fair value through profit or loss.

(iii) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(g) Expenditure

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the Company has benefited by receiving goods or services and the expenditure can be reliably measured.

Employee benefits expenses

Employee benefits expenses include salaries and wages for the period, workers compensation insurance premium for the period and 9.5% superannuation contribution incurred for employees. Annual leave and long service leave expenses are charged as stated in Note 2.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

(h) Assets

(i) Depreciation of Property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Company.

All material identifiable components of assets are depreciated separately over their useful lives.

(ii) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, short term deposits with original maturities of three months or less, and short term Hourglass facility held with NSW Treasury Corporation (T-Corp). These are readily convertible to cash and classified as cash and cash equivalents.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(iv) impairment of financial assets

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for-impairment is used when there is objective evidence that the Company will not be able to collect all amounts due.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired.

For financial assets carried at amortised cost, the amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xii) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Company transfers the financial asset:

- where substantially all the risks and rewards have been transferred or;
- where the Company has not transferred substantially all the risks and rewards, if the Company has not retained control.

Where the Company has neither transferred substantially all the risks and rewards nor transferred control of the financial asset, the asset is recognised by the Company to the extent of its continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(i) Liabilities

Payables

These amounts represent liabilities for goods and services provided to the Company and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

(ii) Employee benefits

Wages and salaries, annual leave, sick leave and on-costs

- **ATPSL staff are employed under conditions in accordance with the Fair Work Act 2009.**

Liabilities for wages and salaries, including non-monetary benefits and annual 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 in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be wholly settled within twelve months is measured at present value in accordance with AASB 119 Employee Benefits.

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

The outstanding amounts of workers' compensation, insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses when the employee benefits to which they relate have been recognised.

- **Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Commonwealth government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

- **Termination benefits**

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense and provision if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Other provisions

Other provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event. The obligation can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The discount rate used to determine the present value reflects current assessments of the time value of money, and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

(i) Equity and reserves

(i) Accumulated funds

The category 'accumulated funds' includes all current and prior period retained funds.

(j) Comparative information

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

(k) Budgeted amounts

Budget comparisons are not included in the Financial Statements as ATPSL is not part of the General Government Sector.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

(m) Fair value hierarchy

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 - quoted 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 entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(n) Application of new and revised Australian Accounting Standards

The company has assessed new accounting standards and interpretations to have minimal impact as the accounts are prepared on a liquidation basis.

2. Expenses Excluding Losses

(a) Employee related expenses

	2018	2017
	\$'000	\$'000
Salaries and wages (including annual leave)	86	627
Superannuation	10	76
Workers' compensation insurance	-	(2)
Fringe benefit tax	-	12
Other employee expenses*	-	9
Contractors and consultants	-	175
	96	897

(b) Other operating expenses include the following:

Auditor's remuneration		
Audit of financial statements	8	38
Conference centre cost of sales	-	2,492
Consultants	18	62
Contractors	-	87
Insurance	-	5
Property expenses	2	-
Legal	5	35
Advertising	-	26
Administration	-	69
Cleaning	-	29
IT	2	252
Other	30	306
Rent expense	-	1,125
	65	4,526

* there is no employee related maintenance included in Note 2(a)

(c) Depreciation and amortisation expense

	2018	2017
Depreciation		
- Plant and equipment	-	419
- Furniture and fittings	-	37
	-	456
Amortisation		
-Software	-	3
	-	459

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

3 Revenue

	2018	2017
	\$'000	\$'000
(a) Sale of services	-	5,593
(b) Investment revenue		
Bank deposits	-	848
T Corp Hour-Glass and term deposits designated at fair value through profit or loss	316	45
	316	893

4 Gain/(loss) on disposal

Net gain(loss) on disposal of property, plant and equipment	-	18
	-	18

5 Current Assets - Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Cash at bank and on hand	-	1,625
NSW Treasury Corporation Hour - Glass Cash Facility	16,113	14,388
	16,113	16,013

6 Current Assets - Receivables

	2018	2017
	\$'000	\$'000
Trade receivables	-	8
Receivable from parent entity	-	25
Goods and Services tax recoverable	-	6
	-	39

	2018	2017
	\$'000	\$'000
Movement in the allowance for impairment		
Balance at 1 July	-	12
(Decrease) in allowance recognised in profit or loss	-	(12)
	-	-

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2018

7 Non Current Assets - Property, Plant and Equipment

	2018	2017
	\$'000	\$'000
Plant and Equipment		
Gross carrying value	-	565
Accumulated Depreciation and impairment	-	(418)
Disposals	-	(147)
Net carrying value	<u>-</u>	<u>-</u>
Furniture and Fittings		
Gross carrying value	-	44
Accumulated Depreciation and impairment	-	(38)
Disposals	-	(6)
Net carrying value	<u>-</u>	<u>-</u>
Arts and artefacts		
Gross carrying value	-	5
Accumulated Depreciation and impairment	-	-
Disposals	-	(5)
Net carrying value	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment		
At fair value or at cost	-	614
Accumulated depreciation and impairment	-	(456)
Disposals	-	(158)
Carrying amount at fair value or at cost	<u>-</u>	<u>-</u>

8 Current Liabilities - Payables

	2018	2017
	\$'000	\$'000
Accrued salaries, wages and on-costs	-	10
Creditors	-	67
Other Payables	4	-
	<u>4</u>	<u>77</u>

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

9 Current/Non-Current Liabilities

	2018			2017		
	Current	Non-Current	Total	Current	Non-Current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Annual leave	-	-	-	4	-	4
Restructuring costs	-	-	-	17	-	17
	-	-	-	21	-	21

10 Commitments for expenditure

There were no capital commitments in the current or prior year.

11. Contingent assets and contingent liabilities

There was no known contingent assets or contingent liabilities as at 30 June 2018 (2017: Nil).

12 Reconciliation of net cashflows from operating activities to net result

	2018	2017
	\$'000	\$'000
Net cash flow from operating activities	100	(13,783)
Depreciation and amortisation	-	(459)
Decrease/(increase) in Receivables	(39)	-
Decrease/(increase) in Payables	73	-
Decrease/(increase) in provisions	21	-
Increase/(decrease) in prepayments and other assets	-	(1,165)
Decrease/(increase) in creditors	-	15,351
Net gains/(losses) from sale of discontinued operation	-	678
Net result	155	622

13 Related party disclosures

The Company's related parties include its key management personnel, and related entities. The Company is a wholly owned controlled entity of UrbanGrowth NSW Development Corporation (UGDC).

(a) Key management personnel

We have determined the Managing Director, Board Members and General Manager to meet the definition of Key Management Personnel. The Managing Director is not remunerated by ATPSL.

During the year, the entity entered into transactions at arm's length terms and conditions with key management personnel. Total Key Management Personnel remuneration amounted to \$32,850.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

13 Related party disclosures (continued)

(b) Transactions with government related entities during the financial year

During the year, ATP entered into the following normal course of business and collectively significant transactions with other NSW Government agencies which are controlled/jointly controlled/significantly influenced by NSW Government.

The individually significant transactions between ATP and UGDC are as follows:

- ATP was reimbursed by UGDC for payments made on its behalf of \$30,943.
- UGDC made payments on behalf of ATP of \$22,147.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

14 Financial Instruments

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

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

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

(a) Financial Instrument categories

Financial assets	Note	Category	Carrying amount [^]	Carrying amount [^]
			2018 \$'000	2017 \$'000
	5	N/A	16,113	16,013
Cash and cash equivalents				
Receivables*	6	Loans and receivables (at amortised cost)	-	33
Total financial assets			16,113	16,046

Financial liabilities	Note	Category	Carrying amount [^]	Carrying amount [^]
			2018 \$'000	2017 \$'000
Trade and other payables**	8	Financial liabilities (at amortised cost)	4	77
Total financial liabilities			4	77

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

[^]Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass cash facilities, which are measured at fair value. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

14 Financial Instruments (continued)

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System and bank term deposits. Interest is earned on daily bank balances at the monthly average NSW TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

There were no trade debtors as at 30 June 2018 (2017: NIL).

Company Deposits

The Company has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. The deposits at balance date were earning an average interest rate of 2.72% (2017: 2.31%), while over the year the weighted average interest rate was 1.99% (2017: 2.8%) on a weighted average balance during the year of \$16.02m (2017: \$31.45m). None of these assets are past due or impaired.

(b) Credit risk

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

Credit risk associated with the Company's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Company deposits held with NSW Treasury Corporation (TCorp) are guaranteed by the State.

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility.

During the current and prior year, there were no loans payable. The Company has a \$35k business credit card facility which is not utilised at balance date. The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of the company (or a person appointed by the Head of the company) may automatically pay the supplier simple interest. The rate of interest applied during the year was 3% (2017: 3%).

The table below summarises the maturity profile of the Company's financial liabilities, together with the interest rate exposure.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposures to market risk are primarily through interest rate risk on the Company's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Company 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 Company operates and the time frame for the assessment (i.e. until

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

14 Financial Instruments (continued)

the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

	Carrying amount \$000	Profit - 1% \$000	Equity - 1% \$000	Profit +1% \$000	Equity +1% \$000
At 30 June 2018					
Financial assets					
Cash and cash equivalents	16,113	(161)	(161)	161	161
Receivables*	-	-	-	-	-
Financial liabilities					
Payables**	4	0	0	(0)	(0)
At 30 June 2017	\$000	\$000	\$000	\$000	\$000
Financial assets					
Cash and cash equivalents	16,013	(160)	(160)	160	160
Receivables*	33	(0)	(0)	0	0
Financial liabilities					
Payables**	77	1	1	(1)	(1)

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

Other price risk - TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Company has no direct equity investments. The Company holds units in the following Hour-Glass investment trusts:

Facility	Investment sectors	Investment Horizon	2018 \$'000	2017 \$'000
Cash Facility	Cash, money market instrument	Up to 1.5 years	16,113	14,388

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for the above facility and is required to act in the best interest of the unit holders and to administer the trust in accordance with the trust deed. As trustee, TCorp has appointed external managers to manage the performance and risks of the facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Company's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018

14 Financial Instruments (continued)

NSW TCorp provides sensitivity analysis information for its Investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). A reasonably visible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for cash facility (balance from Hour-Glass statement).

Impact on Profit/Loss	Change in unit price	Impact on profit/loss	
		2018	2017
		\$'000	\$'000
Hour Glass - Cash Facility	+/-1%	161	144

The Company is also exposed to price risk based on the demand and supply of lettable area at the Australian Technology Park.

(e) Fair value measurement

(i) fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. The value of the Hour-Glass Investments is based on the Company's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short-term nature of many of the financial instruments.

(ii) Fair value recognised in the Statement of Financial Position

The Company uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 - Derived from quoted prices in active markets for identical assets or liabilities.

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - Derived from valuation techniques that include inputs for the asset or liability not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
At 30 June 2018	\$'000	\$'000	\$'000	\$'000

Financial assets at fair value

TCorp Hour- Glass facility	-	16,113	-	16,113
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	Level 1	Level 2	Level 3	Total
At 30 June 2017	\$'000	\$'000	\$'000	\$'000

Financial assets at fair value

TCorp Hour- Glass facility	-	14,388	-	14,388
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**AUSTRALIAN TECHNOLOGY PARK SYDNEY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2018**

15 Events after reporting period

At the date of the preparation of the financial statements final approval for the wind up of ATPSL had not been received from the NSW Premier.

16 Members' guarantee

Australian Technology Park Sydney Limited is limited by guarantee and has one member (2017: one). If the Company is wound up, the Company's constitution states that each member is required to contribute \$20 towards meeting any outstanding liability of the Company.

**UrbanGrowth NSW Development Corporation
Staff Agency**

Financial Statements

For the year ended 30 June 2018



INDEPENDENT AUDITOR'S REPORT

UrbanGrowth NSW Development Corporation Staff Agency

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UrbanGrowth NSW Development Corporation Staff Agency (the Agency), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Agency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Agency's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Chief Executive Officer is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise of the Statement by the Chief Executive Officer.

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

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

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

I have nothing to report in this regard.

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive Officer 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 Chief Executive Officer is responsible for assessing the Agency's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Agency will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that the Agency 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.

A handwritten signature in blue ink, appearing to read 'W. Liao', with a vertical line extending downwards from the end of the signature.

Weini Liao
Director, Financial Audit Services

27 September 2018
SYDNEY

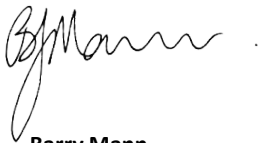
Statement by Chief Executive Officer

Statement by Chief Executive Officer on the adoption of the financial statements for the year ended 30 June 2018.

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983*, I declare that in my opinion:

- (1) The accompanying financial statements and notes thereto exhibit a true and fair view of the financial position and financial performance of *UrbanGrowth NSW Development Corporation Staff Agency* as at 30 June 2018.
- (2) The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions mandated by the Treasurer; and

I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Barry Mann

Chief Executive Officer

UrbanGrowth NSW Development Corporation – Staff Agency

Sydney, 27 September 2018

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$'000	2017 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2	(9,233)	-
TOTAL EXPENSES EXCLUDING LOSSES		(9,233)	-
Revenue			
Personnel services revenue	3	9,188	-
TOTAL REVENUE		9,188	-
NET RESULT		(45)	-
Other comprehensive income			
Gain / (Loss) on defined benefit plans		45	-
Total other comprehensive income		45	-
TOTAL COMPREHENSIVE INCOME		-	-

The accompanying notes form part of these financial statements

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	500	-
Receivables	5	1,765	-
Total Current Assets		2,265	-
Total Assets		2,265	-
LIABILITIES			
Current Liabilities			
Payables	6	267	-
Provisions	7	1,292	-
Total Current Liabilities		1,559	-
Non-Current Liabilities			
Provisions	7	706	-
Total Non-Current Liabilities		706	-
Total Liabilities		2,265	-
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

The accompanying notes form part of these financial statements

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Accumulated funds \$'000
Balance at 1 July 2017		-
Net result for the year		(45)
Total comprehensive income		45
Balance at 30 June 2018		-
Balance at 1 July 2016		-
Net result for the year		-
Total comprehensive income		-
Balance at 30 June 2017		-

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(8,200)	-
Total Payments		(8,200)	-
Receipts			
Personnel services revenue		8,700	-
Total Receipts		8,700	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	500	-
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net increase/(decrease) in cash held		500	-
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS	4	500	-

The accompanying notes form part of these financial statements

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY

1. Summary of Significant Accounting Policies

(a) Reporting entity

UrbanGrowth NSW Development Corporation Staff Agency (the Agency) was re-established as an executive agency related to the Department of Premier and Cabinet on 22 June 2017 under the State Revenue and Other Legislation Amendment (Budget Measures) Act 2017. It is a not for profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at 19 Martin Place, Sydney, NSW, 2000.

The Agency's only function is to provide personnel services to UrbanGrowth NSW Development Corporation (the Corporation).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Chief Executive Officer on 27 September 2018.

(b) Basis of preparation

The Agency's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* financial reporting directions mandated by Treasurer.

Set out below is a summary of the significant accounting policies.

Non-taxable entity

The Agency is exempt from the National Tax Equivalent Regime (NTER) and as such is not required to pay income tax.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Agency's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

All amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

(c) Statement of compliance

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

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

1. Summary of Significant Accounting Policies (continued)

(d) Income recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(e) Assets

(i) Receivables

Receivables are recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

Receivables are recognised initially at original invoice amount, usually based on transaction cost or face value.

Receivables are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the Agency will not be able to collect all amounts due. The amount of the impairment loss is recognised in the Statement of Comprehensive income.

(f) Liabilities

(i) Payables

Payables represent liabilities for goods and services provided to the Agency. Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

Payables are recognised at fair value, when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

(ii) Employee Benefits

(a) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the period in which the employees render the services are measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

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).

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

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefit to which they relate have been recognised.

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

1. Summary of Significant Accounting Policies (continued)

(b) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 18/13) to employees with five or more years of service, using current rates of pay. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. A discount rate of 2.7% (2017: n/a) was applied for discounting purposes.

(c) Superannuation

Contributions to both the defined contribution and defined benefit funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Movements in the net defined benefit fund liability are recognised in other comprehensive income.

Pillar Administration advises UrbanGrowth NSW Development Corporation of the level of liability for UrbanGrowth NSW's defined benefit superannuation commitments to its employees who are members of the various divisions of the scheme. The calculation of the superannuation position is based on actuarial reviews independent of UrbanGrowth NSW Development Corporation's ongoing activities and involvement. The main drivers of the actuarial calculations are the level of investment return, salary inflation and CPI increases.

UrbanGrowth NSW Development Corporation has an obligation for the defined benefit contribution which becomes payable on and after retirement of staff. Contribution is made to the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non Contributory Superannuation Scheme (SANCS).

The SAS Trustee Corporation through the fund's actuary has determined that the unfunded superannuation contributions as at 30 June 2018 for the SAS, SANCS and SSS was estimated at \$552,366 (2017: nil).

Amounts representing prepaid superannuation contributions are recognised as an asset. Amounts representing unfunded superannuation are recognised as a liability. Actuarial gains and losses are recognised immediately as other Comprehensive Income/outside profit and loss in the year in which they occur.

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 30 JUNE 2018

1. Summary of Significant Accounting Policies (continued)

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

Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2017-18:

Standard	Impact
<i>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	The impact is likely to be minimal
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	To be considered when applicable.

(h) New Australian Accounting Standards issued but not yet effective.

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

The following new Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 17-04):

Accounting Standards/Interpretations	Effective for annual reporting periods beginning on or after	Impact of standards issued but not yet effective	Expected to be initially applied in the financial year ending
<i>AASB 9 Financial Instruments and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 1058 Income of Not-for-profit Entities</i>	1 January 2019	"	30 June 2020

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

1. Summary of Significant Accounting Policies (continued)

<i>AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 January 2018	"	30 June 2019
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 January 2019	"	30 June 2020
<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 January 2019	"	30 June 2020
<i>AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4</i>	1 January 2018	It is considered that this standard will not impact on the financial statements	30 June 2019
<i>AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2018	"	30 June 2019

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 30 JUNE 2018

	2018 \$'000	2017 \$'000
2 Expenses Excluding Losses		
Employee related expenses		
Salaries and wages (including annual leave)	8,135	-
Superannuation – defined contribution plans	496	-
Superannuation – defined benefit plans *	155	-
Payroll tax and fringe benefit tax	437	-
Other employee expenses	10	-
	9,233	-
* Defined benefit contributions were paid by Landcom during the year and reimbursed by the Agency as the final transfer of the net defined benefit liability in May 2018.		
3 Revenue		
Personnel services revenue UGDC	9,188	-
	9,188	-
4 Current Assets - Cash and Cash Equivalents		
Cash at bank and on hand	500	-
	500	-
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short term deposits.		
5 Current Receivables		
Receivable from UrbanGrowth NSW Development Corporation	1,765	-
	1,765	-
6 Current / Non-Current - Payables		
Payable - accrued salaries, wages and on-costs	267	-
	267	-

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

	2018	2017
	\$'000	\$'000
7 Current / Non-Current - Provisions		
Annual leave (current)	678	-
Long service leave (current)	614	-
Long service leave (non-current)	154	-
Defined benefit super liability (non-current)	552	-
	1,998	-

All annual leave classified as a current liability is expected to be settled within 12 months of balance date.

Aggregate employee benefits and related on-costs

Provisions - current	1,292	-
Provisions - non-current	154	-
Defined benefit super liability (non-current)	552	-
Accrued salaries, wages and on-costs (note 6)	267	-
	2,265	-

8 Commitments for Expenditure

The Agency has no capital commitments or lease commitments at 30 June 2018 (2017: nil).

9 Contingent Liabilities and Contingent Assets

There are no known contingent liabilities or assets at balance date (2017: nil).

10 Reconciliation of Cash Flows from Operating Activities to Net Result

	2018	2017
	\$'000	\$'000
Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income		
Net cash from /(used on) operating activities	500	-
(Decrease)/increase in receivables	1,765	-
(Increase)/decrease in creditors	(267)	-
(Increase)/decrease in provisions	(1,998)	-
Net Result	-	-

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

11 Superannuation

Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The most recent investigation was performed as at 30 June 2015. The actuary has commenced work on the 30 June 2018 investigation. Once completed, the report will be available on the Fund's website.

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- * Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- * Management and investment of the fund assets; and
- * Compliance with other applicable regulations.

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** – The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The Pooled Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

There were no fund amendments, curtailments or settlements during the year.

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

11 Superannuation (continued)

	SASS 30-Jun-18	SANCS 30-Jun-18	SSS 30-Jun-18	TOTAL 30-Jun-18
Member Numbers				
Contributors	2	2	0	
Deferred benefits	0	0	0	
Pensioners	0	0	0	
Pensions fully commuted	0	0	0	
Superannuation Position for AASB 119 purposes	A\$	A\$	A\$	A\$
Accrued liability (Note 1)	1,960,964	321,772	0	2,282,736
Estimated reserve account balance	(1,514,348)	(216,022)	0	(1,730,370)
1. Deficit/(surplus)	446,616	105,750	0	552,366
2. Future Service Liability (Note 2)	287,704	122,438	0	410,142
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	0	0	0	0
4. Net (asset)/liability to be recognised in statement of financial position (1. + 3.)	446,616	105,750	0	552,366

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed. (Note: this also includes a contribution tax provision).

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 30 JUNE 2018

11 Superannuation (continued)

	SASS 20 October 2017 to 30 June 2018 A\$	SANCS 20 October 2017 to 30 June 2018 A\$	SSS 20 October 2017 to 30 June 2018 A\$	Total 20 October 2017 to 30 June 2018 A\$
Net Defined Benefit Liability/(Asset) at start of year	416,677	102,388	0	519,065
Current service cost	60,328	8,187	0	68,515
Net Interest on the net defined benefit liability/(asset)	7,831	1,980	0	9,811
Past service cost	0	0	0	0
(Gains)/losses arising from settlements	0	0	0	0
Actual return on Fund assets less Interest income	(43,624)	(5,201)	0	(48,825)
Actuarial (gains)/losses arising from changes in demographic assumptions	(2,268)	(1,523)	0	(3,791)
Actuarial (gains)/losses arising from changes in financial assumptions	17,853	4,099	0	21,952
Actuarial (gains)/losses arising from liability experience	(10,181)	(4,180)	0	(14,361)
Adjustment for effect of asset ceiling	0	0	0	0
Employer contributions	0	0	0	0
Effects of transfers in/out due to business combinations and disposals	0	0	0	0
Net Defined Benefit Liability/(Asset) at end of year	446,616	105,750	0	552,366

	SASS 20 October 2017 to 30 June 2018 A\$	SANCS 20 October 2017 to 30 June 2018 A\$	SSS 20 October 2017 to 30 June 2018 A\$	Total 20 October 2017 to 30 June 2018 A\$
Fair value of Fund assets at beginning of the year	1,419,788	206,916	0	1,626,704
Interest income	27,682	4,001	0	31,683
Actual return on Fund assets less Interest income	43,624	5,201	0	48,825
Employer contributions	0	0	0	0
Contributions by participants	23,511	0	0	23,511
Benefits paid	0	0	0	0
Taxes, premiums & expenses paid	(257)	(96)	0	(353)
Transfers in/out due to business combinations and disposals	0	0	0	0
Contributions to accumulation section	0	0	0	0
Settlements	0	0	0	0
Exchange rate changes	0	0	0	0
Fair value of Fund assets at end of the year	1,514,348	216,022	0	1,730,370

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

11 Superannuation (continued)

	SASS 20 October 2017 to 30 June 2018 A\$	SANCS 20 October 2017 to 30 June 2018 A\$	SSS 20 October 2017 to 30 June 2018 A\$	Total 20 October 2017 to 30 June 2018 A\$
<i>Present value of defined benefit obligations at beginning of the year</i>	1,836,465	309,304	0	2,145,769
Current service cost	60,328	8,187	0	68,515
Interest cost	35,513	5,981	0	41,494
Contributions by participants	23,511	0	0	23,511
Actuarial (gains)/losses arising from changes in demographic assumptions	(2,268)	(1,523)	0	(3,791)
Actuarial (gains)/losses arising from changes in financial assumptions	17,853	4,099	0	21,952
Actuarial (gains)/losses arising from liability experience	(10,181)	(4,180)	0	(14,361)
Benefits paid	0	0	0	0
Taxes, premiums & expenses paid	(257)	(96)	0	(353)
Transfers in/out due to business combinations and disposals	0	0	0	0
Contributions to accumulation section	0	0	0	0
Past service cost	0	0	0	0
Settlements	0	0	0	0
Exchange rate changes	0	0	0	0
<i>Present value of defined benefit obligations at end of the year</i>	1,960,964	321,772	0	2,282,736

	SASS 20 October 2017 to 30 June 2018 A\$	SANCS 20 October 2017 to 30 June 2018 A\$	SSS 20 October 2017 to 30 June 2018 A\$	Total 20 October 2017 to 30 June 2018 A\$
<i>Adjustment for effect of asset ceiling at beginning of the year</i>	0	0	0	0
Interest on the effect of asset ceiling	0	0	0	0
Change in the effect of asset ceiling	0	0	0	0
<i>Adjustment for effect of asset ceiling at end of the year</i>	0	0	0	0

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 30 JUNE 2018

11 Superannuation (continued)

Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 June 2018

Asset category	Total (A\$'000)	Quoted prices	Significant	Unobservable
		in active markets for identical assets	observable inputs	inputs
	Level 1 (A\$'000)	Level 2 (A\$'000)	Level 3 (A\$'000)	
Short Term Securities	4,401,164	2,185,469	2,215,695	0
Australian Fixed Interest	2,234,921	41,854	2,193,067	0
International Fixed Interest	1,396,107	8,116	1,387,991	0
Australian Equities	9,271,405	8,719,442	548,908	3,055
International Equities	10,891,350	8,499,476	2,391,501	373
Property	3,711,287	788,018	608,934	2,314,335
Alternatives	9,894,829	420,897	5,332,819	4,141,113
Total	41,801,063	20,663,272	14,678,915	6,458,876

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

11 Superannuation (continued)

The percentage invested in each asset class at the reporting date is:

As at	30-Jun-18
Short Term Securities	10.5%
Australian Fixed Interest	5.3%
International Fixed Interest	3.3%
Australian Equities	22.2%
International Equities	26.1%
Property	8.9%
Alternatives	23.7%
Total	100.0%

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 30 JUNE 2018

11 Superannuation (continued)

Fair value of entities own financial instruments

The fair value of the Pooled Fund assets as at 30 June 2018 includes \$97.7 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$280 million (30 June 2017: \$250 million).

Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$287 million (30 June 2017: \$261 million).

As at	30-Jun-18
Discount rate	2.65%
Salary increase rate (excluding promotional increases)	2.7% pa for 2018/19; 3.2% pa thereafter.
Rate of CPI increase	2.25% pa for 2018/19 and 2019/20; 2.5% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are those to be used for the 2018 actuarial investigation of the Pooled Fund. These assumptions will be disclosed in the actuarial investigation report which will be available on the Trustee's website when the investigation is complete. The report will show the pension mortality rates for each age. Alternatively, the assumptions are available on request from the Trustee.

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2018.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	2,282,736	2,474,582	2,113,604

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	2,282,736	2,282,736	2,282,736

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

11 Superannuation (continued)

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A\$)	2,282,736	2,373,458	2,196,662

	Base Case	Scenario G Lower Mortality*	Scenario H Higher Mortality**
Defined benefit obligation (A\$)	2,282,736	2,282,736	2,282,736

*Assumes the short term pensioner mortality improvement factors for years 2018-2023 also apply for years after 2023.

**Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for the years 2018 to 2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability Matching Strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding Arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

a) Surplus/deficit

The following is a summary of the 30 June 2018 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

	SASS	SANCS	SSS	Total
	30-Jun-18	30-Jun-18	30-Jun-18	30-Jun-18
	A\$	A\$	A\$	A\$
Accrued benefits*	1,542,269	221,066	0	1,763,335
Net market value of Fund assets	(1,514,349)	(216,022)	0	(1,730,370)
<i>Net (surplus)/deficit</i>	27,920	5,044	0	32,965

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
 NOTES TO THE FINANCIAL STATEMENTS
 30 JUNE 2018

11 Superannuation (continued)

b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	Multiple of Member Contributions	% of Member Salary	Multiple of Member Contributions
	0.8	2.52	0.0

c) Economic assumptions

The economic assumptions adopted for 30 June 2018 AASB 1056 Accounting Standard "Superannuation Entities" are (these assumptions are consistent with the assumptions to be used for the 2018 actuarial investigation of the Pooled Fund):

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (excluding promotional salary increases)	2.7% for 2018/19; 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

d) Expected Contributions

	SASS	SANCS	SSS	Total
	Financial Year to 30 June 2019	Financial Year to 30 June 2019	Financial Year to 30 June 2019	Financial Year to 30 June 2019
	A\$	A\$	A\$	A\$
Expected employer contributions	26,093	9,663	0	35,755

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 9.6 years.

**URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018**

11 Superannuation (continued)**Profit or Loss Impact**

	SASS	SANCS	SSS	Total
	20 October 2017 to 30 June 2018	20 October 2017 to 30 June 2018	20 October 2017 to 30 June 2018	20 October 2017 to 30 June 2018
	A\$	A\$	A\$	A\$
Current service cost	60,328	8,187	0	68,515
Net interest	7,831	1,980	0	9,811
Past service cost	0	0	0	0
(Gains)/Loss on settlement	0	0	0	0
Profit or loss component of the Defined Benefit Cost	68,159	10,167	0	78,326

Other Comprehensive Income

	SASS	SANCS	SSS	Total
	20 October 2017 to 30 June 2018	20 October 2017 to 30 June 2018	20 October 2017 to 30 June 2018	20 October 2017 to 30 June 2018
	A\$	A\$	A\$	A\$
Actuarial (gains) losses on liabilities	5,404	(1,604)	0	3,800
Actual return on Fund assets less Interest income	(43,624)	(5,201)	0	(48,825)
Change in the effect of asset ceiling	0	0	0	0
Total remeasurement in Other Comprehensive Income	(38,220)	(6,805)	0	(45,025)

URBANGROWTH NSW DEVELOPMENT CORPORATION STAFF AGENCY
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2018

12 Related Party Disclosures

The Agency has determined its related parties to consist of UrbanGrowth NSW Development Corporation (parent entity), Minister for the Cluster and executive team. These individuals are considered to have authority and responsibility to plan, direct and control the activities of the Agency.

The Agency's only function is to provide personnel services to UrbanGrowth NSW Development Corporation (the Corporation). During the period 20 October to 30 June 2018, the amount of the services provided was \$9,188,350 (2017: Nil).

The entity's key management personnel compensation are as follows:

	2018
	\$'000
Short-term employee benefits	959
Post-employment benefits	47
Other long-term benefits	319
Termination benefits	-
Share-based payment	-
Total Remuneration	<u>1,325</u>

During the year, the entity entered into no transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

13 Events after reporting date

The Agency has not identified any events or transactions that are material to require adjustments or disclosures in the financial statements.

End of audited financial statements

APPENDIX – CORPORATE DISCLOSURES

CONTROLLED ENTITIES

Controlled entities' details, operations and performance

UrbanGrowth NSW Development Corporation has two wholly controlled entities:

1. UrbanGrowth NSW Development Corporation Staff Agency (Staff Agency)

The Staff Agency was reinstated from 1 July 2017, and a number of Landcom staff were transferred to the Staff Agency under Premier's Orders with effect from 11 October 2017.

The Staff Agency provides personnel services to the corporation. It achieved its FY18 performance target of making timely and accurate staff payments.

The Staff Agency incurred employment expenses of \$9.188m for the financial year ended 30 June 2018, which were billed in full to the Corporation. Its net income for FY18 and its net assets at year-end were both nil.

2. Australian Technology Park Sydney Limited (ATPSL)

ATPSL is a not-for-profit public company limited by guarantee. It previously managed the Australian Technology Park in Eveleigh until the park was sold to Mirvac in April 2016 and is now effectively dormant. The sole performance target for FY18 was to prepare for an orderly winding up. This was achieved and the company is expected to be wound up in in FY19.

ATPSL incurred wind-up preparation expenses of \$161,000 for the financial year ended 30 June 2018. It earned income for the year of \$316,000 from short-term cash balances held at TCorp. Its net income for FY18 was \$155,000 and its net assets at year-end were \$16.1m.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employment arrangements

The Government Sector Employment Act 2013 was amended to reinstate the UrbanGrowth NSW Development Corporation Staff Agency (staff agency) as part of the portfolio transition.

As at 30 June 2018, staff were employed under the following arrangements:

EMPLOYMENT CATEGORY	NUMBER OF EMPLOYEES
Landcom Executives	23
Landcom Award	22
Crown Award	13
Public Service Senior Executives	4
TOTAL	62

Plans are now being implemented to convert employees transferred under the Premier's Orders to employment contracts under the Government Sector Employment Act (GSE) 2013.

Changes to employment conditions, salaries and allowances

Transferred Landcom employees

Premier's Orders were made which transferred certain Landcom employees to the staff agency with effect from October 2017. Under these transfers, employees retain the same salary, leave entitlements and other employment conditions unless varied with the employee's agreement. For senior managers this applies until the later of the expiry of their existing contract or October 2018 and October 2019 for all other transferred staff.

Crown Award employees

The Industrial Relations Commission made the Crown Employees (Public Sector - Salaries 2018) Award on 22 May 2018. This increases salaries and salary related allowances for Awards and Agreements by 2.5% from the commencement of the first full pay period on or after 1 July 2018.

Public Service Senior Executives

Senior executives are employed under the GSE Act. A Senior Executive Remuneration Management Framework is released around September each year. This provides a remuneration guide based on the Statutory and Other Offices Remuneration Tribunal Determination for senior executives, which is effective 1 July each year.

Consultation

The establishment of a Joint Consultative Committee is currently being finalised. The committee will aim to promote positive relations and mutual understanding between management and the Public Service Association and support genuine efforts to reach agreement. It will consider employment and workplace matters that affect staff and management, such as:

- Human Resources policies, procedures and practices
- Restructuring proposals
- Work health and safety
- Employment Terms and conditions

Performance management

Performance plans, including objectives and personal development, are set annually at or before the start of each financial year. Employees and their managers have regular conversations during the year to discuss progress against the plan and make any adjustments required. Managers also provide ongoing constructive feedback to individual team members.

Working flexibly

We currently support flexibility by offering our people the ability to work from home, work flexible hours, part-time working arrangements and job share opportunities.

A workplace flexibility policy is being developed and will consider other workplace flexibility options.

Staying healthy

We encourage our people to lead healthy and balanced working lives, which we support with our Health+ Employee Wellness Program. This provides access to tools, resources and services, including private confidential health checks, free annual flu vaccinations, and an employee assistance program.

The employee assistance program offers confidential, anonymous, free advice and counselling for employees and their immediate family, operated by an external provider, Optum. It offers guidance and support to help deal with personal or work-related issues.

APPENDIX – CORPORATE DISCLOSURES

FINANCIAL

UrbanGrowth NSW engages consultants for specialist work only where there is no in-house expertise or if additional resources are required.

During the year, UrbanGrowth NSW engaged consultants to assist with the establishment of the new organisation and its separation from Landcom.

In the growth centres, consultants were engaged in specialist areas such as financial modelling and risk assessment, urban planning, design evaluation, delivery and sustainability.

The table below lists all consultancies with spend over \$50,000 during the financial year.

Consultants – engagements costing \$50,000 or more

CONSULTANT	NATURE OF THE CONSULTANCY	SPEND TO DATE* (\$)
ENVIRONMENTAL		
Cardno (NSW/ACT) Pty Ltd	Flooding and Stormwater	111,435
INFORMATION TECHNOLOGY		
Data #3	IT Project and Strategy Consulting Services	143,058
Elcom Technology Pty Ltd	Intranet Separation	54,220
Microchannel Services Pty Ltd	SAP Boyum development consultants	61,995
LEGAL		
King & Wood Mallesons	Legal advice – Bays Precinct	85,649

CONSULTANT	NATURE OF THE CONSULTANCY	SPEND TO DATE* (\$)
MANAGEMENT SERVICES		
Alexandra Kinloch	Business Case Consultant	57,750
Andrew Hoyne Design Pty Ltd	Strategic Design Communication Services	102,040
Corview Group Pty Ltd	Consultancy Services Package	588,640
Enigma Corporate Pty Limited	Event Management & Coordination Services	53,731
Ernst & Young	Business Case Consultancy	83,023
Ernst & Young	Economic Advice	143,995
Hill PDA	Financial Feasibility Consultancy	91,132
HKA Global	Project Management Services	151,822
Kathy Jones & Associates P/L	Communications Contractor	85,641
Metropolitan Security Group	Security Services	118,427
Pegg Property Consulting P/L	Real Estate Advice	94,447
Terroir Pty Ltd	Urban Design Services	668,507
Thelem Consulting Pty Ltd	Project Management Services	214,500
Thelem Consulting Pty Ltd	Development Finance Services	93,600
Thelem Consulting Pty Ltd	Pre-Construction Project Management Services	176,582
Thelem Consulting Pty Ltd	Development Finance Services	127,350
Thelem Consulting Pty Ltd	Project Management, Design Services	179,850
Thelem Consulting Pty Ltd	Project Management Services	179,450
TKD Architects	Heritage Core Masterplan Consultancy	93,814
Urbis Pty Ltd	Communications Advisor	86,694

APPENDIX – CORPORATE DISCLOSURES

CONSULTANT	NATURE OF THE CONSULTANCY	SPEND TO DATE* (\$)
ORGANISATIONAL REVIEW		
Business Psychs Pty Ltd	Organisational Structure and Capability Consultancy	195,000
McCarthy Mentoring Pty Ltd	Mentoring Program Panel	60,000
Moir Recruitment Pty Ltd	Recruitment Services	106,289
TOTAL CONSULTANCIES EQUAL TO OR MORE THAN \$50,000: 28		4,208,641

* Spend to date as at 30 June 2018.

Consultants – engagements costing less than \$50,000

During FY18 UrbanGrowth NSW procured 143 consultancy engagements under individual contracts below \$50,000 each.

The actual spend against these contracts to date (as at 30 June 2018) was \$1,178,627.03.

Annual report costs

Production costs for this Annual Report were kept to a minimum with editing and design services outsourced as they were not available in-house. Costs amounted to \$3,900.

Payment of accounts

The Corporation's accounts payable performance during the financial year is summarised in the table on the following page.

Before January 2018, payments were made by an outsourced provider while internal systems and processes were being established; data is not available for this period.

No penalty interest was paid to small business creditors for late payment during the year.

Corporate credit cards

The Corporation currently has five credit cards on issue with limits of \$10,000 each.

In accordance with NSW Treasury TPP 05/01: Credit Card Use – Best Practice Guidelines, the Corporation certifies that credit card use by UrbanGrowth NSW Development Corporation has been in accordance with the appropriate policies, Premier's Memoranda and Treasurer's Directions.

Overseas travel

No overseas travel occurred in FY18.

Land disposal

No land was disposed of in FY18.

DESCRIPTION	QUARTER ENDED 30 SEP 2017 \$000	QUARTER ENDED 31 DEC 2017 \$000	QUARTER ENDED 31 MAR 2018 \$000	QUARTER ENDED 30 JUN 2018 \$000	TOTAL \$000
Percentage of accounts paid on time			86%	94%	90%
Total dollar value of accounts paid on time					
0 – 30 days			13,062	14,576	27,638
31 – 60 days			-	710	710
61 – 90 days			1,822	150	1,972
> 90 days			328	150	478
TOTAL DOLLAR VALUE OF ACCOUNTS PAID			15,212	15,586	30,798

APPENDIX – CORPORATE DISCLOSURES

CONSUMER INFORMATION

Consumer response

We provide the following inquiry, complaints and feedback mechanisms for the community:

- A community information line - (02) 9216 5700.
- Dedicated information email address - info@ugdc.nsw.gov.au.
- Social media, including Facebook, LinkedIn and Twitter.

All mechanisms are monitored regularly, with enquiries and complaints responded to promptly in line with our complaints handling process and, where appropriate, forwarded on to the relevant person for resolution.

Government Information (Public Access) Act

Formal access applications

During FY18, seven valid formal access applications under the Government Information (Public Access) Act 2009 (GIPA Act) were received. On 20 October 2017, UrbanGrowth NSW officially separated from Landcom. While five of the seven applications were received before 20 October 2017, they are reported here as they relate to our growth centre projects. The processing period in the GIPA Act allowed for one application received in FY17 to be carried into FY18.

The formal applications for FY18 are as follows:

- One application was transferred to Landcom as it related to a Landcom project.
- One formal application was changed to an informal application.
- One formal application was withdrawn at the applicant's request.
- Five formal applications were decided in FY18 as follows:
 - > One application was granted in full subject to redaction.
 - > One application was refused as it would require an unreasonable and substantial diversion of resources.

- > Three applications were partly refused because:
 - some of the information was not held
 - there was a conclusive presumption of overriding public interest considerations against disclosure (as listed in Schedule 1 of the GIPA Act)
 - there were overriding public interest considerations against disclosure of some of the information (as listed in the Section 14 GIPA Act Table).

Other applications in FY18 included:

- Four informal applications
- Five third party consultation requests.

The tables on the following pages contain statistical information about formal access applications received in FY18.

Table A - 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
Media	-	-	-	-	-	-	-	-
Members of Parliament	-	-	-	-	-	-	-	1
Private sector business	-	-	-	-	-	-	-	-
Not for profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	1	3	-	1	-	1	-	-
Members of the public (other)	-	-	-	-	-	-	-	-

Table B - Number of applications by type of application and outcome

	Access Granted In Full	Access Granted In Part	Access Refused In Full	Information Not Held	Information Already Available	Refuse To Deal With Application	Refuse To Confirm/ Deny Whether Information Is Held	Application Withdrawn
Personal information applications	-	-	-	-	-	-	-	-
Access applications (other than personal information applications)	1	3	-	1	-	1	-	1
Access applications that are partly personal information applications and partly other	-	-	-	-	-	-	-	-

Table C - Invalid applications

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the GIPA Act)	-
Application is for excluded information of the agency (section 43 of the GIPA Act)	-
Application contravenes restraint order (section 110 of the GIPA Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

APPENDIX – CORPORATE DISCLOSURES

**Table D – Conclusive presumption of overriding public interest against disclosure:
Matters listed in Schedule 1 of the GIPA Act**

	NUMBER OF TIMES CONSIDERATION USED
Overriding secrecy laws	-
Cabinet information	3
Executive Council information	-
Contempt	-
Legal professional privilege	1
Excluded information	-
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-

**Table E – Other public interest considerations against disclosure:
Matters listed in table to section 14 of the GIPA Act**

	NUMBER OF OCCASIONS WHEN APPLICATION NOT SUCCESSFUL
Responsible and effective government	-
Law enforcement and security	-
Individual rights, judicial processes and natural justice	-
Business interests of agencies and other persons	3
Environment, culture, economy and general matters	-
Secrecy provisions	-
Exempt documents under interstate Freedom of Information legislation	-

Table F – Timelines

	NUMBER OF APPLICATIONS
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	-

Table G – Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

	DECISION VARIED	DECISION UPHELD
Internal review	-	-
Review by Information Commissioner	-	-
Internal review following recommendation under section 93 of GIPA Act	-	-
Review by NSW Civil and Administrative Tribunal	-	-

Table H – Application for review under Part 5 of the GIPA Act (by type of applicant)

	NUMBER OF APPLICATIONS
Applications by access applicants	-
Applications by persons to whom information the subject of access application relates (see section 54 of the GIPA Act)	-

Authorised proactive release of information

Under section 7 of the GIPA Act, agencies must identify the kind of government information that can be made publicly available at least every 12 months.

Our program to proactively release information involves regularly updating our website and individual growth centre and project websites to provide information about policies, projects and initiatives. We also consider publishing information about our community consultations and other commonly requested categories of information and the impact, if any, of proactively releasing this information.

During FY18, we:

- Considered the formal and informal access applications we received.
- Determined that there were no particular additional categories of information that were being regularly or repeatedly requested in the formal applications.

- Reviewed and consulted with staff about information and categories of information that are frequently requested, or which have been proactively released in FY18.
- Did further consultation through team meetings, GIPA briefings and updates.

Where we can, we share our knowledge freely within government, throughout the development industry and among interested members of the public. We have adopted this practice as an effective way to build and maintain credibility. Our decision to share our intellectual property is also an effective way for us to demonstrate and influence change.

We will review this requirement for proactive release of information within the next 12 months.

APPENDIX – CORPORATE DISCLOSURES

Privacy and Personal Information Protection Act

We are committed to protecting individual privacy and ensuring our activities comply with the *Privacy and Personal Information Protection Act 1998* (NSW) (PIIP Act) and the *Privacy Amendment (Private Sector) Act 2000* (Commonwealth).

One complaint was received in FY18 in respect of the use of personal information. The complaint was expeditiously dealt with to the satisfaction of the complainant.

Our privacy management plan is based on the 12 information protection principles under the PIIP Act, which establish standards for using personal information.

The principles and their PIIP Act references are:

1. Collection of personal information for lawful purposes (section 8)
2. Collection of personal information directly from the individual (section 9)
3. Requirements when collecting personal information (section 10)
4. Other requirements relating to collection of personal information (section 11)
5. Retention and security of personal information (section 12)
6. Information about personal information held by agencies (section 13)
7. Access to personal information held by agencies (section 14)
8. Alteration of personal information (section 15)
9. Agency must check accuracy of personal information before use (section 16)
10. Limits on use of personal information (section 17)
11. Limits on disclosure of personal information (section 18)
12. Special restrictions on disclosure of personal information (section 19).

Public interest disclosures

No disclosures were made by public officials or received by UrbanGrowth NSW in relation to any matters under section 31 of the *Public Interest Disclosures Act* (PID Act).

We have a PID Policy and Procedure in place.

Action we have taken to ensure we meet our staff awareness responsibilities under section 6E(1)(b) of the *PID Act* includes management training, portfolio and staff briefings, inductions and team meetings, and intranet notices introducing our PID Policy and Procedure.

Contact details

Our Right to Information Officer and Privacy Coordinator can be contacted by:

Email

righttoinformation@ugdc.nsw.gov.au

Mail

The Right to Information Officer and Privacy Coordinator
UrbanGrowth NSW Development Corporation
Level 12, 19 Martin Place, MLC Centre,
Sydney NSW 2000

INDEX

About UrbanGrowth NSW	10
Our Foundations	11
Our Growth Centres	10
What We Do	10
Who We Are	10
Access	2
Annual Report Costs	151
Appendix	150
Audit and Risk Management Committee	11, 34, 35
CEO Report	6
Community Grants	26
Consultants	148
Contact Details	2, 156
Head Office	2
Right to Information Officer and Privacy Coordinator	156
Cooks Cove	24
Corporate Credit Cards	151
Culture and Values	28
Digital Information Security Attestation statement	37
Diversity and Inclusion	30
Economic Drivers	26
Employees	28
Financial Statements	38
Functions and Structure	11
Government Information (Public Access) Act (GIPA Act)	152
Granville	24
Growth Centres	14
Cooks Cove	24

Parramatta North	21
Redfern - Waterloo	20
The Bays	14
Heritage Conservation	22, 25
Human Resources	146
Changes to employment conditions, salaries and allowances	147
Consultation	147
Employment Arrangements	146
Policies	32
Training and Development	32
Insurance	35
International Travel	151
Investment Performance	26
Key Achievements	8
Land Disposal	151
Legal Changes	151
Letter to the Premier	4
Management Activity	26
Organisation Chart	11
Payment of Accounts	151
Performance Management	147
Place Excellence and Community	19
Privacy and Personal Information Protection Act	156
Public Interest Disclosures	156
Redfern Waterloo Contribution Plan and Affordable Housing Contributions Plan	26
Risk Management Framework	34
Senior Executives	12
Work Health and Safety	35



UrbanGrowth NSW
Development Corporation

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