



HDC

Hunter  
Development  
Corporation

2007/08

Annual  
Report



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## To the Minister

31 October 2008

The Hon. Kristina Keneally MP  
Minister for Planning  
Parliament House  
SYDNEY NSW 2000

Dear Ms Keneally

Please find enclosed the annual report of the Hunter Development Corporation for the year ended 30 June 2008.

The report details the work, achievements and relevant statutory and financial information of this statutory body.

The report is for submission to Parliament under the *Annual Reports (Statutory Bodies) Act 1984* and the applicable provisions of the *Public Finance and Audit Act 1983*.

Yours sincerely



Paul Broad  
Chairman  
Hunter Development Corporation



Sam Haddad  
Managing Director  
Hunter Development Corporation

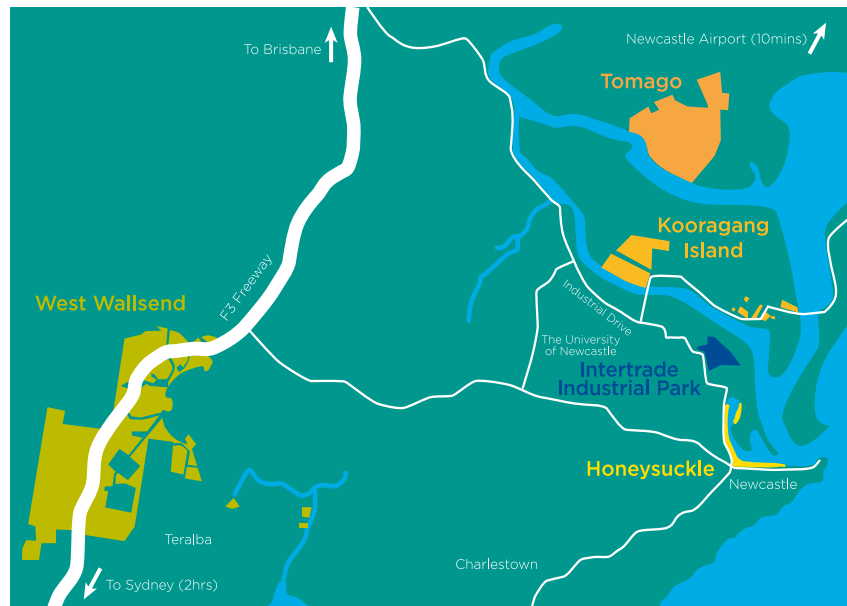


**HDC** Hunter  
Development  
Corporation

The Hunter Development Corporation officially commenced by proclamation in the NSW Government Gazette on 1 February 2008.

## Vision Statement

The Hunter Development Corporation is building a better Hunter. As the region continues to thrive, HDC will act as a catalyst for growth, renewal and new opportunities for local communities.



## Mission Statement

The Hunter Development Corporation's role is to build a better region by facilitating growth on a strategic basis. HDC will work to encourage and coordinate private sector investment in a variety of sectors to help deliver new residential and commercial opportunities as well as projects of wider public benefit. We call on: our expertise in major project management; knowledge of the region and its potential; insights into its people, communities, history and environment; and connection to government at all levels – federal, state and local.

growth centre in which the Corporation operates and renamed the Corporation accordingly. The growth area was expanded to include the local government areas of Cessnock, Dungog, Gloucester, Great Lakes, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter.

The Hunter Development Corporation is the continuation of, and is the same legal entity as, the Honeysuckle Development Corporation and retains the same Australian Business Number. However, along with its expanded growth centre boundaries, the Corporation has an expanded land portfolio, which includes parcels of land formerly owned and managed on behalf of the State by the Regional Land Management Corporation. These include parts of Kooragang Island,

As the region continues to thrive, HDC will act as a catalyst for growth, renewal and new opportunities for local communities

## Overview

The Lower Hunter Regional Strategy projects that by 2031 the region will be home to an additional 160,000 people. The Corporation will be a key driver in the development and renewal required to meet this growing demand for jobs and homes. It will help facilitate development by the private sector on key State landholdings under its control to ensure certainty of investment to the private sector and maximum value for the people of the region and the State.

The Corporation was established by the *Growth Centres (Hunter Development Corporation) Order 2008* under the *Growth Centres (Development Corporations) Act 1974*. The Order expanded the boundaries of the

Tomago and former BHP lands at Mayfield and West Wallsend. The Corporation has taken over the task of managing the remediation of much of these lands as well as the administration of various leases and environmental programs.

The Hunter Development Corporation continues the work of the Honeysuckle Development Corporation of coordinating the redevelopment of surplus government railway and port-related land spanning four kilometres of harbour front and 50 hectares of land adjacent to Newcastle's Central Business District. The Corporation will continue its work of creating a quality residential, commercial and recreational waterfront area at Honeysuckle as part of the process to revitalise the City of Newcastle.





## Chairman's Report

Welcome to the first annual report of the Hunter Development Corporation. Following the Government's decision to form the new Corporation in July 2007, the legislation under which the Corporation was constituted, the *Growth Centres (Development Corporations) Act 1974*, was amended to expand the boundaries in which it operates. At the same time the Corporation set about merging the resources and landholdings of the former Regional Land Management Corporation into its operations, adding the management of significant strategic landholdings to its portfolio. It has taken up the challenge of remediating large parcels of contaminated industrial land to prepare them for an era of new economic activity across a range of sectors for the widest possible benefit. The Corporation's focus has been, and will continue to be, working hard to facilitate the kinds of projects that benefit not only Newcastle, but the entire Hunter community.



Having its roots in the former Regional Land Management Corporation and Honeysuckle Development Corporation, the new Corporation is well placed to act as a catalyst for growth in the region. With the Lower Hunter Regional Strategy projecting an additional 160,000 people living in the region by 2031, the Corporation will stimulate economic growth and facilitate development required to meet the demand for jobs and homes needed by this expanding population. The primary way in which the Corporation can contribute to this goal is to facilitate development by the private sector on key State landholdings, such as the Intertrade Industrial Park – the former BHP Steelworks site – Kooragang Island, Tomago, West Wallsend and Honeysuckle.

An important element of this vision is the provision of not only employment, residential and commercial opportunities, but also social and environmental benefit. The Corporation aims to ensure that investment and development are leveraged to deliver quality public open space and to provide for the allocation of lands for environmental protection. Ten hectares of high quality, public open space has been provided to date in the Honeysuckle urban renewal project. Indeed, the Corporation received the *Australian Institute of Landscape Architects Awards 2007 President's Award* for the masterplanning and design of landscaping for the public spaces in the Honeysuckle urban renewal project. Meanwhile hundreds of hectares have been

## The new Corporation is well placed to act as a catalyst for growth in the region

Another major way the Corporation can contribute to the aims of the Lower Hunter Regional Strategy is by undertaking masterplanning and conducting strategic investigations into potential growth and renewal areas for future private sector investment. An excellent example of this is the leading role the Corporation is playing in the development of a Newcastle City Centre Development Facilitation plan, which aims to coordinate and promote the best outcomes from several disparate projects currently on the Newcastle drawing board – such projects as the General Property Trust's CBD retail and commercial project, plans for a new Justice Precinct and proposed Commonwealth Law Courts and the continuing Honeysuckle project. The Corporation has also been examining potential employment and residential opportunities in western Lake Macquarie, the former BHP lands at West Wallsend and for the improvement of the Broadmeadow Sports and Entertainment Precinct.

earmarked to maintain vegetation corridors and preserve vital ecosystems in Tomago, West Wallsend and Kooragang Island.

I would like to thank the Board, the Executive Team and staff for so successfully navigating the transition process over the last 12 months. Their diverse skills base, experience and capabilities have guided the Corporation forward and opened up the way for exciting new possibilities. I look forward to the continuing maturation of the Corporation into a voice of leadership and advocacy on behalf of the people of the Hunter.



Paul Broad  
Chairman





## General Manager's Overview

The decision to establish the Hunter Development Corporation was recognition of the great strides made in recent years in reinvigorating Newcastle. Much has been done to turn an unattractive strip of foreshore into a welcoming public asset, and much has been done to prepare the way for new industry on contaminated industrial lands. Indeed, these projects have not only added to the strength and diversity of the regional economy, they have been the driving force and catalyst for enormous amounts of private sector investment in Newcastle. To date the Honeysuckle urban renewal project has generated \$1.335 billion in economic activity and injected almost 5,000 new jobs into the Newcastle economy. The project has delivered new jobs in a variety of sectors such as construction and professional services while at the same time delivering new residents and workers to the city. Importantly, it has also stimulated a huge investment by the private sector since 1992 of over \$500 million.

One of the key reasons behind the strength of the Honeysuckle urban renewal project to date has been that it was a Hunter organisation driving development from within the region. The Hunter Development Corporation will continue this local drive on an expanded scale, across a broader land portfolio which includes state significant sites such as the former BHP lands at Mayfield and West Wallsend,



employment lands at Tomago, and industrial landholdings on Kooragang Island. With a new staff profile and a new business plan, the reinvented Corporation has already put runs on the board. In the first six months of operation, the Corporation has completed Stage 1 of the \$110 million remediation project on the former BHP Steelworks site at Mayfield on time and on budget. This project, the largest industrial remediation project ever undertaken in Newcastle, included a \$20 million subterranean wall up to 49 metres deep. Not only did this technical feat set a new world record for the depth of the trench, it also won the project team a national engineering award in November 2007 ahead of 58 finalists. With the site already masterplanned, the Corporation ran an exhaustive evaluation and short-listing process to select a proponent to develop the site, now called Intertrade Industrial Park, for a new era of industry. Through

Kooragang Island in a development that would bring a substantial number of jobs to the region.

Meanwhile work on the Honeysuckle project has been progressing on several fronts. In the Lee Wharf area the Chifley Serviced Apartments building is nearing completion and great progress has been made on the Lee Wharf Stage Three residential mixed-use development. NIB's new headquarters in the HQo building on Honeysuckle Drive and the Glasshouse commercial building in the Marina Precinct have both been completed, delivering around 15,000 square metres of A-grade commercial office space to the city. The Corporation negotiated with a proponent for the sale and development of a further lot on Honeysuckle Drive on which a new commercial office/ mixed use development would be constructed. A new boat

## The decision to establish the Hunter Development Corporation was recognition of the great strides made in recent years in reinvigorating Newcastle

this process the Corporation narrowed the field from seven proponents down to two and then recommended a proponent to the Government. Along the way, local people and local contractors have illustrated that the Hunter has the commercial and technical expertise to manage large-scale, complex projects.

The Corporation also played a key role in providing technical input into the BHP Billiton Hunter River Remediation Project, which is tasked with removing contaminated sediment from the Hunter River adjacent to the former BHP Steelworks site. While responsibility for the project rests with BHP Billiton, the Corporation has played an important role, along with other government agencies, in ensuring that the project does not result in further contamination and that the project does not in any way jeopardise future land use of the Intertrade Industrial Park.

The Corporation has also negotiated with a proponent looking to enter into a long term lease arrangement on

dock was constructed in the heart of the Honeysuckle foreshore, a new park constructed in Hunter St West and a landscaping concept design unveiled for the remaining undeveloped harbour foreshore. The precinct attracted several new tenants over the last 12 months, including the exciting new seaplane service between Lee Wharf and Sydney operated by Sydney Seaplanes. New business tenants and restaurants are now calling Honeysuckle home as the historic project progresses towards completion.

I would like to thank the Board for its guidance and all of the Hunter Development Corporation team for its dedication over the last 12 months.



Craig Norman  
General Manager

Hunter Development Corporation is committed to maintaining the highest standards of corporate governance. As a NSW Government organisation, corporate governance is the province of a board of directors, which reports to the Minister for Planning. The Director General of the Department of Planning is the Managing Director of the Corporation.

The Board sets and oversees the direction of the Corporation by actively participating in strategic planning. It also provides guidance and oversees the performance of the Corporation's policies, management and operation.

The Board constantly reviews its corporate governance policies and procedures and is committed to ensuring that the organisation's actions conform to legal and other requirements, with the goal of ensuring that finances and other resources are controlled effectively.



## Corporate Governance

The Board comprises the Chairman and eight members. Current Board members were appointed on 27 July 2007. Board meetings are held monthly (excluding January).

To ensure that adequate control systems and processes are in place to safeguard the assets, reputation and sustainability of the Corporation, the Board has established an Audit Committee.

The Corporation's three-year internal audit plan is reviewed annually and has an emphasis on both financial and operational matters. The Corporation's internal and external auditors also attend each Audit Committee meeting.

All recommendations from the internal audit reports have been implemented.

Hunter Development Corporation held 11 Board meetings, two Audit Committee meetings and one workshop in the year ended 30 June 2008.

## Significant Committees

### Audit Committee

The Corporation's General Manager and Business Manager as well as the internal and external auditors attend regular Audit Committee meetings.

The members are:

- Megan Maybury, Audit Committee Chairman (*from 7 September 2007*)
- David Evans, Director (*from 7 September 2007*)
- Richard Pearson, representing the Director General (*from 7 September 2007*)

Hunter Development Corporation's Australian Business Number is 94 688 782 063.

# The Board



**Chairman**  
**Mr Paul Broad**

M.Comm

Mr Broad is the CEO of AAPT. Mr Broad was Managing Director of Energy Australia from 1997 to 2004 and was a non-executive director of PowerTel from August 1998 until May 2004. Before this, he was Managing Director of Sydney Water from 1993 to 1997 and was also the Managing Director of the Hunter Water Corporation.

**MEETING ATTENDANCE:**

Board: 8 of 11  
Workshops: 1 of 1



**Deputy Chairman**  
**Neil Bird AM**

B.Arch (Qld), FRAIA, FPIA,  
FAICD, FAPI

Mr Bird is Deputy Chairman of Landcom Corporation and an active member of a number of industry and professional bodies. He served a term as National President of the Urban Development Institute of Australia and in 2000 was made a Member of the Order of Australia for services to the urban development industry.

**MEETING ATTENDANCE:**

Board: 11 of 11  
Workshops: 1 of 1



**Gary Kennedy**

Mr Kennedy is the Secretary of the Newcastle Trades Hall Council. He is President of Newcastle Panthers and Cardiff Panthers and a Director of Panthers Entertainment Group. Mr Kennedy is also a Director of the Hunter Economic Development Corporation, Hunter Water Corporation and Industry Development Centre.

**MEETING ATTENDANCE:**

Board: 9 of 11  
Workshops: 1 of 1



## Megan Maybury

B.Comm CA

Ms Maybury is a Director of Prosperity Advisers Pty Ltd. Ms Maybury is a Chartered Accountant with over 20 years experience in providing financial services to a wide range of industries.

### MEETING ATTENDANCE:

Board: 10 of 11  
Audit Committee: 2 of 2  
Workshops: 1 of 1



## Suzanne Ryan

B.Soc.Stud (Syd) MBA (Newcastle)  
MA (Macquarie)

Ms Ryan is an academic within the Newcastle Graduate School of Business, The University of Newcastle. Prior to joining the University she worked in and with local, state and federal governments in housing policy and social planning. She has been a member of a number of Hunter Region organisations.

### MEETING ATTENDANCE:

Board: 10 of 11  
Workshops: 1 of 1



## Richard Pearson

Executive Director,  
Rural and Regional Planning

Richard Pearson has been Executive Director of the Department of Planning's Rural and Regional Planning Division since March 2006. Under Mr Pearson's leadership the Division has delivered 25-year regional strategies for the State's fast growing coastal regions, and the Sydney-Canberra Corridor and is currently overseeing the delivery of new Local Environmental Plans for the 111 Councils administered by the Division. He has extensive planning experience in both the private and public sector.

### MEETING ATTENDANCE:

Board: 6 of 11  
Audit Committee: 0 of 2  
Workshops: 0 of 1



**Councillor  
John S Tate**

Councillor Tate is the Lord Mayor of the City of Newcastle and has served Newcastle City Council as a Councillor since 1980 and as Lord Mayor since 1999. He is a representative on numerous boards and committees such as the Hunter Region Tourism Organisation, a Director of the former Regional Land Management Corporation and is Chair of the Hunter Economic Development Corporation. He also has extensive experience in small business operations.

**MEETING ATTENDANCE:**

Board: 11 of 11  
Workshops: 1 of 1



**David Evans**

B.EC (HONS), FAICD

Mr Evans is a member of Sydney Catchment Authority, and was Director of both the Regional Land Management Corporation and Country Energy. He is a former Managing Director of Sydney Water Corporation (2004-2006), Managing Director of Hunter Water Corporation (1993-2004), Chief Executive Officer of Regional Land Management Corporation (2003-2006) and Chairman of the Board of the Hunter Area Health Service (1997-2003).

**MEETING ATTENDANCE:**

Board: 11 of 11  
Audit Committee: 2 of 2  
Workshops: 1 of 1



**Ron Robson**

OAM, FAICD, JP

Mr Robson is Chairman of the Hunter Water Corporation, Hunter Water Australia Pty Limited and was Chairman of the former Regional Land Management Corporation Pty Ltd. He is a Director of Robson Health Care Pty Limited, Chairman of the Newcastle Knights/Wests Hospitality Group Business Development Committee, Chairman of Banlaw Pipeline Pty Ltd and patron of Newcastle/Hunter Valley Rugby Union.

**MEETING ATTENDANCE:**

Board: 9 of 11  
Audit Committee: 0 of 2  
Workshops: 0 of 1



## Staff

The staff of Hunter Development Corporation are employed by the Department of Planning and work under the direction of the Board.

The employees are:

### EXECUTIVE

#### **General Manager**

Craig Norman

B.Ec., M.Acc. Studies, ASCPA

#### **Business Manager**

Robert Foster

B.Bus (Acc), CPA

### OPERATIONS

#### **Snr Development Manager**

Julie Rich

B. Ec., Grad.Dip. Bus. (Land Ec.)

#### **Snr Development Manager**

Paul Muir

B. Eng. (Hons) in Civil Engineering

#### **Snr Development Manager**

Paul Bender

#### **Project Manager, Intertrade Industrial Park**

Valentina Misevska

LLB, Dip. Legal Practice, B.Com

#### **Development Managers**

Jacob Whiting

B.Sc. Construction Mngmt, M.Bld Construction and Bus Admin

Garth Greenaway

#### **Development Officers**

David Legg

B. Construction Mngmt (Build)

Joe Belavic

Assoc. Dip Acctg, Dip. Marketing Mngmt, PNA, JP

Jeremy Amann (Development Student)

B. Construction Mngmt (Build), Dip Surveying

#### **Environmental Manager**

Mike Bardsley

B. Eng (Civil), MIEA

### COMMUNICATIONS

#### **Communications Manager**

Luke Mellare

B.A. (Mass Comm), M.A. (Media, Technology and the Law)

### FINANCE AND ADMINISTRATION

#### **Accountant**

Joseph Holwegner

B.Fin, CBA (USA)

#### **Administration Manager**

Coral McDonnell

#### **Executive Assistant**

Gillian Foulcher

#### **Administrative Assistant**

Karen Cooper

#### **Receptionist**

Annabelle Duggan

Completed Stage One of the \$110 million remediation of the former BHP Steelworks site at Mayfield.

**Finalised negotiations with a proponent to develop the Intertrade Industrial Park.**

Received the Australian Institute of Landscape Architects President's Award for Projects Outside Metropolitan Sydney for the masterplanning and design of the public open space in the Honeysuckle project area.

**Work on the Glasshouse and HQ commercial buildings was substantially completed.**

Construction of the Lee Wharf Stage Three residential and mixed-use developments commenced.

**Construction of the Chifley Serviced Apartments building at Lee Wharf commenced.**



## Highlights

Agreed to the dedication of around 700 hectares of land on Kooragang Island to environmental conservation. Agreed to the dedication of 237 hectares of land at Tomago to environmental conservation.

**Re-armoured the seawall around the residential communities at Linwood and Carrington with 7,665 tonnes of igneous rock to ensure ongoing stability of the parklands.**

Completed a significant demolition project of the asbestos-affected Throsby Cargo shed.

**Managed the transition of around 35 third party land use agreements concerning land on Kooragang Island to Hunter Development Corporation and other agencies.**

Installed a new boat dock at Harbour Square to attract new commercial and casual boating.

**Completed a fully landscaped park in Hunter Street West for the community to enjoy.**





Lee Wharf Stage Three artist impression

## Creating New Residential Opportunities

A key part of the Corporation's charter is to facilitate new residential opportunities in the lower Hunter. To date, the Corporation's work in this area has been concentrated on the Honeysuckle urban renewal project, where it has delivered new homes for an estimated 1,200 residents.

### Honeysuckle

Work on Stage Three of the \$300 million Lee Wharf project commenced following extensive preparatory works for the building foundations. When complete in 2009, Stage Three will comprise 70 residential apartments and 12 commercial office units as well as some ground floor retail opportunities.

Work also commenced on the Chifley Serviced Apartments building as part of the Lee Wharf Development, with a targeted completion of mid-2009. The Chifley Serviced Apartments will feature 76 apartments with ground floor retail units to service the residential population.

Of course, the Hunter Development Corporation's focus is now much broader than just the Honeysuckle project. Indeed the Corporation has undertaken research into additional opportunities for residential development in Western Lake Macquarie and West Wallsend as part of its strategic, region-wide focus.



The Hunter Development Corporation's  
focus is now much broader than just  
the Honeysuckle project





## Creating New Commercial and Retail Opportunities

The Corporation's activities in the commercial and retail areas primarily concerned several projects in various precincts of the Honeysuckle urban renewal project.

### The City's New Commercial Hub

Another important step forward in the creation of a new commercial hub for the city at Cottage Creek was taken with the completion of the new HQ<sub>0</sub> building in Honeysuckle Drive. The arrival of HQ<sub>0</sub> follows the completion of the Sparke Helmore, PricewaterhouseCoopers and Hunter Water buildings, which together are forming the city's premier A-grade commercial office space precinct. The new building adds 14,000 square metres to the city's stock of A-grade office space and features space for a childcare operator to provide this valuable service to the inner-city population. The Corporation also worked hard with a proponent looking to construct a further commercial /mixed use development on the neighbouring lot in Honeysuckle Drive.



The Glasshouse development on the Wickham waterfront, now completed, provides further A-grade office space for over 100 workers. It also features attractive landscaped open space and space for a retail offering on ground level, complementing the other retail outlets in the Marina Precinct.

Stage Three of the Lee Wharf development, which commenced during the year, will also provide 12 commercial office suites along with 70 residential units. The Lee Wharf development will also provide for increased amenity for this new harbourside work population, with retail facilities and a large waterside park where workers can take a walk and buy lunch.

A planned adaptive re-use of the historic Lee Wharf C cargo shed was also given development consent by Minister for Planning subject to certain conditions. The project involves establishing a boutique style hotel and restaurant in the building while preserving its heritage and extending a publicly accessible deck around it over the harbour. The work involves the demolition of the derelict wharf sub-structure and the construction of a new seawall.

## Forming the city's premier A-grade commercial office space precinct

During the year The Boardwalk complex on Honeysuckle harbourside attracted several new restaurant tenants including the traditional Tuscan restaurant Ristorante Il Grifone, the modern Italian cuisine of Acquazul and the Italian style coffee house Baristaba Espresso. Also during the year the Hog's Breath Café franchise submitted a development application and commenced work on a restaurant fit-out at Lee Wharf, bringing yet another dining option to the Honeysuckle harbourside.

With this growing professional workforce, it was not surprising that during the year Sydney Seaplanes commenced regular passenger services between Sydney and Newcastle from the Lee Wharf Pontoon, linking both cities by only 30 minutes of flying time.







## Creating Employment and Industrial Opportunities

Through the year the Corporation worked tirelessly at negotiating with a number of proponents to secure a new era of industry on a range of industrial sites including the former BHP lands at Mayfield, Tomago employment lands and Kooragang Island.

### Mayfield

On the Mayfield site, through an extensive evaluation and short-listing process, the Corporation was able to narrow the field from seven quality international proponents down to two and then recommend a proponent to the NSW Government. The land has been unused since 1999 when BHP ceased steelmaking on the site. The consortium's proposal is for the development of approximately 62 hectares of the site for a range of general industrial and freight uses, consistent with the Master Plan developed for the site.

At the same time, the Corporation coordinated the \$110 million remediation project being undertaken on the Mayfield site, the largest industrial remediation project ever undertaken in the Hunter. This resulted in the completion of the first stage

of the project on time and on budget. The project team that constructed a 1.5-kilometre underground barrier wall as part of the clean-up won a national engineering award in November 2007, ahead of 58 finalists. The wall was built by Australian company Austress Menard in conjunction with URS and Douglas Partners. The \$20 million, 1.5-kilometre long wall surrounds a 30-hectare section of contaminated land on the 150-hectare site. While it has an average depth of 31 metres, the trench was opened to 49 metres or 16 storeys deep in parts, setting a world record for an open trench. The world's largest long reach excavator was imported from the USA, along with a specialised crane from Germany and a clamshell from Hong Kong to complete the project. Substantial technical challenges were overcome to complete the project, including underground remnant infrastructure, contaminated soils and a high water table.

Former BHP site at Mayfield



## Tomago

The Corporation negotiated with a proponent to develop part of a 240-hectare industrial/employment site at Tomago. The development of this site will play an important part in contributing to the demand for jobs identified in the Lower Hunter Regional Strategy. The site adjoins a 108-hectare industrial subdivision which includes 66-hectares of land already sold to NSW/ACT Caterpillar dealer WesTrac to establish a \$120-million service, training and apprentice facility employing 300.

## Kooragang Island

Detailed negotiations were conducted with two proponents regarding long term lease arrangements over a 6.7 hectare parcel on Kooragang Island. The potential is for a unique industrial plant to be established which would make the most of the portside location and generate significant employment.

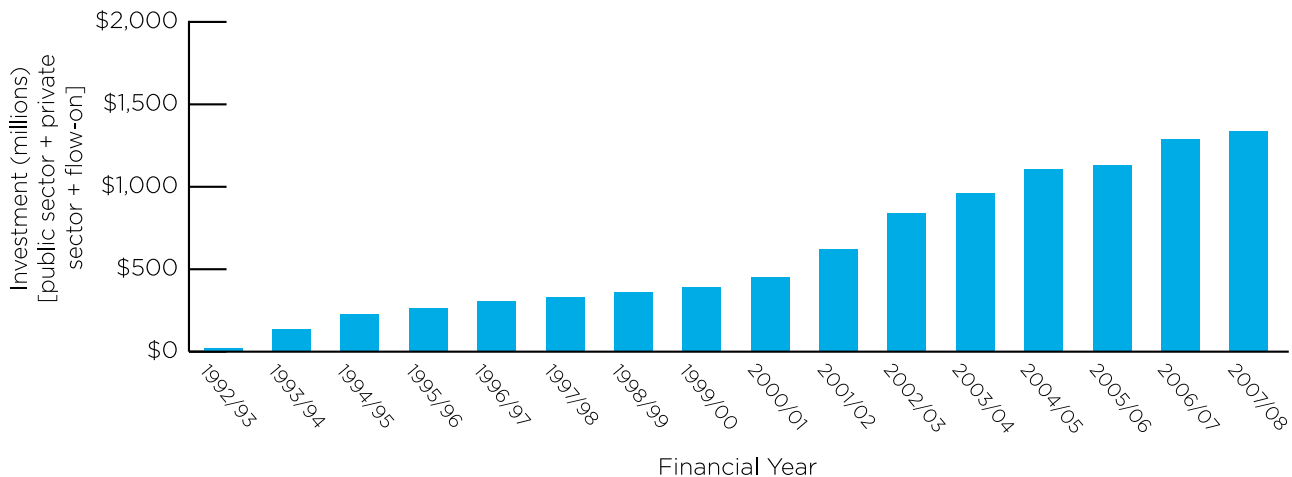


## Honeysuckle

Research commissioned by the Hunter Development Corporation during the year showed that to date the Honeysuckle urban renewal project has generated \$1.335 billion in economic activity and injected almost 5,000 new jobs into the Newcastle economy. The economic modelling was undertaken by the Hunter Valley Research Foundation. The research found that the Honeysuckle project has stimulated a huge investment by the private sector since 1992 of over \$500 million, quantifying the degree to which Honeysuckle has been a driving force behind the revitalisation of Newcastle.

The Honeysuckle project has stimulated a huge investment by the private sector since 1992 of over \$500 million

Graph of economic impact of Honeysuckle project (source HVRF)





## Creating Quality Public Spaces

### Public Domain

A key part of the Honeysuckle charter has been to provide the public with access to the Newcastle Harbour foreshore and to make Newcastle's CBD an even more attractive place to live, work and visit. With around two-thirds of the Honeysuckle project complete, 10 hectares of the 50-hectare project area has already been provided as public open space, including extensive grassed parkland at Carrington and Linwood (Maryville), mangrove boardwalks on Throsby Creek, Fig Tree Park (near the Marina), the Brake Block Park near Lee Wharf, The Hunter Street Park and Harbour Square near the Crowne Plaza. When complete, some 17 hectares of open space will be available, linked by a four-kilometre uninterrupted harbourside promenade. The efforts of the Corporation to provide the Newcastle harbourside with attractive, quality public open space were recognised during the year when the Corporation won the Australian Institute

of Landscape Architects President's Award for projects outside metropolitan Sydney. The Corporation shared the award with project partner, Terras Landscape Design.

In February 2008 the Newcastle City Centre Local Environment Plan (LEP) was gazetted following input from the Cities Taskforce project. This was an important step in the process of setting a range of parameters for the continued revitalisation of the city. As part of this process, view corridors have been identified which complement existing and planned developments in the Honeysuckle and Cottage Creek precincts. With this planning input, the Corporation engaged Terras Landscape Design to produce landscaping design concepts for the remaining undeveloped public open space between the Marina and Lee Wharf to give the community a glimpse of what the harbourside public space may look like when complete in four to five years' time. The design of future buildings was not included





Cottage Creek public domain concept design artist impression





in the brief as that will follow a separate process when the lots are released to the market. The vision for the remaining Honeysuckle public domain is for harbourside public spaces that above all else are attractive to people, open up the harbour to the people and are of a quality befitting a great city. The main feature of the vision is the extension of the public promenade along the entire Honeysuckle harbourside, linking several open spaces at Fig Tree Park (Wickham), Throsby Wharf and Worth Place Park.

Development consent was given for the development of a 3,500-square metre paved public area and grassed park at Worth Place Park as part of the Lee Wharf Stage Three residential/mixed-use development. When complete in the second half of 2009, this precinct will allow free public access to a large open area between the historic Lee Wharf C cargo shed, adjacent shops and residential buildings and the landscaped Worth Place Park, which will incorporate a significant public art component.

The Corporation completed landscaping a 1,000-square metre park between the Community Health Centre Building at 670 Hunter Street and the TAFE building in Newcastle West, transforming a vacant city block into a picturesque recreational space for workers, students, tourists and residents to enjoy. A naming competition was also launched, with the public invited to submit possible names for the park.



New Hunter  
Street Park

## Broadmeadow Sports Precinct

During the year the NSW Government made some significant changes to the administration of the Newcastle International Sports Centre Trust and the Newcastle Showground and Exhibition Centre Trust. It combined their assets and functions under a new body, the Hunter Region Sporting Venues Authority created by the *Sporting Venues Authorities Act 2008*. With a seven-member Board appointed by and subject to the direction of the Minister for Sport and Recreation, the Authority is charged with the care, control and management of Newcastle's major sports precinct.

The precinct includes:

- Energy Australia Stadium – home ground for the Newcastle Knights and Newcastle United Jets;
- The Newcastle Entertainment Centre – the Hunter Region's premier concert venue and host to a number of sporting events, including ANZ Netball Championships and Newcastle's Home and Entertainment Show;
- Newcastle Showground – home of the annual Newcastle Show and other activities;
- Various sporting and recreational facilities leased to their respective tenants.

The precinct has enormous potential and the Hunter Development Corporation will work with the Board of the new Authority to develop a masterplan and plan of management for the site.











## Planning

The Corporation's chief objective is to prepare and market select state-owned land for private-sector development that meets community needs. This development should provide enhanced employment and residential opportunities and stimulate investment in adjacent lands.

In late 2006 the NSW Government released the Lower Hunter Regional Strategy, a land use planning document that outlines the provision of sufficient, appropriately placed housing and employment land to cater for the region's predicted growth over the next 25 years. The strategy is based on population growth projections which forecast an additional 160,000 people in the region by 2031. The strategy will also provide capacity to accommodate a projected 66,000 new jobs in the region by 2031. The Corporation will play an important role in stimulating the required investment identified in the Strategy. In doing so, the Corporation's activities are governed by state and local government planning guidelines. Many of the Corporation's landholdings involve projects that fall under Part 3A of the State Environmental Planning Policy (Major Projects) amendment to the Environmental Planning and Assessment Act. The Minister for Planning is the consent authority for major development projects while local councils remain the consent authority for minor development works in their areas.



In February 2008 the Newcastle City Centre Local Environment Plan (LEP) 2008 was gazetted. The Plan is designed to cater for the expected 6,500 extra residents and extra 10,000 jobs in the city centre over the next 25 years. The LEP establishes the zoning, heights, floor space ratios and the main provisions for development across the city centre. As part of this process the Corporation provided a submission emphasising the importance of the retention of open space and the provision of view corridors. It also emphasised the potential for the as yet undeveloped Throsby Wharf site to cater for a landmark building as a gateway to this part of the city. The gazetted plan accommodated this imperative, with a progression in building height allowances from 30 metres at the water side, to 45

opportunities in western Lake Macquarie, the former BHP lands at West Wallsend and for the improvement of the Broadmeadow Sports and Entertainment precinct.

In late 2007 the Corporation commissioned a car parking study to assess current and future need for parking in the Honeysuckle project area. The study found there are 649 publicly accessible car parking spaces in the Honeysuckle and Cottage Creek precincts. Of these, 194 spaces are in the Wright Lane car park, 273 in the Throsby car park and 182 are on-street. This is in addition to private parking in buildings in the precinct. The study concluded that overall current publicly accessible car parking is more than sufficient to meet demand, even at peak times. However, the study also revealed that demand was concentrated in the Honeysuckle precinct

## The Corporation's chief objective is to prepare and market select state-owned land for private-sector development that meets community needs

metres at the rear of the site, with the ability to allow up to 60 metres at the rear for a tourism-related facility such as a five-star hotel.

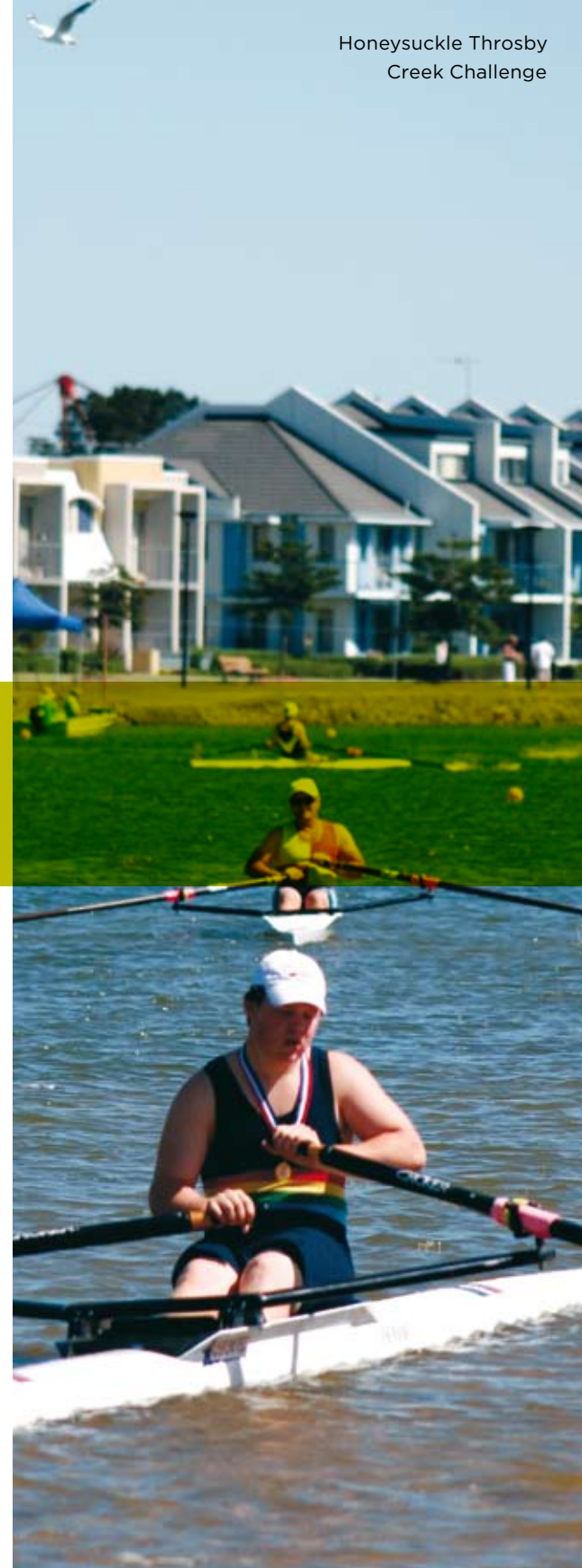
Another major way the Corporation can contribute to the aims of the Lower Hunter Regional Strategy is by undertaking masterplanning and conducting strategic investigations into potential growth and renewal areas for future private sector investment. Accordingly, the Corporation is playing a leading role in the development of a Newcastle City Centre Development Facilitation plan, which aims to coordinate and promote the best outcomes from several disparate projects currently on the Newcastle drawing board – such projects as the General Property Trust's CBD retail and commercial project, plans for a new Justice Precinct and proposed Commonwealth Law Courts and the continuing Honeysuckle project. The Corporation has also been examining potential employment and residential

around The Boardwalk and that visitors were easily frustrated if unable to locate parking very close to their destination. During the year the Corporation continued to progress its plans for a new expanded car park in the Honeysuckle precinct to cater for expected future demand. The Corporation has been negotiating with a land-owner to purchase a site and has been investigating options for the development of a multi-storey car park.

## Community

### Place Activation

The Corporation continued its support of the L!vesites program as a major funding partner along with Newcastle City Council, Newcastle Alliance and Arts NSW. The Corporation was pleased that during the year the administration of the program was moved under Newcastle City Council's Civic Precinct, enhancing the delivery of existing and new events within the Honeysuckle Precinct, the Civic Precinct, as well as various Newcastle city sites. Over the year to 30 June 2008 L!vesites program included 85 days of free events and attracted audiences estimated at over 75,000. The program employed artists for 785 days of work, 65% of which were from the Hunter region. Production and technical crew were engaged for over 280 days of work, with all of these personnel being from the Hunter region. At Honeysuckle, events ranging from concerts, outdoor performances and flying trapeze shows took place in the Brake Block Park, Honeysuckle Promenade, Harbour Square and the Honeysuckle Workshops. The funding partners also provided one of the Honeysuckle railway workshop buildings as a rehearsal, production and storage space as well as a venue. This enabled L!vesites to mentor local artists and arts organisations to increase their skills and opportunities.



With work completed during the year on the new Harbour Square Boat Dock, another community asset was delivered, adding to the boating and tourism activity generated at the Lee Wharf Pontoon – whale watching and sight-seeing tours and harbour cruises. The Corporation continued to facilitate the staging of events on the harbourside, including the Formula One SuperBoat series and the Maritime Festival.

During the year the Corporation supported a variety of community events and causes. This included the Honeysuckle Throsby Creek Challenge, a community fun run and dragon boat racing day on and adjacent to the harbour. The event raised funds for the Newcastle Rowing Club's new clubhouse at Carrington. The Corporation's sponsorship of a category in the TAFE

## Community Liaison

The Corporation launched a new website at [www.hunterdevelopmentcorporation.com.au](http://www.hunterdevelopmentcorporation.com.au) to provide information to the community about the transition from the Honeysuckle Development Corporation to Hunter Development Corporation and its activities. The Board of Directors also resolved to incorporate open sessions into its program of Board meetings to enhance the flow of information to the community via the media.

The [www.honeysuckle.net](http://www.honeysuckle.net) website continued to be a popular site for those wishing to get more information about the broad range of activities available for visitors and residents of Honeysuckle, with the dining out page

## During the year the Corporation supported a variety of community events and causes

Hunter Institute Awards was most gratifying as the award winner went on to win a gold medal for carpentry and joinery at the World Skills national championships in Sydney. The Corporation continued its popular Our Living Harbour Garden Competition, which encourages Honeysuckle residents to beautify and maintain gardens, enhancing a sense of community spirit and pride. As well as continuing to sponsor the Hunter Valley Research Foundation (HVRF), the Corporation engaged the HVRF to conduct research into community attitudes towards the Honeysuckle urban renewal project.

remaining an extremely popular page. This year the website attracted 28,216 unique visitors.

The Corporation conducted numerous community, school, university and Parliamentary group presentations throughout the year, as well as providing resources for school and university students studying urban renewal. The Corporation continued to publish and distribute the Honeysuckle Happenings newsletter to 45,000 residents and businesses throughout the year to keep the community informed about topical projects. The community was also kept informed through site signage, billboards and regular e-bulletins. A television commercial was also produced to highlight the wide variety of leisure activities available in the Honeysuckle project area.



Livesites Winter Heat

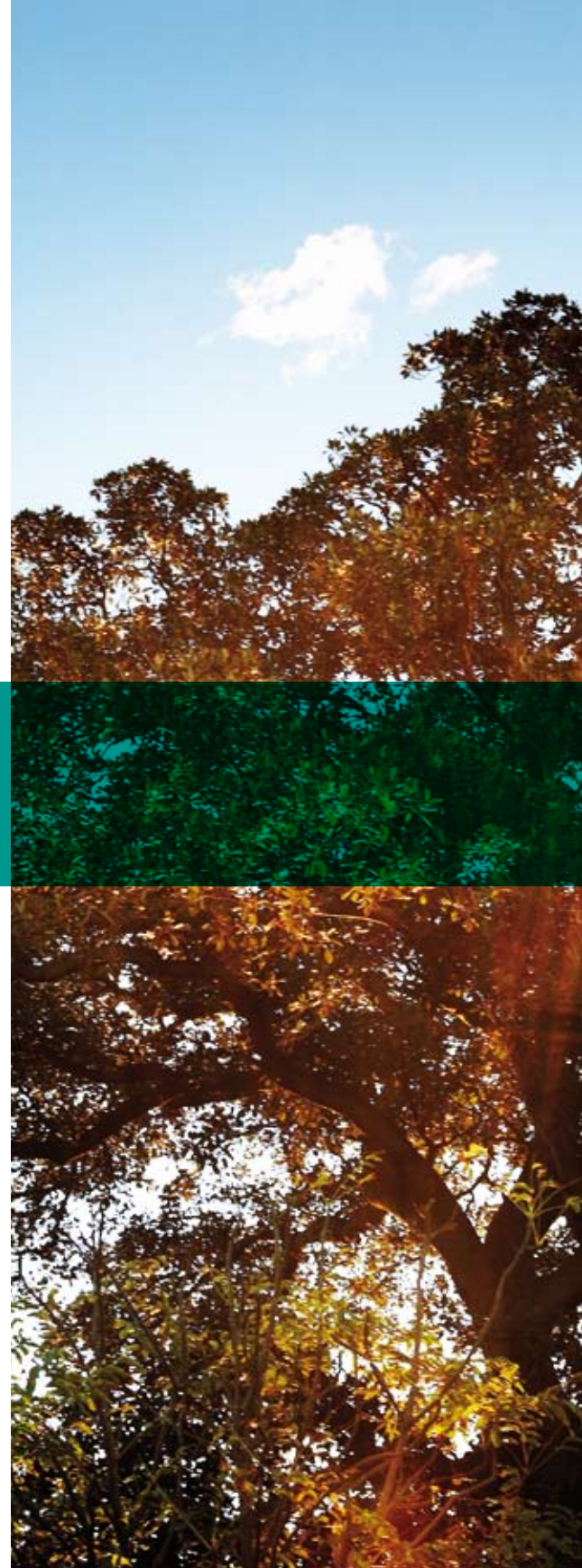




## Encouraging Sound Environmental Outcomes

An integral part of the Corporation's charter is bringing its landholdings to a state where private-sector investment is viable. The long industrial history of the region means that many of the lands under the Corporation's control require considerable work, including demolition, clearance, testing, decontamination and remediation. Remediation is one significant way the Corporation has been able to positively influence environmental outcomes on lands under its control. During the year the Corporation undertook various works in this regard.

When the Corporation was formed it took over carriage of the \$110 million remediation of the former BHP Steelworks site at Mayfield. During the year the Corporation was able to bring Stage One of the project to completion on time and on budget. This project has brought together world's best practice and local engineering expertise. The sustainability of the solution was also an important feature on two fronts. The 1.5km underground barrier wall built to contain 30 hectares of contaminated land will continue to work without the need for energy through pumping or other human intervention. Approximately 75 percent of the wall was built with re-used material from the site. The wall is an innovative, sustainable solution that has surpassed Australian best practice engineering standards with minimal impact on the environment.



The Corporation has also encouraged environmental sustainability to be incorporated into new development proposals on lands under its control. To do this the Corporation has emphasised the importance of environmental sustainability in its call for proposals criteria to encourage development that minimises energy use in lighting, air conditioning, water usage and building fabric. Accordingly, more recent developments have been able to achieve environmental sustainability ratings. The Glasshouse project completed in 2008 by Hunter firm Buildev is designed to achieve a 4.5 star AGBR rating and the HQo building completed in 2008 is designed to achieve the same rating.

The Corporation agreed to the dedication of around 700 hectares of land on Kooragang Island to environmental

Having taken on the stewardship of the former BHP lands at West Wallsend from the former Regional Land Management Corporation, HDC has earmarked some 800 hectares of land west of the F3 Freeway for environmental dedication. The Corporation recognises that the former BHP landholdings at West Wallsend are large enough to incorporate a range of possible uses – such as residential and employment – but that the opportunity for environmental dedication should be taken up in the early stages to preserve the resource as part of a balanced long-term use of the lands.

## The Corporation has encouraged environmental sustainability to be incorporated into new development proposals on lands under its control

conservation and to the dedication of 237 hectares of land at Tomago to environmental conservation. The Corporation's intention is that these lands will be recognised and managed as important environmental assets sustaining a wide variety of flora and fauna, including numerous migratory birds. The Corporation, in conjunction with the Department of Environment and Climate Change (DECC), has also been closely involved in ensuring that the ongoing management of Kooragang Island takes into account the needs of important local species such as the Green and Golden Bell Frog. The Corporation has also been working with the DECC in developing a strategy to manage environmental risks associated with the former BHP Steel waste emplacement facility on Kooragang Island. This includes introducing a number of studies and monitoring as part of pollution reduction programs under the Corporation's Environmental Protection Licence.





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# Independent Audit Report



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Hunter Development Corporation

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Hunter Development Corporation (the Corporation), which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

#### The Board's Responsibility for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Corporation's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Corporation,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

A handwritten signature in black ink, reading "James Sugumar".

James Sugumar  
Director, Financial Audit Services

17 October 2008  
SYDNEY

## Statement by the Board

Statement by the Directors on the Adoption of the Financial Statements for the Year Ended 30 June 2008.

Certificate Under Section 41C of the *Public Finance and Audit Act 1983*.

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983* and in our capacity as Chairman and Deputy Chairman of Hunter Development Corporation, we declare that in our opinion:

- 1) The accompanying financial statements exhibit a true and fair view of the financial position of the Hunter Development Corporation as at 30 June 2008 and transactions for the year then ended.
- 2) The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Paul Broad  
Chairman  
Hunter Development Corporation

Megan Maybury  
Director  
Hunter Development Corporation

5 September 2008



## Income Statement


for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
<b>INCOME</b>			
Sales		2,490	7,202
Less: Cost of Sales		(840)	(2,890)
<b>GROSS PROFIT</b>		<b>1,650</b>	<b>4,312</b>
Grants & Contributions	2(s)	7,927	-
Rental Income		473	365
Interest Income		99	76
Other Income	3	1,370	206
<b>TOTAL</b>		<b>11,519</b>	<b>4,959</b>
<b>EXPENSES</b>			
General Administration	4	692	672
Property Costs		1,949	362
Borrowing Costs		212	43
Community Information / Liaison and Promotion		438	433
Remediation Works	2(s)	6,047	-
Community Works	2(h)/5	3,991	3,048
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>		<b>13,329</b>	<b>4,558</b>
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>(1,810)</b>	<b>401</b>

The above statement should be read in conjunction with the accompanying Notes.

## Balance Sheet

as at 30 June 2008



	Notes	2008 \$'000	2007 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6	89	1,491
Trade and Other Receivables	7	2,909	272
Inventory	8	3,438	2,421
Non-commercial property	9	-	724
<b>Total Current Assets</b>		<b>6,436</b>	<b>4,908</b>
<b>Non Current Assets</b>			
Trade and Other Receivables	7	966	-
Plant & Equipment	2 (e)/11	249	332
Inventory	8	11,309	11,653
Non-commercial property	9	806	799
<b>Total Non Current Assets</b>		<b>13,330</b>	<b>12,784</b>
<b>Total Assets</b>		<b>19,766</b>	<b>17,692</b>
<b>Current Liabilities</b>			
Trade and Other Payables	12	2,175	1,473
Other	14	1,489	1,428
Provisions	2(p)/13	31	6
Borrowings	16(b)	3,271	-
<b>Total Current Liabilities</b>		<b>6,966</b>	<b>2,907</b>

continued on following page

	Notes	2008 \$'000	2007 \$'000
<b>Non Current Liabilities</b>			
Provisions	2(p)/13	40	41
Other	14	-	174
<b>Total Non Current Liabilities</b>		<b>40</b>	<b>215</b>
<b>Total Liabilities</b>		<b>7,006</b>	<b>3,122</b>
<b>Net Assets</b>		<b>12,760</b>	<b>14,570</b>
<b>Equity</b>			
Accumulated Funds		5,540	7,350
Contributed Equity	15	7,220	7,220
<b>Total Equity</b>		<b>12,760</b>	<b>14,570</b>

The above statement should be read in conjunction with the accompanying Notes.

## Cash Flow Statement

for the year ended 30 June 2008

	Notes	2008 \$'000 Inflows (Outflows)	2007 \$'000 Inflows (Outflows)
<b>Cash Flow from Operating Activities</b>			
<b>Receipts</b>			
Sales Receipts		2,739	7,922
Rental Receipts		418	312
Prepaid Income		(113)	(131)
Interest Received		99	76
Other Income/Receipts		7,516	378
<b>Payments</b>			
Suppliers and Personnel Services		(9,361)	(1,616)
Payments for Inventories		(1,720)	(697)
Borrowing Costs		(213)	(43)
Grants to Other Organisations		(4,029)	(3,188)
<b>Net Cash used in Operating Activities</b>	16	<b>(4,664)</b>	<b>3,013</b>
<b>Cash Flow from Financing Activities</b>			
Raising / Repayment of Borrowings		3,271	(1,400)
<b>Net Cash provided from Financing Activities</b>		<b>3,271</b>	<b>(1,400)</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from the sale of Plant and Equipment		-	9
Purchases of Plant and Equipment		(9)	(273)
<b>Net Cash used in Investing Activities</b>		<b>(9)</b>	<b>(264)</b>
<b>Net Increase/(Decrease) in Cash Held</b>		(1,402)	1,349
<b>Cash held at start of the Financial Year</b>		1,491	142
<b>Cash held at end of the Financial Year</b>	6	<b>89</b>	<b>1,491</b>

The above statement should be read in conjunction with the accompanying Notes.

## Statement of Changes in Equity

for the year ended 30 June 2008

	Accumulated Results \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Balance at 30 June 2006</b>	<b>6,949</b>	<b>7,220</b>	<b>14,169</b>
Surplus	401	-	401
<b>Balance at 30 June 2007</b>	<b>7,350</b>	<b>7,220</b>	<b>14,570</b>
Deficit	(1,810)	-	(1,810)
<b>Balance at 30 June 2008</b>	<b>5,540</b>	<b>7,220</b>	<b>12,760</b>

## Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2008

### 1. Reporting Entity

The Hunter Development Corporation ("the Corporation") exists as a result of the merger of the Honeysuckle Development Corporation and the Regional Land Management Corporation (RLMC) with joint operations commencing on 1 February 2008. The Corporation's objective is to help facilitate economic growth in the region consistent with the Lower Hunter Regional Strategy through development by the private sector on key State land holdings under its control.

The Corporation is established under the Growth Centres (Development Corporations) Act 1974, this Act defines the functions and geographic area of the Corporation.

The Corporation is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

This financial report for the year ended 30 June 2008 has been authorised for release by the Directors on 5 September 2008.



## 2. Summary of Significant Accounting Policies

The financial statements are a general purpose financial report, which have been prepared in accordance with:

- Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRS)
- *Growth Centres Development Corporations Act 1974*
- *Public Finance and Audit Act, 1983* and Regulations 2005.

The following is a summary of the material accounting policies adopted by the Corporation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### Accounting Policies

#### (a) Inventory and Capital Works in Progress

All property is held for development and eventual sale, long term lease, or vesting to public sector entities. Inventory has been recorded at the lower of cost and Net Realisable Value. Long term development costs are capitalised at cost where such capitalisation costs do not exceed the Net Realisable Value for assets for sale or until dedication takes place.

Property holdings have been classified into current and non-current assets based on sales forecasts for the next financial year. Inventory is classified as either Property under Development or Developed Property based on whether the particular site has had all works undertaken prior to being ready for sale / lease or transfer.

#### (b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

- **Land Sales**  
Income from land sales is recognised on contract settlement.
- **Rental Income**  
Income is recognised as it accrues in accordance with the terms and conditions of the particular lease or licence.
- **Interest and Other Income**  
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- **Section 94 Contributions**  
Income is recognised as it accrues in accordance with a deed of agreement between the Corporation and Newcastle City Council.

#### (c) Administration Expenses

All Administration Expenses are met by the Corporation and include all employee-related payments of staff that are employed by the Department of Planning and attached to the Corporation (Refer to Note 4).

#### (d) Personnel Services Cost

Provision is made for the Corporation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the net present value of estimated future outflows to be made for those benefits.

Sick Leave is non-vesting and, it is expected that Sick Leave taken will be less than Sick Leave accrued in any future reporting period, no liability is recognised.



The Provisions for Long Service Leave and Superannuation are not shown in the Corporation's books as staff are employed by the Department of Planning. The unfunded liability of these has been transferred to the State in accordance with Treasury Guidelines.

**(e) Plant and Equipment**

Plant and Equipment is recorded at cost on acquisition and reported at fair value. Plant and Equipment with a value less than \$5000 are expensed in the year of acquisition.

**(f) Insurance**

All properties owned or managed by the Corporation are insured for their replacement value under the Treasury Managed Fund administered by GIO General Ltd.

The Corporation carries a comprehensive range of insurances through the Treasury Managed Fund covering property, public liability, Directors' liability and other contingencies.

These insurance covers are current and are reviewed periodically to ensure that they are adequate.

**(g) Depreciation**

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount over the expected useful life to the Corporation.

**Depreciation Rates**

Information Technology	24% per annum
Furniture & Fittings	9% per annum
Leasehold Improvements	10% per annum
Plant & Equipment	12% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**(h) Community Works**

The Corporation undertakes certain Non-Commercial works such as roads, open space, housing and other infrastructure works. Costs for works are expensed as incurred. Open space property, not yet dedicated to Council, is disclosed as Non-Commercial Property (Refer to Notes 2a and 9). A portion of administration costs is allocated to Community Works (refer to Notes 4 and 5).

**(i) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(j) Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### (l) Trade and Other Receivables

All current trade receivables are recognised as amounts receivable at balance date. Debts are reviewed on an ongoing basis and those which are known to be uncollectible, are written off. A provision for doubtful debts is raised when doubt as to collection exists. No interest is earned on trade receivables. The rental invoices are payable in accordance with the underlying lease/licence agreement otherwise seven days from the date of the invoice. All other accounts are on 30-day terms.

Non-current receivables are held at fair value. The fair values are based on cashflows discounted using the current cost of capital of 10.8%. The effects of this are shown in the Income Statement.

### (m) Income Tax Equivalent Payments

The Corporation has approval for exemption from the Tax Equivalent Regime.

### (n) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (o) Capital Risk Management

The Corporation monitors debt levels through the use of rolling four year forecasts so as to ensure that adequate liquidity is maintained and that the approved debt limit of \$17.5m is not exceeded.

	Notes	2008 \$'000	2007 \$'000
Total borrowings	16 (b)	3,271	-
Less: cash and cash equivalents	6	89	1,491
Net debt		3,182	-
Total equity		12,760	14,570
Total capital		12,760	14,570
Gearing ratio		24.9%	-

### (p) Provisions

Provisions are recognised when the Corporation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### (q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. In the current year no changes to comparative figures have been required.

### (r) Rounding of Amounts

Amounts in the financial report have been rounded off to the nearest thousand dollars or, in certain cases, the nearest dollar.



#### (s) Former RLMC Income and Expenditure

The Corporation assumed responsibility for the expenditure relating to the maintenance and remediation of the sites formerly managed by RLMC. Grants and Contributions are received from the New South Wales Government in relation to this expenditure.

#### (t) New Accounting Standards and Interpretations

The Corporation did not early adopt any new accounting standards that are not yet effective.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective:

- a) AASB 8 Operating Segments (1 January 2009) & 2007-3 Amendments to Australian Accounting Standards from AASB 8 (1 January 2009)
- b) AASB 123 Borrowing Costs (1 January 2009) & 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (1 January 2009)
- c) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (1 January 2008)
- d) Revised AASB 101 Presentation of Financial Statements & 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (1 January 2009)

It is considered that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Corporation.

### 3. Other Income

Included in Other Income is an amount of \$0.896m (\$0.139m 2007) which represents reimbursements, through Section 94 contributions received by Newcastle City Council, for community facilities and open space works previously undertaken on the Honeysuckle site. The balance of other income relates to sundry reimbursements.

### 4. General Administration


General Administration expenses comprise:

	2008 \$'000	2007 \$'000
Personnel Services	1,406	1,321
Superannuation	128	120
Directors' Remuneration	141	160
General Administration	666	420
Consultancies	-	-
Depreciation/Amortisation	43	39
Audit Fee - External: for the audit of the financial reports	46	39
Audit Fee - Internal	21	29
Less: Expenses allocated to Community Works (Refer Notes 2(h) & 5)	(1,759)	(1,456)
	692	672

## 5. Community Works – Housing, Public Domain, Other Infrastructure and Grants to Other Organisations

Costs associated with the provision of Housing projects and similar Community Contributions are expensed as they are incurred. These costs represent works undertaken at the Corporation's cost that have been, or will be transferred to the community, free of charge, through either Council or other organisations.

These community works do not add any commercial value to the Corporation's land holdings.



	2008 \$'000	2007 \$'000
Public Domain Landscaping and seawall repairs	1,743	967
Other Services/ Community groups	264	460
Community Activation	225	165
Administration expenses allocated to Community Works (refer to Notes 2(h) & 4)	1,759	1,456
	<b>3,991</b>	<b>3,048</b>

## 6. Cash and Cash Equivalents

	2008 \$'000	2007 \$'000
Cash at Bank	81	1,483
Cash on Hand	8	8
	<b>89</b>	<b>1,491</b>

Cash at Bank includes funds invested with NSW Treasury Corporation's Hour-Glass Facility in accordance with the Corporation's Investment powers.

The Corporation's exposure to interest rate risk is discussed in note 18.

## 7. Trade and Other Receivables

	2008 \$'000	2007 \$'000
<b>Current Trade and Other Receivables</b>		
Trade Receivables	2,907	266
Provision for impairment of receivables (note(a))	-	-
Prepayments	2	6
<b>Total Current Trade and Other Receivables</b>	<b>2,909</b>	<b>272</b>
<b>Non-Current Trade and Other Receivables</b>		
Deposits	966	-
<b>Total Non-Current Trade and Other Receivables</b>	<b>966</b>	<b>-</b>
<b>Total Trade and Other Receivables</b>	<b>3,875</b>	<b>272</b>



#### (a) Past due but not impaired

As of 30 June 2008, trade receivables of \$97,000 (2007 - \$63,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008 \$'000	2007 \$'000
Up to 3 months	70	63
Over 3 months	27	-
	<b>97</b>	<b>63</b>

As at 30 June 2008 there were no impaired trade receivables (2007 - nil)

#### (b) Fair value and credit risk

Due to the short-term nature of the Trade Receivables, their carrying amount is assumed to approximate their fair value. The credit risk is the carrying amount, net of any provision for doubtful debts.

The fair value of the deposits are based upon the cash flows discounted using the current cost of capital of 10.4%.

## 8. Inventory

Current Inventory is comprised of sites that have been developed or that are still under development and are planned to be sold in the coming year. Property holdings that are being developed in order for sale in years beyond the next financial year are classified as Non-Current Inventory. Valuation is on the basis of the intended uses in accordance with the Newcastle City Centre Local Environment Plan 2008. The valuation is undertaken by an independent Registered Valuer on a yearly basis with valuations at the lower of cost or net realisable value. The valuation process for 2007-08 has resulted in no changes to the carrying value of inventory (2007 nil).

	2008 \$'000	2007 \$'000
<b>Current Inventory</b>		
At Cost	3,438	2,421
At Valuation	-	-
<b>Total Current Inventory</b>	<b>3,438</b>	<b>2,421</b>
<b>Non-Current Inventory</b>		
At Cost	11,309	10,720
At Valuation	-	933
<b>Total Non-Current Inventory</b>	<b>11,309</b>	<b>11,653</b>
<b>Total Inventory</b>	<b>14,747</b>	<b>14,074</b>

## 9. Non-Commercial Property

Non-Commercial property comprises sites and buildings that have been identified for potential future Non-Commercial uses. The uses identified will not generate commercial returns.

	2008 \$'000	2007 \$'000
<b>Current</b>		
At Cost	-	724
At Valuation	-	-
<b>Total Current Non-Commercial Works Property</b>	<b>-</b>	<b>724</b>
<b>Non-Current</b>		
At Cost	608	-
At Valuation	198	799
<b>Total Non-Current Non-Commercial Works Property</b>	<b>806</b>	<b>799</b>
<b>Total Non-Commercial Property</b>	<b>806</b>	<b>1,523</b>

## 10. Contingent Assets

The Corporation has bank guarantees in its favour for \$0.982m (\$0.014m 2007) covering the defects liability period for civil construction contracts. As well the Corporation has Water Amplification credits with Hunter Water Corporation.

## 11. Plant and Equipment

	2008 \$'000	2007 \$'000
<b>IT Equipment</b>		
Gross Fair Value	38	29
Accumulated Depreciation	(36)	(27)
Carrying Amount	2	2
<b>Furniture &amp; Fittings</b>		
Gross Fair Value	81	149
Accumulated Depreciation	(39)	(47)
Carrying Amount	42	102
<b>Leasehold Improvements</b>		
Gross Fair Value	244	244
Accumulated Depreciation	(48)	(26)
Carrying Amount	196	218
<b>Plant &amp; Equipment</b>		
Gross Fair Value	16	16
Accumulated Depreciation	(7)	(6)
Carrying Amount	9	10
<b>Total Net Carrying Amount</b>	<b>249</b>	<b>332</b>



## Reconciliation of Plant and Equipment

	2008 \$'000	2007 \$'000
<b>IT Equipment</b>		
Opening Balance	2	8
Additions	9	-
Depreciation	(9)	(6)
Closing Balance	2	2
<b>Furniture &amp; Fittings</b>		
Opening Balance	102	59
Additions	-	51
Disposals	(49)	-
Depreciation	(11)	(8)
Closing Balance	42	102
<b>Leasehold Improvements</b>		
Opening Balance	218	242
Depreciation	(22)	(24)
Closing Balance	196	218
<b>Plant and Equipment</b>		
Opening Balance	10	12
Additions	-	8
Disposals	-	(8)
Depreciation	(1)	(2)
Closing Balance	9	10
<b>Total Plant and Equipment</b>	<b>249</b>	<b>332</b>

## 12. Trade and Other Payables

	2008 \$'000	2007 \$'000
<b>Current</b>		
Trade Payables – Work in Progress	49	51
Trade Payables	1,937	1,171
Security Deposits	35	128
Other Payables (a)	154	123
	<b>2,175</b>	<b>1,473</b>

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 the Treasurer's Directions 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There was no such rate applied during the year.

### (a) Amounts not expected to be settled within the next 12 months

Other payables include accruals for recreation leave. The entire obligation is presented as current, since the Corporation does not have an unconditional right to defer settlement. However based on past experience, the Corporation does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2008 \$'000	2007 \$'000
Recreation leave obligation expected to be settled after 12 months	54	26

### 13. Provisions

	2008 \$'000	2007 \$'000
<b>Short-Term Provisions</b>		
Lease Incentive	2	2
Future Works	29	4
<b>Total Short-Term Provisions</b>	<b>31</b>	<b>6</b>
<b>Long-Term Provisions</b>		
Leasehold Improvement	30	30
Lease Incentive	10	11
<b>Total Long-Term Provisions</b>	<b>40</b>	<b>41</b>
<b>Total Provisions</b>	<b>71</b>	<b>47</b>

### 14. Other

	2008 \$'000	2007 \$'000
Current – Prepaid Income	1,489	1,428
Non-Current – Prepaid Income	-	174
	<b>1,489</b>	<b>1,602</b>

### 15. Contributed Equity

On 2 July 2002 the Treasurer approved the transfer of \$7.22m of the Corporation's debt to the state. This was in recognition of the high level of non-commercial works the Corporation had undertaken and the resultant impact on the capital structure.



## 16. Cash Flow Information

For the purposes of the Statement of Cash Flows cash includes cash on hand and in banks, and investments readily convertible to cash within 24 hours.

	2008 \$'000	2007 \$'000
<b>(a) Reconciliation of Net Cash Provided by Operating Activities to Profit/(Loss)</b>		
Operating Profit/(Loss) from Ordinary Activities	(1,810)	401
<b>Non Cash Items</b>		
Depreciation	43	39
<b>Changes in Assets and Liabilities</b>		
Decrease/(Increase) in Receivables	(2,641)	61
Decrease in Inventories and Non-commercial Property	93	2,236
Decrease/(Increase) in Prepayments	(962)	9
Increase in Payables	764	472
(Decrease) in Prepaid Revenue	(113)	(131)
(Decrease) in Deposits Received	(93)	(14)
Increase in Provision for Future Works	25	4
Increase/(Decrease) in Personnel Services Provisions	30	(64)
Net Cash Flow from Operating Activities	(4,664)	3,013

## (b) Financing Facilities

The Corporation has an approved debt facility with NSW Treasury of \$17.5m face value which was drawn down to the value of \$3.271m at 30 June 2008 (30 June 2007 nil). The Corporation's exposure to interest rate risk is discussed in note 18.

## 17. Contingent Liabilities

The Corporation has provided Letters of Undertaking and Guarantee to Newcastle City Council (NCC) totalling \$0.163m (\$0.163m 2007) for the potential provision of traffic lights in Merewether Street, Newcastle (\$150,000); and the potential provision of a bus shelter at Linwood (\$13,000). No provision has been made for these liabilities due to the uncertainty in determining future demands.

Extensive investigative works have been undertaken on mine subsidence and remediation issues that impact the Corporation's land holdings. Whilst these studies can provide broad order cost estimates there remains the possibility that these estimates maybe significantly lower than actual costs and therefore impact future profitability.

There are no other significant claims for any damages being negotiated. This does not include matters covered by insurance. At the date of these accounts the Board Members and Management are not aware of any other event or action that could give rise to a contingent liability.




## 18. Financial Instruments

### (a) Financial Risk Management

The Corporation is mandated to use TCorp for the provision of financial arrangements and as such utilises TCorp's Hour-Glass investment facilities and Come & Go Facility.

The Corporation holds the following financial instruments:



	2008 \$'000	2007 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	89	1,491
Trade and other receivables	3,875	272
	<b>3,964</b>	<b>1,763</b>
<b>Financial liabilities</b>		
Trade and other payables	2,175	1,473
Borrowings	3,271	-
	<b>5,446</b>	<b>1,473</b>

The Corporation does not have any derivative instruments at 30 June 2008.

### Financial Risks

The main risks the Corporation is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

1. Interest rate risk  
Interest rate risk is reviewed by management with the Corporation's interest rate being the rate for the TCorp Come & Go Facility and a Government guarantee fee which is levied on the Corporation

and is based on its stand alone credit rating. At 30 June 2008 all instruments were on floating interest rates and any fluctuations in rate changes will be minimal. At 30 June 2007 there were no borrowings.

2. Liquidity risk  
The Corporation manages liquidity risk by monitoring forecast cash flows, including capital commitments noted in 19 (a) below, and ensuring that adequate unutilised borrowing facilities are maintained. Interest on the TCorp Come & Go Facility is capitalised on a monthly basis.
3. Credit risk  
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Corporation does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Corporation. The Corporation actively monitors receivables to ensure compliance with payment terms.
4. Price risk  
The Corporation is not exposed to any material commodity price risk.

### (b) Net Fair Values

For all assets and liabilities the net fair value approximates their carrying value.

### (c) Sensitivity Analysis

The following table summarises the sensitivity of the Corporation's financial assets and liabilities to interest rate risk.

		Interest rate risk			
		-75 bps		+75 bps	
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>30 June 2008</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	89	(11)	(11)	11	11
<b>Financial Liabilities</b>					
Borrowings	3,271	15	15	(15)	(15)
<b>Total increase/(decrease)</b>		<b>4</b>	<b>4</b>	<b>(4)</b>	<b>(4)</b>

		Interest rate risk			
		-75 bps		+75 bps	
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>30 June 2007</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,491	(9)	(9)	9	9
<b>Financial Liabilities</b>					
Borrowings	-	4	4	(4)	(4)
<b>Total increase/(decrease)</b>		<b>(5)</b>	<b>(5)</b>	<b>5</b>	<b>5</b>

The interest rates used to perform the above sensitivities have been based upon historical volatility information.

## Financial Instruments

### (d) Interest Rate Risk

Financial Instrument	Note	Floating Interest Rate		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 %	2007 %
Financial Assets									
Cash at bank	6	81	1,483	-	-	81	1,483	6.8	6.6
Cash on hand	6	-	-	8	8	8	8	n/a	n/a
Receivable for goods and services (gross)	7	-	-	2,907	266	2,907	266	n/a	n/a
Total		81	1,483	2,915	274	2,996	1,757		
Total Assets						19,766	17,692		
Financial Liabilities									
Government loans	16(b)	3,271	-	-	-	3,271	-	10.8	n/a
Trade Creditors	12	-	-	1,986	1,222	1,986	1,222	n/a	n/a
Security Deposits	12	-	-	35	128	35	128	n/a	n/a
Total		3,271	-	2,021	1,350	5,292	1,350		
Total Liabilities						7,006	3,122		



## 19. Expenditure Commitments

### (a) Capital Expenditure Commitments

	2008 \$'000	2007 \$'000
Estimated capital expenditure, inclusive of GST, contracted as at 30 June 2008 but not provided for:		
• within 12 months	1,925	209
• 12 months to 5 years	-	2,705
• > 5 years	-	-
	<b>1,925</b>	<b>2,914</b>

These Capital Expenditure Commitments represent Contracts for works to be undertaken on sites for delivery to market. As part of its Capital Program there are also planned future works which as yet, are not contractually committed.

### (b) Operating Lease Commitments

	2008 \$'000	2007 \$'000
Commitments in relation to non-cancellable operating leases, inclusive of GST, are payable as follows:		
• within 12 months	162	134
• 12 months to 5 years	618	580
• > 5 years	391	546
	<b>1,171</b>	<b>1,260</b>

The property lease is a non-cancellable lease with a 10-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.25% per annum. An option exists to renew the lease at the end of the 10-year term for an additional term of 5 years. The lease allows for subletting of all lease areas.

## 20. Related Party Disclosures

Transactions between related parties are on normal commercial conditions no more favourable than those available to other parties unless otherwise stated.

There were no related party transactions during the year.

### Directors and Any Director Related Entities

The Directors of the Hunter Development Corporation during the financial year were:

- P Broad (appointed 27 July 2007)
- N Bird AM
- D Evans (appointed 27 July 2007)
- S Haddad (alternate R Pearson)
- G Kennedy
- M Maybury
- R Robson (appointed 27 July 2007)
- S Ryan
- J Tate

## 21. Company Details

The principal place of business of the Corporation is:

Suite B  
Level 5, PricewaterhouseCoopers Centre  
26 Honeysuckle Drive  
NEWCASTLE NSW 2300

## 22. Subsequent Events

As a result of the merger of the Honeysuckle Development Corporation and the Regional Land Management Corporation (RLMC) certain portions of land previously managed by RLMC on behalf of the State Property Authority are to be transferred to the Corporation. At the date of presenting these financial statements this transfer has not occurred and any financial impact of this event is unknown.

**End of audited financial statements.**





## Appendices

### Evaluation and Review

#### Strategic Business Plan

The Corporation manages its affairs in accordance with a Strategic Business Plan that is updated annually. The plan is approved by the Board and forms the basis of the Statement of Business Intent that is agreed between the Board, the Minister and the Treasurer. The Plan balances commercial targets with community obligations and social dividend activities.

#### Performance Measures and Indicators

The Corporation's Statement of Business Intent contains performance targets that are agreed between the Minister for Planning and the Treasurer, and the targets are monitored quarterly.

#### Internal/External Reviews

Management reviews are conducted as part of the management process, which monitors performance against budget and agreed targets. In line with procedures of the Department of Planning, staff members have effected and are part of an internal control process designed to provide reasonable assurance regarding the achievement of the Corporation's objectives.

### External Changes

#### Economic and Other Factors Affecting Achievement of Operational Objectives

The prevailing economic conditions were generally favourable to attaining the Corporation's objectives during the financial year. However, more recent global conditions have generally affected funding for large capital projects, which in turn may be reflected in the Corporation's strategy for future land releases.

### Legal Changes

During the 2007/2008 financial year the *Growth Centres (Development Corporations) Act 1974* was amended by the *Growth Centres (Development Corporations) Amendment Act 2008* No 26. This amendment provides that development corporations constituted under the Act may be governed either by a board or directly by a chief executive. In addition, the *Growth Centres (Hunter Development Corporation) Order 2008* was made under the *Growth Centres (Development Corporations) Act 1974* to expand the boundaries of the growth centre in which the Corporation operates and rename the Corporation accordingly. The growth area was expanded to include the local government areas of Cessnock, Dungog, Gloucester, Great Lakes, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter.

### Land Disposal

During the year settlement occurred on two sites with the total value of settlements being \$2,490,000.

Prior to disposing of sites, approval is sought from the Minister for Planning. Proceeds from the sales are utilised in the Corporation's operations as well as delivering community works. The sales occur on commercial terms and, as such, contract documentation is treated as "Commercial in Confidence".

## Sponsorships

Organisation	Amount	Purpose
Hunter Economic Development Corporation	\$10,000	2007 Corporate Partnership sponsorship
Shoot Out Film Festival	\$1,500	Film Festival 2007 sponsorship
Newcastle Rowing Club	\$2,000	Honeysuckle Throsby Creek Challenge
Newcastle Rowing Club	\$1,000	2008 Newcastle Rowing Regatta
Cruise Hunter	\$10,000	2007/08 Sponsorship
Hunter Institute Foundation Ltd	\$2,000	2008 Sponsorship and medal sponsorship
Hunter Valley Research Foundation	\$6,000	2007/08 sponsorship
<b>Total</b>	<b>\$32,500</b>	

## Management Practices and Policies

The Hunter Development Corporation does not directly employ staff. Staff of the Department of Planning manage the Corporation's affairs on a day-to-day basis on behalf of the Board. Information on the Corporation's compliance with a number of important matters is therefore included in the Department's annual report. These include the following matters:

- Code of Conduct
- Commitment of Service
- Disability Plan
- Energy Management
- Equal Employment Opportunity
- Ethnic Affairs Priority Statement
- Exceptional Wage Movement
- Guarantee of Service
- Human Resources matters which include:
- Industrial Relations
- NSW Government Action Plan for Women
- Occupational Health and Safety
- Privacy Management Plan

## Fraud Control Policy

As a government agency, the Corporation is committed to probity and accountability in all its dealings. The Corporation will, at all times, demonstrate honest, ethical and business-like provision of its service to its customers and in its dealings with the public. The Corporation's Fraud Policy states that:

- **Fraud and corruption are not tolerated by the Corporation;**
- **Firm disciplinary action and/or prosecution action will be taken against perpetrators.**

## Client Response

The Hunter Development Corporation welcomes suggestions and feedback from clients for improvements and changes. Complaints are handled quickly in consultation with the client. Contact the General Manager, Hunter Development Corporation.

## Risk Management and Insurance

The Hunter Development Corporation moderates risk through a program of internal and external quality reviews. All properties owned or managed by the Corporation are insured for their replacement value under the Treasury Managed Fund. The Corporation has a risk management program assisted by representatives

of the Treasury Managed Fund in the analysis of claims, institution of loss control procedures and ongoing analysis of needs and coverage. The greatest strategic risk facing the Corporation is the failure to deliver the required outcomes against the published Business Plan within time constraints and quality requirements. The greatest financial risk facing the Corporation is the inability to secure appropriate funding to continue the orderly redevelopment of its sites.

### Response to Matters Raised by the Auditor General in Outgoing Audit Reports

There were no matters raised by the Auditor General in the Audit Report for the last financial year.

### Recycling

The Hunter Development Corporation supports the NSW State Government's commitment to reduce waste going to disposal and has implemented a Waste Reduction Plan. The plan includes the use of electronic material rather than paper copy wherever possible, reducing paper wastage and recycling office materials.

### Annual Report 2007/2008

The cost of 2007/2008 Annual Report was \$24,375. The annual report is available at [www.hunterdevelopmentcorporation.com.au](http://www.hunterdevelopmentcorporation.com.au)

## Publications

### Ongoing

Honeysuckle: "The Scheme"

Concept Masterplan Report 1992. Prepared by Devine Erby & Mazlin and Suters Architects Snell

Cottage Creek Precinct: A Public Domain Concept 2008. Prepared by Terras Landscape Architects

Honeysuckle Public Domain Strategy 2000. Prepared by Pittendrigh Shinkfield and Bruce

Hunter Development Corporation website:  
[www.hunterdevelopmentcorporation.com.au](http://www.hunterdevelopmentcorporation.com.au)

Honeysuckle website: [www.honeysuckle.net](http://www.honeysuckle.net)

Foreshore Promenade Design Manual

Honeysuckle Visitor Map

Honeysuckle Happenings newsletter

### Freedom of Information

The Hunter Development Corporation received no applications for access to documents under the Freedom of Information Act in 2007/2008. No applications were carried over from the previous financial year.

The Annual Report constitutes Hunter Development Corporation's "Statement of Affairs" under the FOI Act. Applications under the FOI Act must be in writing and accompanied by an application fee of \$30.00. A 50% fee reduction applies in certain circumstances. Enquiries or applications should be directed to the Administration Manager, Hunter Development Corporation. The office business and service hours are Monday—Friday: 8.30am—5.00pm.

### Electronic Service Delivery

The majority of the Corporation's publications are available on its website, including the annual report and documentation relating to calls for proposals.

## Project Information

### Major Assets

The Hunter Development Corporation's major assets are land and building holdings.

### Disclosure of Controlled Entities

The Hunter Development Corporation has no subsidiary companies.

## Consultants

### Costs Incurred in the Engagement of Consultants

Consultancies equal to or more than \$30,000 in costs  
\$ nil

Consultants less than \$30,000

During the year 3 consultants were engaged in the following areas:

Urban design/concept plan development	\$50,698
Total consultancies less than \$30,000	\$50,698

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<b>Total consultancies</b>	<b>\$50,698</b>
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### Cost Overruns

Annual spending on works is agreed between the Corporation and Treasury in the Statement of Business Intent. There are no overruns to report.

## Investment Powers

Investments are placed with NSW Treasury Corporation or banks at interest rates equivalent to or greater than the relevant benchmark Hour-Glass Investment Facility.

### Overseas Visits

No overseas visits were undertaken.

### Research and Development

The Corporation undertook no research and development activity during the year relating to new knowledge, products, services or processes within the established definition.

### Consumer Response

The intermittent consumer complaints or suggestions received this year were maintenance issues or related to construction noise or inconvenience. In most cases, the Corporation investigated the area requiring maintenance and/or provided additional information about the work being undertaken to resolve the complaint.



## Report on Account Payment Performance

The information which follows is provided in accordance with the requirements of the Annual Reports (Statutory Bodies) Regulation 2005.

### Aged analysis at the end of each quarter

Quarter	Current (ie within due date) \$	Less than 30 days overdue \$	Between 30 and 60 days overdue \$	Between 60 and 90 days overdue \$	More than 90 days overdue \$
September	14,407	3,134	1,982	-	-
December	12,013	30,658	-	-	508
March	64,774	66,642	-	-	-
June	142,967	-	-	-	-

### Accounts paid on time within each quarter

Quarter	Total Accounts Paid on Time		Total Amount	
	Target %	Actual %	\$	Paid
				\$
September	90%	94%	931,499	980,587
December	90%	92%	995,938	1,267,475
March	90%	91%	4,383,564	4,472,115
June	90%	93%	6,420,373	6,768,658

The percentage of accounts paid on time is based on SAP Payment Analysis Report, which compares vendor masterfile payment terms, invoice document date and payment document date to determine if payment was made on time, and if not, how many days it was late. The dollar value is the actual dollar value of the documents in each column (ie paid on time, not paid on time), so the percentage is based on documents, not their dollar value.

No Interest was paid on accounts in the year ended 30 June 2008.



## Notes



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