



Hunter  
Development  
Corporation

# Hunter Development Corporation Annual Report 2016-2017



Artist's impression of  
42 Honeysuckle Drive

**Hunter Development Corporation**

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This annual report has been produced by Hunter Development Corporation staff. The annual report is a reflection of business activities and financial transactions undertaken in financial year 2016-17. It is available to the public as an electronic report and can be accessed on the Hunter Development Corporation website [www.hdc.nsw.gov.au](http://www.hdc.nsw.gov.au)

31 October 2017

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# Letter to the Minister

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31 October 2017

The Hon Anthony Roberts MP  
Minister for Planning  
Minister for Housing  
Special Minister of State  
Parliament House  
SYDNEY NSW 2000

Dear Minister,

Please find enclosed the annual report of the Hunter Development Corporation for the year ended 30 June 2017.

The report details the Corporation's work, achievements and relevant statutory and financial information. It has been prepared for submission to Parliament under the *Annual Reports (Statutory Bodies) Regulation 2010* and the applicable provisions of the *Public Finance and Audit Act 1983*.

Yours sincerely,

Michael Cassel  
Chief Executive Officer  
Hunter Development Corporation

Carolyn McNally  
Secretary  
Department of Planning and Environment

# Chief Executive's Report

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Newcastle's city centre is in the midst of unprecedented investment and growth. This major economic upsurge is largely in response to the NSW Government's ambitious **Revitalising Newcastle** program which is overseen by Hunter Development Corporation (HDC).

On the back of this \$650 million program the total value of development applications lodged with Newcastle City Council in 2016-17 was \$995 million, up from \$702 million in 2015-16 and more than double 2014-15 applications.

The NSW Government investment will strengthen Newcastle as the region's capital and ensure the Hunter continues to be the state's largest and most productive region.

At the regional scale, the Department of Planning and Environment unveiled the *Hunter Regional Plan 2036* to guide economic growth. The plan was well-received by all stakeholders.

As a long-term key driver of change in the region, the NSW Government has tasked HDC with monitoring and reporting on the implementation of the Regional Plan. HDC is working closely with the Department of Planning and Environment, councils and other stakeholders to ensure the plan's successful implementation and reporting on its progress.

A metropolitan plan for the area encompassing Lake Macquarie, Newcastle, Maitland, Port Stephens and Cessnock is now being developed.

In order to fulfil its responsibilities, and following the expiration of the term of the Board of Directors in December 2016, the NSW Government revised HDC's governance arrangements. It has been transitioned to a CEO-Government entity as provided for by the *Growth Centres (Development Corporations) Act 1974* and continues to report to the Minister for Planning.

I'd like to thank the directors of the board and previous boards for their years of dedication and also the former General Manager, Bob Hawes, for his leadership of HDC from 2011 until August 2016. Similarly, I commend Valentina Misevska for her leadership as Acting-General Manager from September 2016 to February 2017, a time of significant transition.

HDC's new governance structure aligns with that of other development corporations. The arrangements allow close collaboration with key stakeholders to support delivery of Government priorities in the region, including housing affordability, employment and economic growth, and overseeing the Regional Plan.

HDC was further strengthened by its merger with UrbanGrowth NSW's Newcastle regional office. This has consolidated Newcastle staff to ensure the Revitalising Newcastle program continues to deliver great outcomes.

A key component of the Revitalising Newcastle initiative, significant progress has been made on the construction of the new transport interchange at Wickham. Newcastle's new light rail system will incorporate the latest charging technology into light rail stops, making it the first in Australia to be catenary-free. This "wire-free" solution will deliver a more attractive streetscape which is a great result for Newcastle.

To further strengthen Newcastle's city centre as the region's capital, the Government continued the Newcastle Mines Grouting Fund, administered by HDC. The Fund encourages multi-storey development of homes and work spaces by acting as an insurance policy that cuts in after maximum estimated grouting cost has been met by the developer. Four new projects were assisted through the program in 2016-17 and further projects are expected. The Fund has been instrumental in providing a level of confidence in the market, resulting in new

multi-storey buildings in the city centre and engineering and construction jobs growth.

In what was a remarkable year for the Honeysuckle urban renewal project, HDC continued to drive outcomes for the city with a series of key achievements. The most significant was the agreement to bring new University of Newcastle facilities into the Civic area on 20,000m<sup>2</sup> of Honeysuckle and redundant rail corridor land. This project will have an enduring transformative effect on the city centre, injecting round-the-clock activity into the economy. The University of Newcastle is scheduled to release its exciting master plan in early 2018.

A new commercial and residential building with 72 units at 18 Honeysuckle Drive opened in late 2016 and a development application was lodged for 21 Honeysuckle Drive. When approved, this will see improved architecture, 150 homes and upgraded public domain by the harbour.

Progress continued with the next Honeysuckle Drive site listed for sale in December 2016 and resulting in a much-needed new 4-star hotel (subject to planning approvals).

In June 2017, HDC started the sale of the next waterfront site at 35 Honeysuckle Drive. This sale required developers to demonstrate their commitment to high quality architectural outcomes.

Substantial seawall maintenance work was undertaken along the harbour to support future public domain improvements at Honeysuckle. Mine subsidence grouting work also commenced to enable future development on key sites.

HDC continued its administration of remaining funds and projects under the Hunter Infrastructure and Investment Fund (HIIF).

Current HIIF projects include a new cruise terminal in Newcastle harbour, a new base for the Westpac Rescue Helicopter at Belmont and the second stage of funding for redevelopment of the Maitland Regional sporting complex.

The first stage of the cruise terminal facility – construction of upgraded mooring bollards to accommodate larger cruise vessels – was completed and work progressed on terminal building designs. The Minister opened Stage One of the Maitland Regional Sportsground upgrade and the new helicopter base was completed, providing a vital service to the entire region.

The HDC-administered Newcastle Port Community Contribution Fund allocated \$1.27 million to five community infrastructure projects in 2017. Major grants included \$500,000 to the second stage of the redevelopment of Nobby's Lighthouse as an iconic tourism drawcard and \$500,000 for weather-proofing, landscaping and heritage works on the historic Carrington Hydraulic Engine House.

In March 2017, HDC embarked on the final phase of the remediation of former BHP steelworks site at Mayfield. In October 2016, this project was recognised by the Premier for its environmental impact. The project is not only about good environmental outcomes but also focusses on economic diversification and employment generation. Work on the 152ha site is due for completion in 2018. This will bring to a close one of the biggest and most important remediation projects in Newcastle's history, a huge achievement for the once steel city.

I would like to take this opportunity to thank HDC staff for their hard work and resilience in a time of significant change and commend their unwavering commitment to achieving world class outcomes.

**Michael Cassel**  
**Chief Executive Officer**

# About Hunter Development Corporation

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Hunter Development Corporation (HDC) is charged with promoting, securing and managing orderly economic development in the Hunter region.

Constituted under the *Growth Centres (Development Corporations) Act 1974*, HDC's Growth Centre encompasses the Hunter Region's ten local government areas: Cessnock, Dungog, Lake Macquarie, Maitland, MidCoast, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter.

## Purpose

The NSW Government has a vision to create a diverse, thriving regional economy in the Hunter. HDC's purpose is to deliver this vision by stimulating economic growth and investment in new homes and enterprises.

Now in its 25th year of operation, HDC has a solid reputation as a key influencer in removing or addressing constraints to private sector investment. It is well-placed to continue to deliver investment, urban revitalisation and economic growth in the region.

## Nature and scope of activities

HDC is a state government agency and a landowner of strategic property assets.

First established in 1992 as Honeysuckle Development Corporation and becoming Hunter Development Corporation in 2007, HDC is celebrating 25 years as the leading change agent in the Hunter.

In that time, a significant legacy has been created with the repurposing of surplus and underutilised government lands into community-building assets.

Primarily self-funded, the organisation has a strong track record in undertaking challenging projects that often require remediation and repurposing former industrial lands to create

new development opportunities. Its high profile Honeysuckle urban renewal project on Newcastle Harbour is a perfect example of this capability.

HDC is also the NSW Government's agent overseeing large scale remediation and environmental programs on former BHP Steelworks lands at Mayfield and Kooragang Island. Both sites are being prepared for future employment-generating opportunities. These vital environment management programs will deliver new development in key locations that would otherwise remain undeveloped, contaminated and inaccessible to the community.

Providing open and connected spaces is a key deliverable for HDC. This means ensuring high quality urban design; sound environmental and sustainability outcomes; social outcomes; and excellent public domain, recreation spaces and facilities.

In the Honeysuckle project, sale proceeds from development sites are re-invested into new public domain for the community and an extensive maintenance program for several kilometres of seawalls and harbourside promenades, heritage buildings and temporary car parks. HDC also undertakes maintenance on key public domain and employment lands.

A number of funds and grant schemes are administered by HDC. The Newcastle Mines Grouting Fund (NMGF), which encourages new multistorey residential and commercial development in the city centre, is one example. Another is the Newcastle Port Community Contribution (NPCC) infrastructure grant program which funds \$1 million in projects each year around the Port of Newcastle.

## Changes to HDC

In October 2016, HDC's role expanded when it was given responsibility for overseeing the

delivery of the Hunter Regional Plan 2036. This new and important role means working across government, local councils and key stakeholders to support a leading regional economy with thriving communities and a rich natural environment.

Transformational change is very evident in Newcastle; the region's leading city. Significant government investment is generating unprecedented confidence in the city and

driving delivery of new homes, jobs and locations which attract visitors and locals alike.

HDC has assumed management of the NSW Government's \$650 million Revitalising Newcastle program. This initiative is transforming the city centre by strengthening connections between the city and its waterfront, creating job opportunities, providing new housing, and delivering attractive public spaces connected to better transport.

# Corporate Governance

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During the year, changes were made to HDC's Governance arrangements.

Following the Board's term expiring in December 2016, HDC was changed to a CEO-Governed entity as provided for by the *Growth Centres (Development Corporations) Act 1974*.

HDC remains part of the Planning and Environment cluster and continues to be subject to the direction of the Minister for Planning.

Prior to December 2016, HDC's Board comprised the Chairman, Secretary of the Department of Planning and Environment (or delegate) and three Board members. Members were appointed by the Governor of NSW. HDC's three-year internal audit plan is reviewed annually and has an emphasis on both financial

and operational matters. Internal and external auditors attend Audit and Risk Committee meetings as required.

All recommendations from the internal audit reports have been implemented.

HDC held six Board meetings and one Audit and Risk Committee meeting between 1 July 2016 and December 2016.

A Shared Arrangement Agreement with the Department of Planning and Environment commenced in January 2017. Under this agreement the Department shares the Audit and Risk Committee and Chief Audit Executive with HDC and provides secretariat services.

## The Board

(until December 2016)

### Chairman

**David Evans** B.Ec (Hons), FAICD  
*Appointed Chairman in October 2015*  
Meeting attendance:  
Board: 6 of 6  
Audit and Risk Committee: 0 of 1

### Director

**Sharon Smith**  
Meeting attendance:  
Board: 6 of 6  
Audit and Risk Committee: 1 of 1

### Director

**Sean O'Toole**  
*Commenced October 2015*  
Meeting attendance:  
Board: 6 of 6  
Audit and Risk Committee: 1 of 1

### Director

**Andrew Jackson**  
Meeting attendance:  
Board: 4 of 6

### Director (Secretary's delegate)

**Brendan Nelson**  
Meeting attendance:  
Board: 5 of 6

# Staff

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HDC is led by a senior management team with diverse experience in creating transformational and lasting change. HDC staff demonstrates leadership by creating places that endure through repurposing surplus and underutilised government lands.

## Chief Executive Officer

Michael Cassel MBA(Executive), GICD, MProDev,  
GradCertAppFin, BConMgt(Build)(Hons)

## Communications Manager

Luke Mellare  
B.A. (Comms) M.A (Media. Technology, the Law)

## Senior Development Manager

Valentina Misevska  
LLB, Dip. Legal Practice, B.Com

## Administration Manager

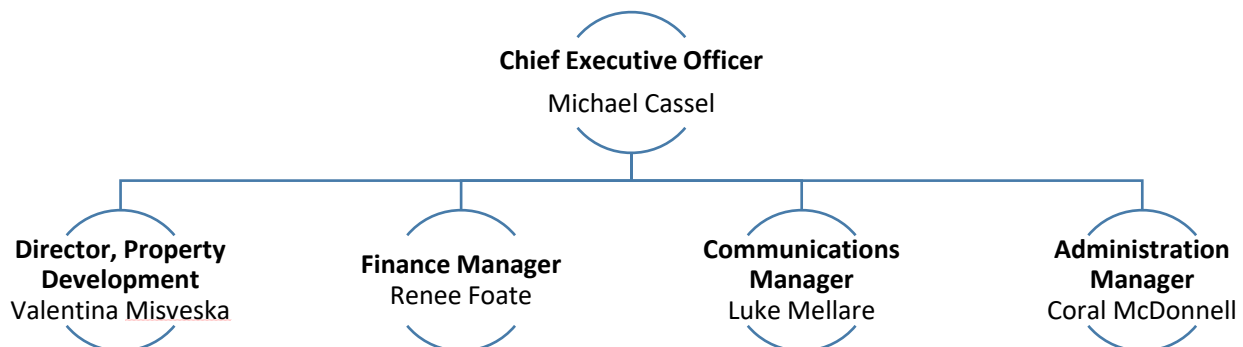
Coral McDonnell

## Renee Foate

A/Finance Manager  
B.Com, CPA

A number of positions are currently being covered by contract staff.

## Organisation chart



# Summary of 2016/17 achievements

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Newcastle and the Hunter are in the midst of unprecedented growth and change and HDC is playing a key role in facilitating and managing this process. In the last financial year, significant

progress has been made in a variety of locations and industries across the region, including:

- Construction completed on \$38 million commercial office and residential development at 18 Honeysuckle Drive.
- Development consent granted to Catholic Diocese of Maitland-Newcastle for redevelopment of former Empire Hotel site in Newcastle West.
- Development application lodged for \$58 million residential development at 21 Honeysuckle Drive.
- Contracts exchanged with Doma Group for construction of \$45 million, four-star hotel at 42 Honeysuckle Drive.
- Five new community infrastructure projects worth \$1.27 million funded from Newcastle Port Community Contribution Fund, administered by HDC.
- Ground-breaking agreement with University of Newcastle to locate new facilities at Civic on 20,000m<sup>2</sup> of Honeysuckle and redundant rail corridor lands.
- Hunter Regional Plan 2036 released in October 2016.
- Daracon appointed to undertake final stage of remediation works at 152ha former Mayfield BHP Steelworks site.
- HDC awarded NSW Premier's Award for environmental work at Mayfield site.
- Additional 13ha of former BHP Steelworks waste emplacement facility on Kooragang Island completed.
- Final \$50 million in projects to be funded from Hunter Infrastructure and Investment Fund announced.
- An \$800,000 upgrade of mooring bollards at the Channel Berth enables Port of Newcastle to host larger, heavier cruise ships.
- The \$17 million Newcastle Mines Grouting Fund for Newcastle city centre extended.
- Stage one of two-stage works program to Lee 4 seawall in Honeysuckle urban renewal area completed.
- Sale of 540 Hunter Street to Transport for NSW for use in Newcastle Light Rail.
- Newcastle University's \$95 million NeW Space facility completed.
- New light rail service will be first in Australia to be "wire-free".
- Planning proposal and rezoning application for redundant rail corridor lodged with Newcastle City Council.
- Acquired 2.7km of the former heavy rail corridor from Wickham to Newcastle Station.

# Urban Renewal and Development

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Significant milestones continued to be achieved in the long-term urban renewal of the region's capital.

Newcastle city centre is in the midst of record investment and growth with an unprecedented level of new development evident across the city. On the back of the NSW Government's \$650 million Revitalising Newcastle program, development applications totalling \$995 million were lodged with Newcastle City Council in 2016-17. This is more than double the 2014-15 figure. Development is focused on two key locations – the city centre and the Honeysuckle harbourside precinct.

## Newcastle City Centre

The Revitalising Newcastle program is focused on strengthening connections between the city and the harbour, transforming the former rail corridor, creating job opportunities, providing new housing and delivering attractive public spaces connected to great transport.

## Transportation

The lynchpin of the remarkable transformation of the city centre was the decision made by the NSW Government in December 2012 to truncate the heavy rail line into Newcastle at Wickham. This will revitalise the city centre by seamlessly connecting the city to its prized harbourside lands in Honeysuckle.

Transforming the former heavy rail corridor will deliver world class open public spaces and exciting new retail, educational and residential opportunities to the city.

A key component of the Revitalising Newcastle program is the Newcastle Light Rail service which will provide a frequent and reliable travel option throughout the city centre.

The 2.7km service will run from the Newcastle Interchange at Wickham in the West End, through the Civic Precinct and onto Pacific Park in the East End, allowing passengers to alight just 200m from Newcastle Beach. The service will follow the old rail corridor for approximately one-third of the route before moving onto Hunter and Scott streets.

HDC continued to work across government to facilitate the Newcastle Light Rail Project by selling land at 540 Hunter Street to Transport for NSW. This enables the light rail to transition from the former heavy rail corridor onto Hunter Street, further stimulating urban transformation.

## Newcastle Interchange

A key component of the transport plan is the establishment of a new \$200 million multi-modal transport interchange at Wickham in the city's west.



The West End has been identified by state and local governments as the city's future CBD. Locating the new major public transport hub, known as Newcastle Interchange, in this precinct will help trigger development and economic growth, underpinning the shift of the CBD towards the West End.

Work on the interchange progressed well and it opened for operations ahead of schedule on 15 October 2017.

## The Store

In 2015 the former Newcastle Cooperative Store building was purchased by the State Government. The site is proposed for use as a new bus interchange, which will integrate seamlessly with the adjacent multi-modal Newcastle Interchange. The site will also incorporate the development of an employment hub, further consolidating the West End's credentials as the new CBD.

HDC is proposing to take The Store site to market in September, following an early round of market testing in April this year. Significant interest was registered and it is expected the

Expressions of Interest (EOI) process will attract serious developers to the Newcastle market.

The EOI will present the opportunity to develop an iconic employment hub for the city, helping shift the migration of the CBD westward, in line with the Newcastle Urban Renewal Strategy 2012 (NURS). The future developer of the site will be required to build the bus interchange as a part of the solution, allowing the Newcastle Interchange on the adjacent site to become a fully integrated transport solution. An outcome is likely to be known by early 2018.

## Empire Hotel Site

HDC sold the former Empire Hotel site in Newcastle West to the Catholic Diocese of Maitland-Newcastle following the Diocese achieving development consent for the redevelopment of the site.

This is an excellent result for the city given the site's history of dilapidation and several stalled attempts to redevelop it. The Diocese intends to deliver affordable and disability housing on the site, providing greater housing supply and diversity in the city centre.



## East End Revival

Duplicating the revived interest in Honeysuckle, on the other side of the former heavy rail line, Newcastle's long-neglected Hunter Street Mall is poised to benefit from a new owner and a new vision for the perfectly positioned retail strip.

The 1.66ha mall site – which stretches across four city blocks from the former David Jones building to the corner of Newcomen Street – was purchased in late 2016 by Sydney-based hotel owner and developer, Iris Capital.

The sale followed four years of dedicated master planning by co-owners UrbanGrowth NSW and The GPT Group. The masterplan was approved by the Regional Planning Panel (JRPP) in November 2015. This was a significant achievement, largely led by the NSW Government through UrbanGrowth NSW, that found a shared vision supported by both council and the community.

The vision for the prime East End site will see it transformed into an active village serving as a community meeting place, ensuring the plans work harmoniously with the heritage values a present on the site.

Bringing together the perfect blend of residential, retail, entertainment and dining, the master planned seven-stage development comprises around 500 residential apartments as well as 7600m<sup>2</sup> of ground level boutique retail and commercial space.

## University's City Precinct

HDC secured a ground-breaking agreement with the University of Newcastle to bring new University facilities into the city centre at Civic on 20,000m<sup>2</sup> of Honeysuckle and redundant rail corridor lands. This could result in a doubling of the University's presence in Newcastle. The project will include construction of a range of new facilities in close proximity to the University's NeW Space building on Hunter Street.

This is the most significant catalyst to economic development in the city centre in decades. Bringing thousands of students into the city will sustain a new level of vibrancy and a culture of innovation and provide ongoing benefits to the regional economy.

HDC sought and was granted Ministerial approval to negotiate directly with the University of Newcastle



University of Newcastle's NeW Space building.

Photo: Murray McKean

to secure the agreement. The deal aligns with Revitalising Newcastle program objectives and is consistent with HDC's responsibilities under the Growth Centres Act.

The University's \$95 million NeW Space facility was substantially completed in the financial year and opened to staff and students in July.

A transformational project for the University and the region, NeW Space harnesses the latest in technology and innovation in teaching and learning to deliver a world-class student experience in flexible and adaptable learning environments. The remarkable building has significantly enhanced the streetscape with its bold architecture.

The expansion of the City Campus is further evidence of the university's commitment to injecting a renewed sense of vibrancy into Newcastle and positioning it as a world renowned university city.

## Enhanced Connectivity

With the merger of UrbanGrowth NSW into HDC, 4.2ha of redundant rail corridor land was transferred to HDC. Under the Revitalising Newcastle program, the land is earmarked for community purposes, including public space, education, affordable housing and student accommodation. It will also deliver commercial,

retail and tourism outcomes to drive economic growth and job creation.

A planning proposal and rezoning application for the land has been lodged with Newcastle City Council. The rezoning will enable construction of affordable housing, the planned new university facilities in the city centre and creation of new public domain linking the city to the harbour.

## Honeysuckle

HDC continues to progress redevelopment of the remaining land in the Honeysuckle urban renewal area.

HDC has been assisting with delivery of the Revitalising Newcastle program where the project interfaces with its Honeysuckle landholdings. This has involved making land available for the Light Rail Project and working with UrbanGrowth NSW, Transport for NSW, Newcastle City Council and all other relevant stakeholders to ensure optimal urban design outcomes.

The 2016-17 year saw a high level of activity along Honeysuckle Drive, including completion of a new residential building and a new commercial building, and the release of two sites to the market.





## 18 Honeysuckle Drive

In December 2016, the ACT-based Doma Group completed a commercial office and residential development at 18 Honeysuckle Drive. This \$38 million development consists of two buildings with 7,500m<sup>2</sup> of office space, 72 residential units and ground floor retail and café.

The commercial building is home to key local media company, Southern Cross Austereo, which runs television channel Southern Cross Ten and leading local radio stations KOFM and NXFM from the building.

## 21 Honeysuckle Drive

In another great outcome, following an expression of interest process, HDC exchanged contracts with the Doma Group for the first harbour front parcel of land in the Honeysuckle urban renewal area in more than a decade.

The 21 Honeysuckle Drive project is progressing through the development assessment phase and will incorporate approximately 150 residential units and associated commercial uses. Settlement of the sale contract and commencement of construction is expected in early 2018.

## 42 Honeysuckle Drive

Following an expression of interest process, HDC exchanged contracts with the Doma Group for the first hotel development in the Honeysuckle urban renewal area in more than a decade. Located at 42 Honeysuckle Drive the \$45million project has been subject to a high level of design review and will deliver a much-needed 149 room, 4-star hotel. The hotel will address the shortage of tourism accommodation in the city and will be complemented by five serviced apartments, 62 residential apartments and associated commercial and car parking uses. Settlement of the sale contract and commencement of construction is expected in mid-2018

## Associated Works

Master-planning for Honeysuckle includes consideration of seawalls, mine subsidence, contamination and funding for the delivery of public domain and future disposal strategies.

During the year, HDC completed stage one of the Lee 4 seawall refurbishment project. This involved placing more than 6,000 tonnes of rock into the harbour. It will support future public domain works. HDC also commenced mine grouting works to support development of 42 Honeysuckle Drive.

# Major Capital Works Projects



Since the early 2000s, HDC and its predecessor, Regional Land Management Corporation, has been the state's agent responsible for carrying out important remediation activities across former BHP landholdings around the Port of Newcastle.

The lands include the former Steelworks site at Mayfield and its associated Waste Emplacement Facility at Kooragang Island. HDC has methodically completed complex, large scale remediation works progressively, with accompanying monitoring and verification programs to ensure adherence to environmental standards. This important work will ensure the sites are fit for future re-use to support the regional economy.

## Mayfield Intertrade site

For its work to date on the remediation of the former BHP Steelworks site at Mayfield, in

October 2016, HDC received a NSW Premier's award in the environmental category.

In February 2017 Hunter-based contractor Daracon was appointed to undertake a \$20 million remediation construction project covering the final 52ha, the Intertrade zone.

Scheduled to be substantially complete by the end of 2017, these works are the final step in the remediation of the 152ha site.

Bringing to a close one of the biggest and most important remediation projects in Newcastle's history will be a remarkable achievement for the local community and a significant milestone in its history.

Completion of the decade-long remediation project will enable redevelopment of the Intertrade site by the NSW Government for industrial, employment-generating uses.

## Kooragang Island

HDC is also arranging delivery of closure works on the former Kooragang Island Waste Emplacement Facility.

BHP used this landfill site during its Newcastle Steelworks operations. The overall closure works scope requires approximately 60ha to be

brought up to an environmental standard set by the NSW Environment Protection Authority.

An additional 13ha was completed in 2016 - 2017, bringing the total area completed to 33ha. HDC has advanced plans for remediation of the remaining 27ha, including commencing the detailed documentation required to address the State and Federal environmental approval processes.

# Placemaking and Communication

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## Placemaking

HDC worked with the Honeysuckle Community Group, comprising business owners and residents of the Honeysuckle area, to encourage placemaking initiatives and activities to enliven Honeysuckle's public spaces.

During the year, HDC regularly engaged with various charity and fundraising organisations to make public spaces available for numerous cultural and sporting festivals and events which bring people together and activate the harbourside.

The precinct was host to a series of public events and activities including Melbourne Cup celebrations, the Variety Santa Fun Run and Variety Spin for Kids, Italian Car and Motorcycle Show, the Winter Heat Festival and the Newcastle Beer Festival, as well as exhibitions at Newcastle Museum. Various venues throughout Honeysuckle also hosted a range of bands and special offers.

HDC partnered with Newcastle City Council for the third year to deliver a program of summer events throughout the Honeysuckle precinct. The program included New Year's Eve and Australia Day celebrations with large crowds enjoying festivities around the harbour.

## Communication and Engagement

Hunter Development Corporation prides itself on open and transparent effective communication with its stakeholders. HDC continued to utilise a wide variety of communication and marketing tools throughout the year, including various online channels.

The Honeysuckle Community Group met on a regular basis to discuss coordination of activities and the future direction of the precinct.

HDC continued to provide free Wi-Fi and the use of its social media and online platforms to help people stay informed and connected with events and initiatives in the precinct.

Popular monthly e-newsletter, *HarbourLife*, featuring news and activities in and around Honeysuckle, also continued. At the end of June 2016, subscriptions exceeded 1,200.

The Honeysuckle dining mobile optimised website [www.dine.honeysuckle.net](http://www.dine.honeysuckle.net) continued to be maintained by HDC. The site provides updated information on the many eateries in the Honeysuckle precinct to make choosing and booking a restaurant as easy as possible. It currently features 30 restaurants, cafes, bars and pubs.

HDC participated in the Hunter Research Foundation's September 2016 Hunter Omnibus Survey. This survey continues to show the community's positive response to the Honeysuckle project. Some 56% of respondents had visited the Honeysuckle precinct in the last six months and 36% of this cohort visited more than four times.

This underscores the emergence of the precinct as a genuine regional resource. There was a high level of agreement with the statement *Honeysuckle is good for Newcastle* with 81% of respondents either agreeing or strongly agreeing with the statement.

More than three quarters of respondents (77%) either agreed or strongly agreed with the statement *Honeysuckle is a good place to visit*.

# Sponsorship

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HDC remains committed to supporting the community through its sponsorship program. In 2016-17, HDC sponsored some exciting local initiatives, including the below highlights.

## Renew Newcastle

HDC continued its support of Renew Newcastle. This organisation provides low-key yet effective strategies to activate spaces in the Newcastle city centre, generating business activity.

In 2016-17, HDC made a \$25,000 contribution to assist the organisation bring vacant retail and commercial office spaces in the Newcastle city centre to life. It does this by enabling and incubating creative enterprises including designers, illustrators, photographers and fashion producers.

Now predominately occupying empty office space above shops, 11 new projects, each benefiting from heavily reduced commercial leases, joined the Renew program during the year. Twenty-six projects graduated from the initiative, 24 of which now trade as commercial enterprises in their own right.

Two commercial leases were taken on properties Renew Newcastle has repaired and activated. Nine former Renew projects signed commercial leases in other properties in Newcastle.

In the year to June 2017, 64 job opportunities were created within Renew Newcastle projects and 280 individuals directly benefited from having access to spaces.

Renew Newcastle is currently incubating 33 projects in 15 properties, providing opportunities for creative entrepreneurs who bring life, interest and activity into under-utilised neighbourhoods.



Renew Newcastle program participant, artist Fran O'Neill, in her studio.

To date, HDC has supported the Renew Newcastle initiative for seven consecutive years with funding totaling \$265,000. HDC's support complements the NSW Government's comprehensive Revitalising Newcastle program.

## Hunter Research Foundation Centre

HDC continued its sponsorship of the Hunter Research Foundation Centre with \$10,411 to support its ongoing program of research, including insights into the evolution of the regional economy. The Foundation transitioned to a Centre at the University of Newcastle to ensure ongoing sustainability and relocated to the NeW Space campus in Hunter Street.

The Centre's economic and social research provides vital data on the wellbeing of the Hunter economy and community and insights into employment, housing and construction trends around the region and beyond.

## Smart Seeds program

Staff of HDC participated in the "Smart Seeds" global innovation program. Conducted by GHD, the program involved multi-disciplinary teams of young professionals generating fresh ideas to tackle complex infrastructure challenges facing Newcastle. Challenges are set by industry leaders across water, transport, urban planning and design, building and property, environment, resources, agriculture, energy and more. Creative concepts are developed over 10 weeks by multiple teams, each made up of young professionals from different organisations. The concepts are presented to industry leaders at



the exclusive Showcase Event. A challenge involving HDC staff was to change the way open spaces are designed and created to draw people outside and encourage them to become more physically active. HDC provided \$9,000 in support of this initiative.

## Winter Heat Festival

HDC again supported the popular Winter Heat Festival, coordinated by the Honeysuckle Community Group. The event attracted large crowds to the Honeysuckle foreshore in the middle of winter to enjoy good food and company in the unique ambience of special lighting displays, musical entertainment, street performance and fire pits. HDC sponsored the event with a contribution of \$10,000.

# Regional Planning and Infrastructure

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## Hunter Infrastructure and Investment Fund

HDC's work in administering the Hunter Infrastructure and Investment Fund (HIIF) continued in 2016-17. To date, the NSW Government has funded HIIF projects across the Hunter worth \$450 million.

Following an expression of interest for allocation of the final \$50 million from the fund, the following projects, all of which will enhance the regional economy, were successful:

- \$5,000,000 to the Basketball Association of Newcastle towards the Multi-Purpose Complex in Broadmeadow.
- \$3,207,930 to the Department of Education for the Regional Performing Arts Centre at the Hunter School of Performing Arts.
- \$2,300,000 towards Westpac Rescue Helicopter Service's Helicopter Service Belmont Base.
- \$5,500,000 to Maitland City Council for the Maitland Regional Sportsground Complex – Athletic Centre.
- \$9,823,000 for the Hunter Innovation Hub Project by University of Newcastle and Newcastle City Council to establish smart city infrastructure and a digitally connected innovation precinct.
- \$10,000,000 for the Newcastle International Hockey Centre Redevelopment.
- \$12,700,000 for construction of a permanent multi-purpose cruise terminal facility by Port of Newcastle.
- \$1,469,070 towards White Park Recreation and Equine Development by Upper Hunter Shire Council.

Other projects are in advanced stages of planning or have commenced, including:

- \$60 million for the Newcastle City Centre urban renewal and light rail project.
- \$5.3 million towards the \$20 million overhaul of Hunter Sports High School at Gateshead.
- \$18 million for stages two and three of the expansion of the Neonatal Intensive Care Unit at the John Hunter Hospital Newcastle.
- \$7 million for Singleton Hospital improvements.
- \$25 million to start early works on the new Lower Hunter hospital at Metford.

The \$45 million New England Highway upgrade at Maitland was completed during the year.

## Newcastle Port Community Contribution Fund

The Newcastle Port Community Contribution Fund (NPCC) also continued to be administered by HDC in 2016-17. This annual funding supports community infrastructure around the Port of Newcastle to improve amenity and community access to spaces around the Port.

From the 2016 round, \$1,265,000 was allocated to the following projects:

- \$500,000 to Port of Newcastle Investments (Property) Trust for Carrington Hydraulic Engine House Heritage Restoration and Community Space.
- \$500,000 to Newcastle Business Improvement Association, Newcastle NOW, for Nobby's Lighthouse Redevelopment Stage 2 – Community Viewing and Picnic Decks.

- \$170,000 to William the Fourth Incorporated for relaunch of William the Fourth historic steam vessel.
- \$50,000 to Honeysuckle Community Group for Honeysuckle Winter Heat Festival.
- \$45,000 to Carrington Community Council for community cricket nets.

## Newcastle Mines Grouting Fund

HDC continued to administer the \$17 million Newcastle Mines Grouting Fund and the Government announced the initial phase of the program would be extended until the end of 2017.

Designed to complement the Government's wider city centre revitalisation program, the initiative helps mitigate risk associated with mine subsidence. The fund acts like an insurance policy that applies after the cost of grouting exceeds a certain threshold. This reduces uncertainty and risk associated with building in the city centre mine subsidence zone and encourages new multi-storey housing and commercial development.

The fund received four applications from investors in the city centre mine subsidence area in 2016-17.

## Regional Planning

In October 2016, the Hunter Regional Plan 2036 was launched. The Plan outlines the State Government's vision to grow and diversify the region's economy over the next 20 years. It will ensure the Hunter remains the biggest and most productive regional economy in Australia.

A 20-year blueprint, the plan reflects community and stakeholder aspirations, the significance of the region's contribution to Gross State Product and its location on the fastest growing population corridor in the state.

HDC was tasked with overseeing and reporting on the plan's progress to ensure its vision is achieved.

HDC is also assisting with preparation of a Greater Newcastle Metropolitan Plan. A draft of this plan is expected to be released before the end of 2017.

## Freight Corridor

The 2016-17 NSW State Budget allocated \$14 million towards the planned Lower Hunter Freight Corridor. The allocation included \$3 million for planning to identify and preserve a freight rail corridor bypassing Newcastle between Fassifern and Hexham.

The allocation also included \$11 million for the acquisition of 1,550ha of land owned by HDC at West Wallsend for corridor preservation and environmental offsets. The corridor will improve the rail network by separating freight and passenger rail movements in populated areas between Fassifern and Hexham.

The project will deliver capacity and reliability benefits and also result in travel time savings for freight services of 15-20 minutes, avoiding tight curves and steep grades in that section of track.

Preservation of the Lower Hunter Freight Corridor is an Action in the NSW Freight and Ports Strategy, the State Infrastructure Strategy and a 'high priority initiative' in Infrastructure Australia's Infrastructure Priority List.

## Emerging Projects

In collaboration with Sydney Trains, HDC undertook investigations to identify the development potential of 20ha of surplus rail land at Glendale, situated within an emerging regional centre.

Investigations have focussed on various site constraints, including ecological, archaeological, flooding, land contamination and mine subsidence.

Ongoing liaison with Lake Macquarie City Council will help identify a preferred development pathway for this long-term project.

The Minister for Sport, Stuart Ayres, launched a community consultation program for the future of the Hunter Sports and Entertainment Precinct in Broadmeadow. The program is designed to help establish a long-term vision for a

sustainable, exciting sport and entertainment precinct for Newcastle. This followed HDC's work with Venues NSW on master planning for the site.

The large precinct in Broadmeadow offers opportunities for new housing, community recreation and sporting facilities close to public transport.

# Financial Statements

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## INDEPENDENT AUDITOR'S REPORT

### Hunter Development Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Hunter Development Corporation (the Corporation), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

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

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

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

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

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

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

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

## Other Information

The Chief Executive of the Corporation are responsible for the Other Information, which comprises the information in the Corporation's annual report for the year ended 30 June 2017, other than the financial report and my Independent Auditor's Report thereon.

My opinion on the financial report does not cover the Other Information. Accordingly, I do not express any form of assurance conclusion on the Other Information. However, I must read the Other Information and consider whether it is materially inconsistent with the financial report, the knowledge I obtained during the audit, or appears to be materially misstated.

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

I have nothing to report in this regard.

## The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive must assess the Corporation's ability to continue as a going concern except where the Corporation will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

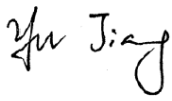
A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements

- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Reiky Jiang  
Director, Financial Audit Services

18 September 2017  
SYDNEY

## CHIEF EXECUTIVE OFFICER STATEMENT

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**Statement by the Chief Executive Officer on the Adoption of the Financial Statements for the Year Ended 30 June 2017.**

**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 my capacity as CEO of Hunter Development Corporation, I declare that in my 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 2017 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 2015* and Treasurer's Directions.

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



**CHIEF EXECUTIVE OFFICER  
MICHAEL CASSEL**

**18 SEPTEMBER 2017**

# HUNTER DEVELOPMENT CORPORATION

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services expenses	2(a)	3,159	2,646	2,582
Other operating expenses	2(b)	6,539	16,169	4,992
Depreciation and amortisation	2(c)	7	-	13
Grants and subsidies	2(d)	6,164	38,946	37,098
Other expenses	2(e)	13,832	66,611	11,371
<b>Total expenses excluding losses</b>		<b>29,701</b>	<b>124,372</b>	<b>56,056</b>
<b>Revenue</b>				
Sale of goods and services	3(a)	7,463	15,700	6,959
Investment revenue	3(b)	553	562	624
Grants and other contributions	3(c)	5,636	32,585	37,406
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	326	86	169
Other income	3(e)	15,037	67,269	12,977
<b>Total revenue</b>		<b>29,015</b>	<b>116,202</b>	<b>58,135</b>
<b>Operating result</b>		<b>(686)</b>	<b>(8,170)</b>	<b>2,079</b>
Gain / (loss) on disposal		-	-	-
Other gains / (losses)		-	-	-
<b>Net result</b>		<b>(686)</b>	<b>(8,170)</b>	<b>2,079</b>
<b>Other comprehensive income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(686)</b>	<b>(8,170)</b>	<b>2,079</b>

The accompanying notes form part of these financial statements.

# HUNTER DEVELOPMENT CORPORATION

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4	19,070	7,064	5,487
Receivables	5	781	41	4,402
Inventories	6	3,538	7,591	6,158
<b>Total current assets</b>		<b>23,389</b>	<b>14,696</b>	<b>16,047</b>
<b>Non-current assets</b>				
Inventories	6	53,782	21,743	30,499
Plant and equipment	7	-	-	7
<b>Total non-current assets</b>		<b>53,782</b>	<b>21,743</b>	<b>30,506</b>
<b>TOTAL ASSETS</b>		<b>77,171</b>	<b>36,439</b>	<b>46,553</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	8	8,646	469	1,452
Provisions	9	280	364	260
Other	10	-	10	10
<b>Total current liabilities</b>		<b>8,926</b>	<b>743</b>	<b>1,722</b>
<b>Non-current liabilities</b>				
Provisions	9	30	30	30
Other non-current liabilities	10	45	35	35
<b>Total non-current liabilities</b>		<b>75</b>	<b>65</b>	<b>65</b>
<b>TOTAL LIABILITIES</b>		<b>9,001</b>	<b>808</b>	<b>1,787</b>
<b>NET ASSETS</b>		<b>68,170</b>	<b>35,631</b>	<b>44,766</b>
<b>EQUITY</b>				
Accumulated funds		68,170	35,631	44,766
<b>TOTAL EQUITY</b>		<b>68,170</b>	<b>35,631</b>	<b>44,766</b>

The accompanying notes form part of these financial statements.

# HUNTER DEVELOPMENT CORPORATION

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Accumulated funds \$'000
<b>Balance at 1 July 2016</b>		<b>44,766</b>
<b>Net result for the year</b>		(686)
<b>Other comprehensive income:</b>		
Net increase / (decrease) in plant and equipment		-
<b>Total other comprehensive income</b>		-
<b>Total comprehensive income for the year</b>		(686)
<b>Transactions with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers		24,090
<b>Balance at 30 June 2017</b>		<b>68,170</b>
<b>Balance at 1 July 2015</b>		<b>42,687</b>
<b>Net result for the year</b>		2,079
<b>Other comprehensive income:</b>		
Net increase / (decrease) in plant and equipment		-
<b>Total other comprehensive income</b>		-
<b>Total comprehensive income for the year</b>		2,079
<b>Transactions with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers		-
<b>Balance at 30 June 2016</b>		<b>44,766</b>

The accompanying notes form part of these statements.

# HUNTER DEVELOPMENT CORPORATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Grants and subsidies		6,780	38,946	40,808
Suppliers and personnel services		21,453	74,916	14,501
Inventories		80	2,660	517
<b>Total payments</b>		<b>28,313</b>	<b>116,522</b>	<b>55,826</b>
<b>Receipts</b>				
Reimbursements from the Crown Entity (Transfers to the Crown Entity)		326	86	169
Sale of goods and services		8,816	16,161	7,507
Interest received		218	112	152
Grants and other contributions		32,536	99,854	47,492
<b>Total receipts</b>		<b>41,896</b>	<b>116,213</b>	<b>55,320</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	14	<b>13,583</b>	<b>(309)</b>	<b>(506)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>				
Opening cash and cash equivalents		5,487	7,373	5,993
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>19,070</b>	<b>7,064</b>	<b>5,487</b>

The accompanying notes form part of these statements.

# Notes to and forming part of the Financial Statements for the year ended 30 June 2017

## 1. Summary of significant accounting policies

### (a) Reporting entity

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

HDC is established under the *Growth Centres (Development Corporations) Act 1974*. This Act defines the functions and geographic area of HDC.

HDC has determined that it only has one segment and therefore has not prepared a Service Group Statement for the period ended 30 June 2017.

These financial statements for the period ended 30 June 2017 have been authorised for issue by the Chief Executive Officer on 18 September 2017.

### (b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions mandated by the Treasurer.

The financial report has been prepared on a going concern basis which assumes HDC's assets will be realised and liabilities settled in the ordinary course of business.

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

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

Unless otherwise stated all amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of compliance

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

### (d) Insurance

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

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

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

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

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

**(f) Income recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

**(i) Sale of goods**

Revenue from the sale of goods is recognised as revenue when HDC transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

**(ii) Grants**

Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received.

**(iii) Investment revenue**

Interest revenue is recognised using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Rental revenue arising from operating leases is accounted for on a straight-line basis over the lease terms.

**(iv) Remediation revenue**

Remediation revenue is recognised as revenue when HDC incurs the remediation expense. Revenue received in excess of current expenditure is included in unearned revenue refer Note 8.

**(g) Property, plant and equipment**

**(i) Acquisition of property, plant and equipment**

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

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

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(m)).

**(ii) Capitalisation thresholds**

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

**(iii) Maintenance**

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

**(iv) Depreciation of property, plant and equipment**

Depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to HDC. All material identifiable components of assets are depreciated separately over their useful lives.

The depreciation rates of the various categories of non-current assets are as follows:

Furniture & fittings 10% per annum  
Leasehold improvements life of the lease  
Plant & equipment 14.29% per annum

**(v) Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. HDC has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

**(vi) Impairment of property, plant and equipment**

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

**(h) Leases**

Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. HDC has no finance lease arrangements.

**(i) Inventories**

Land inventory is reported at the lower of cost and net realisable value. Cost includes acquisition and development costs. The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Land inventories have been classified as current and non-current in line with forecast sales.

**(j) Financial assets**

**(i) Loans and receivables**

Trade receivables, loans and other receivables that have a fixed or determinable payments that are not quoted in an active market are classified as loans or receivables. Loans and receivables are measured at amortised cost using the effective interest method, less an allowance for any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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

**(ii) Impairment of financial assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The amount of the impairment loss is recognised in the net result for the year.

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

**(iii) Derecognition of financial assets and financial liabilities**

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

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

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

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

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

**(k) Financial liabilities**

**(i) Payables**

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

**(ii) Financial guarantees**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

HDC has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2017 and as at 30 June 2016.

**(iii) Personnel services expense**

HDC does not employ any staff and receives personnel services from the Department of Planning and Environment. The cost of personnel services is recognised as expenses and provisions.

HDC's liabilities contain provision for annual leave arising from services rendered by personnel up to balance date. 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. 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, therefore no liability is recognised.

The provisions for long service leave and superannuation are not recognised in HDC's financial statements. The unfunded liability of these entitlements is transferred to the Crown in accordance with Treasury Guidelines.

**(iv) Other provisions**

Other provisions are recognised when: HDC has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When HDC expects some or all of a provision to be reimbursed, for example, under an insurance contract the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expenses relating to a provision is present net of any reimbursement in the Statement of Comprehensive Income.

**(l) Accumulated funds**

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

**(m) Equity transfers**

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

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value, in March 2017 Rail Corp transferred the Newcastle Rail Corridor to HDC as a designated equity transfer increasing inventory by \$24.090m (2016; nil) as reflected in Note 6.

**(n) Budgeted amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual disclosed on the primary financial statements are explained in Note 13.

**(o) Comparative information**

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

**Changes in accounting policy, including new or revised Australian Accounting Standards**

**(i) Effective for the first time in 2016-17;**

AASB 2015-16 Amendment to Australian Accounting Standards 124 – Extending related party disclosures to not-for-profit Public Sector Entities is applicable from 1 July 2016. The standard does not have a material impact to the financial statements. Additional required disclosure is included in Note 17.

All other accounting policies applied in 2016-17 are consistent with those of the previous financial year.

**(ii) Issued but not effective;**

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

The following new Australian Accounting Standards have not been applied and are not yet effective:

- AASB 9 - Financial Instruments
- AASB 15, AASB 2014-5, 2015-8 and 2016-3 - Revenue from Contracts with Customers
- AASB 16 - Leases
- AASB 1058 - Income of Not-for-profit Entities
- AASB 2016-2 - Disclosure Initiative; Amendments to AASB 107
- AASB 2016-4 - Recoverable Amount of Non-Cash-Generating Specialised Assets for Non-For-Profit Entities
- AASB 2016-7 - Deferral of AASB 15 for Not-for-Profit Entities
- AASB 2016-8 - Australian Implementation Guidance for Not-for Profit Entities
- AASB 2017-1 - Transfer of investment Property, Annual Improvements 2014-2016 Cycle and other Amendments
- AASB 2017-2 – Further Annual Improvements 2014-2016 Cycle

The impact from adoption of AASB 16 *Leases* is estimated to be the recognition of a right of use assets and corresponding lease liability of \$716,000 as at 30 June 2020. The impact of the other Accounting Standards noted above has not yet been determined.

## 2. Expenses excluding losses

### (a) Personnel service expense

	2017	2016
	\$'000	\$'000
Salaries and wages (including annual leave)	2,526	2,095
Long service leave	308	152
Superannuation	148	179
Superannuation – defined benefit	13	13
Payroll tax and fringe benefits tax	164	143
	<b>3,159</b>	<b>2,582</b>

### (b) Other operating expenses include the following

	2017	2016
	\$'000	\$'000
Auditor's remuneration - audit of the financial statements	54	52
Internal audit fees	-	24
Cost of sales	3,507	1,554
Operating lease rental expense - minimum lease payments	161	178
Property expenses	1,510	1,828
Insurance	58	60
Other contractors	205	313
Community information / liaison and promotion	143	235
Board remuneration	30	76
Fees for services	216	216
Hunter Infrastructure and Investment Fund expenses	135	134
Other	520	322
	<b>6,539</b>	<b>4,992</b>

### (c) Depreciation and amortisation expense

	2017	2016
	\$'000	\$'000
Depreciation - furniture and fittings	6	4
Depreciation - plant and equipment	1	2
Amortisation - leasehold improvements	-	7
	<b>7</b>	<b>13</b>

### (d) Grants and subsidies

	2017	2016
	\$'000	\$'000
Hunter Infrastructure and Investment Fund Projects	3,739	36,955
Newcastle Mines Grouting Funds Projects	500	-
Newcastle Port Community Contribution Fund Projects	912	-
Public domain landscaping and seawall repairs	1,003	70
Community activation	10	73
	<b>6,164</b>	<b>37,098</b>

### (e) Other expenses

	2017	2016
	\$'000	\$'000
Remediation expense	13,382	11,371
	<b>13,382</b>	<b>11,371</b>

### 3. Revenue

#### (a) Sale of goods and services

	2017 \$'000	2016 \$'000
Sale of goods	4,618	4,850
Other income <sup>1</sup>	2,845	2,109
	<b>7,463</b>	<b>6,959</b>

#### Note:

1. Included in other income is carpark and associated fine revenue, sundry reimbursements, wharf usage fees and reimbursements, Section 94 contributions received by Newcastle City Council, for community facilities and open space works previously undertaken on the Honeysuckle site.

#### (b) Investment revenue

	2017 \$'000	2016 \$'000
Interest revenue from financial assets not at fair value through profit or loss	204	256
Rents	349	368
	<b>553</b>	<b>624</b>

Future minimum lease receipts under non-cancellable operating leases as lessor:

	2017 \$'000	2016 \$'000
Not later than one year	236	146
Later than one year and not later than five years	176	83
Later than five years	-	-
Total (including GST)	<b>412</b>	<b>229</b>

The above represents future minimum lease receipts on HDC's owned properties. Future minimum lease receipts as at 30 June 2017 include GST payable of \$37,000 (\$21,000 at 30 June 2016).

#### (c) Grants and other contributions

	2017 \$'000	2016 \$'000
Grants received from Department of Planning and Environment	4,679	37,406
Grants received from Crown Finance Entity	912	-
Grants other	45	-
	<b>5,636</b>	<b>37,406</b>

The above grants from Department of Planning and Environment relate to the Hunter Infrastructure and Investment Fund and Newcastle Mines Grouting. The grants from Crown Finance Entity relate to the Newcastle Port Community Contribution Fund as disclosed in Note 2(d).

**(d) Acceptance by the Crown Entity of employee benefits and other liabilities**

The following liabilities and / or expenses have been assumed by the Crown Entity or other government entities:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation – defined benefit	13	13
Long service leave	312	155
Payroll tax	1	1
	<b>326</b>	<b>169</b>

**(e) Other income**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Remediation revenue – Crown Finance Entity	5,852	8,113
Remediation revenue – Property NSW	9,185	4,864
	<b>15,037</b>	<b>12,977</b>

**4. Current assets – cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	16,070	2,487
Short-term deposits	3,000	3,000
	<b>19,070</b>	<b>5,487</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.

Cash and cash equivalent assets recognised in the statement of financial position is reconciled at the end of the financial year to the statement of cash flows as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents (per statement of financial position)	19,070	5,487
<b>Closing cash and cash equivalents (per statement of cash flows)</b>	<b>19,070</b>	<b>5,487</b>

Refer Note 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Refer Note 16 for details regarding restricted cash.

**5. Current / non-current assets – receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade debtors	76	3,540
Less: allowance for impairment	-	-
Accrued income	384	560
	<b>460</b>	<b>4,100</b>
Goods and Services Tax recoverable	281	271
Prepayments	40	31
	<b>781</b>	<b>4,402</b>

Refer Note 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**6. Current / non-current assets – inventories**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
At cost	3,538	3,458
At valuation	-	2,700
	<b>3,538</b>	<b>6,158</b>
<b>Non-current</b>		
At cost	29,692	30,499
At valuation	24,090	-
	<b>53,782</b>	<b>30,499</b>
<b>Total</b>	<b>57,320</b>	<b>36,657</b>
<b>Details of inventories</b>		
Acquisition costs	30,106	32,982
Equity transfers	24,090	-
Development costs	3,124	3,708
Accumulated inventory adjustment to net realisable value	-	(33)
	<b>57,320</b>	<b>36,657</b>

**7. Non-current assets – plant and equipment**

	<b>Plant and equipment</b>	<b>Leasehold improvements</b>	<b>Furniture and fittings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 30 June 2016 – fair value</b>				
Gross carrying amount	32	281	60	373
Accumulated depreciation and impairment	(30)	(281)	(55)	(366)
Net carrying amount	<b>2</b>	<b>-</b>	<b>5</b>	<b>7</b>

## Non-current assets – plant and equipment continued

### At 30 June 2017 – fair value

Gross carrying amount	-	277	51	328
Accumulated depreciation and impairment	-	(277)	(51)	(328)
Net carrying amount	-	-	-	-

### Reconciliation

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

	Plant and equipment	Leasehold improvements	Furniture and fittings	Total
	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2017</b>				
Net carrying amount at start of year	2	-	5	7
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(2)	-	(5)	(7)
Net carrying amount at end of year	-	-	-	-

### Reconciliation

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

	Plant and equipment	Leasehold improvements	Furniture and fittings	Total
	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2016</b>				
Net carrying amount at start of year	3	7	10	20
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(1)	(7)	(5)	(13)
Net carrying amount at end of year	2	-	5	7

## 8. Current liabilities – payables

	2017 \$'000	2016 \$'000
Personnel services - accrued salaries and wages	7	-
Creditors	1,612	1,432
Goods and Services Tax payable	46	-
Unearned revenue	6,981	20
	<b>8,646</b>	<b>1,452</b>

Refer to Note 15 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables.

**9. Current / non-current liabilities – provisions**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Personnel services - annual leave <sup>1</sup>	182	170
Personnel services – on-costs <sup>2</sup>	98	90
	<b>280</b>	<b>260</b>
<b>Non-Current</b>		
Make good provision <sup>3</sup>	30	30
	<b>30</b>	<b>30</b>

**Notes**

1. The total value of annual leave is expected to be paid within twelve months.
2. The on-costs provision reflects an estimate of the on-costs and payroll tax obligations of HDC to extinguish the annual leave (as provided above) and long service leave obligations (as assumed by the Crown).
3. Make good provision reflects an estimate of the cost to make good office premises to their original condition at the end of the lease term.

**Movements in provisions (other than employee benefits)**

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

	<b>Make good provision</b>
	<b>\$'000</b>
<b>2017</b>	
Carrying amount at the beginning of financial year	30
Additional provisions recognised	-
Amounts used	-
Carrying amount at end of financial year	<b>30</b>

**10. Current / non-current liabilities – other**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Security deposits	-	10
	<b>-</b>	<b>10</b>
<b>Non-current</b>		
Security deposits	45	35
	<b>45</b>	<b>35</b>

## 11. Commitments for expenditure

### (a) Capital

Aggregate capital expenditure contracted for at balance date and not provided for:

	2017 \$'000	2016 \$'000
Not later than one year	1,075	-
Later than one year and not later than five years	-	-
Later than five years	-	-
Total (including GST)	1,075	-

### (b) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2017 \$'000	2016 \$'000
Not later than one year	69	225
Later than one year and not later than five years	504	627
Later than five years	-	66
Total (including GST)	573	918

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

## 12. Contingent liabilities and contingent assets

### Contingent liabilities

There are no contingent liabilities as at 30 June 2017 (nil as at 30 June 2016).

### Contingent assets

There are no contingent assets as at 30 June 2017 (nil as at 30 June 2016).

## 13. Budget review

### Net result

The net result is favourable to budget by \$7.484m primarily as a result of:

- Actual personnel service expenses being higher than budget by \$0.513m due to redundancy payments during the financial year;
- Actual other operating expenses being \$9.630m lower than budget due to expenditure being deferred or reduced;
- Actual grants and subsidies expenditure (\$32.782m lower than budget) and actual grants and contributions (\$26.949m lower than budget) were impacted by deferred claims for projects funded by the Hunter Infrastructure Investment Fund and the Newcastle Mines Grouting Fund;
- Actual other expenses (\$52.779m lower than budget) and actual other revenue (\$52.232m lower than budget) were impacted by fewer remediation works;
- Actual sales of goods and services being \$8.237m lower than budget due to delays in land settlement.

## Assets and liabilities

HDC's net asset position was \$32.539m higher than budget primarily as a result of:

- An increase in receivables of \$0.740m;
- An increase in inventories of \$27.986m including an equity transfer of \$24.090m, reduced land disposals of \$6.505m and minor site works;
- An increase in payables of \$8.177m including unearned revenue for remediation of \$6.708m;
- The closing cash position being higher than budget by \$12.006m, and
- The net result being favourable to budget by \$7.484m.

## Cash flows

The net cash flows from operating activities were favourable to budget by \$13.892m primarily as a result of:

- Deferral of expenditure of \$32.166m on grants and subsidies;
- Deferral of \$2.580m expenditure on inventories;
- An underspend of \$53.463m on suppliers and personnel services which is offset by a \$67.318m reduction in grants and contributions, primarily relating to the delay in the commencement of remediation works and deferred claims from grant funds;
- Reduced sales of goods and services of \$7.345m due to delays in land settlements;
- Additional interest received of \$0.106m due to higher cash balances during the year;

### 14. Reconciliation of cash flows from operating activities to net result

	2017 \$'000	2016 \$'000
Net result	(686)	2,079
Depreciation	7	13
Inventory adjustment to net realisable value	(33)	(465)
Decrease / (increase) in receivables	3,621	(3,291)
Decrease / (increase) in inventories	3,460	1,502
Increase / (decrease) in creditors	7,194	251
Increase / (decrease) in provisions	20	(57)
(Decrease) / increase in other liabilities	-	(538)
<b>Net cash flows from operating activities</b>	<b>13,583</b>	<b>(506)</b>

### 15. Financial instruments

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

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

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by HDC, to set risk limits and controls and to monitor risks.

**(a) Financial instrument categories**

Financial assets	Note	Category	Carrying amount	Carrying amount
			2017	2016
<b>Class:</b>			\$'000	\$'000
Cash and cash equivalents	4	N/A	19,070	5,487
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	76	3,540
Financial liabilities	Note	Category	Carrying amount	Carrying amount
			2017	2016
<b>Class:</b>			\$'000	\$'000
Payables <sup>2</sup>	8	Financial liabilities measured at amortised cost	1,619	1,432

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

**(b) Credit risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to HDC. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

Deposits held with NSW TCorp are guaranteed by the State.

**Cash**

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that HDC will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

HDC is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2017: \$19,000; 2016: \$2,777,000) and less than three months past due (2017: \$23,000; 2016: \$764,000) are not considered impaired. Together, these represent 54% of the total trade debtors.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

	Total <sup>1,2</sup> \$'000	Past due but not impaired <sup>1,2</sup> \$'000	Considered impaired <sup>1,2</sup> \$'000
<b>2017</b>			
< 3 months overdue	23	23	-
3 months – 6 months overdue	8	8	-
> 6 months overdue	27	27	-
<b>2016</b>			
< 3 months overdue	3,541	764	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

#### Notes

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

### (c) Liquidity risk

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

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral. HDC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment

is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Chief Executive Officer may automatically pay the supplier simple interest. No interest penalty was paid for 2017 (2016: nil).

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

	Weighted average effective int. rate %	Nominal amount <sup>1</sup>	\$'000			Maturity dates		
			Interest rate exposure			< 1 year	1-5 years	> 5 years
			Fixed interest rate	Variable interest rate	Non- interest bearing			
<b>2017</b>								
Trade creditors and accruals	-	1,619	-	-	1,619	1,619	-	-
Security deposits	-	45	-	-	45	-	10	35
		1,664	-	-	1,664	1,619	10	35
<b>2016</b>								
Trade creditors and accruals	-	1,432	-	-	1,432	1,432	-	-
Security deposits	-	45	-	-	45	10	-	35
		1,477	-	-	1,477	1,442	-	35

#### Notes

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which HDC can be required to pay. The tables include both interest and principal cash flows and therefore may not reconcile to the statement of financial position.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. HDC's exposures to market risk are primarily through interest rate risk on HDC's cash and cash equivalents.

HDC has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which HDC operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

**(e) Interest rate risk**

Exposure to interest rate risk arises primarily through HDC's cash and cash equivalents. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. HDC's exposure to interest rate risk is set out below.

		\$ 000's			
	Carrying amount	-1% Profit	Equity	+1% Profit	Equity
<b>2017</b>					
<i>Financial assets</i>					
Cash and cash equivalents	19,070	(191)	(191)	191	191
Receivables	76	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,619	-	-	-	-
<b>2016</b>					
<i>Financial assets</i>					
Cash and cash equivalents	5,487	(55)	(55)	55	55
Receivables	3,540	-	-	-	-
<i>Financial liabilities</i>					
Payables	1,432	-	-	-	-

**(f) Fair value compared to carrying amount**

HDC's financial instruments are recognised at amortised cost. Because of the short-term nature of HDC's financial assets and liabilities, the amortised cost recognised in the Statement of Financial Position approximates fair value.

**16. Restricted assets**

There are no restricted funds within cash at bank and on hand (Note 4) 2017: Nil; 2016: Nil.

**17. Related party disclosures**

**(a) Key management personnel**

During the year, HDC incurred \$0.346 million in respect of the key management personnel services that are provided by the Department of Planning and Environment.

The above key management personnel compensation excludes the Minister for Planning. Ministerial compensation is paid by the NSW Legislature, not HDC. It also excludes long service leave and defined benefit superannuation amounts, which are assumed by the Crown.

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

During the year, HDC entered into the following individually significant arm's-length transactions with other entities that are controlled by the NSW Government:

- Cluster grant funding from the Department of Planning and Environment of \$4.679m
- Grant funding from the Crown Finance Entity of \$0.912m

- Personnel service expense paid to the Department of Planning and Environment of \$3.159m, of these, \$0.007 m is recognised as accrued expense at year end and \$0.280m recognised as provisions for annual leave and on-costs at year end
- Crown Entity's assumption of certain employee benefit liabilities on behalf of the entity of \$0.326m
- Corporate shared service expense paid to the Department of Planning and Environment of \$0.216m
- Remediation revenue from Property NSW of \$9.185 million, in addition unearned revenue of \$6.001m
- Remediation revenue from Crown Finance Entity of \$5.852 million, in addition unearned revenue of \$0.707m
- Inventory transfer to HDC from Rail Corp designated as equity of \$24.090m

HDC also entered into other transactions with entities that are controlled by the NSW Government during the year. These transactions are conducted at arm's length and are not individually significant. This includes services received from the Department of Planning and Environment, Office of Environment and Heritage, NSW Audit Office, Property NSW (JLL), Office of State Revenue, NSW Self Insurance Corporation, Treasury banking system and other NSW government entities, for corporate shared services, recruitment, procurement, audit, office premises lease, fine collection and management, insurance and interest received.

#### **18. Events after the reporting period**

In July 2017, as a result of a decision of government, responsibility for the Newcastle Urban Transformation Program transferred to the Department of Planning and Environment all staff associated with the project. Staff associated with the program transferred as at 31st July 2017.

In July 2017, HDC recorded an asset transfer of inventory for The Store at nil value and an increase in personnel services payable to the Department of Planning and Environment. The transferred staff will be recognised as personnel services, on-cost and provision for annual leave in HDC, with long service leave being recognised by the Crown. There was no effect on the financial statements of HDC as at 30 June 2017.

The ERC approved budget funds for the project will be transferred to Department of Planning and Environment to be distributed as recurrent grant funding to HDC over the next 5 years.

#### **End of audited financial statements**

# Appendices

## Appendix A

Under the Annual Reports (Statutory Bodies) Act 1984, the Annual Reports (Statutory Bodies) Regulation 2010 and various Treasury circulars, HDC is required to include in this report information on the following topics:

Topic	Comment / location
Letter of Submission	Page 1
Charter	Page 2
Aims and objectives	Page 2
Access	Inside cover
Management and structure	Pages 7-9
Summary review of operations	Page 12
Funds granted to non-government community organisations	Appendix B (i)
Legal Changes	The Growth Centres Act change????There were no changes to the legislation affecting HDC.
Economic or other factors	Appendix B (ii)
Research and development	HDC did not undertake any research and development activity during the reporting period relating to new knowledge, products, services or processes within the established definition
Human resources	Appendix B (iii)
Consultants	During the year no consultants were engaged by HDC
Workforce Diversity	Appendix B (iii)
Disability Inclusion Action Plans	Appendix B (iii)
Land Disposal	Appendix B (iv)
Promotion - overseas visits	Appendix B (v)
Consumer Response	Appendix B (vi)
Payment of Accounts	Appendix B (vii)
Risk management and insurance activities	Appendix B (viii)
Internal audit and risk management policy attestation	Appendix B (ix)
Digital Information Security Annual Attestation Statement for the 2016-17 Financial Year for the Hunter Development Corporation	Appendix B(x)
Disclosure of Controlled Entities	HDC has no controlled entities
Multicultural Policies and Services Program (formerly EAPS)	Appendix B (iii)
Work Health and Safety	Appendix B (iii)
Response to significant issues raised by Auditor-General	Appendix B (xi)
Total external costs incurred in the production of the report.	Nil
Is the report available in non-printed formats	Yes
Is the report available on the internet	Yes at <a href="http://www.hdc.nsw.gov.au">www.hdc.nsw.gov.au</a>
Performance and numbers of executive officers	Appendix B (iii)
Government Information (Public Access) Act 2009	Appendix B (xii)
Public Interest Disclosures	Appendix B (iii) and (xiii)
Credit card certification	In accordance with <i>Treasurer's Direction 205.01</i> , credit card usage during the reporting period was in accordance with relevant Government policy, Premier's memoranda and Treasurer's directions.
Public availability of annual reports	HDC's annual reports are available on its website and the NSW Parliament website after tabling in Parliament.

## Appendix B

Under the Annual Reports (Statutory Bodies) Act 1984, the Annual Reports (Statutory Bodies) Regulation 2010 and various Treasury circulars, HDC is required to include in this report information on the following topics:

### (i) Funds granted to non-government organisations

Sponsorships

Organisation	Amount \$ (net)	Purpose
Renew Newcastle	12,500	Sponsorship 2017-18
Hunter Research Foundation / University of Newcastle	10,411	Sponsorship Annual 2016-17
Newcastle Rowing Club	1,000	Club Regatta 2016-17
Property Council of Australia	12,000	Hunter Corporate Partner 2016-17
The University of Newcastle	1,000	SABE Practice Matters 2016-17
GHD Pty Ltd	9,000	Smart Seeds 2017
Honeysuckle Community Group	10,000	Winter Heat Event 2017
<b>Total</b>	<b>55,911</b>	

### (ii) Economic or Other Factors (Affecting Achievement of Operational Objectives)

Global economic conditions, in particular the ability of the private sector to raise finance for large projects, were such that expected settlements were either delayed or not brought to fruition. HDC has continually reviewed its strategy for future land releases to suit market conditions.

### (iii) Human Resources

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

Exceptional Wage Movement	Disability Inclusion Action Plan
Personnel Policies and Practices	Multicultural Policies and Services Program
Performance and Numbers of Executive Officers	Work Health and Safety
Industrial Relations Policies and Practices	Privacy Management Plan
Workforce Diversity	Public Interest Disclosures

During the 2016-17 year all Corporation staff completed the following compulsory workplace training modules:

- Workplace Health and Safety Awareness
- Disclosing Interests and Managing Conflicts of Interest
- Privacy and Personal Information Protection (NSW)

All staff completed and returned declarations of conflicts of interest during the reporting period and board members completed pecuniary interest declarations for the reporting period.

Key management personnel completed an additional certificate on related party transactions for reporting under AASB 124.

During the 2016-17 financial year, HDC went through significant staff changes with the following positions being made redundant after Government Sector Employee Review; General manager, Commercial manager, Senior development managers for planning and capital works.

All staff have participated in Performance Development planning as per the relevant provisions of the Government Sector Employment Act 2013.

#### (iv) Land Disposal

During the year, HDC had two land disposals; 540 Hunter Street to Transport NSW and 643-651 Hunter Street to Catholic Diocese.

Prior approval was sought from the Minister. Proceeds from the sales are utilised in HDC'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". Access to documents relating to the disposal can be obtained under the Government Information (Public Access) Act 2009.

#### (v) Promotion – Overseas Visits

During the year there were no overseas visits.

#### (vi) Consumer Response

The intermittent consumer complaints or suggestions received this year were related to public domain areas and general maintenance issues. HDC considers all complaints and investigates solutions as required.

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

#### (vii) Payment of Accounts

##### (a) Aged Analysis at the end of each quarter

Quarter	Current (within due date) \$	< 30 days overdue \$	30 – 60 days overdue \$	61 – 90 days overdue \$	90 + days overdue \$
<b>All Suppliers</b>					
September	3,930,375	94,837	-	-	-
December	7,147,058	199,400	-	-	-
March	3,912,476	26,472	-	-	-
June	7,815,312	136,597	-	-	-

Quarter	Current (within due date) \$	< 30 days overdue \$	30 – 60 days overdue	61 – 90 days overdue \$	90 + days overdue \$
<b>Small Business Suppliers</b>					
September	37,592	-	-	-	-
December	39,013	-	-	-	-
March	20,521	-	-	-	-
June	38,437	-	-	-	-

**(b) Accounts due or paid within each quarter**

Measure	Sept	Dec	Mar	Jun
<b>All Suppliers</b>				
Number of accounts due for payment	252	330	230	346
Number of accounts paid on time	237	288	214	334
Actual percentage of accounts paid on time (based on number of accounts)	94.0%	87.3%	93.0%	96.5%
Dollar amount of accounts due for payment	\$4,025,212	\$7,346,458	\$3,938,948	\$7,951,909
Dollar amount of accounts paid on time	\$3,930,375	\$7,147,058	\$3,912,476	\$7,815,312
Actual percentage of accounts paid on time (based on \$)	97.6%	97.3%	99.3%	98.3%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-
<b>Small Business Suppliers</b>				
Number of accounts due for payment	6	15	7	14
Number of accounts paid on time	6	15	7	14
Actual percentage of accounts paid on time (based on number of accounts)	100.0%	100.0%	100.0%	100.0%
Dollar amount of accounts due for payment	\$37,592	\$39,013	\$20,521	\$ 38,437
Dollar amount of accounts paid on time	\$37,592	\$39,013	\$20,521	\$ 38,437
Actual percentage of accounts paid on time (based on \$)	100.0%	100.0%	100.0%	100.0%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

**(viii) Risk Management and Insurance**

HDC's risk management process aims to minimise the consequences of events that could adversely affect HDC's ability to achieve its objectives. To achieve this HDC has developed a Business Risk Assessment. This assessment process is based upon Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009.

HDC is a member of the NSW Treasury Managed Fund, which provides all necessary insurance cover for HDC's risk profile, including, public and professional liability, property, motor vehicle and miscellaneous covers.

**(ix) Internal Audit and Risk Management Policy Attestation for the 2016-17 Financial Year for the Hunter Development Corporation**

I, Michael Cassel, am of the opinion that the Hunter Development Corporation has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

**Core Requirements**

**1. Risk Management Framework**

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

**2. Internal Audit Function**

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

**3. Department of Planning and Environment Shared Service Arrangement Audit and Risk Committee**

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

## **Membership**

DPE Shared Arrangement Agreement Audit and Risk Committee member appointment dates are:

- B Blood Independent Chair 1 December 2013 – 30 November 2017 (attended 3 out of 3 meetings)
- E Crouch Independent Member 21 October 2013 – 20 October 2019 (attended 3 out of 3 meetings)
- A Zammit Independent Member 27 February 2012 – 26 February 2018 (attended 3 out of 3 meetings)

HDC entered into the Principal Department led shared agreement in January 2017.

Prior to this the HDC Audit & Risk Committee provided independent audit and risk assistance to the HDC Board. The appointment dates of the HDC Audit and Risk Committee were:

- S Smith Independent Chair 17 December 2015 – 31 December 2016 (1 out of 1)
- D Evans Independent Member 17 December 2015 – 31 December 2016 (0 out of 1)
- S O'Toole Independent Member 17 December 2015 – 31 December 2016 (1 out of 1)

Michael Cassel

**CHIEF EXECUTIVE OFFICER**

Hunter Development Corporation

### **(x) Digital Information Security Annual Attestation Statement for the 2016-17 Financial Year for the Hunter Development Corporation.**

I, Michael Cassel, am of the opinion that the Hunter Development Corporation had an Information Security Management System in place via Planning and Environment Cluster Corporate Services during the 2016-2017 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the Hunter Development Corporation are adequate.

Planning and Environment Cluster Corporate Services has maintained certified compliance with ISO 27001 Information technology - Security techniques - Information security management systems - Requirements by an Accredited Third Party (BSI) during the 2016-2017 financial year (Certificate Number IS 645082).

Michael Cassel

**CHIEF EXECUTIVE OFFICER**

Hunter Development Corporation

### **(xi) Response to Matters Raised by the Auditor General in Outgoing Audit Reports**

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

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

HDC adopts the principle of proactive release of information as described in the GIPA Regulation. That is, HDC will seek to proactively release information which is deemed to be in the public interest where there are no overriding reasons against disclosure, and publish such information on its website. Information which would be proactively released is that which is commonly sought after by members of the public as reflected in the number of requests made for such information.

HDC will also routinely publish other information which could reasonably be expected to be of public interest based on the experiences and practices of other similar Government agencies or as determined by HDC's annual review of this program.

The annual review of this program is conducted by staff with relevant expertise in the operation of the GIPA Act and any recommendations arising from this review will be made to the CEO on advice from the Manager of Administration and Governance and Communications Manager.

The review seeks to understand what categories of information were repeatedly asked for, both formally and informally, what types of information have been produced by HDC since the last review and what types of information have been proactively released by other similar agencies or other agencies in general.

During the reporting period HDC did not receive any formal or informal requests.

**Formal access application tables**

<b>Table A: Number of applications by type of applicant and outcome*</b>								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Applicatio n withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

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

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

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

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

**Table D: Conclusive presumption of overriding public interest against disclosure:  
matters listed in Schedule 1 of the Act**

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

**Table E: Other public interest considerations against disclosure:  
matters listed in table to section 14 of the Act**

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

**Table F: Timeliness**

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

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

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

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

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

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

**Table I: Applications transferred to other agencies**

	Number of applications for review
Agency-Initiated Transfers	0
Applicant – Initiated Transfers	0
<b>Total</b>	<b>0</b>

(xiii) **Public Interest Disclosures**

Number of public officials who have made a public interest disclosure to HDC	0
Number of public interest disclosures received by HDC in total	0
Number of public interest disclosures received by HDC relating to each of the following:	
▪ corrupt conduct	0
▪ maladministration	0
▪ serious and substantial waste of public money	0
government information contraventions	
Number of public interest disclosures finalised	0

End of Annual Report 2016-17