

UrbanGrowth NSW

# Sustainability Report 2016

Pedestrian walkway, Sanctuary

Under the *Landcom Corporation Act 2001*, we are obliged to protect the environment by conducting our operations in compliance with the principles of ecologically sustainable development.



## Message from the Chief Executive



We are committed to delivering world-class urban transformation for Sydney and NSW, and to incorporating sustainability as an inherent element of our business. We have embedded it into every aspect of the work we do.

As is best practice, we think about sustainability in terms of our economic, environmental and social impact on Sydney and NSW. I believe our work during FY16 shows a real commitment to meeting clear environmental benchmarks and social expectations, which we will continue to build on and advance as a market leader.

One of our key impacts is the delivery of new housing – affordability is a real issue for people and we can play our part by unlocking land for new homes, and pushing for a diversity of homes that are built to high environmental standards.

We were set a target of enabling the delivery of 20,000 new homes in the four years from March 2015 and we were well on our way to achieving this during the reporting period. This work contributed to us passing the halfway mark – 10,427 homes sites – in August 2016. By insisting on a diverse range of housing – from dwelling lots, townhouses and terrace sites, to apartments and apartment sites – we can have a greater impact on meeting the needs of a greater range of people.

In this regard, we also set ourselves an ambitious target for 7.5% of our total yield to be sold for moderate income housing – we exceeded this outside Greater Sydney, achieving the result for 12.4% of our stock released for sale. We need to work harder to achieve this kind of result within the Sydney basin.

We have continued our strong culture of public engagement – for example, our Parramatta Road team sent out 22,000 letters to residents, held 23 pop-up consultation stalls, and conducted more than 500 phone surveys. We also continued to work on projects that provided direct social benefits, including our work with NSW Land and Housing Corporation (LAHC) on the renewal of housing estates for public housing tenants.

We met our energy and water efficiency targets, and fell marginally short on our waste and nitrogen load targets. We incorporated social planning into 100% of our projects. We also continued to seek to positively impact our supply chain and development partners by incorporating non-financial measures in all our Project Delivery Agreements during FY16.

We are now looking to review the way we report on our performance and better meet the expectations of our stakeholders, as we continue to transition into an urban transformation agency. Our new Sustainability Strategy will guide our work, and we will re-engage with stakeholders as we finalise this framework during early 2017.

**David Pitchford CBE LVO**  
Chief Executive, UrbanGrowth NSW



Work in progress. Justin Sarayath creating "Fiorire in Bloom", a public art sculpture for Lachlan's Line

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## Summary of FY16 Results

During FY16 we continued to report high levels of performance against our existing sustainability targets. In accordance with our transition towards urban transformation, we have also continued to establish our new Sustainability Strategy, which will provide greater alignment of sustainability indicators and targets to our emerging portfolio.

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During our FY15 reporting period, we disclosed our ambition to adopt a new Sustainability Strategy as at 1 July 2016. We have worked towards this goal throughout the year, undertaking extensive consultation with government, industry, key industry groups, and internal stakeholders.

We intend to utilise the FY17 reporting period to 'phase in' our new Sustainability Strategy, and phase out our existing approach. From 1 July 2017, our new Sustainability Strategy will supersede our existing approach where appropriate.

All projects that met a reporting milestone are included within our performance results this year. Where project performance has not been achieved as a direct result of the conflict between our traditional sustainability targets, and our urban transformation portfolio, an explanation is provided.

The benchmarks embedded within our existing sustainability strategy address environmental, social and economic benefits. For example, we are steadily reducing greenhouse emissions per occupant per new home that we deliver – minimising the impact on the environment. The homes we've built have also saved 70,000ml of water – the equivalent of 40,000 Olympic-sized swimming pools

- thanks to water-efficient fittings and reuse, which not only minimises use, but also costs. Furthermore, 12.4% of our properties available for sale were available to moderate income households – playing a small part to address one of Sydney's major social concerns.

We've also seen considerable improvement in the management of environmental and work health and safety audit documentation following staff training - 100% of our civil works and builder contracts were audited and contractors addressed all issues identified.



The Lake Neighbourhood Centre at The Ponds

Our Project Delivery Agreement for The Peninsula at Wentworth Point included tailored non-financial measures such as a public art strategy and walking and cycling paths. Further, our East End project in Newcastle undertook a Social Impact Assessment (SIA) as part of the Development Application process. The SIA considers the potential changes, impacts and opportunities for stakeholders from development, and provides mitigation strategies for each impact.

We exceeded BASIX 40 for water and BASIX 55 for energy and 100% of the public open space we provided was irrigated by non-potable water sources.

While we set ourselves high benchmarks for performance, we did not meet all our ambitions. For example, we sought to achieve a waste recovery (reuse or recycle) rate of 95% from civil works and building construction – we achieved 94%. We also aimed to achieve a 45% reduction in the mean annual load of total nitrogen, and fell just short at 44%. We also fell short on our target for 100% of public space and civil works contracts to advance sustainable products and/or processes – this was achieved for 76% of relevant contracts. Further detail is provided within our report which provides context for these performance scores.

We do face some challenges ahead, and measuring our performance against benchmarks allows us to look at the practices we need to change to meet our ambitions. For example, while we met our moderate income housing target, we only did so in projects outside Greater Sydney. Affordability within the Sydney housing market is an ongoing challenge across government and further work is needed. UrbanGrowth NSW is working with other parts of Government to develop a Sydney Housing Strategy including mechanisms for the provision of affordable housing. This strategy will inform and enable UrbanGrowth NSW to finalise its revised housing affordability and diversity policy to help meet the housing needs of people's varied lives within their budgets.

Our sustainability performance summary against our targets is provided in Appendix A.

## Our organisation

# UrbanGrowth NSW is the NSW Government's urban transformation agency.

### UrbanGrowth NSW

As a State Owned Corporation (SOC) and master developer of complex urban transformation projects on government land, we look to lead the collaboration between government agencies, local councils, residents and industry to create vibrant, connected and resilient places for people to live, work and visit.

The projects we work on are large in scale, complex in nature, and long term in delivery. Often, they represent a once-in-a-generation opportunity to drive an internationally competitive social, environmental and economic destination for Sydney and NSW. Sustainability is key to this, and underpins how we deliver great places for communities and generations to come. We use our City Transformation Life Cycle™ to guide the transformation of surplus or underutilised government-owned land into vibrant urban places with new housing choices, community facilities, and jobs close to public transport.

### UrbanGrowth NSW was established in 2013 as:

- a State Owned Corporation that integrated and refocused the role of the former Landcom
- a development corporation to take on the responsibilities of the Sydney Metropolitan Development Authority and the Redfern Waterloo Authority.

Since establishment, we have started to transition from the traditional greenfields home development of Landcom to focus on large-scale urban transformation projects.

### Operating divisions during the reporting period:

Our activities are structured into three portfolios including our CBD Projects Portfolio (Sydney and Newcastle), Western Sydney Projects Portfolio & The Bays Precinct, Sydney. Our operations during this reporting period covered:

- urban transformation programs
- wholesale projects (master development of government land)
- retail transition (existing retail greenfield home development projects).

This report generally covers the early stages of two urban transformation projects, the later stages of another urban transformation project, as well as 12 greenfield projects at the later stages of delivery some of which are also among the 15 greenfield projects in marketing and sales.

## What is urban transformation?



Urban transformation is a solution to meeting the demands of a modern and growing city. It involves transforming land, which has typically been used for commercial or industrial uses near existing transport and services, to create new housing, public amenity and jobs.

Urban transformation engages the community, and inspires imagination and collaboration to drive a bold long term vision for the future of our city.

### This transition reflects a clear mandate from the NSW Government to:



increase the supply of housing and jobs



strengthen the NSW economy



maximise public investment in infrastructure



seek a fair return for taxpayers



collaborate with stakeholders.

As the government's urban transformation agency, we often play a transformative role on highly complex urban projects. This includes our obligation to deliver against the NSW Government commitment of 20,000 new homes between March 2015 and March 2019, as outlined in *A Plan for Growing Sydney*.

### Reporting requirements

The *Landcom Corporation Act 2001* requires us to report annually against our sustainability performance. The Act states that we must develop sustainability performance indicators that are benchmarked against international best practice.

Our current sustainability performance indicators were endorsed by the Minister for Planning in October 2013, and are best aligned to traditional greenfield development projects. To reflect the transition of our organisation towards urban transformation, a new Sustainability Strategy is being prepared. Indicators and targets are being developed to best support our organisation as we continue to deliver traditional developments, and increase our delivery of urban transformation projects.

Throughout 2016, extensive consultation with key internal and external stakeholders has informed our new Strategy, which will be publicly exhibited prior to formal adoption by the Minister for Planning. Once adopted by the Minister, we will 'phase in' our new Sustainability Strategy, and phase out our existing approach during the FY17 reporting period.

We will consult with assurance and Global Reporting Initiative (GRI) experts to identify the best way to report the performance of our projects in our FY17 Sustainability Report, as we transition to our new Sustainability Strategy.

## Responding to stakeholder priorities

Our approach ensures that our urban transformation projects promote resource efficiency, support low carbon emissions, and enhance the ecosystems and communities that support them.

We identify and disclose the material aspects of our operations in accordance with the Global Reporting Initiative (GRI) G4 Guidelines. This requires us to undertake a comprehensive materiality assessment every two years, to gain insight into the issues that are material to our stakeholders.

This report measures our performance against the material issues identified during a 2015 assessment completed by Ernst and Young. Our case studies throughout this report are aligned to our material issues.



Governance:  
Newcastle East End  
community and  
local government  
engagement



Economic prosperity:  
Oran Park Smart  
Work Hub



Water Sensitive  
Urban Design:  
Lachlan's Line



Transport: Lachlan's  
Line transport-  
oriented development



Climate risk:  
Eco-efficiency in the  
Aging, Disability and  
Home Care project



Healthy  
communities:  
One Minto



Housing affordability:  
Edmondson Park and  
Bardia



Biodiversity:  
Macarthur Heights



Financial  
sustainability:  
Capital recycling



East End, Newcastle



## Case study: Governance

### Newcastle East End community and local government engagement

We entered into a joint venture with The GPT Group in 2012 to reinvigorate Newcastle through a plan that will deliver a mix of retail, commercial and residential uses across 1.66ha along the city's traditional main street.

We want to attract commercial interest and capital investment to renew the city's historic East End, while preserving its unique heritage.

We lodged an initial master plan Development Application following extensive community engagement.

Council received over 300 submissions during the exhibition of the Development Application, mainly dealing with the impact of the proposal on views and incompatibility of the proposal with the existing village-type scale of the area.

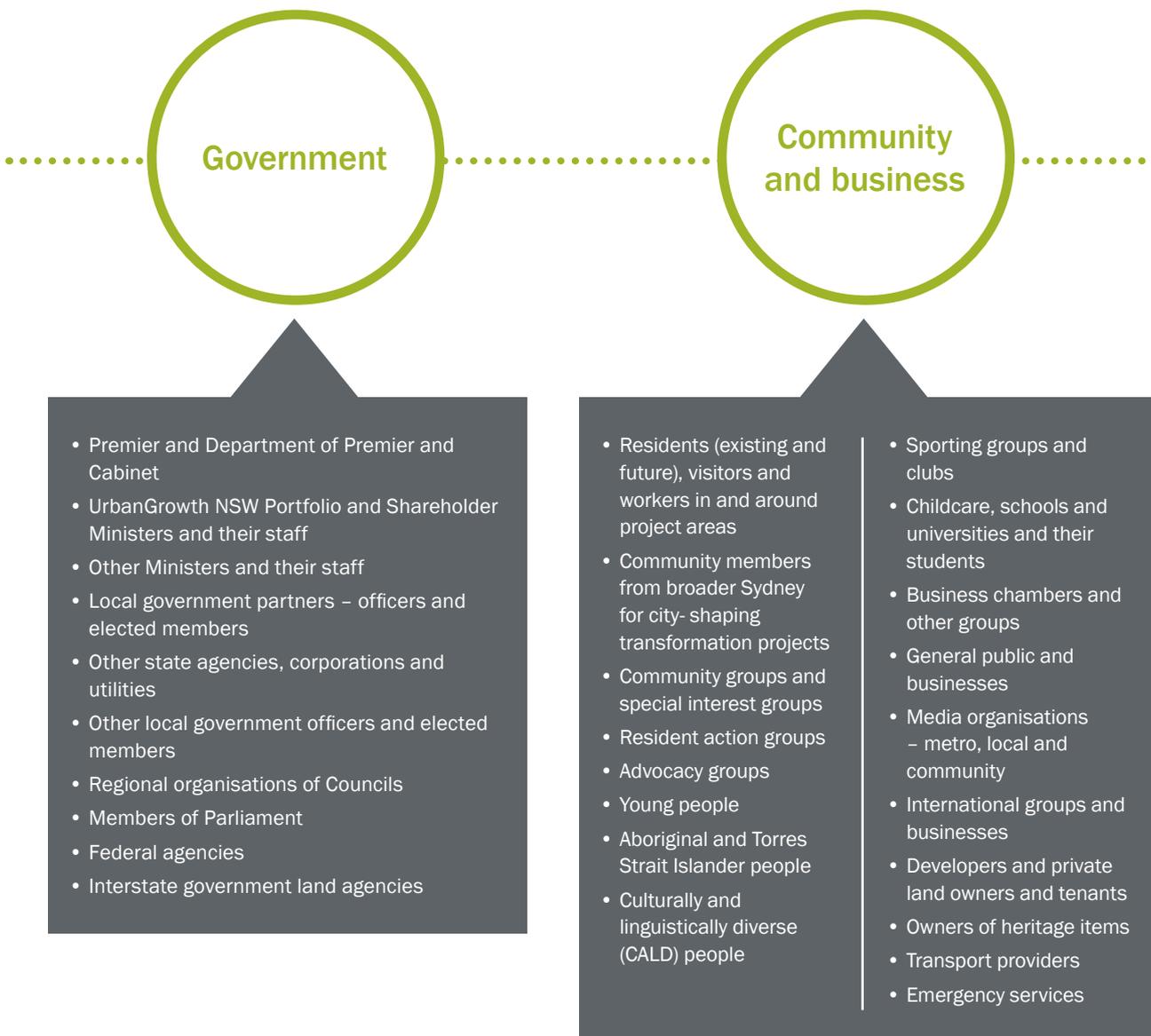
In response, we reworked the master plan to reduce the proposed height and scale and we changed the proposed mix of uses to maintain a commercial focus.

We lodged a new Development Application (DA) in November 2015 and held further meetings and briefings with Council, community groups and industry bodies. In response, Council received just 22 submissions to the new master plan DA.

# Our stakeholders

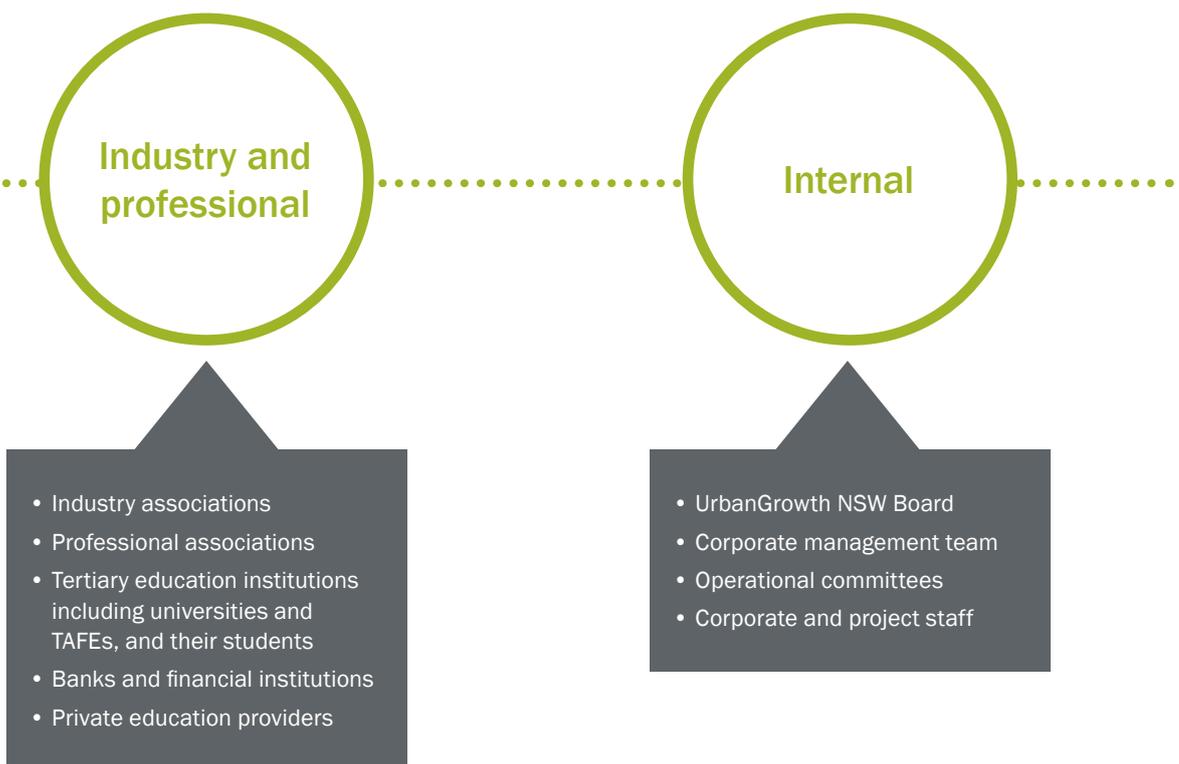
## Stakeholder collaboration and engagement

Community and stakeholder engagement are key to achieving a shared ambition in the delivery of city transformation projects. The public good, both current and future, is at the heart of our decision-making, and stakeholder participation is fundamental to achieving this. People have a right to be informed about decisions that may affect them.



Our large-scale, long term and often complex projects must incorporate the views of many people and organisations. Our engagement is therefore both iterative and cyclical. In the reporting year we engaged stakeholders across our portfolio. We aim for our engagement practice to be collaborative, purposeful, proactive, accountable and inclusive – principles of best practice that are widely recognised and promoted by engagement advocates.

The stakeholders we deal with across many sectors include, but are not limited to, those listed below. A list of the issues arising during our stakeholder engagement activities is included in Appendix B.



# Corporate performance

Corporate indicators relate to our economic performance as defined in the audited financial accounts. These indicators also relate to the performance of our office premises at Parramatta, Sydney and Newcastle, and the engagement and wellbeing of our employees.

## Economic indicators

In FY16, our net operating profit after tax was \$161.2 million. We returned \$69.1 million to the NSW Government.

Our economic sustainability indicators are listed in Appendix A.



Edmondson Park Train Station, Edmondson Park

## Case study: Financial stability

### Capital recycling

As a State Owned Corporation (SOC), we have an obligation to operate on a commercial basis and to seek a fair return for taxpayers.

In this regard, we operate as a self-funding organisation, and we raise capital through the recycling of assets.

For example, when we purchase or obtain government-owned land, we bring together the many different State agencies who need to collaborate to prepare the land for development. This could mean the achievement of outcomes such as the provision of new transport services to increase the viability of development, protecting heritage areas, or de-risking sites by removing traditional constraints such as contamination.

We therefore act as the catalyst for this development to occur. By then releasing the land for development we can incorporate criteria that will meet the objective of creating world-standard urban transformation while also freeing revenue for future investment.



UrbanGrowth NSW employees



UrbanGrowth NSW employees

## Our staff

We conduct an Employee Engagement Survey every two years, which means no survey was undertaken within the reporting period, and our FY15 results remain applicable. Our next Employee Engagement Survey will be conducted in 2017.

In response to the main issues raised in the 2015 survey, we developed an Employee Engagement Survey Action Plan. The action plan is focused on strategy, learning and development, recognition, systems upgrades and communications. Over the last 12 months we have worked on developing a new intranet and website platform, implementing a management training program and half day induction program, informing staff through regular staff and team briefings, and introducing “Information-on-a-page” documents relating to our vision, objectives, ambition and values – which aligns to the key actions identified in our action plan.

## Office performance

In FY16 we continued our efforts to reduce our own environmental impact through our office operations. All of our offices purchase 100% GreenPower, and our Parramatta office has a five-star NABERS Energy Base Building rating.

During this reporting period we reduced our paper consumption by 33% to 7 tonnes, when compared to our FY15 consumption of 10 tonnes. Additionally 100% of the paper we purchased contained recycled content. We also recycled 129 toner cartridges. Our Parramatta office generated 6.2 tonnes of general waste, and recycled 4.6 tonnes of co-mingled waste. We did not report waste streams for our other offices during this reporting period.

# Our projects

## Project locations



**The Bays Precinct**

- 1. The Bays Precinct Sydney Urban Transformation Program

**CBD Project Portfolio**

- 2. Central to Eveleigh Urban Transformation and Transport Program
- 3. Green Square Town Centre
- 4. Newcastle Urban Transformation and Transport Program
- 5. Parramatta Road Urban Transformation Program

**Western Sydney Project Portfolio**

- 6. Renwick
- 7. East Village
- 8. Macarthur Heights
- 9. Newbrook
- 10. Hillcroft
- 11. One Minto
- 12. Oran Park Town
- 13. Edmondson Park
- 14. Newleaf
- 15. Thornton
- 16. Riverstone
- 17. The Ponds
- 18. Sydney Metro North West Urban Transformation Program
- 19. Parramatta North Urban Transformation Program
- 20. The Peninsula
- 21. Lachlan's Line
- 22. Sanctuary
- 23. Vantage

# Project performance

## Milestone indicators

To report on our sustainability performance, we include projects that meet one of four reporting milestones during the reporting period. During FY16 this included both greenfield development and urban transformation projects.

### Milestone 1:

Project planning completion  
Approval of concept plan, development control plans or master plan.

### Milestone 2:

Precinct delivery  
Where practical, completion of one or more precincts and precinct registration.

### Milestone 3:

Built form commencement  
When partnering with a builder or other developer, commencement of dwelling construction.

### Milestone 4:

Marketing, sales and community programs  
Land sales are occurring, residents are moving in and community programs are established or in place.

## 2016 reporting projects

Project	Milestone 1	Milestone 2	Milestone 3	Milestone 4
The Peninsula at Wentworth Point	★			
Newcastle East End	★			
East Village		★		★
Renwick		★		★
Edmondson Park		★		★
Newbrook		★		★
Hillcroft		★		★
Minto Renewal		★		
Oran Park Town		★		★
Sanctuary		★		★
Caddens			★	
Thornton			★	★
The Ponds				★
Ageing, Disability and Home Care			★	
Land and Housing Corporation			★	
Green Square Town Centre			★	
Edmondson Park				★
Gosford City Link				★
Macarthur Heights				★
North Penrith				★
Talana				★
Potts Hill				★
One Minto				★



## Milestone 1 – Project planning completion

The two projects considered in this early stage – **The Peninsula at Wentworth Point** and **Newcastle’s East End** – were measured against indicators relating to stakeholder management.

The Peninsula at Wentworth Point was also the single project measured against our target of including non-financial measures into project development agreements.

As development manager for The Peninsula, we launched an international expression of interest campaign, and shortlisted tenders for Wentworth Point precinct. This process constitutes an agreement that includes tailored non-financial measures, as incorporated into the site-specific development control plan (DCP). The non-financial measures included in the DCP are:

- highly continuous, mobile neighbourhood
- permeable footpaths and connected cycle-ways
- stormwater management strategy and stormwater targets
- contamination capping strategy which seeks to reuse waste material on site

- protection of sensitive ecological salt marsh communities from development and overshadowing
- protection of significant trees
- protection of mangroves and other riparian species
- identification of deep soil planting opportunities
- appropriate building setbacks for private and public domain solar access
- public art strategy
- allocation of floor space distribution
- provision of a community facility, and
- provision of a regional park.

We have developed sustainability ‘reference design’ materials that will be wrapped up in the contract of sale as obligations for the future developer to deliver against:

- Water Sensitive Urban Design (WSUD) strategy
- Public Art strategy

- Landscape master plan
- Waste Management Plan, and
- Construction Environmental Management Plan.

East End in Newcastle was our single project measured against targets for social due diligence and social planning, with the inclusion of a Social Impact Assessment developed as part of the staged Development Application process as described in our Governance case study.

East End will facilitate implementation of the vision for the Newcastle City Centre by:

- creating a range of new liveable spaces
- providing new homes near and connected to new jobs
- creating vibrant, activated and sustainable public places that will bring people together
- planning for public transport, cycling and walking
- stimulating and revitalising the local economy.



Foreshore, The Peninsula at Wentworth Point. Indicative artist impression, subject to change and subject to approvals

During the FY15 we did not report Lachlan's Line's achievements for our social sustainability or biodiversity indicators. This was in line with our disclosed position to report performance of our Urban Transformation projects once our new Sustainability Strategy was adopted with targets better aligned to urban transformation.

As our approach was modified this year to include all projects, we are taking this opportunity to retrospectively report on Lachlan's Line FY15 performance. No projects were in scope against our biodiversity indicators for the current reporting period.

Our biodiversity related targets include:

- 100% native vegetation retained within our projects, expressed as a percentage of the total area of native vegetation
- 0% of threatened species' communities or habitat is impacted on our projects
- 100% of retained native

vegetation is protected within our projects (including waterfront land), expressed as a percentage of total area of native vegetation

- 100% of native vegetation (including waterfront land) is restored or regenerated within our projects, expressed as a percentage of the total area of native vegetation.

Our performance at Lachlan's Line is outlined below,

- 0.7ha of native vegetation was cleared, comprising Sandstone Ridgetop Woodland. The quality of this vegetation was reported as low to moderate, and was approved for removal as part of our State and Commonwealth legislation approvals. The removal was deemed not significant.
- 39% of the total onsite vegetation was retained, and restoration and protection works are managed via a Construction Environmental Management Plan and Vegetation Management Plan.

- 0.4ha of bushland has been identified for regeneration and replanting of native species, to improve the overall existing quality
- All waterfront land and native vegetation within the waterfront land area is identified for retention, and the riparian corridor will be retained and protected.

Restorative works have been completed in the bushland area to include an elevated boardwalk and viewing platform. Areas surrounding the bushland have also been upgraded to include grassed open space, native and exotic vegetation planting and footpaths to enable community green space access and open space use.

# Project performance



## Milestone 2 – Precinct delivery and Milestone 3 – Built form commencement

Consistent with our previous reporting approach, we are reporting on these two milestones together, as they often occur at the same time. They include a range of environmental indicators such as water cycle management, energy and greenhouse gas emission reductions and the recovery of waste.

### Water cycle management

Water Sensitive Urban Design (WSUD) is a design and engineering term for projects where the use of potable water to irrigate open spaces is mitigated by leveraging the urban water cycle (stormwater, groundwater, waste-water). This can include elements such as wetlands, rain-gardens and alternative water sources, water-efficient fittings and rainwater tanks. These and other demand management initiatives can achieve water quality and efficiency targets, stop water pollution ending up in local waterways and provide aesthetic and community value to each project.

As a WSUD indicator, we measure nitrogen load – with a target of 45% mean annual load reduction, when compared to a development without WSUD controls. Data was drawn from the eight projects that delivered public open space civil works during FY16. We achieved a weighted performance of 44% reduction in this reporting period.

Oran Park Town and Renwick performed strongly, with total nitrogen reductions of 63% and 72%, respectively. East Village, Edmondson Park and Newbrook had a total nitrogen load reduction above the 45% target.

Hillcroft, One Minto, and Sanctuary were below the total nitrogen reductions (0%, 9%, and 39% respectively). While we set ambitious targets, in some instances our performance is impacted by the preferred method of water management by Local Councils. We will continue to work with our partners to drive improved water performance from our projects, in collaboration with our key stakeholders.

Indicator	Target	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
% reduction in Nitrogen	45	48	46	49	47	44

## Water efficiency

We measure water efficiency of homes built during a reporting period in accordance with the *Environment and Planning Assessment Act, Building Sustainability Index (BASIX)*. BASIX applies to all development types, and aims to deliver equitable, effective water and greenhouse gas reductions across NSW.

Compliance with BASIX energy and water performance depend on the type of project (single, multi, flat, dual occupancy, attached dwelling, unit etc.) as well as the postcode location of the project site (these are different for both energy and water).

During the reporting period, 62 homes were built and their BASIX water ratings recorded. The average weighted score achieved was 42, against our BASIX water target of 40. Our best performance was achieved

at Green Square Town Centre where an average BASIX water score of 46 was achieved. Our overall performance result is consistent with FY15 results.

Dwellings were assessed for potable water reduction. This assessment showed that the dwellings consume less than 13 megalitres (ml) of potable water per year, a reduction of over 8ml/year from the baseline consumption of 21ml/year when no water conservation measures were in place.

Indicator	Target	FY12	FY13	FY14	FY15	FY16
BASIX occupancy weighted result for water (single and multi-dwelling houses)	40	No result reported that year	50	52	42	42

## Case study: Water Sensitive Urban Design (WSUD)

### Lachlan's Line

We adopted a precinct-wide approach to stormwater management at Lachlan's Line in Sydney's North. This uses water sensitive urban design measures to reduce stormwater discharge, improve stormwater quality and minimise water consumption.

Our approach uses stormwater treatment devices such as bioretention rain gardens and gross pollutant traps to minimise pollutant discharge into Porters Creek.

As a result, we are exceeding our sustainability targets for WSUD.



Water Sensitive Urban Design, Lachlan's Line

## Open space irrigation

We achieved our target of 100% public open space to be irrigated with non-potable water, across the eight projects completing associated civil works during FY16. This included the creation of almost 18ha of public open space. All spaces created, either require no irrigation by leveraging WSUD, or utilise recycled water (Edmondson Park).

Indicator	Target	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
% public open space irrigation by non-potable water	100	100	94	No result reported that year	99.5	100

# Project performance



## Milestone 2 – Precinct delivery and Milestone 3 – Built form commencement

### Energy efficiency

We measure the energy efficiency of homes we build during a reporting period in accordance with the *Environment and Planning Assessment Act, Building Sustainability Index (BASIX)*. As noted in Water Efficiency, BASIX applies to all development types, and aims to deliver equitable, effective water and greenhouse gas reductions across NSW.

Compliance BASIX energy and water performance depend on the type of project (single, multi, flat, dual occupancy, attached dwelling, unit etc.) as well as the postcode location of the project site (these are different for both energy and water).

During the reporting period 62 homes (LAHC, ADAC and Green Square) were built, and their BASIX energy score recorded. Of these, only 42 single or multi-dwelling houses (LAHC and ADAC) were applicable for reporting against our current BASIX water target – the remaining 14 dwellings delivered were residential flats, and are out of scope for our target.

The average weighted score achieved across reportable projects was 59, against our BASIX energy target of 55 for single and multi-dwelling houses. This is equivalent to a 59% reduction in carbon emissions per occupant, in comparison to the average carbon emissions per occupant BASIX benchmark.

Of the remaining 14 dwellings, data was captured for reporting – despite being outside of our existing target boundaries. Our performance was a weighted average of 35.

Our results are summarised below.

FY16 Project types	No. of projects	No. of dwellings	Average score	Occupancy weighting	Area weighted
Single dwelling house	39	39	58	60	64
Multi-dwelling house	3	9	52	56	56
Residential flat	1	14	35	35	35
Total (including Residential Flat projects)	43	62	57	56	62
Total (excluding Residential Flat projects)	42	48	57	59	63

By looking at historic data, we can see that we are increasing our capability to provide new homes to produce fewer emissions than the average NSW home.

Indicator	Target	FY12	FY13	FY14	FY15	FY16
BASIX occupancy weighted result for energy (single and multi-dwelling houses)	55	55	57	54	69	59



Solar panels. Ageing, Disability and Home Care (ADHC) group home, Merrylands



## Case study: Climate risk

### Ageing, Disability and Home Care (ADHC) group homes

In partnership with ADHC, the group homes delivered in this reporting period were each fitted with 3.5kw solar panels. We also used the most suitable energy efficient hot water units and dedicated LED lighting, while maximising natural light as much as possible during the design stage.

These homes are highly specified - they are AS1428 (Design for access and mobility set) compliant while remaining suitable for the residents' needs. We novate the consultants to the builder to mitigate any variations so that we can achieve quality with specific standard details.

As a result, we have consistency in build quality and standard details and we can build the homes within tighter timeframes. The people moving into these homes move in quicker to a new, well built "fit for use" group home.

We expect to see an 86% reduction in greenhouse gases per occupant (in accordance with BASIX energy) at our project on Harris Street in Merrylands. This will be reported in our results during FY17.

This project consisted of a five-bedroom, separate dwelling house with a roof area of 400m<sup>2</sup> and incorporates the following features:

- instantaneous gas hot water heating system with a performance rating of 4.5 stars
- cooling and heating systems with 4-star energy performance ratings and day/night zoning between living areas and bedrooms
- LED lighting
- windows and skylights for natural lighting
- a photovoltaic (PV) system with 3.5 kW peak capacity
- an induction cooktop and electric oven in the kitchen
- a well ventilated refrigerator space, as defined in the BASIX definitions, and a fixed outdoor clothes drying line.

# Project performance



## Milestone 2 – Precinct delivery and Milestone 3 – Built form commencement

### Waste

The process of preparing land for housing developments and conducting urban transformation involves significant movement of fill material within and between development sites. We have an ambitious target to recover (reuse or recycle) 95% of waste from civil works and building construction. Our performance against this target has held stable at approximately 93% against our FY15 achievement

We defined our approach to waste as 95% recovery (reuse and recycle) of waste from civil works and building construction. The boundaries of this target currently align strongly with traditional greenfield development, where virgin excavated natural material (VENM) dominates waste generated, and the presence of contamination is typically low. Despite best efforts, it is not always possible to remediate all contamination, and where appropriate this is disposed of to licensed facilities.

Our performance against this target should be considered within the context of increased instances and management of contamination across our portfolio, resulting from our transition to urban transformation and brownfield sites. The scope of this target will be amended within our new Sustainability Strategy to appropriately address the divergence between traditional greenfield waste management, and urban transformation.

Our performance in FY16 is 94% against our target of 95%. Of this, 85% (540,608 tonnes) was VENM or fill and soil, of which 91% was reused or recycled. The main contracts with large VENM movements were the Culvert Works at Richardson Road Spring Farm contract (262,000 tonnes), Caddens Knoll and Road Upgrade contract (100,781 tonnes) and Edmondson Park Stage 2A contract (49,000 tonnes).

Compared to the recycling and movement of VENM, fill and soil, the volume of other material recycling was relatively small. However, these absolute amounts are still significant and have increased this year. There were 36,369 tonnes of concrete recycled, 6,940 of vegetation recycled, 7,072 tonnes of asphalt and 974 tonnes of brick and roof tiles recycled.

During this reporting cycle 39,360 tonnes of contaminated soil was excavated, with 1,237 tonnes remediated or recycled, with the remainder disposed of in licensed facilities. In addition, 39 tonnes of hazardous waste was disposed in licensed facilities.

Indicator	Target	FY12	FY13	FY14	FY15	FY16
% recovery of waste from civil works and building construction	95	98	90	99	93	94

## Housing affordability

Our moderate income housing target is 7.5%. This indicator assesses the proportion of housing available for purchase by households earning 80 - 120% of the average household income range.

In FY16, our supply of land for moderate income housing made up an estimated 12.4% of the 759 homes that met our criteria for moderate income housing. Of these 94 homes, 56 (60%) are in Renwick development and 38 (40%) are in the Sanctuary area.

We used the sales released for FY16 for this measure – this includes a number of properties made available for multiple dwellings but excludes ‘superlots’ - large lots created to accommodate future subdivisions and other non-residential properties – as this list more appropriately represents our contribution to moderate income housing without the distortion of actual sales that are subject to market conditions outside our control.



Edmondson Park



## Case study: Housing affordability and diversity

### Edmondson Park and Bardia

Our tender strategy for Edmondson Park included provision of a diversity of housing with a range of price points and dwelling types, including 15% of the minimum 912 dwellings (137 dwellings) for moderate income affordable housing and at least 40 individual dwellings for seniors.

After the tender stage, the proponent, through its Part 3A Edmondson Park ‘Statement of Commitments’ (currently under consideration for approval with Department of Planning and

Environment) has committed to include 15% of dwellings suitable for purchase as moderate income housing.

The proponent also states they will provide 20% of all dwellings across the site as incorporating Liveable Housing Guidelines silver level universal design features to provide housing that is appropriate for, but not limited to, seniors.

Similarly at the nearby new suburb of Bardia in Edmondson Park, the tender process sought provision of a

diversity of housing on the site with a range of price points and dwelling types, including 15% of the overall site lot yield (including land developed by UrbanGrowth NSW) for moderate income affordable housing.

The expected yield at tender was 1,283 lots, so 15% equates to 192 affordable homes and at least 73 individual homes for seniors.

# Project performance



## Milestone 2 – Precinct delivery and Milestone 3 – Built form commencement

### Third party audits

We are certified by an independent third party to the Australian and New Zealand standard AS/NZS 14001:2004 for our Environmental Management System (EMS). This certification requires our contractor work to be audited to comply with our EMS.

All works contracts with a significant environmental or work health and safety (WHS) risk are subject to third-party independent environmental and WHS audits at least every six months during the works.

In FY16, 47 civil work and construction contracts reached practical completion. Of these:

- Twenty one were for the construction of single dwellings for the Ageing, Disability and Home Care (ADHC)

- Thirteen were contracts for bulk earth works, civil works, landscaping and the construction of roads and services for East Village, Renwick, Edmondson Park, Hillcroft, Newbrook, One Minto, Sanctuary, Caddens and Thornton
- Four were for the construction of multiple dwellings for the Land and Housing Corporation (LAHC)
- Nine were for the demolition of existing properties in preparation for ADHC and LAHC constructions.

Of these contracts, 100% provided evidence of third-party WHS and environmental audits conducted at least once every six months. This is a considerable improvement on results in past years and reflects the success of training sessions held during FY15 that focused on the requirement for superintendents to receive and review all third-party audits from works contractors.

As a proactive measure, all contractors submit their audit information for review to close out all non-conformances. A non-conformance creates a significant risk of environmental harm or a WHS hazard – it does not mean an environmental or safety incident has occurred. Once all non-conformances are closed out, or the project reaches completion, we receive the audits and tabulate the outstanding non-conformances.

For the contracts reported in FY16, 75 environmental and WHS audits were conducted. Evidence was provided to show that all non-conformances identified during these audits were closed out.

Indicator	Target	FY12	FY13	FY14	FY15	FY16
% of civil works and builder contracts that have WHS and environmental audits done every six months	100%	63%	78%	88%	81%	100%

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## Sustainability of the supply chain

The proportion of our contracts that advance sustainable products and processes is an indicator adopted to advance sustainability within our supply chain. This indicator was designed to report on contracts that specified practices, materials or policies that address sustainable development practices.

During this reporting cycle, we found limited ability to formally incorporate sustainability into a standard contract and, as a result, a significant number of contracts did not include a response to this indicator. This barrier has been addressed in our new Procurement Policy, and will form a key component of our new Sustainability Strategy.

Despite these challenges, a number of contracts provided sustainability-related outcomes. These include urban renewal, social housing and Water Sensitive Urban Design (WSUD) elements. Of the 38 contracts achieving practical completion in FY16, 76% (29) reported contributing to social housing, urban renewal or WSUD. Furthermore, in FY16, nine demolition contracts were excluded on the basis that they provided limited scope for sustainable products and/or processes.



Completed subdivision work, Newbrook

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- 2
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## Milestone 4 – Marketing, sales and community programs

### Community facilities and programs

Of the 10 projects in the marketing and sales phase during FY16, all had community development and welcome programs operating. The total value of the programs was \$721,775 (incl. GST). The programs were delivered in:



In FY16 six projects reported delivering community facilities at a total value of \$9,389,988. We invested this funding into new parks and open spaces, some as voluntary planning agreements and others as works in kind under Section 94 of the *Environmental Assessment and Planning Act 1979*. These costs do not reflect the value of the land itself. The projects are given in the table below.

<b>Project name</b>	<b>Community facility</b>	<b>Value of works (\$)</b>
Newbrook	Smiths Creek revegetation	360,000
	Road upgrades	443,000
	Entry wall	178,000
Hillcroft	Badgally Reserve	505,000
	Landscape buffer strip	120,000
	Road upgrades	395,000
One Minto	Kyngmount park	1,086,773
Edmondson Park	Open space Precinct 2	4,100,000
	Open space Precinct 4	329,245
Macarthur Projects	Open space in Spring Farm	27,320
	Renwick Village Green	956,607
	Rotherwood Park	389,043
Sanctuary	Recreation area and park	500,000
	<b>TOTAL</b>	<b>9,389,988</b>

# Project performance

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- 3
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## Case study: Healthy communities

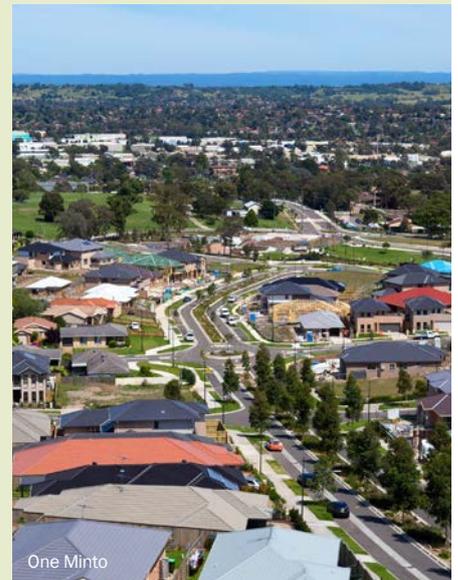


### Minto diverse housing, community regeneration

One Minto is a State-significant redevelopment project of a former public housing estate in Sydney's south west.

As developer, we have worked with the two landowners - Housing NSW and Campbelltown City Council - to transform Minto by providing greater housing and socioeconomic diversity, and by dramatically reducing the proportion of public housing from 100% to 30%.

The One Minto development has helped to address the issues of poor physical and social environment that have troubled this estate in the past. We have renewed how the suburb looks, and how people, streets and houses interact. In doing so, we have helped to transform the way people view their local area and how they feel about living there - leading to greater social interaction and safer, happier neighbourhoods.



## Case study: Transport



### Lachlan's Line

We define Lachlan's Line as a Transit Oriented Development (TOD). This incorporates a mix of different land uses such as housing and commercial developments around transport infrastructure.

Lachlan's Line is set within a new contemporary urban village located in Macquarie Park. It will provide new homes for around 5,000 people, and will be a vibrant residential neighbourhood that is a local destination for residents and the wider community.

The mixed use precinct at the heart of Lachlan's Line will include park frontage restaurants, cafés, a supermarket and a local council community centre which forms the focal point of the main town square.

These assets will be well connected to the North Ryde and Macquarie Park rail stations and bus networks.



## Case study: Biodiversity



### Macarthur Heights

The master plan for the Macarthur Heights aims to conserve and protect biodiversity and remnant bushland of quality within the context of creating an urban centre.

Our aim here is to retain existing Endangered Ecological Community (EEC), Cumberland Plain Woodlands, incorporate them into a network of riparian corridors and further manage these for conservation.

Our development applications are underpinned by a Vegetation Management Plan and Ecological Flora and Fauna Report for the revegetation and rehabilitation of five riparian corridors as natural second and third-order creek lines and to realign and revegetate Bow Bowling Creek. These creeks are highly disturbed and in some parts concrete lined, with little to no ecological value or connection.

We are also looking into the protection, monitoring and reporting of EEC fauna identified within the restoration precincts. This is paramount in the protection of *Meridolum corneovirens*, the Cumberland Plan Large Land Snail.

Ultimately, the strategies and implementation of management programs will re-establish native corridors that benefit the protection of endangered ecological communities.



Macarthur Heights

## Case study: Economic prosperity



### Oran Park - Smart Work Hubs

Our digital communities strategy aims to take full advantage of the high speed broadband roll out. As part of this, the NSW Government has funded a pilot smart work program.

Our Oran Park Smart Work Hub was one of the earliest pilots in the program. The project was completed in November 2014 in collaboration with the NSW Government and Greenfields Development Company.

The Smart Work Hub is the first of its kind in southwest Sydney. Designed as an alternative to traditional workplace or working from home, it provides state-of-the-art facilities and technology services supported by high speed broadband.

It provides the convenience of a central office – printers, meeting rooms – but closer to home. These facilities fulfil individual and employer demands for greater workplace flexibility, as well as increasing activation of residential and retail properties.

Since its launch, the Oran Park Smart Work Hub has welcomed over 100 members. It is currently home to 54 businesses and 15 Government employees (NSW Industry, SES, NSW Fire & Rescue, Department of Premier & Cabinet & Department of Education and Training).



Smart Work Hub, Oran Park Town

# The year ahead

Our development of a new sustainability framework responds to our transition to urban transformation projects. We want to make sure that we deliver a framework that realises our ambition to deliver world class sustainability outcomes. During 2016 we collaborated with industry, key government agencies and stakeholders, industry organisations and our sustainability consultants to ensure our new strategy is robust.

The new framework will:



We began our work on the new framework in 2015, and have already:

- reviewed our existing sustainability indicators
- developed draft sustainability performance indicators based on international and national best practice for urban transformation strategies, frameworks and approaches
- consulted with external stakeholders (industry, State agencies, peak bodies and universities) on a high-level draft of the framework
- consulted with internal stakeholders (Board, executives and project staff)
- tested and reviewed the indicators with third parties.

The new indicators will align with Global Reporting Initiative (GRI) and will be formally endorsed in compliance with the *Landcom Corporation Act 2001* for use across the organisation. Our legacy greenfield projects will be assessed to determine whether reporting against the new, or existing sustainability indicators is most appropriate.

Pressure testing of our sustainability targets is ongoing, as we work towards finalising a world class approach to sustainability. We will also present the framework for public exhibition and further review prior to formalising the strategy.

We will consult with assurance and Global Reporting Initiative (GRI) experts to identify the best way to report the performance of our projects in our FY17 Sustainability Report, as we transition to our new Sustainability Strategy

Once the framework is in place, an annual review of the applicability and relevance of the performance indicators, and associated stakeholder consultation, will continue.

## UrbanGrowth NSW City Transformation Life Cycle™

Starting from an entirely different place to that which is usually adopted, our City Transformation Life Cycle™ directs, determines and shapes our planning, funding, building and city living outcomes. This methodology acts as a set of guidelines that scale to the required depth and breadth of the transformation projects in our portfolio.



### Thinking Cities

- reflects on the strategic significance of the site, its context economically and culturally, and its potential land uses and beneficiaries. It brings together ideas, ambitions, aspirations and needs to define what we want a place to be.

### Funding Cities

- considers innovative economic and financial models to finance the aspirations established in Thinking Cities.

### Building Cities

- is the usual starting point for major projects. Importantly, this is not just about building design, shape and colours; rather, it's about the highest and best integrated land use and transport planning to benefit the people who live, visit and work in these places.

### Living Cities

- focuses on the creation of great places and opportunities, and is fundamental to producing cities that are resilient, happy and prosperous.

# Appendix A: FY16 Sustainability performance summary

Indicator	FY16 Result	Target	Target met
1. A description of the various projects and initiatives we completed during the year that demonstrated leadership through the integration of our core values in terms of environmental, economic and social sustainability	<ul style="list-style-type: none"> <li>Governance: Newcastle East End – Community and local government engagement</li> <li>Transport: Lachlan's Line – Transport-oriented development</li> <li>Housing affordability: Edmondson Park town centre and Bardia – Housing affordability and diversity</li> <li>Economic prosperity: Oran Park – Smart work hubs</li> <li>Climate risk: ADHC – Eco efficiency</li> <li>Biodiversity: Macarthur Regional Precinct</li> <li>WSUD: Lachlan's Line – Water-sensitive urban design</li> <li>Healthy communities: Minto – Diverse housing, community regeneration</li> <li>Financial sustainability: Urban Growth NSW – Capital Recycling</li> </ul>	No target	No target
2. The total revenue we received: calculated from the sale of land, profits from joint ventures, project management services and miscellaneous items	\$673,788,000	No target	No target
3. The sales margin we received: calculated as the sales revenue on land sales less the total cost of developing the land, divided by our sales revenue	47.63%	No target	No target
4. Our return on sales: calculated as our net operating profit after tax, divided by the total revenue from the sale of land	24.50%	No target	No target
5. Our earnings before interest and tax (EBIT)	\$223,773,000	No target	No target
6. Our return on equity: calculated as earnings after tax divided by our total operating assets	25.49%	No target	No target
7. The return on our total operating assets: calculated as profit after taxes divided by our total operating assets	15.81%	No target	No target
8. Our financing capacity, defined as our debt to equity ratio, which is the measure of our net debt funding as a percentage of equity, as at the end of the financial year	0.00%	No target	No target
9. The dividend and tax equivalent we returned to the NSW government	\$69,104,000	No target	No target
10. The total number of jobs we generated, which is defined as the total number of jobs created through our activities, estimated via an ABS calculator	n/a	No target	No target

Indicator	FY16 Result	Target	Target met
11. The total economic output we generated which is defined as the total economic output generated through our activities, estimated via an ABS calculator	n/a	No target	No target
12. The amount of paper we purchased containing recycled content, expressed as a percentage of total paper purchases	100%	100%	Yes
13. The volume of co-mingled waste streams that we recycled from our office operations, expressed in tonnes	4.6 tonnes	No target	No target
14. The percentage of our Head Office and regional office tenancies located in buildings that achieved a 5 star NABERS rating	100%	100%	Yes
15. Water efficiency of the Head Office (Parramatta office only)	This indicator has been retired.	N/A	N/A
16. Employee satisfaction survey responses	No result reported for FY16	No target	No target
17. A description of our stakeholder engagement processes	No target – substantial and widespread engagement with project and strategic stakeholders	No target	No target
18. The percentage of all agreements executed with our development partners during the year that included non-financial performance requirements	100%	100%	Yes
19. The percentage of our new projects that completed social sustainability due diligence assessments prior to masterplan approval	100%	100%	Yes
20. The percentage of our new projects that had a strategic social plan in place prior to masterplan approval	100%	100%	Yes
21. The percentage of our new projects that had appropriate water sensitive urban design strategies in place prior to masterplan approval	No project in scope for this indicator in FY16	100%	N/A
22. The percentage of our new projects where we used PRECINX® prior to masterplan approval to develop project specific objectives	No project in scope for this indicator in FY16	100%	N/A
23. The percentage area of native vegetation retained within our projects, expressed as a percentage of the total area of native vegetation	No project in scope for this indicator in FY16  (FY15 Lachlan's Line achieved 39%)	100%	N/A
24. The percentage area of threatened species community or habitat which was impacted on our projects	No project in scope for this indicator in FY16  (FY15 Lachlan's Line achieved 61%)	0%	N/A

Indicator	FY16 Result	Target	Target met
25. The area of retained native vegetation protected within our projects (including waterfront land), expressed as a percentage of the total area of native vegetation	No project in scope for this indicator in FY16  (FY15 Lachlan's Line achieved 39%)	100%	N/A
26. The area of native vegetation (including waterfront land) restored or regenerated within our projects, expressed as a percentage of the total area of native vegetation	No project in scope for this indicator in FY16  (FY15 Lachlan's Line achieved 100%)	100%	N/A
27. The area of waterfront land (including riparian corridors) protected within developable area	No project in scope for this indicator in FY16  (FY15 Lachlan's Line achieved 100%)	100%	N/A
28. The percentage area of waterfront land (including riparian corridors) we restored or regenerated within our projects	No project in scope for this indicator in FY16  (FY15 Lachlan's Line achieved 100%)	100%	N/A
29. The levels of nitrogen in stormwater from our projects that was reduced due to our water sensitive urban design initiatives: expressed as a percentage against comparable developments with no WSUD initiatives in place	44%	45%	No
30. The performance of our projects during the year in terms of exceeding BASIX water efficiency targets and a description of the best performing project	42%	Exceed BASIX 40	Yes
31. A performance of our projects during the year in terms of exceeding BASIX energy efficiency targets and a description of the best performing project	59%	Exceed BASIX 55	Yes
32. The area of public open space in our projects irrigated by a non-potable water supply, expressed as a percentage of all public open space delivered	100%	100%	Yes
33. The amount of 'moderate income land or housing' we delivered in our projects: expressed as a percentage of the total land/housing we sold during the year	12.4%	7.5%	Yes

Indicator	FY16 Result	Target	Target met
34. The amount of waste we were able to recover from the civil works and building construction waste we generated in our projects, via reuse or recycling initiatives: expressed as a percentage of the total waste that was generated	94%	95%	No
35. The number of civil works and builder contracts that undertook six monthly work health and safety audits and environmental audits: expressed as a percentage of all civil works and builder contracts in force during the year	100%	100%	Yes
36. The number of non conformances found in the work health and safety audits and environmental audits undertaken during the year: expressed as a percentage of all audits completed during the year	0%	0%	Yes
37. The percentage of public space and civil works contracts we let during the year that included requirements to advance sustainable products and/or processes	76%	100%	No
38. The percentage of all projects we delivered during the year that included community programs and the combined annual value of the community programs	100% \$721,775	No target	No target
39. The combined annual value of the community facilities that were included in all projects we delivered during the year	\$9,389,988	No target	No target
40. The combined annual value of the community sponsorships we financed during the year	\$0	No target	No target

# Appendix B: Issues raised during UrbanGrowth NSW Stakeholder participation FY15/16

Stakeholders	Consultation Method	Issues
<ul style="list-style-type: none"> <li>• State MPs</li> </ul>	<ul style="list-style-type: none"> <li>• Presentations and briefings</li> <li>• Site visits and tours</li> </ul>	<ul style="list-style-type: none"> <li>• Priorities and coordination</li> <li>• Timeframes</li> <li>• Program milestones</li> </ul>
<ul style="list-style-type: none"> <li>• Federal MPs and agencies, including: Department of Environment, Department of Foreign Affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone and emails</li> <li>• Site visits and tours</li> <li>• Presentations and briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Environment Protection and Biodiversity Conservation conditions</li> <li>• Management of Military Heritage Precinct</li> </ul>
<ul style="list-style-type: none"> <li>• State agencies, including:               <ul style="list-style-type: none"> <li>– Department of Premier and Cabinet</li> <li>– NSW Treasury</li> <li>– Department of Planning and Environment</li> <li>– Office of Environment and Heritage</li> <li>– Transport for NSW</li> <li>– Roads and Maritime Services</li> <li>– Heritage Council</li> <li>– Office of Strategic Lands</li> <li>– Hunter Development Corporation</li> <li>– Trade &amp; Investment</li> <li>– Office of the Government Architect</li> <li>– NSW Department of Education</li> <li>– Property NSW</li> <li>– Infrastructure NSW</li> <li>– TAFE NSW</li> </ul> </li> <li>• Utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and briefings</li> <li>• Workshops</li> <li>• Phone calls/emails</li> <li>• Seminars</li> <li>• Ongoing project liaison including through Multi-Agency Steering Groups, Program Advisory Boards, Program Control Groups and working groups</li> <li>• Industry forums</li> <li>• Site tours and meetings</li> <li>• CEOs Reference Group</li> </ul>	<ul style="list-style-type: none"> <li>• Whole of government coordination of investment decisions and delivery</li> <li>• Development of plans for precinct</li> <li>• Collaboration in accordance with agreed frameworks</li> <li>• Access to buildings/land</li> <li>• Leases and engagement with tenants</li> <li>• Repurposing of heritage buildings</li> <li>• Coordinate transport management and infrastructure</li> <li>• Specific discussion of projects, components and progress against milestones and objectives</li> <li>• Voluntary Planning Agreement and modifications to existing approvals</li> <li>• Regional Park embellishment and use</li> <li>• Provide service crossings to service land</li> <li>• Title production</li> </ul>

Stakeholders	Consultation Method	Issues
<ul style="list-style-type: none"> <li>Councillors and local government staff</li> </ul>	<ul style="list-style-type: none"> <li>Meetings, briefings and presentations</li> <li>Phone calls/emails/letters</li> <li>Workshops</li> <li>Ongoing project liaison including through Project Coordination, Reference and working groups</li> <li>Asset inspections</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing consultation with Council</li> <li>Coordination with Council projects</li> <li>Statutory planning approvals, incl: Development Control Plans, Town centre DA's and Voluntary Planning Agreement</li> <li>Coordinate transport management and infrastructure</li> <li>Management of community impacts, placemaking and community development issues</li> <li>Resolve design and delivery issues</li> <li>Negotiate subdivision</li> <li>Council asset handovers</li> <li>Development commencement, progress, access, road closures, street name changes</li> <li>Land acquisition and asset handovers</li> </ul>
<ul style="list-style-type: none"> <li>Local community groups</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and presentations</li> <li>Phone calls/emails</li> <li>Ongoing project liaison including through Community Advisory Panels Reference Groups</li> <li>Attendance at Community Group Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Development of plans for precinct</li> <li>Impacts on local infrastructure and properties</li> <li>Opportunities for community input into studies.</li> <li>Provision of active recreational facilities</li> <li>Adaptive reuse to secure long-term management and ownership</li> <li>Celebrating history via public art</li> </ul>
<ul style="list-style-type: none"> <li>Local community members</li> </ul>	<ul style="list-style-type: none"> <li>Door knocking, letterboxing and visits to landowner homes</li> <li>Delivery of welcome programs</li> <li>Stalls at markets and shopping centres</li> <li>Ongoing construction notifications</li> <li>Community information sessions</li> <li>Website updates</li> <li>Email/phone call responses to queries</li> <li>Community engagement programs</li> <li>Community forums</li> <li>Briefings and focus groups</li> <li>Surveys</li> <li>Online discussion forums</li> <li>Advertising</li> <li>Print media, social media, radio and TV</li> <li>Corporate and project newsletters</li> </ul>	<ul style="list-style-type: none"> <li>Development of plans for precinct</li> <li>Impacts on local infrastructure and properties</li> <li>Construction, delivery and impact mitigation. Issues include noise and night works, dilapidation reports, dust management, trucks on local streets and workers parking in area</li> <li>Notify adjoining residents of upcoming works and delivery milestones</li> <li>Opportunities for community input</li> <li>Privacy for existing residents</li> <li>Open space maintenance</li> <li>Encouraging community interaction/development</li> </ul>

Stakeholders	Consultation Method	Issues
<ul style="list-style-type: none"> <li>Industry groups and businesses</li> </ul>	<ul style="list-style-type: none"> <li>Door knocking</li> <li>Ongoing project liaison including through Reference Groups</li> <li>Presentations/talks at industry events such as business breakfasts, conferences, briefings</li> <li>Advertising</li> <li>Media releases</li> <li>Presentations to industry groups and conferences</li> <li>Presentations at events</li> <li>Meetings and briefings</li> <li>Workshops</li> <li>On site meetings and tours</li> <li>Letters, phone calls and emails</li> </ul>	<ul style="list-style-type: none"> <li>Development of plans for precinct</li> <li>Interest in development and other opportunities</li> <li>Impacts on working harbour</li> <li>Impacts on lease arrangements and planning certainty</li> <li>Commercial outcomes</li> <li>Servicing schedule and progress</li> <li>Maintain working relationships</li> <li>Negotiating access for works</li> <li>Request for proposal for White Bay Power Station (The Bays Precinct)</li> </ul>
<ul style="list-style-type: none"> <li>Department of Education, Catholic Education Office, Schools and Universities</li> </ul>	<ul style="list-style-type: none"> <li>Letters, phone calls and emails</li> <li>Surveys</li> <li>Fieldwork programs</li> <li>Phone calls, emails</li> <li>Liaison with school principal</li> <li>Ongoing project liaison including through Project Control Group meetings</li> <li>Meetings with academics</li> <li>Lectures, presentations and tours as part of course</li> <li>University Collaboration Agreement</li> <li>University round tables and Communities of Practice</li> </ul>	<ul style="list-style-type: none"> <li>Development of plans for precinct</li> <li>Access to teaching materials and project information</li> <li>Facilitating schools precincts</li> <li>Maximising shared use of school buildings</li> <li>Shared use of open space</li> <li>Design, heritage and other aspects of existing spaces</li> <li>Access to buildings/land</li> </ul>
<ul style="list-style-type: none"> <li>Indigenous groups</li> </ul>	<ul style="list-style-type: none"> <li>Aboriginal Cultural Heritage Liaison Committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate pre-construction activities</li> <li>Design of Aboriginal cultural heritage areas</li> <li>Other indigenous matters</li> </ul>
<ul style="list-style-type: none"> <li>Media – TV news, radio and newspaper</li> </ul>	<ul style="list-style-type: none"> <li>Interviews</li> <li>Social media updates</li> <li>Ministerial updates</li> <li>Media releases</li> </ul>	<ul style="list-style-type: none"> <li>Development and progress of plans for precinct</li> <li>Opportunity to explain balanced outcome</li> <li>Incorrect or out-dated information within the local community</li> </ul>

# Appendix C: Assurance statement



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## Independent limited assurance statement to the Directors of UrbanGrowth NSW in relation to the 2016 Sustainability Report

We have carried out a limited assurance engagement relating to the subject matter detailed below (the ‘Subject Matter’) presented in UrbanGrowth NSW’s (‘UrbanGrowth’) 2016 Sustainability Report in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been prepared and presented fairly, in all material respects, in accordance with the reporting criteria described below (‘Reporting Criteria’).

### Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2016 is as follows:

Subject Matter	Reporting Criteria
<p><b>GRI G4 Sustainability Reporting Guidelines</b></p> <p>FY16 Sustainability Report in accordance with the core criteria option (the ‘GRI self-declaration’) prepared in accordance with the requirements of the G4 Sustainability Reporting Guidelines (‘GRI Guidelines’).</p>	<p>The GRI Guidelines and related information, publicly available at GRI’s global website at <a href="http://www.globalreporting.com">www.globalreporting.com</a>, in particular the requirements to achieve the GRI Self Declaration</p>
<p><b>Selected Sustainability Indicators</b></p> <p>The FY2016 performance data in respect of UrbanGrowths’ Sustainability Indicators as referenced in the table contained in section Global Reporting Initiative Index within the 2016 Sustainability Report.</p> <ul style="list-style-type: none"> <li>• Economic performance:                             <ul style="list-style-type: none"> <li>◦ Financial implications and other risks and opportunities for the organisation’s activities due to climate change [G4 -EC2]</li> </ul> </li> <li>• Indirect economic impacts:                             <ul style="list-style-type: none"> <li>◦ Development and impact of infrastructure investments and services supported [G4-EC7]</li> </ul> </li> </ul>	



- Energy
  - Reductions in energy requirement of products and services [G4-EN7]
- Water:
  - Percentage and total volume of water recycled and reused [G4-EN10]
- Compliance:
  - Monetary value of significant fines and total number of non-monetary sanctions for non compliance with environmental laws and regulations [G4-EN29]
  - Monetary value of significant fines and total number of non-monetary sanctions for non compliance with laws and regulations [G4-SO8]
  - Monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services [G4-PR9]

### **Selected Sustainability Performance Indicators**

The FY2016 performance and results against the FY2016 Sustainability Performance indicators for the following categories

- Energy efficiency
- Water conservation
- Water quality
- Community investment & engagement
- Sustainable procurement
- Social programs

as described within Appendix A – Sustainability Performance Summary section contained within the 2016 UrbanGrowth Sustainability Report (the 'Sustainability Performance Indicators')

UrbanGrowth's definitions and approaches as described in Appendix A – Sustainability Performance Summary section contained within the 2016 UrbanGrowth Sustainability Report

### **UrbanGrowth's Responsibility for the Subject Matter Information**

The Directors of UrbanGrowth are responsible for:

- ensuring that the Subject matter in the 2016 Sustainability Report is properly prepared and presented in accordance with GRI G4 Guidelines Reporting Criteria;
- confirming the measurement or evaluation of the underlying Subject Matter against the applicable criteria, including that all relevant matters are reflected in the Subject Matter information;
- designing, establishing and maintaining internal controls to ensure that the Subject Matter information is properly prepared and presented in accordance with the Reporting Criteria.

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## **Deloitte's Independence and Quality Control**

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

## **Deloitte's responsibilities**

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 '*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*' (ASAE 3000), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented in all material respects in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement. A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2016 Sustainability report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

## **Assurance work performed**

In order to form our conclusion we undertook the following limited assurance procedures:

- interviews with a selection of UrbanGrowth management responsible for the Sustainability Performance Indicators and Selected Sustainability Indicators data to understand the compilation and review processes
- applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data
- examination of evidence for a small number of transactions or events
- analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the information included in the 2016 Sustainability Report.
- reviewing underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter in the 2016 Sustainability report has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

**Inherent limitations**

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of UrbanGrowth's Reporting Criteria as set out in the 2016 Sustainability Report.

**Limitations of use**

This report is made solely to the directors of UrbanGrowth in accordance with our engagement letter dated 19 September 2016, for the purpose of providing limited assurance over UrbanGrowth's Sustainability Report. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of UrbanGrowth or for any purpose other than that for which it was prepared.

**Matters relating to electronic presentation of information**

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2016 Sustainability Report after the date of this assurance statement.

**Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria.

DELOITTE TOUCHE TOHMATSU

PR Dobson  
Partner  
Sydney, 27 October 2016

# Appendix D: Global Reporting Initiative G4 General Standard Disclosures

## General Standard Disclosures

GRI Reference	General Standard Disclosures (summarised)	Reference to where the relevant information can be found
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	2016 Sustainability Report (Message from the Chief Executive).
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	The name of the organization	UrbanGrowth NSW.
G4-4	The primary brands, products, and services.	2016 Annual Report p. 7; p.17 (Chairman's Review, Our organisation); 2016 Sustainability Report (Our Organisation).
G4-5	The location of the organization's headquarters.	60 Station St Parramatta NSW.
G4-6	The countries where the organization operates.	Australia.
G4-7	The nature of ownership and legal form.	2016 Annual Report p.33 (Our charter and function).
G4-8	The markets served.	2016 Annual Report p.17; p.20-9 (Our projects, Highlights of this year's achievements).
G4-9	The scale of the organization	Headcount: 300; Full Time Equivalent: 295.87 2016 Annual Report p.18-9 (FY15/16 Highlights).
G4-10	<p>The total number of employees by employment contract and gender</p> <p>The total number of permanent employees by employment type and gender.</p> <p>The total workforce by employees and supervised workers and by gender.</p>	<p>Overall workforce gender diversity and is reported as a percentage and as a distribution at 2016 Annual Report p.42. Gender of executive positions is reported at 2016 Annual Report p.44.</p> <p>Headcount by employment type:</p> <ul style="list-style-type: none"> <li>• Term employees: 76 female and 59 males</li> <li>• Permanent: 31 females and 30 males</li> <li>• Senior Mgt Contract: 44 females and 60 males</li> </ul> <p>Headcount by hours worked:</p> <ul style="list-style-type: none"> <li>• Full-time: 137 females and 147 males</li> <li>• Part-time: 14 females and 2 males</li> </ul> <p>Full Time Equivalent by employment type:</p> <ul style="list-style-type: none"> <li>• Terms: 74.69 females and 59 males</li> <li>• Perms: 30.29 females and 29.69 males</li> <li>• Senior Mgt Contract: 42.4 females and 59.8 males</li> </ul>

GRI Reference	General Standard Disclosures (summarised)	Reference to where the relevant information can be found
	The total workforce by region and gender.	<p>Headcount by region</p> <ul style="list-style-type: none"> <li>• Sydney: 79 female and 56 males</li> <li>• Parramatta: 65 female and 85 males</li> <li>• Newcastle: 5 female and 5 males</li> <li>• Campbelltown: 1 female and 2 males</li> <li>• Penrith: 1 female and 0 males</li> <li>• Tuncurry: 0 female and 1 males</li> <li>• Camden: 1 female and 0 males</li> </ul> <p>FTE by region</p> <ul style="list-style-type: none"> <li>• Sydney: 76.8 female and 55.8 males</li> <li>• Parramatta: 63.58 female and 84.69 males</li> <li>• Newcastle: 5 female and 5 males</li> <li>• Campbelltown: 0 female and 2 males</li> <li>• Penrith: 1 female and 0 males</li> <li>• Tuncurry: 0 female and 1 males</li> <li>• Camden: 1 female and 0 males</li> </ul>
	Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	The definition of 'supervised worker' in the G4 Implementation Manual p.252 does not cover workers on UGNSW projects as these sites are not under the operational control of UGNSW as defined at s11 of the NGER Act."
	Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Omission: the total number of employees by employment contract and gender; the total number of permanent employees by employment type and gender; the total workforce by employees and supervised workers and by gender; the total workforce by region and gender; whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors and any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries) are omitted to overcome concerns about the loss of commercial confidentiality for statutory state-owned corporation (see 2016 Annual Report p. 46-7 (Disclosure of approved exemptions)).
G4-11	The percentage of total employees covered by collective bargaining agreements	100% - all staff are covered under the Landcom Award 2015
G4-12	The organization's supply chain.	2016 Annual Report p.20-9 (Highlights of this year's achievements).

<b>GRI Reference</b>	<b>General Standard Disclosures (summarised)</b>	<b>Reference to where the relevant information can be found</b>
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	There have been no significant changes during the reporting period regarding the UGNSW's size, structure, ownership, or supply chain.
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	<a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-EMSOversview2013.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-EMSOversview2013.pdf</a>  2016 Annual Report (Principal objectives; Risk management).
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Corporate governance has been identified as a material aspect of UGNSW's operations. 2016 Annual Report (Ministerial statement of priorities, Principle objectives; Ethnic Affairs Priorities Statement; NSW Government Action Plan for Women).
G4-16	Memberships of associations and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul>	We are a member of the Green Building Council, Master Builders Association, Urban Taskforce Australia, Urban Development Institute of Australia (UDIA), Corporate Club of Australia, Property Council of Australia, ISCA (Infrastructure Sustainability Council of Aust.), and Committee for Economic Development of Australia (CEDA)
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents.	Landcom trading as UrbanGrowth NSW, 2016 Annual Report p.56 (Reporting entity).
G4-18	The process for defining the report content and the Aspect Boundaries  How the organization has implemented the Reporting Principles for Defining Report Content	2016 Sustainability Report (Reporting requirements; Responding to stakeholder priorities).
G4-19	The material Aspects identified in the process for defining report content.	2016 Sustainability Report (Responding to stakeholder priorities).
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There have been no significant restatements of information provided in previous reports.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There have been no significant changes from previous reporting periods in the Scope and Aspect Boundaries.

GRI Reference	General Standard Disclosures (summarised)	Reference to where the relevant information can be found
<b>STAKEHOLDER ENGAGEMENT</b>		
<b>Stakeholder participation and social licence to operate has been identified as a material aspect of UGNSW's operations.</b>		
G4-24	List of stakeholder groups engaged by the organization.	2016 Sustainability Report (Our stakeholders).
G4-25	The basis for identification and selection of stakeholders with whom to engage.	2016 Sustainability Report (Our stakeholders).
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	2016 Sustainability Report (Appendix B: Issues raised during UrbanGrowth NSW Stakeholder Participation FY15/16)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	2016 Sustainability Report (Appendix B: Issues raised during UrbanGrowth NSW Stakeholder Participation FY15/16)
<b>REPORT PROFILE</b>		
G4-28	Reporting period for information provided.	2016 Annual Report (Ministers' Letter).
G4-29	Date of most recent previous report.	2016 Annual Report (Ministers' Letter).
G4-30	Reporting cycle.	2016 Annual Report (Ministers' Letter).
G4-31	The contact point for questions regarding the report or its contents.	2016 Sustainability Report (Corporate directory).
G4-32	The 'in accordance' option the organization has chosen.  The GRI Content Index for the chosen option.  The reference to the External Assurance Report.	This report is in accordance with the GRI G4 Core requirements. It has been subject to external assurance; see 2016 Sustainability Report (Appendix C - Assurance statement).
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.  The relationship between the organization and the assurance providers.  The highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	2016 Sustainability Report (Appendix C - Assurance statement).
<b>GOVERNANCE</b>		
G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	2016 Annual Report p.18; 34 (Our governance structure; Board of Directors, meetings and committees).
<b>ETHICS AND INTEGRITY</b>		
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	2016 Annual Report p.43 (Our guarantee of service)

## Specific Standard Disclosures

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
<b>CATEGORY: ECONOMIC</b>		
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b> Funding and financial sustainability has been identified as a material aspect of UGNSW's operations. Case studies illustrating the organisation's approach can be found at 2016 Sustainability Report (Capital recycling).		
G4-DMA	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Policies and practices for assessing, addressing and managing corporate, operational, regulatory and strategic risk that might impact financial performance.</p>	2016 Annual Report p.7; p.8; p.33; p.34 (Chairman's review; Chief Executive Officer's review; Our charter and function; Measuring Performance).
G4-EC1	Direct economic value generated and distributed	2016 Sustainability Report (Economic Indicators; Appendix A - 2016 Sustainability performance summary Indicators 2 - 8); 2016 Annual Report p.52 - 93 (Financial Statements).
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	<p>Sustainability, including ecological considerations and climate change variables such as coastal sea rise and flooding, are investigated as part of Due Diligence processes and checklists when we assess new sites. Due Diligence findings then inform budget estimates and proposed work programs to develop or master plan sites. Further in-depth analysis or studies are then undertaken if the project proceeds.</p> <p>We commission studies to assess and determine how we manage key risks such as land contamination, flora and fauna communities, and social impacts of development. We are guided by the NSW Coastal Planning Guidelines when assessing and planning for typical coastal development considerations including risks such as sea level rise and land use intensity in such zones.</p> <p>Projects in early stages of planning this year have considered climate change impacts, in particular future sea level rise.</p> <p><b>Omission:</b> The financial implications of the risk or opportunity before action is taken.</p> <ul style="list-style-type: none"> <li>• The costs of actions taken to manage the risk or opportunity</li> <li>• Estimated quantitative financial implications due to climate change and other sustainability risks and opportunities on the valuation process, by: <ul style="list-style-type: none"> <li>– Impact on revenue;</li> <li>– Impact on yield; and</li> <li>– Costs incurred to mitigate obsolescence risks.</li> </ul> </li> </ul>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>		
G4-DMA	Generic Disclosures on Management Approach	2016 Annual Report p. 22-9 (Highlights of this year's achievements).
G4-EC7	<p>Development and impact of infrastructure investments and services supported</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b></p> <ul style="list-style-type: none"> <li>• Affordable and social housing</li> <li>• Preservation and restoration of historic assets</li> <li>• Publicly accessible open/recreation space</li> <li>• Community education and health facilities</li> </ul> <p>UGNSW should distinguish between voluntary investment and mandatory investment (i.e., obligations associated with building rights allocation or planning permission).</p>	<p>2016 Sustainability Report (Milestone 1: Project planning completion; Milestone 2: Precinct delivery and Milestone 3 - Built form commencement; Housing affordability; Community facilities).</p> <p>UGNSW has contributed to the preservation and restoration of historic assets in its delivery of projects during the reporting year. These include: Bardia Barracks in Edmondson Park development and commencing procurement for work on Parramatta North heritage repair.</p>
<b>CATEGORY: ENVIRONMENTAL</b>		
<p><b>MATERIAL ASPECT: ENERGY</b>  <b>Environmental impact has been identified as a material aspect of UGNSW's operations. Case studies illustrating the organisation's approach in relation to energy can be found at 2016 Sustainability Report (Ageing, Disability and Home Care (ADHC) group homes).</b></p>		
G4-DMA	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Policy and practices on energy management through all relevant stages of the life cycle.</p> <p>Existing initiatives to reduce the energy requirements of sold products and services , including organization-wide energy efficiency initiatives in place to design new assets (buildings and infrastructure), and redevelop/retrofit existing assets (buildings only) to such standards.</p> <p>Organization-wide energy management initiatives to manage existing buildings and construction sites efficiently.</p> <p>Organization-wide end user engagement initiatives (e.g., occupants and visitors) as implemented by design professionals, building or construction personnel and building operators.</p>	<p>2016 Sustainability Report (Third Party Audits)</p> <p><a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf</a></p>
G4-EN7	<p>Reductions in energy requirements of products and services</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b>                      Reductions should refer to the extent to which initiatives to construct, manage and redevelop assets have been successful in improving energy efficiency during the reporting period.</p>	2016 Sustainability Report (Energy efficiency)

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CRE1	<p>The number and type of buildings, total annual energy consumption (in kWh) and corresponding floor area (in m<sup>2</sup>), or number of persons using or visiting the buildings.</p> <p>The method used to ensure that annual energy consumption and floor area, or numbers of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption data for a building, it is important to ensure that the result of the calculation of energy intensity by building is consistent and accurate.</p> <p>Report energy intensity of buildings in use</p> <p>Report the methodology used to calculate the energy intensity of the building in use and any adjustments.</p>	<p>The building electricity use of the Parramatta and Newcastle offices combined is 170.6 MWh. With a combined office staff headcount of 160, this is a building energy intensity of 1066kWh per person. This represents a 4% improvement on the performance from FY15.</p> <p><b>Omission:</b> No electricity data are available for the temporary Sydney city office.</p> <p>No separate metering is available for the temporary Sydney city office.</p>
<p><b>MATERIAL ASPECT: WATER</b>  <b>Environmental impact has been identified as a material aspect of UGNSW's operations. Case studies illustrating the organisation's approach in relation to water can be found at 2016 Sustainability Report (Lachlan's Line).</b></p>		
G4-DMA	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b></p> <p>Policy and practices on water use management through all relevant stages of the life cycle.</p> <p>Policy and practices on the management of water quality through all relevant stages of the lifecycle.</p> <p>Include the nature or type of improvements to water quality (e.g., reductions in nitrogen, phosphorus and suspended solids, and reduced pollutant loads as water exits the reporting boundary).</p> <p>Policy and practices on drainage and discharge of water.</p>	<p>2016 Sustainability Report (Water cycle management; Water efficiency; open space irrigation)</p> <p><a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf</a></p>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-EN10	<p>Report the total volume of water recycled and reused by the organization linked to metered utility data.</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Examples of water recycling and reuse include rainwater collected directly and stored by the reporting organization, and greywater and blackwater recycling.</p>	<p>2016 Sustainability Report (Open space irrigation). 0 KL of recycled water used in UGNSW office buildings.</p> <p>UGNSW measures the use of recycled water in development projects by percentage of public open space irrigated by non-potable water, see 2015 Sustainability Report.</p> <p><b>Omission:</b> Total volume of water recycled and reused by the organization.</p> <ul style="list-style-type: none"> <li>• Total volume of water recycled and reused as a percentage of the total water withdrawal</li> <li>• Standards, methodologies, and assumptions used.</li> </ul>
CRE2	<p>The number and type of buildings, total annual water consumption (in liters or m3) and corresponding floor area (in m<sup>2</sup>), or number of persons using or visiting the buildings.</p> <p>The method used to ensure that annual liters or m3 of water consumption and floor area (m<sup>2</sup>), or number of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios.</p> <p>The methodology used to calculate the water intensity of the building in use and adjusted intensity indicator.</p>	<p>2016 Sustainability Report (Water efficiency)</p> <p>Water consumption data for UGNSW offices is unavailable from Building Management. Water intensity of all constructed dwellings is reported in terms of the NSW Government BASIX requirements, which more accurately reflect water intensity than the GRI calculation.</p> <p><b>Omission:</b> Building water intensity is a useful measure of an asset owner or occupier's aggregated water consumption during the management and occupation phase of the building lifecycle. This Indicator focuses on groups of buildings and is primarily intended to track changes in reporters' assets over time.</p>
<p><b>MATERIAL ASPECT: MATERIALS</b>  <b>Environmental impact has been identified as a material aspect of UGNSW's operations.</b></p>		
G4-DMA Materials	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Policy and practices to reduce and optimize raw material extraction purchased for direct use.</p> <p>Policy and practices for selecting materials and engaging suppliers, including specifications for certifications, or utilization of preferred or prescribed lists of products and materials.</p>	<p>2016 Sustainability Report (Sustainability of the supply chain)</p> <p><a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf</a></p>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-DMA	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Policy and practices on mitigation of adverse biodiversity impacts including, among others, new construction and management activities.</p> <p>Policy and practices on avoiding selection of biologically diverse sites.</p>	<p><a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf</a></p>
G4-EN13	<p>Habitats protected or restored</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Protected or restored habitats should also include:</p> <p>habitats that are not owned or controlled by the reporting organization .</p> <p>The enhancement and creation of diverse and biodiversity sensitive habitats.</p>	<p>UGNSW's biodiversity indicators (Indicators 23 -28 are reported when projects achieve Milestone 1. This includes projects that have achieved masterplan or Development Application approval. As none of our current development projects met this milestone in FY16, no reporting is required.</p> <p><b>Omission:</b> Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <ol style="list-style-type: none"> <li>Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</li> <li>Report on the status of each area based on its condition at the close of the reporting period.</li> <li>Report standards, methodologies, and assumptions used.</li> </ol>
<b>MATERIAL ASPECT: EMISSIONS</b>		
G4-DMA	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Policy on carbon management, including policy position on carbon offsetting.</p> <p>Policy and practices on reducing fugitive emissions.</p> <p>Report corporate and project initiatives that result in greenhouse gas emissions reductions, including:</p> <ul style="list-style-type: none"> <li>Direct GHG emissions (G4-EN15).</li> <li>Energy indirect and other indirect GHG emissions (G4-EN16 and G4-EN17)</li> </ul>	<p><a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf</a></p>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-EN15	<p>Provide a breakdown of the gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent by meaningful segmentation, for example, portfolio, fund, location, asset type.</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Greenhouse gas emissions from transport are also reported under G4-EN17 and G4-EN30.</p> <p>Common fugitive emissions from real estate include refrigerant gas from HVAC equipment, for example R22.</p>	<p>Scope 1 (direct) greenhouse gas emissions occur only from the fuel use for the corporate vehicle fleet. Total fuel use is 6,681 litres. This is a combination of gasoline, diesel and 10% ethanol gasoline. The resulting Scope 1 emissions from this fuel mix are 17.3 tonnes CO2-e. Updated emissions factors used from the GHG accounts Aug 2015. Emissions offsets of 17.74 t CO2-e were purchased from GreenFleet which more than offset UGNSW's Scope 1 emissions.</p>
G4-EN16	<p>Provide a breakdown of the gross energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent by meaningful segmentation, for example, portfolio, fund, location, asset type.</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b></p> <p>Greenhouse gas emissions from transport are also reported under G4-EN17 and G4-EN30.</p>	<p>Scope 2 (indirect) greenhouse gas emissions from electricity purchased by UGNSW for the reporting scope are zero. UGNSW purchased 100% GreenPower for the reporting year and has done so since 2010.</p> <p>No emissions data are available for the temporary Sydney city office, vacated in May 2016.</p> <p>No separate metering is available for the temporary Sydney city office.</p>
CRE3	<p>The number and type of buildings, total annual greenhouse gas emissions (kilograms CO2 equivalent), and corresponding floor area (in m<sup>2</sup>) or number of people</p> <p>The method used to ensure that the annual kilograms CO2 equivalent and floor area (m<sup>2</sup>), or numbers of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption and associated greenhouse gas emissions data for a building, it is important to ensure that the intensity indicator is consistent and accurate,</p> <p>Report greenhouse gas emissions intensity of buildings in use (on unadjusted basis)</p> <p>Report the methodology used to calculate the greenhouse gas emissions intensity from buildings.</p>	<p>Greenhouse gas emissions from UGNSW office buildings within the reporting scope are zero. This is consistent with the purchase of 100% GreenPower for these buildings.</p>
<b>ASPECT: COMPLIANCE</b>		
G4-DMA	Generic Disclosures on Management Approach	<p><a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-EMSOversview2013.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-EMSOversview2013.pdf</a>  <a href="http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf">http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-SustainabilityStrategy2014.pdf</a></p>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-EN29	<p>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</p>	<p>An Official Caution for an offence against the National Parks and Wildlife Act 1974 was received. No fine was issued. This caution noted the potential for a maximum penalty of \$220,000 but took into account that Urban Growth had:</p> <ul style="list-style-type: none"> <li>• Complied with a request to halt activities causing the alleged harm;</li> <li>• Been cooperative throughout the OEH investigation;</li> <li>• Engaged with concerned members of the community culminating in positive outcomes;</li> <li>• Expressed contrition and remorse in relation to the incident</li> </ul>
<p><b>CATEGORY: SOCIAL</b>  <b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b></p>		
<p><b>ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b></p>		
G4-DMA	<p>Generic Disclosures on Management Approach</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> For all the policy and procedures outlined below, report whether these form part of the health and safety management system. Policy and procedures for the procurement, transport, handling, use and disposal of all hazardous materials.</p> <p>Policy on compensation and benefits for employees for work-related injuries or fatalities.</p> <p>Policies and procedures with regard to the provision of health and safety requirements in agreements for contractors and subcontractors.</p> <p>Policies and procedures requiring prequalification of suppliers and contractors relating to health and safety, and including the existence of formal agreements and health and safety due diligence for new projects and investments.</p> <p>Report whether education and training related to assisting workforce members, their families, or community members regarding serious diseases is provided in a manner which is understood by all program recipients, for example in appropriate languages or pictorial format.</p>	<p>2016 Annual Report (Work health and safety).</p>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-LA6	<p>Provide a breakdown of injuries, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), and absentee rate (AR) by employees and supervised employees. Include in the calculation dangerous occurrences, injuries, occupational diseases and fatalities arising from operations on-site, building maintenance, and worker commuting to and from their workplace(s), if required by law.</p> <p>Report for injury rate (IR) and occupational diseases rate (ODR) the nature of the injury or diseases by type, and the circumstances of the accident or dangerous occurrence, or circumstances resulting in exposure to a health hazard, as listed in ILO Protocols (see References).</p> <p>Report dangerous occurrences in the reporting period by gender, using an absolute number, not a rate. Dangerous occurrences should also be broken down by employees, supervised employees and independent contractors.</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Injuries and fatalities to non-workers on or off a reporting organization’s site or assets (including visitors to an asset or site, and members of the public), and relevant non-compliance relating to public health impacts on building users.</p>	<p>2016 Annual Report (Work health and safety).</p> <p>Note: The definition of ‘supervised worker’ in the G4 Implementation Manual p.252 does not cover workers on UGNSW projects as these sites are not under the operational control of UGNSW as defined at s11 of the NGER Act.</p>
G4-CRE6	<p>Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.</p> <p><b>Additional Guidance from Construction and Real Estate Sector Supplement:</b> Identify health and safety management system(s) used.</p> <p>Identify the percentage of the organization, by percentage of employees, supervised employees and independent contractors, operating under the health and safety management system(s).</p> <p>Identify the percentage of the organization internally, by percentage of employees, supervised employees and independent contractors, and the proportion externally verified to be operating in compliance with the health and safety management system(s).</p> <p>Report the percentage of the organization, by percentage of employees, supervised employees and independent contractors, internally verified to be operating in compliance with the health and safety management system(s).</p> <p>Report the percentage of the organization, by percentage of employees, supervised employees and independent contractors, externally verified to be operating in compliance with the health and safety management system(s).</p>	<p>100% of staff are covered under the Work Health and Safety Act 2011 and the Work Health and Safety Regulation 2011. All staff are included in the NSW Treasury Managed Fund which includes workers compensation.</p> <p>Note: The definition of ‘supervised worker’ in the G4 Implementation Manual p.252 does not cover workers on UGNSW projects as these sites are not under the operational control of UGNSW as defined at s11 of the NGER Act.</p>

GRI Reference	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
<b>SUB-CATEGORY: SOCIETY</b>		
G4-DMA	Generic Disclosures on Management Approach	<a href="http://www.urbangrowth.nsw.gov.au/get-involved/stakeholder-engagement/">http://www.urbangrowth.nsw.gov.au/get-involved/stakeholder-engagement/</a>
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	<p>An Official Caution for an offence against the National Parks and Wildlife Act 1974 was received. No fine was issued. This caution noted the potential for a maximum penalty of \$220,000 but took into account that Urban Growth had:</p> <ul style="list-style-type: none"> <li>• Complied with a request to halt activities causing the alleged harm;</li> <li>• Been cooperative throughout the OEH investigation;</li> <li>• Engaged with concerned members of the community culminating in positive outcomes;</li> <li>• Expressed contrition and remorse in relation to the incident</li> </ul>
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>		
G4-DMA	Generic Disclosures on Management Approach	2016 Annual Report p.35-9 (Public access to information and the protection of privacy)
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Nil fines were received.
<b>ADDITIONAL MATERIAL ASPECTS</b>		
<b>MATERIAL ASPECT: TRANSPORT</b> Transport and transport alternatives has been identified as a material aspect of UGNSW's operations. A case study illustrating the organisation's approach can be found at 2016 Sustainability Report (Lachlan's Line transport orientated development).		
G4-DMA	Generic Disclosures on Management Approach	2016 Annual Report (Highlights of this year's achievements; Ministerial statement of priorities).
<b>MATERIAL ASPECT: INNOVATION, LEADING PRACTICE AND BENCHMARKING</b> Innovation, leading practice and benchmarking has been identified as a material aspect of UGNSW's operations.		
G4-DMA	Generic Disclosures on Management Approach	2016 Annual Report (Ministerial statement of priorities). 2016 Sustainability Report (The year ahead).

# Corporate directory

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