



Hunter & Central Coast  
Development  
Corporation

# 2018-19 Annual Report





Hunter & Central Coast  
Development  
Corporation

## Hunter and Central Coast Development Corporation

ABN 94 688 782 063

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### Newcastle (Head Office)

**Office** Suite B, Level 5, 26 Honeysuckle Drive  
Newcastle NSW 2300

**Post** PO Box 813  
Newcastle NSW 2300

**Phone** 02 4904 2750

**Fax** 02 4904 2751

**Hours** 9.00am to 5.00pm  
Monday to Friday

### Central Coast

**Office** Building 22, Carinya Street  
Kariong NSW 2250

**Post** PO Box 7120  
Kariong NSW 2250

**Phone** 02 4345 4450

**Hours** 9.00am to 5.00pm  
Monday to Friday

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This annual report has been produced by Hunter and Central Coast Development Corporation staff. The annual report is a reflection of business activities and financial transactions undertaken in financial year 2018-19. 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](http://www.hccdc.nsw.gov.au)

31 October 2019

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# Letter to the Minister

31 October 2019

The Hon. Rob Stokes, MP

Minister for Planning and Public Spaces Parliament House  
52 Martin Place  
SYDNEY NSW 2000

Dear Minister,

Please find enclosed the annual report of the Hunter and Central Coast Development Corporation for the year ended 30 June 2019.

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

Yours sincerely,



Valentina Misevska  
Acting Chief Executive

Hunter and Central Coast Development  
Corporation



Alison Frame  
Group Deputy Secretary

Housing and Property group  
Department of Planning, Industry and Environment





# Chief Executive's report

**Michael Cassel**

I'm happy to confirm that 2018-19 was another successful and productive year for the Hunter and Central Coast Development Corporation.

By collaborating with our community, industry and government partners, we've achieved world-class outcomes for the people of the Hunter and Central Coast regions.

These outcomes include the completion of new public domain, commencement of significant multi-million-dollar infrastructure projects and the detailed design for regional play spaces.

Our work continues to change the face of the regions in which we operate, and 2018-19 was another year of significant progress.

## A purpose-built agency

In October 2018, government announced the coming together of the Hunter Development Corporation (HDC) and the Central Coast Regional Development Corporation (CCRDC) to create a purpose-built team to deliver on government's commitments across the Hunter and Central Coast regions. The result has been a more robust agency, better-equipped to grow strong, sustainable economies and thriving communities in both regions.

It has also resulted in efficiencies, with a more dynamic and highly skilled team able to apply shared learnings and deliver exciting projects in new areas, such as the Gosford Leagues Club Field regional park and playground, and the events and activation of The Station in Newcastle.

We will continue to work with our stakeholders to create positive outcomes for both regions, build confidence for investment and create public spaces that attract people, jobs and business into the greater Newcastle and Gosford areas.



## Land repurposing

Our outstanding track record of land management to allow re-investment into the community continued in 2018-19. Significant divestments included 29,742 m<sup>2</sup> of land, creating development opportunities for new homes, spaces for business and retail, and the introduction of new public domain.

The repurposing of land provides income for us to continue to reinvest in our communities through infrastructure works and activating vibrant public spaces, including inner-city plazas, restoration of heritage buildings and new harbourside promenades.

## Meeting objectives

As an organisation mandated with the responsibility of promoting, co-ordinating, managing and securing the orderly and economic development of our growth centres, we continued to deliver on our operational commitments to planning and infrastructure throughout 2018-19.

Our vision and objectives reflect state priorities and are in line with our mandate through the Growth Centres (*Development Corporations*) Act 1974 (the Act).

### Vision:

HCCDC aims to strengthen the Hunter and Central Coast regions by enhancing economic and community capacity. We unlock complex challenges and work with stakeholders to grow diverse jobs and create more homes and attractive lifestyle opportunities.

### Objectives:

- Deliver strategic outcomes to grow economic capacity and enhance communities.
- Drive industry diversification to grow more jobs to attract and retain talent to the regions.
- Create engaging, sustainable and attractive public spaces, connected to better transport options.
- Unlock opportunities and realise the full potential of government land and assets.
- Respect existing character, culture and heritage.
- Work in collaboration and partnership with community and stakeholders.

Our work is also supporting state initiatives, such as the implementation of the Hunter Regional Plan 2036 and the release of the Greater Newcastle Metropolitan Plan 2036 in September 2018.

On the Central Coast, we support the outcomes of the government Architect NSW's Gosford Urban Design Framework, which helps shape the continued development and renewal of the city. Projects are underway to help Gosford reach its potential as a regional capital, including the transformation of 2.4 ha of public domain at Leagues Club Field.



**Before**



**After**



## Revitalisation

We continued to change the economic, cultural and community landscapes of our regions in 2018-19, with several transformation projects reaching major milestones.

The Revitalising Newcastle program continued to play an instrumental role in government's objectives of bringing people into the city, opening connections through the former rail corridor, creating great places and community assets, as well as supporting the city's economic and cultural growth.

This included the opening of Market Street Lawn, the letting of the Newcastle Signal Box with construction getting underway, the completion of heritage works at The Station, the commence of construction for Museum Place and the significant activation of The Station precinct.

More broadly, significant public domain plans were released for the final transformation of Honeysuckle as part of \$55 million infrastructure package. This included major seawall works along the Honeysuckle waterfront, which got underway during 2018-19.

In Gosford, final plans were announced to transform Leagues Club Field into a stunning regional play space. Comprised of nature-inspired play areas, picnic space, a playing field and a unique tidal waterway, Leagues Club Field will create a drawcard destination in the Gosford CBD.



## Cross-government collaboration

An ongoing theme of our work is continued and effective cross-government collaboration. This is demonstrated in the Revitalising Newcastle program and the ongoing coordination between multiple government agencies, such as HCCDC, Transport for NSW, Property NSW, Crown Lands, Office of Environment and Heritage, Roads and Maritime Services, local government and Traditional Owners. This also informs the way we operate on the Central Coast and I am incredibly proud of our close collaboration with the Darkinjung Local Aboriginal Land Council in the design of the playground and park.

In March 2019, the government was re-elected and changes were ultimately made to create the Department of Planning, Industry and Environment. These changes were made effective 1 July 2019, and so at the time of print, HCCDC sat in the Housing and Property group, within the new department.

At the time of print, I had also accepted the role of Chief Executive at the Land and Housing Corporation, and Valentina Misevska was made Acting Chief Executive for the Hunter and Central Coast Development Corporation.

In summary, I'd like to thank the HCCDC team and the community stakeholders for their ongoing support and dedication through a period of significant development and growth.

I look forward to seeing what can be achieved in 2019-20 and I wish Valentina and the team every success for the future.

**Michael Cassel.**



# About us

The Hunter and Central Coast Development Corporation (HCCDC) is a NSW Government agency responsible for the planning and delivery of economic and urban development in the Hunter and Central Coast regions. It was renamed in 2018, with the coming together of the Hunter Development Corporation (HDC) and the Central Coast Regional Development Corporation (CCRDC).

HCCDC is constituted under the Act with a growth area that encompasses 11 local government areas, including 10 in the Hunter Region and one on the Central Coast. In addition, we work alongside other government agencies, local councils, key stakeholders and the community, to deliver quality outcomes that benefit and enhance our regions.



## Purpose

Subject to the Act, we are charged with the responsibility of promoting, co-ordinating, managing and securing the orderly and economic development of our growth centres.

We deliver government's vision for growing diverse, thriving economies. We enhance economic and community capacity by creating new homes, employment opportunities and vibrant community spaces.

We manage a range of government's strategic properties in the regions, repurposing them into community-enhancing assets.

We are typically a self-funded agency, and rely on the sale of underutilised and industrial lands to reinvest into the community and fund new projects.

## Nature and scope of activities

HCCDC, and our respective past roles as HDC and CCRDC, has long been a leader in city-changing outcomes on behalf of government. Our skill set is in taking complex sites or contaminated lands and creating outcomes that facilitate economic stimulation, community engagement, and attractive investment opportunities.

Our role is to predominately use government-owned lands and work through complex challenges to attract the private market to invest. We also lead government funds, such as the Newcastle Mines Grouting Fund to help mitigate developer risk and attract investment in the CBD.

Significant projects for HCCDC include the cornerstone Honeysuckle Urban Renewal Project, Revitalising Newcastle program, the remediation and rehabilitation of former BHP lands at Mayfield and Kooragang Island, the redevelopment of Leagues Club Field in Gosford, the care and management of Mount Penang Parklands, including the divestment of lands to create significant economic catalyst for the Central Coast.



# Corporate governance

HCCDC is a chief executive-governed entity, as provided for by the Act. As at 30 June 2019, we were part of the Department of Planning and Environment (the department) cluster and subject to the direction of the Minister for Planning and Housing .

In the last financial year, we worked closely with the department to ensure that we operated within the governance framework and all activities complied with relevant laws and directions, while meeting community expectations of probity, accountability and transparency.

We have adopted the department's risk management framework, which means that enterprise risks have been identified and incorporated into a comprehensive business planning process.

As an organisation, we are committed to continual operational improvement and transparency. In November 2018, we launched a new sponsorship and membership policy to formalise a consistent and best practice approach to evaluation and approval processes. Working with the department legal team, this new policy further ensures that all granted sponsorships and memberships align with our strategic objectives.

We also launched our Review of Environmental Factors (REF) policy in June 2019. This outlines REF requirements and determines the processes that we will follow in the development and determination of a REF.

During 2018-19, in line with Treasury Policy and Guidelines Paper TPP 16-02 Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees, the department maintained a shared arrangement with several agencies, including HCCDC.

The department shared arrangement audit and risk committee members for the reporting period were:

- Peter Lucas
- Brian Blood
- Alan Zammit
- Elizabeth Crouch.

Members attended the meetings listed below during the 1 July 2018 to 30 June 2019 period:

- 20 July 2018
- 13 September 2018
- 15 November 2018
- 21 March 2019
- 17 April 2019
- 20 June 2019.

Refer to the Internal Audit and Risk Management Attestation Statement for more information on the committee. The department maintains an internal audit function that seeks to evaluate and improve the effectiveness and efficiency of governance, risk management, legislative compliance and internal control processes. The department's internal auditor is externally sourced, with services provided by Ernst and Young.

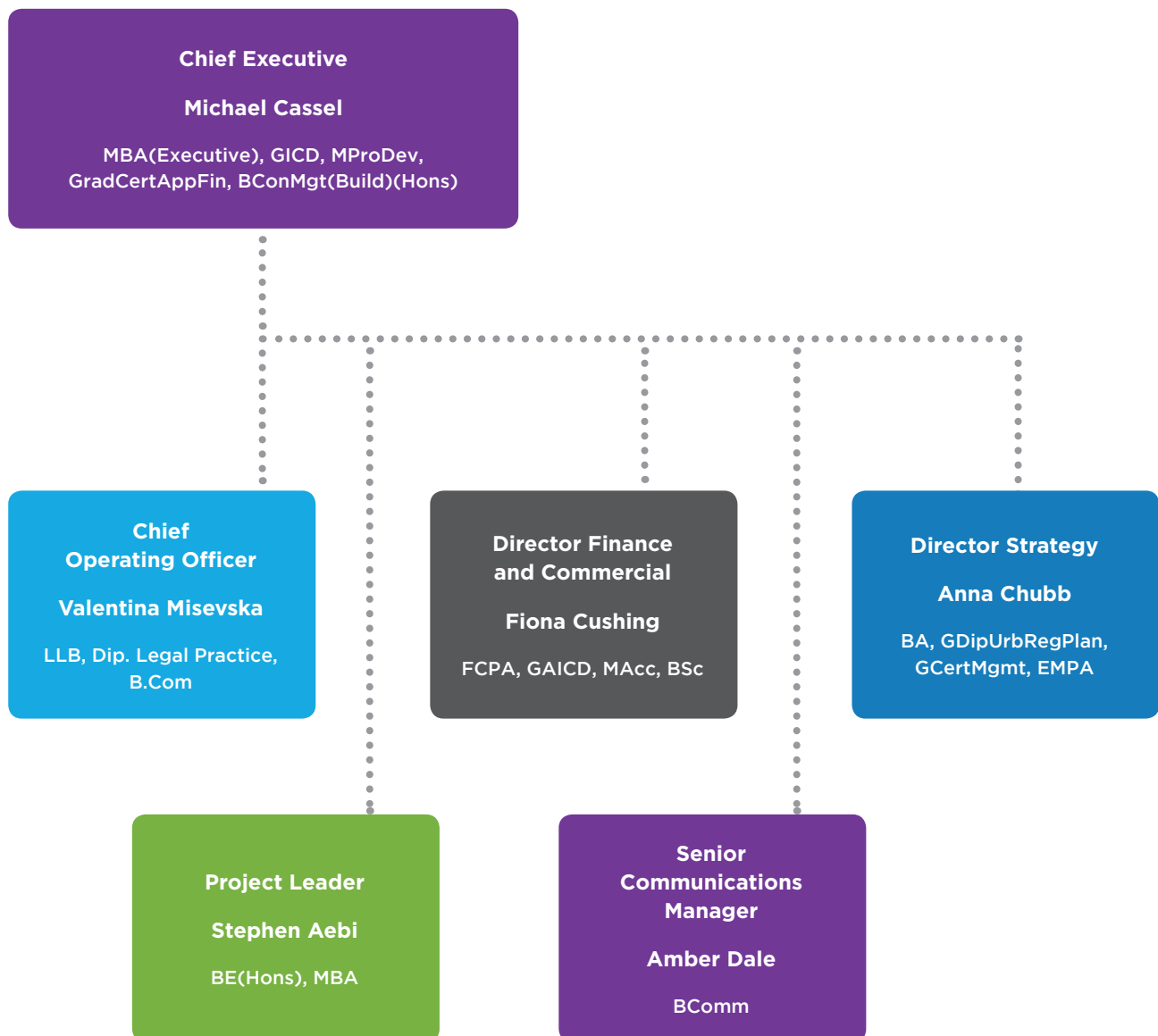
<sup>1</sup> From 1 July 2019, HCCDC joined the Housing and Property group within the newly formed Department of Planning, Industry and Environment cluster, reporting to the Minister for Planning and Public Spaces.

## Management and structure - senior leadership team

The HCCDC leadership team has vast experience in strengthening communities through the delivery of dynamic and complex urban development projects and programs.

The team works in partnership with government agencies and local stakeholders to deliver quality projects that transform the Hunter region.

As at 30 June 2019





# Communications and sponsorship

## Communications

HCCDC is serviced by an inhouse communications team that delivers government relations, media, project communications, marketing, graphic design and corporate communication services.

The function of the team includes liaising with internal government stakeholders, facilitating media opportunities and enquiries, leading activation and placemaking on HCCDC owned lands, as well as day to day functions to deliver corporate collateral, strategic project support and marketing materials that help inform the public.





14,000+  
website  
visits

34,000+  
webpage  
views



# Brand and tools

In 2018-19, the communications team led the public messaging and rebrand around the merger between CCRDC and HDC to create HCCDC. At this time, an updated website was relaunched to accurately capture the projects being led by the organisation across both the Hunter and Central Coast regions.

Stakeholder feedback on the new HCCDC website is very positive. Since the launch in October 2018, and up until 30 June 2019, there have been more than 14,000 site visits and more than 34,000 pages viewed. This is far and away the highest engagement we have had on our website platform, which talks to the community's interest in our projects and the importance of current and relevant information.

An extensive review of our social media channels was also undertaken in 2019, with a holistic social media framework developed. This framework helps ensure that we're using our digital communication channels to their full potential and allows us to better directly engage our stakeholders. While new channels were established during this period, there will be a much stronger focus on best practice and audience growth in FY 2019-20.

Consistent with our approach to continued improvement and best practice, the communications team also worked to create new public tools to keep the community informed of our high impact projects. These tools include corporate and project fact sheets, site maps, milestone maps and an agency brochure that showcases a summary of our activity, all of which is available on our website.

The team also delivered essential marketing tools to support project delivery, including strategic marketing campaigns, activation and placemaking deliverables, project billboards, fence hoarding, site signage, works notifications, PowerPoint presentations for conferences and networking events, as well as managing corporate and project digital channels. These tools are vital in both promoting the work of government and its benefits, as well as optimising community engagement and support.



# Project communications

The communications team provides support and strategic advice as part of our role within the different project teams. In the Honeysuckle project, we led the delivery of a significant wayfinding solution across Newcastle's Honeysuckle precinct. In this project, the team worked with external wayfinding experts and community stakeholders to create an eye-catching outcome that aims to encourage and facilitate movement in the precinct during construction.

Construction works on the former Civic Railway Station precinct commenced in January 2019, with a suite of communication material produced to support the project and engage with the community. This includes site billboards, web content and a series of successful videos to help keep the community informed and in touch with what was happening.

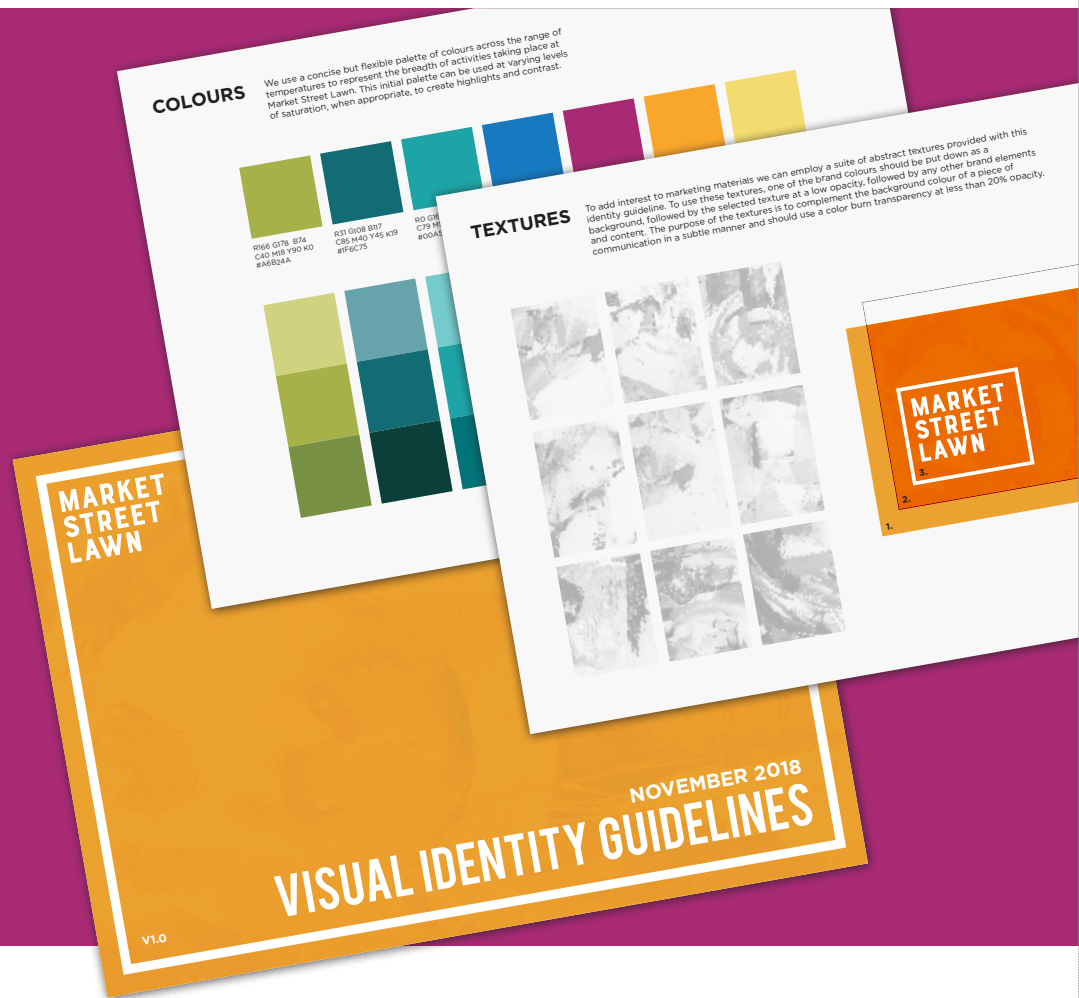
The expansion into the Central Coast saw an increase in communication activity in the region. Preliminary plans for the creation of a world-class regional play space in Gosford were unveiled in 2018, with the communications team undertaking community consultation to capture ideas and uses for the park. This feedback informed the first designs, which were released in February 2019. The spectacular renders and an animated fly-through video were displayed in the Gosford office, online and shared with the media.

Communications also supported the project team in the delivery of essential infrastructure works at Mount Penang, with the creation of new stakeholder communication channels, media engagement and web material.



**MARKET  
STREET  
LAWN**

**MARKET  
STREET  
LAWN**



## Creative projects and activation

Creative projects in 2018-19 included the rebrand of the newly completed Market Street Lawn and The Station precincts.

Along with a brand refresh and installation of placemaking elements on the site, the HCCDC-led opening event at The Station attracted over 10,000 guests in September 2018.







VICTORIA: THE ANCHOR TO THE STATION

With Victoria's strategic location, it's no surprise that the station is a key part of the city's identity. The station is a hub of activity, with people coming and going every day. It's a place where the city's history meets the future.

Here Karla shares three of her favourite locally handpicked stockists.

THE STATION: THE ANCHOR TO THE STATION

MASTERS OF ARCHITECTURE

FRIDAY I'M IN LOVE

POP UP PARKOUR

SUNSET GATHER

LIVE AT THE LAWN

FIRST CLASS FESTIVITIES

THE STATION: THE ANCHOR TO THE STATION

MASTERS OF ARCHITECTURE

FRIDAY I'M IN LOVE

POP UP PARKOUR

SUNSET GATHER

LIVE AT THE LAWN

FIRST CLASS FESTIVITIES

EST 1858

# THE STATION

NEWCASTLE

"...tapping into what is uniquely Newcastle."

MEET THE ARCHITECT 03

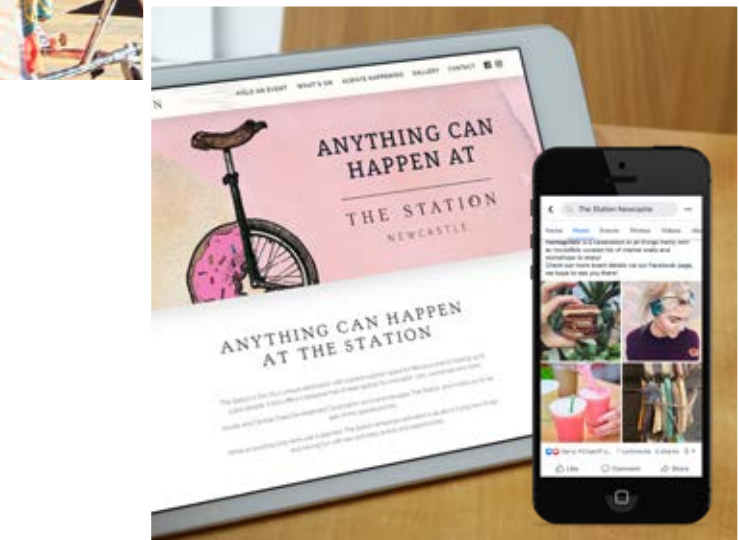
RESEARCH ROOM 04

FABRICATION 06

STORAGE 07







The Station  
Website, Facebook and Instagram



More than ever before, the communications team has worked to create activation outcomes at The Station for the community to enjoy. To achieve this, we have had a key role in establishing the site, identifying events and tenants. We also developed a stronger online presence through web, social media and event management channels. We also created new signage, billboards, hoarding, as well as placemaking initiatives such as lighting, greenery, children's activation and scooter track, as well as seating options to make the site more appealing to visitors and event-holders.

The communications team is working with the projects team to establish next steps for the long-term use of The Station, consistent with previous community consultation and outcomes reports.



# Announcements

Key media announcements in 2018-19 included launch plans for Honeysuckle public domain, the successful tenderers of Lee 5 in Honeysuckle and former corridor sites at Merewether Street East and Darby Plaza, support for the release of the Greater Newcastle Metropolitan Plan, the opening of Market Street Lawn, the merging of HDC and CCRDC, and new management for The Station.

The successful recipients of Newcastle Port Community Contribution funding in Newcastle were also announced, as were the landscaping plans for Leagues Club Field.





# Sponsorship

The HCCDC sponsorship policy supports our objectives of growing economic capacity and enhancing communities. We work with community and stakeholders to deliver sponsored events. In late 2018 we created a new Sponsorship and Membership Policy, which is available at [hccdc.nsw.gov.au/sponsorship](http://hccdc.nsw.gov.au/sponsorship).

## Second Cities Smaller and Smarter Symposium

In October 2018, we sponsored the inaugural Second Cities Smaller and Smarter symposium, bringing together academics, business leaders, industry and government agencies to share insights on the future of second cities.

The forum discussed the strategic benefits of being a smaller city with good access to transport, a talented workforce and better housing affordability, and produced an action plan to brand the region. We hosted a panel discussion titled “Creating the right built environment”, led a city walking tour of the Revitalising Newcastle project sites and were a member of the symposium working group.

## Sunset Gather and Street Feast

We sponsored the popular Sunset Gather and Street Feast events, bringing thousands of people into the city.

Sunset Gather and Street Feast were key events in the activation of The Station and Market Street Lawn.

With these events attracting up to 4000 visitors, the new sites provided not only the ideal location to showcase the different events, but the perfect opportunity to bring people back into the city centre.





## City of Newcastle

We sponsored a very special medallion to help the City of Newcastle commemorate a significant occasion at the Lambton Park Memorial Gates in September 2018.

A formal community ceremony involved the unearthing of the hundred-year-old time capsule, and the placing of a new time capsule, with the intention that it will be unearthed in 100 years. Included in this time capsule was the commemorative medallion, supported by HCCDC.

HCCDC support also enabled 900 medallions to be gifted to school children in the Lambton area as a commemorative marker of the occasion.

## Memberships

HCCDC has been a member of the following organisations in 2018-19:

- Urban Development Institute of Australia (UDIA)
- NSW Property Council (Hunter Chapter) and
- Tourism Central Coast.





# Hunter Regional Plan and Greater Newcastle Metropolitan Plan



The vision for the Hunter Regional Plan 2036 is, 'leading regional economy in Australia with a vibrant new metropolitan city at its heart'.

The Plan has the following four goals:

- The leading regional economy in Australia
- A biodiversity-rich natural environment
- Thriving communities
- Greater housing choice and jobs



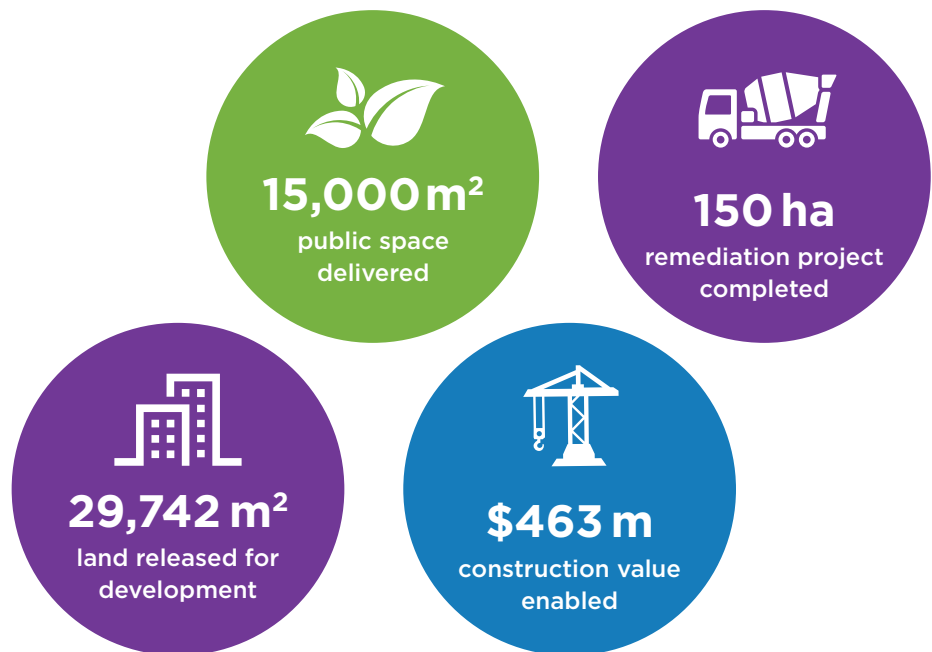
**In 2018-19, HCCDC formalised and implemented processes to deliver on our commitment to oversee the execution of the Plan. Our focus during 2018-19 included:**

- supporting the release of the final Greater Newcastle Metropolitan Plan 2036 (the Metropolitan Plan) in September 2018
- facilitating collaborative governance across both government and non-government sectors to implement the Metropolitan Plan, including:
  - supporting the Hunter Joint Organisation of Councils in its pursuit of an intergovernmental partnership between local, state and federal governments for Greater Newcastle and the Hunter region;
  - establishing joint local-state government steering groups to plan for and deliver catalyst areas identified in the Metropolitan Plan, including John Hunter Hospital, Broadmeadow, and East Maitland;
  - supporting the formation of the Committee for the Hunter, an independent group designed to play a key role in collaboration between community, industry and government to achieve the vision of the Plan; and
  - supporting the implementation of the NSW Government's Upper Hunter Economic Diversification Action Plan.
- partnering with Venues NSW to prepare a Strategic Business Case to support the NSW Government's vision for the Hunter Sports and Entertainment Precinct;
- raising the profile of Greater Newcastle as an emerging second city, including partnering with the Hunter Research Foundation Centre to host the inaugural Second Cities Symposium in October 2018;
- providing advice to government on priorities for infrastructure investment, including Williamstown Special Activation Precinct, and the Sydney to Newcastle Faster Rail Business Case;
- working with government and industry stakeholders to unblock barriers to state significant employment precincts including Black Hill Freight and Logistics Hub; and
- chairing the Hunter Urban Development Program which commenced in August 2018. This program brings local and state government agencies together with the development industry to identify roadblocks in residential development and provide advice to government on infrastructure priorities to support new residential development.

# Summary of 2018-19 project achievements







HCCDC is a project-led organisation that works to unlock opportunity and deliver community benefiting outcomes through master planning, site releases, project services and urban renewal programs.

As we continue to lead significant city-changing projects, milestones are being achieved and progress is being made. In 2018-19 this included finalising land settlements, construction projects commencing, public spaces opening, activation and placemaking thriving, and significant remediation works reaching completion.

Some key achievements have been listed below. Our role in these projects varies but is predominately that of master developer.

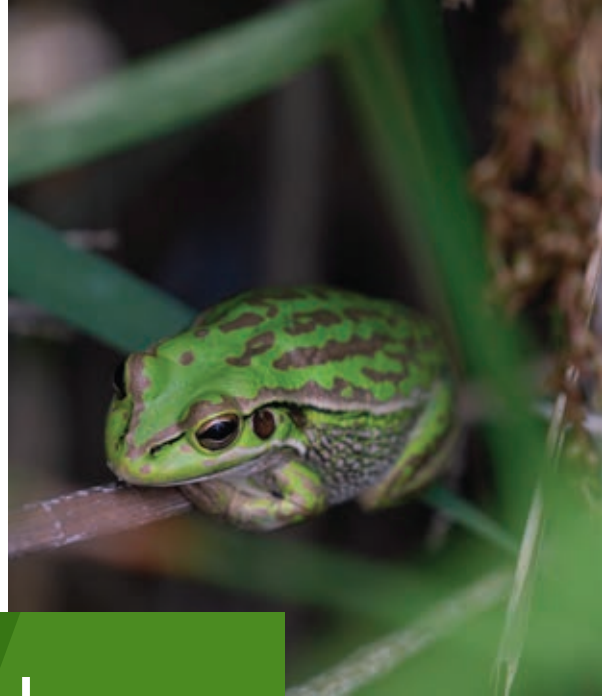
- Settlement occurred for 35 Honeysuckle Drive, and Doma Group obtained development consent for a 92-apartment residential building (construction value of \$42 million).
- Settlement occurred for the 20,000 m<sup>2</sup> inner-city expansion of the University of Newcastle Honeysuckle City Campus on the former rail corridor (construction value of \$380 million).
- Settlement occurred on two mixed-use development sites, comprising 3000 m<sup>2</sup> of the former rail corridor, to support new jobs and housing.
- Contracts exchanged on 45 Honeysuckle Drive for a 105-apartment residential building with ground floor retail space (construction value of \$60 million).
- Contracts exchanged on two key commercial precincts in Mount Penang Parklands on the Central Coast, to Borg Group and Stevens Group.



- Doma Group commenced construction on a 181-room, four-star hotel and boutique office block of 4700 m<sup>2</sup> at 42 Honeysuckle Drive (construction value of \$40 million).
- Completion of stage one of the Honeysuckle seawall works (180m), facilitating opportunity for new public domain and residential developments.
- Commencement of stage two of the Honeysuckle seawall works (150m).
- Completion of stage one restoration works at the former Newcastle Station, enabling temporary activation of the site.
- Commencement of temporary activation of The Station, with retail tenants and a program of outdoor activation events in place.

- Completion of construction at Market Street Lawn, and officially opened for the community to enjoy.
- Completion of restoration of Newcastle Signal Box. Identification of a tenant for the space, and commencement of construction (by tenant) for a new café.
- Commencement of construction at Mount Penang Parklands to provide essential infrastructure upgrades, including water, sewer and road provision.
- Construction plans and preliminary designs announced for the creation of a regional play space in Gosford's Leagues Club Field.
- Completion of remediation and temporary landscaping on 2600 m<sup>2</sup> zone, linking Market Street Lawn to The Station.
- Commencement of restoration works at Lee Wharf Building A in Honeysuckle, including the addition of a 700 m<sup>2</sup> timber deck.
- Commencement of construction for new public domain at the former Civic Station, including the adaptive heritage reuse and restoration of the former station building and enhancement of surrounding parks.
- Release of our vision for the Honeysuckle foreshore promenade and parks with the unveiling of the Honeysuckle West Public Domain Concept Plan.
- Completion of the \$25 million final stage of remediation works at the 152 ha, former Mayfield BHP Steelworks site.
- Commencement of the final stage, \$25 million closure works at the former BHP Kooragang Island Waste Emplacement Facility.
- Release of the Greater Newcastle Metropolitan Plan, outlining government's vision to grow and diversify the region's economy over the next 20 years.





# Remediation and rehabilitation works

## Kooragang Island remediation

The Kooragang Island Waste Emplacement Facility was once operated by BHP as a landfill facility to receive waste from the former Newcastle Steelworks. It is owned by State entity Port Lessor Pty Ltd and is subject to the future reuse by Port of Newcastle under the Port Lease.

HCCDC is undertaking sequential landfill capping works of this site, with the third and final stage of capping works underway and expected to be completed by the end of 2020. Our work on the site has also included regrading, drainage and stabilisation works.

These works are designed to meet the capping requirements of a landfill under the Protection of Environment Operations Act. Since some areas contain listed protected species, including the Green and Golden Bell Frog, design, implementation and monitoring of works are environmentally sensitive. We worked with specialists to develop capping works which maximise positive environmental outcomes for the protected species.

Relevant project approval documents and management plans for the final stage of these works are available at: [hccdc.nsw.gov.au/kooragang-island-waste-emplacement-facility](http://hccdc.nsw.gov.au/kooragang-island-waste-emplacement-facility)

## Mayfield remediation

A major milestone occurred in 2018-19 with the completion of works to remediate 150ha of contaminated lands in Mayfield.

HCCDC was tasked by government to manage a complex program of works including the construction of a deep underground 'barrier wall', designed to reduce contaminated groundwater flow to the Hunter River. This is the deepest underground wall in the southern hemisphere, extending 50 m below ground level and covering a distance of over 1.2 km. This was followed by a surface capping and drainage improvements over the entire site.

The remediation of the former BHP Steelworks site is one of the more significant remediation works undertaken in NSW. Recent completion of the final stage enables the safe and productive reuse by government.





# Newcastle projects





## City centre projects

Works continue to transform the city centre. These works are largely delivered as part of the Revitalising Newcastle program and Honeysuckle urban renewal.







## Market Street Lawn

In September 2018 we finished the construction of our premium public domain at Market Street Lawn as part of the Revitalising Newcastle program. The high-quality green space on the former rail corridor is now an open and attractive landscape that connects Newcastle's city centre, harbour and light rail, and provides increased urban amenity for locals, office workers and visitors to the city.



In line with our commitment to the community, the fully landscaped space has been designed to facilitate event activation and day-to-day use. Open green space is attractive for families to enjoy, while also being appropriate for larger-scale events. The design of the public domain is also suited to office workers that enjoy lunch in the sun, with seating, tables and trees that will grow to provide shade.

Importantly, we worked with City of Newcastle to include smart poles in Market Street Lawn, allowing the city's bigger picture for smart and innovative infrastructure to be realised. On a practical level, the smart poles also add enhanced value to the site, with food trucks able to park and plug into power; lighting lumens able to be adjusted; and even filters and movable lights added to the poles for increased activation and movement at night-time.



In May 2019, the stretch of land between Market Street Lawn and The Station was temporarily landscaped with turf and pathways to connect the two sites. Prior to this landscaping work, the space was utilised by Light Rail contractors in an attempt to lessen the burden and impact on the local community and business precinct during construction.

Full landscaping of this space will be undertaken in 2020 as part of broader landscaping worked proposed for The Station precinct, making it yet another urban transformation outcome for the community to enjoy in an increasingly attractive city centre.

Market Street Lawn was dedicated to the City of Newcastle in early 2019. HCCDC has committed to maintaining care and management of the site until the end of 2020.





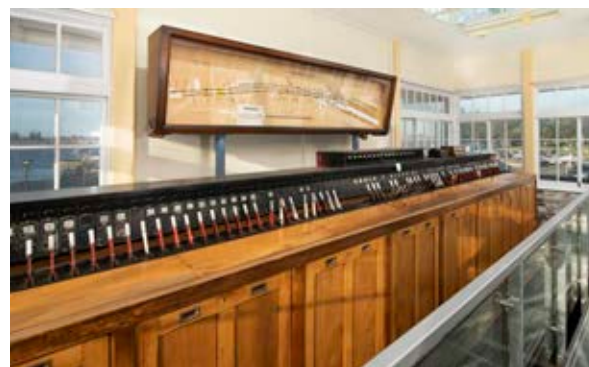
## Signal Box

As part of the broader landscaping of Market Street Lawn, the hero offering in the space has always been the former Newcastle Signal Box.

To celebrate and enhance this heritage building, significant works were undertaken to refurbish and restore, making it fit for its reuse as a café and restaurant.

Works were completed in October 2018 and included restoration of the building, conservation of the former railroad signal and point levers, as well as the construction of a viewing platform. Some internal walls were also removed to create space for the future use.

The proprietors of The Little Nel in Nelson Bay were the successful tenderers for the Signal Box, following an expression of interest process held in late 2017. The operators have council approval to use the building as a café and restaurant. They plan to open the café in late 2019.



In 2019, the restoration works undertaken to the Signal Box building was honoured by the Australian Institute of Architects with the prestigious Newcastle Award for Heritage.

We are proud of this accolade, which is co-awarded with our heritage restoration works undertaken at Newcastle Station.



## The Station

The Station remains the cornerstone project of the Revitalising Newcastle program. The state heritage listed site has significant potential to become the hallmark destination for the revitalised city centre, and we continue to deliver on our commitments to the community to realise this vision.

Following significant community engagement in 2016 and the subsequent release of an outcomes report, we have delivered on our commitment to undertake stage one works to make the site suitable for temporary activation.

These restoration works were completed in September 2018 and included filling between the platforms to create an open outdoor piazza, opening sections of non-heritage buildings to restore street access, reinstating the former ticket booth, restoring the façade of the ground floor buildings and reinstating the upstairs and ground level balconies.

To complete these balcony works, iron columns were specially cast to complement the period design and the balcony retiled in a pattern reminiscent of the period.

As with the Signal Box, The Station restoration works were also awarded the Australian Institute of Architects Newcastle Award for Heritage.

As per our commitment to the community, the construction works were the first step in opening the space for temporary activation while a longer-term use was planned. In late 2017 Renew Newcastle was awarded the expression of interest tender to activate the space for 18 months.

In September 2018, we hosted a free community event to honour The Station's heritage and mark the commencement of Renew Newcastle's temporary management of the site. Renew Newcastle managed The Station until they wrapped up as an organisation in March 2019. At that stage, the site was handed back to HCCDC to manage and activate.

This milestone moment gave us the opportunity to activate the precinct to keep our commitment to the community to see the space open and engaging for community use.









Through our activation, the former platforms and infill area have become home to a myriad of events as well as day to day activation including a children's scooter track, Junior Farmer program, outdoor tables and seating, and 'The Flyer' - an interpretative artwork paying tribute to the famous steam train that once departed from Platform 1.

The Flyer includes seating, lighting and sounds reminiscent of the steam train period, and was installed in January 2019 as the result of a Newcastle Community Contribution Fund grant awarded in 2017.

Retail tenants now occupy the former station offices and spaces. Current tenants include a café, pre-loved bookseller, a community of local creatives, a mindfulness and meditation studio, an interior design and homewares store, and an organisation that has developed wetsuit and surfboard technology to deter sharks. These tenants provide vibrancy and daily activity in an important community space.









The strategy for activation has been to attract event managers to The Station. We have worked to make sure the site had an attractive offering with low hire fees and available event infrastructure such as tables and chairs. This approach helps ensure that The Station is a sustainable proposition, and that as long as events comply with the DA and there is time in the diary, events are welcome at The Station.

We do not pay for events, instead we endeavour to attract key events and we charge hire fees to use the space. We invest in marketing to promote the site, using our growing social media platform to share different events that are on, and propose event ideas for event managers to bring to The Station.

By working with our tenants and the wider community, we successfully facilitated a program of activation events and attractions, including:

- group fitness, yoga, mindfulness and meditation classes
- Friday Bar Eats 'n' Beats - regular Friday night food truck, market and live music for families
- the Grapes of Mirth comedy, wine and music festival
- the eco-focused Homegrown Handmade Market
- Secret Book Stuff's free lending library, author readings, children's story time and poetry nights
- creative workshops and gallery events hosted by Make Space
- the Multicultural Neighbourhood Centre services expo.

In addition to the activation of The Station, we have worked to commence the landscape design of the former bus depot. The design will address any underlying contamination resulting from former industrial uses.









## Museum Place

Works to transform the former Civic Railway Station, in the cultural heart of Newcastle, into a vibrant public domain began in early 2019. Renamed Museum Place, the new public domain will create a vital pedestrian link between the Civic and Honeysuckle precincts, as well as improved access to public transport, Newcastle Museum and the University of Newcastle.

As part of the works, the station building is undergoing renovations and repairs in preparation for a new tenant, with sections opened to enhance pedestrian thoroughfares. The brick and steel footbridge has been removed, creating an uninterrupted link between Civic and Brake Block Park.

Landscaping is also underway to create welcoming green and paved spaces in the surrounds, with new trees, garden beds, walkways and seating being introduced. A section of Civic Lane will also be resurfaced, creating a shared accessway to further enhance the public domain.

Work on the nearby council-owned Brake Block Park was finished in May 2019, with new lighting and a paved walkway completing the link between Hunter Street and Honeysuckle Drive.

We worked closely with heritage experts and landscape architects to achieve the right balance of functionality and preservation in the Museum Place precinct. Unique elements are being reused throughout the site, such as bench seating created from the footbridge beam and recycled bricks used to create a 1:1 scale representation of the footbridge.

Works will continue until late 2019, with Museum Place set to be transferred to City of Newcastle on completion.

This project continues to be an opportunity for robust stakeholder engagement, and we are working closely with City of Newcastle, the University of Newcastle, Newcastle Museum, and Evolve Housing to deliver a considered and highly functional outcome.





# Honeysuckle precinct

HCCDC's ongoing cornerstone project, the Honeysuckle Urban Renewal Project, has entered the next stage of delivery with several major construction, public domain and seawall projects getting underway in the last financial year. These works are being delivered in stages, with vibrant new public domain designed to complement and underpin the future delivery of residential and commercial outcomes in the precinct.





Artist impression



Artist impression



Artist impression

# Honeysuckle Public Domain

In January 2019, we released concept designs and visualisations for the public domain transformation of Honeysuckle West. The plans have been informed by community consultation undertaken in 2018.

The Plan's key themes include:

- capturing what is unique about the precinct
- making it active and engaging
- making it safe and attractive
- creating urban greenery
- planning for the 'future city'.

The Plan provided designs for three major foreshore park areas, Worth Place Park West, Cottage Creek and Tree of Knowledge Park, all of which provide a unique character and address community desires for those sites.

Importantly for the burgeoning tourism economy, the public domain plans provide an incredible opportunity to finalise the waterfront promenade. When complete, this will link one side of the city to the other from the Marina, through Honeysuckle, to Merewether Beach. This will also showcase the attractive works completed by the City of Newcastle in the Bather's Way project.





**27,000**

tonnes of  
rocks placed along  
the Honeysuckle  
shoreline

## Seawall works

We continue to underpin the future public domain and urban transformation of Honeysuckle West by delivering essential seawall works along the Honeysuckle and Throsby waterfronts.

This essential infrastructure is a vital piece of work that has already seen around 27,000 tonnes of rock placed along the shoreline at 21 Honeysuckle Drive, and another 160,000 tonnes to be added by 2020 to the remaining seawalls up to the marina.

Importantly, to communicate with the public that ‘Honeysuckle is changing’ a communications campaign also commenced in early 2019 to better articulate upcoming construction disruption in the precinct to help manage public expectations.

A key deliverable of this communications approach was the implementation and roll out of a significant wayfinding campaign in throughout Honeysuckle. The objective is to direct people around and facilitate movement during construction to support local business.



## Lee Wharf A Building

Located in the heart of Honeysuckle's dining and activation precinct, the Lee Wharf A building has been undergoing maintenance works to keep it in good condition and fit for purpose moving forward.

In late 2018, we started major repair work to the substructure and foundations of the building. This included repairing and placing new piles in the harbour, restoring the heritage-listed building and constructing a timber deck.

These works are due for completion in late 2019. HCCDC is working on strategies for the future use of the building. You can watch an animation video showcasing the works on our website at [hccdc.nsw.gov.au/honeysuckle](http://hccdc.nsw.gov.au/honeysuckle)







# Other developments under construction

Honeysuckle and the city centre continue to change as sites that we have taken to market and sold, become construction projects and urban renewal outcomes that supports new homes, more jobs and great public spaces.





Artist impression

## 42 Honeysuckle Drive

Doma Group's construction of The Little National Hotel at 42 Honeysuckle Drive commenced in November 2018, following settlement in June 2018. This project will deliver a 181-room, four-star hotel in prime location on the Honeysuckle waterfront.

There is also a proposal to deliver 4700 m<sup>2</sup> commercial office as part of the development, subject to approval by City of Newcastle.





## 21 Honeysuckle Drive

Doma Group's construction of 'Lume' at 21 Honeysuckle Drive commenced construction in April 2018, and will create 154 residential dwellings, ground floor commercial space and public domain. The apartments sold in a record five days and are due for completion in mid-2020.

The project will be complemented by the delivery of our future public domain at Worth Place Park West, providing important community access alongside new built form.





Artist impression

## 35 Honeysuckle Drive

The sale of 35 Honeysuckle Drive was settled in June 2018. Development approval was granted in 2019 and construction is expected to commence in late 2019.

The Doma Group development will offer 92 apartments and commercial space at ground level. The design outcome of this project delivers high quality architecture by SJB, which will ensure interesting and attractive outcomes in the precinct. To achieve this, HCCDC ran a competitive two stage design focused process.





## Newcastle Bus Interchange

Construction commenced on the bus interchange on the former site of the Newcastle Co-operative Store (known as 'The Store') in August 2018. The \$200 million redevelopment by the Doma Group will also include commercial floor space, ground floor retail space, around 350 residential apartments and attractive public spaces.

The Newcastle Bus Interchange will provide improved connectivity between heavy rail, light rail, and buses. It will also provide pedestrian access between the station concourse, the bus interchange, Hunter Street and Stewart Avenue.

The project was the result of a multi-agency collaboration between HCCDC, Transport for NSW and Property NSW.







Artist impression

# University of Newcastle

The University of Newcastle revealed designs for the first building of the Honeysuckle City Campus development in February 2019. The building will house the School of Creative Industries and the Hunter Innovation Project hub. Located on the corner of Worth Place and Honeysuckle Drive, this project was made possible by the removal of the heavy rail line and the rezoning of the corridor.



Artist impression



Artist impression





## Affordable housing

Construction commenced on the 30-dwelling affordable housing project by Evolve Housing in April 2019. Located on the former corridor off Merewether Street, the project provides affordable housing for essential services workers, such as retail workers, child care and youth workers.

The offering helps people achieve their housing goals, whether that's home ownership or ongoing private rental.

## Merewether Street East

In October 2018, Doma Group purchased a 2049 m<sup>2</sup> corridor site, that will be combined with an adjacent lot to deliver exciting outcomes.

Construction is now underway on the 48-apartment residential development, which also includes two ground-floor commercial spaces.



Artist impression

## Darby Plaza

GWH Build purchased a 2142 m<sup>2</sup> site including former rail corridor at the intersection of Darby and Hunter streets in 2018, and a development application has been lodged with City of Newcastle.

The Grade A commercial building will also feature the delivery of 470 m<sup>2</sup> of open space for the community to enjoy as part of the Revitalising Newcastle program.



Artist impression





# Central Coast projects





## Leagues Club Field

In May 2018, HCCDC announced plans to create a \$10 million regional playground in Leagues Club Field, a 2.4 ha park in the Gosford CBD.

The community was invited to share ideas for how the space should be transformed, with an engagement program running throughout September 2018. This garnered support for open space, room to play, shady trees and picnic areas.

October 2018 saw the release of the government Architect NSW's Gosford Urban Design Framework, a plan to support the ongoing revitalisation of the city. This identified opportunities to create new recreation amenity, in support of the city's recent residential and employment growth.

In February 2019, the Planning Minister released designs for a nature-inspired play space for the site. The innovative plans encourage unstructured play through bushland, a tidal waterway, grassed playing areas, picnic amenities and new pedestrian links.

Leagues Club Field is expected to create a unique tourist drawcard, attracting families from across the region to enjoy the city centre.

We continue to work closely with the Darkinjung Local Aboriginal Land Council to ensure that the designs promote Indigenous culture. Central Coast Council is also an active stakeholder throughout the planning and design stages.

Work on Leagues Club Field is expected to start in late 2019 and continue throughout 2020. Once complete, the site will be managed by Central Coast Council.





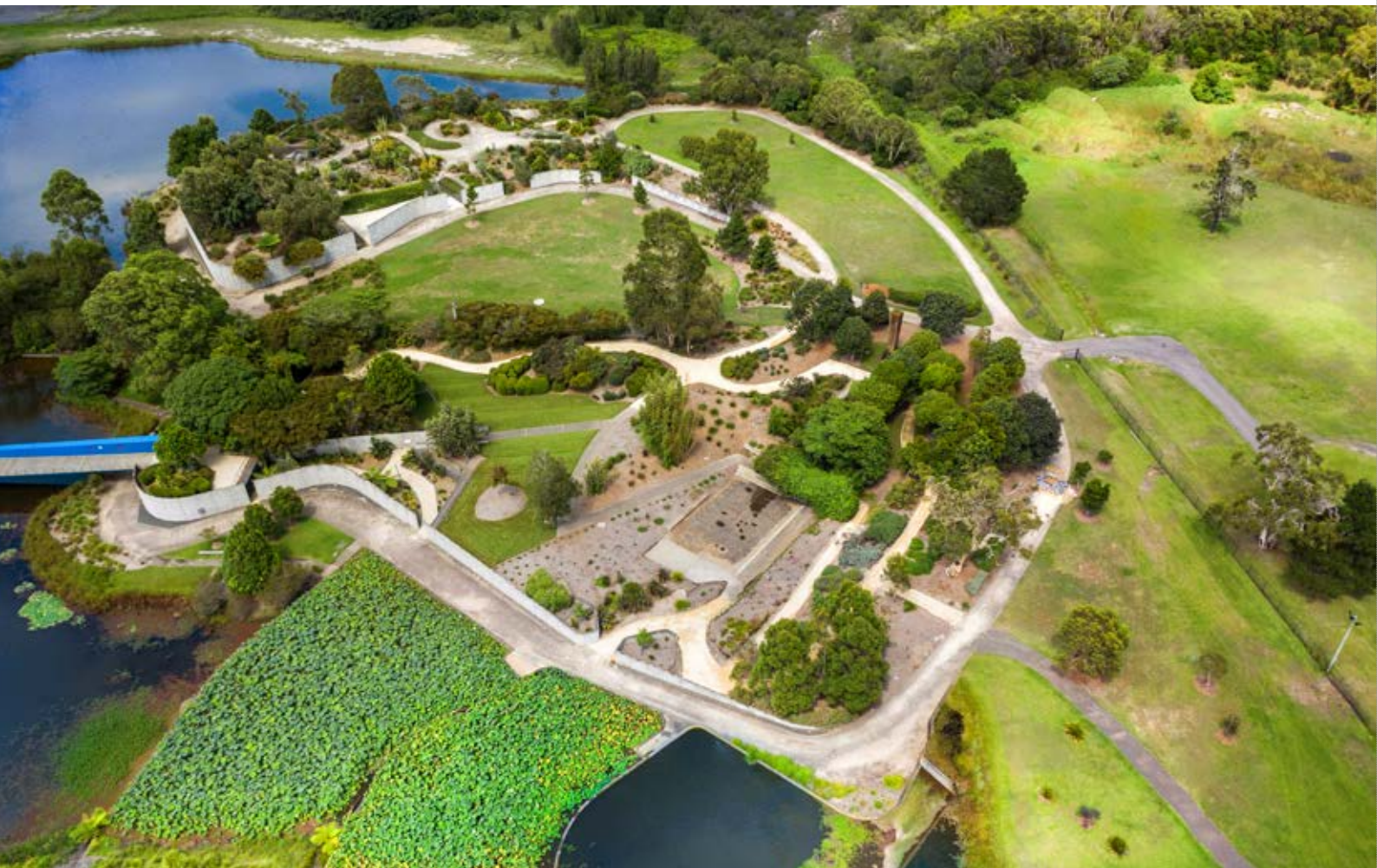


Artist Impression



Artist Impression





## Mount Penang Parklands

To support our objective of driving economic development on the Central Coast, several sites in the Mount Penang Precinct have been identified as suitable for redevelopment.

In 2018-19, contracts for the sale of two of these precincts – Highway and Kangoo Road – were renegotiated following successful tender processes. The settlement of these sites is dependent on subdivision, which first requires development approval and servicing works.

The redevelopment of these sites will align with the planning controls for Mount Penang and the broader regional planning for the Central Coast, which identifies Kariong and Somersby for future economic and employment growth. Together, these developments could create over 3000 new jobs, leverage the existing infrastructure and supporting local industry to keep jobs in the region.

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

A process has been initiated to create appropriate land use zones and development control plan provisions, to support the use of the entire parklands site.



## Highway Commercial Precinct

The Highway Commercial Precinct borders the Central Coast Highway in the south of the Mount Penang Parklands site. The site was sold at the end of 2017-18, with the contract of sale updated in early 2019.

The proposed future development includes provision for commercial uses, which will bring much-needed jobs to the Central Coast and further enhance the Kariong business community.

The final transfer of ownership is pending works to subdivide the site, which are expected to be completed in late 2019.

## Kangoo Road Commercial Precinct

The Kangoo Road Commercial Precinct is bordered by Kangoo Road in the east and the Events and Gardens Precinct in the west. The site was sold at the end of 2017-18 and is awaiting settlement.

In 2018, a development application was lodged with Central Coast Council for the subdivision of the site. Infrastructure works to facilitate this subdivision are expected to commence in late 2019.

## Asset management

The Mount Penang site is home to 55 buildings, accommodating more than 15 local and national businesses. Some of the century-old buildings are state heritage listed and have been adapted from their original use as part of a juvenile justice centre.

We continue to maintain and lease these buildings as part of the HCCDC Operational Maintenance Plan 2018.

# Mount Penang Gardens

Mount Penang Gardens is considered a landmark yet understated contribution to public garden design in Australia.

The gardens span eight hectares of landscaped vistas with thriving native flora that complements the heritage of the precinct. Along with waterways and summer aquatic gardens, over 70 per cent of the plants in the gardens are native to Australia.





## Garden improvements

In 2019, we undertook vital repairs and maintenance to ensure visitor safety and enjoyment of the gardens was maintained.

### Works included:

- replacing timber for all seating and tables
- the supply and install of five new bench seats
- resurfacing walking paths
- resurfacing vehicle access roads
- painting and resealing the timber deck of the amenities block
- turfing garden 'rooms'
- restoring the rainforest garden water feature
- adding new entry gates for event access.

### Bluethumb volunteers

The Mount Penang Gardens Bluethumb volunteer program plays an important role in ensuring the gardens remain a beautiful place for the community to enjoy and discover.

Throughout 2018-19, the Bluethumb volunteers acted as 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 HCCDC.

### The Bluethumb volunteers are:

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

# Events

With an abundance of green open space, Mount Penang Parklands hosted a number of successful and popular events in 2018-19.

## Mount Penang parkrun

Celebrating five years at Mount Penang Gardens, parkrun is a free community event, organised by volunteers. The weekly 5km run is one of 354 events across the country and encourages health, fitness and social inclusion.

## Central Coast for our Farmers Donation Drive

On 22 September 2018, the Central Coast community rallied together in support of drought-stricken farmers in Packsaddle, a remote rural locality in far-west NSW. Mount Penang Parklands was transformed into a drop-off station for donations of non-perishable groceries, animal feed and gift cards. The donations were delivered to the people of Packsaddle on 6 October 2018.

## Food & Wine Festival

The Food & Wine Festival held its third annual event at Mount Penang on 4 August 2018, with over 10,000 people sampling the region's best produce. Mount Penang Gardens provided the ideal location for the free festival, where families enjoyed live music, kids activities, food trucks, food tastings, local wines and craft beer.

## The Christmas Fair

The Mount Penang Christmas Fair once again proved to be a huge success in December 2018. With over 160 handpicked stalls, an international food zone, fresh seasonal produce, entertainment for the entire family and a special appearance by Santa, the free event was attended by more than 15,000 people.

## Girrakool Blues Festival & BBQ

Held under the 'Big Top' in 2019, Girrakool Blues Festival & BBQ is a cultural event held in the beautiful surrounds of Mount Penang. Featuring local and international blues acts, as well as a barbecue competition, comedy MC and a New Orleans Mardi Gras-style festival, Girrakool is also a showcase for indigenous culture. This family friendly event was enjoyed by over 2000 attendees.

## The Red Hot Summer Tour

On 9 March 2019, The Red-Hot Summer Tour once again wowed Central Coast concert-goers, with a stellar line up of international and Australian artists. Entertaining the 5000+ crowd were rock icons John Stevens, The Screaming Jets, The Angels and Suzi Quatro.







# Funds management

In 2018-19, we continued to oversee the administration of a number of community funds aimed at encouraging investment and enhancing public amenity for the people of Newcastle.







## Newcastle Mines Grouting Fund

The Newcastle Mines Grouting Fund was established in 2015 to address the issue of mine subsidence and its impact on property development in the Newcastle CBD. Throughout 2018-19, we continued to administer the \$17 million fund on behalf of the NSW Government.

Remediation involving pumping 'grout' underground is often required to stabilise the sites before buildings over three storeys can be built, guarding against potential future subsidence. The fund acts like an insurance policy that applies after the cost of grouting exceeds a certain threshold. This reduces uncertainty and risk associated with building in the city centre mine subsidence zone and encourages new multi-storey housing and commercial development.

One application was received and approved in 2018-19. Works on this mixed-use development are underway, with a contribution amount yet to be determined.

In September 2018, government announced that the pilot program would become an ongoing fund, with a review to take place at the end of 2022.

## Newcastle Port Community Contribution Fund

In 2018-19, we continued to administer the Newcastle Port Community Contribution Fund (NPCC). This annual funding program of more than \$1 million supports community infrastructure around the port of Newcastle, improving amenity and community access to public spaces.

The successful applicants in the 2018 round 4 of the NPCC were awarded a total value of \$1.35 million. These applications included:

- GrainCorp for the installation of state-of-the-art projectors to support community events with light displays visible across the harbour.
- Hunter Water Corporation for the beautification and improvement of public amenity of Cottage Creek.
- Mission to Seafarers to support volunteer drivers to bring seafarers - members of the often-forgotten 'floating community' - from the port into the city.
- City of Newcastle for the creation of community space in the Camp Shortland precinct.
- University of Newcastle for digital projection technology to engage the community by activating Brake Block Park.

Our administration of the NPCC ceased following the completion of the 2018 round, with the fund now managed by Department of Premier and Cabinet.

# Financials

Hunter and Central Coast  
Development Corporation

(formerly the Hunter  
Development Corporation)

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## Annual Financial Statements

For the year ended 30 June 2019





## INDEPENDENT AUDITOR'S REPORT

### Hunter and Central Coast Development Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Hunter and Central Coast Development Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a 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 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

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

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

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

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

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

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

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

## **Other Information**

The Corporation's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive 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 signed 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, unless it is not appropriate to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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



My opinion does not provide assurance:

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

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

Reiky Jiang  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 September 2019  
SYDNEY

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**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Statement by the Chief Executive Officer**  
for the year ended 30 June 2019

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Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I declare, on behalf of the Hunter and Central Coast 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 as at 30 June 2019 and financial performance of the Corporation for the year then ended; 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: 12 September 2019

**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Statement of comprehensive income**  
for the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services expenses	2(a)	5,348	5,212	4,217
Other operating expenses	2(b)	43,306	47,362	44,719
Depreciation and amortisation	2(c)	612	-	9
Grants and subsidies	2(d)	1,482	26,785	9,618
Finance costs	2(e)	7	-	-
<b>Total expenses excluding losses</b>		<b>50,755</b>	<b>79,359</b>	<b>58,563</b>
<b>Revenue</b>				
Sale of goods and services	3(a)	45,273	49,381	27,922
Investment revenue	3(b)	2,152	49	1,016
Grants and contributions	3(c)	10,229	15,968	30,655
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	251	-	412
Other income	3(e)	4,224	365	21,135
<b>Total revenue</b>		<b>62,129</b>	<b>65,763</b>	<b>81,140</b>
<b>Net result</b>	18	<b>11,374</b>	<b>(13,596)</b>	<b>22,577</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
		-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>11,374</b>	<b>(13,596)</b>	<b>22,577</b>

The accompanying notes form part of these financial statements.



**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Statement of financial position**

as at 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4	49,014	17,075	43,067
Receivables	5	2,294	295	1,543
Inventories	6	12,298	17,000	10,585
Other financial assets	7	30,000	-	5,000
<b>Total current assets</b>		<b>93,606</b>	<b>34,370</b>	<b>60,195</b>
<b>Non-current assets</b>				
Inventories	6	34,804	27,540	35,955
Property, plant and equipment				
Land and buildings	8	12,252	216	290
Plant and equipment	8	24	-	14
Infrastructure systems	8	12,285	-	-
Total property, plant and equipment		24,561	216	304
<b>Total non-current assets</b>		<b>59,365</b>	<b>27,756</b>	<b>36,259</b>
<b>Total assets</b>		<b>152,971</b>	<b>62,126</b>	<b>96,454</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	10	15,494	646	5,302
Provisions	11	476	440	437
Borrowings	12	-	-	-
<b>Total current liabilities</b>		<b>15,970</b>	<b>1,086</b>	<b>5,739</b>
<b>Non-current liabilities</b>				
Provisions	11	30	30	30
Other	13	409	-	45
<b>Total non-current liabilities</b>		<b>439</b>	<b>30</b>	<b>75</b>
<b>Total liabilities</b>		<b>16,409</b>	<b>1,116</b>	<b>5,814</b>
<b>Net assets</b>		<b>136,562</b>	<b>61,010</b>	<b>90,640</b>
<b>EQUITY</b>				
Accumulated funds		136,562	61,010	90,640
<b>Total equity</b>		<b>136,562</b>	<b>61,010</b>	<b>90,640</b>

The accompanying notes form part of these financial statements.

**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Statement of changes in equity**  
for the year ended 30 June 2019

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	Notes	Total \$'000
<b>Balance at 1 July 2018</b>		<b>90,640</b>
<b>Net result for the year</b>		<b>11,374</b>
<b>Other comprehensive income</b>		<u>-</u>
<b>Total other comprehensive income</b>		<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>11,374</b></u>
<b>Transactions with owners in their capacity as owners</b>		
Increase in net assets from equity transfers	14	34,548
<b>Balance at 30 June 2019</b>		<u><b>136,562</b></u>
<b>Balance at 1 July 2017</b>		<b>68,170</b>
<b>Net result for the year</b>		<b>22,577</b>
<b>Other comprehensive income</b>		<u>-</u>
<b>Total other comprehensive income</b>		<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>22,577</b></u>
<b>Transactions with owners in their capacity as owners</b>		
(Decrease) in net assets from equity transfers	14	(107)
<b>Balance at 30 June 2018</b>		<u><b>90,640</b></u>

The accompanying notes form part of these financial statements.



**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)**

**Statement of cash flows**

for the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Budget 2019 \$'000	Actual 2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Grants and subsidies		(1,482)	(26,785)	(9,618)
Suppliers and personnel services		(32,840)	(5,343)	(44,449)
Inventories		(3,689)	(42,160)	(920)
<b>Total payments</b>		<b>(38,011)</b>	<b>(74,288)</b>	<b>(54,987)</b>
<b>Receipts</b>				
Reimbursements from the Crown Entity		251	-	412
Sale of goods and services		55,424	49,746	32,554
Interest received		934	49	597
Grants and other contributions		14,453	15,968	50,734
<b>Total receipts</b>		<b>71,062</b>	<b>65,763</b>	<b>84,297</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	17	<b>33,051</b>	<b>(8,525)</b>	<b>29,310</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of plant and equipment	8	(98)	-	(313)
Redemption of investments	7	5,000	-	-
Purchase of investments	7	(30,000)	-	(5,000)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(25,098)</b>	<b>-</b>	<b>(5,313)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	12	(2,922)	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(2,922)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>5,031</b>	<b>(8,525)</b>	<b>23,997</b>
Opening cash and cash equivalents		43,067	25,600	19,070
Cash transferred in as a result of administrative restructure	14	916	-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>49,014</b>	<b>17,075</b>	<b>43,067</b>

The accompanying notes form part of these financial statements.

# Hunter and Central Coast Development Corporation (formerly the Hunter Development Corporation) Notes to the financial statements (cont'd)

for the year ended 30 June 2019

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## 1. Summary of significant accounting policies

### (a) Reporting entity

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

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

Pursuant to section 5 of the *Growth Centres (Development Corporations) Act 1974*, on 3 October 2018, the Minister for Planning signed the *Growth Centres (Development Corporations) Amendment (Hunter and Central Coast Development Corporation) Order 2018*, to dissolve Central Coast Regional Development Corporation (CCRDC) and merge with Hunter Development Corporation (HDC) to form a newly named entity being Hunter and Central Coast Development Corporation (HCCDC). This order was effective on and from 1 November 2018.

These financial statements incorporate the financial results of HDC from 1 July 2018 to 31 October 2018 and HCCDC (HDC and CCRDC combined) results from 1 November 2018 to 30 June 2019 whereas 2018 financial information is for HDC only.

Due to the timing of the formation of HCCDC, there was no budget prepared for the Corporation in the State budget process for 2018-19 and as such, the budget used for comparison purposes in the financial statements is that for HDC as presented to Parliament in May 2018.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Chief Executive Officer on the date the Statement by the Chief Executive Officer was signed.

### (b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulation 2015*; and
- Treasurer's Directions issued under the Act.

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

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. The financial statements are prepared on a going concern basis.

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

### (c) Statement of compliance

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

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

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

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



**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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

**(d) Accounting for the Goods and Services Tax (GST) (cont'd)**

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) Equity transfer**

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

**(f) Comparative information**

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

The Corporation reclassified the below comparative information during 2018-19 following a review in accordance with TPP 19-04 Accounting Policy: *Financial reporting codes for NSW general government sector entities*.

- FY 2017-18 Note 2(e) Other expenses \$26.764 million reclassified to Note 2(b) Other operating expenses
- FY 2017-18 Note 2(d) Grants and subsidies 'Honeysuckle community service obligations – public domain and seawall renewal' \$2.917 million reclassified to Note 2(b) Other operating expenses 'Public infrastructure'. The change also impacted reclassification of cashflow line from 'Grants and subsidies' to 'Suppliers and personnel services'.
- FY 2017-18 Note 4 Cash and cash equivalents 'Short-term deposits' \$5 million reclassified to Note 7 Current – other financial assets 'Term deposits' as they had an original maturity of 6 months.

The comparative amounts for year ended 30 June 2018 consist of amounts for HDC.

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

**(i) Effective for the first time in 2018-19**

The accounting standards applied in the current financial year are consistent with those of the previous financial year except for AASB 9 *Financial Instruments* (AASB 9) which is applicable for the first time.

The Corporation has adopted AASB 9, which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 *Financial Instruments: disclosures* (AASB 7R).

The Corporation applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 *Financial Instruments: recognition and measurement* (AASB 139). Any differences arising from the adoption of AASB 9 are required to be recognised directly in accumulated funds and other components of equity.

There has been no financial impact of adopting AASB 9 on the statement of financial position as at 1 July 2018.

**a) Classification and measurement of financial instruments**

On 1 July 2018 (the date of initial application of AASB 9), the Corporation has assessed which business models apply to the financial assets held by the Corporation to classify its financial instruments into the appropriate AASB 9 categories. This assessment did not result in any financial impact on reserves or accumulated funds.

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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

**(g) Changes in accounting policy, including new or revised Australian Accounting standards (cont'd)**

The classification and measurement requirements of AASB 9 did not have any financial impact to the Corporation. The Corporation continued measuring at fair value, as all financial assets were previously held at fair value under AASB 139.

The following are the changes in the classification of the Corporation's financial assets:

- Trade receivables and other financial assets (i.e. term deposits) classified as 'loans and receivables' (L&R) under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.

The Corporation has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the Corporation's financial liabilities.

In summary, upon the adoption of AASB 9, the Corporation had the following required or elected reclassifications as at 1 July 2018:

AASB 139 Measurement category	Measurement category		Carrying amount		
	AASB 139	AASB 9	Original \$'000	New \$'000	Difference \$'000
Trade receivables	L&R	Amortised cost	304	304	-
Term deposits	L&R	Amortised cost	5,000	5,000	-
Other receivables	L&R	Amortised cost	293	293	-

**b) Impairment**

The adoption of AASB 9 has changed the Corporation's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Corporation to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

There is no material financial impact to the Corporation on adopting the new impairment model.

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

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

NSW Treasury TC 19-04 *Mandates of options and major policy decisions under Australian Accounting Standards* provide a list of accounting standards / interpretations that agencies must not early adopt.

These standards /interpretations have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The estimates of impacts where relevant are provided under each standard / interpretation.

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

**AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 and AASB 1058 Income of Not-for-Profits**

- AASB 15 *Revenue from Contracts with Customers* (AASB 15) is effective for reporting periods commencing on or after 1 January 2019. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when control of goods or services is transferred to the customer at amounts that reflect the consideration to which the Corporation expects to be entitled in exchange for transferring the goods or services to the customer. Under AASB 118 *Revenue* (AASB 118), revenue recognition is currently based on when risks and rewards are transferred.



# Hunter and Central Coast Development Corporation (formerly the Hunter Development Corporation) Notes to the financial statements (cont'd)

for the year ended 30 June 2019

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

### (g) Changes in accounting policy, including new or revised Australian Accounting standards (cont'd)

- AASB 1058 *Income of Not-for-Profits* (AASB 1058) is effective for reporting periods commencing on or after 1 January 2019 and will replace most of the existing requirements in AASB 1004 *Contributions* (AASB 1004). The scope of AASB 1004 is now limited mainly to parliamentary appropriations, administrative arrangements and contributions by owners. Under AASB 1058, the Corporation will need to determine whether a transaction is consideration received below fair value principally to enable the Corporation to further its objectives (accounted for under AASB 1058) or a revenue contract with a customer (accounted for under AASB 15).
- The standards will result in the identification of separate performance obligations that may change the timing of recognition for some revenues, including revenues relating to sales of goods and services and specific purpose grants and subsidies.
- Under AASB 1058, the Corporation will recognise as liabilities, obligations for funding received where there is an obligation to construct recognisable non-financial assets controlled by the Corporation. However, any funding is usually spent in the year they are received.
- The Corporation will adopt AASB 15 and AASB 1058 on 1 July 2019 through application of the full retrospective transition approach. Recognition and measurement principles of the new standards will be applied for the current year and comparative year as though AASB 15 and AASB 1058 had always applied.

The impacts to balances resulting from the adoption of AASB 15 and AASB 1058 have been assessed by the Corporation as not being significant.

### AASB 16 Leases

- AASB 16 *Leases* (AASB 16) is effective from reporting periods commencing on or after 1 January 2019.
- For lessees, AASB 16 will result in most leases being recognised on the Statement of financial position, as the distinction between operating and finance leases is largely removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised at the commencement of the lease. The only exceptions are short-term and low-value leases. AASB 16 will therefore increase assets and liabilities reported on the Statement of financial position. It will also increase depreciation and interest expenses and reduce operating lease rental expenses on the Statement of comprehensive income. Expenses recognised in the earlier years of the lease term will be higher as the interest charges will be calculated on a larger lease liability balance. The accounting for lessors under AASB 16 will not significantly change.
- The Corporation will adopt AASB 16 on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 had always applied. Comparative information will not be restated. The Corporation will also adopt the practical expedient whereby the fair value of the right-of use (ROU) asset will be the same as the lease liability at 1 July 2019.
- The estimated impact from the application of this standard will be a recognition of the Non-current ROU asset of \$0.207 million and a corresponding increase in liabilities due to recognition of a lease liability at initial recognition. These will be adjusted to the equity as at 1 July 2019. The impact to the net result in 2019-20 and future years is estimated to be immaterial.

The following have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. None of the standards listed below are likely to have any material impact:

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (effective from 1 January 2019)
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle (effective from 1 January 2019)
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements (effective from 1 January 2019)

**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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

**(g) Changes in accounting policy, including new or revised Australian Accounting standards (cont'd)**

- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors (effective from 1 July 2019)
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (effective from 1 July 2019)
- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (effective from 1 January 2019)

**2. Expenses excluding losses**

**(a) Personnel services expenses**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including annual leave)	4,248	3,447
Redundancy	338	-
Long service leave	192	352
Superannuation - defined contribution plans	251	166
Superannuation - defined benefit plans	48	49
Payroll tax and Fringe benefits tax	271	203
	<b>5,348</b>	<b>4,217</b>

**(b) Other operating expenses**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
External audit of the financial statements	71	60
Contractors	148	69
Cost of sales*	15,335	11,701
Revitalisation project costs - note 3(c)	13,590	8,302
Public infrastructure	5,216	2,917
Remediation expenditure - note 3(e)	2,711	18,462
Asset management	2,551	1,203
Fees for services	1,771	321
Site disposal costs	867	685
Community information / liaison and promotion	221	301
Operating lease rental expense	182	169
Insurance	88	62
Other	555	467
	<b>43,306</b>	<b>44,719</b>

\*Refer to Note 6 for details of the inventory decrement for 2018-19 of \$1.604 million included in cost of sales.

**Recognition and measurement**

**Cost of sales**

The Corporation holds its land as inventory and as such, the value of any inventory sold during the year is recorded in the Statement of comprehensive income as cost of goods sold. Any other costs related to the sale of the inventory including legal fees and marketing are recorded as Site disposal costs.

**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.



**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**2. Expenses excluding losses (cont'd)**

**Recognition and measurement (cont'd)**

**Insurance**

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

**Operating leases**

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

**(c) Depreciation and amortisation expense**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation:		
Buildings	242	-
Infrastructure systems	238	-
Plant and equipment	132	9
<b>Total depreciation</b>	<b>612</b>	<b>9</b>

Refer to Note 8 for recognition and measurement policies on depreciation and amortisation.

**(d) Grants and subsidies**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Hunter Infrastructure and Investment Fund projects (HIIF)	-	8,640
Newcastle Mines Grouting Funds projects (NMGF)	10	770
Newcastle Port Community Contribution Fund projects (NPCC)	1,472	208
	<b>1,482</b>	<b>9,618</b>

**(e) Finance costs**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on TCorp borrowings	7	-
	<b>7</b>	<b>-</b>

**3. Revenue**

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods	40,745	25,795
Other income *	4,528	2,127
	<b>45,273</b>	<b>27,922</b>

\* Includes Section 94 contributions received from the City of Newcastle for community service obligations undertaken at Honeysuckle \$2.9 million (FY2018: nil), carpark and associated fine revenue, sundry reimbursements and insurance recoveries.

**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.

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**3. Revenue (cont'd)**

**(a) Sale of goods and services (cont'd)**

**Rendering of services**

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

**(b) Investment revenue**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest revenue from financial assets not at fair value through profit or loss	934	597
Rents	1,218	419
	<b>2,152</b>	<b>1,016</b>

**Recognition and measurement**

**Interest income**

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**Rental income**

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

**(c) Grants and contributions**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants received from State Government for NMGF and HIIF	210	9,615
Grants received from Crown Entity - NPCC	1,693	208
Grants received - Revitalisation project - refer Note 2(b)	7,973	20,666
Grants other	353	166
	<b>10,229</b>	<b>30,655</b>

**Recognition and measurement**

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

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

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
The following liabilities and expenses have been assumed by the Crown Entity:		
Superannuation - defined benefits	48	49
Long service leave	200	360
Payroll tax	3	3
	<b>251</b>	<b>412</b>



**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**3. Revenue (cont'd)**

(e) **Other income**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Remediation revenue – Crown Entity - refer Note 2(b)	2,282	1,223
Remediation revenue – Property NSW - refer Note 2(b)	1,942	18,856
Fee for service works	-	1,056
	<b>4,224</b>	<b>21,135</b>

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank or on hand	49,014	43,067
	<b>49,014</b>	<b>43,067</b>

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

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

Cash and cash equivalents (per Statement of financial position)	49,014	43,067
Closing cash and cash equivalents (per Statement of cash flows)	<b>49,014</b>	<b>43,067</b>

Refer to Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**5. Current assets - receivables**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	742	375
Allowance for expected credit losses*	-	-
Allowance for impairment**	-	(71)
Goods and Services Tax recoverable	842	921
Prepayments	77	25
Accrued income	633	293
	<b>2,294</b>	<b>1,543</b>

**\*Movements in the allowance for expected credit losses:**

Balance at 30 June 2018 under AASB 139	71
Balance at 1 July 2018 under AASB 9	71
Amounts written off during the year	(71)
Amounts recovered during the year	-
Increase / (decrease) in allowance recognised in net results	-
<b>Balance at 30 June 2019</b>	<b>-</b>

**\*\*Movement in the allowance for impairment:**

Balance at 1 July 2017	-
Amounts written off during the year	-
Increase/(decrease) in allowance recognised in net result	71
<b>Balance at 30 June 2018</b>	<b>71</b>

Refer Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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**5. Current assets - receivables (cont'd)**

**Recognition and measurement**

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

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

***Subsequent measurement under AASB 9 (from 1 July 2018)***

The Corporation holds receivables with the objective to collect the contractual cash flows and therefore measures them 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.

***Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)***

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.

***Impairment under AASB 9 (from 1 July 2018)***

The Corporation recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Corporation expects to receive, discounted at the original effective interest rate.

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. The Corporation recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivables. No adjustments were required to the impairment as at 1 July 2018.

***Impairment under AASB 139 (for comparative period ended 30 June 2018)***

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



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for the year ended 30 June 2019

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
At cost	12,298	10,585
	<b>12,298</b>	<b>10,585</b>
<b>Non-current</b>		
At cost	28,334	25,335
At valuation	6,470	10,620
	<b>34,804</b>	<b>35,955</b>
<b>Total inventories</b>	<b>47,102</b>	<b>46,540</b>
<b>Details of inventories:</b>		
Acquisition costs	11,723	25,633
Equity transfers	33,490	24,090
Development costs	5,871	2,617
Accumulated inventory adjustment to net realisable value	(3,982)	(5,800)
	<b>47,102</b>	<b>46,540</b>

**Recognition and measurement**

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

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Corporation would incur to acquire the asset.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Land inventories have been classified as current and non-current based on the forecast timing of sales.

Preston Rowe Patterson Newcastle and Central Coast Pty Limited undertook a revaluation of land inventory as at 31 March 2019 and issued an updated revaluation as at 30 June 2019. This revaluation has resulted in some inventory assets within the former rail corridor being impaired by \$1.501 million, Lee Wharf A impaired by \$0.569 million and some other land inventory within the former rail corridor having \$0.466 million of the impairment from 2017-18 reversed. As such, the overall valuation adjustment recognised as a result of the inventory revaluation was a net impairment of \$1.604 million.

**7. Current / non-current assets – other financial assets**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments - Term Deposits</b>		
Balance at beginning of year	5,000	-
Acquisitions during the year	30,000	15,000
Redemptions during the year	(5,000)	(10,000)
<b>Balance at end of year</b>	<b>30,000</b>	<b>5,000</b>

**Recognition and measurement**

Purchases or sales of other 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.

Other financial assets are initially measured at fair value plus any transaction cost.

**Hunter and Central Coast Development Corporation**  
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**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**7. Current / non-current assets – other financial assets (cont'd)**

**Recognition and measurement (cont'd)**

**Subsequent measurement under AASB 9 (from 1 July 2018)**

*Financial assets at amortised cost*

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as a separate line item in the Statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

**Classification and measurement under AASB 139 (for comparative period ended 30 June 2018)**

*Loans and receivables*

Loans and receivables are measured 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.

**8. Non-current assets – property, plant and equipment**

	Land and buildings \$'000	Infrastructure systems \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 1 July 2018 - fair value</b>					
Gross carrying amount	-	-	15	298	313
Accumulated depreciation	-	-	(1)	(8)	(9)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>290</b>	<b>304</b>
<b>At 30 June 2019 - fair value</b>					
Gross carrying amount	22,628	17,812	34	396	40,870
Accumulated depreciation	(10,635)	(5,527)	(10)	(137)	(16,309)
<b>Net carrying amount</b>	<b>11,993</b>	<b>12,285</b>	<b>24</b>	<b>259</b>	<b>24,561</b>

**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	Infrastructure systems \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
<b>Year ended 30 June 2019</b>					
Net carrying amount at beginning of year	-	-	14	290	304
Additions	-	-	-	98	98
Transfers as a result of administrative restructure	14,995	12,523	34	-	27,552
Reclassification to inventory	(2,760)	-	(21)	-	(2,781)
Depreciation expense	(242)	(238)	(3)	(129)	(612)
<b>Net carrying amount at end of year</b>	<b>11,993</b>	<b>12,285</b>	<b>24</b>	<b>259</b>	<b>24,561</b>



**Hunter and Central Coast Development Corporation**  
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**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**8. Non-current assets – property, plant and equipment (cont'd)**

**Reconciliation (cont'd)**

	Land and buildings \$'000	Infrastructure systems \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 1 July 2017 - fair value</b>					
Gross carrying amount	-	-	51	277	328
Accumulated depreciation	-	-	(51)	(277)	(328)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2018 - fair value</b>					
Gross carrying amount	-	-	15	298	313
Accumulated depreciation	-	-	(1)	(8)	(9)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>290</b>	<b>304</b>

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	Infrastructure systems \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
<b>Year ended 30 June 2018</b>					
Net carrying amount at beginning of year	-	-	-	-	-
Additions	-	-	15	298	313
Disposals	-	-	-	-	-
Depreciation expense	-	-	(1)	(8)	(9)
<b>Net carrying amount at end of year</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>290</b>	<b>304</b>

**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 property, plant and equipment as a replacement if the recognition criteria are satisfied.

**Hunter and Central Coast Development Corporation  
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Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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**8. 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. Land is not a depreciable asset.

Category	Depreciation rate / useful lives
Buildings	2%
Office furniture and fittings	10%
Computers	25% - 27%
General plant and equipment	14% - 25%
Make-good and fit-out	Based on useful life
Leasehold improvements	Over the period of the lease
Software	3 – 5 years

**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*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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 must 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 9 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 and at least every five years for other classes of property, plant and equipment.

For the purpose of the equity transfer of CCRDC assets to HCCDC, CBRE Valuations Pty Limited undertook, at 1 November 2018, a comprehensive revaluation of land, buildings and infrastructure. The valuers have confirmed that there are no material changes in these values as at 30 June 2019

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from the carrying value. Land, buildings and infrastructure were assessed at 30 June 2019 to consider any movement in fair value.

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

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



**Hunter and Central Coast Development Corporation  
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Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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**8. Non-current assets – property, plant and equipment (cont'd)**

**Recognition and measurement (cont'd)**

**Revaluation of property, plant and equipment**

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

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

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

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

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

**Impairment of property, plant and equipment**

As a not-for-profit Corporation with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since 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 *Fair Value Measurement*.

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

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

**Hunter and Central Coast Development Corporation**  
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**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**9. 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**

2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Property, plant and equipment (Note 8)</b>				
Land and buildings	-	4,500	7,493	11,993
Infrastructure systems	-	-	12,285	12,285
	-	<b>4,500</b>	<b>19,778</b>	<b>24,278</b>

2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Property, plant and equipment (Note 8)</b>				
Land and buildings	-	-	-	-
Infrastructure systems	-	-	-	-
	-	-	-	-

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

**(b) Valuation inputs, techniques and processes**

The Corporation engaged CBRE Valuations Pty Limited to provide an independent valuation advice on the land, building and infrastructure systems assets. The valuation is compliant with the relevant requirements as set out in Treasury Policy paper TPP14-01 and Australian Accounting Standards AASB13 and AASB116. The fair value hierarchy for these assets is considered to be at Level 2 for land and Level 3 for buildings and infrastructure.

**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.

**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.



**Hunter and Central Coast Development Corporation  
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Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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

**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.

**(c) Reconciliation of recurring level 3 fair value measurements**

<b>2019</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Total recurring Level 3 fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair value as at 1 July 2018	-	-	-
Net asset transfers through equity	7,735	12,523	20,258
Depreciation	(242)	(238)	(480)
Fair value as at 30 June 2019	<b>7,493</b>	<b>12,285</b>	<b>19,778</b>

**10. Current liabilities - payables**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Personnel services - accrued salaries and wages	117	12
Creditors	6,164	1,659
Goods and Services Tax payable	2,579	775
Unearned revenue	6,634	2,856
	<b>15,494</b>	<b>5,302</b>

Refer to Note 19 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables.

**Recognition and measurement**

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

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

**Hunter and Central Coast Development Corporation  
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Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provisions - current liabilities</b>		
Personnel services - annual leave	325	304
Personnel services - on-costs	151	133
<b>Total</b>	<b>476</b>	<b>437</b>
<b>Personnel services benefits expected to be settled within 12 months from reporting date</b>		
Annual leave	325	304
	<b>325</b>	<b>304</b>
<b>Other provisions - non-current liabilities</b>		
Make good provision	30	30
	<b>506</b>	<b>467</b>
<b>Total Provisions</b>	<b>506</b>	<b>467</b>
<b>Aggregate personnel services</b>		
Provisions - current liabilities	476	437
Personnel services - accrued salaries, wages and on-costs (Note 10)	117	12
	<b>593</b>	<b>449</b>

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

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

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

	<b>Make good provision \$'000</b>
<b>2019</b>	
Carrying amount at the beginning of the year	30
Additional provisions recognised	-
Unused amounts reversed	-
Unwinding / change in the discount rate	-
<b>Carrying amount at the end of the year</b>	<b>30</b>

**Recognition and measurement**

**Personnel services benefits and related on-costs**

**Salaries and wages, annual leave and sick leave**

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

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

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



**Hunter and Central Coast Development Corporation  
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Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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

**Recognition and measurement (cont'd)**

**Long service leave and superannuation**

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

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

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

**Consequential on-costs**

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

**Other provisions**

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

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

**12. Borrowings**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
TCorp borrowings*		
Balance at beginning of the year	-	-
Transfers as a result of administrative restructure	2,915	-
Interest accrued during the year	7	-
Repayments during the year	(2,922)	-
	<u>-</u>	<u>-</u>

\*TCorp borrowing was transferred to the Corporation from CCRDC as part of the administrative restructure on 1 November 2018 (refer Note 14).

The borrowing was unsecured. Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 19.

**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.

**Hunter and Central Coast Development Corporation  
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Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**13. Non-current liabilities – other**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>		
Security deposits	409	45
	<b>409</b>	<b>45</b>

**14. Equity transfer**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Cash and cash equivalents	916	-
Receivables	128	-
Land assets held for sale	9,427	-
Property, plant and equipment	27,552	-
<b>Total assets</b>	<b>38,023</b>	<b>-</b>
<b>Liabilities</b>		
Payables	538	-
Employee provisions	22	107
Borrowings	2,915	-
<b>Total liabilities</b>	<b>3,475</b>	<b>107</b>
<b>Net assets transferred as part of administrative restructure</b>	<b>34,548</b>	<b>(107)</b>

Pursuant to section 5 of the Growth Centres (Development Corporations) Act 1974, on 3 October 2018, the Minister for Planning signed the Growth Centres (Development Corporations) Amendment (Hunter and Central Coast Development Corporation) Order 2018, to transfer the assets, rights and liabilities of the Central Coast Regional Development Corporation (CCRDC) to the Hunter and Central Coast Development Corporation. This order was effective on and from 1 November 2018.

In July 2017, as a result of a decision of government, responsibility for the Newcastle Urban Transformation Program transferred to the Corporation from Landcom (including staff). The value of project inventories associated with this transfer was assessed as nil and as such the only adjustment for the equity transfer was to record an increase in personnel services payable of \$0.1 million.

**Recognition and measurement**

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

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.



**Hunter and Central Coast Development Corporation**  
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**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**15. Commitments**

	2019 \$'000	2018 \$'000
<b>Commitments - expenditure</b>		
<b>(a) Capital</b>		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Not later than 1 year	2,904	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Total (including GST)</b>	<b>2,904</b>	<b>-</b>
<b>(b) Operating lease commitments</b>		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than 1 year	130	123
Later than 1 year but not later than 5 years	108	169
Later than 5 years	-	88
<b>Total (including GST)</b>	<b>238</b>	<b>380</b>

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

The total operating lease commitments related to leasing of office space and motor vehicles. The expenditure above includes input tax credits of \$21,674 (2018: \$34,520) that are expected to be recoverable from the Australian Taxation Office.

**Commitments - property rental revenue**

Future minimum lease receipts under non-cancellable operating leases as lessor:		
Not later than one year	925	192
Later than one year and not later than five years	722	13
Later than five years	-	-
<b>Total (including GST)</b>	<b>1,647</b>	<b>205</b>

The above represents future minimum lease receipts on the Corporation's owned properties. Future minimum lease receipts as at 30 June 2019 include GST payable of \$149,785 (\$18,598 at 30 June 2018).

**16. Contingent liabilities and contingent assets**

At the time of preparing the financial statements, the Corporation and a developer are in contractual discussions related to the interpretations of the agreement regarding costs associated with the development of a site. These discussions will determine to what extent, if any, there will be an amount either payable or receivable by the Corporation.

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**17. Reconciliation of cash flows from operating activities to net result**

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash inflow from operating activities</b>	33,051	29,310
Depreciation and amortisation	(612)	(9)
Inventory adjustment to net realisable value	(1,604)	(5,800)
(Decrease) in inventories	(11,646)	(4,980)
Increase in receivables	623	762
(Increase)/Decrease in creditors	(8,421)	3,344
(Increase) in provisions	(17)	(50)
<b>Net result</b>	<b>11,374</b>	<b>22,577</b>

**18. Budget review**

As at 1 November 2018, the HDC amalgamated with the CCRDC to form the HCCDC. The financial information presented in these accounts is for HDC up to 31 October 2018 then HCCDC from 1 November 2018 however the budget presented in these financial statements is consistent with that presented to Parliament in 2018 for the HDC only (as required by Treasury directions). As a result, some of the variations to budget below relate to the budget representing a different entity to the actual costs.

**Net result**

The net result is favourable to budget by \$25.0 million primarily as a result of:

- Other operating expenses are below budget by \$4.0 million due to delays in remediation works on the Kooragang Island site of \$15.5 million as a result of delays in federal government approval being granted as well as an underground fire on the site. Major works commenced on the site in late June 2019. Public infrastructure expenditure of \$17.1 million originally budgeted in 2018-19 for the Honeysuckle area has been deferred to ensure the expenditure is aligned with the timing of development in the area. These under-expenditures were partially offset by a higher cost of land sales (\$15.3m compared to \$5.9m) due to more land sales being completed in 2018-19.
- Depreciation and amortisation expenses are \$0.6 million higher than budget as \$27.6 million of property, plant and equipment were transferred to HCCDC following the amalgamation with CCRDC and the variance to budget reflects the depreciation of these assets since 1 November 2018.
- Grants and subsidies expenditure being \$25.3 million lower than budget. The original budget assumed that the full budget allowance for the Newcastle Mines Grouting Fund (NMGF) and the Newcastle Ports Community Contribution Fund (NPCC) would be claimed by potential recipients during the year. The majority of the \$4.0 million NMGF has not been claimed or paid in the year. Public Infrastructure costs of \$20.0 million were originally budgeted under this category, however actual costs have been accounted for in Other operating expenses.
- Sale of goods and services is lower than the original budget by \$4.1 million. Although remediation revenue of \$18.9 million was budgeted in this category (and the actual revenue is reported below in other income), this unfavourable variance is offset by \$12.1 million of higher revenue from the sale of land due to some additional sales completing in 2018-19 compared to the original budget.
- Investment revenue is higher than the original budget by \$2.1 million due to additional cash being held (and invested in a term deposit) due to the timing of expenditure and also due to additional lease income being earned from properties on the Central Coast (not in the original HDC budget).
- Grants and contributions are lower than budget by \$5.7 million due to the low level of claims made on the NMGF (as noted above) and the timing of NPCC claims.



**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

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**18. Budget review (cont'd)**

**Net result (cont'd)**

- Other income is \$3.8 million favourable to budget which is the remediation revenue received (originally budgeted in sale of goods and services).

**Assets and liabilities**

The net asset position is \$75.6 million favourable to the original budget primarily due to:

- The cash position being \$31.9 million above budget due to the timing of revenue from land sales (\$12.1 million) and lower than expected expenditure.
- The net inventory position being \$2.6 million higher compared to the original budget due to the transfer in of two items of inventory from the former CCRDC (\$9.4 million) and capital additions to inventory (\$3.1 million) partially offset by different inventory holdings being sold compared to budget (\$6.9 million) and inventory decrement of \$1.6m as a result of the inventory revaluation.
- Other financial assets being \$30.0 million higher than budget due to the combination of additional land sales and delays in expenditure. The additional cash was invested in term deposits to obtain a better return until it is needed for operational requirements.
- Property, Plant and Equipment is \$24.3 million higher than budget due to the transfer in of assets held by the former CCRDC on 1 November 2018.
- The total payables being \$14.8 million higher than budget due to timing of expenditure and payments, along with \$6.5 million in prepaid income in relation to remediation works at Kooragang Island.

**Cash flows**

Net cash flows from operating activities were \$41.6 million favourable to budget as a result of:

- Cash payments for grants and subsidies being lower than budget by \$25.3 million as a result of receiving few claims for grants on the Newcastle Mines Grouting Fund (NMGF).
- Higher payments for suppliers and personnel services of \$27.5 million due to the original budget incorrectly being allocated to payments for inventories. If this budget mis-allocation were to be corrected, then payments for suppliers and personnel services would be below budget due to the delays in remediation expenditure and deferrals of public infrastructure works to align with the timing of other development in the Newcastle CBD.
- Lower payments for inventory of \$38.5 million due to the budget misallocation noted above.
- Cash inflows for the sale of goods and services were higher than budget by \$5.6 million due to the higher level of land sales (\$12.1 million) than originally budgeted, partially offset by lower remediation revenue being received (\$14.2 million).
- Revenue from grants and other contributions is lower than budget by \$1.5 million due to the lower claims being received for the NMGF.
- Net cash flows from investing activities are \$25.1 million unfavourable to budget due to the purchase of \$30.0 million of term deposits to obtain a higher level of return prior to the cash being required for operational purposes.

**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**19. Financial instruments**

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

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

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

**(a) Financial instrument categories**

*i. As at 30 June 2019 under AASB 9*

<b>Class</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2019</b>
<i>Financial assets</i>			<b>\$'000</b>
Cash and cash equivalents	4	N/A	49,014
Receivables <sup>1</sup>	5	At amortised cost	1,375
Other financial assets	7	At amortised cost	30,000
<i>Financial liabilities</i>			
Payables <sup>2</sup>	10	Financial liabilities measured at amortised cost	6,281

Notes

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

*ii. As at 30 June 2018 under AASB 139 (comparative period)*

<b>Class</b>	<b>Note</b>	<b>Category</b>	<b>Carrying amount 2018</b>
<i>Financial assets</i>			<b>\$'000</b>
Cash and cash equivalents	4	N/A	43,067
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	597
Other financial assets	7	Loans and receivables (at amortised cost)	5,000
<i>Financial liabilities</i>			
Payables <sup>2</sup>	10	Financial liabilities measured at amortised cost	1,671

Notes

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

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.



# Hunter and Central Coast Development Corporation (formerly the Hunter Development Corporation) Notes to the financial statements (cont'd)

for the year ended 30 June 2019

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## 19. Financial instruments (cont'd)

### (b) Derecognition of financial assets and liabilities

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

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

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

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

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

### (c) Offsetting financial instruments

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

### (d) Financial risks

#### (i) Credit risk

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

#### *Cash and cash equivalents*

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

#### ***Accounting policy for impairment of trade debtors and other financial assets under AASB 9.***

#### **Receivables - trade debtors**

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.

The Corporation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Corporation has identified Gross Domestic Product (GDP) and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**19. Financial instruments (cont'd)**

**(d) Financial risks (cont'd)**

**(i) Credit risk (cont'd)**

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows:

	30 June 2019					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	-	2.5%	5.0%	7.5%	10.0%	n/a
Estimated total gross carrying amount at default	736	1	3	-	2	742
Expected credit loss	-	-	-	-	-	-

	1 July 2018					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	-	6.5%	12.3%	57.4%	90.9%	n/a
Estimated total gross carrying amount at default	232	47	22	5	69	375
Expected credit loss	-	3	3	3	62	71

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in note 5.

The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019. The Corporation's debtors have a high credit rating.

**Accounting policy for impairment of trade debtors under AASB 139 (comparative period only).**

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Corporation will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are generally made on 14 or 30 day terms.

The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due \$701,000 (2018: \$222,000) and less than three months past due \$4,000 (2018: \$65,000) are not considered impaired. Most of the Corporation's debtors have a AAA credit rating.

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



**Hunter and Central Coast Development Corporation**  
**(formerly the Hunter Development Corporation)**  
**Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**19. Financial instruments (cont'd)**

**(d) Financial risks (cont'd)**

**(i) Credit risk (cont'd)**

	Total <sup>1,2</sup> \$'000	Neither past due, nor impaired \$'000	Past due but not impaired \$'000	Considered impaired \$'000
<b>2019</b>				
Current	701	701	-	-
< 3 months overdue	4	-	4	-
3 months - 6 months overdue	-	-	-	-
> 6 months overdue	2	-	2	-
<b>2018</b>				
Current	222	222	-	-
< 3 months overdue	73	-	65	8
3 months - 6 months overdue	8	-	-	8
> 6 months overdue	55	-	-	55

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.

**(ii) Liquidity risk**

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

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12 Payment of accounts. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Minister may automatically pay the supplier simple interest. No interest penalty was paid for 2019 (2018: nil).

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

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**19. Financial instruments (cont'd)**

**(d) Financial risks (cont'd)**

**(ii) Liquidity risk (cont'd)**

*Maturity Analysis and interest rate exposure of financial liabilities*

	Weighted average effective Int. rate	Nominal Amount <sup>1</sup>	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non- Interest Bearing	1 -5 years		> 5 years
						< 1 year		
<b>30 June 2019</b>								
Trade creditors and accruals	N/A	6,281	-	-	6,281	6,281	-	-
<b>30 June 2018</b>								
Trade creditors and accruals	N/A	1,671	-	-	1,671	1,671	-	-

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

**(iii) Market risk**

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of financial position reporting date. The analysis is performed on the same basis as for 2018. 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 Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Corporation's exposure to interest rate risk is set out below.



**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**19. Financial instruments (cont'd)**

**(d) Financial risks (cont'd)**

**(iii) Market risk (cont'd)**

	Carrying amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
<b>30 June 2019</b>					
<i>Financial assets:</i>					
Cash and cash equivalents	49,014	(490)	(490)	490	490
Receivables <sup>1</sup>	742	(7)	(7)	7	7
Other financial assets	30,000	(300)	(300)	300	300
<i>Financial liabilities:</i>					
Payables	6,281	63	63	(63)	(63)
<b>30 June 2018</b>					
<i>Financial assets:</i>					
Cash and cash equivalents	43,067	(431)	(431)	431	431
Receivables <sup>1</sup>	304	(3)	(3)	3	3
Other financial assets	5,000	(50)	(50)	50	50
<i>Financial liabilities:</i>					
Payables	1,671	17	17	(17)	(17)

<sup>1</sup> Excludes statutory receivables, prepayments and accrued income.

**(e) Fair value measurement**

**Fair value compared to carrying amount**

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

**20. Program group**

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

**Hunter and Central Coast Development Corporation  
(formerly the Hunter Development Corporation)  
Notes to the financial statements (cont'd)**

for the year ended 30 June 2019

**21. Related party disclosure**

**(a) Key management personnel compensation**

The Corporation's key management personnel compensation is as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	1,248	1,009
Post-employment benefits	92	83
Total remuneration	<u>1,340</u>	<u>1,092</u>

The above 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.

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 year.

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

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

- Cluster grant funding from Department of Planning and Environment of \$8.2 million (2018: \$9.6 million)
- Grant funding from the Crown Entity of \$1.7 million (2018: \$0.2 million)
- Personnel service expense paid to the Department of Planning and Environment of \$5.0 million (2018: \$4.2 million), of these, \$0.02 million (2018: \$0.01 million) is recognised as accrued expense at year end and \$0.5 million (2018: \$0.4 million) recognised as provisions for annual leave and on-costs at year end
- Corporate shared service expense paid to the Department of Planning and Environment of \$1.0 million (2018: \$0.3 million)
- Remediation revenue from Property NSW of \$1.9 million (2018: \$18.9 million)
- Remediation revenue from Crown Finance Entity of \$2.2 million (2018: \$1.2 million, in addition unearned revenue of \$6.5 million (2018: \$0.1 million))

The Corporation also entered into other transactions with entities that are controlled by the NSW Government during the year. These transactions are conducted at arm's length and are not individually significant. This includes corporate services received from the Department of Planning and Environment, NSW Audit Office, Property NSW, Office of State Revenue, NSW Self Insurance Corporation, Crown Finance Entity and other NSW government entities.

**22. Events after the reporting period**

Under the *Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019*, dated 2 April 2019, in pursuance of part 7 of the *Constitution Act 1902* and provisions of the *Government Sector Employment Act 2013*, the Department of Planning and Environment (DPE) was abolished with effect from 1 July 2019 and its status as an employing and a reporting entity has ceased. DPE's functions have been transferred to the newly formed Department of Planning, Industry and Environment (DPIE).

This Administrative change will have no financial impact other than the transfer of staff allocated to the Corporation's functions being transferred to DPIE.

**End of audited financial statements.**



# Appendices

## Appendix A

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

Topic	Comment / location
Letter of Submission	Page 4
Charter	Page 9
Aims and objectives	Page
Access	Inside cover
Management and structure	Page 12
Summary review of operations	Page 24
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 HCCDC.
Economic or other factors	Appendix B (ii)
Research and development	HCCDC contributed approximately \$80k toward a research project that will enable government to integrate security and terrorism control requirements into public spaces.
Human resources	Appendix B (iii)
Consultants	During the year no consultants were engaged by HCCDC
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 2018-19 Financial Year for the Hunter and Central Coast Development Corporation	Appendix B(x)
Disclosure of Controlled Entities	HCCDC has no controlled entities
Multicultural Policies and Services Program (formerly EAPS)	Appendix B (iii)
Work Health and Safety	Appendix B (iii)
Response to significant issues raised by Auditor-General	Appendix B (xi)
Total external costs incurred in the production of the report.	Nil
Is the report available in non-printed formats	Yes
Is the report available on the internet	Yes at <a href="http://www.hccdc.nsw.gov.au">www.hccdc.nsw.gov.au</a>
Performance and numbers of executive officers	Appendix B (iii)
Government Information (Public Access) Act 2009	Appendix B (xii)
Public Interest Disclosures	Appendix B (iii) and (xiii)
Credit card certification	In accordance with <i>Treasurer's Direction 205.01</i> , credit card usage during the reporting period was in accordance with relevant Government policy, Premier's memoranda and Treasurer's directions.
Public availability of annual reports	HCCDC'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, HCCDC is required to include in this report information on the following topics:

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

Sponsorships

Organisation	Amount \$ (ex GST)	Purpose
University of Newcastle	20,000	Second Cities Symposium – Lead Partnership
City of Newcastle	2,980	WWI Commemorative Coins distributed to Lambton Schools
Hunter&Gather Events	6,000	Event sponsor for events held at Market Street Lawn and The Station
<b>TOTAL</b>	<b>28,980</b>	

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

Global economic conditions slightly declined during 2018/19, however demand for vacant development land within the Newcastle area remained strong. Land sale prices were above expectation and future sales are expected to remain strong in Newcastle despite the housing market downturn and lower demand for residential housing elsewhere.

HCCDC has continually reviewed its strategy for future land releases to suit relevant market conditions.

### (iii) Human Resources

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

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

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

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

**(iv) Land Disposal**

During the 2018/19 year, HCCDC had five major land disposals; one purchaser for 16, 16A and 16B Honeysuckle Drive, 20 Civic Lane and 20A Wright Lane, and 10 Civic Lane and 20B Wright Lane (December 2018); then 643-651 Hunter Street (February 2019), Merewether St East Site (April 2019), Darby Plaza (June 2019) and 35 Honeysuckle Drive (June 2019).

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

**(v) Promotion – Overseas Visits**

There was ONE overseas trip during the year;

Chief Executive Michael Cassel went to the USA for six weeks as part of an “Executive Education Course” conducted via Harvard Business School – May 2019.

**(vi) Consumer Response**

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

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

**(vii) Payment of Accounts Performance**

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

Quarter	Current (by due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days Overdue	> 90 days Overdue
<b>All Suppliers</b>					
September	7,498,116	76,511	-	-	-
December	6,423,127	285,434	-	320	-
March	5,220,373	220,884	2,422	-	38,844
June	9,151,624	1,298,960	1,000	-	-



<b>Small Business Suppliers</b>					
<b>September</b>	<b>28,483</b>	-	-	-	-
<b>December</b>	<b>26,156</b>	-	-	-	-
<b>March</b>	<b>61,263</b>	<b>27,736</b>	-	-	-
<b>June</b>	<b>28,401</b>	-	-	-	-

<b>Measure</b>	<b>Sep 2018</b>	<b>Dec 2018</b>	<b>Mar 2019</b>	<b>Jun 2019</b>
<b>All Suppliers</b>				
Number of accounts due for payment	458	528	568	693
Number of accounts paid on time	454	514	540	678
Actual percentage of accounts paid on time (based on number of accounts)	99.1%	97.3%	95.1%	97.8%
Dollar amount of accounts due for payment	7,574,628	6,708,881	5,482,523	10,451,585
Dollar amount of accounts paid on time	7,498,116	6,423,127	5,220,373	9,151,624
Actual percentage of accounts paid on time (based on \$)	99.0%	95.7%	95.2%	87.6%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-
<b>Small Business Suppliers</b>				
Number of accounts due for payment to small businesses	13	9	16	12
Number of accounts due to small businesses paid on time	13	9	14	12
Actual percentage of small business accounts paid on time (based on number of accounts)	100.0%	100.0%	87.5%	100.0%
Dollar amount of accounts due for payment to small businesses	28,483	26,156	88,999	28,401
Dollar amount of accounts due to small businesses paid on time	28,483	26,156	61,263	28,401
Actual percentage of small business accounts paid on time (based on \$)	100.0%	100.0%	68.8%	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**

HCCDC's risk management process aims to minimise the consequences of events that could adversely affect HCCDC's ability to achieve its objectives. To achieve this HCCDC has developed a Business Risk Register which has been prepared using the Department of Planning & Environment's Risk Management Guide. This process is based upon Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009.

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

**(ix) Internal Audit and Risk Management Attestation Statement for the 2018-19 Financial Year for the Hunter and Central Coast Development Corporation**

I, Michael Cassel, Chief Executive, am of the opinion that the Hunter and Central Coast 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 | The 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	Peter Lucas	18 December 2018	17 December 2022
Independent Chair	Brian Blood	1 December 2013	30 November 2018*
Independent member	Brian Blood	1 December 2018	30 September 2019
Independent Member	Elizabeth Crouch	21 October 2013	20 October 2019*
Independent Member	Alan Zammit	27 February 2012	26 February 2020*

\* 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 (to 31 October 2018)
- Hunter Development Corporation (to 31 October 2018)
- Hunter and Central Coast Development Corporation (from 1 November 2018)
- Office of Local Government
- Lord Howe Island Board
- State Archives and Records Authority

Michael Cassel

### CHIEF EXECUTIVE

Hunter and Central Coast Development Corporation

Signed 18.09.19

#### (x) **Digital Information Security Annual Attestation Statement for the 2018-19 Financial Year for the Hunter and Central Coast Development Corporation**

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

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

Planning Industry and Environment 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 2018-2019 financial year (Certificate Number IS 645082).

Michael Cassel

### CHIEF EXECUTIVE

Hunter and Central Coast 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**

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

HCCDC 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 HCCDC's annual review of this program.

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

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 HCCDC 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 HCCDC did not receive any formal or informal requests.

**Formal access application tables**

<b>Table A: Number of applications by type of applicant and outcome*</b>								
	<b>Access granted in full</b>	<b>Access granted in part</b>	<b>Access refused in full</b>	<b>Information not held</b>	<b>Information already available</b>	<b>Refuse to deal with application</b>	<b>Refuse to confirm/deny whether information is held</b>	<b>Application withdrawn</b>
<b>Media</b>	0	0	0	0	0	0	0	0
<b>Members of Parliament</b>	0	0	0	0	0	0	0	0
<b>Private sector business</b>	0	0	0	0	0	0	0	0
<b>Not for profit organisations or community groups</b>	0	0	0	0	0	0	0	0
<b>Members of the public (application by legal representative)</b>	0	1	0	0	0	0	0	0
<b>Members of the public (other)</b>	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	1	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**

	<b>Number of times consideration used*</b>
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**

	<b>Number of occasions when application not successful</b>
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	<b>Number of applications</b>
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>0</b>



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

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

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

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

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

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

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

**(xiii) Public Interest Disclosures**

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

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Hunter & Central Coast  
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