Hunter Development Corporation

Annual Report 2017-18

NSW GOVERNMENT

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 2017-18.
It is available to the public as an electronic report and can be accessed on the Hunter and Central Coast Development Corporation website www.hccdc.nsw.gov.au

31 October 2018

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Letter to the Minister

31 October 2018

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 2018.

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.*

Michael Cassel
Chief Executive

Hunter Development Corporation

Carolyn McNally
Secretary

Department of Planning and Environment

Chief Executive's report

I am pleased to say that the 2017-18 financial year has been one of HDC's most productive on record, particularly from a delivery and land sales perspective.

The scale of private investment in Honeysuckle – and Newcastle in general – is greater than expected. This is a testament to the Government's $650+ million investment in the city and the collaborative nature in which State and Local Government agencies, including Newcastle City Council (NCC), have partnered to drive jobs and housing choice growth within Newcastle.

Land sales

In 2017-18, the sale of three key Honeysuckle land parcels (totalling more than 11,000 metres^2) were completed, raising a combined total of $28 million. The sale proceeds are now being re-invested into more public infrastructure and spaces, including a maintenance program for seawalls and harbourside promenades, heritage buildings, public domains and temporary car parks.

Throughout 2017-18, HDC has also sold further land holdings to the University of Newcastle and private investors. These sales are due to be completed in 2018-19 and will raise a further $30 million, allowing continued investment back into our programs.

Meeting objectives

Operationally, HDC continued to deliver on its commitments to planning and infrastructure throughout 2017-18. This ensured that the Hunter Regional Plan objectives were met, key infrastructure was upgraded, the Revitalising Newcastle program maintained committed progress and UrbanGrowth NSW's Newcastle office staff were integrated into the business. Throughout the year, HDC partnered with key city-shaping event creators by providing the necessary sponsorship and facilities where needed.

I am very grateful to all staff for their support, resilience and adaptability during this period of significant change, as well as their dedication to achieving our goals.

Revitalisation

HDC continues to drive city and region-shaping change through Revitalising Newcastle and other key transformation projects. These projects play an instrumental role in leading and developing the region, with new and emerging industries from innovation in technology, research, education and defence. These are the drivers for future job growth.

The April 2018 Department of Planning and Environment approval to repurpose the unused rail corridor was a major milestone for the business. Subsequently, this significant achievement has cemented two key initiatives for HDC and the Government's $650+ million Revitalising Newcastle program; the procurement of affordable housing and the expansion of the University of Newcastle in the city centre.

I am delighted to say that the HDC team has met the challenge of ensuring an affordable housing outcome for Newcastle. In 2017-18, the team secured the delivery of 30 new affordable homes in the centre of the city within walking distance to education facilities, essential services and high quality public spaces. The affordable housing development application was lodged with NCC in June 2018, with an outcome expected by late 2018 and construction commencing in early 2019.

Another key achievement was the remediation and renewal of two key heritage listed buildings – Newcastle Railway Station and the Signal Box building.

Renew Newcastle and a local café operator successfully pitched to operate these unique sites. They will both be open to the public once restoration is complete, with revenue generated from the adaptive reuse of these buildings used to fund ongoing maintenance. I am very proud of the heritage restoration works on these buildings and the team's commitment to reflecting the significance of these landmark structures in Newcastle's history.

Significant progress was also made on the repurposing of the Civic Railway Station and Market Street Lawn, with both designs completed and development consent obtained. Final designs incorporate community consultation and feedback and, once complete, both areas will add to the city's high-quality community spaces.

Another key deliverable for the city is the repurposing of 'The Store' at 854 Hunter Street into a truly mixed-use development, incorporating an upgraded bus interchange. This development will complement the new Newcastle Interchange and anchor the shift of commercial activities to the city's west end. This is yet another important investment in the city, estimated to be a total $200 million.

As is the case with many HDC projects, we worked closely with a number of Government agencies to achieve this positive outcome, including Transport for NSW and Roads and Maritime Services.

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

Michael Cassel | Chief Executive
Hunter Development Corporation

About

Hunter Development Corporation

HDC is a NSW State Government Agency tasked with promoting, securing and managing orderly economic development in the Hunter region.

HDC is constituted under the *Growth Centres (Development Corporations) Act 1974*, and encompasses the Hunter Region's 10 Local Government Areas (LGAs): Cessnock, Dungog, Lake Macquarie, Maitland, MidCoast, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter in its Growth Centre.

Purpose

The NSW Government has continued its commitment to growing a diverse, thriving regional economy in the Hunter. HDC achieves this vision by enhancing economic and community capacity and unlocking complex challenges to create more homes, new jobs and vibrant community spaces.

HDC has a leadership role to play in the Hunter Region for the NSW Government, and is tasked with significant responsibility to bring together stakeholders and create outcomes that build the economic capacity of the city and 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 continues to be the leading change agent in the Hunter.

For well over two decades, HDC has created a significant legacy with the repurposing of surplus Government lands into community-building assets. The organisation is self-funded and relies on the sale of underutilised and industrial lands to fund new projects.

The Honeysuckle project remains a key component of Newcastle's resurgance. Sale proceeds from development sites are re-invested into public-facing works, including 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.

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.

HDC also leads complex and challenging remediation and rehabilitation projects on behalf of Government. These high-value and long-term projects involve taking heavily contaminated lands and leading complex remediation strategies to allow for future re-use.

Corporate governance

HDC is a Chief Executive-governed entity as provided for by the *Growth Centres (Development Corporations) Act 1974*. It is part of the Planning and Environment cluster and is subject to the direction of the Minister for Planning.

As part of this cluster, HDC works closely with DPE to ensure that it operates within the governance framework and all activities comply with relevant laws and directions while meeting community expectations of probity, accountability and transparency. DPE also provides a risk management framework which HDC has adopted. Enterprise risks have been identified and incorporated into a comprehensive business planning process.

The DPE policies and procedures, and policies specific to HDC are regularly reviewed and are updated to ensure compliance with legislative obligations.

Consistent with Treasury Policy and Guidelines Paper TPP 16-02, Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees, DPE has a Treasury-approved Principal Department led Shared Arrangement (Shared Arrangement) with a number of agencies including HDC.

The Audit and Risk Committee provides independent assistance by monitoring, reviewing and providing advice about HDC's governance processes, risk management and control, and its external accountability obligations. The Committee is comprised of independent members, selected from the panel of prequalified individuals maintained by the DPE of Finance, Services and Innovation.

The DPE Shared Arrangement Agreement Audit and Risk Committee members are:

Chairman – Brian Blood – Independent
Appointed 1 December 2013 – 1 December 2018

Member – Alan Zammit – Independent
Appointed 27 February 2012 – 26 February 2020

Member – Elizabeth Crouch – Independent
Appointed 21 October 2013 – 20 October 2019

All three members attended the five meetings listed below during the 1 July 2017 to 30 June 2018 period:

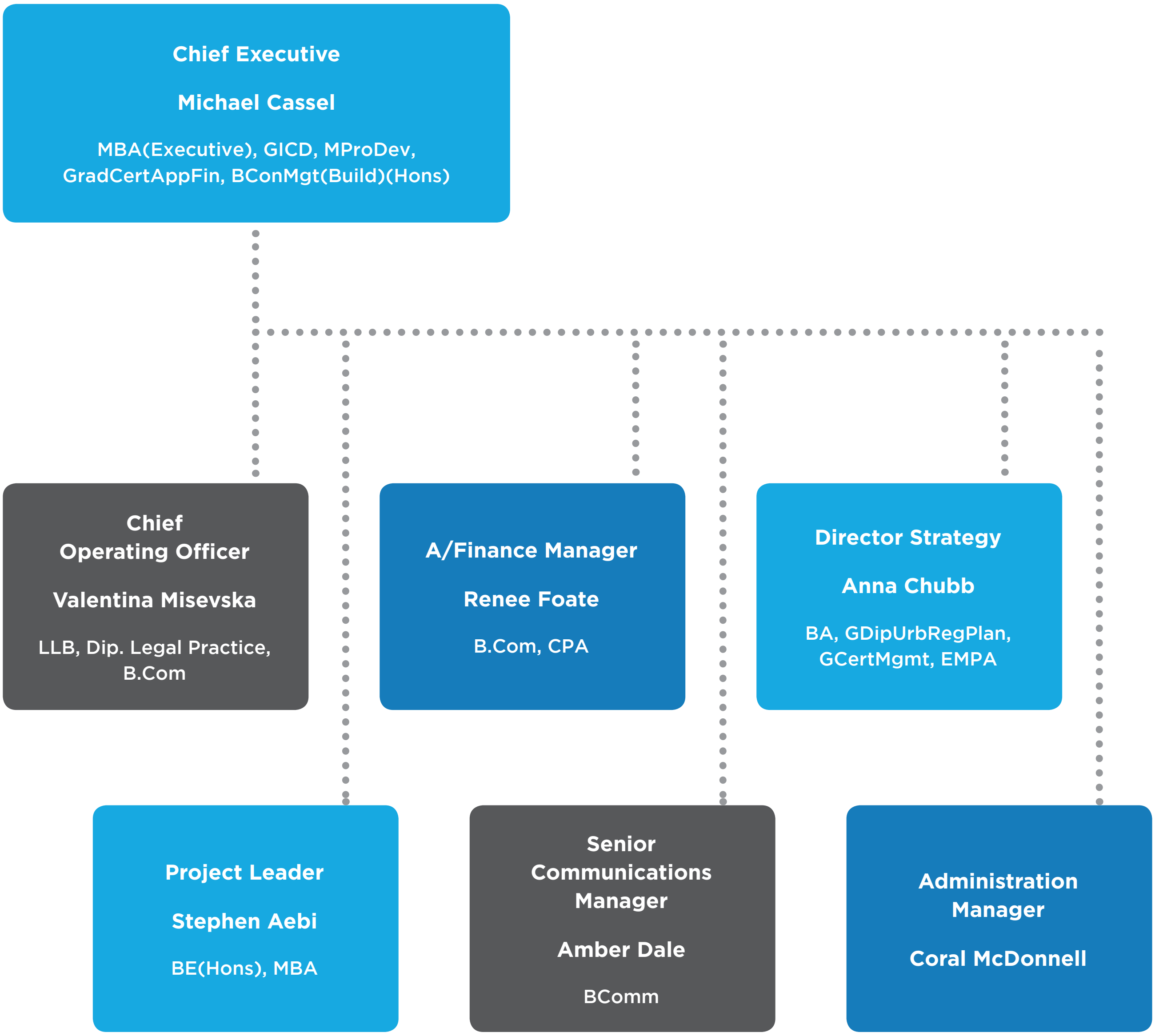
- 20-21 July 2017
- 13-14 September 2017
- 6-7 December 2017
- 7-8 March 2018
- 6-7 June 2018.

The DPE maintains an internal audit function, which seeks to evaluate and improve the effectiveness and efficiency of the DPE's governance, risk management, legislative compliance and internal control processes. The DPE's internal auditor is externally sourced, with services provided by Ernst and Young.

An internal audit of one of the programs run by HDC was undertaken in March 2018 and all of the recommendations in the report have been implemented.

Management and Structure - Senior Leadership Team

The HDC leadership team has vast experience in strengthening communities through the delivery of dynamic and complex urban development projects and programs. The team works in partnership with Government agencies and local stakeholders to deliver quality projects that transform the Hunter region.



Summary of 2017-18 achievements

Newcastle is in the midst of unprecedented growth and investment, with Newcastle and Lake Macquarie local government areas both recording record building application approvals.

HDC continues to spearhead this growth and development through key NSW Government initiatives.

In the last financial year, significant progress has been made across various HDC-managed and controlled projects. HDC's role in these projects varies, but is predominately that of master developer.

- 21 Honeysuckle Drive settled and construction commenced for 150 residential apartments and commercial space (construction value of $53 million)
- 42 Honeysuckle Drive settled and development consent issued. Project is a 149-room, four-star hotel and 52 apartments (construction value of $40 million)
- contracts exchanged on 'The Store' at 854 Hunter Street. This project will deliver a new integrated bus interchange, over 10,000 metres^2 of commercial space, 250+ apartments, 600+ parking spaces, retail and high-quality public space (construction value of $200 million)
- contracts exchanged on 35 Honeysuckle Drive for a 92-apartment residential building (construction value of $41 million)
- contracts exchanged and a development application lodged for the construction of 30 affordable housing apartments on the former rail corridor
- contracts exchanged for the 20,000 metre^2 inner-city expansion of The University of Newcastle campus in Honeysuckle and on the former rail corridor
- construction commenced on a $3 million seawall to facilitate new public domain and residential development in Honeysuckle
- administered funds from the Newcastle Port Community Contribution Fund for six new community infrastructure projects (projects worth $1.17 million)
- gazetted the Local Environment Plan (LEP) amendment for the unused heavy rail corridor, rezoning 4.2 hectares of land for a combination of public space, tourism and mixed use
- commenced stage one of the Newcastle Station building restoration works
- an 18-month tenancy was awarded and development application submitted by Renew Newcastle to activate Newcastle Station once building restoration works are complete
- construction tender awarded and construction commenced for new public domain at Market Street Lawn
- DA awarded, tender awarded and construction commenced for Newcastle Signal Box building restoration works
- long-term tenancy awarded for a café/restaurant to operate out of the Newcastle Signal Box once building restoration works are complete
- DA lodged for a new public domain at the former Civic Station, including the adaptive heritage reuse and restoration of the former station building
- construction continued on the $25 million final stage of remediation works at the 152-hectare former Mayfield BHP Steelworks site
- the $17 million Newcastle Mines Grouting Fund pilot (funds HDC manages on behalf of Government) program extended.

Urban renewal & development

In FY 2017-18, Newcastle City Council (NCC) approved $1.2 billion in building approvals.

As Government's agency for driving change and economic growth in the region, HDC is in a unique position of holding Government owned lands with the purpose of remediating and de-risking sites and attracting private market investment to deliver jobs and economic growth, home choice and vibrant, high-quality public spaces.

HDC is in a period of significant delivery. Since last financial year, two Development Applications (DA) were lodged with NCC (Market Street Lawn and Civic Station), three sites (35 Honeysuckle Drive, The Store and Darby Plaza/Mereweather East) were sold, two sales (42 and 21 Honeysuckle Drive) were completed, two construction projects (Market Street Lawn and seawall works) commenced and two restoration projects (Signal Box and Newcastle Station) commenced.

This is a period of record activity for HDC and is in addition to the Development Applications (DA) lodged by proponents on HDC land – affordable housing and 35 Honeysuckle Drive.

HDC remains committed to restoring and enhancing heritage. As a core objective of the Revitalising Newcastle program, high-valued heritage is treated with respect and HDC has ongoing working relationships with the Office of Environment and Heritage to ensure careful treatment and considered outcomes for major heritage items.

Last financial year, HDC worked on enhancing high-profile heritage buildings, all of which are now in the throes of restoration works and adaptive reuse. This includes the Newcastle Railway Station and the Newcastle Signal Box. Lesser heritage was explored at Civic Railway Station, and adaptive reuse plans were lodged with NCC to allow for social heritage to be explored and celebrated into the future.

http://www.newcastle.nsw.gov.au/Council/News/Latest-News/City-registers-new-record-for-building-approvals

Revitalising Newcastle

Revitalising Newcastle is a $650+ million Government program focused on activating the city to attract people, jobs and tourism to Newcastle.

The NSW Government is investing more than $650 million to transform the city centre by strengthening connections between the city and waterfront, creating job opportunities, providing new housing and delivering attractive public spaces connected to better transport.

In July 2017, UrbanGrowth NSW staff working on the Revitalising Newcastle program were transferred to HDC and became Department of Planning and Environment employees. Responsibility of the Revitalising Newcastle program transferred to HDC with the appointment of Program Director Michael Cassel as Chief Executive of HDC in February 2017. The transfer of staff to HDC six months later was an operational move that ensured the smooth governance and successful delivery of the program.

Milestones for the Revitalising Newcastle program have been significant over 2017-18.

After years of extensive community consultation and stakeholder engagement, 4.2 hectares of former rail corridor was successfully rezoned and gazetted. The rezoning allows for a combination of public space, tourism and mixed use, which means new homes, more jobs and vibrant public spaces.

To maximise the benefits for the Newcastle community, HDC worked to secure an owner/operator for affordable housing provision in the city centre, using former corridor lands. We also worked with landscape and heritage experts to plan new public spaces at the former Civic Railway Station, Newcastle Railway Station, Newcastle Signal Box and Market Street Lawn.

Market Street Lawn

Market Street Lawn is a new community space at the intersection of Market and Scott streets in the city.

It has been made possible by removing the overhead pedestrian bridges, heavy rail infrastructure and repurposing the land.

Newcastle Signal Box

The first stage of Market Street Lawn was opened to the public in December 2016, following the completion of remediation works and temporary grassing of the site. The Revitalising Newcastle program activated the Lawn for over 18 months with small scale activation and community events, which were well-received.

HDC commenced the construction of the enhanced Market Street Lawn in January 2018 and expects to complete the project in October 2018. When open, it will be an attractive public space with superior landscaping including seating, shade, an engaging water feature, open green areas and amenity to support a variety of activation, both big and small.

During the year, HDC also worked closely with TfNSW and NCC to install smart poles, helping to realise Council's Smart Cities objectives in the new public space.

The completion of the Market Street Lawn directly adjacent to the future Queens Wharf Light Rail stop, delivers on the program's commitment to create great places linked to new transport.

Stage 1 restoration of the State heritage listed Newcastle Signal Box commenced in April 2018 and is expected to be complete in October 2018.

Located in the heart of Market Street Lawn, the Signal Box is an important piece of the city's heritage fabric. HDC is ensuring the building has an opportunity to be repurposed and celebrated well into the future.

In November 2017, HDC invited expressions of interest to operate the Signal Box as a café or other. Following the competitive process, a tenant was secured and will operate a café/restaurant from around April/May 2019. The tenant will lodge a DA with NCC in early 2018-19 to undertake works to support the new use.


EWCASTLE


Bed Rooms East End.

The recently created logo
for 'The Station'

Newcastle Railway Station

The historic Newcastle Railway Station is a significant component of the Revitalising Newcastle program and is an important state heritage listed building located in Newcastle's East End.

During 2015 and 2016, a comprehensive community engagement 'Ideas Festival' was undertaken to establish how people most wanted to use the space and see it restored.

In late 2017, HDC sought proposals for a temporary 18-month lease. This was in keeping with the commitment to the community to activate the space for people to enjoy while the long-term use is determined.

Following a competitive process, Renew Newcastle was provided the opportunity to manage The Station. In June 2018, Renew formally lodged their ideas with NCC to obtain necessary planning approvals. Their concept, 'Platform4', is based on four key pillars: People's Platform, Innovation and Education Platform, Event Platform, and Hospitality Platform.

In August 2017, HDC commenced heritage restoration and repurposing works. This included opening The Station to Scott Street as it was in the past, filling the areas between the platforms, repairing damaged doors and windows, and opening spaces on the ground floor. It is expected that the works will be completed in September 2018.

The restoration works align with the 2016 Ideas Festival community engagement program, where the community was asked for its thoughts on the future of the precinct. More than 1500 comments were received, consisting of 146 unique ideas.

Through a rigorous process involving stakeholder and community groups, four ideas were most supported: eateries, an outdoor piazza, an active art space and a cinema under the stars.

In May 2018, HDC launched a re-brand of Newcastle Railway Station to ensure its successful reuse and longevity into the future. 'The Station' is both the destination and the name; it is the place you want to go to when you visit Newcastle. Supporting the name, a logo design was created that showcased the restored buildings and played homage to The Station's significant history.

Civic Railway Station

In June 2018, HDC put forward a design for the transformation of Civic Railway Station and the surrounding precinct. This combined a range of ideas while respecting the heritage of the site and aligning with the input from, and expectations of, the community.

This design includes adaptive reuse of the station building and the creation of new public domain that will create a strong north-south pedestrian axis from the city's library and art gallery, through Wheeler Place, the University of Newcastle and into Honeysuckle.

The concept addresses the station building as well as the wider precinct to see how it can achieve the right balance in terms of preservation and activation.

To ensure this outcome, HDC worked closely with heritage experts and landscape architects to ensure any changes to the site were respectful of its local heritage.

Affordable housing

In April 2018, HDC was pleased to announce that Evolve Housing would deliver and manage an affordable housing development for key workers in the heart of Newcastle.

In June 2018, Evolve submitted a development application for the building of 30 one, two and three-bedroom affordable rental units on the former rail corridor, centrally located between Merewether Street and the former Civic Station, adjacent to Newcastle Museum.

Three of the units are proposed for specialist disability accommodation. The development will also include commercial uses to comply with NCC planning controls to activate Merewether Street and the future public open space to the west of the site.

HDC passionately pursued the opportunity to deliver a stand-alone affordable housing opportunity in the city centre, and in the negotiation, committed $3 million in previously granted Building Better Cities Commonwealth funding. The outcome with Evolve is an exciting one that will provide new opportunities for greater resident diversity in the city centre, connected to new public transport and improved amenity.

Transport

A key component of the Revitalising Newcastle program is the Newcastle Light Rail. When complete in early 2019, the system will provide a frequent, accessible and reliable travel option through the city centre.

The 2.7km service will run from the Newcastle Interchange at Wickham, through the Civic Precinct and onto Newcastle Beach in the East End, terminating at Pacific Park. The new system provides a greater number of stops and will travel all the way to the beach.

A key component of the revitalisation program is the establishment of the Newcastle Interchange at Wickham.

The Store

The Store at 854 Hunter Street is a key site aquired by the NSW Government in late 2015.

Along with developing the site to its full potential and maximising value for Government, this project aims to enhance public transport by housing a bus interchange to complement the Newcastle Interchange.

After an extensive and robust market tender process, Minister for Transport Andrew Constance announced that an outcome had been achieved with the Doma Group proposing a $200 million redevelopment of the site.
To achieve this significant and city-changing outcome, HDC worked closely with TfNSW and Property NSW (PNSW).

Under the terms of this sale, Doma Group will:

- construct a bus interchange (scheduled to begin operation by mid-2020), with car park above
- deliver a dedicated office building incorporating 9000 metres^2 of office space
- develop an iconic 90 metre high mixed-use development with an activated ground plane and development rights, above the bus interchange.

In July 2017, TfNSW undertook a REF process for the demolition of the former Store building and carpark to allow for the construction of the bus interchange. This was determined in December 2017.

Development approvals for the remaining works will follow the standard NCC-managed processes.

University's city precinct

In 2016-17, HDC secured a ground-breaking agreement with the University of Newcastle (UoN) to significantly expand their city centre presence.

The Honeysuckle City Campus Development is part of the University's long-term vision to grow, develop knowledge and be a driver of an innovative regional economy. It is an integral part of the University's NeW Futures Strategic Plan 2016-2025.

The first stage of the project (Stage 1A) includes the Hunter Innovation Project's Innovation Hub, a joint initiative with the NSW Government, Newcastle City Council, Newcastle NOW and Hunter DIGIT, plus additional new facilities for UoN's School of Creative Industries.

In April 2018, UoN lodged its proposal with the Department of Planning and Environment.

The development will bring thousands of students into the city daily and will sustain a new level of vibrancy, a culture of innovation and provide ongoing benefits to the regional economy.

21 Honeysuckle Drive

35 Honeysuckle Drive

42 Honeysuckle Drive

Honeysuckle

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

In 2017-18, HDC sold 35 Honeysuckle Drive to the Doma Group to build a $41 million residential and commercial development with superior design and integration into future waterfront public domain.

The sale of 21 Honeysuckle Drive and 42 Honeysuckle Drive were also completed, together contributing significant revenue.

In early 2018, HDC awarded Daracon the tender to complete $3 million in seawall works, which will ultimately facilitate the delivery of new public domain and residential development in Honeysuckle. The works saw approximately 27,000 tonnes of rock placed along the shoreline at Lee 4 and Lee 5 wharves.

21 Honeysuckle Drive

The approved development on 21 Honeysuckle Drive comprises 150 residential units and ground floor commercial uses. The project received development approval in late February 2018 and commenced construction in early April 2018. It is forecast for completion in late 2019.

35 Honeysuckle Drive

In December 2017, the sale of 35 Honeysuckle Drive was agreed. The development proposal features 92 apartments and 1533 metres^2 of retail space. Development approval is anticipated by the end of 2018 with construction likely commencing in mid-2019.

42 Honeysuckle Drive

In June 2018, Doma Group acquired 42 Honeysuckle Drive. Doma's approved proposal will see the first hotel development in the Honeysuckle urban renewal area in more than a decade. The $40 million plus project received development approval to deliver a much-needed 149 room, four-star hotel in June 2018.

The hotel will address the shortage of tourism accommodation in the city and will be complemented by 52 residential apartments and associated commercial space.

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.

During 2017-18, HDC continued to complete the approved remediation works on the final 52ha stage at Mayfield, known as the Intertrade site. The physical works are to be completed in 2018, after which final validation will be undertaken before the Environment Protection Authority repeals the contamination declaration and the site is deemed fit for occupation and reuse.

HDC also prepared the necessary documentation to apply to close the final 32 hectare stage at Kooragang Island. An application will be submitted to the Federal Department of Environment and Energy in August 2018. Closure works are expected to commence in early 2019 and be completed in late 2019.

Communications & sponsorship

Communications

HDC prides itself on open and transparent communication with its stakeholders and the community.

In April 2018, HDC launched a fresh look and feel for the organisation's website. This much-needed update has been well-received by stakeholders and the community. Visitor numbers to the site have increased significantly and the breadth of information now available surpasses what was available previously, which is a great outcome.

HDC is committed to continuous improvement and plans are underway to continue to work with stakeholders to refine communication channels and enhance the organisation's ability to deliver timely and informative information. This includes use of the website, but also incorporates how HDC communicates through social channels, including Facebook and LinkedIn.

Over 2018-19, the communications team also worked to review and improve public-facing communications across all projects and corporate channels. These reviews include enhanced design to support media releases, and complement development announcements, such as mesh hoarding, billboards, leaflets, flyers and banners.

This will result in more open, transparent and timely information.

Sponsorships

HDC remains committed to supporting the community through its sponsorship program.

HDC acknowledges that all sponsorship requests have merit, yet only a limited pool of funding is available. Sponsorship assessment considers alignment with key marketing and business objectives, such as bringing people into the city centre, as well as proximity and relevance with HDC projects.

In 2017-18, HDC awarded funds to support a range of community-orientated events and programs. These initiatives were exciting to be a part of and HDC was proud to be a sponsor and support the objectives of these projects.

NCC – Neon New Year

Through the Revitalising Newcastle program, HDC supported NCC's Neon New Year's Eve event by providing the Market Street Lawn event space and contributing funds for a family fun zone activation.

Entertainment in the space was free for the community and included the illuminated labyrinth, an accessible sensory zone, a wishing tree for New Year's resolutions, lighting projections, lantern making activities for the kids, and the ideal spot to watch the fireworks.

Newcastle Writer's Festival

Through the Revitalising Newcastle program, HDC supported a major cultural sponsorship with core funding support for the 2018 Newcastle Writers Festival.

The Writers Festival attracted thousands of people into the city centre for a highly acclaimed series of cultural and creative events for all aspects of the community. The Festival aligned with Revitalising Newcastle's 'Still open for business' campaign.

Hunt&Gather Events – Street Feast

Through the Revitalising Newcastle program, HDC supported Hunt&Gather Events Street Feast to continue the successful activation of city spaces while Market Street Lawn is under construction. Street Feast attracts thousands of people into the centre centre for each event to enjoy quality food and local entertainment in a picnic style atmosphere.

University of Newcastle - 5th year architecture program

HDC continued its support of the University of Newcastle, with sponsorship of its 2017 end-of-year exhibition, fortynine | fiftyone. This support extended the existing educational relationship with the University's Master of Architecture program and provides an opportunity for the masters students to network with the property sector in an informal capacity.

Newcastle Music Festival - Music on a Plate series

Through the Revitalising Newcastle program, HDC supported the Newcastle Music Festival's 'Music on a Plate' series of lunchtime concerts. The lunchtime events activated businesses located in the city centre during light rail construction. The events were supported by Revitalising Newcastle, as they aligned with the program objectives of bringing people back to the city. The concerts were a new and highly successful addition to the Music Festival program, with both events selling out.

Property Council of Australia - Hunter Chapter Corporate Partner 2017

HDC supported the Hunter Chapter of the Property Council as a corporate partner in 2017. The support provided marketing and public relations exposure to a wide range of professionals in the NSW property sector. HDC supported the Hunter Chapter to enable the local community to hear about the NSW Government's Newcastle and Hunter programs focused on economic development, new jobs, homes and public spaces for the community.

Australia Taiwan Business Council

The joint Australia Taiwan Business Council conference was a premier annual event celebrating and promoting Australia - Taiwan economic and other relations.

The Taiwan delegation was in the Hunter Region looking for trade and investment opportunities in minerals and energy, agribusiness, tourism and education, cyber security, smart heath and advanced manufacturing.

Renew Newcastle

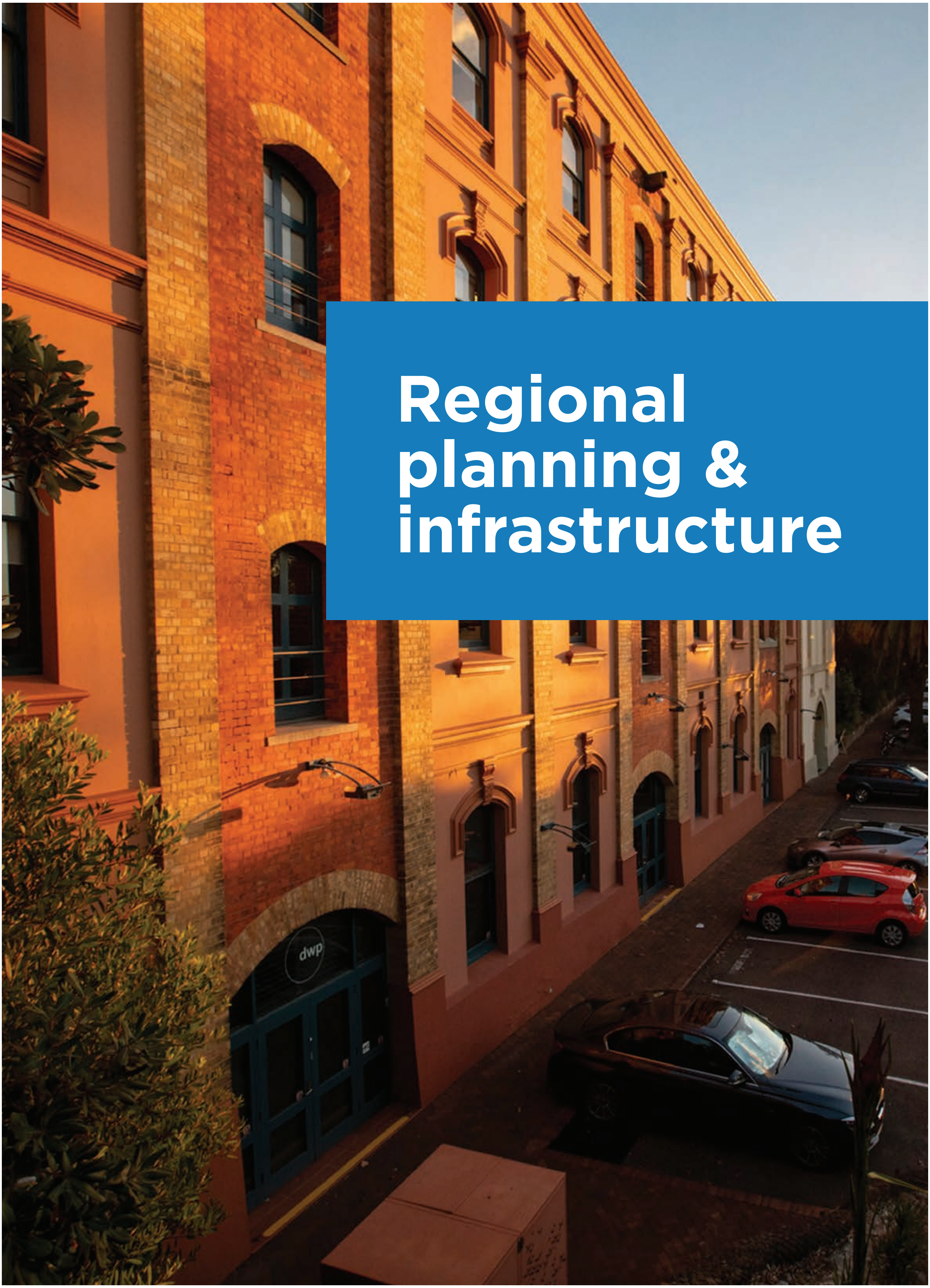
HDC continued its support of Renew Newcastle in 2017-18. This organisation provides low-key yet effective strategies to activate spaces in the Newcastle city centre, generating business activity.

Hunter Research Foundation Centre

HDC continued its sponsorship of the Hunter Research Foundation Centre to support its ongoing program of research, including insights into the evolution of the regional economy.

‘Next City’ Vanguard Conference

The Vanguard Conference is an experiential urban leadership gathering of the best and brightest young urban leaders working to improve cities across sectors, including urban planning, community development, entrepreneurship, government, transportation, sustainability, design, art and media. The Newcastle Vanguard conference was the first to be held outside of North America.



Regional planning & infrastructure

Hunter Regional Plan

In October 2016, the Hunter Regional Plan 2036 was launched, outlining the Government's vision to grow and diversify the region's economy over the next 20 years.

HDC has formalised and implemented processes to deliver on its commitment to oversee the execution of the Plan.

HDC focus during 2017-18 included:

- appointing the Director, Strategy in mid-2017 to drive the implementation of the Plan
- assisting DPE with preparation of the Greater Newcastle Metropolitan Plan, released in November 2017 with the final Plan due for release in September 2018
- supporting the formation of the Committee for the Hunter, an independant group designed to play a key role in collaboration between community, industry and Government to achieve the vision of the Hunter Regional Plan
- in collaboration with DPE, establishing the Hunter Urban Development Program.
  The Program brings together Local and State Government agencies with the development industry to identify blockages to residential development and provide advice to Government on infrastructure priorities that support new residential development
- assisting Venues NSW with progressing the NSW Government's vision for the Hunter Sports and Entertainment Precinct
- supporting the implementation of the NSW Government's Upper Hunter Economic Diversification Action Plan.

Hunter Infrastructure and Investment Fund

HDC's work in administering the Hunter Infrastructure and Investment Fund (HIIF) was completed in 2017.

All of the funds managed by HDC have now been expended, with the final project to be completed by the end of 2018.

Works funded by HIIF will be important catalysts for the growth and prosperity of the Hunter Region.

Some significant projects include:

- the $51 million Nelson Bay Road upgrade between Bob's Farm and Anna Bay
- stage one of the $11.1 million Newcastle Airport expansion
- $4 million in upgrades to Cessnock Hospital and Maitland Mental Health Unit
- $7.3 million Lake Macquarie Football Facility
- $45 towards the New England Highway upgrade at Maitland
- $60 million for the Newcastle City Centre urban renewal and light rail project
- $10 million for the Newcastle International Hockey Centre redevelopment.

Newcastle Port Community Contribution Fund

The Newcastle Port Community Contribution Fund (NPCC) continued to be administered by HDC in 2017-18. This annual funding program of more than $1 million supports community infrastructure around the port of Newcastle, improving amenity and community access to spaces.

In 2017, the NPCC Round 3 allocated $1,170,000 to the following projects:

- $450,000 to the Newcastle City Council for the South Stockton Reserve Active Hub
- $135,000 to the University of Newcastle for place making activities at Honeysuckle
- $365,000 to UrbanGrowth NSW for revitalisation of open space in the Honeysuckle Precinct
- $148,000 to UrbanGrowth NSW for 'The Flyer' public art in the refurbished Newcastle Station
- $50,000 to the Light up Newcastle Chinese Lantern Walk
- $22,000 to the Stockton Historical Walk for historical interpretive signage.

HDC commenced Round 4 in May 2018, with successful projects likely to be announced in October 2018.

Newcastle Mines Grouting Fund

Throughout 2016-17, HDC administered the NSW Government's $17 million Newcastle Mines Grouting Fund (NMGF). In March 2017, the Government announced that 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. NMGF 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.

To date, the current pilot program fund has supported the construction of over 500 dwellings, with a combined development value exceeding $230 million.

NMGF received one application in the city centre mine subsidence area in 2017-18, with four more applications flagged for 2018-19.

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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 the Hunter Development Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, 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 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Corporation's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Chief Executive Officer of the Corporation is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Chief Executive Officer pursuant to section 41C of the PF&A Act.

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

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

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

I have nothing to report in this regard.

The Chief Executive Officer's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Corporation will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

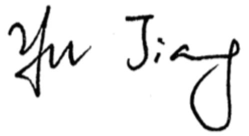
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

My opinion does not provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where it 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 2018
SYDNEY

Hunter Development Corporation
Statement by the Chief Executive Officer
for the year ended 30 June 2018

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I declare, on behalf of the Hunter Development Corporation (the Corporation) that in my opinion:

(a) The accompanying financial statements have been prepared in accordance with:

- applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
- the requirements of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

(b) The statements and notes exhibit a true and fair view of the financial position and transactions of the Corporation; and

(c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Cassel
Chief Executive Officer

Date: 14 September 2018

Hunter Development Corporation
Statement of comprehensive income
for the year ended 30 June 2018

	Notes	Actual 2018 $'000	Budget 2018 $'000	Actual 2017 $'000
Expenses excluding losses				
Operating expenses				
Personnel services expenses	2(a)	4,217	3,123	3,159
Other operating expenses	2(b)	15,038	11,159	6,539
Depreciation and amortisation	2(c)	9	-	7
Grants and subsidies	2(d)	12,535	52,854	6,164
Other expenses	2(e)	26,764	43,219	13,832
Total expenses excluding losses		**58,563**	**110,355**	**29,701**
Revenue				
Sale of goods and services	3(a)	27,922	21,100	7,463
Investment revenue	3(b)	1,016	551	553
Grants and contributions	3(c)	30,655	28,133	5,636
Acceptance by the Crown Finance Entity of employee benefits and other liabilities	3(d)	412	88	326
Other income	3(e)	21,135	44,201	15,037
Total revenue		**81,140**	**94,073**	**29,015**
Net result	15	**22,577**	**(16,282)**	**(686)**
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods		**-**	**-**	**-**
Total other comprehensive income		**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME		**22,577**	**(16,282)**	**(686)**

The accompanying notes form part of these financial statements.

Hunter Development Corporation
Statement of financial position
as at 30 June 2018

	Notes	Actual 2018 $'000	Budget 2018 $'000	Actual 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents	4	48,067	1,966	19,070
Receivables	5	1,543	1,995	781
Inventories	6	10,585	15,168	3,538
Total current assets		**60,195**	**19,129**	**23,389**
Non-current assets				
Inventories	6	35,955	33,046	53,782
Plant and equipment	7	304	-	-
Total non-current assets		**36,259**	**33,046**	**53,782**
Total assets		**96,454**	**52,175**	**77,171**
LIABILITIES				
Current liabilities				
Payables	8	5,302	40	8,646
Provisions	9	437	250	280
Total current liabilities		**5,739**	**290**	**8,926**
Non-current liabilities				
Provisions	9	30	30	30
Other	10	45	45	45
Total non-current liabilities		**75**	**75**	**75**
Total liabilities		**5,814**	**365**	**9,001**
Net assets		**90,640**	**51,810**	**68,170**
EQUITY				
Accumulated funds		90,640	51,810	68,170
Total equity		**90,640**	**51,810**	**68,170**

The accompanying notes form part of these financial statements.

Hunter Development Corporation
Statement of changes in equity
for the year ended 30 June 2018

	Notes	Total $'000
Balance at 1 July 2017		**68,170**
Net result for the year		**22,577**
Other comprehensive income		
Total other comprehensive income		**-**
Total comprehensive income for the year		**22,577**
Transactions with owners in their capacity as owners		
(Decrease) in net assets from equity transfers	11	(107)
Balance at 30 June 2018		**90,640**
Balance at 1 July 2016		**44,766**
Net result for the year		**(686)**
Other comprehensive income		
Total other comprehensive income		**-**
Total comprehensive income for the year		**(686)**
Transactions with owners in their capacity as owners		
Increase in net assets from equity transfers	11	24,090
Balance at 30 June 2017		**68,170**

The accompanying notes form part of these financial statements.

Hunter Development Corporation
Statement of cash flows
for the year ended 30 June 2018

	Notes	Actual 2018 $'000	Budget 2018 $'000	Actual 2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Grants and subsidies		(12,535)	(52,854)	(6,780)
Suppliers and personnel services		(41,532)	(55,576)	(21,453)
Inventories		(920)	-	(80)
Total payments		**(54,987)**	**(108,430)**	**(28,313)**
Receipts				
Reimbursements from the Crown Finance Entity		412	-	326
Sale of goods and services		32,554	62,713	8,816
Interest received		597	101	218
Grants and other contributions		50,734	28,933	32,536
Total receipts		**84,297**	**91,747**	**41,896**
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	**29,310**	**(16,683)**	**13,583**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of plant and equipment	7	(313)	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(313)**	**-**	**-**
NET INCREASE/(DECREASE) IN CASH		**28,997**	**(16,683)**	**13,583**
Opening cash and cash equivalents		19,070	18,649	5,487
CLOSING CASH AND CASH EQUIVALENTS	4	**48,067**	**1,966**	**19,070**

The accompanying notes form part of these financial statements.

1. Summary of significant accounting policies

(a) Reporting entity

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

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

The Corporation has determined that it only has one segment and therefore has not prepared a Program group statement for the period ended 30 June 2018.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Chief Executive Officer on 14 September 2018.

(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 (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.

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

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

The financial statements are prepared on a going concern basis.

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

(c) Statement of compliance

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

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

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except that the:

- amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office (ATO) 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 ATO are classified as operating cash flows.

1. Summary of significant accounting policies (cont'd)

(e) Equity transfer

The transfer of net assets between entities as a result of government decision to adjust the Corporation's equity is designated as a contribution by owners and recognised as adjustment to "Accumulated Fund". This treatment is consistent with AASB 1004 Contributions by Owners made to Wholly-Owned Public Sector Entities and Australian Interpretation 1038 and in accordance with TPP 09-3 Accounting Policy: Contributions by owners made to wholly owned Public Sector Entities. These transfers are recognised at fair value.

(f) Comparative information

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

(g) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

There were no new or revised Australian Accounting Standards effective in 2017-18 impacting these financial statements.

(ii) Issued but not yet effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective. NSW Treasury TC 18-01 mandates agencies not to early adopt any of the following accounting pronouncements:

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards* – Deferral of AASB 15 for *Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-5 *Amendments to Australian Accounting Standards* – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities*, both effective from the 2019-20 financial year may have some financial impact. Apart from this, the other new standards are not likely to have any material impact.

2. Expenses excluding losses

(a) Personnel services expenses

	2018 $'000	2017 $'000
Salaries and wages (including annual leave)	3,447	1,999
Redundancy	-	527
Long service leave	352	308
Superannuation - defined contribution plans	166	148
Superannuation - defined benefit plans	49	13
Payroll tax and Fringe benefits tax	203	164
	4,217	**3,159**

(b) Other operating expenses

	2018 $'000	2017 $'000
External audit of the financial statements	60	54
Internal audit fees	18	-
Board fees	-	30
Fees for services	321	216
Cost of sales *	11,701	3,507
Operating lease rental expense	169	161
Other occupancy expenses	85	-
Asset management	1,203	1,510
Insurance	62	58
Other contractors	69	205
Community information / liaison and promotion	301	143
Administration - Hunter Infrastructure and Investment Fund projects (HIIF)	20	135
Site disposal costs	685	-
Other	344	520
	15,038	**6,539**

* Refer to Note 6 for details of inventory decrement of $5.8 million included in cost of sales.

Recognition and measurement

Maintenance expense

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

Insurance

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

Operating leases

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of comprehensive income on a straight-line basis over the lease term.

2. Expenses excluding losses (cont'd)

(c) Depreciation and amortisation expense

	2018 $'000	2017 $'000
Depreciation:		
Furniture and fittings	1	6
Plant and equipment	8	1
Total depreciation	**9**	**7**

Refer to Note 7 for Recognition and measurement policies on depreciation and amortisation.

(d) Grants and subsidies

	2018 $'000	2017 $'000
Hunter Infrastructure and Investment Fund projects (HIIF)	8,640	3,739
Newcastle Mines Grouting Funds projects (NMGF)	770	500
Newcastle Port Community Contribution Fund projects (NPCC)	208	912
Honeysuckle community service obligations - public domain and seawall renewal	2,917	1,003
Community activation	-	10
	12,535	**6,164**

(e) Other expenses

		2018 $'000	2017 $'000
Remediation service expense	3(e)	18,462	13,832
Revitalisation project	3(c)	8,302	-
		26,764	**13,832**

3. Revenue

(a) Sale of goods and services

	2018 $'000	2017 $'000
Sale of goods	25,795	4,618
Other income *	2,127	2,845
	27,922	**7,463**

* Included in other income is carpark and associated fine revenue, sundry reimbursements, wharf usage fees, reimbursements, insurances recoveries, Section 94 contributions received by Newcastle City Council for community service obligations undertaken at Honeysuckle.

Recognition and measurement

Sale of goods

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

Rendering of services

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

3. Revenue (cont'd)

(b) Investment revenue

	2018 $'000	2017 $'000
Interest revenue from financial assets not at fair value through profit or loss	597	204
Rents	419	349
	1,016	**553**

Recognition and measurement

Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly 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 income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

(c) Grants and contributions

		2018 $'000	2017 $'000
Grants received from Department of Planning and Environment - NMGF and HIIF		9,615	4,679
Grants received from Crown Finance Entity - NPCC		208	912
Grants received from UrbanGrowth - Revitalisation project	2(e)	20,666	-
Grants - other		166	45
		30,655	**5,636**

Recognition and measurement

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

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

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

	2018 $'000	2017 $'000
The following liabilities and expenses have been assumed by the Crown Finance Entity:		
Superannuation - defined benefits	49	13
Long service leave	360	312
Payroll tax	3	1
	412	**326**

(e) Other income

		2018 $'000	2017 $'000
Remediation revenue – Crown Finance Entity	2(e)	1,223	5,852
Remediation revenue – Property NSW	2(e)	18,856	9,185
Fee for service works		1,056	-
		21,135	**15,037**

4. Current assets - cash and cash equivalents

	2018	2017
	$'000	$'000
Cash at bank or on hand	43,067	16,070
Short-term deposits	5,000	3,000
	48,067	**19,070**

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 are reconciled at the end of the financial year to the Statement of cash flows as follows:

Cash and cash equivalents (per Statement of financial position)	48,067	19,070
Closing cash and cash equivalents (per Statement of cash flows)	**48,067**	**19,070**

Refer Note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

5. Current assets - receivables

	2018	2017
	$'000	$'000
Trade receivables	375	76
Less: allowance for impairment	(71)	-
Goods and Services Tax recoverable	921	281
Prepayments	25	40
Accrued income	293	384
	1,543	**781**
Movement in the allowance for impairment:		
Balance at 1 July 2017	-	-
Amounts written off during the year	-	-
Increase/(decrease) in allowance recognised in net result	71	-
Balance at 30 June 2018	**71**	**-**

Refer Note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Recognition and measurement

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognised and derecognised on a trade date basis.

Receivables, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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

Impairment

Receivables are subject to an annual review for impairment. These 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.

5. Current assets - receivables (cont'd)

Impairment (cont'd)

The Corporation first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

6. Current / non-current assets – inventories

	2018 $'000	2017 $'000
Current		
At cost	10,585	3,538
At valuation	-	-
	10,585	**3,538**
Non-current		
At cost	25,335	29,692
At valuation	10,620	24,090
	35,955	**53,782**
Total	**46,540**	**57,320**
Details of inventories		
Acquisition costs	27,732	30,106
Equity transfers	24,090	24,090
Development costs	518	3,124
Accumulated inventory adjustment to net realisable value - Ex Rail Corridor	(5,800)	-
	46,540	**57,320**

Recognition and measurement

Land inventories are reported at the lower of cost and net realisable value. Cost includes acquisition and development cost.

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 Corporation 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 reflecting forecast sales.

Preston Rowe Paterson (as at 31 March 2018) undertook a revaluation of land inventory. This resulted in an impairment to the rezoned Rail Corridor of $5.8m.

7. Non-current assets – plant and equipment

	Plant and equipment $'000	Leasehold improvements $'000	Furniture and fittings $'000	Total $'000
At 1 July 2017 - fair value				
Gross carrying amount	-	277	51	328
Accumulated depreciation	-	(277)	(51)	(328)
Net carrying amount	**-**	**-**	**-**	**-**
At 30 June 2018 - fair value				
Gross carrying amount	-	298	15	313
Accumulated depreciation	-	(8)	(1)	(9)
Net carrying amount	**-**	**290**	**14**	**304**

Reconciliation

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

	Plant and equipment $'000	Leasehold improvements $'000	Furniture and fittings $'000	Total $'000
Year ended 30 June 2018				
Net carrying amount at start of year	-	-	-	-
Additions		298	15	313
Depreciation expense	-	(8)	(1)	(9)
Net carrying amount at end of year	**-**	**290**	**14**	**304**

	Plant and equipment $'000	Leasehold improvements $'000	Furniture and fittings $'000	Total $'000
At 1 July 2016 - fair value				
Gross carrying amount	32	281	60	373
Accumulated depreciation	(30)	(281)	(55)	(366)
Net carrying amount	**2**	**-**	**5**	**7**
At 30 June 2017 - fair value				
Gross carrying amount	-	277	51	328
Accumulated depreciation	-	(277)	(51)	(328)
Net carrying amount	**-**	**-**	**-**	**-**

Reconciliation

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

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

7. Non-current assets - plant and equipment (cont'd)

Recognition and measurement (cont'd)

Acquisition of plant and equipment

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

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.

Capitalisation thresholds

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

Major inspection costs

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

Restoration costs

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

Depreciation of plant and equipment

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

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

Land is not a depreciable asset.

Finance leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

7. Non-current assets - plant and equipment (cont'd)

Recognition and measurement (cont'd)

Revaluation of 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 (TPP14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

Fair value of plant and equipment is based on market participants perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 16 for further information regarding fair value.

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

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

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

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

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

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

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds. The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end.

Impairment of plant and equipment

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

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

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

7. Non-current assets - plant and equipment (cont'd)

Recognition and measurement (cont'd)

Impairment of plant and equipment (cont'd)

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

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

8. Current liabilities - payables

	2018	2017
	$'000	$'000
Personnel services - accrued salaries and wages	12	7
Creditors	1,659	1,612
Goods and Services Tax payable	775	46
Unearned revenue	2,856	6,981
	5,302	**8,646**

Refer to Note 16 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables.

Recognition and measurement

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

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

9. Current / non-current liabilities – provisions

	2018 $'000	2017 $'000
Provisions - current liabilities		
Personnel services - annual leave	304	182
Personnel services - on-costs	133	98
Total	**437**	**280**
Personnel services benefits expected to be settled within 12 months from reporting date		
Recreation leave	304	182
	304	**182**
Other provisions - non current liabilities		
Make good provision	30	30
	467	**310**
Total Provisions	**467**	**310**
Aggregate personnel services		
Provisions - current liabilities	437	280
Personnel services - accrued salaries, wages and on-costs (Note 8)	12	7
	449	**287**

The Corporation has an obligation for restoration costs at the end of its leases at Level 5, 26 Honeysuckle Drive Newcastle (11 Nov 2020).

Movement in provisions (other than employee benefits)

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

2018	**Make good provision $'000**
Carrying amount at the beginning of the year	30
Additional provisions recognised	-
Unused amounts reversed	-
Unwinding / change in the discount rate	-
Carrying amount at the end of the year	**30**

Recognition and measurement

Personnel services benefits and related on-costs

Salaries and wages, annual leave and sick leave

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

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

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

9. Current / non-current liabilities - provisions (cont'd)

Long service leave and superannuation

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

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

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential on-costs

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

Other provisions

Provisions are recognised when: the Corporation 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 the Corporation 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 expense relating to a provision is presented net of any reimbursement in the Statement of comprehensive income.

Any provisions for restructuring are recognised only when the Corporation has a detailed formal plan and the Corporation has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

10. Non-current liabilities – other

	2018 $'000	2017 $'000
Non-current		
Security deposits	45	45
	45	**45**

11. Equity transfer

In July 2017, as a result of a decision of government, responsibility for the Newcastle Urban Transformation Program transferred to the Corporation from Landcom. Staff associated with the Program also transferred.

This transfer was designated as an equity transfer. The value of the project inventories transferred from Landcom has been assessed as NIL, accordingly no adjustment to the Corporation inventories is required. The Corporation recorded an increase in personnel services payable of $0.1 million to the Department of Planning and Environment. The net impact was an adjustment to accumulated funds of $0.1 million.

In the prior year, Rail Corp transferred the Newcastle Rail Corridor to the Corporation as a designated equity transfer, increasing inventory by $24.1m as reflected in Note 6.

12. Commitments

	2018 $'000	2017 $'000
Commitments - expenditure		
(a) Capital		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Not later than 1 year	-	1,075
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
Total (including GST)	**-**	**1,075**
(b) Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than 1 year	123	69
Later than 1 year but not later than 5 years	169	504
Later than 5 years	88	-
Total (including GST)	**380**	**573**

The property lease is a non-cancellable lease with a 5-year term, with rent payable monthly in advance. There is an option to renew the lease at the end of the 5-year term for an additional term of 5 years. 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.

The total operating lease commitments related to leasing of office space and motor vehicles. The expenditure above include input tax credits of $34,520 (2017: $52,091) that are expected to be recoverable from the Australian Taxation Office.

	2018 $'000	2017 $'000
Commitments - property rental revenue		
Future minimum lease receipts under non-cancellable operating leases as lessor:		
Not later than one year	192	236
Later than one year and not later than five years	13	176
Later than five years	-	-
Total (including GST)	**205**	**412**

The above represents future minimum lease receipts on the Corporation's owned properties. Future minimum lease receipts as at 30 June 2018 include GST payable of $18,598 ($37,000 at 30 June 2017).

13. Contingent liabilities and contingent assets

Contingent liabilities

The Corporation is not aware of any contingent liabilities associated with its operations.

Contingent assets

Prior to June 30, 2018 Hunter Development Corporation entered into contracts with the Doma Group for the sale and redevelopment of the area known as The Store precinct. This redevelopment will see the construction of a Bus and Coach interchange, an office building and two residential towers and a structured carpark. The sale of the area to Doma Group and receipt of proceeds is contingent upon the fulfilment of certain development conditions. As such, a contingent asset up to $2.5 million is disclosed as it is probable that the development conditions will be met but not virtually certain given the early stages of the redevelopment. Management will continuously assess the redevelopment until it is virtually certain the development conditions are met in which case the property will be de recognised and proceeds receivable will be recognised.

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

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of comprehensive income are as follows:

	2018 $'000	2017 $'000
Net cash inflow from operating activities	29,310	13,583
Depreciation and amortisation	(9)	(7)
Inventory adjustment to net realisable value	(5,800)	33
(Decrease) in inventories	(4,980)	(3,460)
Increase/(decrease) in receivables	762	(3,621)
Decrease/(increase) in creditors	3,344	(7,194)
(Increase) in provisions	(50)	(20)
Net result	**22,577**	**(686)**

15. Budget review

Net result

The net result is favourable to budget by $38.9 million primarily as a result of:

- Actual personnel service expenses being higher than budget by $1.1 million mainly due to MOG transfer of 9 staff
- Actual other operating expenses being higher than budget by $3.9 million mainly due to extra COGS for Land Sales at 42 Honeysuckle Drive $1.9 million & Wickham sites $1.7 million and other operating expenses
- Actual grants and subsidies expenditure being lower than budget by $40.3 million was mainly due to delayed projects have been carried forward into 2018/19 budget including Community Service Obligations work for Honeysuckle sites $21 million, Newcastle Mining Grouting Fund (NMGF) $15.2 million and Newcastle Port Community Contribution Fund (NPCC) $1.8 million
- Actual other expenses being lower than budget by $16.5 million mainly due to delays at remediation sites which has been carry forward into 2018/19 budget
- Actual grants and contributions received being higher than budget by $2.5 million mainly due to carry forward into 2018/19 budget of Hunter Infrastructure and Investment Fund (HIIF) $0.5 million, NMGF $15.2 million, NPCC $1.8 million offset by a receipt of MOG Newcastle Urban Transformation project (NUTTP) $20.7 million
- Actual sale of goods and services being higher than budget by $6.8 million mainly due to delay of West Wallsend sale $7.1 million now delayed to 2019/20 offset by parts of Wickham sites sale for $3.1 million and 42 Honeysuckle Drive $8.1 million which was originally budgeted to sale in 2018/19
- Actual other income being lower than budget by $23.1 million mainly due to carry forward of Kooragang Island remediation income due to significant delays in project costs and reduction in project contingencies at Mayfield of $24.8 million offset by other minor variances

Assets and liabilities

The net asset position was $38.8 million higher than budget primarily as a result of:

- Cash position being higher than budget by $46.1 million mainly due to a $20.7 million receipt of MOG NUTTP paid in advance while delays on project spending, sale of unbudgeted land sales $8.9 million and higher than budget opening cash balance position of $19 million due to higher sales in FY 2016/17
- Net inventory position being lower than budget by $1.7 million mainly due to change in cost of goods sold $2 million relating to unbudgeted sale of 42 Honeysuckle Drive
- Payables position being higher than budget by $5.3 million mainly due to a close to nil budget assumption

15. Budget review (cont'd)

Cash flows

The net cash flows from operating activities were favourable to budget by $46.0 million primarily as a result of:

- Cash flow from Grants and contributions received were higher than budget by $21.8 mainly due to NUTTP funding paid in advance $20.7 million and grants and subsidies paid were lower than budget by $40.3 million mainly due to delay in payments as a result of carry forward of Community Service Obligations work for Honeysuckle sites $21 million, Newcastle Mining Grouting Fund (NMGF) $15.2 million and Newcastle Port Community Contribution Fund (NPCC) $1.8 million
- Cash inflow from sale of goods and services were lower than budget by $30.2 million due to lower than expected remediation income of Kooragang Island and Mayfield $24.8 million, plus deferred sale of West Wallsend land $7.1 million
- Cash outflow from suppliers and personnel services were lower than budget by $14.0 million mainly due to delayed spending on remediation projects and underspend on staff costs

16. Financial instruments

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

The Corporation's main risks arising from financial instruments are outlined below, together with the Corporation's objectives, policies and processes for measuring and managing risk. Further 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 the Corporation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a regular basis.

(a) Financial instrument categories

Class	**Note**	**Category**	**Carrying amount 2018 $'000**	**Carrying amount 2017 $'000**
Financial assets				
Cash and cash equivalents	4	N/A	48,067	19,070
Receivables[1]	5	Loans and receivables (at amortised cost)	597	460
Financial liabilities				
Payables[2]	8	Financial liabilities measured at amortised cost	1,671	1,619

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)
2. Excludes statutory payables, unearned revenue and non-cash works-in-kind received in advance (i.e. not within scope of AASB 7)

(b) Derecognition of financial assets and liabilities

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

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

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

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

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

16. Financial instruments (cont'd)

(c) Offsetting financial instruments

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

(d) Financial risks

(i) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to the credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). Credit risk arises from the financial assets of the Agency, including cash, receivables and authority deposits. No collateral is held by the Corporation. The Corporation has not granted any financial guarantees. Credit risk associated with the Corporation's financial assets, other than receivables, is managed thorough the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash and cash equivalents

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

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 uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Corporation 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 generally made on 14 or 30 day terms.

The Corporation 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 $251,000 (2017: $19,000) and less than three months past due $36,000 (2017: $23,000) are not considered impaired. Most of the Corporation's debtors have a AAA credit rating.

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[1,2] $'000	Neither past due, nor impaired $'000	Past due but not impaired $'000	Considered impaired $'000
2018				
Current	256	256	-	-
< 3 months overdue	45	-	37	8
3 months - 6 months overdue	9	-	1	8
> 6 months overdue	65	-	10	55
2017				
Current	19	19	-	-
< 3 months overdue	23	-	23	-
3 months - 6 months overdue	8	-	8	-
> 6 months overdue	26	-	26	-

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.

16. Financial instruments (cont'd)

(ii) Liquidity risk

Liquidity risk is the risk the Corporation will be unable to meet its payment obligations when they fall due. The Corporation 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 overdrafts, loans and other advances.

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12 Payment of accounts. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which 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 Minister may automatically pay the supplier simple interest. No interest penalty was paid for 2018 (2017: nil).

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

Maturity Analysis and interest rate exposure of financial liabilities

				$'000				
			Interest Rate Exposure			**Maturity Dates**		
	Weighted average effective Int. rate	**Nominal Amount[1]**	**Fixed Interest Rate**	**Variable Interest Rate**	**Non-Interest Bearing**	**< 1 year**	**1 -5 years**	**> 5 years**
30 June 2018								
Trade creditors and accruals	N/A	1,671	-	-	1,671	1,671	-	-
30 June 2017								
Trade creditors and accruals	N/A	1,619	-	-	1,619	1,619	-	-

[1] The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Corporation can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of financial position.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of financial position reporting date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

16. Financial instruments (cont'd)

(d) Financial risks (cont'd)

(iii) Market risk (cont'd)

Interest rate risk

Exposure to interest rate risk arises primarily through the Corporation's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Corporation does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

	Carrying	-1%		+1%	
	amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
30 June 2018					
Financial assets:					
Cash and cash equivalents	48,067	(481)	(481)	481	481
Receivables	304	(3)	(3)	3	3
Financial liabilities:					
Payables	1,671	17	17	(17)	(17)
30 June 2017					
Financial assets:					
Cash and cash equivalents	19,070	(191)	(191)	191	191
Receivables	76	(1)	(1)	1	1
Financial liabilities:					
Payables	1,619	16	16	(16)	(16)

(e) Fair value measurement

Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. Given the nature of the financial instruments held by the Corporation, their carrying amounts approximate the fair value.

17. Program group

The Corporation's activities are reported under the program group "Planning, designing and implementing integrated regions and communities" supporting the State outcome "Create a strong and vibrant NSW".

18. Related party disclosure

(a) Key management personnel compensation

During the year, the Corporation incurred $1.1 million (2017: $0.4 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.

There were no other related party transactions with KMPs during the financial year.

(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 Department of Planning and Environment of $9.6 million (2017: $4.7 million)
- Grant funding from the Crown Finance Entity of $0.2 million (2017: $0.9 million)
- Grant funding from Landcom of $20.7 million as a result of machinery government changes decision to transfer Newcastle Urban Transformation and Transport program (2017: nil)
- Land sale income from Transport for NSW of $3.2 million (2017: nil)
- Cost recovery of Glendale surplus rail land from RailCorp NSW of $0.6 million (2017: nil)
- Personnel service expense paid to the Department of Planning and Environment of $4.3 million (2017: $3.2 million), of these, $0.01 million (2017: $0.01 million) is recognised as accrued expense at year end and $0.4 million (2017: $0.3 million) recognised as provisions for annual leave and on-costs at year end
- Corporate shared service expense paid to the Department of Planning and Environment of $0.3 million (2017: $0.2 million)
- Remediation revenue from Property NSW of $18.9 million (2017: $9.2 million), in addition unearned revenue of $1.9 million (2017: $6.0 million)
- Remediation revenue from Crown Finance Entity of $1.2 million (2017: $5.9 million, in addition unearned revenue of $0.1 million (2017: $0.7 million)

The Corporation 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, Office of State Revenue, NSW Self Insurance Corporation, Treasury banking system, Crown Finance Entity and other NSW government entities, for corporate shared services, recruitment, procurement, audit, office premises lease, fine collection and management, insurance and interest received.

19. Events after the reporting period

In July 2018, the Minister for Planning approved the combination of the Corporation and Central Coast Regional Development Corporation (CCRDC) and to rename the combined entity the Hunter and Central Coast Development Corporation (HCCDC). This is expected to be carried out during 2018-2019 financial year. There is no financial impact on these financial statements.

End of audited financial statements.

Appendices

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 4
Charter	Page 7
Aims and objectives	Page 7
Access	Inside cover
Management and structure	Pages 9
Summary review of operations	Page 10
Funds granted to non-government community organisations	Appendix B (i)
Legal Changes	The Growth Centres Act (Development Corporations) 1974. 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 2017-178 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 www.hccdc.nsw.gov.au
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 *Treasurer's Direction 205.01*, 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 $ (ex GST)	Purpose
Property Council of Australia	3,500	Hunter Corporate Partner 2017-18
Australia Taiwan Business Council (ATBC)	25,000	Conference Sponsor
Renew Newcastle	12,500	Sponsorship 2017-18
Hunter Research Foundation	7,500	Annual Sponsorship 2017-18
Landcom	10,000	Vanguard "Next City" conference 2017
Newcastle City Council	20,000	New Year's Eve Event Sponsor
Newcastle Writer's Festival	50,000	Core Event Sponsor – city activation
Hunt&Gather Street Feast	10,000	Sponsorship of Street Feast – city activation
Newcastle Music Festival	5,000	'Music on a Plate' Sponsor – city activation
University of Newcastle	2,500	5th year Architecture end of year exhibition
TOTAL	**149,500**	

(ii) Economic or Other Factors (affecting achievement of operational objectives)

Global economic conditions improved during 2017/18 and demand for vacant development land within the Newcastle area was strong. Land sale prices were above expectation and future sales are expected to remain strong in Newcastle despite concerns of a shrinking housing market and lower demand for residential housing elsewhere.

HDC has continually reviewed its strategy for future land releases to suit relevant 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
Personnel Policies and Practices
Performance and Numbers of Executive Officers
Industrial Relations Policies and Practices
Workforce Diversity
Disability Inclusion Action Plan
Multicultural Policies and Services Program
Work Health and Safety
Privacy Management Plan
Public Interest Disclosures

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

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

(iv) Land Disposal

During the 2017/18 year, HDC had two major land disposals; 21 Honeysuckle Drive (March'18) and then 42 Honeysuckle Drive (June'18). HDC also sold some land holdings at Wickham to Transport for NSW under a s.30 agreement for use as part of the Light Rail construction (March'18).

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

There were TWO overseas trips during the year;

Then Property Director Valentina Misevska went to USA for 2 weeks as part of the "Smart Cities" program to collect ideas that can be applied to the city of Newcastle – Nov'17

CE Michael Cassel went to New Zealand and then Singapore for 2 weeks as part of "Executive Fellows Program 2017" conducted via ANZSOG (Australia & New Zealand School of Government) – Oct'17.

(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 Performance

(a) Aged Analysis at the end of each quarter

Quarter	Current (by due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days Overdue	> 90 days Overdue
All Suppliers					
September	8,379,509	189,502	-	-	-
December	11,114,283	63,966	-	-	-
March	5,015,528	448,147	4,469	-	-
June	13,105,722	253,549	-	-	-

Small Business Suppliers

September	**17,623**	-	-	-	-
December	**35,245**	-	-	-	-
March	**17,958**	-	-	-	-
June	**33,449**	-	-	-	-

Measure	Sep 2017	Dec 2017	Mar 2018	Jun 2018
All Suppliers				
Number of accounts due for payment	281	430	260	458
Number of accounts paid on time	269	425	247	446
Actual percentage of accounts paid on time (based on number of accounts)	95.7%	98.8%	95.0%	97.4%
Dollar amount of accounts due for payment	8,569,011	11,178,249	5,468,144	13,359,271
Dollar amount of accounts paid on time	8,379,509	11,114,283	5,015,528	13,105,722
Actual percentage of accounts paid on time (based on $)	97.8%	99.4%	91.7%	98.1%
Number of payments for interest on overdue accounts	-	-	-	
Interest paid on overdue accounts	-	-	-	
Small Business Suppliers				
Number of accounts due for payment to small businesses	6	12	6	9
Number of accounts due to small businesses paid on time	6	12	6	9
Actual percentage of small business accounts paid on time (based on number of accounts)	100.0%	100.0%	100.0%	100.0%
Dollar amount of accounts due for payment to small businesses	17,623	35,245	17,958	33,449
Dollar amount of accounts due to small businesses paid on time	17,623	35,245	17,958	33,449
Actual percentage of small business accounts paid on time (based on $)	100.0%	100.0%	100.0%	100.0%
Number of payments to small business for interest on overdue accounts	-	-	-	-
Interest paid to small businesses 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 (iCare), 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 Attestation Statement for the 2017-18 Financial Year for the Hunter Development Corporation

I, Michael Cassel, Chief Executive, am of the opinion that the Hunter Development Corporation has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public* Sector (TPP 15-03), specifically:

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.	**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

The chair and members of the Audit and Risk Committee are:

Role	Name	Start term date	Finish term date
Independent Chair	Brian Blood	1 December 2013	30 November 2018*
Independent Member	Alan Zammit	27 February 2012	26 February 2020*
Independent Member	Elizabeth Crouch	21 October 2013	20 October 2019*

* Includes reappointment for a second term

The Audit and Risk Committee has been established under a Treasury approved principal department led shared arrangement with the following statutory bodies:

- Planning Ministerial Corporation
- Central Coast Regional Development Corporation
- Hunter Development Corporation
- Office of Local Government
- Lord Howe Island Board
- Greater Sydney Commission

Michael Cassel
CHIEF EXECUTIVE
Hunter Development Corporation
Signed 25.09.18

(x) Digital Information Security Annual Attestation Statement for the 2017-18 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 2017-2018 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 2017-2018 financial year (Certificate Number IS 645082).

Michael Cassel
CHIEF EXECUTIVE
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

Table A: Number of applications by type of applicant and outcome*

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

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
Total	0	0	0

*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
Total	0

Table I: Applications transferred to other agencies	
	Number of applications for review
Agency-Initiated Transfers	0
Applicant – Initiated Transfers	0
Total	0

(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 ▪ maladministration ▪ serious and substantial waste of public money government information contraventions	 0 0 0
Number of public interest disclosures finalised	0

End of Annual Report 2017-18

End of Annual Report 2017-18