



UrbanGrowth NSW
Development Corporation

Annual Report 2018/2019



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Please note: On 1 July 2019, the UrbanGrowth NSW Development Corporation was abolished with its functions transferring to Infrastructure NSW

Contents

Contact details	02
Letter to the Premier	04
Our vision	05
Our behaviours	05
Year in review	06
Key achievements	08
About UrbanGrowth NSW	10
Senior executives	12
The Bays	16
Redfern - Waterloo	21
Parramatta North	25
Cooks Cove and Granville	32
Engagement	33
People	36
Risk management and compliance	48
Audit opinion	50
Financial statements	51
Appendix - corporate disclosures	119
Index	131

Letter to the Premier

31 October 2019

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

Dear Premier,

This is the Annual Report for UrbanGrowth NSW Development Corporation for the year ended 30 June 2019 for submission to Parliament.

The report includes financial statements for Australian Technology Park Sydney Limited, which was controlled by the Corporation and has subsequently been deregistered.

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,



Simon Draper

Chief Executive Officer, Infrastructure NSW



“ The redevelopment of the largest fish market in the southern hemisphere also resolves decades of stymied attempts to modernise the facility ”

Australian Financial Review

^ Sydney Fish Market - East entrance render

“ Relocating the fish market to the new site will return Blackwattle Bay’s foreshore to the public, improve pedestrian and cycling links and connect more of Pyrmont to the water as part of the long-awaited revitalisation of the area ”

Gladys Berejiklian



^ Sydney Fish Market - Promenade render



The Bays - Blackwattle Bay

- 95*** Hectares of land
- 94*** Hectares of Sydney Harbour
- 5.5*** Kilometres of waterfront
- 22** Technical studies for the Blackwattle Bay masterplan

*Area is approximate only (including in the overview below).

OVERVIEW

The Bays growth centre is a unique area that sits approximately two kilometres west from the Sydney CBD, on our iconic harbour and at the doorstep of Sydney’s expansive western suburbs. It comprises 5.5 kilometres of harbour front that is currently not accessible to the public, 95 hectares of mostly government-owned land and 94 hectares of Sydney Harbour waterways that encompass White Bay, Rozelle Bay, and Blackwattle Bay. Included within The Bays precinct is the heritage-listed White Bay Power Station, the Glebe Island Bridge and the Sydney Fish Market.

With a vision of enabling and inspiring the creation of extraordinary places, UrbanGrowth NSW led the planning of The Bays holistically with the goal of maximising benefits for the local community while creating a globally significant harbour front destination.

Over the course of the last year, we continued to work with partner agencies to undertake studies to help build our understanding of current and future needs, to inform future urban renewal opportunities.

Due to varying project timeframes, the Bays was split into two focus areas - Blackwattle Bay and Bays West - to help guide the planning process and deliver key destinations.

VISION

Blackwattle Bay

Beginning with the new Sydney Fish Market at the head of Blackwattle Bay, we were leading the long-awaited revitalisation of the area to deliver a vibrant, sustainable place connected to Sydney’s waterfront.

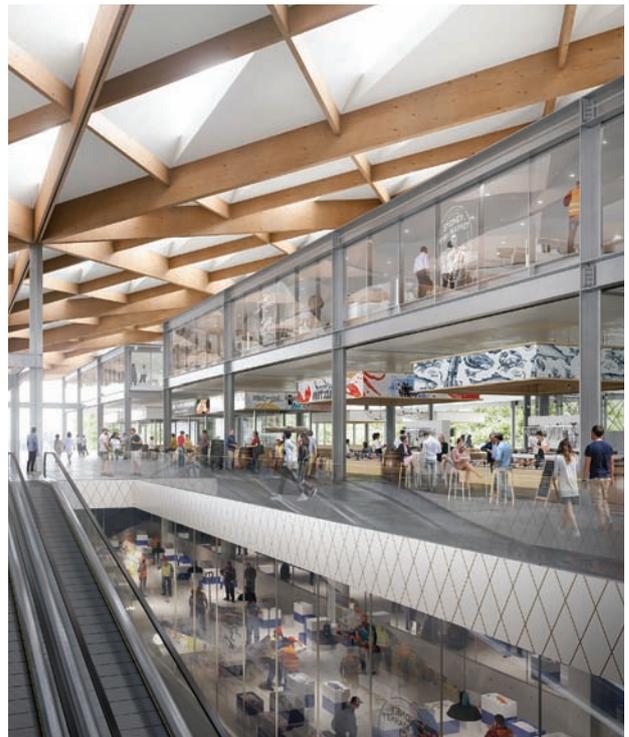
KEY ACHIEVEMENTS

- Released the iconic design for a new, authentic, state-of-the-art fish market
- Signed an Agreement for Lease with the Sydney Fish Market Pty Ltd for the new facility.
- Worked with the local community and other key stakeholders to progress the design and Development Application for the new Sydney Fish Market.
- Continued to progress master planning studies for the Blackwattle Bay investigation area to create a vibrant mixed-use neighbourhood that will deliver new community facilities, open space, a waterfront promenade, pedestrian and cycling infrastructure as well as new homes, shops and jobs on Sydney Harbour.

▼ Current Fish Market tenants



▼ Sydney Fish Market - Upper ground render



PROGRESS

Over the past year, we achieved several key milestones for Blackwattle Bay including releasing the iconic design for a purpose-built, authentic fish market fit for the 21st century. The new Sydney Fish Market will be a world-class food and dining attraction on Sydney harbour.

This vision was informed by the community's aspirations and feedback from the extensive public consultation undertaken since 2014, including the Sydneysiders Summit, the Call for Great Ideas and several public community forums. We commissioned one of the best design teams in the world – renowned Danish architects 3XN – to lead the design, in conjunction with Sydney firms BVN and Aspect Studios.

The decision to relocate the Sydney Fish Market to the head of Blackwattle Bay allows the current fish market to continue to operate with minimal disruption while the new facility is being built. Making provision for the existing fish market to remain operational during the construction of the new facility has set our successful approach apart from previous, unsuccessful attempts to redevelop the current site.

Moving the Sydney Fish Market to the head of the bay will also open up key parts of Sydney Harbour to the public for the first time in decades and provide a critical waterfront link from the Glebe foreshore to Pyrmont. In time, the public will be able to walk around a continuous foreshore from Blackwattle Bay to Barangaroo, the Opera House, the Botanic Gardens and onto Woolloomooloo. The new and iconic Sydney Fish Market building will pair with the Sydney Opera House to book end the harbour city, creating Sydney's next "must do" harbour walk for locals and visitors.

The signing of the Agreement for Lease with Sydney Fish Market Pty Ltd to occupy the new Sydney Fish Market was another key success and critical milestone for UrbanGrowth NSW. This historic achievement has been ratified by the Sydney Fish Market shareholders – Catcher's Trust and SFM Tenants & Merchants Pty Ltd.

Work on a master plan for the Blackwattle Bay area has continued and remains firmly based on the principles that were developed with the community through the Transformation Plan and further consultation in 2017. The master plan will consider design options to deliver community facilities, open space, a promenade, pedestrian and cycling access as well as new homes, shops and jobs to the area.

∨ Sydney Fish Market - South elevation render





The Bays - Bays West

OVERVIEW

Bays West will be highly connected and accessible by both public and active transport. It can become a green and vibrant precinct that is knitted into its neighbourhood and beyond. Ongoing port, maritime and cruise facilities and the site's iconic heritage items will be integrated with new public spaces and foreshore access. Bays West will provide employment space that expands the Sydney CBD and supports new jobs and innovation. It will welcome a mixed and inclusive community with a high level of wellbeing.

VISION

Bays West

Bays West represents the last strategic piece of inner harbour land available for urban renewal. It has rich layers of history, an outstanding but currently inaccessible foreshore, charming and diverse neighbouring suburbs, an authentic identity as a working harbour and valued heritage assets.

KEY ACHIEVEMENTS

- Continued to work across government to ensure the long-term potential and public benefit for Bays West is protected
- Supported investigations into Sydney Metro West, including partnering on the design opportunities for the proposed Metro station at The Bays.
- Continued to collaborate with Port Authority of NSW and Roads and Maritime Services to ensure the needs of strategic port and maritime activities are integrated into future renewal plans.
- Undertook investigations, with the help of structural and heritage advisors, to ensure the integrity of the White Bay Power Station, a State Heritage Listed item and significant historical landmark of Sydney.
- Hosted Australia's leading universities as they successfully explored the idea of phytoremediation as a soil remediation technique for land surrounding the White Bay Power Station.
- Led the cross-government project team assessing urban renewal opportunities including; the possible land and water use options and required regional transport infrastructure and services for Bays West.

PROGRESS

Over the past year, UrbanGrowth NSW's role has been to unite a diverse group of stakeholders, including Transport for NSW, Roads and Maritime Services, Port Authority of NSW, Sydney Metro West, to assess the urban renewal opportunities available at Bays West.

We have led the cross-government project team and guided discussions to ensure focus remains on working towards achieving the best outcome for the people of NSW.

The NSW Government is heavily focussed on delivering major infrastructure projects, including West Connex and Metro West, to provide the critical mass transport links needed to unlock the potential of Bays West and link it to Sydney's booming western suburbs. Over the next decade, Bays West will serve a vital role in the delivery of these major infrastructure projects. Given that urban renewal of Bays West is only possible with improved transport connections, the majority of urban renewal will take place after the works are completed in the late 2020s.

✓ White Bay Power Station buildings



✓ White Bay Power Station





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

Waterloo Estate will become a distinct urban village experience which connects people to each other, to nature and the greater city of Sydney.

The preferred masterplan features a mixed urban village, with more social housing and safe open space with natural features. More facilities, services and shops will be spread throughout the Estate to support a diverse community, in addition to opportunities provided to celebrate an inclusive and vibrant culture. Improved transport, streets and connections will make it easier for safer for residents.

Redfern - Eveleigh

Bring new life to the North Eveleigh precinct by planning and delivering renewal opportunities and creating a centre for culture, creativity and knowledge.

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

*Area is approximate only (including in the overview below).

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

- Held community consultation on a preferred plan for Waterloo Estate
- Lodgement of the Waterloo Metro Quarter state significant precinct study
- Concluded the expression of interest process and progressed the competitive tender process for Waterloo Metro Quarter integrated station development
- Completed the state significant precinct study for Waterloo Estate
- Placemaking and activation in the local Redfern and North Eveleigh community

Redfern-Waterloo

PROGRESS

Waterloo Metro Quarter

Over the last 12 months, we have focused on working towards satisfying the study requirements for, and lodging, the Waterloo nominated state significant precinct (SSP) which supports its potential rezoning. The SSP was put on public exhibition in November 2018 and relates to both integrated station development model for the Waterloo Metro Quarter and the Waterloo Estate under requirements which were revised by the Department of Planning, Industry and Environment (previously the Department of Planning and Environment) in March 2018.

The procurement process for the Metro Quarter is in its final stages with an expected assessment report to be finalised in September 2019, with a preferred tenderer to be announced in the last quarter of 2019 by Sydney Metro.

Waterloo Estate

As part of our masterplanning role, we developed options for the redevelopment of Waterloo Estate. A final preferred plan was developed in early 2019 following extensive community consultation and input.

Redfern - Eveleigh

In collaboration with Transport for NSW, we continued the planning for the urban renewal of Redfern and North Eveleigh.

An integrated approach to planning, design and place making via an amended concept plan is being considered, guided by growth in the technology and innovation sectors.

In March 2019, Transport for NSW announced plans for a new southern concourse at Redfern Station in order to improve station safety and accessibility. We worked closely with Transport for NSW to jointly manage communications, including stakeholder and community engagement, and explore the integration of the station upgrade works with the planned renewal of the precinct.

Place excellence and community

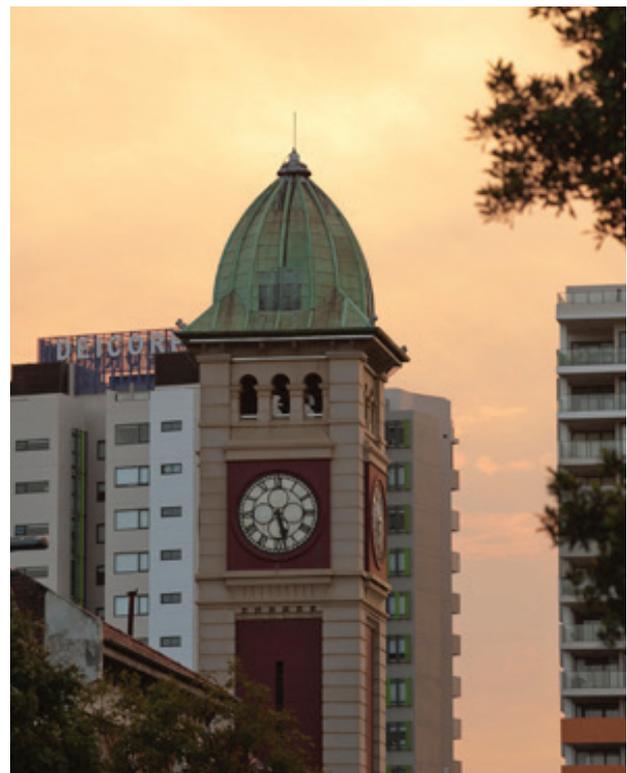
In addition to the long-term renewal of Redfern-Waterloo, activation projects and community programs continued in parallel with other government agencies.

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

▼ Redfern's 40,000 Years Mural



▼ Redfern Street, Redfern



OUR PLACES

The Clothing Store

Throughout the course of the last year, we sponsored and enabled the continuing use of the historic Clothing Store as a temporary art space housing studios, exhibitions and community workshops.

In May 2019, the Clothing Store hosted the Kaldor Public Art Project 34: Absorption by influential New York artist, Asad Raza.

The licensing arrangements with RailCorp and Carriageworks for the art space Clothing Store have been extended to 30 June 2022.

Yaama Dhiyaan, Wilson Street

The first STEM Emerge Careers Fair hosted more Yaama Dhiyaan is currently home to Two Good Co; a business which provides food, support and training to survivors of domestic violence. The building is under licence arrangements with RailCorp.

125 Little Eveleigh Street

125 Little Eveleigh Street is home to The Big Issue's Sydney headquarters. The Big Issue is a not for profit social enterprise, dedicated to supporting and creating work opportunities for homeless, marginalised and disadvantaged people through sales of the Big Issue magazine.

Australian Technology Park (ATP)

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.

Mirvac celebrated the official opening of its first two buildings in May 2019, with 10,000 new workers starting to move in. Mirvac have also continued to deliver a number of valuable initiatives and amenity in the South Eveleigh precinct including; public art, a community centre, gym, childcare and the Australian-first Indigenous rooftop farm. They have also progressed plans to give South Eveleigh's Locomotive Workshops a new lease on life.

✓ 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.

20,000+	Years of history, beginning with the Burramatta clan of the Darug people
1818	Year construction began on the Female Factory, the earliest building on the site
46*	Heritage significant buildings and surrounds
\$13M	Heritage repair works completed to date
2000+	Artefacts discovered, catalogued and preserved during archaeological investigations

*Numbers in this table are approximate only

OVERVIEW

The Parramatta North growth centre is approximately 26 hectares located north of the Parramatta CBD, across the Parramatta River from the Westmead Health and Education Precinct, and adjacent 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. Prior to that, it was the location of colonial farming, and has many thousands of years of Indigenous presence and culture. It comprises the Cumberland Precinct (East) to the north, and the Heritage Core to the south of the site.

UrbanGrowth NSW has led and partnered on multiple programs within the Parramatta North growth centre:

- Partnered with Health Infrastructure NSW to deliver the Cumberland Precinct – a new health, education and innovation precinct with the University of Sydney as possible anchor institution.
- Partnered with Health Infrastructure NSW on 10 year decant and relocation program of existing health facilities from the site.
- Coordinated with Transport for NSW as Stage 1 of the Parramatta Light Rail commences construction through the site.
- Led on bringing the national heritage listed Heritage Core to life as a place of discovery, opportunity, reflection and experience.

Parramatta North

CUMBERLAND PRECINCT

The NSW Government's vision for the Greater Parramatta Central City District¹ is for residents, workers and students to have quicker and easier access to a wider range of jobs, housing types, education and activities as part of the transformation of their District; and to provide key social and community infrastructure, optimise transport and protect heritage, cultural and environmental assets.

Key to achieving this vision is the transformation of the current Westmead health and education precinct into a world class Innovation District – catalysed by locating a global university of scale as the anchor institution on the Cumberland Precinct.

To support and deliver this vision UrbanGrowth NSW had partnered with Health Infrastructure NSW on several key initiatives:

We jointly and successfully led a market sounding process to gauge interest and insights from industry sectors, academia and the broader community in relation to a health, education and innovation precinct at Cumberland.

The market sounding confirmed confidence in the NSW Government's vision and culminated in commencing exclusive pre-negotiations with the University of Sydney to establish a new multi-disciplinary campus on the Cumberland Precinct. If successful, it is anticipated that the campus could integrate research-led education with world-class teaching infrastructure and research facilities, complementary industry and innovation enterprise, and may include community facilities such as student and key worker accommodation and a school.

In support of this new vision for Cumberland, UrbanGrowth NSW withdrew its previously submitted Development Approval application from City of Parramatta Council in November 2018. This proposal included predominantly residential development on Cumberland East outside of the Heritage Core.

PARRAMATTA LIGHT RAIL STAGE 1

The first stage of the Parramatta Light Rail passes through the Parramatta North growth centre and will include a stop on Cumberland East. Preparatory works have been progressing including the decant and relocation of route-affected health facilities and critical site investigations, in preparation for works commencing in early 2020.

HEALTH RELOCATION

Working with NSW Health Agencies, the planning, decant and relocation of clinical and non-clinical health services from East Cumberland has commenced. This relocation plan is prioritised to align with key programs of work within the Cumberland Precinct as follows:

- The commencement of construction for the Parramatta Light Rail late in 2020,
- A coordinated and progressive decant of the facility to allow ongoing heritage conservation and activation of the precinct, and
- An overall Relocation Plan coordinated with the redevelopment vision including innovation, education and activation across the Cumberland Precinct.

HERITAGE CORE

The Heritage Core is situated on the traditional homelands of the Darug people. They have existed here since time immemorial and continue to have connection to the landscape associated with the area. This connection is a living culture and is evident in their ways of knowing, being and doing.

The Parramatta North Heritage Core is a site of significant colonial heritage and an institutional past. It is recognised that Parramatta North is a site of living history and memory for many people, particularly those with connections to the numerous institutions that operated on site, including community groups, mental health clients and their families, as well as staff and volunteers who are connected to this place in some way.

This rich and complex history forms an intrinsic part of the Precinct's Place Identity and the nationally listed Heritage Core is a place of exceptional heritage significance to Parramatta, the people of New South Wales and Australia. Its heritage values are reflected in the buildings and structures within historic cultural landscapes and in its archaeological potential.

Place Identity

UrbanGrowth NSW completed a compelling and visionary Place Identity for the Heritage Core which will guide all ongoing and long-term planning and activation of the site.

Through extensive and deep engagement with key stakeholders including the City of Parramatta Council, Deerubbin Local Aboriginal Land Council, Parragirls, Parramatta Female Factory Friends, Parramatta Parklands, National Trust and other landholders and organisations with connections to the site, we have discovered and revealed the Heritage Core Place Identity including a Place Vision and four Place Principles.

Place Vision:

Forever Country. Parramatta North is a place of stories. A place where past lessons fuel future opportunities.

Culturally significant, community inspired and economically vibrant, Parramatta North will bring to life old buildings, new spaces and ideas, in a place of discovery, opportunity, reflection and experience.

Place Principles:

First Peoples first: First Peoples first is intrinsically related to the privileged positioning of Aboriginal and Torres Strait Islander people by others involved in any activities that occur on the site. The site is grounded in cultural respect.

Active Memory: Both living and past histories are respected as we move forward to heal and honour people's stories and realities. We will apply the lessons from the past to our thinking and action to prevent similar struggles from recurring and improve on the status quo of the day.

Sustainability: Our business model enables us to enter in discussions with various stakeholders (public and private) to ensure the long-term success of the site. We are open to innovative operating models and partnerships as ways to sustain and evolve the site.

Everyone's Welcome: This place is a safe place for all. There will be a multitude of uses for the community and will work to ensure the site remains an accessible place where everybody feels safe, secure and welcome.

These principles will guide future occupants and partners towards achieving the Place Outcomes of Restoration and Enterprise, Connection and Production, Innovation and Collaboration, and Rejuvenation and Recreation.

▼ Parramatta North - ROI Gastronomy Event



Parramatta North

STAKEHOLDER ENGAGEMENT

Over the last 12 months we engaged in a process of open and inclusive dialogue to embed Aboriginal perspective throughout the development of the Parramatta North Heritage Core precinct and support economic development of Aboriginal businesses and suppliers.

To continue this program of engagement, a range of targeted consultation and activities were facilitated, including:

- Continued engagement with Deerubbin Local Aboriginal Land Council, including the Collaboration Forum and participation in their activities at the Heritage Festival
- Liaison and coordination for Darug cultural activities
- Convening of Aboriginal Roundtables

In addition, we also undertook broader stakeholder engagement and consultation with local and state government, social enterprises, community groups, local residents, cultural organisations, start-ups and incubators, universities and peak bodies, international delegates and vocational providers through a range of processes including:

- Formal consultation processes and interviews
- Regular tours of the precinct
- Hosting and enabling a range of events
- Focus groups with future users

2019 HERITAGE FESTIVAL AT PARRAMATTA NORTH

The annual Heritage Festival at Parramatta North was held in May 2019 as part of the Australian National Heritage Festival. The 2019 theme of Connecting People, Places and the Past provided an opportunity to collaborate with a range of key stakeholders and the community to celebrate the heritage stories of the site.

The open spaces and buildings of 1 Fleet St formed the central hub of the Festival, with regular walking tours running throughout the Heritage Core and the broader precinct. The Deerubbin Local Aboriginal Land Council opened heritage listed Parramatta Gaol and hosted tours through the day.

There were a range of activities for event attendees to participate in on the day, provided by Parragirls and members of the Collaboration Forum. We also worked with range of local businesses, social enterprises and cultural organisations to curate a program of activities aimed at increasing family engagement and appealing to a broad and diverse audiences.

The Heritage Festival at Parramatta North was well attended with over 1,000 visitors on site over the course of the day, representing an approximately 40% increase in attendance from the 2018 Heritage Festival.

The Festival was well received, with both visitors and stallholders providing extremely positive feedback.

▼ Heritage Festival at Parramatta North



▼ Heritage Festival at Parramatta North



HERITAGE FESTIVAL AT PARRAMATTA NORTH BY THE NUMBERS:

100%



of visitors enjoyed the event

96%



visitors felt the Festival connected the place to its history

12%



of all suppliers were Aboriginal businesses. **Of these, 10% were Darug**

63%



of suppliers and volunteers were women

100%



of suppliers felt the Heritage Festival showcased Parramatta North as an engaging and inclusive public space and helped connect the community with the place.

PARRAMATTA FEMALE FACTORY

To commemorate 200 years since the construction of the Parramatta Female Factory commenced, a heritage interpretation piece was designed and created; the first interpretative piece on the site. The piece lists the first names of the thousands of women who passed through the Female Factory, and who had previously gone unacknowledged. Over 1,500 attended the unveiling on 7 July 2018.

CONSERVATION WORKS

Over the last 12 months, we continued ongoing conservation works to protect and preserve the significant buildings within the Parramatta North Heritage Core. These works saw the removal of historically intrusive fencing, allowing greater site permeability, and the renewing and weather-proofing of buildings to allow occupation by community groups such as the Parramatta Female Factory Friends.

The works were shortlisted for a National Trust Heritage Award in the Conservation - Built Heritage category for projects that protect and promote our unique built heritage.

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 continued to support the Department of Planning, Industry 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.

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) following the work undertaken in respect of the Parramatta Road Urban Transformation Strategy.

The Granville growth centre is one of eight precincts in the Parramatta Road Urban Transformation Strategy originally produced by UrbanGrowth NSW (the state-owned corporation) and now 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).



People

FUNCTIONS AND STRUCTURE

During FY19 we continued to grow the organisation consistent with the structure developed in FY18. We successfully expanded many of the enabling functions to support the expanding work of the growth centres.

We introduced a blended team methodology, utilising a matrix approach to solve problems and support the growth centres. This provided a platform for cross functional teams to work across many projects at once, creating efficiencies and enabling the sharing of valuable knowledge.

OUR STRUCTURE



Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent advice to the Chief Executive Officer. Refer to [page 11] for further details.

EMPLOYEES

During the year we increased our headcount to 89 permanent employees as detailed below.

Workforce breakdown by grade and gender*

SALARY SCALE	30 JUNE 2018			28 JUNE 2019		
	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE
Grade 1 - 2 or equivalent	-	-	-	-	-	-
Grade 3 - 4 or equivalent	2	1	1	5	3	2
Grade 5 - 6 or equivalent	13	13	-	9	8	1
Grade 7 - 8 or equivalent	4	3	1	8	4	4
Grade 9 - 10 or equivalent	4	3	1	13	7	6
Grade 11 - 12 or equivalent	17	10	7	24	12	12
Above Grade 12 or equivalent	22	10	12	30	14	16
TOTAL NUMBER OF EMPLOYEES*	62	40	22	89	48	41

*These figures include 12 staff who were terminated on the last working day of the financial year as part of the restructuring involved with moving UrbanGrowth NSW's functionality across to Infrastructure NSW. UrbanGrowth NSW Development Corporation staff agency was established in 2017-18, workforce diversity cannot be shown for this reporting year.

SENIOR EXECUTIVES

In 2018-19, a total of 50.1% of the Corporation's employee-related expenditure was for Senior Executive employees.

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

As FY19 progressed and we continued to build our organisation, Directors were recruited to lead many of the core business functions including: People & Culture, Procurement, IT and increased our Development Directors working across our portfolio. During FY19, our Senior Executives (Bands 1-3) headcount rose to 30.

Our Executive Management team during 2018-19 were made up of the following members:

- Chief Executive Officer - Barry Mann
- Chief Operating Officer - Jillian Khoo
- Head of Program Strategy - Stephen Driscoll
- Executive Director Corporate Services & CFO - Craig Becroft

Senior executive breakdown by band and gender as at 30 June 2019*

SENIOR EXECUTIVE BAND	30 JUNE 2018			30 JUNE 2019		
	FEMALE	MALE	AVERAGE REMUNERATION	FEMALE	MALE	AVERAGE REMUNERATION
Band 3	-	1	\$333,582	1	1	\$475,150
Band 2	1	2	\$236,538	1	2	\$392,842
Band 1	9	9	\$141,853	13	13	\$196,397

*These figures include 10 Senior Executives who were terminated on the last working day of the financial year as part of the restructuring involved with moving UrbanGrowth NSW's functionality across to Infrastructure NSW.

People

WORKPLACE DIVERSITY

By continuing to actively commit to creating an inclusive workplace we worked towards creating an environment where we include, engage, learn and perform.

Building a diverse workforce allows us to deliver the best outcomes for society and actively engage, nurture and inspire the best talent. We were committed to maintaining and promoting workplace diversity at all levels.

FY19 Initiatives

All Senior Executive's performance plans included specific performance objectives relating to their commitment to Diversity and inclusion.

We became members of both the Diversity Council of Australia and the Department of Premier and Cabinet/NSW Treasury Diversity Council, actively contributing to delivering on the Premier's diversity priorities.

We raised the profile of five employees by sponsoring them in the 500 Women in Property program.

We took the opportunity to celebrate with our teams, through themed staff updates: Women in Government career talks, International Women's Day and Harmony Day.

Working towards gender equality at all levels, including senior management

To expand on our commitment to promote gender equality we ensured that every panel within our recruitment process included at least one female member.

In addition, during FY19, 62% of the total number of applicants interviewed for Senior Executive roles were female with 46% of these applicants going on to be successful in securing a role.

We are pleased to report that female representation across UrbanGrowth NSW was 55%, with almost half of all people leaders represented by women.

PEOPLE LEADERS	FEMALE	PERCENTAGE	MALE	PERCENTAGE	TOTAL
Grade 11/12 or equivalent	7	54%	6	46%	13
Senior Execs	14	47%	16	53%	30
TOTAL	21	49%	22	51%	43

Increasing the acceptance and uptake of flexible workplace arrangements

In line with the Premiers Priority of the NSW Government's commitment to making all sector roles flexible based on 'if not, why not' by 2019 we:

- Held focus groups with a varied cross section of our workforce on the implementation of flexible work practices;
- Developed a Working Flexibly Framework and toolkits for Managers and Employees.

Improving outcomes for Aboriginal and Torres Strait Islander people through work in our Growth Centres and associated projects

To further support and inform our work with Aboriginal and Torres Strait Islander people, we engaged a specialist consultant to develop a Statement of Intent for the organisation. The creation of the Statement was guided by a set of cultural principles; Respect, Reciprocity, Purpose, Humility and Understanding, and is aligned to our organisation's behaviours and values.

The Statement set a strategic direction for building and demonstrating our awareness, respect and understanding of Aboriginal Culture and values within the Aboriginal community and aimed to guide us towards closing the gap for social and economic life outcomes of Aboriginal and Torres Strait Islander peoples in NSW.

The actions we took also supported key Government Policies including the NSW Aboriginal Affairs OCHRE Plan and the Growing NSW's First Economy framework.

Disability Access

Following the NSW Government Disability Framework provided a process for us to better meet the needs of staff and the community in relation to people with lived experience of disability.

UrbanGrowth NSW was committed to ensuring all people have reasonable access to the resources and spaces under our governance.





Risk Management and Compliance

ENTERPRISE RISK MANAGEMENT

Effective risk management has been an essential part of our organisational culture and underpinned our values of trust, transparency and collaboration. Our risk management framework was critical in assessing, controlling, reviewing and reporting on enterprise and project risk. The format and structure of our risk framework was developed to align with the International Standard ISO31000:2009 and the NSW Treasury - TPP15-03 Internal Audit and Risk Management Policy for the NSW Public Sector to allow us to effectively identify and manage the risks or impacts to our ability to meet our business objectives.

Our risk management framework sought to raise risk awareness throughout the organisation with clearly articulated policy and procedures. Our internal risk environment and corporate culture was further enhanced by managing risks in line with our risk appetite and a robust three lines of accountability model to assist management, project teams and other business functions understand their respective duties regarding identification and mitigation of risk.

We consistently maintained a balanced and effective approach to risk management in which we;

- Assign clearly defined risk management accountabilities
- Set the tone from the top by the CEO and executive team
- Engage in constructive debate and challenge the status quo
- Aggregate risk data to identify leading risk indicators

The effectiveness of our risk management framework also depended upon proactive governance and strong leadership. Our executive management team regularly evaluated the efficacy of mitigation treatments for material risks and recalibrated project risk profiles based on the residual risk. The Audit & Risk Committee were provided with quarterly risk reports and also conducted regular risk reviews. Our structured approach resulted in increased risk maturity growth within the projects, as evidenced by improved external assurance ratings from Infrastructure NSW during gateway reviews and health checks.

During the reporting period, our Executive Management and Risk teams delivered continuous improvement of risk management practices, systems and culture through:

- Refreshing the organisational Risk Appetite Statement
- Delivering risk training and workshops for all business functions
- Expanding the functionality of the enterprise risk management database
- Refreshing business resilience capability – both business continuity and crisis management
- Enhancing risk management governance and reporting

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) has formed an essential part of our organisation's risk management framework.

The ARMC provided independent assistance to the CEO by monitoring our risk and control frameworks, governance and compliance processes, financial accounting and reconciliation, and external reporting and assurance. This included overseeing the effectiveness and independence of the internal and external auditors.

During FY19, the ARMC oversaw the change of internal auditor from Deloitte to O'Connor Marsden & Associates Pty Ltd and the subsequent endorsement of a new three-year audit plan.

The Chief Audit Executive had a direct reporting line to the ARMC and in his capacity as Director of Enterprise Risk and WHS and he functionally reports to the Chief Operating Officer.

Committee Members

The ARMC consists of three independent non-executive members who possess extensive experience across public sector governance, financial management, accounting and auditing, property and risk management.

In accordance with the Committee's succession plan, the Chair of the Committee was scheduled to change in 2019. The Executive team commenced an external candidate search based upon a skills matrix and experience.

This process resulted in the following changes to the Committee:

- Ian Breedon appointed the new Independent Chair in February 2019 to commence June 2019
- Akiko Jackson appointed to the Committee in March 2019 to commence in June 2019
- Victoria Weekes stepped down as Chair and from the Committee with her final meeting as Chair in March 2019 and final meeting as member in June 2019.

The members of the Committee:

- Victoria Weekes - Appointed August 2011 and Chair from June 2015 until March 2019
- Ian Breedon - Appointed in September 2017 and appointed Chair in February 2019 to commence as Chair in June 2019
- Elizabeth Carr AM - Appointed July 2015
- Akiko Jackson - Appointed March 2019

The Committee will continue to support and provide advice to Infrastructure NSW, review end of year financial reports and conduct a verification function.

Risk Management and Compliance

INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION STATEMENT FOR THE 2018-2019 FINANCIAL YEAR

We are of the opinion that UrbanGrowth NSW Development Corporation had internal audit and risk management processes in operation that were, 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 46



Simon Draper

Chief Executive Officer

Infrastructure NSW (formerly UrbanGrowth NSW Development Corporation)

31 October 2019

Paul Farrell

Chief Audit Executive and Enterprise Risk Management & WHS

- 1 July 2018 to 30 June 2019

CYBER SECURITY ANNUAL ATTESTATION STATEMENT FOR THE 2018/2019 FINANCIAL YEAR FOR THE URBANGROWTH NSW DEVELOPMENT CORPORATION (NOW INFRASTRUCTURE NSW)

I, Simon Draper, of Infrastructure NSW (formerly UrbanGrowth NSW Development Corporation (UrbanGrowth NSW), am of the opinion that:

UrbanGrowth NSW had developed an Information Security Management system (ISMS) and assessed its cyber security risks. The ISMS was developed to strengthen the cyber security environment in a manner consistent with the mandatory requirements as set out in the NSW Government Cyber Security Policy. However due to machinery of government changes, the ISMS was not fully operationalised in the period due to movement in key staff.

Risks to the UrbanGrowth NSW information and systems have been assessed and are being managed. However, due to the recent machinery of government changes, there has been staff movement which has affected risk ownership.

Governance is in place to manage UrbanGrowth NSW's cyber security initiatives. However, the machinery of government changes have impacted the membership of the governance committee.

Cyber security incidents, should they occur, will be escalated to the NSW Government Chief Information Security Officer governance forums as required. UrbanGrowth NSW had a cyber incident management process and it was formally tested in the reporting period.



Simon Draper
Chief Executive Officer
Appointed 1 July 2019

05 September 2019

Audit Opinion & Financial Statements

UrbanGrowth NSW Development Corporation

Financial Statements

For the year ended 30 June 2019



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 2019, the Statement of Financial Position as at 30 June 2019, 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, of the Corporation and the consolidated entity. The consolidated entity comprises the Corporation and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation and the consolidated entity as at 30 June 2019, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *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 and the consolidated entity in accordance with the requirements of the:

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

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

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

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

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

Other Information

The Corporation's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive of the Corporation is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises 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's Responsibilities for the Financial Statements

The Chief Executive 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 determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the ability of the Corporation and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Nathan Carter
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 September 2019
SYDNEY

Statement by Chief Executive Officer

Statement by Chief Executive Officer on the adoption of the financial statements for the year ended 30 June 2019.

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 2019.
- (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; and

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



Chief Executive Officer

UrbanGrowth NSW Development Corporation

Sydney, 27 September 2019

UrbanGrowth NSW Development Corporation
Statement of Comprehensive Income
For the year ended 30 June 2019

	Notes	Consolidated			UrbanGrowth NSW	
		Actual	Budget	Restated*	Actual	Restated*
		2019	2019	2018	2019	2018
		\$000	\$000	\$000	\$000	\$000
Continuing operations						
Expenses excluding losses						
Employee-related expenses	2(a)	19,713	25,711	9,233	-	-
Personnel services expenses	2(a)	-	-	4,056	19,313	13,244
Operating expenses	2(b)	13,864	15,718	22,533	13,864	22,533
Finance costs	2(c)	3,202	-	-	3,202	-
Depreciation and amortisation	2(d)	1,255	1,040	1,112	1,255	1,112
Grants and subsidies	2(e)	923	27,078	252,713	923	252,713
Project expenses	2(f)	18,337	48,453	17,353	18,337	17,353
Total expenses excluding losses		57,294	118,000	307,000	56,894	306,955
Revenue						
Investment revenue	3(a)	3,345	2,261	7,344	3,345	7,344
Grants and contributions	3(b)	106,343	140,053	61,775	106,343	61,775
Lease Income	3(c)	128	-	69	128	69
Total revenue		109,816	142,314	69,188	109,816	69,188
Net result from continuing operations		52,522	24,314	(237,812)	52,922	(237,767)
Net result from discontinued operations		250	-	155	16,357	-
Net result		52,772	24,314	(237,657)	69,279	(237,767)
Other comprehensive income						
<i>Items that will not be classified to net result</i>						
Net increase/(decrease) in property, plant & equipment revaluation surplus		27,367	-	33	27,367	33
Superannuation actuarial gain/(loss) on defined benefit plans		400	-	45	-	-
Total other comprehensive income		27,767	-	78	27,367	33
Total comprehensive income		80,539	24,314	(237,579)	96,646	(237,734)
Total Comprehensive income for the year attributable to owners of UrbanGrowth NSW arises from:						
Continuing operations		80,290	24,314	(237,734)	80,290	(237,734)
Discontinued operations	26	250	-	155	16,357	-
		80,539	24,314	(237,579)	96,646	(237,734)

*2018 figures have been restated to correct a prior period error. Refer Notes 1(J) and 23.
The accompanying notes form part of these financial statements

UrbanGrowth NSW Development Corporation
Statement of Financial Position
As at 30 June 2019

	Notes	Consolidated			UrbanGrowth NSW	
		Actual	Budget	Restated*	Actual	Restated*
		2019	2019	2018	2019	2018
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	4	217,419	189,850	202,774	216,919	186,161
Receivables	5	5,749	991	7,739	5,749	7,739
Other assets	6	370	-	299	370	299
Assets held for sale	7	270	-	270	270	270
Total current assets		223,808	190,841	211,082	223,308	194,469
Non-current assets						
Other financial assets		-	50,000	-	-	-
Inventory	8	94,519	-	95,516	94,519	95,516
Other assets	6	-	-	90	-	90
Property, plant and equipment	9	36,024	12,027	5,809	36,024	5,809
Total non-current assets		130,543	62,027	101,415	130,543	101,415
Total assets		354,351	252,868	312,497	353,851	295,884
Liabilities						
Current liabilities						
Payables	11	8,802	3,663	4,418	9,975	5,918
Deferred liability	11	44,136	-	44,136	44,136	44,136
Other financial liabilities	12	17	-	24	17	24
Provisions	13	1,569	7,232	1,759	-	462
Total current liabilities		54,524	10,895	50,337	54,128	50,540
Non-current liabilities						
Deferred liability	11	94,350	-	136,602	94,350	136,602
Other financial liabilities	12	70	-	99	70	99
Provisions	13	572	-	1,163	471	457
Total non-current liabilities		94,992	-	137,864	94,891	137,158
Total liabilities		149,516	10,895	188,201	149,019	187,698
Net assets		204,835	241,973	124,296	204,832	108,186
Equity						
Reserves	14	28,156	756	789	28,156	789
Accumulated funds	14	176,679	241,217	123,507	176,676	107,397
Total equity		204,835	241,973	124,296	204,832	108,186

*2018 figures have been restated to correct a prior period error. Refer Notes 1(J) and 23.
The accompanying notes form part of these financial statements

UrbanGrowth NSW Development Corporation
Statement of Cash Flows
For the year ended 30 June 2019

Notes	Consolidated			UrbanGrowth NSW	
	Actual	Budget	Actual	Actual	Actual
	2019	2019	2018	2019	2018
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Suppliers	(76,841)	(52,994)	(46,147)	(79,297)	(46,332)
Employee related	(21,871)	(25,711)	(12,245)	(19,313)	(12,331)
Grants and subsidies*	2(d) (923)	(27,078)	(180,913)	(923)	(180,913)
Total payments	(99,635)	(105,783)	(239,305)	(99,533)	(239,576)
Receipts					
Sale of services	-	-	41	-	39
Interest received	3,691	2,261	7,660	3,345	7,344
Distribution from ATP	-	-	-	16,357	-
Grants and contributions*	3(b) 106,343	140,053	82,441	106,343	82,441
Other	4,286	1,198	3,713	4,286	3,702
Total Receipts	114,320	143,512	93,855	130,331	93,526
NET CASH FLOWS FROM OPERATING ACTIVITIES	22 14,685	37,729	(145,450)	30,798	(146,050)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	(40)	141	(283)	(40)	(283)
Sale of investments	-	-	330,100	-	330,100
Advances made	-	(47,956)	-	-	-
Other Investing	-	(141)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(40)	(47,956)	329,817	(40)	329,817
NET CASH FLOWS FROM FINANCING ACTIVITIES					
Finance lease for equipment	-	-	123	-	123
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-	123	-	123
NET INCREASE/(DECREASE) IN CASH					
Opening cash and cash equivalents	202,774	200,077	18,284	186,161	2,271
CLOSING CASH AND CASH EQUIVALENTS	4 217,419	189,850	202,774	216,919	186,161

The accompanying notes form part of these financial statements.

* Grants and subsidies and grants and contributions in 2017-18 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 2019

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. The Corporation 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. In accordance with the *State Revenue and Other Legislation Amendment Act 2019*, the Corporation will cease operations from 1 July 2019, transferring all assets and liabilities to Infrastructure NSW.

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 Staff Agency (The Staff Agency). The Corporation 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 voluntary deregistration was applied for on 26 June 2019.

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. In accordance with the *Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019 of 2 April 2019*, the Staff Agency will cease operations effective 1 July 2019 and all staff including liabilities will transfer to Infrastructure NSW.

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 2019 have been authorized for issue by the CEO on September 2019.

(B) Exemption from preparing financial statements

As provided by the *Public Finance and Audit Regulation 2015*, the Staff Agency is not a statutory agency for the purposes of section 41A of the *Public Finance and Audit Act 1983 No 152*. It is therefore not required to separately prepare, submit or publish a financial report in for the year ended 30 June 2019.

(C) 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 the *Public Finance and Audit Regulation 2015*; and
- financial reporting directions mandated by the Treasurer.

Property, Plant and Equipment, investment property, assets (or disposal groups held for sale), financial assets at 'fair value through profit or loss' and available for sale financial assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

(D) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the Corporation as at 30 June 2019 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. This was tabled in Parliament on 20 June 2019, with voluntary deregistration filed on 26 June 2019. As such, the Board has determined that the going concern basis of preparation (as applied in previous years) is no longer appropriate as voluntary deregistration has been applied for. 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 the Corporation.

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

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

1. Summary of significant accounting policies (continued)

(E) Going concern

The financial statements of the Corporation have been prepared on a going concern basis. In accordance with the *State Revenue and Other Legislation Amendment Act 2019*, the Corporation was abolished on 1 July 2019. On abolition, the Corporation's employees, assets, rights and liabilities were transferred to Infrastructure New South Wales and will be used, recovered or settled in the normal course of business by the transferee agency.

(F) Statement of compliance

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

(G) 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.

(H) 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. Any GST component of cash flows arising from investing or financing activities that is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(I) 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.

(J) Comparative information

Comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(K) Restatement / corrections to prior year balances

In the 2017-18 financial year, UrbanGrowth NSW entered into a Collaboration Agreement with Sydney Metro in respect of the Waterloo Integrated Station Development (ISD). Sydney Metro is also a NSW government agency within the general government sector. The Collaboration Agreement sets out that the ISD includes construction of Waterloo station and Metro Quarter Development (MQD). Under the agreement, Sydney Metro will be responsible for construction of Waterloo station and will also act as an agent on behalf of UGDC in relation to the MQD. Sydney Metro will retain ownership of the Waterloo station and UGDC will receive ownership of the MQD. The consideration for the transfer of the right to develop the MQD is \$100m (including GST), made in equal payments in 2018-19 and 2019-20. Additionally, the Collaboration Agreement included a grant of \$260m (excluding GST), made up of payments of \$160m in 2017-18, and \$50m in both 2021 and 2022.

A reassessment of the arrangement undertaken in 2019 has concluded that UrbanGrowth NSW should have recognised the MQD asset as inventories, along with a matching deferred liability, at the time of entering into the Collaboration Agreement. However, no assets or liabilities were recorded in relation to the MQD asset in the 2017-18 financial year. On the basis that this is a material error, retrospective adjustment is required under AASB 108 *Accounting Policies Changes in Accounting Estimates and Errors*. At the same time, it was also assessed that, at the time of entering into the Collaboration Agreement, UrbanGrowth NSW should have recognised a grant expense in relation to the future grant expense payments, along with a matching deferred liability. As above, on the basis that this is a material error, retrospective adjustment is required (refer Note 23 for further detail).

A restated Statement of Financial Position as at 30 June 2018 and Statement of Comprehensive Income for year ended 30 June 2018 (and related notes) has been presented to reflect the recognition of the MQD asset (\$88.3m), recognition of the discounted value of this grant expense (\$92.5m) along with a matching liability. A payment of \$45.5m has been made in respect of this liability in 2018-19.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

2. 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.

(a) *Employee – related 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.

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	12,122	8,135	-	-
Termination payments ¹	5,480	-	-	-
Superannuation – defined contribution plans	430	495	-	-
Superannuation – defined benefit plans	687	155	-	-
Payroll tax and fringe benefit tax	788	438	-	-
Other employee expenses	206	10	-	-
Personnel services	-	4,056	19,313	13,244
	19,713	13,289	19,313	13,244

¹The expense of \$5.5m relates to termination payments expected to be paid to a number of staff that have ceased employment with UrbanGrowth NSW, or will end their employment prior to 31 December 2019. An additional \$583,391 has been disclosed as a contingent liability (refer note 19) in relation to staff that are currently applying for other roles within the NSW public sector.

(b) *Operating expenses*

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Auditor's remuneration				
- audit of financial statements ¹	128	105	128	105
Consultants	1,350	1,375	1,350	1,375
Contractors	7,093	4,393	7,093	4,393
Property expenses	164	350	164	350
Legal	52	268	52	268
Advertising	95	69	95	69
Information Technology	2,522	2,325	2,522	2,325
Rent	1,058	1,090	1,058	1,090
Service Level Agreement with Landcom ²	-	1,410	-	1,410
Project Costs recharged from Landcom ³	-	10,110	-	10,110
Other	1,402	1,038	1,402	1,038
	13,864	22,533	13,864	22,533

¹ Audit fees are paid by the parent entity

² The Service Level Agreement with Landcom concluded 30 June 2018

³ These are costs paid from 1 July to 20 October 2017

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

2. Expenditure (continued)

(c) Finance costs

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Finance costs	3,202	-	3,202	-
	3,202	-	3,202	-

(d) Depreciation and amortisation expenses

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	242	33	242	33
IT Equipment	109	176	110	176
Furniture & Fittings	568	624	568	624
Amortisation				
Leasehold Improvements	336	279	335	279
	1,255	1,112	1,255	1,112

Refer to Note 9 for measurement and recognition policies on depreciation and amortisation.

(e) Grants and subsidies

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	Restated* \$'000	\$'000	Restated* \$'000
Community grants	923	219	923	219
Govt agencies grants*	-	252,494	-	252,494
	923	252,713	923	252,713

* During the 2018 year, the Corporation made grants totaling \$252.5 million to Transport for NSW in accordance with a Collaboration Agreement for the Integrated Station Development in Waterloo.

*For restated amounts, refer Notes 1(J) and 23.

(f) Project Expenses

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Project expenses	18,337	17,353	18,337	17,353
	18,337	17,353	18,337	17,353

UrbanGrowth NSW 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.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

3. Revenue

Recognition and measurement

Revenue is measured at the fair value of the consideration or contribution received or receivable, net of the amount of GST levied. Additional comments regarding the accounting policies for the recognition of revenue is discussed below.

(a) *Investment revenue*

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
T Corp Hour-Glass and term deposits	-	4,602	-	4,602
Bank interest	3,345	2,742	3,345	2,742
	3,345	7,344	3,345	7,344

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

(b) *Grants and Contributions*

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Treasury and Commonwealth Grants	100,510	56,952	100,510	56,952
Developer and Affordable Housing Contributions	5,833	4,823	5,833	4,823
	106,343	61,775	106,343	61,775

Unconditional contributions 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.

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

(c) *Lease Income*

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Lease Income	128	69	128	69
	128	69	128	69

Lease income from operating leases is recognised in accordance with AASB 117 Leases. Where the entity is a lessor, income is recognised on a straight-line basis over the lease term. The respective leased assets are included by the lessor entity in the Statement of Financial Position based on their nature.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

4. Cash and cash equivalents

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	217,419	186,661	216,919	186,161
TCorp Hour-Glass facility	-	16,113	-	-
	217,419	202,774	216,919	186,161

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.

5. Receivables

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Trade receivables	197	62	197	62
Other receivables	811	6,120	811	6,120
Goods and Services tax recoverable	4,741	1,557	4,741	1,557
	5,749	7,739	5,749	7,739

Recognition and measurement

All 'regular way' purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Loans and receivables are non-derivative financial assets.

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

6. Other assets

Other assets are recognised on a cost basis.

Prepayments

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	370	299	370	299
	370	299	370	299
Non-Current				
Prepayments	-	90	-	90
	-	90	-	90

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

7. Assets (or disposal groups) held for sale

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Asset Held for Sale	270	270	270	270
	270	270	270	270

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.

8. Inventory

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Work in Progress	94,254	91,151	94,254	91,151
Undeveloped Land and Buildings	265	4,365	265	4,365
	94,519	95,516	94,519	95,516

*For restated amounts, refer Notes 1(J) and 23.

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.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

9. Property, plant and equipment

Consolidated	Land and Buildings	Plant and Equipment	Furniture and Fittings	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2018 – fair value					
Gross carrying amount	3,333	526	2,048	1,014	6,921
Accumulated depreciation and impairment	(33)	(176)	(624)	(279)	(1,112)
Net carrying amount	3,300	350	1,424	735	5,809
At 30 June 2019 – fair value					
Gross carrying amount	34,800	509	2,068	1,014	38,391
Accumulated depreciation and impairment	(275)	(285)	(1,192)	(615)	(2,367)
Net carrying amount	34,525	224	876	399	36,024

Reconciliation

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

Consolidated	Land and Buildings	Plant and Equipment	Furniture and Fittings	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2019					
Net carrying amount at start of year	3,300	350	1,424	735	5,809
Additions	-	20	20	-	40
Asset revaluation surplus	27,367	-	-	-	27,367
Depreciation	(242)	(109)	(568)	(336)	(1,255)
Assets held for sale	-	-	-	-	-
Disposals/Reclassifications	4,100	(37)	-	-	4,063
Net carrying amount as at 30 June 2019	34,525	224	876	399	36,024
Year ended 30 June 2018					
Net carrying amount at start of year	3,570	-	-	-	3,570
Additions	-	556	2,048	1,014	3,618
Asset revaluation surplus	33	-	-	-	33
Depreciation	(33)	(176)	(624)	(279)	(1,112)
Assets held for sale	-	-	-	-	-
Disposals/Reclassifications	(270)	(30)	-	-	(300)
Net carrying amount as at 30 June 2018	3,300	350	1,424	735	5,809

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

9. Property, plant and equipment (continued)

UrbanGrowth NSW	Land and Buildings	Plant and Equipment	Furniture and Fittings	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2018 – fair value					
Gross carrying amount	3,333	526	2,048	1,014	6,921
Accumulated depreciation and impairment	(33)	(176)	(624)	(279)	(1,112)
Net carrying amount	3,300	350	1,424	735	5,809
At 30 June 2019 – fair value					
Gross carrying amount	34,800	509	2,068	1,014	38,391
Accumulated depreciation and impairment	(275)	(285)	(1,192)	(615)	(2,367)
Net carrying amount	34,525	224	876	399	36,024

Reconciliation

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

UrbanGrowth NSW	Land and Buildings	Plant and Equipment	Furniture and Fittings	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2019					
Net carrying amount at start of year	3,300	350	1,424	735	5,809
Additions	-	20	20	-	40
Asset revaluation surplus	27,367	-	-	-	27,367
Depreciation	(242)	(109)	(568)	(336)	(1,255)
Assets held for sale	-	-	-	-	-
Disposals/Reclassifications	4,100	(37)	-	-	4,063
Net carrying amount as at 30 June 2019	34,525	224	876	399	36,024
Year ended 30 June 2018					
Net carrying amount at start of year	3,570	-	-	-	3,570
Additions	-	556	2,048	1,014	3,618
Asset revaluation surplus	33	-	-	-	33
Depreciation	(33)	(176)	(624)	(279)	(1,112)
Assets held for sale	-	-	-	-	-
Disposals/Reclassifications	(270)	(30)	-	-	(300)
Net carrying amount as at 30 June 2018	3,300	350	1,424	735	5,809

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

9. Property, plant and equipment (continued)

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Land and Buildings				
At fair value	34,525	3,300	34,525	3,300
Revaluations	275	33	275	33
Accumulated Depreciation and revaluation	(275)	(33)	(275)	(33)
Carrying amount at fair value	34,525	3,300	34,525	3,300
Plant and Equipment				
At cost	509	496	509	496
Accumulated Depreciation and impairment	(285)	(146)	(285)	(146)
Carrying amount at cost	224	350	224	350
Furniture and Fittings				
At cost	2,068	2,048	2,068	2,048
Accumulated Depreciation and impairment	(1,192)	(624)	(1,192)	(624)
Carrying amount at cost	876	1,424	876	1,424
Leasehold Improvements				
At cost	1,014	1,014	1,014	1,014
Accumulated Depreciation and impairment	(615)	(279)	(615)	(279)
Carrying amount at cost	399	735	399	735
Total Property, Plant and Equipment				
At fair value or at cost	38,116	6,858	38,116	6,858
Revaluations	275	33	275	33
Accumulated Depreciation and revaluation	(2,367)	(1,082)	(2,367)	(1,082)
Carrying amount at fair value or at cost	36,024	5,809	36,024	5,809

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.

Capitalisation thresholds

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.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

9. Property, plant and equipment (continued)

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.

Land and buildings are reported at fair value in accordance with AASB 13 *Fair Value Measurement*, based on annual fair value assessments prepared by professional real estate valuer. The last independent assessment was conducted on 31 March 2019 to be effective as at 30 June 2019, by Jones Lang LaSalle, independent valuer not related to the consolidated entity. Jones Lang LaSalle Advisory Services Pty Ltd are members of the Australian Institute of Valuers and they 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.

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

Reclassification to property, plant and equipment

Parramatta North Heritage Core (PNHC), which previously sat within Parramatta North, has been reclassified from Inventory to property, plant and equipment in the current financial year. The reclassification results from the change in intended use of the site as a Major Urban renewal Project ("MURP") and resultant reassessment of unit of account. The PNHC now sits outside of the ordinary course of UrbanGrowth NSW's operations through the long term plan to retain the area under public ownership. PNHC is retained in public ownership in order to preserve heritage value and create an activity hub for the general public, the economic benefits are realised through the provision of public service. Therefore, PNHC is recognised as a separate unit of account within property, plant and equipment. Following reclassification to property, plant and equipment, PNHC has been revalued in line with AASB 13 *Fair Value Measurement* as detailed above.

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 2019

9. Property, plant and equipment (continued)

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 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 2018-19 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

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.

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.

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.

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 been 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.

10. Fair value measurement of non-financial assets

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)

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

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

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.

Fair value hierarchy

Consolidated entity
Year ended 30 June 2019

	Level 1	Level 2	Level 3	Total fair Value
	\$000	\$000	\$000	\$000
Land and buildings	-	4,000	30,525	34,525
	-	4,000	30,525	34,525

Consolidated entity
Year ended 30 June 2018

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

UrbanGrowth NSW
Year ended 30 June 2019

	Level 1	Level 2	Level 3	Total fair Value
	\$000	\$000	\$000	\$000
Land and buildings	-	4,000	30,525	34,525
	-	4,000	30,525	34,525

UrbanGrowth NSW
Year ended 30 June 2018

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

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

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

Valuation techniques, inputs and processes

In 2018-2019 UrbanGrowth NSW engaged the services of Jones Lan LaSalle Advisory Services Pty Ltd to provide a comprehensive valuation of land and buildings. The land and building components have been assessed using differing valuation techniques with regard to the highest and best use valuation premise. The Land asset has been measured using the market approach to determine the fair value. The Building(s) asset has been measured utilising the depreciated replacement cost (DRC) approach to determine the fair value.

All UrbanGrowth Land is valued using market evidence with consideration made for physical and regulatory property attributes. Land values are derived from the analysis of sales of comparable lands and analysed sales are adjusted to reflect the specific characteristics of the UrbanGrowth land, based on the Valuers professional judgement. All land values are on a rate per square metre.

The valuer has determined the fair value of buildings by assessing the replacement cost and making appropriate adjustments for age, condition and functional obsolescence. The replacement cost has been determined by reference to actual construction costs of similar building types as those held by UrbanGrowth, capital improvements made and construction cost estimates sourced from construction costing publications.

The following table summarises the inputs for valuation of non-financial assets.

Description	Observable inputs	Range of inputs	Relationship of observable inputs to fair value
Level 2 - Land and Buildings	Rental Income p.a. (net of outgoings)	\$229k	The higher the rental growth, the higher the fair value
	Capitalisation rate	6.25% for Little Eveleigh Street	The higher the capitalisation rate, the lower the fair value
Level 3 – Land and buildings	Comparable property sales	80-120 (\$/sqm)	The higher the \$/Sqm, the higher the fair value
	Capital improvements made by UrbanGrowth	\$8,440,500 in 2017-18	The higher the capital improvement fair value, the higher the overall fair value

Reconciliation of recurring level 3 fair value measurements

	Land and buildings \$000	Total Recurring level 3 Fair value \$000
Consolidated		
Year ended 30 June 2019		
Fair value as at 1 July 2018		
Opening balance at the start of the year	-	-
Transfers and reclassifications	30,525	30,525
Fair value as at 30 June 2019	30,525	30,525
UrbanGrowth NSW		
Year ended 30 June 2019		
Fair value as at 1 July 2018		
Opening balance at the start of the year	-	-
Transfers and reclassifications	30,525	30,525
Fair value as at 30 June 2019	30,525	30,525

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

11. Payables and deferred liabilities

	Consolidated		UrbanGrowth NSW	
	2019	2018 Restated	2019	2018 Restated
	\$'000	\$'000	\$'000	\$'000
Current payables and deferred liabilities				
Accrued salaries, wages and on-costs	58	266	-	-
Deferred Liability	44,136	44,136	44,136	44,136
Creditors	-	2,046	-	2,046
Other Payables	8,744	2,106	8,742	2,106
Payable to subsidiary	-	-	1,233	1,766
	52,938	48,554	54,111	50,054
Non-current payables and deferred liabilities				
Deferred liability	94,350	136,602	94,350	136,602
	94,350	136,602	94,350	136,602

*2018 balances have been restated and include a prior period adjustment. Refer Notes 1(I) and 23.

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.

12. Other financial liabilities

Current finance lease liability

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Non-Current				
Finance Lease Liability	17	24	17	24
	17	24	17	24
Non-Current				
Finance Lease Liability	70	99	70	99
	70	99	70	99

13. Employee benefits and other provisions

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.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

13. Employee benefits and other provisions (continued)

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 18/03) 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 1.1% (2018: 2.7%) was applied for discounting purposes.

Superannuation

Contributions to both the defined contribution and defined benefit funds are recognised as an expense as they become payable.

Mercer Consulting (Australia) Pty Ltd advises UrbanGrowth NSW 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'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 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 2019 for the SAS, SANCS and SSS was estimated at \$100,830 (2018: \$552,366).

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 in the year in which they occur.

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.

	Consolidated					
	2019			2018		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
Employee benefits and related-on costs						
Annual leave	824	-	824	678	-	678
Long service leave	745	-	745	614	154	768
Defined benefit obligation	-	101	101	-	552	552
Other provisions						
Make good provision	-	471	471	-	457	457
Other provisions	-	-	-	467	-	467
Total Provision	1,569	572	2,141	1,759	1,163	2,922

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

13. Employee benefits and other provisions (continued)

	UrbanGrowth NSW					
	2019			2018		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
Make good provision	-	471	471	-	457	457
Other provisions	-	-	-	462	-	462
Total Provision	-	471	471	462	457	919

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	Other provisions \$'000	Total \$'000
Carrying Amount at 1 July 2018	457	467	924
Additional Provisions recognised	14	-	14
Amounts used	-	(6)	(6)
Unused amounts reversed	-	(461)	(461)
Unwinding/change in the discount rate	-	-	-
Carrying amount 30 June 2019	471	-	471

UrbanGrowth NSW

2018	Make good provision \$'000	Other provisions \$'000	Total \$'000
Carrying Amount at 1 July 2018	457	462	919
Additional Provisions recognised	14	-	14
Amounts used	-	-	-
Unused amounts reversed	-	(462)	(462)
Unwinding/change in the discount rate	-	-	-
Carrying amount 30 June 2019	471	-	471

14. Equity and reserves

Reserves

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.

Accumulated funds

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

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

15. Application of new and revised Australian Accounting Standards

Effective for the first time in 2018/2019

The accounting policies applied in 2018–19 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 as follows:

AASB 9 Financial Instruments applied to annual periods beginning on or after 1 January 2018. AASB 9 Financial Instruments will replace AASB139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 Financial Instruments also introduces a forward-looking 'expected credit losses' impairment model, which may impact the timing and amount of impairment recognition. The entity applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 Financial Instruments: Recognition and Measurement (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. UrbanGrowth NSW have undertaken an assessment of the impact of applying this standard and noted the impact to be minimal.

Issued but not yet effective

NSW Public sector entities are not permitted to early adopt New Australian Accounting Standards unless Treasury determines otherwise. In accordance with the NSW Treasury mandate TC 19-04, the following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers (Not-for-profits only)
- AASB 16 Leases
- AASB 17 Insurance Contracts
- AASB 1058 Income of Not-for-profit Entities
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities
- Interpretation 22 Foreign Currency Transactions and Advance Consideration (Not-for-profits only)
- Interpretation 23 Uncertainty over Income Tax Treatments - July 2017 (Principal)

The possible impact of these Standards in the period of initial application has been assessed to be minimal or not applicable, except for AASB 16 *Leases*.

AASB 16 Leases

AASB 16 *Leases* replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 *Leases* will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low value' assets (e.g. personal computers below \$10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset rather than operating lease expense.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

15. Application of new and revised Australian Accounting Standards (continued)

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today's accounting under AASB 117 Leases. Lessors will continue to classify all leases using the same classification as in AASB 117 Leases and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 16 *Leases* will have minimal impact on the financial statements of UrbanGrowth NSW as only one operating lease is recognised by UrbanGrowth NSW with a lease term greater than one year. The lease relates to the use of a building and expires in September 2020.

16. Restricted assets

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	58,246	51,666	58,246	51,666
TCorp Hour-Glass facility	-	16,113	-	-
	58,246	67,779	58,246	51,666

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. The definition of restricted cash is in accordance with Treasury guidelines.

17. Equity transfer

There were no transfer of assets and liabilities as contributions of capital during the year. Last year assets and liabilities were transferred to UrbanGrowth NSW Development Corporation from Landcom and Property NSW and recorded as contributions of capital. The net contribution of capital recorded in the Statement of Changes in Equity for 2018 was \$7.614m. Of this \$4.1m was from Property NSW and \$3.6m from Landcom. Details of the assets and liabilities transferred through equity are set out below:

	2019	2018
	\$'000	\$'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 2019

18. Commitments for expenditure

Operating and Finance lease commitments for the group as follows:

	Consolidated		UrbanGrowth NSW	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
(a) Operating lease commitments				
<i>Future minimum rentals under non-cancellable operating lease payable</i>				
Within one year	1,463	1,463	1,463	1,463
Later than one year, not later than five years	366	1,828	366	1,828
	1,829	3,291	1,829	3,291
(b) Finance Lease commitments				
<i>Future minimum rentals under non-cancellable finance lease payable</i>				
Within one year	17	24	17	24
Later than one year, not later than five years	70	99	70	99
	87	123	87	123
Total Commitments for Expenditure	1,916	3,414	1,916	3,414

19. Contingent Assets and Liabilities

UrbanGrowth NSW has a contingent liability of \$583,391 in relation to possible termination payments to a number of staff that have applied for roles in other agencies within the NSW public sector. UrbanGrowth NSW will be liable to make termination payments to these staff if they are not successful in obtaining another role within the NSW public sector.

20. Budget review

Statement of Comprehensive Income

Employment costs are \$5.998m lower than budget due to slower recruitment of permanent personnel than anticipated. The budget incorporated an additional provision for employment costs due to uncertainty around the final organisation structure required to operate growth centre projects. Contingent workers were utilised to cover permanent positions during the recruitment process which are reflected in the "Other Expenses" category. An unbudgeted termination expense (\$5.480m) related to the government's decision to dissolve UrbanGrowth NSW was incurred, partially offsetting other budget savings.

Grant & subsidies costs are lower by \$26.155m due to the roll forward of grants into future years, a timing difference not a permanent saving. Project expense savings (\$30.116m) are timing in nature and reflect delays in obtaining development approvals and deferral of spend due to the rescoping of several projects. Operating expenses are \$1.348m higher than budget. Contingent workers utilised to cover permanent positions were offset by consultancy savings. An unbudgeted interest cost was incurred due to the recognition of the discounted value of inventory and a grant expense taken as a prior period adjustment (refer Notes 1(J) and 23). Grants and contributions income is lower by \$33.710m as UrbanGrowth NSW did not draw down on its full grant allocation given the expense underspends identified above.

Statement of Financial Position

Current assets are higher than budget by \$33.817m principally driven by the deferral of grant and subsidy costs to future years mentioned above. Inventory includes the unbudgeted prior period adjustment (refer Notes 1(J) and 23). Property, plant and equipment was higher than budget by \$23.997m due to the reclassification of the Parramatta North Heritage Core from inventory (refer Note 9).

Liabilities are higher than budget by \$44.478m due to the inclusion of the prior period adjustment establishing a deferred liability for the unpaid portion of the Sydney Metro Quarter Development rights (refer Notes 1(J) and 23).

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

21. Superannuation

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 last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed at 30 June 2021.

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

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

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

21. Superannuation (continued)

	SASS 30-Jun-19	SANCS 30-Jun-19	SSS 30-Jun-19	TOTAL 30-Jun-19
Member Numbers				
Contributors	1	1	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)	736,066	149,158	0	885,224
Estimated reserve account balance	(650,714)	(133,681)	0	(784,395)
1. Deficit/(surplus)	85,352	15,477	0	100,829
2. Future Service Liability (Note 2)	30,485	63,328	0	93,813
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.)	85,352	15,477	0	100,829

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 2019

21. Superannuation (continued)

	SASS Financial Year to 30 June 2019 A\$	SANCS Financial Year to 30 June 2019 A\$	SSS Financial Year to 30 June 2019 A\$	Total Financial Year to 30 June 2019 A\$
Net Defined Benefit Liability/(Asset) at start of year	446,616	105,750	0	552,366
Current service cost	90,802	12,283	0	103,085
Net Interest on the net defined benefit liability/(asset)	11,559	865	0	12,424
Past service cost	0	0	0	0
(Gains)/losses arising from settlements	0	0	0	0
Actual return on Fund assets less Interest income	(98,052)	(16,570)	0	(114,622)
Actuarial (gains)/losses arising from changes in demographic assumptions	(112)	(35)	0	(147)
Actuarial (gains)/losses arising from changes in financial assumptions	60,914	17,949	0	78,863
Actuarial (gains)/losses arising from liability experience	(405,628)	41,459	0	(364,169)
Adjustment for effect of asset ceiling	0	0	0	0
Employer contributions	(20,747)	(146,224)	0	(166,971)
Effects of transfers in/out due to business combinations and disposals	0	0	0	0
Net Defined Benefit Liability/(Asset) at end of year	85,352	15,477	0	100,829

	SASS Financial Year to 30 June 2019 A\$	SANCS Financial Year to 30 June 2019 A\$	SSS Financial Year to 30 June 2019 A\$	Total Financial Year to 30 June 2019 A\$
Fair value of Fund assets at beginning of the year	1,514,349	216,022	0	1,730,371
Interest income	39,056	4,356	0	43,412
Actual return on Fund assets less Interest income	98,052	16,570	0	114,622
Employer contributions	20,747	146,224	0	166,971
Contributions by participants	34,790	0	0	34,790
Benefits paid	(1,045,938)	(247,655)	0	(1,293,593)
Taxes, premiums & expenses paid	(10,342)	(1,836)	0	(12,178)
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	650,714	133,681	0	784,395

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

21. Superannuation (continued)

	SASS Financial Year to 30 June 2019 A\$	SANCS Financial Year to 30 June 2019 A\$	SSS Financial Year to 30 June 2019 A\$	Total Financial Year to 30 June 2019 A\$
Present value of defined benefit obligations at beginning of the year	1,960,964	321,772	0	2,282,736
Current service cost	90,802	12,283	0	103,085
Interest cost	50,616	5,221	0	55,837
Contributions by participants	34,790	0	0	34,790
Actuarial (gains)/losses arising from changes in demographic assumptions	(112)	(35)	0	(147)
Actuarial (gains)/losses arising from changes in financial assumptions	60,914	17,949	0	78,863
Actuarial (gains)/losses arising from liability experience	(405,628)	41,459	0	(364,169)
Benefits paid	(1,045,938)	(247,655)	0	(1,293,593)
Taxes, premiums & expenses paid	(10,342)	(1,836)	0	(12,178)
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	736,066	149,158	0	885,224

	SASS Financial Year to 30 June 2019 A\$	SANCS Financial Year to 30 June 2019 A\$	SSS Financial Year to 30 June 2019 A\$	Total Financial Year to 30 June 2019 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 2019

21. 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 2019

Asset category	Total (A\$'000)	Quoted prices in active markets for identical assets Level 1 (A\$'000)	Significant observable inputs Level 2 (A\$'000)	Unobservable inputs Level 3 (A\$'000)
Short Term Securities	4,042,116	2,135,561	1,906,555	0
Australian Fixed Interest	2,294,672	4,993	2,289,679	0
International Fixed Interest	1,968,093	6,827	1,952,396	8,871
Australian Equities	8,368,928	7,818,302	547,571	3,055
International Equities	11,387,439	8,795,299	2,592,132	8
Property	3,588,230	698,607	717,079	2,172,544
Alternatives	10,558,181	327,329	5,758,095	4,472,758
Total	42,207,659	19,786,918	15,763,507	6,657,236

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

As at	30-Jun-19
Short Term Securities	9.6%
Australian Fixed Interest	5.4%
International Fixed Interest	4.7%
Australian Equities	19.8%
International Equities	27.0%
Property	8.5%
Alternatives	25.0%
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 2019

21. Superannuation (continued)

Fair Value of entity's own financial instruments

The fair value of the Pooled Fund assets as at 30 June 2019 includes \$99.5 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 \$316 million (30 June 2018: \$280 million).

Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$331 million (30 June 2018: \$287 million).

As at	30-Jun-19
Discount rate	1.32% pa
Salary increase rate (excluding promotional increases)	3.2% pa
Rate of CPI increase	1.75% for 2018/19 and 2019/20, 2.00% for 2020/21; 2.25% for 2021/22 and 2022/23; 2.50% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2019 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 2019.

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\$)	885,224	952,835	825,427
	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	as above +0.5% pa	as above -0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	885,224	885,224	885,224
	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	as above +0.5% pa	as above -0.5% pa
Defined benefit obligation (A\$)	885,224	916,759	855,237

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

21. Superannuation (continued)

	Base Case	Scenario G Lower Mortality*	Scenario H Higher Mortality**
Defined benefit obligation (A\$)	885,224	885,224	885,224

*Assumes the short term pensioner mortality improvement factors for years' 2019-2023 also apply for years after 2023.

**Assumes the long term pensioner mortality improvement factors for years' 2019-2023 also apply for years after 2023.

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 2019 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

	SASS 30-Jun-19 A\$	SANCS 30-Jun-19 A\$	SSS 30-Jun-19 A\$	Total 30-Jun-19 A\$
Accrued benefits*	Not available	Not available	Not available	Not available
Net market value of Fund assets	(650,714)	(133,680)	0	(784,394)
<i>Net (surplus)/deficit</i>	Not available	Not available	Not available	Not available

*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

b) Contribution recommendations

Recommended contribution rates for the entity are:

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

c) Economic assumptions

The economic assumptions adopted for 30 June 2019 AASB 1056 Accounting Standard "Superannuation Entities"

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)	3.2% pa
Expected rate of CPI increase	2.2% pa

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

21. Superannuation (continued)

d) Expected contributions

	SASS	SANCS	SSS	Total
	Financial Year to 30 June 2020			
	A\$	A\$	A\$	A\$
Expected employer contributions	8,051	3,663	0	11,714

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 8.7 years.

Profit or Loss Impact

	SASS	SANCS	SSS	Total
	Financial Year to 30 June 2019			
	A\$	A\$	A\$	A\$
Current service cost	90,802	12,283	0	103,085
Net interest	11,559	865	0	12,424
Past service cost	0	0	0	0
(Gains)/Loss on settlement	0	0	0	0
Profit or loss component of the Defined Benefit Cost	102,361	13,148	0	115,509

Other Comprehensive Income

	SASS	SANCS	SSS	Total
	Financial Year to 30 June 2019			
	A\$	A\$	A\$	A\$
Actuarial (gains) losses on liabilities	(344,826)	59,373	0	(285,453)
Actual return on Fund assets less Interest income	(98,052)	(16,570)	0	(114,622)
Change in the effect of asset ceiling	0	0	0	0
Total remeasurement in Other Comprehensive Income	(442,878)	42,803	0	(400,075)

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

22. Reconciliation of net cashflows from operating activities to net result

	Consolidated		UrbanGrowth NSW	
	2019	2018 Restated	2019	2018 Restated
	\$'000	\$'000	\$'000	\$'000
Net cash flow from operating activities	14,685	(145,450)	30,798	(146,050)
Depreciation and amortisation	(1,255)	(1,112)	(1,255)	(1,112)
Write down of assets	-	(2,367)	-	(2,367)
Operating Costs	-	(5)	-	(5)
Other comprehensive Income	(400)	(78)	-	(78)
Increase/(decrease) in prepayments and other assets	(19)	389	(19)	389
Increase/(decrease) in trade receivables	(1,990)	3,587	(1,989)	3,601
Increase/(decrease) in inventory	3,103	91,151	3,103	91,151
Decrease/(increase) in creditors	37,867	(183,789)	38,194	(183,137)
Decrease/(increase) in provisions	781	17	447	(159)
Net result	52,772	(237,657)	69,279	(237,767)

23. Restatements / Corrections to prior years

The following tables disclose the restatement of the line items in the statement of financial position and the statement of comprehensive income impacted by the period error for the year ended 30 June 2018.

Consolidated	30 June 2018		
	Previously reported \$'000	Adjustment \$'000	Restated \$'000
Statement of Comprehensive Income			
<i>Expenses</i>			
- Grants	160,247	92,466	252,713
Total expenses	214,534	92,466	307,000
Net Result	(145,191)	(92,466)	(237,657)
Total Comprehensive Income	(145,113)	(92,466)	(237,579)

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

23. Restatements / corrections to prior years (continued)

Consolidated	30 June 2018		
	Previously reported \$'000	Adjustment \$'000	Restated \$'000
Statement of Financial Position			
<i>Non-current assets</i>			
- Inventory	7,244	88,272	95,516
<i>Total non-current assets</i>	13,143	88,272	101,415
<i>Total assets</i>	224,225	88,272	312,497
<i>Current Liabilities</i>			
- Deferred liability	0	44,136	44,136
<i>Total current liabilities</i>	6,201	44,136	54,524
<i>Non-current liabilities</i>			
- Deferred liability	0	136,602	136,602
<i>Total non-current liabilities</i>	1,262	136,602	137,864
<i>Total Liabilities</i>	7,463	180,738	188,201
<i>Net assets</i>	216,762	(92,466)	124,296
<i>Equity</i>			
- Accumulated Funds	215,973	(92,466)	123,507
<i>Total equity</i>	216,762	(92,466)	124,296

UrbanGrowth NSW	30 June 2018		
	Previously reported \$'000	Adjustment \$'000	Restated \$'000
Statement of Comprehensive Income			
<i>Expenses</i>			
- Grants	160,247	92,466	252,713
<i>Total expenses excluding losses</i>	214,489	92,466	306,955
<i>Net Result</i>	(145,301)	(92,466)	(237,767)
<i>Total Comprehensive Income</i>	(145,268)	(92,466)	(237,734)

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

23. Restatements / corrections to prior years (continued)

UrbanGrowth NSW	30 June 2018		
	Previously reported \$'000	Adjustment \$'000	Restated \$'000
Statement of Financial Position			
<i>Non-current assets</i>			
- Inventory	7,244	88,272	95,516
<i>Total non-current assets</i>	13,143	88,272	101,415
<i>Total assets</i>	207,612	88,272	295,884
<i>Current Liabilities</i>			
- Deferred liability	0	44,136	44,136
<i>Total current liabilities</i>	6,404	44,136	50,540
<i>Non-current liabilities</i>			
- Deferred Liability	0	136,602	136,602
<i>Total non-current liabilities</i>	556	136,602	137,158
<i>Total Liabilities</i>	6,960	180,738	187,698
<i>Net assets</i>	200,652	(92,466)	108,186
<i>Equity</i>			
- Accumulated Funds	199,863	(92,466)	107,397
<i>Total equity</i>	200,652	(92,466)	108,186

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

24. 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.

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 2019

24. Financial instruments (continued)

Financial Instrument categories

Financial assets	Note	Category	Consolidated		UrbanGrowth NSW	
			Carrying amount^	Carrying amount^	Carrying amount^	Carrying amount^
			2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash and cash equivalents	4	N/A	217,419	202,774	216,919	186,161
Receivables*	5	Loans and receivables (at amortised cost)	1,008	6,182	1,008	6,182
Total financial assets			218,427	208,956	217,927	192,343

Financial Liabilities	Note	Category	Consolidated		UrbanGrowth NSW	
			Carrying amount^	Carrying amount^	Carrying amount^	Carrying amount^
			2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade and other payables**	11.	Financial liabilities (at amortised cost)	147,288	185,156	148,461	186,656
Other Financial Liabilities	12	Finance Lease Payable	87	123	87	123
Total financial liabilities			147,375	185,279	148,548	186,779

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

(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 3. The NSW Treasury Corporation Hour Glass cash facility is discussed in paragraph (e) below.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

24. Financial instruments (continued)

(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, 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.

	Total \$000	Past due but not impaired \$000	Considered impaired \$000
Consolidated Entity			
2019			
< 3 months overdue	197	197	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
Consolidated Entity			
2018			
< 3 months overdue	62	62	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
UrbanGrowth NSW			
2019			
< 3 months overdue	197	197	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
UrbanGrowth NSW			
2018			
< 3 months overdue	62	62	-
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.

(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 following tables summarise the maturity profile of the consolidated entity's financial liabilities, together with the interest rate exposure.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

24. Financial instruments (continued)

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 2019							
Non-Interest bearing - payables		147,288	-	147,288	-	-	147,288
		147,288	-	147,288	-	-	147,288
Consolidated Entity - at 30 June 2018							
Non-Interest bearing - payables		185,156	-	185,156	-	-	185,156
		185,156	-	185,156	-	-	185,156
UrbanGrowth NSW - at 30 June 2019							
Non-Interest bearing - payables		148,461	-	148,461	-	-	148,461
		148,461	-	148,461	-	-	148,461
UrbanGrowth NSW - at 30 June 2018							
Non-Interest bearing - payables		186,656	-	186,656	-	-	186,656
		186,656	-	186,656	-	-	186,656

(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.

(i) 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.

(ii) 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.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

24. Financial instruments (continued)

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:

	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
	\$000	\$000	\$000	\$000	\$000
Consolidated entity - as at 30 June 2019					
Financial assets					
Cash and cash equivalents	217,419	(2,174)	(2,174)	2,174	2,174
Receivables*	1,008	(10)	(10)	10	10
Other financial assets	-	-	-	-	-
Financial liabilities					
Payables**	52,938	529	529	(529)	(529)
Other Financial Liabilities	87	-	-	-	-
	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
	\$000	\$000	\$000	\$000	\$000
Consolidated entity - as at 30 June 2018					
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**	48,554	485	485	(485)	(485)
Other Financial Liabilities	123	-	-	-	-
	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
	\$000	\$000	\$000	\$000	\$000
UrbanGrowth NSW - as at 30 June 2019					
Financial assets					
Cash and cash equivalents	216,919	(2,169)	(2,169)	2,169	2,169
Receivables*	1,006	(10)	(10)	10	10
Other financial assets	-	-	-	-	-
Financial liabilities					
Payables**	54,111	541	541	(541)	(541)
Other Financial Liabilities	87	-	-	-	-
	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
	\$000	\$000	\$000	\$000	\$000
UrbanGrowth NSW - as at 30 June 2018					
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**	50,054	501	501	(501)	(501)
Other Financial Liabilities	123	-	-	-	-

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

24. Financial instruments (continued)

(e) 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	2019 \$'000	2018 \$'000
Consolidated				
Cash Facility	Cash, money market instrument	Up to 1.5 years	-	16,113
UrbanGrowth NSW				
Cash Facility	Cash, money market instrument	Up to 1.5 years	-	-
Impact on Profit/Loss			2019 \$'000	2018 \$'000
Consolidated				
Hour Glass - Cash Facility		+/-1%	-	161
UrbanGrowth NSW				
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).

(f) 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.

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

24. Financial instruments (continued)

(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 2019				
TCorp Hour- Glass facility	-	-	-	-
Consolidated entity - at 30 June 2018				
TCorp Hour- Glass facility	-	16,113	-	16,113
UrbanGrowth NSW- at 30 June 2019				
TCorp Hour- Glass facility	-	-	-	-
UrbanGrowth NSW- at 30 June 2018				
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.

25. Related party disclosures

(a) Key Management Personnel

UrbanGrowth NSW has 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, UrbanGrowth NSW 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 the NSW Government:

- Payment to Sydney Metro for development rights relating to the Collaboration Agreement of \$45,454,545.
- Interest revenue earned from Treasury Banking System of \$3,344,605.
- Property NSW for the rental of the main office site at the MLC Centre of \$1,550,131. This was partially offset by receipts from Landcom of \$426,794 for reimbursement of rental at the same site.
- Receipts from NSW Land and Housing Corporation for reimbursement of expenses incurred on the Waterloo Estate project of \$8,295,703

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

The individually significant transactions between ATPSL and UrbanGrowth NSW are as follows:

- UrbanGrowth NSW made payments on behalf of ATPSL of \$101k.
- All residual assets of the ATPSL (netting to \$16,357,265) were transferred to UrbanGrowth NSW before 30 June 2019 (refer Note 26).

UrbanGrowth NSW Development Corporation
Notes to the consolidated financial statements
30 June 2019

25. Related party disclosures (continued)

(d) Transactions with UrbanGrowth Development Staff Agency (wholly owned entity)

UrbanGrowth NSW was charged \$19.3m for employment related expenses incurred by the Staff Agency, of which \$2,204,112 is in respect of key management personnel services.

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

	2019	2018
	\$'000	\$'000
Salaries	1,572	959
Other monetary allowances		-
Non-monetary benefits	-	-
Other long-term employee benefits	-	319
Post-employment benefits	82	47
Termination benefits	550	-
Total remuneration	2,204	1,325

26. Discontinued operation

On 16 December 2016 the Board of ATPSL endorsed its dissolution as a company. This was tabled in Parliament on 20 June 2019, with voluntary deregistration filed on 26 June 2019. All residual assets of the ATPSL (netting to \$16.4m in cash and short term payables) were transferred to UrbanGrowth NSW before 30 June 2019.

27. Events after the Reporting Period

On 1 July 2019 and subsequent to the end of the financial year, the UrbanGrowth NSW Corporation was abolished in accordance with the *State Revenue and Other Legislation Amendment Act 2019*. Similarly, and in accordance with the *Administrative Arrangements (Administrative Changes – Public Service Statutory bodies) Order 2019*, the UrbanGrowth NSW Staff Agency was abolished. From 1 July 2019, the Corporation's employees, assets, rights and liabilities will be transferred to Infrastructure New South Wales and will be used, recovered or settled in the normal course of business by the transferee department.

Australian Technology Park Sydney Limited

Financial Statements

For the year ended 30 June 2019



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 statements of Australian Technology Park Sydney Limited (the Company), which comprises the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, 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 statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 30 June 2019 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- 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 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 16 September 2019, 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 statements prepared on a liquidation basis

I draw attention to Note 1(b) 'Basis of Preparation' which indicates the financial statements were not prepared on a going concern basis. The financial statements have been prepared on a liquidation basis due to the directors' intention to deregister the Company. As disclosed in Note 18, the Company was deregistered on 28 August 2019.

My opinion is not modified in respect of this matter.

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 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 Company 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



Nathan Carter
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

19 September 2019
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 and 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 2019 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



Craig Becroft
General Manager
ATPSL

Sydney, dated **17 SEPTEMBER 2019**

Australian Technology Park Sydney Limited
Statement of Comprehensive Income
For year ended 30 June 2019

	Notes	2019 \$000	2018 \$000
Revenue			
Sale of goods and services		-	-
Investment revenue	2a	346	316
Total revenue		346	316
Expenses excluding losses			
Operating expenses			
-Employee related	3a	69	96
-Other operating expenses	3b	27	65
Depreciation and amortisation		-	-
Total expenses excluding losses		96	161
Gains / (losses) on disposal		-	-
Net result		250	155
Other comprehensive income			
Total other comprehensive income		-	-
Total comprehensive income		250	155

The accompanying notes form part of these financial statements.

Australian Technology Park Sydney Limited
Statement of Financial Position
As at 30 June 2019

	Notes	2019 \$000	2018 \$000
Current assets			
Cash and cash equivalents	4b	-	16,113
Total current assets		<u>-</u>	<u>16,113</u>
Total assets		<u>-</u>	<u>16,113</u>
Liabilities			
Current Liabilities			
Payables	5	-	4
Total current liabilities		<u>-</u>	<u>4</u>
Total liabilities		<u>-</u>	<u>4</u>
Net assets		<u>-</u>	<u>16,109</u>
Equity			
Reserves		-	-
Accumulated funds	6	-	16,106
Total equity		<u>-</u>	<u>16,109</u>

The accompanying notes form part of these financial statements.

Australian Technology Park Sydney Limited
Statement of Changes in Equity
For year ended 30 June 2019

	Accumulated funds	Asset revaluation surplus	Total
	\$000	\$000	\$000
Balance at 1 July 2018	16,109	-	16,109
Net result for the year	250	-	250
Other comprehensive income:			
Net increase/(decrease) in assets revaluation surplus	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the year	250	-	250
Transactions with owners in their capacity as owners	(16,359)	-	(16,359)
Balance at 30 June 2019	-	-	-
	Accumulated funds	Asset revaluation surplus	Total
	\$000	\$000	\$000
Balance at 1 July 2017	15,954	-	15,954
Net result for the year	155	-	155
Other comprehensive income:			
Net increase/(decrease) in assets revaluation surplus	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the year	155	-	155
Transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2018	16,109	-	16,109

The accompanying notes form part of these financial statements.

Australian Technology Park Sydney Limited
Statement of Cash Flows
For year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Suppliers for goods and services		(27)	(172)
Employee related		(74)	(96)
Total Payments		(101)	(268)
Receipts			
Sale of services		-	2
Interest Received		346	355
Other		1	11
Total Receipts		347	368
NET CASH FLOWS FROM OPERATING ACTIVITIES		246	100
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to UGDC	6	(16,359)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(16,359)	-
Net increase/(decrease) in cash held		(16,113)	100
Opening cash and cash equivalents		16,113	16,013
CLOSING CASH AND CASH EQUIVALENTS		-	16,113

The accompanying notes form part of these financial statements

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

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. ATPSL was wound up following the Premiers approval. During the current financial year activities were focused on wind up activities with costs of \$101k. Income of \$346k was derived from short term cash balances held at T Corp. There were no net assets at 30 June 2019 as all residual assets were distributed to UrbanGrowth NSW. The net result for the year ended 30 June was \$250k.

The financial statements for the year ended 30 June 2019 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 and Corporations Act 2001.

Accounts reported on a liquidation basis

On 16 December 2016 the Board of ATPSL endorsed its dissolution as a company. This was tabled in Parliament on 20 June 2019, with voluntary deregistration filed on 26 June 2019. Due to the deregistration of ATPSL, the Board has determined that the going concern basis of preparation is no longer appropriate. Accordingly, 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." Since the announcement of the dissolution as a company in FY2017, ATPSL's financial statements have been prepared on a liquidated accounts 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 Boards 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 standard on the basis that the disclosures are not considered relevant for decision-making by users as described below:

- 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.

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.

1. Summary of significant accounting policies (continued)

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

1. Summary of significant accounting policies (continued)

(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

(E1) 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.

(E2) Income tax

On 16 February 2005, a private ruling was made in favor 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 as a NSW Government agency. The ruling has been reconfirmed several times, most recently on 29 June 2011.

(F) Comparative information

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

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

2. Revenue

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:

a) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 9 Financial Instruments. 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.

	2019	2018
	\$'000	\$'000
T Corp Hour Glass and term deposits designated at fair value through profit or loss	346	316
	346	316

b) Other revenue

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

3. 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.

a) 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 below.

	2019	2018
	\$'000	\$'000
Salaries and wages (including annual leave)	69	86
Superannuation	-	10
	69	96

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

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.

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

3. Expenditure (continued)

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 18/13) 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.

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.

b) Other operating expenses

	2019	2018
	\$'000	\$,000
Auditor's remuneration		
- audit of financial statements ¹	-	8
Legal	-	5
Consultants	16	18
Property expenses	-	2
Administration	2	-
IT	4	2
Other	5	30
	27	65

¹ Note that there was an expense incurred for the audit of the financial statements, however in FY2019 this fee was paid by the parent entity on behalf of ATPSL.

4. Assets

a) 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.

b) 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.

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

4. Assets (continued)

	2019	2018
	\$'000	\$'000
NSW Treasury Corporation Hour-Glass Cash Facility	-	16,113
	<u>-</u>	<u>16,113</u>

c) 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.

d) 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.

e) 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.

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

5. Liabilities

a) 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.

	2019	2018
	\$'000	\$'000
Other Payables	-	4
	<u>-</u>	<u>4</u>

6. Equity and reserves

Accumulated funds

The category 'accumulated funds' includes all current and prior period retained funds. This balance of \$16,359m was distributed to UrbanGrowth NSW after the approval from the NSW Premier to wind up ATPSL.

7. 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.

8. Budgeted amounts

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

9. 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.

10. 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.

11. Commitments for expenditure

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

12. Contingent assets and contingent liabilities

There was no known contingent assets or contingent liabilities as at 30 June 2019 (2018: Nil).

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

13. Reconciliation of net cashflows from operating activities to net result

	2019	2018
	\$'000	\$'000
Net cash flow from operating activities	246	100
Depreciation and amortisation	-	-
Decrease/(increase) in Receivables	-	(39)
Decrease/(increase) in Payables	4	73
Decrease/(increase) in provisions	-	21
Increase/(decrease) in prepayments and other assets	-	-
Decrease/(increase) in creditors	-	-
Net gains/(losses) from sale of discontinued operation	-	-
Net result	<u>250</u>	<u>155</u>

14. 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 (UrbanGrowth NSW).

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 and General Manager are 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.

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 UrbanGrowth NSW are payments made by UrbanGrowth NSW on behalf of ATP of \$100,993.

c) Wind-up of ATPSL during the financial year

On 16 December 2016 the Board of ATPSL endorsed its dissolution as a company. This was tabled in Parliament on 20 June 2019, with voluntary deregistration filed on 26 June 2019. All assets, rights and liabilities were transferred to UrbanGrowth NSW on 29 June 2019 and will be used, recovered or settled in the normal course of business by the transferee department. Additionally, the \$16,359m in accumulated funds were distributed to UrbanGrowth NSW as a part of this wind up.

15. 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.

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

15. Financial Instruments (continued)

Financial Instrument categories

Financial assets	Note	Category	Carrying amount [^]	Carrying amount [^]
			2019 \$'000	2018 \$'000
Cash and cash equivalents	4	N/A	-	16,113
Total financial assets			-	16,113
Financial liabilities	Note	Category	2019	2018
			\$'000	\$'000
Trade and other payables**	5	Financial liabilities (at amortised cost)	-	4
Total financial liabilities			-	4

* 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.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System and bank term deposits. There was no cash as at 30 June 2019.

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 2019 (2018: NIL).

Company Deposits

At balance date, the Company had no funds on deposit. Deposits at balance date in 2018 were earning an average interest rate of 2.72%. Over the year, the weighted average interest rate was 2.1% (2018: 1.99%), on a weighted average balance of \$16.3m (2018: \$16.02m). None of these assets are past due or impaired.

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.

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.

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

15. Financial Instruments (continued)

During the current and prior year, there were no loans payable. 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% (2018: 3%).

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 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 2018. The analysis assumes that all other variables remain constant.

	Carrying amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
	\$000	\$000	\$000	\$000	\$000
At 30 June 2019					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables*	-	-	-	-	-
Financial liabilities					
Payables**	-	-	-	-	-
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)

* Excludes statutory receivables and prepayments

** Excludes statutory payables and unearned revenue

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

15. Financial Instruments (continued)

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	2019	2018
			\$'000	\$'000
Cash Facility	Cash, money market instrument	Up to 1.5 years	-	16,113

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.

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	
		2019	2018
		\$'000	\$'000
Hour Glass - Cash Facility	+/-1%	-	161

Fair value measurement

(1) 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.

(2) 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).

Australian Technology Park Sydney Limited
Notes to the consolidated financial statements
30 June 2019

15. Financial Instruments (continued)

Fair value measurement

	Level 1	Level 2	Level 3	Total
At 30 June 2019	\$'000	\$'000	\$'000	\$'000

Financial assets at fair value

TCorp Hour- Glass facility

-	-	-	-	-
---	---	---	---	---

	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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16. Members' guarantee

Australian Technology Park Sydney Limited is limited by guarantee and has one member (2018: 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.

17. Discontinued operation

On 16 December 2016 the Board of ATPSL endorsed its dissolution as a company. This was tabled in Parliament on 20 June 2019, with voluntary deregistration filed on 26 June 2019. All residual assets of the ATPSL (netting to \$16.4m in cash and short term payables) were transferred to UrbanGrowth NSW Corporation before 30 June 2019.

18. Events after the Reporting Period

De-registration of the ATPSL was confirmed by the Australian Securities and Investment Commission on 28 August 2019.

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 provides personnel services to the corporation. It achieved its FY19 performance target of making timely and accurate staff payments.

The Staff Agency incurred employment expenses for \$19.313m for the financial year ended 30 June 2019, which were billed in full to the Corporation. Its net income for FY19 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 FY19 was to commence an orderly winding up. This was achieved and the application to wind ATPSL up was made on 26th June. ATPSL was formally deregistered on 28th August 2019.

ATPSL did not incur material wind-up expenses for the financial year ended 30 June 2019. It earned income for the year of \$346,000 from short-term cash balances held at TCorp. Its net income for FY19 was \$250,000 and its net assets at year-end were zero.

Appendix - Corporate Disclosures

FINANCIAL

UrbanGrowth NSW engaged consultants for specialist work only where there was no in-house expertise or if additional resources were required.

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.

FINANCIAL

Consultants – engagements costing \$50,000 or more

CONSULTANT	NATURE OF THE CONSULTANCY	SPEND FOR FY19 (\$)
ENVIRONMENTAL		
Cardno (NSW/ACT) Pty Ltd	Flooding and Stormwater	94,749
JBS&G Australia Pty Ltd	Existing Fish Market site contamination investigation	76,400
INFORMATION TECHNOLOGY		
Microsoft Pty Ltd	Microsoft Unified Support	92,400
Presence of IT Pty Ltd	Implementation of SAP SuccessFactors	62,140
LEGAL		
King & Wood Mallesons	Sydney Fish Market agreement for lease	627,905
King & Wood Mallesons	Sydney Fish Markets implementation phase	107,604
Pegg Property Consulting P/L	Negotiation advice for the Sydney Fish Market lease	121,295
Thomson Geer	Sydney Fish Market retail leasing strategy	68,129
Thomson Geer	Legal advice for the Waterloo Metro Station development	91,802
MANAGEMENT SERVICES		
Aecom Australia Pty Ltd	Building services for the new Sydney Fish Market	1,736,930
Aecom Australia Pty Ltd	Utility services search for the new Sydney Fish Market site	83,758
Andrew Hoyne Design Pty Ltd	Parramatta North Heritage Core Place Identity	247,141
Anja Stride	Third party events and filming policies	87,528
BBC Consulting Planners	Sydney Fish Market statutory planners	90,175
City Projects Advisory Pty Ltd	Portfolio Management Office advisory services	59,000
Corview Group Pty Ltd	Program Management Services	242,925
Enigma Corporate Pty Ltd	Parramatta North Heritage Festival Event Management	131,066
Ernst & Young	Business case economist	244,041
Ernst & Young	Financial and economic analysis	101,378
Ernst & Young	Real estate transaction advisory services	211,209
Ethos Urban	Development Manager	184,230
Ethos Urban	Planning services for Waterloo Metro Quarter SSDA	144,044
Francis-Jones Morehen Thorp	Urban design services for The Bays	153,978

Appendix - Corporate Disclosures

CONSULTANT	NATURE OF THE CONSULTANCY	SPEND FOR FY19 (\$)
GLN Planning Pty Ltd	Redfern-Waterloo contributions plan advice and services	58,325
Hortraco Trading Pty Ltd	Vertical transport multi-crane solution	220,000
Jones Lang Lasalle (NSW) P/L	Land value assessments	65,000
Metropolitan Security Group	Security services for White Bay Power Station	261,428
Murawin Pty Ltd	Professional cultural advisory services	217,500
Nasr Group Pty Ltd	White Bay Power Station Superintendency services	66,400
Newgate Communications Pty Ltd	Parramatta North stakeholder engagement	51,418
Nicholas Turner Pty Ltd	Design services for the Waterloo State Significant Precinct	704,848
Price Waterhouse Coopers	Economic appraisal for preliminary Bays West business case	131,764
Rider Levett Bucknall NSW P/L	Cost planning services for Bays West	147,035
Roberts Day NSW Pty Ltd	Placemaking framework for Parramatta North	64,940
SMEC Urban	Bays West working harbour consultant	65,378
SPM Assets Pty Limited	Asset componentisation and condition data	96,600
Terroir Pty Ltd	Integrated transport planning and concept design services - Bays West	75,303
Terroir Pty Ltd	Urban Design for The Bays Growth Centre	983,354
Terroir Pty Ltd	WestConnex Rozelle Interchange options	209,688
Thelem Consulting Pty Ltd	Asset management consultant	156,017
Thelem Consulting Pty Ltd	Development finance manager - Bays West	483,518
Thelem Consulting Pty Ltd	Development management services - Blackwattle Bay	228,950
Thelem Consulting Pty Ltd	Project and asset management support - Bays West	98,187
Thelem Consulting Pty Ltd	Project and asset management support - Redfern and North Eveleigh	93,225
Thelem Consulting Pty Ltd	Project manager, pre-construction - Blackwattle Bay	234,375
Thelem Consulting Pty Ltd	Project manager, design - Bays West	241,747
Thelem Consulting Pty Ltd	Project management services - Waterloo Estate	434,492
Thelem Consulting Pty Ltd	Project management services - Parramatta North	158,225
Urbis Pty Ltd	Planning advice and services - Parramatta North	99,144

CONSULTANT	NATURE OF THE CONSULTANCY	SPEND FOR FY19 (\$)
ORGANISATIONAL REVIEW		
Business Psychs Pty Ltd	Organisational structure and capacity	94,500
Elton Consulting	Social sustainability study - Waterloo Estate	73,544
HKA Global	PMO Capability for Head of Projects and Project Manager	245,473
Korn Ferry International P/L	Executive search	118,750
Leading Well Pty Ltd	Mentoring program panel	81,995
McCarthy Mentoring Pty Ltd	Mentoring program panel	207,950
Rebecca Lawrence	HR consultancy - role design and evaluation	59,538
TOTAL CONSULTANCIES EQUAL TO OR MORE THAN \$50,000: 56		11,588,438

Appendix - Corporate Disclosures

Consultants – engagements costing less than \$50,000

During FY19 UrbanGrowth NSW procured 181 consultancy engagements under individual contracts below \$50,000 each. The actual spend against these contracts as at 30 June 2019 was \$1,618,877.89.

Annual report costs

Production costs for this Annual Report were kept to a minimum with design services outsourced as they were not available in-house. Costs amounted to \$5,000.

Payment of accounts

The Corporation's accounts payable performance during the financial year is summarised in the table below. No penalty interest was paid to small business creditors for late payment during the year.

DESCRIPTION	QUARTER ENDED 30 SEP 2018 \$000	QUARTER ENDED 31 DEC 2018 \$000	QUARTER ENDED 31 MAR 2019 \$000	QUARTER ENDED 30 JUN 2019 \$000	TOTAL \$000
Percentage of accounts paid on time	78.8%	73.4%	60.3%	95.5%	77%
Total dollar value of accounts paid on time					
0 – 30 days	9,947	8,963	4,976	61,456	85,341
31 – 60 days	1,675	1,839	1,517	2,144	7,175
61 – 90 days	593	923	739	630	2,885
> 90 days	406	489	1,027	131	2,052
TOTAL DOLLAR VALUE OF ACCOUNTS PAID	12,621	12,214	8,259	64,360	97,454

Corporate credit cards

The Corporation had six credit cards on issue with limits of \$10,000 each, all of which have now been closed.

In accordance with NSW Treasury TPP 17-09 *Use and Management of NSW Government Purchasing Cards*, the Corporation certifies that credit card use by Urban Growth 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 FY19.

Land disposal

No land was disposed of in FY19.

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.

Legal Changes

The State Revenue and Other Legislation Amendment Act 2019 was passed by the NSW Parliament in June 2019. Schedule 5 of this Act abolished UrbanGrowth NSW Development Corporation from 1 July 2019, and provided for the transfer of those agencies assets, rights and liabilities to Infrastructure NSW. It also amended the Growth Centres (Development Corporations) Act 1974 to provide for Infrastructure NSW to exercise statutory functions under that Act.

The *Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019* was made on 2 April 2019. The Order transferred members of staff of the UrbanGrowth NSW Development Corporation to the Infrastructure NSW Staff Agency, effective 1 July 2019.

On 21 June 2018, the NSW Government passed the Modern Slavery Act 2018. The Act introduces measures and procurement provisions for NSW Government agencies due to be implemented in the next financial year.

To ensure compliance UrbanGrowth NSW implemented the following actions:

- Updated our Code of Conduct, Procurement Policy and Statement of Business Ethics to insert our commitment to taking reasonable steps to ensure that the goods and services we procure are not the product of modern slavery.
- Included anti-slavery provisions in our procurement contracts and required contractors/consultants to do the same with their subcontracts.
- Engaged across the NSW Government to ensure a consistent approach to implementation.

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. During 2018-19, there was one claim made against one of these insurance categories.

Public Access to Information

Government Information (Public Access) Act

During the reporting period for FY18/19 UrbanGrowth NSW received one valid formal access application under the Government Information (Public Access) Act 2009 (GIPA Act).

The total number of access applications received by UrbanGrowth NSW during the FY18/19 reporting year (including withdrawn applications but not including invalid applications) are as follows:

TOTAL NUMBER OF...	
Formal applications received	1
Formal applications transferred	0
Formal application changed to informal	0
Formal applications withdrawn	0
Informal application	6
Third party consultation requests	0

Appendix - Corporate Disclosures

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	0	0	0	0	0	0	0	0
Members of Parliament	1	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0

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	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0

Table C - Invalid applications

REASON FOR INVALIDITY	NUMBER OF APPLICATIONS
Application does not comply with formal requirements (section 41 of the GIPA Act)	0
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

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

**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	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Appendix - Corporate Disclosures

Table F - Timelines

	NUMBER OF APPLICATIONS
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
TOTAL	0

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	0	0
Review by Information Commissioner	0	0
Internal review following recommendation under section 93 of GIPA Act	0	0
Review by NSW Civil and Administrative Tribunal	0	0
TOTAL	0	0

Table H - Application for review under Part 5 of the GIPA Act (by type of applicant)

	NUMBER OF APPLICATIONS
Applications by access applicants	0
Application relates (see section 54 of the GIPA Act)	0

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.

UrbanGrowth NSW's program for the proactive release of information involved regularly updating the UrbanGrowth NSW website and individual project websites to provide information regarding policies, projects and initiatives. We also considered publishing information about the community consultations we undertake and other commonly requested categories of information and the impact, if any, of proactively releasing this information.

During the year, UrbanGrowth NSW:

- considered the formal access application received;
- considered the informal applications 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 FY18/19;
- undertook further consultation through team meetings, GIPA briefings and updates.

Below are the details of a review carried out during the reporting year and the details of any information made publicly available by UrbanGrowth NSW as a result.

Privacy

We were committed to ensuring that individual privacy was protected, and our activities complied with the *Privacy and Personal Information Protection Act 1998* (PIIP Act) and the *Privacy Amendment (Private Sector) Act 2000*.

Our privacy management plan was based on 12 information protection principles of the PIIP Act, which establish standards for using personal information. These are:

- **PRINCIPLE 1 (S.8 PIIP Act)**
Collection of personal information for lawful purposes
- **PRINCIPLE 2 (S.9 PIIP Act)**
Collection of personal information directly from the individual
- **PRINCIPLE 3 (S.10 PIIP Act)**
Requirements when collecting personal information
- **PRINCIPLE 4 (S.11 PIIP Act)**
Other requirements relating to collection of personal information
- **PRINCIPLE 5 (S.12 PIIP Act)**
Retention and security of personal information
- **PRINCIPLE 6 (S.13 PIIP Act)**
Information about personal information held by agencies
- **PRINCIPLE 7 (S.14 PIIP Act)**
Access to personal information held by agencies
- **PRINCIPLE 8 (S.15 PIIP Act)**
Alteration of personal information
- **PRINCIPLE 9 (S.16 PIIP Act)**
Agency must check accuracy of personal information before use
- **PRINCIPLE 10 (S.17 PIIP Act)**
Limits on use of personal information
- **PRINCIPLE 11 (S.18 PIIP Act)**
Limits on disclosure of personal information
- **PRINCIPLE 12 (S.19 PIIP Act)**
Special restrictions on disclosure of personal information.

There was a breach of privacy in June 2019 which was reported to and closed out by Management. The unauthorised access of personal information was by a handful of identified staff within our organisation. Appropriate remedial action was taken.

The Infrastructure NSW Privacy Officer can be contacted in writing:

INSW Privacy Officer
PO Box R220
Royal Exchange NSW 1225
by phoning: +61 2 8016 0100 or by emailing: mail@insw.com

Appendix - Corporate Disclosures

Public Interest Disclosures Act 1994

The following table contains information about our obligations under section 31 of the *Public Interest Disclosures Act* (PID Act).

	MADE BY PUBLIC OFFICERS PERFORMING THEIR DAY TO DAY FUNCTIONS	UNDER A STATUTORY OR OTHER LEGAL OBLIGATION	ALL OTHER PIDS
Number of public officials making a public interest disclosure	0	0	0
Number of public interest disclosures we received relating to:	0	0	0
Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste of public money	0	0	0
Government information contraventions	0	0	0
Local government pecuniary interest contraventions	0	0	0
TOTAL	0	0	0
Number of public interest disclosures we finalised	0	0	0
Whether we have a public interest disclosures policy in place	Yes		
Action taken by us to ensure that our staff awareness responsibilities under section 6E(1)(b) of the PID Act have been met	Management training, portfolio and staff briefings, inductions and team meetings, intranet notices introducing UrbanGrowth NSW's PID Policy and Procedure		

Index

About UrbanGrowth NSW	10	Granville	32
Our History	11	Growth Centres	10
Our Growth Centres	10	Cooks Cove	32
What We Did	10	Parramatta North	25
Who We Are	10	Redfern - Waterloo	21
Access	2	The Bays	16
Annual Report Costs	124	Heritage Conservation	26
Appendix	119	Consultation	33
Audit and Risk Management Committee	11	Policies	32
CEO Report	6	Investment Performance	34
Consultants	148	Key Achievements	8
Contact Details	2, 132	Land Disposal	124
Head Office	2	Legal Changes	125
Right to Information Officer and Privacy Coordinator	129	Letter to the Premier	4
Cooks Cove	32	Management Activity	34
Corporate Credit Cards	124	Our Structure	11
People and Culture	36	Payment of Accounts	124
Diversity and Inclusion	36	Performance Management	40
Economic Drivers	34	Place Excellence and Community	22
Employees	38	Privacy and Personal Information Protection Act	129
Financial Statements	50	Public Interest Disclosures	130
Functions and Structure	11	Risk Management Framework	46
Government Information (Public Access) Act (GIPA Act)	127	Senior Executives	12



UrbanGrowth NSW
Development Corporation

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