

**Central Coast
Regional Development
Corporation**

Annual Report 2017-18



Central Coast Regional Development Corporation

ABN 55 004 650 406

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This annual report has been produced by Central Coast Regional 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 Central Coast Regional Development Corporation (CCRDC) for the year ended 30 June 2018.

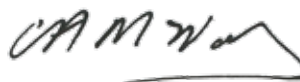
The report details CCRDC's work, achievements and relevant statutory and financial information. It has been prepared for submission to Parliament under the Annual Reports (Statutory Bodies) Regulation 2010 and the applicable provisions of the *Public Finance and Audit Act 1983*.

Yours sincerely,



Michael Cassel
Chief Executive

Central Coast Regional
Development Corporation



Carolyn McNally
Secretary

Department of
Planning and Environment

Chief Executive's report

The Central Coast Regional Development Corporation (CCRDC) continues to be an important agent for sustainable change and development in the Central Coast region. CCRDC has a longstanding history of working closely with the community and government to attract private sector investment in key Government landholdings across the Central Coast.

With the end of financial year 2017-18 complete, we are looking forward to exciting times for Mt Penang and the Central Coast region, and the role that CCRDC will have in key Government initiatives, including revitalisation of the Gosford city centre.

In 2018, I was appointed Chief Executive of CCRDC by the Hon. Anthony Roberts, Minister for Planning, Housing and Special Minister of State, as part of broader plans to improve the city's commercial, retail and cultural life.

A revised mandate for CCRDC will ensure that it prospers into the future and provides important outcomes for Government. In line with the vision for the region, we will increase our role in the delivery of new vibrant public spaces, new jobs and more homes linked to better transport opportunities.

The NSW Government has a strong presence on the Central Coast, with the Department of Planning & Environment's Central Coast Coordination Unit and Coordinator General leading the 'GoGosford' campaign, which is putting the planning framework in place for extensive transformation in the Gosford CBD over coming years.

I am pleased that CCRDC will be instrumental in this delivery. In May, Minister Roberts announced a \$10 million package for a regional play space and public domain upgrade to Leagues Club Field in Gosford city centre. CCRDC will lead this project as part of a broader Government city revitalisation infrastructure initiative, which will be led by the Coordinator General's office in close collaboration with CCRDC.

It is this type of investment that people on the Central Coast have been asking for. The updated planning pathways are being finalised, the community has had its say and now we are moving into a position to start delivering.

Without a doubt, investment by Government seeds confidence, and confidence creates private market investment. This in turn generates the momentum that creates true and sustained revitalisation. We may be at the beginning of that momentum, but it is certainly building.

There is a bright future for Mt Penang Gardens, Event Park and Parklands. This space can contribute to the region's growing tourism opportunities, and I look forward to injecting more focus, attention and deliverables into this precinct to create a widely recognised destination for business, events and recreation.

I see a bright future for the Central Coast, and as the new Chief Executive of CCRDC, I look forward to bringing experience from Newcastle's significant transformation and applying lessons learned to this environment to help build momentum and city revitalisation.

I would like to recognise the contribution of Simon Officer and his role as Chief Executive of CCRDC from January 2016 to April 2018. Simon led the organisation during a challenging time of change, and his leadership and stewardship has ensured we can continue to meet the needs of the community.

I also want to acknowledge the continued dedication and commitment of CCRDC staff and our amazing volunteers towards realising the potential and vision for Mt Penang.

Michael Cassel
Chief Executive

Central Coast Regional
Development Corporation

About

Central Coast Regional Development Corporation

CCRDC is a State Government entity constituted under the *Growth Centres (Development Corporations) Act 1974* (the Act) and operates in accordance with its provisions.

CCRDC is charged with accelerating growth, private investment and development in the Central Coast region of New South Wales, across the Growth Centres of Wyong and Gosford.

CCRDC is part of the Department of Planning and Environment NSW (DPE) cluster yet is primarily a self-funded entity.

Since its inception, CCRDC has been working cooperatively with the community, business and all sectors of Government to realise the community's future aspirations for economic growth on the Central Coast.

Purpose

The NSW Government has a vision to create a diverse, thriving regional economy in the Central Coast. CCRDC's purpose is to help Government achieve this vision, through the creation of jobs on the Central Coast by attracting and securing investment.

Values

- Build and maintain solid working relationships.
- Behave professionally, responsibly and ethically.
- Identify solutions and deliver sustainable results.

Objectives

Brokering development outcomes on strategic sites

These sites include Government land, land already held by CCRDC and land identified and nominated in conjunction with Central Coast Council.

Regional development and renewal

Facilitating the development of regional centres and renewal corridors identified through regional planning strategies.

Supporting the private sector

CCRDC facilitates private sector investment and development on key state land holdings.

Asset and property management

For lands held by CCRDC such as the Mt Penang Parklands and Mt Penang Gardens.

Nature and scope of activities

CCRDC is a State Government agency and a landowner of strategic property assets.

From 1998 to 2010, CCRDC was known as the Festival Development Corporation. It was responsible for transforming 156 hectares at Kariong, the gateway to the Central Coast region, into a major centre for recreation, business, sports and tourism.

Significantly, CCRDC fostered the highly successful and ecologically sustainable development at Mt Penang Parklands. This complemented the existing heritage character, provided new opportunities for recreation and reflection, and created long-term economic benefits for both the region and the State.

CCRDC oversees, manages and maintains the Parklands, which currently supports retail, commerce, education, entertainment and recreational pursuits, as well as Aboriginal and European heritage and residential activities. It is home to Mt Penang Gardens and Event Park.

In the past decade, more than 30 local and national businesses have relocated to the Mt Penang Parklands' century-old buildings. Adaptive reuse of 55 buildings, some of which are state heritage listed, provides an employment base for more than 450 people.

CCRDC leases real estate for commercial and office space use, ranging from 50m² to 500m². Occupancy rates in the business hub are high, with 95% occupancy rate in 2017-18.

Changes to CCRDC

At the time this Annual Report was tabled in NSW Parliament (31 October 2018), the NSW Government had approved the coming together of Central Coast Regional Development Corporation and the Hunter Development Corporation to create the Hunter and Central Coast Development Corporation (HCCDC). This Agency is led by Chief Executive Michael Cassel and retains the same role, responsibilities and purpose, as identified through the Act.

This outcome will enhance resources and the capability to deliver on Government's vision for the two regions. HCCDC will continue to lead city centre revitalisation in Newcastle and will bring complex skill sets to enhance deliverables on the Central Coast by creating job opportunities, providing new housing and delivering attractive public spaces connected to all forms of better transport.

Corporate governance

Executive management

CCRDC is committed to maintaining the highest standards of corporate governance.

In April 2018, The Hon. Anthony Roberts, Minister of Planning, Housing and Special Minister of State, appointed Mr Michael Cassel as the Chief Executive of the Central Coast Regional Development Corporation. Michael reports to the Minister for Planning in accordance with the terms of the Act.

Risk management process

CCRDC works within the DPE's enterprise risk management framework to mitigate and control risk.

DPE has internal audit and risk management processes in operation that are, in all material aspects, compliant with the core requirements set out in NSW Treasury Policy and Guidelines Paper Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03).

In addition to this framework, the Auditor General's Office provides independent audit and reporting on CCRDC's activities.

Audit and Risk Committee

To ensure that adequate control systems and processes are in place to safeguard the assets, reputation and sustainability of CCRDC, the Department's Audit and Risk Committee (ARC) provides independent assistance to the organisation.

The ARC is constituted and operates in accordance with the independence and governance requirements of TPP 15-03.

The ARC consists of the following members:

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.

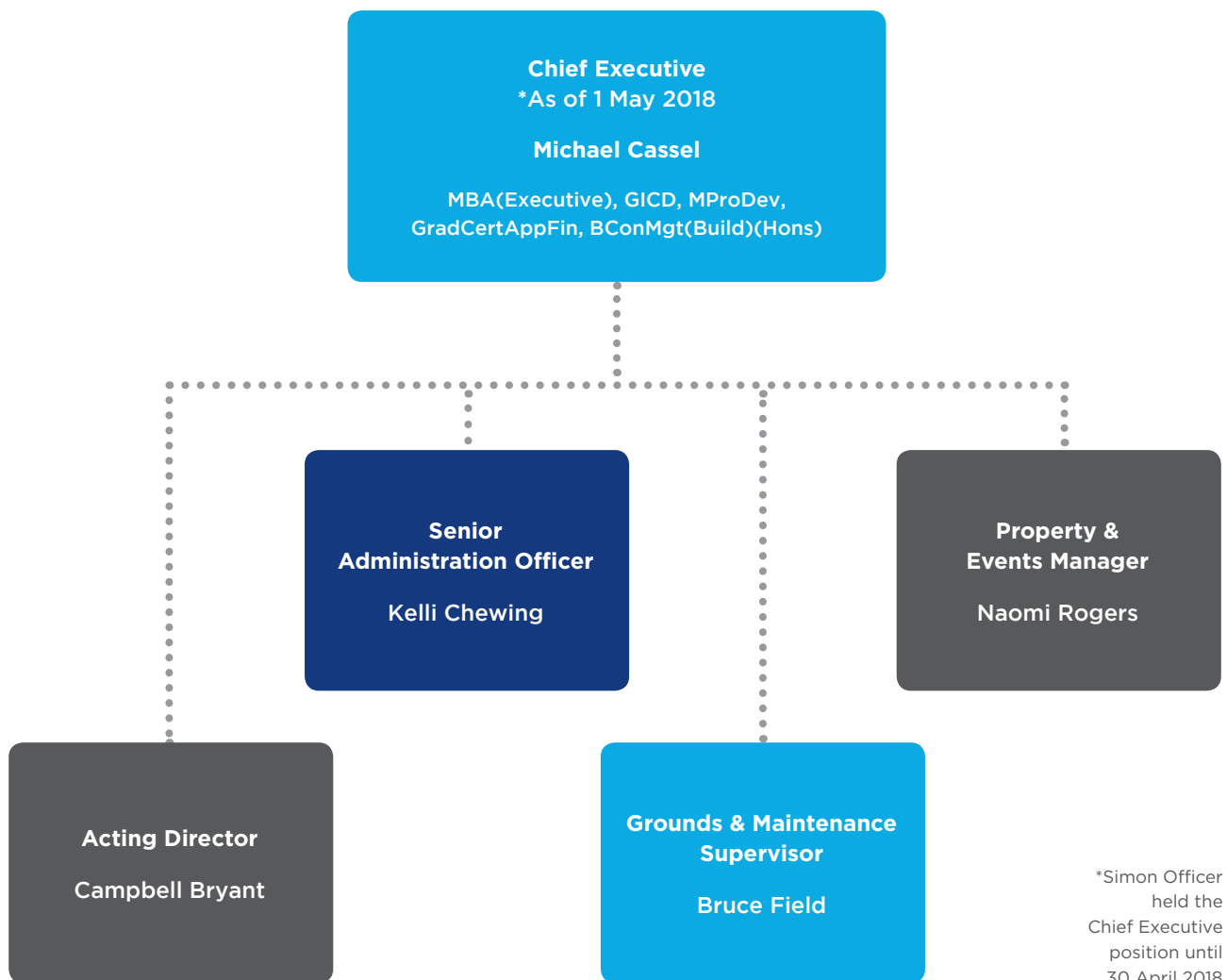
CCRDC's ARC met on five occasions in 2017-18 on the following dates:

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

Management and Structure

CCRDC utilises Cluster Corporate Services from DPE for all of its finance, procurement, human resource, IT and corporate governance support.

Below is the organisational chart for the CCRDC as at 30 June 2018.



2017-2018 Highlights



Appointment of
Michael Cassel as
Chief Executive

Ministerial announcement of
\$10 million in government funding
for regional play space and upgrade
to Leagues Club Field

Request for proposals process
for the disposal of the Kangoo Road
Commercial Precinct site

Development application lodged
by Parklands Kariong Development
Pty Ltd (part of the Stevens Group)
for a concept masterplan for the
redevelopment of the Highway
Commercial Precinct which would
see up to 500 jobs created at the
Parklands

Business & operations overview

CCRDC business operations are principally focused on Mt Penang in Kariong.

The 156 hectare Parklands site encompasses the Mt Penang Business and Education Hub, the Mt Penang Gardens and Mt Penang Event Park. The following business update is broken down into these areas of focus.

Mt Penang Parklands

Commercial development sites

To drive economic development for the region, CCRDC identified sites from the approved Mt Penang Development Control Plan that may be suitable for redevelopment.

Through this process, two sites were aligned with the necessary planning controls as suitable for commercial uses - the Highway Commercial Precinct and the Kangaroo Road Commercial Precinct. These sites were selected due to the minimal impact on the heritage significance of the Parklands that any future development would have.

The redevelopment of these sites is consistent with the planning controls for the Parklands site, and the broader regional planning for the Central Coast region, which identify Kariong and Somersby for future economic and jobs growth.

These combined developments are anticipated to create over 3000 new jobs on the site, leverage the existing infrastructure and support local industry to keep jobs in the region.

These developments will also assist with attracting people to the Parklands for employment opportunities, enhancing access to the public spaces and providing opportunities to deliver a great place to work and play.

The Highway Commercial Precinct

The Highway Commercial Precinct is located adjacent to the Central Coast Highway in the south of the Mt Penang Parklands site.

At the end of financial year 2017-18, the site was sold and awaiting settlement. The proposed future development includes the provision for new commercial uses, in accordance with the existing planning controls. This development will bring much-needed jobs to the Central Coast and help enhance the thriving Kariong business community.

As at 30 June 2018, a development application had been lodged for the site and was under consideration by Central Coast Council. The final transfer of the ownership is pending works required to subdivide the site, which is expected to commence in late 2018.

The Kangaroo Road Commercial Precinct

The Kangaroo Road Commercial Precinct is bound by Kangaroo Road in the east and the Events and Gardens Precinct in the west. At the end of financial year 2017-18, the site was sold, awaiting settlement. A master plan for the precinct is also being developed.



Asset management

Mt Penang Parklands is listed as having state heritage significance.

Before it was transformed into its current use, the area operated as a Juvenile Justice Centre for 86 years and was regarded as the most important juvenile detention centre in NSW for most of the 20th century.

The design of the buildings and layout of the site illustrates juvenile penal philosophies of the period 1912 to its closure in 1998.

Following the successful adaptive reuse of the parklands in 1999, the site now exemplifies a vibrant business and recreational hub enjoyed by the local residential and business community alike.

Ongoing asset management is guided by the Corporation's Heritage Conservation Management Plan (2017) and the Ten-year Building Asset Management Plan (2016).

In financial year 2017-18, capital works continued to be a key focus. Works included:

- continuation of the roof restoration program with a further 15% of buildings completed
- site-wide upgrade and replacement of the security alarm systems
- supply and installation of a new 2000 litre sewer pump station
- supply and installation of two new air conditioning systems
- gutter and downpipe replacement
- exterior painting and repairs of Building 41
- new footpaths
- lighting upgrades to the cricket oval.

CCRDC continued updating and reviewing compliance and reports were undertaken to ensure best practice strategic asset management, including:

- annual essential service and fire safety inspections
- annual tree safety audit done by level 4 arborist
- annual termite inspection
- Disability Discrimination Act compliance review
- bushfire and emergency evacuation plan



Mt Penang Gardens

Mt Penang Gardens is considered a regional attraction and one of the Central Coasts iconic landmarks.

The Gardens span across 8ha of landscaped vistas complementing the existing heritage character and landscape setting of Mt Penang Parklands.

The Gardens have been carefully designed to be full of character, thriving native flora and to be a place where the community can appreciate nature. Along with waterways and summer aquatic gardens, over 70% of the plants are native to Australia.



Footbridge works

The footbridge provides access to the unique attractions of Mt Penang Gardens. In 2018, CCRDC undertook necessary structural repairs to ensure it will remain safe, attractive and functional well into the future.

The footbridge is an important design aspect to the Gardens with a blue, twisted steel box beam depicting a log across a creek. This acts to invite visitors to commence their journey through the Gardens.

The final work is an attractive and much-needed improvement to the Gardens and has been well received by visitors.

Wondabyne Sculptures

CCRDC has been caretaker of the Wondabyne Sculptures since their relocation to the gardens in 2005. As part of the ongoing commitment to the historic sculptures, in October 2017, the 'birth place' (original location of the Wondabyne Sculpture Symposium) was recreated by using photography decals to turn an amenity block into a 'look-alike' Wondabyne Station. The work enhances the visitor experience and acknowledge the significance of the sculptures by playing homage to its original home in a playful way.

Bluethumb volunteers

The CCRDC Mt Penang Gardens volunteer program plays a crucial role in making the Gardens a beautiful place for the community to enjoy and discover.

Throughout 2017-18, CCRDC's 'Bluethumb' volunteers attended monthly gardening days on the first Monday of each month, as well as hosting garden, sculpture and heritage tours with the community.

The Bluethumb volunteers are garden ambassadors, conducting guided tours, assisting with events and lending a hand with the gardening. This selfless and community-inspired work ensures the Gardens remain a stunning place to visit, while also offering rewarding work for the volunteers as they develop positive relationships and lasting friendships. Their continued contribution is valued by CCRDC.

The Bluethumb volunteers are:

Allan Cragg	Richard Watts
Colin Jose	Ross Bennett
Colleen Schonhoffer	Shaun Waters
Dianne Greening	Warren Peachman
Geoff Sillar	Sue Dibley
Joan Harden	Warren Dibley
Kamil Brozka	



Mt Penang Event Park

Part of the Mt Penang Parklands has been designed specifically to host outdoor events and festivals.

The Mt Penang Event Park spans across 13ha and, at capacity, can accommodate 25,000 people.

In Financial year 2017-18, Mt Penang Event Park continued to provide the community with a variety of entertainment through its event licensing processes. A total of 17 events were held.

Successful event licensing and attracting major events generates income that allows CCRDC to continue to invest into the Mt Penang Parklands, Gardens, Event Park and more.



Music Festivals

As the home to some of the Central Coast's favourite events, the Event Park hosted the following:

- Mountain Sounds Music Festival
- Girrakool Blues Festival & BBQ
- Narara Music Festival.

The Event Park also continues to attract a range of events that entertain and delight all ages with music, art and culture.

Mountain Sounds Music Festival

Now in its fifth year at Mt Penang Event Park, the Mountain Sounds Music Festival is a boutique music, culture and art event, including onsite camping, aimed at 18-29 year olds.

The festival attracts national sponsorship through ABC broadcaster Triple J and combines a range of music genres and aesthetics in an attempt to replicate the Australian landscape, culture and way of life. Plans for future years are well developed, as this becomes a feature on the Central Coast youth music and arts calendar.

Girrakool Blues Festival & BBQ

Held under the 'Big Top' in 2018, Girrakool Blues Festival and BBQ is a cultural, blues and barbecue event held in the beautiful surrounds of the Mt Penang Event Park.

Featuring International, National and Local Blues acts, an Australasian Barbecue Alliance Barbecue Competition, Indigenous Culture and a Comedy MC, all in a New Orleans Themed Mardi Gras styled Festival. This family-friendly event was enjoyed by over 2000 attendees.

Narara Music Festival

Originally held in 1983 and 1984, the Narara Music Festival, with its mix of rock, blues and music culture, was resurrected at Mt Penang. On 5 May 2018, and in its second year, the event was enjoyed by over 1500 music fans.

The Red Hot Summer Tour

On 24 February 2018, the Red Hot Summer Tour in its first year at Mt Penang Event Park was an unequivocal success. The event was sold out within two months, entertaining over 7000 attendees with Australian pop icons John Farnham and Darryl Braithwaite. Organisers have already confirmed the festival for Mt Penang Event Park in 2019.



Significant community events

Food and Wine Festival

The Food and Wine Festival held its second annual event at Mt Penang Gardens on 10 September 2017.

Celebrating local produce, food and wine, this event was embraced by over 10,000 people. Nestled in the unique surroundings of Mt Penang Gardens, which provides appropriate settings for boutique and ambient events, families were entertained with live music, kids' activities, food trucks, food tastings, local wines and craft beer.

The Christmas Fair

On 3 December 2017, the Christmas Fair continued to impress the community with an array of food, market stalls, live music and children's activities setup. This free event had an attendance of over 15,000 people.

Mt Penang parkrun

Run solely by volunteers, the parkrun is a free community event that continues to be a popular avenue to encourage health, fitness and social inclusion.

CCRDC launched the parkrun in May 2014 and since then it has grown significantly with over 6000 participants per year. Organised weekly, this is a free, 5km timed event for all levels of fitness that winds in and out of the Mt Penang Gardens, Parklands and Event Park.

Financials

**Central Coast Regional
Development Corporation**

Annual financial statements

For the year ended 30 June 2018

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INDEPENDENT AUDITOR'S REPORT

Central Coast Regional Development Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Central Coast Regional 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 is 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:

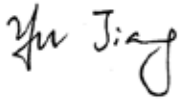
- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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 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.

A handwritten signature in black ink, appearing to read 'Yu Jiang'.

Reiky Jiang
Director, Financial Audit Services

18 September 2018
SYDNEY

Central Coast Regional 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 Central Coast Regional 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

Central Coast Regional Development Corporation
Statement of comprehensive income
for the year ended 30 June 2018

		Actual 2018 \$'000	Actual 2017 \$'000
	Notes		
Expenses excluding losses			
Operating expenses:			
Personnel services	2(a)	315	405
Other operating expenses	2(b)	1,689	1,347
Depreciation	2(c)	726	683
Finance costs	2(d)	32	19
Total expenses excluding losses		2,762	2,454
Revenue			
Sale of goods and services	3(a)	1,459	1,352
Investment revenue	3(b)	2	1
Personnel services revenue	3(c)	8	3
Other income	3(d)	-	16
Total revenue		1,469	1,372
Net result		(1,293)	(1,082)
Other comprehensive income			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Net increase in property, plant and equipment revaluation surplus	7	205	2,027
Total other comprehensive income		205	2,027
TOTAL COMPREHENSIVE INCOME		(1,088)	945

The accompanying notes form part of these financial statements.

Central Coast Regional Development Corporation
Statement of financial position
as at 30 June 2018

		Actual 2018 \$'000	Actual 2017 \$'000
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents	4	983	16
Receivables	5	31	85
Land held for sale	6	12,000	6,000
Total current assets		13,014	6,101
Non-current assets			
Property, plant and equipment			
Land and buildings	7	8,168	14,345
Plant and equipment	7	14	4
Infrastructure systems	7	10,988	11,164
Total property, plant and equipment		19,170	25,513
Total non-current assets		19,170	25,513
Total assets		32,184	31,614
LIABILITIES			
Current liabilities			
Payables	9	653	600
Provisions	10	17	14
Borrowings	11	2,894	1,291
Total current liabilities		3,564	1,905
Non-current liabilities			
Provisions	10	-	1
Total non-current liabilities		-	1
Total liabilities		3,564	1,906
Net assets		28,620	29,708
EQUITY			
Reserves		14,356	14,151
Accumulated funds		14,264	15,557
Total equity		28,620	29,708

The accompanying notes form part of these financial statements.

Central Coast Regional Development Corporation
Statement of changes in equity
for the year ended at 30 June 2018

	Notes	Accumulated funds \$'000	Asset revaluation surplus \$'000	Total \$'000
Balance at 1 July 2017		15,557	14,151	29,708
Net result for the year		(1,293)	-	(1,293)
Other comprehensive income				
Net increase in property, plant and equipment	7	-	205	205
Total other comprehensive income		-	205	205
Total comprehensive income for the year		(1,293)	205	(1,088)
Balance at 30 June 2018		14,264	14,356	28,620
Balance at 1 July 2016		16,639	12,124	28,763
Net result for the year		(1,082)	-	(1,082)
Other comprehensive income				
Net increase in property, plant and equipment	7	-	2,027	2,027
Total other comprehensive income		-	2,027	2,027
Total comprehensive income for the year		(1,082)	2,027	945
Balance at 30 June 2017		15,557	14,151	29,708

The accompanying notes form part of these financial statements.

Central Coast Regional Development Corporation
Statement of cash flows
for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Actual 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(312)	(425)
Other		(1,816)	(1,533)
Total payments		(2,128)	(1,958)
Receipts			
Sale of goods and services		1,671	1,472
Interest received		2	1
Other		(3)	43
Total receipts		1,670	1,516
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	(458)	(442)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment & leasehold improvements		(178)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(178)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,603	365
NET CASH FLOWS FROM FINANCING ACTIVITIES	11	1,603	365
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		967	(77)
Opening cash and cash equivalents		16	93
CLOSING CASH AND CASH EQUIVALENTS	4	983	16

The accompanying notes form part of these financial statements.

Central Coast Regional Development Corporation

Notes to the financial statements

for the year ended 30 June 2018

1. Summary of significant accounting policies

(a) Reporting entity

Central Coast Regional 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.

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 Corporation's 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.

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 entity'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 GST, except that the:

- amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of 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.

(e) Comparative information

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

Central Coast Regional Development Corporation

Notes to the financial statements (cont'd)

for the year ended 30 June 2018

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

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

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

Reporting requirements under AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* have been implemented for the first time in 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 TPP 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.

Central Coast Regional Development Corporation

Notes to the financial statements (cont'd)

for the year ended 30 June 2018

2. Expenses excluding losses

(a) Personnel Services

	2018 \$'000	2017 \$'000
Salaries and wages (including recreation and long service leave)	275	353
Superannuation	24	32
Payroll tax and fringe benefit tax	16	20
	315	405

Refer to Note 10 for the recognition and measurement of Employee benefits.

(b) Other operating expenses

Auditor's remuneration - audit of the financial statements	35	35
Contractors	226	215
Fees for services	141	117
Corporate shared services expenses	134	132
Publicity and promotion	42	33
Telecommunication	6	7
Insurance	67	72
Cleaning and utilities	266	258
Motor vehicle	9	9
Maintenance	732	405
Other	31	64
	1,689	1,347

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.

(c) Depreciation expense

Buildings	241	228
Plant and equipment	2	1
Infrastructure systems	483	454
	726	683

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

(d) Finance costs

Interest expense on TCorp borrowings	32	19
	32	19

Recognition and measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate to not-for-profit NSW General Government Sector entities.

Central Coast Regional Development Corporation

Notes to the financial statements (cont'd)

for the year ended 30 June 2018

3. Revenue

(a) Sale of goods and services

	2018	2017
	\$'000	\$'000
Property rental revenue	1,402	1,286
Garden and event revenue	57	66
	<u>1,459</u>	<u>1,352</u>

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.

Rental income

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

(b) Investment revenue

Bank interest	2	1
	<u>2</u>	<u>1</u>

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.

(c) Personnel services revenue

Long service leave assumed by the Crown Finance Entity	8	3
	<u>8</u>	<u>3</u>

(d) Other income

Fee income	-	16
	<u>-</u>	<u>16</u>

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

4. Current assets - cash and cash equivalents

	2018	2017
	\$'000	\$'000
Cash at bank or on hand	983	16
	983	16

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short-term deposits with a maturity of three months or less, which are insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial period to the Statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	983	16
Closing cash and cash equivalents (per statement of cash flows)	983	16

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

5. Current assets - receivables

	2018	2017
	\$'000	\$'000
GST receivables	8	6
Sundry debtors	23	79
	31	85

Details regarding credit risk, liquidity risk, and market risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

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.

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.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

6. Current assets – land held for sale

	2018	2017
	\$'000	\$'000
Land held for sale	12,000	6,000

These are land assets which have been identified as surplus land. The disposal process has reached the final stages and the sale is highly expected to be completed within the next financial year.

Recognition and measurement

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

7. Non-current assets – property, plant and equipment

	Land and buildings \$'000	Plant and equipment \$'000	Infrastructure systems¹ \$'000	Total \$'000
At 1 July 2017 - fair value				
Gross carrying amount	29,802	21	16,625	46,448
Accumulated depreciation	(15,457)	(17)	(5,461)	(20,935)
Net carrying amount	14,345	4	11,164	25,513
At 30 June 2018 - fair value				
Gross carrying amount	24,928	22	17,259	42,209
Accumulated depreciation	(16,760)	(8)	(6,271)	(23,039)
Net carrying amount	8,168	14	10,988	19,170

Note 1. Infrastructure systems consist of gardens, car parks, lightings and fences.

Reconciliation

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

	Land and buildings \$'000	Plant and equipment \$'000	Infrastructure systems \$'000	Total \$'000
Year ended 30 June 2018				
Net carrying amount at start of year	14,345	4	11,164	25,513
Additions	20	12	146	178
Net revaluation increment *	44	-	161	205
Transfer to non-current assets held for sale	(6,000)	-	-	(6,000)
Depreciation expense	(241)	(2)	(483)	(726)
Net carrying amount at end of year	8,168	14	10,988	19,170

* A Comprehensive revaluation of land, buildings and an interim revaluation of infrastructure assets was undertaken by Colliers International, a qualified valuer, at 31 March 2018. A net revaluation increment has been recorded as the value was considered material. Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 8.

Central Coast Regional Development Corporation

Notes to the financial statements (cont'd)

for the year ended 30 June 2018

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

	Land and buildings \$'000	Plant and equipment \$'000	Infrastructure systems \$'000	Total \$'000
At 1 July 2016 - fair value				
Gross carrying amount	28,571	21	15,829	44,421
Accumulated depreciation	(15,229)	(16)	(5,007)	(20,252)
Net carrying amount	13,342	5	10,822	24,169
At 30 June 2017 - fair value				
Gross carrying amount	29,802	21	16,625	46,448
Accumulated depreciation	(15,457)	(17)	(5,461)	(20,935)
Net carrying amount	14,345	4	11,164	25,513

Reconciliation

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

	Land and buildings \$'000	Plant and equipment \$'000	Infrastructure systems \$'000	Total \$'000
Year ended 30 June 2017				
Net carrying amount at beginning of year	13,342	5	10,822	24,169
Net revaluation increment *	1,231	-	796	2,027
Depreciation expense	(228)	(1)	(454)	(683)
Net carrying amount at end of year *	14,345	4	11,164	25,513

* An interim revaluation of land, buildings and infrastructure assets was undertaken by Colliers International, a qualified valuer, at 30 June 2017. Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 8.

Recognition and measurement

Acquisition of property, plant and equipment

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

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

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.

Central Coast Regional Development Corporation

Notes to the financial statements (cont'd)

for the year ended 30 June 2018

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

Recognition and measurement (cont'd)

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 property, 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.

The following are the depreciation rates:

Computers	25%
Plant and equipment	12.5% to 20%
Buildings	1.25% to 5%
Land	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.

Property, 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.

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

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

Fair value of property, 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 8 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Corporation conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

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

Recognition and measurement (cont'd)

Revaluation of property, plant and equipment (cont'd)

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 entity, 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 property, plant and equipment are reviewed at each financial year end.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, 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.

As a not-for-profit entity, 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.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

8. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

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.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the Corporation can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Corporation recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair value hierarchy

2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 7)				
Land and buildings	-	8,168	-	8,168
Infrastructure systems		10,988	-	10,988
	-	19,156	-	19,156
2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 7)				
Land and buildings	-	14,345	-	14,345
Infrastructure systems	-	11,164	-	11,164
	-	25,509	-	25,509

There were no transfers between Level 1 or 2 during the year.

(b) Valuation inputs, techniques and processes

The Corporation engaged Colliers International to provide an independent valuation advice on the land, building and infrastructure systems assets. The valuation is in compliance with relevant requirements as set out in Treasury Policy TPP 14-01 and Australian Accounting Standard AASB 13 and AASB 116. The fair value hierarchy for these assets is considered to be at Level 2.

Method of valuation: Cost approach

This valuation method applies to buildings and infrastructure systems based on construction costs.

These assets are held at cost less depreciation i.e. based on the amount required to replace the service potential of an asset (often referred to as current replacement cost), that is the cost to acquire or construct a similar asset, adjusted for physical deterioration and all forms of obsolescence.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

8. Fair value measurement of non-financial assets (cont'd)

(b) Valuation inputs, techniques and processes (cont'd)

Method of valuation: Market approach

This valuation method applies to land based on prices and other relevant information generated by market transactions involving identical or similar assets.

The valuer estimated that the range per hectare for the land has changed to reflect the new Local Environmental Plan (LEP) together with the Development Control Plan (DCP) which provides more certainty as to what development can occur on the property.

Plant and equipment

These assets are not included in the table above because they are measured at depreciated historical cost as an approximation of fair value.

9. Current liabilities - payables

	2018	2017
	\$'000	\$'000
Personnel services - accrued salaries, wages and on-costs	6	5
Creditors	108	46
Unearned revenue	104	95
Rental and security deposits	355	375
Accrued expenses	80	79
	653	600

Details regarding liquidity risk, including a maturity analysis of the above payable, are disclosed in Note 15.

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.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

10. Current / non-current liabilities – provisions

	2018 \$'000	2017 \$'000
Personnel services provision (current)	17	14
	17	14
Personnel services provision (non-current)	-	1
	-	1
Personnel services benefits expected to be settled within 12 months from reporting date		
Recreation leave	12	10
	12	10
Personnel services benefits expected to be settled after 12 months from reporting date		
Recreation leave	5	5
	5	5
Aggregate personnel services		
Provisions	17	15
Personnel services - accrued salaries, wages and on-costs (Note 9)	6	5
	23	20

Recognition and measurement

Personnel services and related on-costs

Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

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.

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 'Long service leave assumed by Crown Finance Entity' described as personnel services revenue in note 3(c).

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

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

Recognition and measurement (cont'd)

Long service leave and superannuation (cont'd)

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.

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.

11. Current liabilities – borrowings

	2018	2017
	\$'000	\$'000
TCorp borrowings*		
Balance at beginning of year	1,291	926
Borrowings during the year	1,603	365
	2,894	1,291

*The borrowing is unsecured. Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 15.

Recognition and measurement

Borrowings classified as financial liabilities at amortised cost are 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 net result when the liabilities are derecognised as well as through the amortisation process.

Finance lease liabilities are determined in accordance with AASB 117.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

12. Commitments

	2018 \$'000	2017 \$'000
Commitments - operating lease expenditure		
Future non-cancellable operating lease rentals not provided for and payable:		
Within one year	5	6
Later than 1 year and not later than 5 years	-	5
Total (including GST)	5	11

The Corporation has entered into operating lease agreements with third parties for provision of motor vehicles.

The total commitments above include input tax credits of \$411 (2017: \$1,000) that are expected to be recoverable from the Australian Taxation Office.

	2018 \$'000	2017 \$'000
Commitments - property rental revenue		
Future non-cancellable property rental revenue not provided for and receivable:		
Within one year	1,245	1,231
Later than one year and not later than five years	934	1,865
Later than five years	55	69
Total (including GST)	2,234	3,165

The Corporation has entered into lease agreements with third parties for leasing properties.

The total commitments above include output tax credits of \$203,099 (2017: \$287,727) that are expected to be payable to the Australian Taxation Office.

13. Contingent liabilities and contingent assets

A contingent liability is a possible liability that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation. A contingent asset is the opposite of a contingent liability.

As at 30 June 2018, the Corporation does not have any contingent liabilities nor contingent assets (2017: nil).

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 is as follows:

	2018 \$'000	2017 \$'000
Net cash flows used on operating activities	(458)	(442)
Depreciation	(726)	(683)
(Decrease) in receivables	(54)	(2)
(Increase)/decrease in payables	(53)	24
(Increase)/decrease in provisions	(2)	21
Net result	(1,293)	(1,082)

15. 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 trade financial instruments, including derivative financial instruments, for speculative purposes.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

15. Financial instruments (cont'd)

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

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls to monitor risks. Compliance with policies is reviewed by the Corporation on a regular basis.

(a) Financial instrument categories

Class	Note	Category	Carrying amount 2018 \$'000	Carrying amount 2017 \$'000
<u>Financial assets</u>				
Cash and cash equivalents	4	N/A	983	16
Receivables ¹	5	Loans and receivables (at amortised cost)	23	79
<u>Financial liabilities</u>				
Payables ²	9	Financial liabilities measured at amortised cost	194	130
Borrowings	11	Financial liabilities measured at amortised cost	2,894	1,291

Notes

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

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

The Corporation determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(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 Corporation 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.

(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.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

15. Financial instruments (cont'd)

(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 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 Corporation, 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 through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances 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 uncollectible 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 a 30-day term. 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 (2018: \$13,350; 2017: \$73,917) and less than 3 months past due (2018: \$9,952; 2017: \$4,660) are not considered impaired.

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}	Neither past	Past due but	Considered
	\$'000	due, nor	not impaired	impaired
		\$'000	\$'000	\$'000
2018				
Current	13	13	-	-
< 3 months overdue	10	-	10	-
3 months - 6 months overdue	-	-	-	-
> 6 months overdue	-	-	-	-
2017				
Current	74	74	-	-
< 3 months overdue	5	-	5	-
3 months - 6 months overdue	-	-	-	-
> 6 months overdue	-	-	-	-

Notes

1. Each column in the table reports 'gross receivables'.

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

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

15. Financial instruments (cont'd)

(d) Financial risks (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.

	2018	2017
	\$'000	\$'000
TCorp 'Come and Go" facility	7,000	7,000
Sums drawn	(2,894)	(1,291)
Unused facility	4,106	5,709

During the current year, there was no defaults of loans repayable. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

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. For small business suppliers, where terms are not specified, payment is made not later than 30 days from the receipt of a correctly rendered invoice.

For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of the Corporation (or a person appointed by the Head of the Corporation) may automatically pay the supplier simple interest. The rate of interest applied during the year was 9.77% (2017: 9.78%).

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

Maturity Analysis and interest rate exposure of financial liabilities

	Weighted average effective Int. rate (%)	Nominal Amount¹	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non- Interest Bearing	< 1 year	1 -5 years	> 5 years
2018								
Payables	N/A	194	-	-	194	194	-	-
TCorp borrowings ²	2.26	2,894		2,894	-	2,894	-	-
		3,088	-	2,894	194	3,088	-	-
2017								
Payables	N/A	130			130	130		
TCorp borrowings	1.65	1,291	1,291		-	1,291		
		1,421	1,291	-	130	1,421	-	-

Notes

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.

2. In accordance with TCorp's pricing policy update from 1 March 2018, the marginal cost of funding is based on the 3 month Bank Bill Swap Rate (BBSW), instead of Reserve Bank of Australia cash rate, plus a Margin of 15 basis points.

Central Coast Regional Development Corporation
Notes to the financial statements (cont'd)
for the year ended 30 June 2018

15. Financial instruments (cont'd)

(d) Financial risks (cont'd)

(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's exposures to market risks are primarily through interest rate risk on the Corporation's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. 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.

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 RBA 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 amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
2018					
<i>Financial assets:</i>					
Cash and cash equivalents	983	(10)	(10)	10	10
<i>Financial liabilities:</i>					
TCorp borrowings	2,894	29	29	(29)	(29)
2017					
<i>Financial assets:</i>					
Cash and cash equivalents	16	-	-	-	-
<i>Financial liabilities:</i>					
TCorp borrowings	1,291	13	13	(13)	(13)

Central Coast Regional Development Corporation Notes to the financial statements (cont'd)

for the year ended 30 June 2018

15. Financial instruments (cont'd)

(e) Fair value measurement

The Corporation has not disclosed the fair values for financial instruments such as short-term payables and cash and cash equivalents, because of their short-term nature, their carrying amounts are a reasonable approximation of fair values.

The Corporation undertakes borrowings with NSW TCorp. The Corporation is able to draw down or repay funds on same-day notice up to an approved facility limit. Interest is accrued on daily balance and is capitalised on the first business day of the following month. The loans are initially recognised in the Statement of financial position at their fair values plus transaction costs. The fair value of the borrowings is estimated for disclosure purposes and are considered to be level 2.

	2018 Carrying amount \$'000	2018 Fair value \$'000	2017 Carrying amount \$'000	2017 Fair value \$'000
Financial Liabilities				
Borrowings	2,894	2,894	1,291	1,291

16. Related party disclosure

(a) Key management personnel compensation

During the year, the Corporation did not incur any costs in respect of the key management personnel services as these are provided by the Department of Planning and Environment, and the Corporation is not required to make reimbursement.

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

The Corporation did not provide any non-monetary benefits to Cabinet Ministers, their close family members or entities controlled or jointly controlled thereof during the year.

(b) Transactions with key management personnel

The Corporation did not enter into any related party transactions with Key management personnel, their close family members or entities controlled or jointly controlled thereof during the year.

(c) Transactions with Government related entities

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

- Personnel service expense paid to the Department of Planning and Environment of \$0.3 million (2017: \$0.4 million), of which, \$0.001 million (2017: \$0.001 million) is recognised as accrued expense at year end;
- Corporate shared service fees paid to the Department of Planning and Environment of \$0.1 million (2017: \$0.1 million);

The Corporation also entered into other transactions with entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions are conducted at arm's length and are not individually a significant portion of the Corporation's activities. These include services from NSW Audit Office, NSW Self Insurance Corporation, Crown Finance Entity and other NSW Government entity providers.

17. Events after the reporting period

In July 2018, the Minister for Planning approved the combination of the Corporation and Hunter Development Corporation (HDC) 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, CCRDC is required to include in this report information on the following topics:

Topic	Comment / location
Letter of Submission	Page 4
Charter	Page 6
Aims and objectives	Page 6
Access	Inside cover
Management and structure	Page 8
Summary review of operations	Page 11
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 CCRDC.
Economic or other factors	Appendix B (ii)
Research and development	CCRDC 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 CCRDC
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 Central Coast Regional Development Corporation	Appendix B(x)
Disclosure of Controlled Entities	CCRDC 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 <i>Treasurer's Direction 205.01</i> , credit card usage during the reporting period was in accordance with relevant Government policy, Premier's memoranda and Treasurer's directions.
Public availability of annual reports	CCRDC'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, CCRDC is required to include in this report information on the following topics:

(i) Funds granted to non-government organisations FINANCE

Sponsorships

CCRDC did not grant any non-government organisations with funds or sponsorships during 2017-2018 financial year.

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

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

(iii) Human Resources

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

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

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 OPERATIONS/FINANCE

During the year, CCRDC had two land disposals; Mt Penang Highway Precinct and Kangoo Road Precinct.

Prior approval was sought from the Minister. Proceeds from the sales are utilised in CCRDC's operations as well as delivering community works. The sales occur on commercial terms and, as such, contract documentation is treated as "Commercial in Confidence". Access to documents relating to the disposal can be obtained under the Government Information (Public Access) Act 2009.

(v) Promotion – Overseas Visits

During the year there were no overseas visits.

(vi) Consumer Response

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

CCRDC welcomes suggestions and feedback from clients for improvements and changes. Complaints are handled quickly in consultation with the client. Contact the CE, Central Coast Regional Development Corporation.

(vii) **Payment of Accounts**

(a) Aged Analysis at the end of each quarter

Quarter	Current (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days Overdue	More than 90 days Overdue
All suppliers					
September	408,803	21,081	-	-	-
December	526,069	-	-	-	-
March	340,698	482	-	-	-
June	583,058	14,354	0	0	5,054
Small business suppliers					
September	29,447	-	-	-	-
December	4,511	-	-	-	-
March	28	-	-	-	-
June	209	-	-	-	-

(b) Accounts due or paid within each quarter

Measure	Sep 2017	Dec 2017	Mar 2018	Jun 2018
All Suppliers				
Number of accounts due for payment	132	114	90	115
Number of accounts paid on time	128	114	89	110
Actual percentage of accounts paid on time (based on number of accounts)	97.0%	100.0%	98.9%	95.7%
Dollar amount of accounts due for payment	429,884	526,069	341,180	602,466
Dollar amount of accounts paid on time	408,803	526,069	340,698	583,058
Actual percentage of accounts paid on time (based on \$)	95.1%	100.0%	99.9%	96.8%
Number of payments for interest on overdue accounts	-	-	-	
Interest paid on overdue accounts	-	-	-	

Measure	Sep 2017	Dec 2017	Mar 2018	Jun 2018
Small business suppliers				
Number of accounts due for payment to small businesses	15	9	2	4
Number of accounts due to small businesses paid on time	15	9	2	4
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	29,447	4,511	28	209
Dollar amount of accounts due to small businesses paid on time	29,447	4,511	28	209
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

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

CCRDC is a member of the NSW Treasury Managed Fund, which provides all necessary insurance cover for CCRDC'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 Central Coast Regional Development Corporation

I, Michael Cassel, Chief Executive, am of the opinion that the Central Coast Regional 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 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	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

Central Coast Regional Development Corporation

Signed 25.09.18

(x) Digital Information Security Annual Attestation Statement for the 2017-18 Financial Year for the Central Coast Regional Development Corporation

I, Michael Cassel, am of the opinion that the Central Coast Regional 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 Central Coast Regional 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

Central Coast Regional 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**

CCRDC adopts the principle of proactive release of information as described in the GIPA Regulation. That is, CCRDC 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.

CCRDC 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 CCRDC'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 CE on advice from the Manager of Administration and Governance and the 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 CCRDC 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 CCRDC 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	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

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

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

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

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

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

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

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

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
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 CCRDC	0
Number of public interest disclosures received by CCRDC in total	0
Number of public interest disclosures received by CCRDC relating to each of the following:	
▪ corrupt conduct	0
▪ maladministration	0
▪ serious and substantial waste of public money	0
government information contraventions	
Number of public interest disclosures finalised	0

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