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ANNUAL REPORT

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Urban Growth NSW

Ministers' letter

The Hon Mike Baird MP
Treasurer
Minister for Industrial Relations

Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

The Hon Andrew Constance MP
Minister for Finance and Services

Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

30 September 2013

Dear Treasurer and Minister

We are pleased to submit to you, for presentation to the Parliament of New South Wales, the Annual Report for the year ended 30 June 2013. The report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984 and the applicable provisions of the Public Finance and Audit Act 1983.

John Brogden
Chairman

Sean O'Toole
Chief Executive Officer

Cover Image: **THORNTON AT NORTH PENRITH**

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Chairman's review

On behalf of the Board of Directors, management and staff, I am pleased to present the 2013 Annual Report, our first as UrbanGrowth NSW.

We embarked on a period of significant change and opportunity during FY13, with our transition from Landcom to UrbanGrowth NSW taking effect on 1 January 2013. This is much more than a name change. We have a clear mandate from government to accelerate the supply of housing across NSW to meet the high level of longstanding unmet demand. We have been tasked to lead government agencies and bring together the commercial expertise of the development industry to deliver more housing.

We intend to approach this important task both directly and indirectly. As such we will play a larger role in consolidating fragmented land, using our patient capital to assemble sites and present it to the market for housing. And, we will work more closely with industry to identify regulatory barriers to the efficient supply of housing.

As you read through our Annual Report you will find a very significant record of our project and other achievements over the past 12 months. You will see a substantial shift in our business towards large scale developments that unlock housing supply, encourage investment in housing, address market failure and create significant development opportunities for the private sector.

While our business model may be changing, our commitment to good design and commercial viability remains unchanged. The Ponds, the Eco Living Display Village and Bunya were all awarded by our industry peers during the year, with some receiving multiple awards. We continued with our successful delivery of the four year 10,000 homesites program. And, we maintained our long tradition of meeting or exceeding our financial targets, achieving a net profit after tax of $83.8m ($28.8m better than forecast) and delivering $94.2m in dividend and tax equivalent payments back to government.

Our successes are very much a team effort and I remain indebted to my fellow Directors, senior management and staff for the depth of their talent and their unfailing enthusiasm during a period of significant change. In particular, I wish to extend my thanks to the Deputy Chairman, Robyn Clubb who retired from the Board this year after 10 years of service. Robyn's steady and calming influence over the years will be missed and she leaves having created a solid foundation for our success.

In September 2013, our distinguished and visionary Managing Director and Chief Executive Officer for the past 17 years, Sean O'Toole retired. Sean's commitment and his outstanding contribution, first to Landcom and then UrbanGrowth NSW, have been extraordinary. Under Sean's wise leadership, Landcom has led the industry in design, quality, sustainability and affordability. For almost a generation he has been the driving force behind the Corporation's success and its good standing across both government and the development industry. On behalf of the Board and staff, I extend to Sean our sincere thanks and our gratitude for a job well done.

Finally, we welcome David Pitchford CBE LVO to UrbanGrowth NSW as our new Chief Executive Officer. David comes with a wealth of experience in the public and private sector, working across Australia and internationally, delivering complex projects of a major scale. I know David is enthusiastic to be joining UrbanGrowth NSW in its formative years and I look forward to welcoming him to his new role later in 2013.

John Brogden
Chairman

Managing Director’s review

I retire this year as Managing Director with the Corporation in a strong position.

During the year, we increased our homesite production to record levels, easily meeting the targets set for us in the government’s 10,000 homesites program. We also achieved impressive sales on the back of this increased production and for the first time in the Corporation’s history, we delivered more than half a billion dollars in revenue.

These results were achieved during a period of challenge and change. I want to acknowledge the tireless work undertaken by my colleagues behind the scenes in the lead up to the establishment of UrbanGrowth NSW. Together, we accomplished a seamless transition towards a new business model and we began the year by establishing our role and commencing work on several major initiatives that reflect the new objectives the government has set for us. By June 2013, we had established lead roles in the WestConnex/Parramatta Road revitalisation, the Central to Eveleigh revitalisation, the redevelopment of the Newcastle CBD and, after more than a decade of negotiation, we moved towards construction on the Green Square Town Centre.

The Corporation has come a long way since I started work at Landcom in 1996, when we were focused exclusively on land development on the fringes of Sydney. With the benefit of hindsight, I can now look back over the past 17 years and recall the numerous projects with which we have been involved. Many have broken new ground, lifted the standard of development in this state to new levels and had a positive impact on the future of Sydney at a metropolitan level.

Projects like Victoria Park, which established our credentials as a serious player in large scale urban renewal and set the scene for the Green Square Town Centre redevelopment. Or The New Rouse Hill, which broke new ground in town centre design and expanded our reach into mixed use transit-oriented development. Over the years we’ve gradually reinvigorated our ongoing work on Sydney’s fringe, through projects like Park Central, which lifted the standard of residential development in the Macarthur Region, set the new benchmark for the southwest growth centre and created a new market for mixed use/medium density living. Our ‘quiet evolution’ continues today, at places like Oran Park, where we are building an entire town from the ground up. And, at Thornton, in Sydney’s outer west where we are creating products and markets for the future, by responding to consumer demand for Torrens title and introducing an inner suburban terrace lifestyle for 21st Century Living.

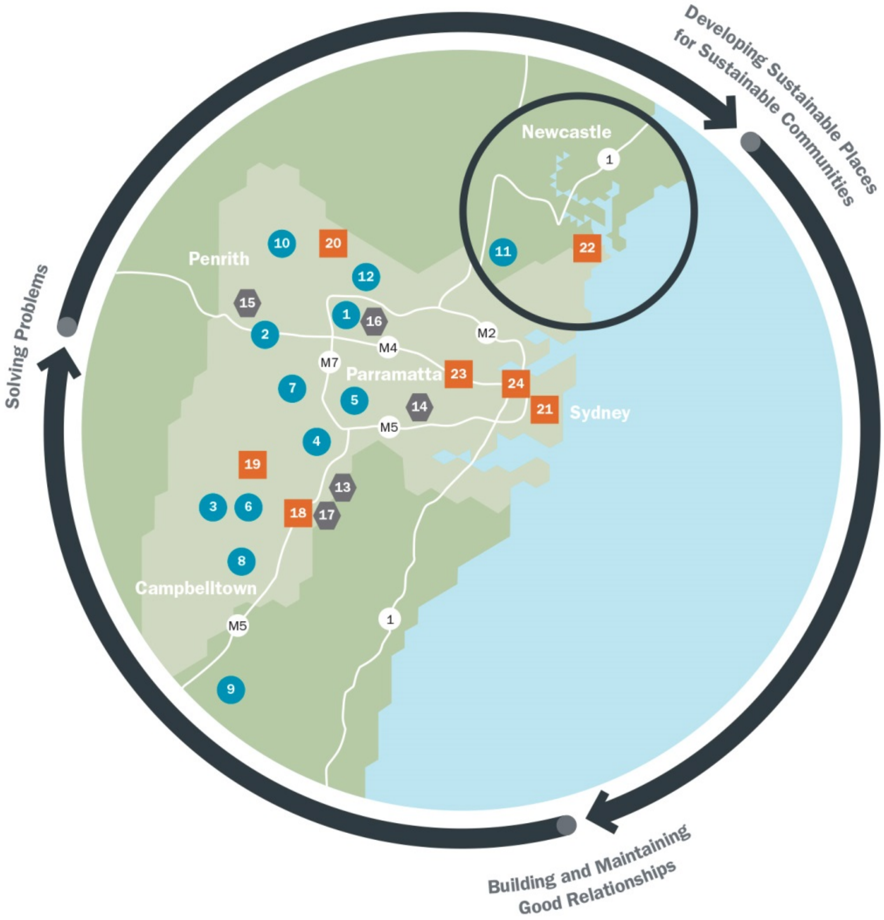
While much has been achieved, I remain most proud of the ‘can do’ culture that exists among our people. Together, we have built a well deserved reputation for adapting quickly to meet the changing objectives of government, from our involvement in the Nation Building Program during the global financial crisis to our new role today as UrbanGrowth NSW.

Through all this, our values remain simple. We strive to solve problems, develop sound relationships and act sustainably. We have fostered a staff culture founded on these values and we remain faithful to them in everything we do. I am confident they will continue to serve UrbanGrowth NSW into the future.

I am proud of our achievements and yet I am humbled by the support I have received over the years. My sincere thanks go to the Chairman, Board and management team, past and present, and especially to the men and women of Landcom and now UrbanGrowth NSW. I am forever grateful to you all and I wish you well for the future.

Sean O’Toole
Managing Director

Our organisation



OUR PROJECTS

UNLOCKING HOUSING SUPPLY

1 Bunya
2 Caddens
3 East Village
4 Edmondson Park
5 Elizabeth Hills
6 Garden Gates
7 Highcrest
8 Menangle Park
9 Renwick
10 Riverstone Scheduled Lands
11 Sanctuary
12 The Ponds

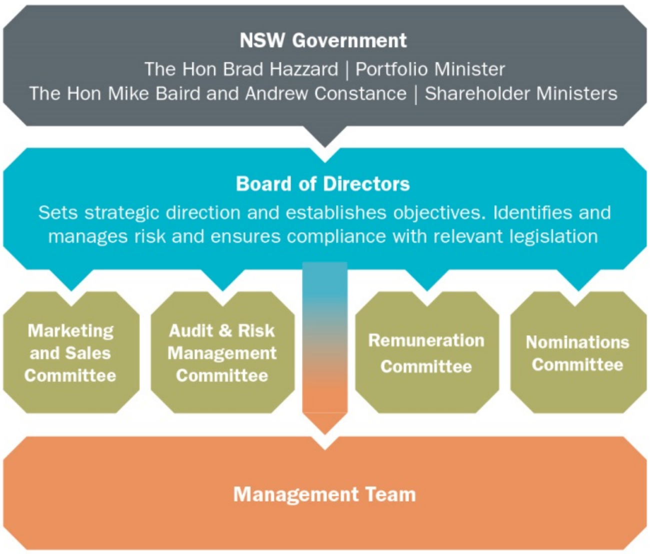
RENEWING URBAN AREAS

13 One Minto
14 Potts Hill
15 Thornton
16 North Ryde
17 Airds/Bradbury

MAJOR DEVELOPMENTS

18 Macarthur Regional Centre
19 Oran Park Town
20 The New Rouse Hill
21 Green Square Town Centre
22 Newcastle CBD
23 WestConnex (Parramatta Road)
24 Central to Eveleigh

GOVERNANCE



2013 FINANCIAL AND ECONOMIC ACHIEVEMENTS

Total revenue	$538.9 million
Net Profit after Tax	$83.7 million
Returned to the state government (dividends and tax equivalent payments)	$94.2 million
Dwelling equivalents delivered to the market	2,716
Jobs generated from our development activities	11,581
Economic output generated from our development activities	$907.7 million

Board of Directors

John Brogden

MPA, MAICD

Chairman

John Brogden is the CEO of the Financial Services Council, which represents Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, trustee companies and public trustees.

Prior to this role, John held the position of CEO of Manchester Unity and was the Chairman of Abacus Australian Mutuals.

From 1996 to 2005, John was the Member for Pittwater in the NSW Parliament. In 2002, John was elected Leader of the Opposition - the youngest person ever to hold the role and lead a major political party in Australia.

John is the Chairman of Lifeline Australia, a Director of NIA (trading as health.com.au), Chairman of Furlough House Retirement Village and Chairman of the Broken Bay Institute. John is also the Patron of Sailability Pittwater, Bilgola Surf Lifesaving Club and Avalon Beach Surf Lifesaving Club.

Sean O'Toole

DIP T&CP, DIP ENV STUDIES, FAICD, FRAPI

Managing Director

Sean O'Toole has been the Chief Executive of Landcom since 1996. Prior to joining Landcom he held senior positions in urban planning at both state and local government levels.

He is a member of the Australian Property Institute, a Fellow of the Australian Institute of Company Directors, and has qualifications in real estate valuation, town planning and environmental management.

Robyn Clubb *

B ECON, CA, F.FIN, MAICD

Deputy Chairman

Robyn Clubb's experience is in the financial services industry and includes corporate advisory, corporate lending, retail superannuation, retail funds management and involvement in international ventures.

Robyn has worked at a senior management level in New Zealand, China and the United Kingdom and has extensive experience as a company director in executive and non-executive capacity in government, not for profit and private sectors.

** retired 22 June 2013*

Bonita Boezeman AO

PMD Harvard, FAICD

Bonita Boezeman worked for Time Warner Inc. for 23 years in Europe and Australia, including 12 years as Managing Director of Time Life, South Pacific. Bonita's experience covers marketing, finance, strategy, retail, internet, gaming, entertainment and over 11 years as a director in the government property sector.

Bonita was founding Chairman of PayPal Australia and currently chairs an internet start-up called BuyReply. She is also on the board of Centric Wealth and not for profit boards, such as the Order of Australia Foundation Association, ARS Musica Australia, NSW Olympic Committee and The East West Foundation. Bonita was made an Officer in the Order of Australia in 2003 and was awarded the Centenary Medal in the same year.

Robert Hamilton

Robert Hamilton's career spans over 50 years in the property industry and he is a qualified real estate valuer.

After founding and running Hamilton & Co Real Estate for more than 10 years, Robert co-founded The Mirvac Group in 1972; retiring as Managing Director in 2005.

Robert is an Advisory Board Member for the Salvation Army and advises a number of charitable organisations. He is regularly called upon to provide property advice across the development industry.

Management team

Michael Brodie

B EC, CA, GAICD

General Manager Corporate and Finance

Michael manages UrbanGrowth NSW's finance, IT, human resources, legal and business services functions, ensuring there is sufficient business infrastructure in place to meet the Corporation's day to day operational needs.

Michael is an experienced CFO with over 20 years of senior financial and commercial experience in dynamic investment, aged care and property development organisations.

Julian Frecklington *

B ENG (HONS 1), LLB

General Manager Urban Strategy

Julian manages a team responsible for defining how UrbanGrowth NSW will deliver on the government's strategy to increase housing supply in NSW.

Julian has worked with some of Australia's leading private sector developers in business development, funds management and project delivery. He also has a background in strategy consulting, civil engineering and property law.

** appointed 14 January 2013*

Stuart McCowan

MBA, HDIP ENG

General Manager Development

Stuart manages UrbanGrowth NSW's urban renewal projects as well as a number of urban development projects. Prior to this, he managed several major urban developments in the northwest sector.

Stuart has more than 30 years experience in the development industry, both within Australia and overseas, covering construction, infrastructure provision, planning and urban development in both the government and private sectors. Stuart has also sat on industry committees, providing advice on issues relating to urban renewal across NSW to both the government and private sector.

Mick Owens

B SURV, MIS

General Manager Development

Mick leads an urban development team responsible for delivering a significant UrbanGrowth NSW project at Oran Park in southwest Sydney.

He also has particular responsibility to manage the projects and infrastructure stakeholder relationships that are of strategic importance to Sydney's future growth.

Mick has almost 30 years experience in the property development industry. He is fostering innovation, sustainability and higher quality development, particularly within major growth centres.

Kerry Robinson *

BTP (HONS), ASS DIP VAL, GAICD

General Manager Development

Kerry managed UrbanGrowth NSW's urban development projects in Sydney's north and west, as well as the Central Coast, Hunter and Mid-North Coast.

He has more than 30 years experience in the property industry, having worked in local government, private consultancy and a range of private sector development organisations. Kerry has town planning, valuation, project management and development expertise and has lectured at the University of New South Wales.

** resigned 26 July 2013*

Greg South

BEC, CPA

Chief Operating Officer and Company Secretary

Greg aligns new business opportunities to UrbanGrowth NSW's strategic direction and ensures the Corporation is operating efficiently and in accordance with that direction. He also ensures that appropriate financial and commercial infrastructure is in place for UrbanGrowth NSW's operations and projects.

Greg's background and experience, working with some of Australia's leading construction companies, adds a critical element to the management team.

Management team

Robert Sullivan

DIP TECH MKTG, MMGT

General Manager Corporate Marketing

Robert directs UrbanGrowth NSW's sales, promotions and corporate marketing activities including media/public relations, brand management and sponsorship.

He has over 25 years experience in sales and marketing, including head of marketing roles within the development, gaming, entertainment, television, club and sports industries. Robert leads a motivated sales and marketing team, dedicated to positioning UrbanGrowth NSW as a recognised industry leader and assisting the operational divisions in achieving their objectives.

Richard Wood

B APP SCI Planning (HONS)

General Manager Development

Richard manages UrbanGrowth NSW's urban development projects in Sydney's southwest, the Hunter and Illawarra.

He has more than 20 years experience in the property industry, having worked in both the public and private sectors in the fields of land development, building, urban design and planning. Richard also manages UrbanGrowth NSW's Operations Unit responsible for sustainability, builders, project management as well as civil and landscape contractor coordination across the organisation.

Highlights of this year's achievements

Our transition during the year from Landcom to UrbanGrowth NSW represents a significant change in direction. We are evolving from a predominantly greenfield developer to an organisation charged by government to unlock housing supply, encourage investment in housing and focus on major developments, while maintaining excellence in urban design and sustainability.

Unlocking housing supply

The 10,000 homesites program

In March 2011, the government set us the task of delivering 10,000 homesites in western Sydney over four years. By 30 June 2013, we had delivered a total of 4,453 homesites under the program, and we are ahead of our four year target by 310 homesites.

Highlights for 2012-13 included:

- Our settlement of 2,300 UrbanGrowth NSW homesites, which was a record for the Corporation.
- At The Ponds, we sold our 3,000th homesite in December 2012, making this one of the fastest selling developments in the state.
- We opened or commenced work on new display villages at Thornton, Minto and The Ponds.
- We launched five new projects:
    - Highcrest-Middleton Grange near Liverpool
    - Caddens near Penrith
    - Edmondson Park between Campbelltown and Liverpool
    - Potts Hill near Bankstown
    - Thornton at North Penrith (where we introduced the 21st Century Terrace).
- We commenced sales in all the above projects, which combined will deliver over 5,000 new homesites to the Sydney market.

First release of homesites at Edmondson Park


Thornton sales centre

Green Square Town Centre redevelopment

We moved on site at Green Square during the year and removed all existing structures. This work paved the way for the commencement of site remediation works and the development of product marketing campaigns in readiness for the imminent commencement of construction in the town centre. We also executed a groundbreaking Voluntary Planning Agreement with the Council of the City of Sydney and we signed off on a Business Plan for the Green Square Town Centre redevelopment with our development partners, Mirvac and Leighton.

Newcastle CBD redevelopment

In August 2012 we settled our purchase of a two thirds interest in four city blocks located in the heart of the Newcastle CBD and in November, we entered into a delivery agreement to partner with the GPT Group in delivering the CBD redevelopment. This project represents one of the best opportunities for urban renewal in the country, and supports the emergence of the Hunter as a focus for significant economic activity. We worked closely with state and local government to secure agreement for the removal of the heavy rail spur that currently divides the CBD and replace it with an integrated transport system, including light rail. This has provided greater certainty for the project and enabled detailed planning to proceed.

Oran Park Town

Our work with the Greenfields Development Company at Oran Park Town is unlocking housing supply in the southwest and shaping the future of the outer metropolitan area. Construction commenced on a major primary school in November 2012, which will open at the beginning of 2014. We also executed an agreement with Camden City Council to develop a new civic precinct to house its head office operations in the proposed town centre. And, in April, construction commenced on the first stage of the Oran Park Town Centre, featuring a major supermarket, up to 30 specialty shops, a three story commercial building and an integrated primary health care centre. The first stage of the town centre is planned to open in late 2014.

Work commences on stage one of the Oran Park Town Centre

Oran Park Town (artist's impression)

Airds/Bradbury redevelopment

We started work on the rejuvenation of the Airds/Bradbury public housing estate. This is a major housing renewal initiative, delivering over 2,000 homes and designed to improve both the quality and supply of housing while providing improved social outcomes for the local community. This project follows from our successful collaboration with the NSW Land and Housing Corporation and Campbelltown City Council in redeveloping the former Minto housing estate. During the year we secured concept plan approval and a site rezoning. In March, we began site testing and remediation on stage one of the project, in preparation for the commencement of civil works by the end of 2013.

Encouraging investment in housing

Part of our new role as UrbanGrowth NSW is to drive investment into the NSW economy, particularly the housing market. This year, we:

- Identified blockages, including gaps in critical infrastructure that are preventing the development industry from investing in new housing projects.
- Engaged with stakeholders who influence large scale housing delivery across NSW to work out how development processes might be improved.

During the year, we secured the approvals needed for the construction of the Camden by-pass and the new intersection of The Northern Road and Peter Brock Drive in Sydney's southwest. Our efforts will unlock 6,000 lots for the private sector in surrounding areas, as well as the western precincts of our Oran Park Town project.

In June, we secured $2m in funding from the NSW Government's Housing Acceleration Fund for the construction of a distribution feeder to North Kellyville, facilitating the development of an extra 1,500 homesites in the North Kellyville release area. We adopted a similar approach at Green Square and secured funding for the proposed realignment of O'Riordon Street, which is critical to the future town centre redevelopment.

We brokered improvements to the housing approval process which benefit both government and the development industry. In March, we finalised an agreement with Sydney Water to modify its 'deemed to comply' drawings to incorporate our standard designs. This is expected to produce cost savings for the development industry of up to $1,000 per lot (or $10,000 per maintenance hole).

We also opened formal lines of communication with peak industry representatives to guide our efforts in addressing housing supply constraints and blockages. In June, we conducted the first of what will be quarterly industry advisory group meetings. These will inform our work plan, and bring industry and government stakeholders together to discuss matters of mutual interest.

A focus on major developments

For more than a decade, we have been tackling difficult projects where government intervention is needed to kick start work or de-risk opportunities for the private sector. As UrbanGrowth NSW, we will continue to occupy this space, particularly for urban renewal projects. However, we will also shift our focus towards major developments that positively influence housing supply and urban growth at a metropolitan level. This builds on our existing skills in government integration, facilitating development and building effective working relationships with the private sector.

From 1 January 2013, we stepped quickly into our new role as UrbanGrowth NSW and were involved in preliminary investigations on several new initiatives.

North Ryde

We negotiated the acquisition of a 10.85ha development site located within the North Ryde Station precinct, with potential for over 2,000 apartments and 65,000m^2 of mixed use floor space. Our role will be to rezone and masterplan the site, deliver the required infrastructure and package the site for development, primarily by the private sector.

Central to Eveleigh

We began work investigating a process to redevelop the 3km rail corridor between the Sydney CBD and Eveleigh on behalf of the NSW Government. This project has the potential to deliver a major extension to the CBD, accommodating over 1,000,000m^2 of new mixed-use floor space and a variety of public benefits, including better transport infrastructure and greater access to open space, employment and housing opportunities. Our first priority is to commence market discussions with potential occupiers and developers on what is needed to attract investment to the corridor.

WestConnex/Parramatta Road

UrbanGrowth NSW was nominated to head a project team to coordinate the WestConnex/Parramatta Road 'revitalisation'. Spare capacity exists along the Parramatta Road corridor for 25,000-30,000 dwellings over the next 20 years and potential for a similar number of jobs. The corridor extends across 10 local government areas and this, combined with poor existing traffic conditions has frustrated past attempts to realise the area's potential. The WestConnex Motorway will free Parramatta Road of significant traffic load and provides a catalyst for the corridor's revitalisation. Our role will be to facilitate the planning and infrastructure coordination needed to revitalise the corridor, estimated to have an economic value of $12b.

Parramatta Road revitalisation (artist's impression)

Addressing gaps in critical infrastructure

Advice to government on major developments

We played an advisory role to government on a number of major initiatives during the year, including:

- A review of development opportunities around stations along the route of the proposed Northwest rail link.
- Options for addressing land fragmentation around the proposed Leppington Town Centre.

- Assisting government in assessing the viability for urban renewal within the North Parramatta government lands precinct, at Wentworth Point and along the South Randwick corridor.

Maintaining excellence in design and sustainability

As UrbanGrowth NSW, our commitment to design excellence and sustainable outcomes remains core to our business.

Launch of the 21st Century Living Program

In March 2013, we hosted 'Home', an industry conference where our 21st Century Living Program was launched. This program promotes new housing models that address blockages in the construction of quality homes on small lots.

Our challenge is to contribute to overall housing diversity and deliver improved housing affordability, while still meeting the day to day needs of ordinary households. Conference participants inspected our 21st Century Living display village at Thornton, which was launched to coincide with the conference. The project features a variety of small lot housing, including 'cottage lot' and 'zero lot' houses, terraces, townhouses, duplexes and semi-detached homes. It demonstrates practical approaches to deliver these housing forms and also shows consumers how well they function. We plan to deliver up to 2,000 diversified lots over the next three to four years in our Edmondson Park, Oran Park Town and Potts Hill estates as well as Thornton.

Community event: launch of Lakes Edge Park at The Ponds

Small lot houses: 21st Century Living display village at Thornton

Reinforcing a culture of sustainability

When we relocated our head office operations in December, we embedded sustainability initiatives and adapted our relocation strategy to encourage a stronger sustainability culture among our staff. We either recycled or reused virtually all of our old office fit-out and avoided sending unwanted items to landfill. We also introduced recycling, co-mingling and energy efficiency initiatives within the new office design, including 'swipe to print' technology which reduced our paper usage by more than 27% in the first three months.

Supporting communities

We continued to create sustainable neighborhoods, delivering the physical assets and the 'soft' infrastructure that bring new residents together and help form communities. We opened a new community facility at Minto and we commenced construction on two others at The Ponds and Bunya. The 'community resources hub' at Bunya will include sustainability design features, like recycled and sustainable building materials and techniques. We opened Lakes Edge Park at The Ponds in April, which reinforced our commitment to public art. The park was launched with a community event attended by almost 1,000 residents. We also sponsored the annual Carols in the Garden at Mount Annan and Carols at The Ponds during the Christmas period and concluded our successful Welcome Program at Park Central.

Updating our sustainability performance indicators

Finally, we reviewed our sustainability indicators during the year to ensure they continued to meet best practice and reflect our transition to UrbanGrowth NSW. We spent six months consulting with a cross section of people with a strong interest in helping us maintain an open and transparent system of sustainability performance reporting. Their feedback overwhelmingly supported a more streamlined set of sustainability indicators to minimise confusion and encourage closer alignment to our business priorities. More information on our progress will be available in our Sustainability Performance Review, due to be finalised in late 2013.

What we aim to achieve in 2013-14

UrbanGrowth NSW will deliver on the government's agenda during 2013-14.

Our priorities are to drive development in NSW, assist the private sector to increase housing production and continue to deliver the government's 10,000 homesites program.

In 2013-14, we will:

- Focus on the structural issues holding back development investment in Sydney's northwest and southwest sectors such as land fragmentation, the need for enabling infrastructure and financing issues.
- Seek private sector participation in developments unlocked by the construction or redevelopment of transit projects like WestConnex/Parramatta Road and the Central to Eveleigh corridor.
- Maximise opportunities for economic development by capitalising on the potential of surplus government land assets (e.g. North Ryde).
- Accelerate the supply of housing to the market by assisting in the streamlining of planning and approvals processes.

Central to Eveleigh revitalization (artist's impression)

Green Square town centre (artist's impression)

Corporate Activities

Our charter and function

On 1 January 2013, UrbanGrowth NSW became the trading name for Landcom (Landcom is a state-owned corporation, operating under the Landcom Corporation Act 2001). The new name signifies a change in direction for the organisation, from predominantly greenfield development to urban renewal and infill developments.

UrbanGrowth NSW is the government's urban development delivery vehicle. Our purpose is to enable a thriving private sector development industry to deliver the homes, workplaces, facilities and places needed for NSW citizens to enjoy a high quality of life.

PRINCIPAL OBJECTIVES

Our principal objectives under the Landcom Corporation Act 2001 are:

a. to be a successful business and, to this end:

   i to operate at least as efficiently as any comparable businesses, and

   ii to maximise the net worth of the State's investment in us

b. to exhibit a sense of social responsibility by having regard to the interests of the community in which we operate

c. to protect the environment by conducting our operations in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the Protection of the Environment Administration Act 1991

d. to exhibit a sense of responsibility towards regional development and decentralisation in the way in which we operate

e. to undertake, or assist the Government in undertaking, strategic or complex urban development projects

f. to assist the Government in achieving its urban management objectives, and

g. to be a responsible developer of residential, commercial and industrial land.

PRINCIPAL FUNCTIONS

Our principal functions are to:

a. undertake and participate in residential, commercial, industrial and mixed development projects, and

b. provide advice and services related to urban development, on a commercial basis, to government agencies and others.

Board of Directors, meetings and committees

BOARD OF DIRECTORS

The Board is constituted under the Landcom Corporation Act 2001 and comprises six non-executive directors plus the Managing Director. The Directors are appointed by the Governor of New South Wales on the recommendation of the voting shareholders and after consultation with the Portfolio Minister.

During the reporting period, the Directors were:

Mr John Brogden | Chairman

Ms Robyn Clubb | Deputy Chairman (retired 22/06/2013)

Mr Sean O'Toole | Managing Director

Ms Bonita Boezeman AO | Director

Mr Robert Hamilton | Director

The gender breakdown for the Board during 2012-13 was 40% women and 60% men.

The role and responsibilities of Board members are contained in our Corporate Governance Charter. This sets out the duties, independence and ethical standards required of individual Board members, including procedures for declaring conflicts of interest. The role and responsibilities of the Board's committees are set out in the terms of reference established for each.

BOARD MEETINGS

Unless otherwise agreed, the Board meets on the fourth Monday of each month. The number of meetings attended by each Director during the reporting period was as follows:

Attendance

Director	Board meetings attended	Board meetings eligible to attend
Mr J Brogden	13	15
Mr S O'Toole	14	14
Ms R Clubb	13	14
Ms B Boezeman AO	14	15
Mr R Hamilton	15	15

COMMITTEE MEETINGS

Directors participated in four committees during the reporting period, the membership of which is reviewed annually. Director's membership of the committees during the reporting period was as follows:

Audit and Risk Management Committee:

Ms Robyn Clubb | Chairman (retired 22/06/13)

Ms Bonita Boezeman AO

Marketing and Sales Committee:

Ms Bonita Boezeman AO | Chairman

Mr Robert Hamilton

Mr Sean O'Toole

Remuneration Committee:

All Directors

Nominations Committee:

All Directors

Measuring performance

We consider ourselves successful if we:

- Are recognised as the key government agency responsible for driving development in NSW.
- Apply our commercial acumen to maximise economic returns to government.
- Are financially self sustainable with robust and specifically targeted financial ratios.
- Enjoy mutually beneficial relationships with our stakeholders.
- Are an employer of choice.

The performance of the Board, Chairman, Managing Director, senior management and all staff is reviewed on a regular basis.

The Board reviews its performance in various formats, including feedback from Directors, senior management and stakeholders. The last formal review of the Board's performance was conducted in late 2011. A follow up review performance was postponed during the reporting period due to the business shift from Landcom to UrbanGrowth NSW and to account for ongoing changes to the composition of the Board.

A performance management system is in place for all employees (see Implementing our values on page 25). This system provides for twice yearly review of individual performance.

Risk management and insurance

RISK MANAGEMENT

UrbanGrowth NSW is committed to good corporate governance and adopts a methodical approach to the process and practice of risk management. Our risk framework is compliant with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009 and embodies the business principles approach to corporate objectives.

To ensure our risk management process works effectively and creates value, we have:

- A commitment to risk management from the Board, Managing Director, executive and all staff.
- Enhanced the integration of risk management processes within our business processes.
- Assigned risk management responsibilities within the organisation.
- Refined our risk framework and improved guidelines on risk tolerance and reporting accountability.
- Allocated appropriate resources to the training and development of relevant stakeholders in enhanced risk awareness and continual improvement.

Our risk management and performance review processes aim to minimise the consequences of events that could adversely affect our reputation and our ability to achieve our targets. Our risk management framework includes:

- Regular Board review of the inherent, business and major operational risks to the organisation.
- An internal audit program supported by reviews undertaken by independent certifiers.
- Regular reviews of the financial capacity of our partners.

The Audit and Risk Management Committee is made up of non-executive directors and is attended by staff representatives as well as independent experts and observers. The Committee regularly considers a range of risk matters arising from internal and external audits as well as independent assessments of performance against our environmental management system.

BUSINESS CONTINUITY

UrbanGrowth NSW has a business continuity plan in place which is designed to minimise adverse impacts on our staff, stakeholders and business operations in the event of a major incident or disaster.

Testing of the plan occurs periodically and focuses on rehearsing disaster recovery plans. This includes workplace recovery, response to pandemic illness and any impacts on critical business functions such as communications, land titles data, property conveyance and sales processing and payables and receivables processing.

INSURANCE

Our insurance cover is provided by the NSW Treasury Managed Fund. This fund is based on the principles of self-insurance and places high priority on the implementation of sound risk management practice. The self-insurance scheme is administered by GIO General for risks relating to motor vehicle, property, public liability and directors/officers liability. Workers Compensation Insurance is administered by Allianz Australia under the Treasury Managed Fund.

UrbanGrowth NSW completed its 2013-14 Renewal Declarations for the Treasury Managed Fund in November 2012 and renewed all covers for the 2013-14 policy period.

Public access to information and the protection of privacy

GOVERNMENT INFORMATION (PUBLIC ACCESS) (GIPA) FORMAL ACCESS APPLICATIONS[1]

During the reporting, one formal access application under the Government Information (Public Access) Act 2009 (GIPA) was received and we agreed to the partial release of the information.

The following tables contain statistical information about the formal access applications received in 2012-13.

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[1] *NOTE: we reported as Landcom from 1 July 2012 to 31 December 2012 and as UrbanGrowth NSW from 1 January 2013 to 30 June 2013.*

Table A | Number of applications by type of applicant and outcome [2]	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	1	0	0	0	0	0	0

Table B | Number of applications by type of application and outcome	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

Table C | Invalid applications

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

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

	Number of times consideration used [3]
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0

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

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

Table D | Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	Number of times consideration used [3]
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Table E | Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F | Timelines	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	**1**

Table G | Number of applications reviewed under Part 5 of the Act (by type of review and outcome)	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	**0**	**0**	**0**

Table H | Applications for review under Part 5 of the Act (by type of applicant)	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

AUTHORISED PROACTIVE RELEASE OF INFORMATION UNDER S.7 (3) OF GIPA ACT 2009

Under section seven of the GIPA Act, agencies must identify the kinds of government information that can be made publicly available at least every 12 months.

Our program for the proactive release of information involves regularly updating the UrbanGrowth NSW website, the Landcom website and individual project websites to provide information regarding our policies, projects and initiatives. We also consider commonly requested categories of information and the impact, if any, of proactively releasing this information.

During the year, the UrbanGrowth NSW Executive commenced a review of frequently requested development information, including whether this information could be proactively released. We also:

- Considered the formal access applications we received.
- Considered any informal applications we received.

- Determined that there were no particular categories of information that were being regularly or repeatedly requested in these formal applications.
- Consulted with our staff about information and categories of information that is frequently requested. This consultation occurred through attendance at team meetings and GIPA briefings and updates.
- Discussed with the Right to Information Officers of other state owned corporations the categories of information that they proactively release.

In addition, we regularly build on our industry knowledge and expertise through the work we do. Where we can, we share our knowledge freely within government, throughout the development industry and among interested members of the general public. We have adopted this practice as an effective way to build and maintain credibility. Our decision to share our intellectual property is also an effective way for us to demonstrate and influence change. Recent examples include:

- Our formal program of business process improvement, which includes ongoing review of our internal and external business process and sharing this with our suppliers, consultants and partners.
- The launch of the UrbanGrowth NSW website on 1 January 2013, which involved the release of new and updated information on our new role, current activities and policies.
- The re-launch of a revised Landcom website in 2013 which involved the release of new and updated information on the retailing of Landcom homesites, including new and updated information on policies, procedures and guidelines to consumers and other stakeholders.

We will review this requirement for proactive release of information within the next 12 months.

PRIVACY

We are committed to ensuring that individual privacy is protected and our activities comply with the Privacy and Personal Information Protection Act 1998 (NSW) and the Privacy Amendment (Private Sector) Act 2000 (Commonwealth).

Our privacy management plan is based on 12 information protection principles of the Privacy and Personal Information Protection Act (PPIP), which establish standards for using personal information. These are:

PRINCIPLE 1 (S.8 PPIP Act)
Collection of personal information for lawful purposes

PRINCIPLE 2 (S.9 PPIP Act)
Collection of personal information directly from the individual

PRINCIPLE 3 (S.10 PPIP Act)
Requirements when collecting personal information

PRINCIPLE 4 (S.11 PPIP Act)
Other requirements relating to collection of personal information

PRINCIPLE 5 (S.12 PPIP Act)
Retention and security of personal information

PRINCIPLE 6 (S.13 PPIP Act)
Information about personal information held by agencies

PRINCIPLE 7 (S.14 PPIP Act)
Access to personal information held by agencies

PRINCIPLE 8 (S.15 PPIP Act)
Alteration of personal information

PRINCIPLE 9 (S.16 PPIP Act)
Agency must check accuracy of personal information before use

PRINCIPLE 10 (S.17 PPIP Act)
Limits on use of personal information

PRINCIPLE 11 (S.18 PPIP Act)
Limits on disclosure of personal information

PRINCIPLE 12 (S.19 PPIP Act)
Special restrictions on disclosure of personal information.

There were no complaints about the use of personal information during the reporting year.

Our Right to Information Officer and Privacy Coordinator can be contacted by writing to:

The Right to Information Officer and Privacy Coordinator
UrbanGrowth NSW
PO Box 237
Parramatta NSW 2124

or by emailing:
righttoinfo@urbangrowth.nsw.gov.au or
enquiry@urbangrowth.nsw.gov.au

PUBLIC INTEREST DISCLOSURES ACT 1994[4]

The following table contains information about our obligations under Section 31 of the Public Interest Disclosures Act.

Section 31 Report	
Number of public officials making a public interest disclosure	0
Number of public interest disclosures we received relating to: i. Corrupt conduct ii. Maladministration iii. Serious and substantial waste of public money iv. Government information contraventions v. Local government pecuniary interest contraventions Total	 0 0 0 0 0 0
Number of public interest disclosures we finalised	0
Whether we have a public interest disclosures policy in place	Yes
Action taken by us to ensure that our staff awareness responsibilities under s 6E(1)(b) of the Act have been met	Staff briefings and training during induction; staff undertaking that they have read and understood our internal reporting policy; statement from the head of our organisation

Work health and safety

UrbanGrowth NSW is committed to providing a safe and healthy work environment for employees, clients and stakeholders. This is highlighted by our commitment to continuous improvement in work health and safety, which is achieved through effective planning, consultation, implementation of programs, training, monitoring and review.

We undertake frequent improvements to our work, health and safety framework, meeting targets outlined by the NSW Government's 'Taking Safety Seriously' and 'Working Together' strategies. 'Working Together' initiatives have been adopted.

The General Manager, Corporate and Finance is responsible for our work health and safety system, with underpinning processes managed by the Senior Manager, Financial Systems and Risk. We operate a work health and safety consultation committee with staff volunteers and nominated management representatives in accordance with our work health and safety policy. The committee meets quarterly to review previously raised issues, new issues and any near-miss incidents brought to its notice.

The work health and safety system and processes have enabled:

- A forum for employees and management to openly discuss concerns.
- A regime of prevention, inspection, identification and reduction of hazards.
- A philosophy of continuous improvement.
- Hazard identification inspections at all employee locations using defined checklists.

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[4] *NOTE: we reported as Landcom from 1 July 2012 to 31 December 2012 and as UrbanGrowth NSW from 1 January 2013 to 30 June 2013.*

- Maintenance of an actions database to monitor the status of hazard elimination or mitigation.

There were no lost time injuries at sites under our direct control during the reporting period.

Multicultural policies and services program 2012–2013

ETHNIC AFFAIRS PRIORITIES STATEMENT

The NSW Government recognises and values the different linguistic, religious, racial and ethnic backgrounds of all the people in the state and requires agencies, including UrbanGrowth NSW, to prepare ethnic affairs priorities statements to manage multiculturalism.

UrbanGrowth NSW's ethnic affairs priorities are delivered through extensive community consultation before and during the development and marketing/sales phases of projects. We communicate with the community through our Community Welcome and Development programs and through stakeholder consultation programs. Our Welcome Program provides services and 'welcome' visits to the homes of customers who move into UrbanGrowth NSW developments. Welcome kits are provided to new residents as part of this program and include information about local culturally and linguistically diverse (CALD) organisations, services for CALD residents and information on how to access free interpreter services.

Over the past year, our Welcome Program facilitators made contact with over 1,200 households in eight new housing developments. The Ponds, One Minto and Bunya are currently the UrbanGrowth NSW projects with the highest proportion of CALD residents (e.g. in The Ponds, over 40% of the population was born overseas). Specific initiatives were implemented in these projects during the year to assist community members and to bring different community groups together. These initiatives included culturally themed welcome events, Harmony Day events, culturally appropriate catering and employment of staff from CALD backgrounds.

Harmony Day events were held in March 2013 as part of our Welcome Programs in Blacktown and Campbelltown. These were a celebration of each community's diversity and multiculturalism. Thirty-eight per cent of Blacktown residents and 28% of Campbelltown residents were born overseas (ABS 2011).

During the year we continued our Walking School Bus program, with eight schools participating in northwest Sydney. This program delivers a number of positive health and environmental outcomes, with regular participation from over 300 students. It is estimated that up to 50% of participants come from CALD backgrounds.

To better inform our activities, we conduct a new resident survey to capture basic demographic information and obtain feedback on our sales and marketing processes. The survey asks residents for information on their own and their parents' country of birth to help us target future sales and marketing campaigns and community development programs.

We use a stakeholder consultation workbook which provides guidelines to project teams planning community engagement activities. The workbook includes information on engaging members of ethnic minority groups, including the provision of interpreters and written translation services.

The promotional materials we issue for our residential developments include information about the availability of interpreter and translation services. Posters detailing the Department of Immigration and Multicultural Affairs' translating and interpreting services are also on display in all sales offices. Where appropriate, marketing campaigns for individual projects target specific CALD groups that we identify through market research as potential purchasers.

We recruit staff on merit and we are an advocate for the principles of cultural diversity. In addition, staff training incorporates cross-cultural components.

We will continue to implement and review our performance against our ethnic affairs priorities statement. Our performance during 2012-13 is set out in the table on the following page, along with our goals for 2013-14.

Ethnic Affairs Initiative	Key Result Area	Strategies/ Tasks	Responsibility	Resources/ Budget	Performance Indicators	Report 2012-13	Goals for 2013-14
Improve information about interpretive and translation services in all relevant marketing and sales material.	Social Justice [1.7 Access to Interpreters and Translators]	Review current marketing and sales material for appropriate information.	General Manager, Corporate Marketing	Marketing budget	Review completed (timeliness)	Translating and interpreting services established in all offices. Interpreters used for specific community meetings	Provide references to translation and interpreting services in marketing and community information
Use ABS census data to identify languages spoken by emerging communities in our estates	Social Justice [1.7 Access to interpreters and translators]	Arrange for access to interpretive and translation services. Provide Welcome Program information in key community languages	General Manager, Corporate Marketing	Project budgets.	Annual review of ABS census data (timeliness)	Census and project survey data reviewed for all projects where there was an active Welcome Program to identify major CALD Communities	Initiate a minimum of one community development project or event in each Welcome Program that addresses the needs and interests of identified CALD groups
CALD community based organisations actively encouraged to tender for the delivery of our Welcome Programs in new estates	Social Justice [1.9 Planning for Cultural Diversity]	Facilitate information sessions prior to the Expressions Of Interest process (EOI), outlining the role and benefit of our Welcome Programs	General Manager, Corporate Marketing	Project budgets.	Number of CALD community based organisations submitting EOIs for the delivery of new Welcome Programs	A CALD community based organisation (Macarthur Diversity Services) is currently delivering our Welcome Programs at Mt Annan and One Minto	Encourage CALD community based organisations to tender for the delivery of Welcome Programs in projects where a high percentage of CALD residents is anticipated
Identify strategies to increase participation by CALD young people in our Welcome Programs	Social Justice [1.9 Planning for Cultural Diversity]	Undertake consultation with young people in our established communities	General Manager, Corporate Marketing	Marketing and/or project budgets	Consultation undertaken and CALD youth strategies included in project based community activities (timeliness)	Harmony Day and cultural activities delivered in projects with a high percentage of CALD families and young people (One Minto, The Ponds and Bunya)	Plan and deliver specific initiatives for CALD families and young people in Welcome and community development programs
Develop strategic partnerships with CALD community based organisations for delivery of community development initiatives in our estates	Community Harmony [2.1 Community Development]	Invite CALD organisations to submit proposals for community development initiatives in our estates	General Manager, Corporate Marketing	Division budget	Partnerships established and maintained	Macarthur Diversity Services and Catholic Care Social Services delivered a range of community development initiatives (playgroups, environmental education etc) in our Garden Gates, One Minto and Bunya projects.	Continue to develop partnerships that enable community development programs to better address the needs of CALD residents in our communities

Equal Employment Opportunity (EEO) performance

UrbanGrowth NSW is an equal opportunity employer and has an EEO policy in place. Our code of conduct also stipulates our commitment to EEO.

EQUAL EMPLOYMENT OPPORTUNITY 2012-13

In accordance with our EEO plan for 2012-13, we undertook the following initiatives:

- We updated our performance development process to include a competency framework which sets out expectations of the performance, skills and behaviours required for each development staff member.
- We continued to provide access for women to leadership, management and professional development programs.
- We identified suitable employment opportunities for a person with a disability requiring a work-related adjustment.
- We continued to provide all new employees with a formal induction to the organisation. The induction program covers UrbanGrowth NSW's workplace practices and includes policies on work health and safety, fair treatment at work, a bullying and harassment-free workplace, grievance procedures and flexible work arrangements.

EEO group	Benchmark / target	2013	2012	2011	2010	2009	2008
Women	50%	45.8%	44.7	44.8	41.6	41.9	41.4
Aboriginals and Torres Strait Islanders	2.6%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%
People whose first language was not English	19%	22.9%	22.7%	23.9%	24.8%	28.7%	28.6%
People with a disability	N/A	2.1%	2.3%	0.7%	0.7%	0.7%	0.7%
People with a disability requiring work-related adjustment	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PLANNED OUTCOMES FOR 2013-14

The following EEO outcomes are planned for 2013-14:

- Training in EEO principles to be conducted for all current and new employees.
- Establish a 'Women in Property' working group to look at issues facing women in our industry and to develop solutions that can be implemented throughout UrbanGrowth NSW.
- Provide ongoing manager training in leadership skills including performance development, emotional intelligence and effective communication skills.
- Provide ongoing professional development opportunities for all staff through the preparation of career and development plans as part of UrbanGrowth NSW's bi-annual performance development review process.
- Offer ongoing coaching/mentoring through UrbanGrowth NSW's training and development program, which provides a structure for the growth and development of employees.
- Provide training, where necessary, on merit recruitment principles to reinforce our values and EEO standards when recruiting for roles both internally and externally.

ADDRESSING DISCRIMINATION IN THE WORKPLACE

UrbanGrowth NSW has adopted the following measures to minimise the incidence of discrimination in the workplace:

- We provide an induction website to all new staff which covers employment conditions, workplace practices, and our policies on fair treatment, grievance procedures and a harassment and bullying-free workplace.
- We update policies on fair treatment, grievance procedures and a harassment and bullying-free workplace.
- We provide manager training in leadership skills, including performance development and effective communication skills.
- We revise performance management practices across the organisation, including the definition and communication of UrbanGrowth NSW's expected standards of behaviour.

There were no incidents of discrimination reported during 2012-13.

NSW GOVERNMENT ACTION PLAN FOR WOMEN

UrbanGrowth NSW has met the objectives of NSW Government's Action Plan for Women by:

- Promoting the development of career plans for all women through the performance development system (including access to professional development programs).
- Ensuring participation by women in UrbanGrowth NSW's leadership and management development programs.
- Implementing training and development programs, which include coaching and mentoring.
- Providing access to flexible working arrangements, including part-time employment, job share and working from home.
- Amending our Award to include specific leave for matters arising from domestic violence.

WRAPP performance

The NSW Waste Reduction and Purchasing Policy (WRAPP) is part of the 2008 NSW Government Sustainability Policy. During the year we introduced co-mingled recycling bins alongside the general waste bins in our head office to increase recycling rates. This initiative was done as part of our office move to new premises. More information is available in our Sustainability Performance Report, located within the UrbanGrowth NSW Annual Review.

Our guarantee of service

CODE OF CONDUCT

UrbanGrowth NSW places the utmost importance on integrity, probity and the promotion of a positive and responsive attitude among staff. Our Code of Conduct has been prepared to provide support and guidance on these values and has the full support of the Board and senior management.

The Code outlines the ethics framework for the way in which we conduct our business. It reinforces employee obligations and the government's broader codes of practice apply to all staff and Directors. New employees are required to sign an acknowledgement form which accompanies the Code to confirm that they understand UrbanGrowth NSW ethics standards. Existing employees are asked to reaffirm their understanding of the Code of Conduct from time to time.

IMPLEMENTING OUR VALUES

Our core values involve the pursuit of excellence in problem solving, relationship building and sustainability. All new employees go through a formal induction process where they are briefed on our Code of Conduct, our values, the way we operate, major projects and initiatives as well as our strategic direction.

We implement our mission and values through our performance management system. This system provides for twice yearly review of individual performance against our values and any deliverables relevant to their work. The performance of all staff members is assessed under this system and an independent system is in place to review Board performance.

COMPLAINTS AND COMPLIMENTS SYSTEM

UrbanGrowth NSW welcomes feedback from all stakeholders and has a complaints and compliments handling system.

We have a policy and procedures in place to provide guidance to staff on their responsibilities if they receive a compliment or if a complaint is made relative to our products, services and conduct. We also provide advice to our customers and stakeholders on how to submit a compliment or complaint and the procedures we follow if they choose to submit one. Senior management reviews complaints to determine if there is cause to implement corrective or preventative action. The majority of complaints are dealt with within seven days.

This year, there was a slight increase the number of complaints we received compared to the previous reporting period (22 complaints compared to 14 in 2011-12, see table overleaf). We received more complaints about our construction, marketing and sales activities. This could be a reflection of the ramp up in our production to meet the government's 10,000 homesites targets.

During 2012-13, we also received 14 formal compliments relating to customer service, professionalism and our willingness to participate in professional events.

Category of Complaint	2012-13: Number of complaints	2011-12 Number of complaints
Design	4	4
Environment	3	1
Marketing / Sales	9	2
Miscellaneous	6 (5 construction and 1 other)	7 (4 construction and 3 other)
Total	22	14

PROCEDURES FOR SHAREHOLDER AND EMPLOYEE CONSULTATION AND FEEDBACK

UrbanGrowth NSW has procedures for its portfolio and shareholder ministers to provide recommendations, feedback or direction to the Board and senior management. The Portfolio Minister provides a statement of priorities for the Board on an annual basis and the Board considers this in the preparation of the corporate plan. Members of senior management meet with the Portfolio Minister regularly to discuss progress against corporate objectives and shareholder ministers are also invited to discuss corporate performance.

All General Managers hold regular meetings to discuss issues with their staff. Significant issues are reported to the Managing Director monthly by each General Manager. Any matters arising from this process that require the Board's attention are reported by the Managing Director in a monthly update report, which is a standing item on every Board meeting agenda.

Executive positions

REMUNERATION OF SENIOR EXECUTIVES AT OR ABOVE SENIOR EXECUTIVE SERVICE (SES) LEVEL 5

Total remuneration for senior executives is calculated as the sum of the cost of employment, including contributions to a superannuation scheme by UrbanGrowth NSW and novated lease payments for a motor vehicle, where such an option has been exercised. The payment of an 'at risk' component is determined based on the performance of the corporation and each senior executive.

The Managing Director's performance is reviewed on a half yearly basis by the Chairman, who reports the outcome of his review to the Remuneration Committee. The Managing Director reviews the performance of each of the General Managers on a half yearly basis, and the findings from the annual review are reported to the Remuneration Committee.

Executive	Position	Remuneration paid 2012-13	At risk paid 2012-13	Total	Key Achievements
Sean O'Toole	Managing Director	$443,276	$48,244	$491,520	• Transition the organisation to UrbanGrowth NSW • Achieved key financial and project targets • Exceeded second year targets for the government's 10,000 Homesites Program • Commenced construction at Green Square in partnership with the private sector. • Commenced construction at UWS Campbelltown • Engaged private sector partners for development at Edmondson Park; Thornton; Potts Hill; and Menangle Park (northern sector) • Encouraged greater participation by small builders and developers in various developments • Secured various agreements with utility organisations to provide lead in sewer mains, detention basins, and major road works to unlock over 5,000 lots for private sector development • Delivered 2,716 home sites to the market • Formed a partnership with the private sector to deliver government's vision for the revitalisation of the Newcastle CBD • Launched the first stages of the Thornton project including the 21st Century Terrace pilot • Launched and promoted the 21st Century Living Program via a major industry conference

Executive	Position	Remuneration paid 2012-13	At risk paid 2012-13	Total	Key Achievements
Greg South	Chief Operating Officer	$327,569	$31,156	$358,725	• Achieved key financial targets • Delivered key project milestones • Transitioned the organisation to UrbanGrowth NSW • Formed a partnership with the private sector to deliver government's vision for the revitalisation of the Newcastle CBD.
Mick Owens	General Manager Development	$273,713	$29,790	$303,503	• Achieved key financial targets • Delivered key project milestones • Delivered second year targets for the government's 10,000 Homesites Program • Commenced construction at UWS • Encouraged greater participation by small builders and developers in developments • Secured various agreements with utility organisations to provide lead in sewer mains, detention basins, and major road works to unlock over 5,000 lots for private sector development
Kerry Robinson[5]	General Manager Development	$263,577	$28,686	$292,263	• Achieved key financial targets • Delivered key project milestones • Delivered second year targets for the government's 10,000 Homesites Program
Richard Wood	General Manager Development	$234,300	$24,355	$258,655	• Achieved key financial targets • Delivered key project milestones • Delivered second year targets for the Government's 10,000 Home Sites Program • Engaged private sector partners for development at Edmondson Park and Menangle Park (northern sector) • Encouraged greater participation by small builders and developers in developments • Secured various agreements with utility organisations to provide lead in sewer mains, detention basins, and major road works to unlock over 5,000 lots for private sector development
Stuart McCowan	General Manager Development	$263,577	$28,686	$292,263	• Achieved key financial targets • Delivered key project milestones • Delivered second year targets for the government's 10,000 Homesites Program • Commenced construction at Green Square in partnership with the private sector. • Launched the first stages of the Thornton project including the 21st Century Terrace pilot • Engaged private sector partners for development at Thornton and Potts Hill • Encouraged greater participation by small builders and developers in developments
Robert Sullivan	General Manager Corporate Marketing	$252,932	$27,528	$280,460	• Directed and overviewed project marketing campaigns to assist in achieving key financial targets • Launched and promoted the 21st Century Living Program via a major industry conference
Michael Brodie	General Manager Finance and IT	$252,932	$27,528	$280,460	• Assisted with the delivery of key financial targets • Successfully relocated the organisation's head office.
Julian Frecklington[6]	General Manager Urban Strategy	$119,946 (part year)	n.a.	$119,946 (part year)	• Not applicable for 2012-13 (see footnote).

[5] *Mr Robinson resigned on 26 July 2013*

[6] *Mr Frecklington commenced duties on 14 January 2013*

EXECUTIVES WITH REMUNERATION EQUAL TO OR EXCEEDING SES LEVEL 1

During the year, there were 21 executives with remuneration equal to or exceeding the equivalent of SES level 1 (excluding SES level 5 or above) of which five were women. These figures remained unchanged at the end of the reporting period.

By comparison, at the end of the 2011-12 reporting period, there were 14 executives with remuneration equal to or exceeding the equivalent of SES level 1 (excluding SES level 5 or above). There were eight executives with remuneration at or above SES level 5. Out of this total, three were women.

Total staff (exclusive of SES level 1 or above) by pay level

Level	Total staff	Men	Women	Aboriginals and Torres Strait Islanders	People from racial, ethnic, ethno, religious minority groups	People whose language first spoken as a child was not English	People with a disability	People with a disability requiring adjustment to work
45,672 – 53,096	3	0	3 temporary	0	2	1	1	0
57,083 – 62,019	7	1 temporary	6 (1 part-time, 2 temporary)	0	2	2	0	0
65,126 – 71,268	7	1	6 (4 temporary)	0	1	2	0	0
75,386 – 83,191	14	7 (1 temporary)	7 (1 temporary)	0	5	7	0	0
90,139 – 99,471	29	8 (5 temporary)	21 (2 part-time, 12 temporary)	0	3	4	1	0
105,542 – 114,227	19	10 (4 temporary)	9 (1 part-time, 1 temporary)	0	8	6	1	0
120,062 – 132,088	44	29 (2 part-time, 4 temporary)	15 (1 part-time, 4 temporary)	0	12	11	0	0
143,343 – 156,754	7	4	3	0	1	1	0	0
Total	130	60	70	0	34	34	2	0

Miscellaneous activities

PROMOTION

During the reporting period, we launched a new website to coincide with government's announcement regarding the establishment of UrbanGrowth NSW. We also produced publications promoting the release of land, which were supported by a sales plan, price list and an advertising campaign.

Information concerning our corporate activities was communicated to stakeholders through the Landcom Annual Review 2011-12, and via our website at: www.urbangrowth.com.au

PRODUCTION COST OF ANNUAL REPORT

The overall cost of producing and printing the 2012-13 Annual Report is estimated at $9,000.

CONSULTANCIES

We spent a total of $463,221 during the reporting period on consultants. These engagements were for strategic planning and to support the transition to UrbanGrowth NSW.

OVERSEAS VISITS

There were no overseas trips undertaken during the reporting period.

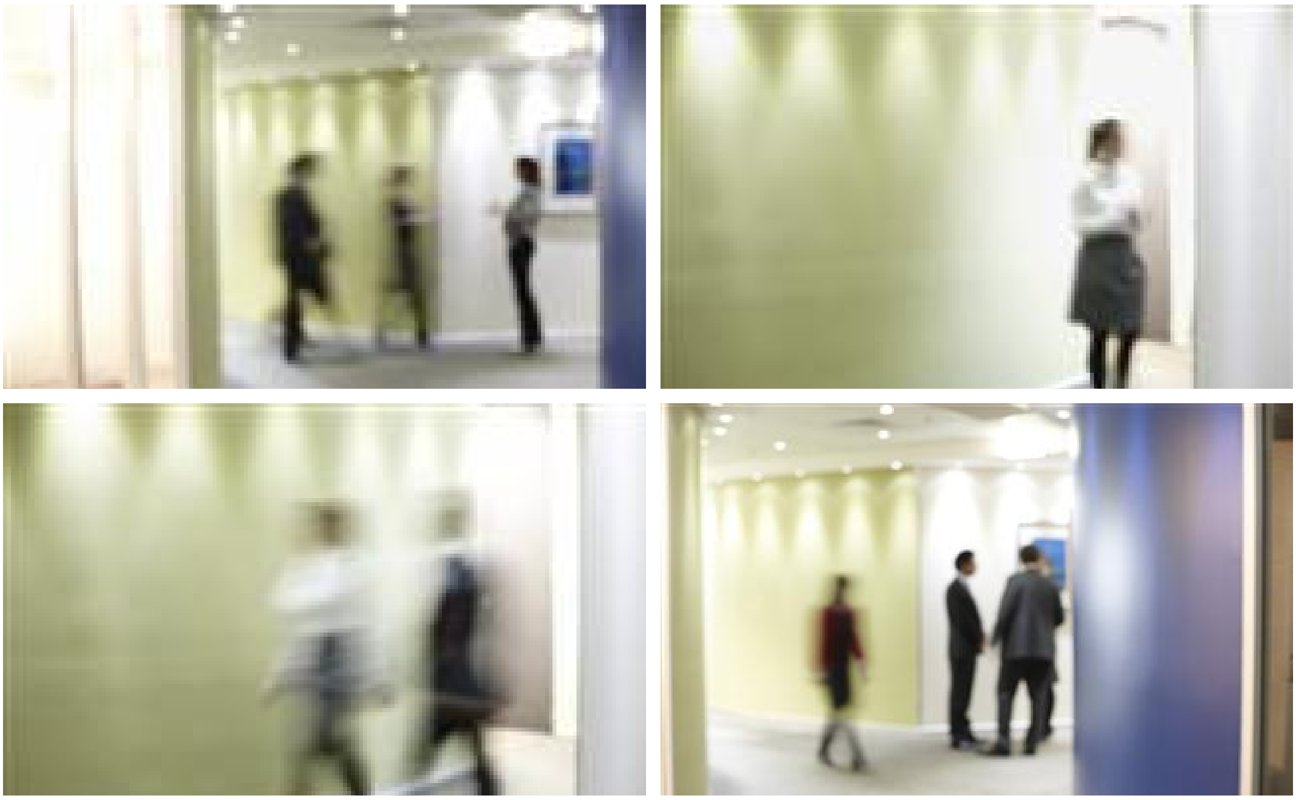
Disclosure of approved exemptions

Following corporatisation on 1 January 2002, approval was granted for reporting exemptions relevant to this Annual Report (shown in the table overleaf). The list of exemptions, some with conditions attached, was approved by NSW Treasury to overcome concerns about the loss of commercial confidentiality for statutory state-owned corporations.

Statutory Requirements	Act/Regulation references	Comments
Annual reporting exemptions		
Budgets: • Detailed budget for the year in review • Outline budget for next year • Particulars of material adjustments to detailed budget for the year in review.	s.7(1) (a) (iii) Annual Reports (Statutory Bodies) Act 1984 s.7(1) (a) (iii) Annual Reports (Statutory Bodies) Act 1984 cl. 7 Annual Reports (Statutory Bodies) Regulation 2010	
Report of operations		
Summary review of operations: • Narrative summary of significant operations • Selected financial and other quantitative information associated with the administration of programs or operations.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	Exemption subject to a condition that comments and information relating to the "summary review of operations" are to be disclosed in a summarised form.
Management and activities: • Nature and range of activities • Measures and indicators of performance • Internal and external performance reviews • Benefits from management and strategy reviews • Management improvement plans and achievements • Major problems and issues • Major works in progress, cost to date, estimated dates of completion and cost overruns • Reasons for significant delays etc to major works or programs • Research and development: - completed research including resources allocated - continuing research and development activities, including resources allocated unless that information could adversely affect operations.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	Exemption subject to a condition that comments and information relating to "management and activities" are to be disclosed in a summarised form.
Human resources: • Number of employees by category and comparison to prior three years • Exceptional movements in employee wages, salaries or allowances • Personnel policies and practices • Industrial relations policies and practices.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	Exemption subject to a condition that the total amount spent on consultants is to be disclosed along with a summary of the main purposes of the engagements.
Consultants : • For each engagement costing more than $50,000: - name of consultant - title of project	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	As above.

Report of operations		
- actual cost • For each engagement costing less than $50,000: - total number of engagements - total cost • If applicable, a statement that no consultants were engaged.		
Land disposal: • Properties disposed of during the year: - total number - total value • If value greater than $5 million and not by public auction or tender: - list of properties - for each case, name of person who acquired the property and proceeds from disposal • Details of family or business connections between the purchaser and the person responsible for approving the disposal • Statement giving reasons for the disposal • Purpose/s for which proceeds were used • Statement indicating that access to the documents relating to the disposal can be obtained under the Freedom of Information Act.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	
Consumer responses: • Extent and main features of complaints • Services improved/changed in response to complaints/suggestions.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	Exemption subject to a condition that comments and information relating to “consumer responses” are to be disclosed in a summarised form.
Payment of accounts: • Performance in paying accounts, including action to improve payment performance.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	This exemption only applies to statutory state-owned corporations as they are not subject to the payment of accounts provisions in s.15 of the Public Finance and Audit Regulation.
Time for payment of accounts: • Reasons for late payment • Interest paid due to late payments.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	As above.
Report on risk management and insurance activities.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	Exemption subject to a condition that the comments and information are to be disclosed in a summarised form.
Disclosure of controlled entities: • Details of names, objectives, operations, activities of controlled entities and measures of performance.	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	Exemption subject to a condition that the names of the controlled entities be disclosed along with a summary of the controlled entities’ objectives, operations, activities and measures of performance.
Investment performance	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	
Liability management performance	Schedule 1 Annual Reports (Statutory Bodies) Regulation 2010	

Financial statements



Independent auditors report

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Landcom

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Landcom (the Corporation), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the *State Owned Corporations Act 1989* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

Independent auditors report (continued)

My opinion does *not* provide assurance:

- about the future viability of the Corporation
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Maria Spriggins

M T Spriggins
Director, Financial Audit Services

28 August 2013
SYDNEY

LANDCOM

DIRECTORS' DECLARATION

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, we state that in the opinion of the Directors of Landcom:

(a) The financial statements:

(i) exhibit a true and fair view of the financial position of Landcom as at 30 June 2013 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date;

(ii) comply with Australian Accounting Standards, AASB Interpretations, the *State Owned Corporations Act 1989*, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010*.

(b) We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

(c) At the date of this statement, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Directors:

JOHN BROGDEN
Chairman

A.O.
BONITA BOEZEMAN AO
Director

26 August 2013

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Continuing Operations			
Sales revenue	2(a)	538,972	398,086
Cost of sales		(360,258)	(271,984)
Gross Profit		**178,714**	**126,102**
Other revenue	2(b)	7,323	3,839
Finance income	2(c)	1,959	2,725
Marketing expenses	3	(9,839)	(7,086)
Employee related expenses	4	(15,307)	(16,938)
Other operating expenses	5	(31,144)	(27,305)
Depreciation and amortisation expense	6	(977)	(537)
Finance costs	7	(10,358)	(10,985)
Profit/(loss) on sale of property, plant and equipment		(661)	8
Profit from continuing operations before income tax equivalent expense		**119,710**	**69,823**
Income tax equivalent expense	8	(35,916)	(20,960)
Net profit for the year		**83,794**	**48,863**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Superannuation actuarial gain/(losses) on defined benefit plans	19	4,767	(9,531)
Income tax on items that will not be reclassified to profit or loss		(1.430)	2,859
Gain on revaluation of assets		315	-
Total items that will not be reclassified to profit or loss		**3,652**	**(6,672)**
Items that may be reclassified subsequently to profit or loss			
Income tax on items that may be reclassified subsequently to profit or loss		-	-
Total items that may be reclassified subsequently to profit or loss		**-**	**-**
Other comprehensive income for the year (net of tax)		3,652	(6,672)
Total comprehensive income for the year		**87,446**	**42,191**

The above Statement of comprehensive income is to be read in conjunction with the attached notes to the financial statements.

Statement of financial position

AS AT 30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Assets			
Current Assets			
Cash and cash equivalents	9	50,874	16,734
Trade and other receivables	10	11,067	16,704
Inventories	11	314,264	289,347
Derivative asset	24	-	-
Other current assets	12	5,807	5,860
Total Current Assets		**382,012**	**328,645**
Non-Current Assets			
Trade and other receivables	10	10,922	14,043
Inventories	11	436,802	412,974
Property, plant and equipment	13	9,006	5,060
Intangible assets	14	194	659
Deferred tax assets	15	9,695	40,387
Total Non-Current Assets		**466,619**	**473,123**
TOTAL ASSETS		**848,631**	**801,768**
Liabilities			
Current Liabilities			
Trade and other payables	16	131,926	136,990
Borrowings	20	31,926	29,589
Current tax liabilities	17	13,393	35,526
Provisions	18	159,327	140,467
Total Current Liabilities		**336,572**	**342,572**
Non-Current Liabilities			
Trade and other payables	16	1,228	10,453
Borrowings	20	86,613	59,697
Provisions	18	42,040	35,843
Deferred tax liabilities	21	2,071	2,213
Total Non-Current Liabilities		**131,952**	**108,206**
TOTAL LIABILITIES		**468,524**	**450,778**
NET ASSETS		**380,107**	**350,990**
Equity			
Contributed capital	22	275,847	275,847
Reserves		315	473
Retained earnings		103,945	74,670
TOTAL EQUITY		**380,107**	**350,990**

The above Statement of financial position is to be read in conjunction with the attached notes to the financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers		608,360	475,897
Interest received		910	1,198
Payments to suppliers and employees		(526,720)	(426,911)
Income tax equivalent paid		(29,063)	(28,935)
Finance costs		(9,909)	(10,212)
Net cash flows(used in)/ from operating activities	23(b)	**43,578**	**11,037**
Cash flows from investing activities			
Payment for property, plant and equipment		(6,824)	(3,236)
Proceeds from sale of property, plant and equipment		1,747	353
Net cash flows (used in)/from investing activities		**(5,077)**	**(2,883)**
Cash flows from financing activities			
Proceeds of borrowings		226,916	144,696
Repayment of borrowings		(197,441)	(175,000)
Dividends paid to NSW Treasury		(33,836)	(36,600)
Net cash flows used in financing activities		**(4,361)**	**(66,904)**
Net decrease in cash and cash equivalents		**34,140**	**(58,750)**
Cash and cash equivalents at the beginning of the year		**16,734**	**75,484**
Cash and cash equivalents at the end of the year	23(a)	**50,874**	**16,734**

The above Statement of cash flows is to be read in conjunction with the attached notes to the financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2013

	Contributed capital $'000	Properties revaluation reserve $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 July 2012	275,847	473	74,670	350,990
Profit for the year	**-**	**-**	**83,794**	**83,794**
Other comprehensive income				
Superannuation actuarial on defined benefit plans	-	-	4,767	4,767
Income tax relating to components of other comprehensive income	-	-	(1,430)	(1,430)
Transfer to reserve on revaluation of asset, net of tax	-	315		315
Transfer from reserve on disposal of asset, net of tax	-	(473)	473	-
Total other comprehensive income	**-**	**(158)**	**3,810**	**3,652**
Total comprehensive income for the year	**-**	**(158)**	**87,604**	**87,446**
Transactions with owners in their capacity as owners				
Dividends to NSW Treasury	-	-	(58,329)	(58,329)
Balance as at 30 June 2013	**275,847**	**315**	**103,945**	**380,107**
Balance as at 1 July 2011	275,847	498	66,290	342,635
Profit for the year	**-**	**-**	**48,863**	**48,863**
Other comprehensive income				
Superannuation actuarial losses on defined benefit plans	-	-	(9,531)	(9,531)
Income tax relating to components of other comprehensive income	-	-	2,859	2,859
Transfer from reserve on disposal of asset	-	(25)	25	-
Total other comprehensive income	**-**	**(25)**	**(6,647)**	**(6,672)**
Total comprehensive income for the year	**-**	**(25)**	**42,216**	**42,191**
Transactions with owners in their capacity as owners				
Dividends to NSW Treasury	-	-	(33,836)	(33,836)
Balance as at 30 June 2012	**275,847**	**473**	**74,670**	**350,990**

The above Statement of changes in equity is to be read in conjunction with the attached notes to the financial statements.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

REPORTING ENTITY

Landcom is a NSW statutory State Owned Corporation established on 1 January 2002 by the *Landcom Corporation Act 2001* (the Act). Landcom is a for profit entity. UrbanGrowth NSW is a trading name of Landcom which the business commenced trading under from 1 January 2013.

The financial statements for the year ended 30 June 2013 have been authorised for issue by the Board on 26 August 2013.

Landcom undertakes and participates in residential, commercial, industrial and mixed development projects and provides advice and services related to urban development, on a commercial basis, to government agencies and others. Under the organisation's new direction there is a focus on co-ordination of urban renewal projects including unlocking the barriers to private sector development .

Landcom also provides management services to the Crown Lands Homesites Program.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with:

- the *State Owned Corporations Act 1989*;
- applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*.

Property, plant and equipment and investment property are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

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

All amounts are rounded to the nearest one thousand dollars and expressed in Australian currency.

1.2 Statement of Compliance

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

The accounting policies have been consistently applied, unless stated otherwise.

1.3 Revenue Recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable.

i. Sales revenue comprises income from sale of land owned by Landcom, income from management of the sale of land not owned by Landcom, and income from others. Sales revenue is recognised when the significant risks and rewards of ownership of the land have passed to the buyer on settlement and can be reliably measured.

ii. Interest income is recognised as the interest accrues.

iii. Management fees are based on the general principle that there is a right to be compensated for services rendered and it is probable that economic benefits will result and the income can be reliably measured.

iv. Rental income is recognised in accordance with *AASB 117 Leases* on a straight-line basis over the term of the lease.

v. Other income is based on the general principle that there is a right to be compensated for services rendered and it is probable that economic benefits will result and the revenue can be reliably measured.

1.4 Expenditure Recognition

Operating and working expenses are expensed in the year in which they are incurred. Where they are directly attributable to the management of construction contracts, a proportion is capitalised to land under development (works in progress) (refer to Note 1.8).

1.5 Employee Benefits

All liabilities for employee benefits are fully provided for in accordance with *AASB 119 Employee Benefits* (refer to Note 18). Employee benefits applicable to Landcom are shown below.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.5 Employee Benefits *(continued)*

Salaries and annual leave

Liabilities for salaries and annual leave (including non-monetary benefits) that are due to be settled within 12 months after the end of the period in which the employee renders the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted nominal amounts based on the amounts expected to be paid when the liabilities are settled.

Non-vesting sick leave

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

Long service leave

Long service leave is measured on a nominal value basis and compared to present value calculated in accordance with *AASB 119 Employee Benefits* for all employees with 5 or more years of service in the public sector every three years. The provision is calculated using estimated future increases in salary rates including related on-costs. This is in accordance with TC12/06 Accounting for Long Service Leave and Annual Leave.

Superannuation

Pillar Administration advises Landcom of the level of liability for Landcom's superannuation commitments to its employees who are members of the various divisions of the scheme. The calculation of the superannuation position is based on actuarial reviews independent of Landcom's ongoing activities and involvement. The main drivers of the actuarial calculations are the level of investment return, salary inflation and CPI increases.

Landcom has an obligation for the deferred benefit contribution which becomes payable on and after retirement of staff. Contribution is made to the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non Contributory Superannuation Scheme (SANCS).

The SAS Trustee Corporation through the fund's actuary has determined that unfunded superannuation contributions as at 30 June 2013 for the SASS, SANCS and SSS was estimated at $12.365 million (2012: $17.456 million).

Amounts representing prepaid superannuation contributions are recognised as an asset. Amounts representing unfunded superannuation are recognised as a liability. Actuarial gains and losses are recognised immediately as other comprehensive income/outside profit or loss in the year in which they occur.

Redundancy payments

The liability is based on the payments expected to be made as a result of restructures which have been formally advised, to employees and unions.

Payroll on-costs

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

1.6 Insurance

Landcom carries a comprehensive range of insurances covering property, public liability, motor vehicles and other contingencies through the NSW Treasury Managed Fund of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience. These insurance policies are reviewed annually to ensure that they are adequate and were current at 30 June 2013. No major claims exist under these policies at 30 June 2013.

1.7 Leases

Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of leased items, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The cost of improvement to or on leasehold property is capitalised and disclosed as leasehold improvements, and amortised over the unexpired period of the lease term or the estimated useful lives of the improvements, whichever is the shorter.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1.7 Leases (continued)

Lease incentives under a non-cancellable operating lease, like a rent-free period, is recognised as an asset (leasehold right) and as a liability (lease incentive) at the inception of the lease in an amount equal to the present value of the minimum lease payments. Leasehold right (asset) is amortised to rental expense on a straight-line basis over the term of the lease. Lease incentive (liability) is reduced by allocating lease rental payments between rental expenses and reduction of the liability at the beginning of the lease payment period until the end of the lease term.

Landcom has operating leases in place in respect of its head office premises in Parramatta, regional office in Newcastle, Tuncurry and sales offices at various locations within New South Wales. There are no contingent rentals payable in respect of these leases and the terms of renewal are between 1 and 5 years after lease terms expire.

1.8 Capitalisation of Expenses - Development Costs and Cost of Sales

Landcom charges all direct expenditure on development works to relevant projects. All operating expenditure is initially charged to and disclosed in the Statement of comprehensive income when it is incurred. Some salary charges and related expenses are subsequently capitalised to projects together with other administrative overheads. Employee expenses incurred in respect of development and sales activities are capitalised to inventory when incurred (refer to notes 4 and 11).

1.9 Income Tax Equivalent Expense

Landcom is subject to notional taxation in accordance with the State Owned Corporation Act 1989. From 1 July 2003, taxation liability has been assessed according to the Notional Tax Equivalent Regime of the NSW Treasury, which proposes, as far as practical, the adoption of the Commonwealth Income Tax Assessment Act 1997 (as amended) as the basis for determining taxation liability. Tax effect accounting has also been adopted from 1 July 2003.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the Statement of financial position liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the Statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the Statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

1.10 Dividends to the NSW Treasury

Landcom is required to pay dividends to the Consolidated Fund of NSW Treasury in accordance with the *State Owned Corporations Act 1989* and as agreed in the Statement of Corporate Intent. For the year ended 30 June 2013, dividends are calculated in accordance with TPP 09-06 Financial Distribution Policy for Government Businesses.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.11 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

i. where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.

Cash flows are included in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.12 Cash and Cash Equivalents

Cash comprises cash on hand and at the bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

1.13 Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of comprehensive income when impaired, derecognised, or through the amortisation process.

Short-term receivables with no stated interest rate are measured at transaction cost or face value.

Interest is charged on overdue settlement monies where agreed settlement dates are not met. The rate of interest applied varied during the year and is currently 11.88% (2012: 12.54%). Sales are made on varying terms, but generally on a 30-day exchange and 30-day settlement basis.

1.14 Inventories - Land Classification

Inventories comprise undeveloped land, work in progress and developed land. Undeveloped land with medium to long-term development potential is classified as a non-current asset. Land is classified as work in progress while it is under development, that is, from the time contracts are signed for work to proceed.

Developed land is land which has been subdivided and registered on completion of all development activity. Developed land and work in progress that are expected to be sold within the next 12 months are classified as current and the balance is classified as non-current. As the process of development progresses, land projects are reclassified from undeveloped land to work in progress, then, on completion, to developed land for sale.

Landcom reviews its inventory balances periodically and writes off inventory where the net realisable value is less than the carrying amount in the accounts. Landcom capitalises costs associated with pursuing development opportunities. Where there is a likelihood that the project will not progress then previously capitalised costs are written off and recognised as an expense in the Statement of comprehensive income.

1.15 Inventories - Land Valuation

All land is valued at the lower of cost or net realisable value. Cost includes acquisition, development and capitalised overhead. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.16 Land, Buildings (Sales Offices) and Leasehold Improvements

Land and buildings (sales offices) are initially recorded at their cost of acquisition. They are revalued every 5 years in accordance with Treasury guidelines (see Note 1.22). The last revaluation was performed in April 2013 by an external qualified valuer. These values were based on land and building sales in the areas in which the properties are located.

Sales office buildings are depreciated on a straight line basis over 14 years.

Land is not a depreciable asset.

Leasehold improvements are valued at cost and amortised on a straight line basis over the unexpired period of the lease term or the assets useful life, whichever is shorter.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.17 Plant and Equipment

Plant and equipment are recorded at the cost of acquisition, plus major renovation or improvement costs, if any, and are shown at cost less accumulated depreciation and impairment. Depreciation on all plant and equipment is calculated on the basis of the useful life of the asset to Landcom using the straight line method. The written down value of plant and equipment as at 30 June 2013 approximates fair value. Plant and equipment costing $500 and above individually are capitalised.

The following estimated useful lives are used in the calculation of depreciation for major items:

Computer equipment	- 3 to 4 years
Office equipment	- 5 to 25 years
Motor Vehicles	- 8 years.

Impairment: The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.18 Trade and Other Payables

All trade payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Payables are recognised initially at fair value, usually based on transactional cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method. Short-term payables are measured at the original invoice amount where the effect of discounting is immaterial.

Amounts owing to suppliers are settled in accordance with the policy set out in the Treasurer's Directions. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. The Treasurer's Directions allow the Minister to award interest for late payment.

Landcom also holds monies in trust paid by prospective buyers of land, as either holding deposits or on exchange of contracts pending settlement.

Unearned income is reported as a current liability – trade and other payables in the statement of financial position. The balance relates to advances received from project partners. Landcom is entitled to recognise revenue when the obligations under the project agreements are fulfilled.

1.19 Borrowings

All borrowings are recorded at face value net of any premium or discounts. Loans are not held for trading and are recognised at amortised cost using the effective interest method. Premiums and discounts are amortised over the life of the borrowings and charged to the Statement of comprehensive income. Borrowing costs are recognised as an expense when incurred. Gains and losses are recognised in the Statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

1.20 Derivatives

NSW Treasury Corporation (TCorp) has been contracted to manage Landcom's debt portfolio and enters into futures agreements on Landcom's behalf. This type of derivative financial instrument is recognised in the financial statements on inception at fair value and is subsequently remeasured to fair value at each reporting date. The net amount receivable/payable is recognised in the Statement of financial position and any gains/losses incurred are recognised in the Statement of comprehensive income.

1.21 Financial Instruments

Financial instruments give rise to positions that are a financial asset of either Landcom or its counterparts and a financial liability (or equity instrument) of the other party. For Landcom, these include cash assets, receivables, payables and borrowings.

Information is disclosed in Note 24, in respect of the credit risk and interest rate risk of financial instruments. All such amounts are carried at net fair value unless otherwise stated.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount of the financial asset.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Notes to and forming part of the Financial Statements
FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.21 Financial Instruments *(continued)*

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that Landcom manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

Landcom derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Landcom neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Landcom recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Landcom retains substantially all the risks and rewards of ownership of a transferred financial asset, Landcom continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount of the financial liability.

Derecognition of financial liabilities

Landcom derecognises a financial liability only when the obligation under the liability is discharged, cancelled or expired.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.22 Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with *AASB 116 Property, Plant and Equipment* and *AASB 140 Investment Property*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the indicator of which is depreciated replacement cost.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

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

Revaluation increments are credited directly to the revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of the same asset previously recognised as an expense in the Statement of comprehensive income, the increment is recognised immediately as revenue in the Statement of comprehensive income.

Revaluation decrements are recognised immediately as expenses in the Statement of comprehensive income, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same asset, they are debited directly to the revaluation surplus.

Revaluation increments and decrements are offset against each individual asset and not within a class of assets.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to retained earnings.

1.23 Provisions

Provisions are recognised when Landcom has a present obligation (legal or constructive) as a result of a past event, it is probable that Landcom will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The provision to complete projects captures all unpaid development costs which were included in the original land development schedule. It is raised as an estimate based on known costs at the time when the land is ready for sales release. The provision also includes the value of works completed at 30 June 2013 of any performance building contracts entered into by Landcom.

Provisions for future rectification works relate to any matter outstanding on Landcom projects which have for all intents and purposes been completed. All future costs that may result in connection with these completed projects are recognised as provisions.

Provision for rebates is recognised when a lot is sold. As part of the conditions of sale, Landcom may be committed to make a payment to the purchaser provided certain design criteria are met and applied for within a specified period by the purchaser, usually between 12-24 months. This payment represents reimbursement for additional costs incurred by the purchaser in complying with the design criteria set by Landcom. If the time value of money is material, provisions are discounted at the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

1.24 Intangible Assets

Computer software costs (licences) and website costs are treated as intangible assets. The useful lives of these intangible assets were estimated as finite and the cost method was utilised for their measurement. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for Landcom's intangible assets, the assets are carried at cost less any accumulated amortisation. Intangible assets are tested for impairment where an indicator of impairment exists. Amortisation is charged on a straight-line basis over their estimated useful lives.

The following estimated useful lives are used in the calculation of amortisation for intangible assets:

Computer software - 4 years

Website costs - 5 years

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.25 Recoverable Amount of Assets

At each reporting date, Landcom assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Landcom makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

1.26 Other Current Assets

Other current assets represent prepayment of expenditure which is recognised on a cost basis. These amounts are recognised in the Statement of comprehensive income on a straight-line basis except where another systematic basis is more representative of the time pattern in which economic benefits from the prepayments are consumed.

1.27 Changes in Accounting Estimates

As a result of a favourable ruling received from the Australian Taxation Office during the 2013 financial year, the tax treatment of future costs to complete projects has changed in that these costs are now claimed as an allowable deduction. As a result, Landcom has recognised a once off decrease to the deferred tax assets account of $ 25m and the corresponding tax payable. Refer Note 15 and 17.

1.28 Accounting Standards/Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards/Interpretations is not expected to have any material impact on the financial statements of Landcom.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1055 Budgetary Reporting	1 July 2014	30 June 2015
AASB 9 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2015	30 June 2016
AASB 124 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	30 June 2014
AASB 1053 Applications of Tiers of Australian Accounting Standards	1 July 2013	30 June 2014

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	2013 $'000	2012 $'000
2(a) Sales Revenue		
Income from land sales	388,237	294,504
Income from managed land sales	150,735	103,582
	538,972	**398,086**
2(b) Other Revenue		
Management fee – Crown Lands Homesites Program	933	585
Management fee – Health Infrastructure- NSW Health	1,962	-
Management fee – Land and Housing	796	-
Rental income	1,069	715
Land tax refund	1,781	834
Option fees	410	702
Other	372	1,003
	7,323	**3,839**
2(c) Finance Income		
Interest from bank	716	989
Unwinding of the discount rate	1,051	1,658
Interest from late settlement	194	209
Unrealised (loss)/gain on derivative asset	(2)	(131)
	1,959	**2,725**
3 Marketing Expenses		
Advertising	7,432	5,492
Sales contractors and commission	1,512	1,068
Other	895	526
	9,839	**7,086**
4 Employee Related Expenses		
Salaries and wages	17,281	16,107
Termination payments	-	765
Superannuation – defined benefit plans*	120	225
Superannuation – defined contribution plans	1,362	1,222
Long service leave	363	1,785
Annual leave	1,305	1,220
Workers' compensation insurance	73	91
Payroll tax and fringe benefits tax	1,251	1,293
Other employee related expenses	871	1,101
	22,626	23,809
Transfer of capital costs to inventories	(7,319)	(6,871)
	15,307	**16,938**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

4 Employee Related Expenses *(continued)*

* Refer Note 19. Superannuation actuarial gain / (loss) of $4,767,000 gain (2012: ($9,531,000 loss)) are recognised as other comprehensive income.

	2013 $'000	2012 $'000

5 Other Operating Expenses

	2013 $'000	2012 $'000
Auditor's remuneration – audit of financial statements	215	205
Operating lease rental expense – minimum lease payments	2,354	1,175
Maintenance	505	773
Insurance	117	118
General administrative costs	9,819	8,800
Council rates	1,641	1,762
Land tax	10,044	9,488
Adjustment of inventory to net realisable value	4,825	5,887
Expenses incurred on project management.	1,746	-
Property and accommodation expenses	1,926	1,025
Loss on asset revaluation	407	-
Consultancy fees	463	58
	34,062	29,291
Transfer of capital costs to inventories	(2,918)	(1,986)
	31,144	**27,305**

6 Depreciation and Amortisation Expense

	2013 $'000	2012 $'000
Buildings	176	103
Leasehold improvements	274	106
Plant and equipment	333	189
Intangible assets	164	107
Motor vehicles	30	32
	977	**537**

7 Finance Costs

	2013 $'000	2012 $'000
Interest	6,720	7,363
Unwinding of the discount rate	380	890
Amortisation of loan (discount)/premium	(221)	5
Government guarantee fee	3,479	2,727
	10,358	**10,985**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

8 Income Tax

Income tax expense recognised in the Statement of comprehensive income

The major components of income tax expense for the years ended 30 June 2013 and 2012 are:

	2013 $'000	2012 $'000
Current income tax charge	31,922	23,768
Adjustments for prior years	-	-
Deferred income tax		
Origination and reversal of temporary differences	3,994	(2,808)
Income tax expense reported in the Statement of comprehensive income	**35,916**	**20,960**
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	4,270	(4,194)
(Decrease)/increase in deferred tax liabilities	(276)	1,386
	3,994	**(2,808)**
Income tax expense recognised directly in equity		
Deferred income tax related to items charged or credited directly to equity:		
Asset revaluation reserve	135	-
Superannuation actuarial gain/(loss)	1,430	(2,859)
Income tax expense reported in equity	**1,565**	**(2,859)**

A reconciliation between tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the entity's effective income tax rate:

	2013 $'000	2012 $'000
Accounting profit before income tax	119,710	69,823
At the statutory income tax rate of 30% (2012: 30%)	35,913	20,947
Deductions not allowable for income tax purposes	3	3
Recognition of temporary differences	-	10
Under/(over) provided in prior years	-	-
Income tax expense reported in the Statement of comprehensive income	**35,916**	**20,960**

9 Cash and Cash Equivalents

	2013 $'000	2012 $'000
Cash at bank and on hand	**50,874**	**16,734**

Included in the cash and cash equivalents is restricted cash of $12.516 million (2012 $4.610 million). These funds are held as security deposits for various projects.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

10 Trade and Other Receivables

	2013 $'000	2012 $'000
Current		
Trade receivables	10,338	11,367
Allowance for impairment loss	(628)	(628)
Development bonds	963	1,823
Development contributions	-	3,959
Other receivable	378	183
	11,051	**16,704**
Non-current		
Trade receivables	9,656	12,894
Development bonds	229	-
Loan receivables	1,053	1,149
	10,938	**14,043**
Movement in the allowance for impairment loss		
Balance at the beginning of the year	628	1,611
Amounts written off during the year	(3)	(462)
Increase/(decrease) in allowance recognized in profit or loss	3	(521)
Balance at the end of the year	**628**	**628**

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 24.

The non-current trade receivable of $9.656 million (2012: $12.894 million) represent deferral of payment for sale of land for the project at Wolli Creek.

Non-current loan receivables represent second mortgages with purchasers of properties sold at Stanhope Gardens amounting to $1,053 million (2012: $1.149 million) as part of Landcom's moderate income housing programme. The second mortgages must be repaid within 10 years or on sale of the properties, whichever comes first.

11 Inventories

	2013 $'000	2012 $'000
Current		
Work in progress	212,609	194,456
Developed land	101,655	94,891
	314,264	**289,347**
Non-current		
Work in progress	71,668	85,120
Undeveloped land	365,134	327,854
	436,802	**412,974**
Total	**751,066**	**702,321**

The cost of inventories recognised as an expense includes $4.825 million (2012:$5.887 million) in respect of write-downs of inventory to net realisable value. Previous write-downs are reversed as a result of increased sales prices for developed land.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	2013 $'000	2012 $'000

11 Inventories *(continued)*

Details of inventories:		
Developed land	101,655	94,891
Write-down to net realisable value	-	-
Total developed land	**101,655**	**94,891**
Details of inventories:		
Undeveloped land	654,236	613,317
Write-down to net realisable value	(4,825)	(5,887)
Total undeveloped land	**649,411**	**607,430**
Details of inventories:		
Acquisition costs	447,076	384,278
Development costs	259,290	275,054
Other costs	44,700	42,989
	751,066	**702,321**

12 Other

Current		
Prepayments	5,807	5,860
	5,807	**5,860**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	2013 $'000	2012 $'000
13 Property, Plant and Equipment		
Land		
At fair value	1,886	1,665
Buildings		
At gross carrying amount	1,882	2,878
Accumulated depreciation	(35)	(317)
Net carrying amount at fair value	1,847	2,561
Leasehold improvements		
At gross carrying amount	3,317	4,018
Accumulated depreciation	(1,020)	(3,911)
Net carrying amount at fair value	2,297	107
Motor vehicles		
At gross carrying amount	225	248
Accumulated depreciation	(85)	(81)
Net carrying amount at fair value	140	167
Plant and equipment		
At gross carrying amount	3,941	1,909
Accumulated depreciation	(1,105)	(1,349)
Net carrying amount at fair value	2,836	560
Total net carrying amount	**9,006**	**5,060**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

13 Property, Plant and Equipment *(continued)*

Reconciliation

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

2013	Land at fair value	Buildings at fair value	Leasehold improvements at fair value	Motor vehicles at fair value	Plant & equipment at fair value	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Net carrying amount at beginning of the year	1,665	2,561	107	167	560	5,060
Additions	547	1,256	2,465	38	2,332	6,638
Disposals	(900)	(869)	(1)	(35)	(117)	(1,922)
Increment/(decrement on Revaluation	450	(407)	-	-	-	43
Reclassified	124	(518)	-	-	394	-
Depreciation expense	-	(176)	(274)	(30)	(333)	(813)
Net carrying amount at the end of the year	**1,886**	**1,847**	**2,297**	**140**	**2,836**	**9,006**

2012	Land at fair value	Buildings at fair value	Leasehold improvements at fair value	Motor vehicles at fair value	Plant & equipment at fair value	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Net carrying amount at beginning of the year	1,325	889	117	235	683	3,249
Additions	576	1,839	96	-	69	2,580
Disposals	(236)	(64)	-	(36)	(3)	(339)
Transfer to inventory	-	-	-	-	-	-
Depreciation expense	-	(103)	(106)	(32)	(189)	(430)
Net carrying amount at the end of the year	**1,665**	**2,561**	**107**	**167**	**560**	**5,060**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

14 Intangible Assets

	2013 $'000	2012 $'000
Computer software and website		
Gross carrying amount		
Carrying amount at beginning of the year	4,347	3,690
Additions	185	657
Disposals	(682)	-
Carrying amount at end of the year	3,850	4,347
Accumulated amortisation and impairment		
Carrying amount at beginning of the year	(3,688)	(3,581)
Amortisation expense and impairment	(164)	(107)
Disposals	196	-
Carrying amount at end of the year	(3,656)	(3,688)
Net carrying amount at end of the year	**194**	**659**

15 Deferred Tax Assets

The balance comprises temporary differences attributable to:

	2013 $'000	2012 $'000
Depreciation and amortisation	489	743
Provisions	8,236	38,448
Sundry	194	170
Fair value adjustments	776	1,026
	9,695	**40,387**
Movements		
Carrying amount at beginning of the year	40,387	33,334
Change in accounting estimates (Refer Note 1.27)	(24,992)	-
Credited/(charge) to the Statement of comprehensive income	(4,270)	4,194
Credited/(charge) to equity	(1,430)	2,859
Carrying amount at end of the year	**9,695**	**40,387**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	2013 $'000	2012 $'000

16 Trade and Other Payables

	2013 $'000	2012 $'000
Current		
Trade payables	25,065	51,884
Unearned income	57,524	43,710
Bonds and deposits held	19,735	10,332
Accrued expenses	29,362	30,582
Other payables	15	57
Retentions	225	425
	131,926	**136,990**
Non-current		
Accrued expenses	1,228	-
Unearned income	-	10,453
	1,228	**10,453**

17 Current Tax Liabilities

	2013 $'000	2012 $'000
Carrying amount at beginning of the year	35,526	40,693
Income tax expense	35,916	20,960
Movement in deferred tax assets/(liabilities)	(3,994)	2,808
Change in accounting estimates (Refer Note 1.27)	(24,992)	-
Tax payment	(29,063)	(28,935)
Carrying amount at end of the year	**13,393**	**35,526**

18 Provisions

	2013 $'000	2012 $'000
(a) Employee benefits – current		
Provision for annual leave	1,218	1,208
Provision for long service leave		
- Expected to be settled within 12 months	551	521
- Expected to be settled after 12 months	4,960	4,689
Provision for superannuation liability (see Note 19)	12,365	17,456
Accrued on-costs	913	861
	20,007	**24,735**
(b) Employee benefits – non-current		
Provision for long service leave	290	274
Accrued on-costs	35	33
	325	**307**
Total employee benefits	**20,332**	**25,042**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

18 Provisions *(continued)*

	2013 $'000	2012 $'000
(c) Other provisions – current		
Provision to complete projects	78,546	79,062
Provision for rebates	2,288	2,677
Provision for other	157	157
Provision for distribution to NSW Treasury	58,329	33,836
	139,320	**115,732**

The dividend payable of $58.329 million (2012: $33.836 million) is calculated based on 70% of profit after tax, excluding certain non-cash items of financial instrument fair value movements of $0.671 million income (2012: $0.768 million income.)

	2013 $'000	2012 $'000
(d) Other provisions – non-current		
Provision to complete projects	37,820	32,583
Provision for rebates	3,371	2,953
Provision for other	524	-
	41,715	**35,536**
Total current and non-current provisions		
Current provisions	159,327	140,467
Non-current provisions	42,040	35,843
	201,367	**176,310**

Reconciliations of the carrying amount of each class of provision are set out below:

Employee benefits

2013	Provision for annual leave $'000	Provision for long service leave $'000	Superannuation liability $'000	Accrued on-costs $'000	Other $'000	Total $'000
Carrying amount at beginning of the year	1,208	5,484	17,456	894	-	25,042
Additional provisions recognised	1,305	363	(4,647)	54	-	(2,925)
Amounts used during the year	(1,295)	(46)	(444)	-	-	(1,785)
Carrying amount at end of the year	**1,218**	**5,801**	**12,365**	**948**	**-**	**20,332**

2012	Provision for annual leave $'000	Provision for long service leave $'000	Superannuation liability $'000	Accrued on-costs $'000	Other $'000	Total $'000
Carrying amount at beginning of the year	1,303	4,339	8,187	561	-	14,390
Additional provisions recognised	1,220	1,786	9,638	333	-	12,977
Amounts used during the year	(1,315)	(641)	(369)	-	-	(2,325)
Carrying amount at end of the year	**1,208**	**5,484**	**17,456**	**894**	**-**	**25,042**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

18 Provisions *(continued)*

Other provisions

2013	Provision for distribution to NSW Treasury $'000	Provision for rectification works $'000	Provision for rebates $'000	Provision to complete projects $'000	Provision for other $'000	Total $'000
Carrying amount at beginning of the year	33,836	-	5,630	111,645	157	151,268
Additional provisions recognised	58,329	-	2,837	81,923	524	143,613
Reductions in provisions from payments	(33,836)	-	(2,808)	(74,542)	-	(111,186)
Change in provisions from re-measurement	-	-	-	(2,660)	-	(2,660)
Carrying amount at end of the year	**58,329**	**-**	**5,659**	**116,366**	**681**	**181,035**

2012	Provision for distribution to NSW Treasury $'000	Provision for rectification works $'000	Provision for rebates $'000	Provision to complete projects $'000	Provision for other $'000	Total $'000
Carrying amount at beginning of the year	36,600	-	4,934	97,943	157	139,634
Additional provisions recognised	33,836	-	2,619	49,043	-	85,498
Reductions in provisions from payments	(36,600)	-	(1,923)	(33,423)	-	(71,946)
Change in provisions from re-measurement	-	-	-	(1,918)	-	(1,918)
Carrying amount at end of the year	**33,836**	**-**	**5,630**	**111,645**	**157**	**151,268**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation

Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members

Superannuation position as at 30 June 2013

	SASS 30-Jun-13	SANCS 30-Jun-13	SSS 30-Jun-13	TOTAL 30-Jun-13
Member numbers				
Contributors	13	20	7	40
Deferred benefits	-	-	1	1
Pensioners	-	-	10	10
Pensions fully commuted	-	-	2	2
Superannuation position for AASB 119 purposes	**$'000**	**$'000**	**$'000**	**$'000**
Accrued liability	6,262	1,418	23,721	31,401
Estimated reserve account balance	(3,888)	(1,026)	(14,122)	(19,036)
	2,374	392	9,599	12,365
Future Service Liability (Note 1)	(1,043)	(587)	(718)	(2,348)
Surplus in excess of recovery available from schemes	-	-	-	-
Net (asset)/liability to be recognised in the Statement of financial position*	**2,374**	**392**	**9,599**	**12,365**

*Refer Note 18

Note 1:
The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

	SASS	SANCS	SSS	Total
	30-Jun-13	30-Jun-13	30-Jun-13	30-Jun-13
	$'000	$'000	$'000	$'000
Reconciliation of the present value of the defined benefit obligation				
Present value of partly funded defined benefit obligation at beginning of the year	5,983	1,521	25,344	32,848
Current service cost	208	65	162	435
Interest cost	179	45	768	992
Contributions by Fund participants	93	-	120	213
Actuarial (gains)/losses	(49)	(303)	(3,070)	(3,422)
Benefits paid	(153)	90	397	334
Present value of partly funded defined benefit obligation at end of the year	**6,261**	**1,418**	**23,721**	**31,400**
Reconciliation of the fair value of Fund assets				
Fair value of Fund assets at beginning of the year	3,163	747	11,483	15,393
Expected return on Fund assets	270	62	974	1,306
Actuarial gains/(losses)	328	60	957	1,345
Employer contributions	187	67	191	445
Contributions by Fund participants	93	0	120	213
Benefits paid	(153)	90	397	334
Fair value of Fund assets at end of the year	**3,888**	**1,026**	**14,122**	**19,036**
Reconciliation of the assets and liabilities recognised in the statement of financial position				
Present value of partly funded defined benefit obligation at end of year	6,262	1,418	23,721	31,401
Fair value of Fund assets at end of year	(3,888)	(1,026)	(14,122)	(19,036)
Subtotal	2,374	392	9,599	12,365
Net liability/(asset) recognised in the Statement of financial position* at end of year	**2,374**	**392**	**9,599**	**12,365**
Components recognised in the Statement of comprehensive income				
Current service cost	208	65	162	435
Interest cost	179	45	768	992
Expected return on Fund assets (net of expenses)	(270)	(63)	(974)	(1,307)
Expense/(income) recognised	**117**	**47**	**(44)**	**120**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

	SASS	SANCS	SSS	Total
	30-Jun-13	30-Jun-13	30-Jun-13	30-Jun-13
	$'000	$'000	$'000	$'000
Amounts recognised in the Statement of comprehensive income				
Actuarial (gains)/losses	(377)	(363)	(4,027)	(4,767)
Adjustment for limit on net asset	-	-	-	-
Cumulative amount recognised in the Statement of comprehensive income				
Cumulative amount of actuarial losses	1,995	262	8,808	11,065
Cumulative adjustment for limitation on net asset	-	-	-	-

Fund assets

The percentage invested in each asset class at the date of the Statement of financial position:

	30-Jun-13
Australian equities	30.4%
Overseas equities	26.1%
Australian fixed interest securities	6.9%
Overseas fixed interest securities	2.2%
Property	8.3%
Cash	13.1%
Other	13.0%

Fair value of Fund assets
All Fund assets are invested by the SAS Trustee Corporation (STC) at arm's length through independent fund managers.

Expected rate of return on assets
The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual return on Fund assets

	SASS	SANCS	SSS	Total
	$'000	$'000	$'000	$'000
Actual return on Fund assets	543	122	1,954	2,619

Valuation method and principal actuarial assumptions at the date of the Statement of financial position

a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b) Economic assumptions

	30-June-13
Salary increase rate (excluding promotional increases)	
2013/2014 (SASS, SSS and SANCS)	2.25% pa
2014/2015	2.25% pa
2015/2016 to 2019/2020	2.0% pa
2020 onwards	2.5% pa

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

Rate of CPI Increase	2.5% pa
Expected rate of return on assets backing current pension liabilities	8.6% pa
Discount rate	3.8% pa

19 Superannuation *(continued)*

c) Demographic assumptions

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

	SASS	SANCS	SSS	Total
	30-Jun-13	30-Jun-13	30-Jun-13	30-Jun-13
	$'000	$'000	$'000	$'000
Historical information				
Present value of defined benefit obligation	6,262	1,418	23,721	31,401
Fair value of Fund assets	(3,888)	(1,026)	(14,122)	(19,036)
(Surplus)/Deficit in Fund	2,374	392	9,599	12,365
Experience adjustments – Fund liabilities	(49)	(303)	(3,070)	(3,422)
Experience adjustments – Fund assets	(328)	(60)	(957)	(1,345)
Expected contributions				
Expected employer contributions to be paid in the next reporting period	178	65	192	435

Funding arrangements for employer contributions

a) Surplus/deficit

The following is a summary of the 30 June 2013 financial position of the Fund calculated in accordance with *AAS 25 Financial Reporting by Superannuation Plans*:

	SASS	SANCS	SSS	Total
	$'000	$'000	$'000	$'000
Accrued benefits	5,448	1,154	13,427	20,029
Net market value of Fund assets	(3,888)	(1,026)	(14,122)	(19,036)
Net (surplus)/deficit	1,560	128	(695)	993

b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	multiple of member contributions	% member salary	multiple of member contributions
	1.9	2.5	1.6

c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

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Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

d) Economic assumptions

The economic assumptions adopted for the 2012 actuarial review of the Fund are:

Weighted-average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa
Expected salary increase rate (SASS, SANCS, SSS)	2.7% pa for 6 years then 4.0% pa
Expected rate of CPI increase	2.5% pa

Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer’s share of Fund assets and the defined benefit obligation.

Superannuation position as at 30 June 2012

	SASS 30-Jun-12	SANCS 30-Jun-12	SSS 30-Jun-12	TOTAL 30-Jun-12
Member numbers				
Contributors	13	21	8	42
Deferred benefits	-	-	1	1
Pensioners	-	-	9	9
Pensions fully commuted	-	-	2	2
Superannuation position for AASB 119 purposes	**$’000**	**$’000**	**$’000**	**$’000**
	5,983	1,521	25,344	32,848
Accrued liability	(3,163)	(747)	(11,482)	(15,392)
Estimated reserve account balance	2,820	774	13,862	17,456
	(1,227)	(540)	(1,004)	(2,771)
Future Service Liability (Note 1)	-	-	-	-
Surplus in excess of recovery available from schemes	**2,820**	**774**	**13,862**	**17,456**
Net (asset)/liability to be recognised in the Statement of financial position*	13	21	8	42

* Refer Note 18.

Note 1:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed. Under *AASB 119 Employee Benefits*, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the “surplus in excess of recovery” is zero, no asset ceiling limit is imposed.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

	SASS 30-Jun-12 $'000	SANCS 30-Jun-12 $'000	SSS 30-Jun-12 $'000	Total 30-Jun-12 $'000
Reconciliation of the present value of the defined benefit obligation				
Present value of partly funded defined benefit obligations at beginning of the year	6,811	1,448	17,402	25,661
Current service cost	193	67	119	379
Interest cost	349	75	907	1,331
Contributions by fund participants	100	-	111	211
Actuarial (gains)/losses	112	177	7,540	7,829
Benefits paid	(1,583)	(246)	(735)	(2,564)
Present value of partly funded defined benefit obligation at end of the year	**5,982**	**1,521**	**25,344**	**32,847**

	SASS 30-Jun-12 $'000	SANCS 30-Jun-12 $'000	SSS 30-Jun-12 $'000	Total 30-Jun-12 $'000
Reconciliation of the fair value of Fund assets				
Fair value of Fund assets at beginning of the year	4,799	914	11,762	17,475
Expected return on fund assets	405	79	1,001	1,485
Actuarial gains/(losses)	(764)	(75)	(862)	(1,701)
Employer contributions	205	75	206	486
Contributions by Fund participants	100	0	111	211
Benefits paid	(1,583)	(246)	(735)	(2,564)
Fair value of Fund assets at end of the year	**3,162**	**747**	**11,483**	**15,392**
Reconciliation of the assets and liabilities recognised in the Statement of financial position				
Present value of partly funded defined benefit obligations at end of year	5,982	1,521	25,344	32,847
Fair value of fund assets at end of year	(3,162)	(747)	(11,483)	(15,392)
Subtotal	2,820	774	13,861	17,455
Net liability /(asset) recognised in the Statement of financial position* at end of the year	**2,820**	**774**	**13,861**	**17,455**
Components recognised in the Statement of comprehensive income				
Current service cost	193	67	119	379
Interest cost	349	75	907	1,331
Expected return on Fund assets (net of expenses)	(405)	(79)	(1,001)	(1,485)
Actuarial losses /(gains) recognised in year	-	-	-	-
Expense/(income) recognised	**137**	**63**	**25**	**225**

*Refer Note 18.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

	SASS 30-Jun-12 $'000	SANCS 30-Jun-12 $'000	SSS 30-Jun-12 $'000	Total 30-Jun-12 $'000
Amounts recognised in the Statement of comprehensive income				
Actuarial losses	876	252	8,403	9,531
Adjustment for limit on net asset	-	-	-	-
Cumulative amount recognised in the Statement of comprehensive income				
Cumulative amount of actuarial losses	2,372	625	12,835	15,832
Cumulative adjustment for limitation on net asset	-	-	-	-

Fund assets
The percentage invested in each asset class at the date of the Statement of financial position:

	30-Jun-12
Australian equities	28.0%
Overseas equities	23.7%
Australian fixed interest securities	4.9%
Overseas fixed interest securities	2.4%
Property	8.6%
Cash	19.5%
Other	12.9%

Fair value of Fund assets

All Fund assets are invested by the STC at arm's length through independent fund managers.

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual return on Fund assets

	SASS 30-Jun-12 $'000	SANCS 30-Jun-12 $'000	SSS 30-Jun-12 $'000	Total 30-Jun-12 $'000
Actual return on Fund assets	11	4	(1)	14

Valuation method and principal actuarial assumptions at the date of the Statement of financial position

a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b) Economic assumptions

	30-Jun-12
Salary increase rate (excluding promotional increases)	2.5% pa
Rate of CPI Increase	2.5% pa
Expected rate of return on assets backing current pension liabilities	8.6% pa
Discount rate	3.06% pa

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

c) *Demographic assumptions*

The demographic assumptions at 30 June 2012 were those used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

	SASS 30-Jun-12 $'000	SANCS 30-Jun-12 $'000	SSS 30-Jun-12 $'000	Total 30-Jun-12 $'000
Historical information				
Present value of defined benefit obligation	5,983	1,521	25,344	32,848
Fair value of Fund assets	(3,163)	(747)	(11,483)	(15,393)
(Surplus)/Deficit in Fund	2,820	774	13,861	17,455
Experience adjustments – Fund liabilities	112	177	7,540	7,829
Experience adjustments – Fund assets	764	75	862	1,701
Expected contributions				
Expected employer contributions to be paid in the next reporting period	190	71	177	438

Funding arrangements for employer contributions

a) *Surplus/deficit*

The following is a summary of the 30 June 2012 financial position of the Fund calculated in accordance with *AAS 25 Financial Reporting by Superannuation Plans*:

	SASS 30-Jun-12 $'000	SANCS 30-Jun-12 $'000	SSS 30-Jun-12 $'000	Total 30-Jun-12 $'000
Accrued benefits	5,034	1,247	12,757	19,038
Net market value of Fund assets	(3,163)	(746)	(11,483)	(15,392)
Net deficit	**1,871**	**501**	**1,274**	**3,646**

b) *Contribution recommendations*

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	multiple of member contributions	% member salary	multiple of member contributions
	1.9	2.5	1.6

c) *Funding method*

The method used to determine the employer contribution recommendations at the last actuarial review was the *Aggregate Funding* method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

19 Superannuation *(continued)*

d) Economic assumptions

The economic assumptions adopted for the last actuarial review of the Fund were:

Weighted-average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa
Expected salary increase rate	4.0% pa
Expected rate of CPI increase	2.5% pa

e) *Historical experience*

The history of experience adjustments is as follows:

SASS	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
Historical information					
Present value of defined benefit obligation	6,262	5,983	6,811	7,074	6,496
Fair value of Fund assets	(3,888)	(3,163)	(4,799)	(5,129)	(4,871)
(Surplus)/Deficit in Fund	2,374	2,820	2,013	1,945	1,625
Experience adjustments – Fund liabilities	(49)	112	(136)	361	(328)
Experience adjustments – Fund assets	(328)	764	275	(20)	1,054

SANCS	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
Historical information					
Present value of defined benefit obligation	1,418	1,521	1,448	1,642	1,460
Fair value of Fund assets	(1,026)	(747)	(914)	(1,047)	(1,011)
(Surplus)/Deficit in Fund	392	774	535	595	449
Experience adjustments – Fund liabilities	(303)	177	(58)	168	41
Experience adjustments – Fund assets	(60)	75	4	4	201

SSS	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
Historical information					
Present value of defined benefit obligation	23,721	25,344	17,402	17,501	15,395
Fair value of Fund assets	(14,122)	(11,483)	(11,762)	(11,540)	(10,298)
(Surplus)/Deficit in Fund	9,599	13,861	5,640	5,961	5,097
Experience adjustments – Fund liabilities	(3,070)	7,540	(824)	1,258	2,372
Experience adjustments – Fund assets	(957)	862	676	281	1,814

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

20 Borrowings

	2013 $'000	2012 $'000
Current		
Unsecured loans at face value (i)	30,000	29,593
Unamortised premiums	1,926	(4)
Total current borrowings	**31,926**	**29,589**
Non-current		
Unsecured loans at face value (i)	86,613	59,697
Unamortised discounts	-	-
Total non-current borrowings	**86,613**	**59,697**
Repayment of borrowings		
Not later than 1 year	31,926	29,589
Between 1 and 5 years	86,613	59,697
Total borrowings	**118,539**	**89,286**

Summary of borrowing arrangements:

(i) Fixed rate loans with NSW Treasury Corporation (TCorp) with maturity periods not exceeding three years (2012: three years). The weighted average interest rate is 4.15% p.a. (2012: 5.08% p.a.).

(ii) Landcom has undrawn facilities sufficient to meet obligations as and when they fall due.

21 Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

	2013 $'000	2012 $'000
Fair value adjustments	512	560
Prepayments	1,424	1,653
Sundry	135	-
	2,071	**2,213**
Movements		
Carrying amount at beginning of the year	2,213	827
Charge to the Statement of comprehensive income	(277)	1,386
Debited/(change) to equity	135	-
Carrying amount at end of the year	**2,071**	**2,213**

22 Contributed capital

Contributed capital comprises capital and contributed assets acquired free of charge.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

23 Reconciliation of Cash Flows arising from Operating Activities to Net Profit for the year

		2013 $'000	2012 $'000
(a)	For the purpose of the Statement of cash flows, cash and cash equivalents include cash at bank and cash on hand. Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:		
	Cash and cash equivalents (see note 9)	**50,874**	**16,734**
(b)	Reconciliation from the Net cash flows from operating activities to the Net Profit for the year :		
	Net cash flows (used in)/ from operating activities	43,578	11,037
	Depreciation and amortisation	(977)	(537)
	Gain/(loss) from sale of property, plant and equipment	(661)	8
	Amortisation of loan premium	221	(5)
	Unwinding of discount rate income and expense	671	768
	Unrealised (loss)/gain on asset revaluation	(407)	-
	Change in assets and liabilities		
	(Increase) in provisions	(5,331)	(15,519)
	Decrease/(increase) in payables and tax liabilities	36,699	(31,731)
	Increase/(decrease) in receivables	(9,429)	(35,217)
	Increase/(decrease) in inventory and other assets	19,430	120,059
	Net Profit for the year	**83,794**	**48,863**

(c) Landcom has access to financing facilities at reporting date as indicated in Note 20. Landcom expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

24 Financial Instruments

(This note is to be read in conjunction with Note 1.21)

Landcom's principal financial instruments and risks are outlined below together with its processes for managing risk. These financial instruments arise directly from its operations. It does not enter into or trade in financial instruments including derivative financial instruments for speculative purposes.

The Audit and Risk Management Committee has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by Landcom to set the risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Management Committee on a continuous basis.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

24 Financial Instruments *(continued)*

Financial instrument categories

Financial assets	**Notes**	**Category**	**Carrying amount 2013 $'000**	**Carrying amount 2012 $'000**
Class				
Cash and cash equivalents	9	N/A	50,874	16,734
Trade and other receivables	10	Loans and receivables (at amortised cost)	20,796	30,747
Derivatives	24	Financial assets measured at fair value	-	-

Financial liabilities				
Class				
Trade and other payables	16	Financial liabilities measured at amortised cost	133,154	141,614
Borrowings	20	Financial liabilities measured at amortised cost	118,539	89,286

Note:

This analysis excludes statutory receivables and payables, prepayments and unearned revenue as these are not within the scope of *AASB 7 Financial Instruments: Disclosure*.

(a) Credit risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. Landcom's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of financial position.

There is no significant concentration of credit risk arising in respect of receivables. Landcom is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

Cash comprises cash on hand and at the bank. Interest is earned on daily bank balances.

All trade debtors are recognised as amounts receivable at reporting date and are reviewed regularly for collectability on an ongoing basis. An allowance for impairment loss of $628,123 (2012: $628,123) has been raised against trade debtors. No interest is earned on trade debtors.

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

	$'000 Total	**$'000 Past due but not impaired**	**$'000 Considered Impaired**
2013			
< 3 Months overdue	4,623	4,623	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	646	18	628

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

24 Financial Instruments *(continued)*

	$'000 Total	$'000 Past due but not impaired	$'000 Considered Impaired
2012			
< 3 Months overdue	6,858	6,858	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	666	37	628

Note:

This analysis excludes statutory receivables, as these are not within the scope of *AASB 7 Financial Instruments: Disclosure*.

Landcom has given TCorp letters of undertaking to various councils/government agencies that certain infrastructure works will be carried out including electrical infrastructure works, construction of community centre, etc. The maximum exposure to credit risk of these TCorp letters of undertaking is $22.79 million (2012: $19.32 million).

(b) Liquidity risk

Liquidity risk arises if Landcom is unable to meet its payment obligations when they fall due. During the current and prior years there were no defaults or breaches on any loans payable or borrowings. No asset has been pledged as collateral. Landcom has undrawn facilities sufficient to meet obligations as and when they fall due. Exposure to liquidity risk is deemed insignificant.

The table below summarises the maturity profile of Landcom's financial liabilities and interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	Interest rate exposure					Maturity dates		
	Weighted average effective interest rate	Nominal amount $'000	Fixed interest rate $'000	Variable interest rate $'000	Non interest bearing $'000	< 1 Year $'000	1 – 5 Years $'000	> 5 Years $'000
2013								
Payables	-	133,154	-	-	133,154	131,926	1,228	-
Borrowings	4.15%	126,271	126,271	-	-	34,739	91,532	-
	-	**259,425**	**126,271**	**-**	**133,154**	**166,665**	**92,760**	**-**
2012								
Payables	-	141,614	-	-	141,614	131,161	10,453	-
Borrowings	5.08%	96,490	96,490	-	-	34,125	62,365	-
	-	**238,104**	**96,490**	**-**	**141,614**	**165,286**	**72,818**	**-**

Note:

The nominal amounts disclosed are the contractual undiscounted cash flows of each class of financial liability. Therefore the amounts disclosed will not reconcile to the Statement of financial position. This analysis also excludes statutory payables, as these are not within the scope of *AASB 7 Financial Instruments: Disclosure*.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Landcom does not have any investments nor is there any exposure to foreign currency or commodity contracts.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

24 Financial Instruments *(continued)*

(d) Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. Landcom's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance date, are minimal. Landcom's debt portfolio is managed by TCorp, the appointed debt management contractor.

Exposure to interest rate risk arises primarily through Landcom's interest bearing liabilities. This risk is minimized by undertaking mainly fixed rate borrowings with TCorp. Landcom does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale.

The following table provides the sensitivity analysis of interest rate risk affecting financial assets and liabilities on the operating result of Landcom. Landcom's borrowings are fixed interest and are held to maturity and therefore are not affected by interest rate movements. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. Landcom's exposure to interest rate risk is set out below.

	Carrying amount $'000	Profit -1% $'000	Equity-1% $'000	Profit +1% $'000	Equity +1% $'000
2013					
Financial assets					
Cash and cash equivalents	50,874	(509)	-	509	-
2012					
Financial assets					
Cash and cash equivalents	16,734	(167)	-	167	-

(e) Net fair value

As stated in Note 1.21, all financial instruments are carried at net fair value, unless stated otherwise. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

(f) Fair value recognised in the Statement of financial position

Landcom uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value				
Derivatives	-	-	-	-

2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value				
Derivatives	-	-	-	-

There were no transfers between levels 1 and 2 during the year ended 30 June 2013.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

24 Financial Instruments *(continued)*

(g) Derivatives

Landcom is exposed to financial market risks and has contracted TCorp to manage its debt portfolio. In the management of debt, Landcom, via TCorp, undertakes derivative transactions.

The nature of the business gives rise to gaps in the maturity of its cash flows and to exposures arising from possible changes in the re-pricing of financial positions upon their maturity.

Landcom, via TCorp, has identified the risks that arise from such gaps and exposures and has established policies to prudently monitor and limit those risks, via derivative financial instruments.

A derivative financial instrument is a contract or agreement whose value is derived from the value of the underlying instrument, reference rate or index. Derivative financial instruments (including swaps, forward rate agreements, futures, options and forwards) are used to alter and modify the natural risks inherent in the Statement of financial position.

Landcom has interest rate future contracts at a $Nil million (2012: $ Nil million) face value to hedge against unfavourable interest rate movement.

Net exposure

The market values of Landcom's transaction in derivative financial instruments outstanding at 30 June 2013 and 30 June 2012 are as follows:

	2013 $'000	2012 $'000
Fair value of derivative financial instruments		
Amount receivable under derivative financial instrument	-	-

25 Expenditure Commitments

		2013	2012
(a)	**Operating lease commitments**		
	Future non-cancellable operating lease rentals not provided for and payable:		
	Not later than one year	1,903	1,718
	Later than one year but not later than five years	5,764	1,372
	Later than five years	1,667	-
	Total operating lease commitments (including GST)	**9,334**	**3,090**

The total lease expenditure commitments above include input tax credits of $0.848 million that are expected to be recoverable from the ATO (30 June 2012: $$0.280 million).

26 Contingent Assets and Liabilities

At reporting date, there were no significant contingent assets or liabilities incurred in the normal course of business (2012: Nil).

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

27 Related Party Transactions

The directors and other members of key management personnel of Landcom during the year were:

(i) **Specific Directors**

The Directors of the current Landcom Board during the financial year were:

John Brogden	Chairman
Sean O'Toole	Managing Director
*Robyn Clubb	(Retired 22 June 2013)
Bonita Boezeman	
Robert Hamilton	

(ii) **Specific Executives**

Greg South	Chief Operating Officer and Company Secretary
Mick Owens	General Manager Development
Kerry Robinson	General Manager Development (resigned 26 July 2013)
*Julian Frecklington	General Manager Development (appointed 14 January 2013)
Stuart McCowan	General Manager Development
Richard Wood	General Manager Development
Rob Sullivan	General Manager Corporate Marketing
Michael Brodie	General Manager Corporate and Finance

The compensation of each member of the key management personnel of Landcom is set out below:

(iii) **Compensation of key management personnel paid during the financial year**

	Short-term employee benefits			Post employment benefits			
2013	Salary & Fees	At risk paid	Other	Superannuation	Other long-term benefits	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Directors							
John Brogden	77	-	-	7	-	-	84
*Robyn Clubb	66	-	-	6	-	-	72
Bonita Boezeman	69	-	-	6	-	-	75
Robert Hamilton	62	-	-	6	-	-	68
Executives							
Sean O'Toole	417	48	9	26	-	-	500
Greg South	296	31	1	31	-	-	359
Mick Owens	249	30	2	24	-	-	305
Kerry Robinson	240	29	7	24	-	-	300
Stuart McCowan	247	29	2	16	-	-	294
Richard Wood	218	24	-	16	-	-	258
*Julian Frecklington	113	-	-	7	-	-	120
Rob Sullivan	237	28	6	16	-	-	287
Michael Brodie	234	27	-	19	-	-	281
Total compensation	**2,525**	**246**	**27**	**204**	**-**	**-**	**3,002**

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

27 Related Party Transactions *(continued)*

(iii) Compensation of key management personnel paid during the financial year (continued)

	Short-term employee benefits			Post employment benefits			
2012	Salary & Fees	At risk paid	Other	Superannuation	Other long-term benefits	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Directors							
*William Kirkby-Jones	55	-	1	-	-	-	56
*Neil Bird	41	-	-	3	-	-	44
*John Brogden	35	-	-	3	-	-	38
*Kim Cull	9	-	-	1	-	-	10
Robyn Clubb	63	-	-	6	-	-	69
Bonita Boezeman	68	-	-	6	-	-	74
Robert Hamilton	63	-	-	6	-	-	69
Executives							
Sean O'Toole	393	47	8	39	-	-	487
Greg South	279	29	5	31	-	-	344
Mick Owens	243	29	2	24	-	-	298
Kerry Robinson	234	25	11	26	-	-	296
Stuart McCowan	241	27	2	16	-	-	286
*Richard Wood	154	-	-	11	-	-	165
*Michael Burt	131	43	1	12	104	-	291
Rob Sullivan	231	26	6	16	-	-	279
Michael Brodie	228	16	-	18	-	-	262
Total compensation	2,468	242	36	**218**	**104**	-	**3,068**

* The term was not for the full financial year.

The remuneration of directors is determined by the remuneration committee with due regard to the Statutory and Other Officers Remuneration Tribunal (SOORT) recommendations on payments to Directors. In regards to the remuneration of key executives, our governance process is for the remuneration committee to receive recommendations from the Managing Director as to base remuneration and At Risk payments, consider and then approve or request variations. In determining the levels of remuneration, the remuneration committee and the Managing Director have regard to the performance of individuals, Landcom's performance as an entity against annual targets, and market trends.

The payment of At Risk components to Specific executives is initially based on a set proportion of each executive's base remuneration. This amount is then apportioned between the performance of Landcom against its financial targets (75%) and the performance of the executive against specific operational targets set for that executive (25%). Payment of the At Risk component is made after the financial statements of Landcom have been audited.

All transactions by Landcom with key management personnel are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

There are no outstanding balances relating to any key management personnel.

There have been no guarantees provided or received for any key management personnel.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

28 Events after Reporting Period

There has been no material post Statement of financial position events which would require disclosure or adjustments to the 30 June 2013 Financial Statements.

29 Segment Information

In 2013 and 2012 Landcom operated in one business segment, and one geographical segment. Consequently, a segment report for 2013 and 2012 has not been reported.

End of Financial Statement

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Corporate directory

UrbanGrowth NSW's head office is open from Monday to Friday between the hours of 8:00 am and 6:00 pm (except Public Holidays).

Our office at Newcastle is open between the hours of 9:00 am and 5:00 pm.

Landcom Sales Offices are generally open from 10:00 am to 5:00 pm, seven days a week.

Please send your comments to **enquiry@urbangrowth.nsw.gov.au**

For more information, contact the General Manager Corporate Marketing, visit **www.urbangrowthnsw.com.au** or call (02) 9841 8600

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