

2019 Annual Report





Creating more affordable and sustainable communities

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Letter to Shareholder Ministers

31 October 2019

The Hon Dominic Perrottet MP
Treasurer

The Hon Damien Tudehope MLC
Minister for Finance and Small Business
Parliament House
Sydney NSW 2000

Dear Treasurer and Minister

We are pleased to submit to you the Annual Report for Landcom for the year ended 30 June 2019 for presentation to the Parliament of New South Wales.

The report details the performance, operations and financial results of Landcom and has been prepared in accordance with section 24A of the State Owned Corporations Act 1989, the Annual Reports (Statutory Bodies) Act 1984 and the applicable provisions of the Public Finance and Audit Act 1983.

Yours sincerely

Suzanne Jones
Chair

John Barbeler
Director

Overview



Chair's review

This year Landcom has continued to demonstrate its important function in driving Government's urban management objectives, successfully delivering housing supply, diversity and sustainability for the people of NSW.

Despite the significant deterioration in the housing market, we have maintained our financial results while delivering on our broader objectives. Sales revenue this year was \$268 million, with net profit after tax of \$33 million. \$214 million has been returned to the NSW Government in income tax equivalents and dividends declared, and land sales have delivered an estimated \$10 million in stamp duty.

We supplied 2,368 homesites to the market, directly and with our partners, and achieved our four-year target of 20,000 new homesites in March 2019. This is twice Landcom's supply of housing delivered for the four years prior to 2015. We also exceeded our First Home Buyers program target of 500 homesites, delivering 541 homesites priced to qualify for the First Home Buyer Grant and Government's stamp duty relief.

Housing affordability and diversity

This year we have seen our Housing Affordability and Diversity Policy in action. Our sale and partnering agreements on a number of important projects include delivery of a minimum 5% Affordable Housing for rent. This means more long term rental housing for key workers and more homes that support people ageing in place, families, and people with disabilities. With up to 11,000 new dwellings to be provided across the Sydney Metro Northwest Places program from Tallawong to Epping over the next 10 to 12 years, our partnering agreements will deliver up to 550 Affordable Housing dwellings for rent across these projects alone. Additional Affordable Housing commitments

in future Edmondson Park and Macarthur Gardens North projects, and across our growing future portfolio, will be an important contribution to the amount of affordable rental housing for key workers across Greater Sydney.

We are also looking ahead to people's future needs. Simple design features included upfront during house construction will help future-proof our housing and make it easier for people to live in their homes longer irrespective of life stage or changing ability. Our leadership to adopt the Livable Housing Australia guidelines for a target 20% of our housing will support people's needs as they change and make housing more affordable over time.

We support increased housing affordability by driving housing supply and continually innovating through our delivery models and housing diversity and typologies. In doing this, Landcom creates new jobs and provides social and economic benefit for the people of NSW.

Leadership and sustainable development

Landcom is proud of our continued leadership in sustainability. This year Landcom was again recognised by the Global Real Estate Sustainability Benchmark as the fourth most sustainable developer in the world, and the highest ranked government organisation. This is an outstanding achievement.

Our Sustainable Places Strategy is informed by the results of our Annual Healthy & Inclusive Places survey of our residents and drives our approach across Landcom's project portfolio through our sustainability leadership goals:

- Climate resilient places;
- Healthy and inclusive places;
- Productive places; and
- Accountable and collaborative places.

This is a rigorous and highly credible framework for continual improvement and leadership.

Given that Landcom operates in an industry that has been traditionally male oriented, I am pleased to see the organisation take initiative to help foster females in core project activities.

Strategic Directions

Landcom's Strategic Directions continue to shape our business and guide our corporate planning to deliver more affordable and sustainable communities for the people of NSW.

Our three Strategic Directions have never been more important:

- Housing: Increase affordability, supply and diversity of new housing;
- Partnerships: Partner with others to unlock development opportunities and improve delivery; and
- Leadership: Demonstrate excellence in sustainable development and planning practice.

In closing, I welcome our new director Professor Pamela Hanrahan, and thank Jim Betts who has completed his term on the Board this year.

This is my second report as Chair and I sincerely thank my fellow directors and our CEO John Brogden for their contributions throughout the year. I also thank and acknowledge our talented staff for their positive approach to building our culture and for their commitment to delivering outstanding results for Landcom.

Suzanne Jones, Chair



Chief Executive Officer's review

As the NSW Government's land and housing developer, we exist to create more affordable and sustainable communities.

Landcom has performed well this year in the midst of a property market decline not seen for some years.

The market in FY19 has meant that Landcom's role to deliver housing is even more important to both the community and the NSW economy. Our delivery through partnerships supports increased development activity, jobs and housing supply at a time when the industry is experiencing constraint. We are exploring new delivery models and housing types to inspire excellence across the development industry and create more affordable and sustainable communities.

As well as delivering record housing supply in FY19, we are focussed on delivering Affordable Housing through our target of 5-10% Affordable Housing in all new projects. As the Chair outlined in her report, we have already set this commitment in stone across our eight Sydney Metro Northwest program projects.

Delivery and rebuilding our project pipeline

Landcom is expert at delivering development and homesites counter-cyclically to a tightening market. Landcom is actively looking to acquire and develop new projects. Our action to deliver housing supply and economic activity at a time when the industry is not, supports the development industry and jobs, and achieves social and economic benefit to the NSW economy.

Our successful project settlements this year reflect the trusted relationships we have with our partners including the sale to the development industry of major development sites at Thornton, Spring Farm and Edmondson Park.

We have continued to deliver house lots for sale to retail purchasers in our communities at Macarthur Heights, Newleaf (Bonnyrigg), Renwick, Oran Park Town, Newbrook (Airds), and Hillcroft (Claymore).

Leadership in placemaking and public spaces

We take a needs based, people-first approach to create great places where people want to live.

This year we have supported the development of communities through a dedicated placemaking team. Our team is activating development lands around the newly opened Sydney Metro Northwest stations and at Green Square town centre, supporting community connections and a unique sense of place through healthy and creative activities. Our partnership with Museum of Contemporary Art and C3 West is also creating opportunities for placemaking through arts projects that showcase the rich cultural diversity of local communities.

The early delivery of enabling infrastructure is essential to our approach in creating more affordable and sustainable communities. We continue to deliver inspiring community facilities and public spaces to improve the quality of life of people in our projects, including parklands, recreation areas, playgrounds, pathways and cycleways. These places create greener, healthier and more useable public spaces to benefit all.

This year we have also dedicated approximately 150 hectares of regional parkland and approximately 20 hectares of riparian corridor at Edmondson Park, and retained nine hectares of native woodland at Renwick establishing more cool and natural spaces and natural habitat, and supporting more green lungs and canopy for Sydney.

Investing in our people and systems

I am very proud of the initiatives we have delivered with our staff this year, including:

- Launching our Diversity & Inclusion Policy which demonstrates our commitment to unlock the potential of all staff, and supports making diversity and inclusion integral to our culture and how we do business;
- Commencing our second Future Leaders program and a new Women Leading @ Landcom program, involving 26 staff in leadership development;
- Raising awareness about domestic and family violence with all of our staff, including training for senior leaders, and enabling leave provisions, flexibility and access to confidential counselling; and
- The launch of our Discrimination, Harassment & Bullying Free Workplace Policy, supported with training and education workshops for all staff.

I genuinely appreciate the commitment of our highly skilled and experienced staff to the Corporation, our projects, our stakeholders and each other. I look forward to working with them and our many stakeholders in the exciting year ahead.

John Brogden,
Chief Executive Officer



Landcom team with our Portfolio Minister the Hon Rob Stokes MP, Minister for Planning and Public Spaces

Our organisation

Landcom is the NSW Government's land and property development organisation. We are a State Owned Corporation working with government and the private and not-for-profit sectors to deliver exemplary housing projects that provide social and economic benefits to the people of NSW.

Landcom helps the NSW Government achieve its urban management objectives by taking a lead role in improving the supply, diversity and affordability of new housing.

Our mission is to create more affordable and sustainable communities.

We are guided by three Strategic Directions:

- **Housing:** Increase affordability, supply and diversity of new housing;
- **Partnerships:** Partner with others to unlock development opportunities and improve delivery; and
- **Leadership:** Demonstrate excellence in sustainable development and planning practice.

Our principal objectives and function

Landcom's leadership intent is to create more affordable and sustainable communities. We act as a master developer, developer and builder where appropriate to achieve outcomes for our stakeholders. This also includes partnerships with NSW Government departments and external commercial entities to maximise our impact for the benefit of NSW communities.

Under the Landcom Corporation Act 2001, Landcom has seven principal objectives:

1. To be a successful business and, to this end:
 - a. To operate at least as efficiently as any comparable businesses; and
 - b. To maximise the net worth of the State's investment in it;
2. To exhibit a sense of social responsibility by having regard to the interests of the community in which it operates;
3. To protect the environment by conducting its operations in compliance with the principles of ecologically sustainable development contained in Section 6(2) of the Protection of the Environment Administration Act 1991;
4. To exhibit a sense of responsibility towards regional development and decentralisation in the way in which it operates;
5. To undertake, or assist the Government in undertaking, strategic or complex urban development projects;
6. To assist the Government in achieving its urban management objectives; and
7. To be a responsible developer of residential, commercial and industrial land.

Under the Landcom Corporation Act 2001, Landcom has the following principal functions:

1. To undertake and participate in residential, commercial, industrial and mixed development projects;
2. To provide advice and services related to urban development, on a commercial basis, to government agencies and others; and the following additional functions:
3. Provide facilities or services that are ancillary or incidental to its principal functions; and
4. Conduct any business or provide any service (whether or not related to its principal functions) that it considers will further its objectives.

What Landcom is here to achieve

We create more affordable and sustainable communities

Our Role

Help the Government achieve its urban management objectives

Our Aim

Create innovative and productive places that demonstrate global standards of liveability, resilience, inclusion, affordability and environmental quality

Our Strategic Directions



Housing

Increase the affordability, supply and diversity of housing



Partnerships

Partner with others to unlock development opportunities and improve delivery



Leadership

Demonstrate excellence in sustainable development and planning practice

How our people make it happen

Our Values



Embrace challenge to deliver outcomes



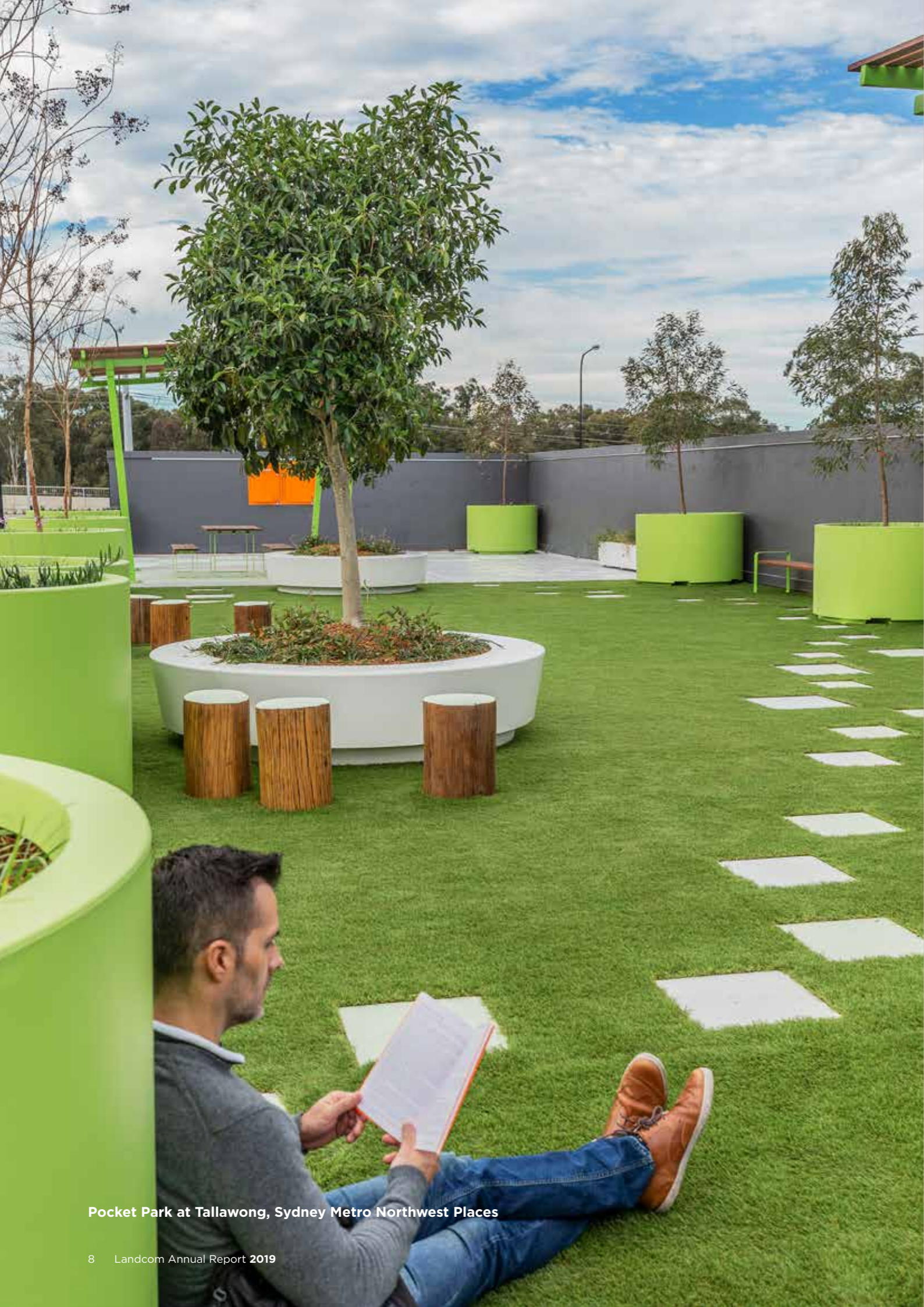
Excel through strong relationships



Bring an enterprising spirit

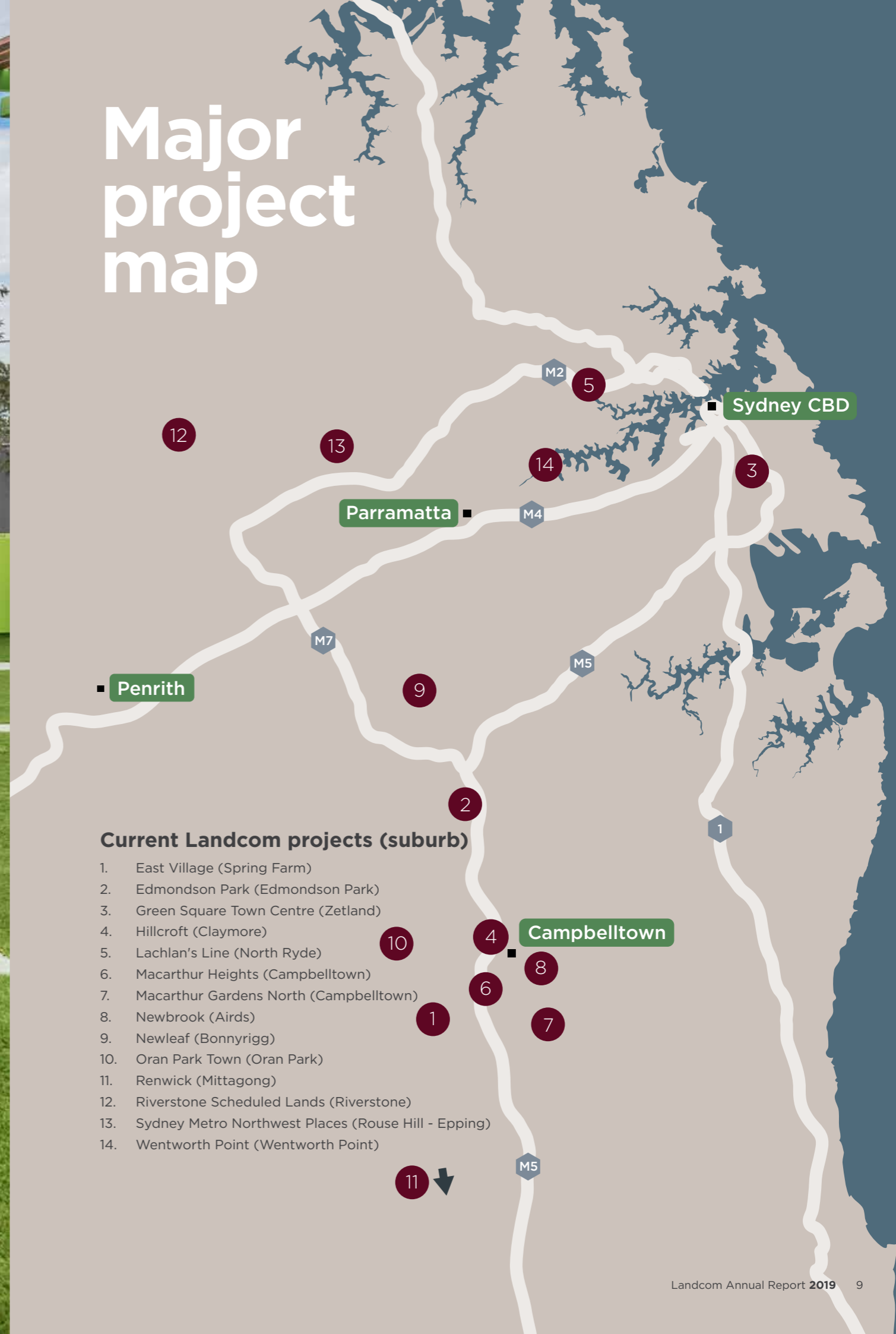
Our Code of Conduct

Act with honesty and integrity in everything we do.
 Build relationships, treating all others with respect and dignity.
 Ensure the safety and wellbeing of yourself and others.
 Respect confidentiality and use information appropriately.
 Use and manage public resources economically and efficiently.
 Hold each other accountable to The Code of Conduct.



Pocket Park at Tallawong, Sydney Metro Northwest Places

Major project map



Current Landcom projects (suburb)

1. East Village (Spring Farm)
2. Edmondson Park (Edmondson Park)
3. Green Square Town Centre (Zetland)
4. Hillcroft (Claymore)
5. Lachlan's Line (North Ryde)
6. Macarthur Heights (Campbelltown)
7. Macarthur Gardens North (Campbelltown)
8. Newbrook (Airds)
9. Newleaf (Bonnyrigg)
10. Oran Park Town (Oran Park)
11. Renwick (Mittagong)
12. Riverstone Scheduled Lands (Riverstone)
13. Sydney Metro Northwest Places (Rouse Hill - Epping)
14. Wentworth Point (Wentworth Point)

FY19 economic and financial highlights

\$214

million
returned
to NSW
Government
(income tax equivalents
and dividends declared)

\$200

million
dividend
paid
(in relation to 2018)

\$33

million net
profit after
tax

\$268

million sales
revenue

Awards and recognition

Global Real Estate Sustainability Benchmark Developer Assessment 2018

Fourth in the world and third across Asia Pacific

NSW Office of Environment and Heritage

Sustainability Rebate Scheme
Macarthur Heights

Landscape Architects Award

Research, Policy and Communications
University Roundtable Power Plants research project

Western Sydney Leadership Dialogue Project of the Year

(Community Category)
Oran Park library

Developer Excellence Award

Affordable Housing
Harts Landing, Thornton

International Design Awards

Honorable Mention
Ovo, Green Square

6 star Green Star

Communities rating
Green Square town centre

Macarthur Heights

In FY19 Landcom received the following recognition and awards:

- International recognition as fourth in the world and third across Asia Pacific in the 2018 Global Real Estate Sustainability Benchmark (GRESB) Developer Assessment. Landcom is the only government land organisation in the world to participate alongside publicly

- listed and private companies in GRESB, which assesses environmental, social and governance management and implementation performance
- Recognition for Sustainability Rebate Scheme (Macarthur Heights) in Sustainability Advantage Recognition Scheme by the NSW Office of Environment and Heritage

- Our University Roundtable Power Plants research project team was awarded the 2019 Landscape Architecture Award for Research, Policy and Communications by the Australian Institute for Landscape Architecture
- 2018 Project of the Year Community Category Winner for the new Oran Park library

- awarded by Western Sydney Leadership Dialogue
- Development Excellence Award for Affordable Housing Development 2018 for Harts Landing in our Thornton project (Award application lead by not-for-profit Community Housing Provider Evolve Housing and PAYCE)

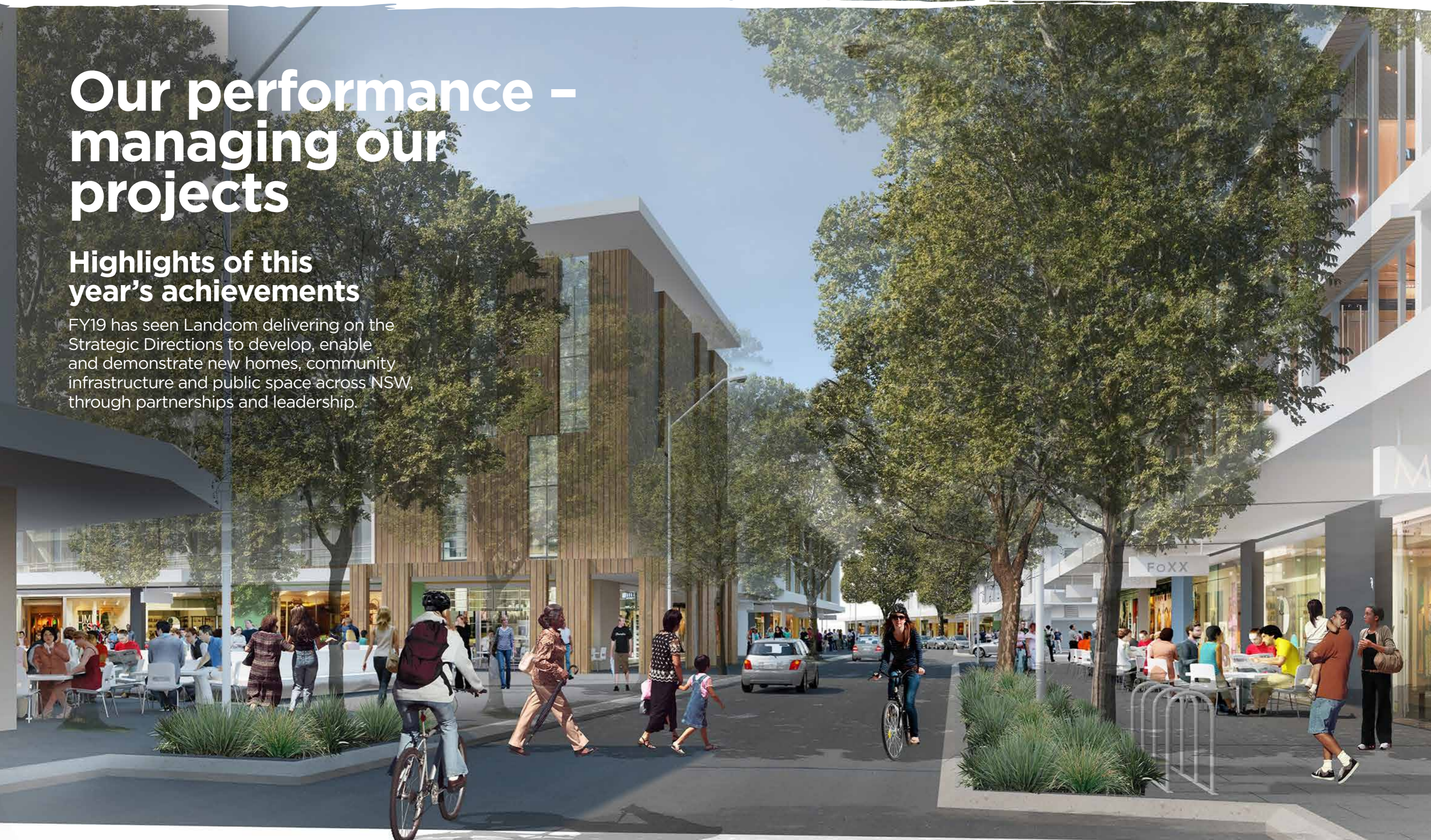
- Honourable Mention at The International Design Awards held in Los Angeles for OVO at Green Square town centre (joint application with Mirvac and FJMT Architects)
- 6 Star Green Star Communities rating representing 'World Leadership' excellence in sustainable development

awarded to Green Square town centre. This achievement reflects successful collaboration with our development partner Mirvac and the City of Sydney as well as other town centre developers

Our performance – managing our projects

Highlights of this year's achievements

FY19 has seen Landcom delivering on the Strategic Directions to develop, enable and demonstrate new homes, community infrastructure and public space across NSW, through partnerships and leadership.



Edmondson Park

Indicative artist impression subject to change and subject to approvals



Indicative artistic impression
subject to change and
subject to approvals



20,009

home sites
delivered in
the four years
to March 2019,
under the 20,000
Home Sites
Program
In FY19 we
delivered 2,368
home sites

Delivering quality housing and communities

This year our projects supplied 2,368 new home sites to the market, exceeding the target of 20,000 new home sites in four years to March 2019. We were able to accelerate our delivery through partnerships with other developers aligned with our quality and sustainability practices.

Our key projects contributing to the housing supply over four years were:

- **Renwick (Wingecarribee LGA)** - This project offers housing types that are new to the Southern Highlands region within a high amenity parkland setting;
- **Spring Farm (Camden LGA)** - Our enabling infrastructure and planning approvals unlocked over 300 home sites for development by AV Jennings;
- **Edmondson Park (Liverpool LGA)** - Whilst progressing delivery of home sites, our enabling infrastructure and planning approvals created two large development sites that we

have sold to developer, Frasers Property Australia, to accelerate development of the town centre and new home sites; and

- **Sanctuary at Fletcher (Newcastle LGA)** - This regional project has delivered some 450 home sites over the past four years and is now complete.

Partnering with others

Delivery through partnerships is our focus. Our partnerships with the development industry, councils, landowners and other parties like Community Housing Providers and project home builders are essential to deliver quality housing and communities for the people of NSW.

This year our Partnerships & Business Development team identified a new pipeline of projects for delivery through partnerships with others.

With a number of opportunities underway, our next generation of projects will improve the supply of sustainable, diverse and Affordable Housing in our communities across Metropolitan Sydney and Regional NSW.

To inform our approach to partnerships, this year we have updated our internal relationship strategy through stakeholder research. Our better understanding of stakeholder needs is helping us identify ways to better collaborate and meet our Strategic Directions. Also our Future Leaders Program team, in consultation with stakeholders, developed a Local Aboriginal Land Council Partnership Guide to provide our staff with practical pathways to build authentic, enduring and meaningful relationships with Aboriginal landowners.

This year's successful partnerships include:

- **Macarthur Heights (Campbelltown LGA)** - This is an important partnership with Western Sydney University where, through our aligned objectives including 'bringing knowledge to life', we are underway to deliver 960 home sites and over 40 hectares of regenerated public space including natural watercourses, new sportsfields, public recreation areas and

- **Oran Park Town (Camden LGA)** - Our long standing and successful partnership with the Greenfields Development Company is near completion and has created an award-winning legacy. Together we have broken new ground to deliver this important new town centre that incorporates many quality community facilities and public spaces for the Camden community as well as a smart work hub;
- **Tallawong (Blacktown LGA)** - At Tallawong we have created a concept masterplan working with Sydney Metro and other stakeholders. This concept masterplan is the first of many in the program that will provide for delivery through future partnerships with developers, commitments to targets of 5% Affordable Housing and 5-10% diverse housing; and
- **Thornton (Penrith LGA)** - This year our partnership with not-for-profit Community Housing Provider Evolve Housing and developer Payce delivered the

embellishment of Thomson Lake;

award-winning Harts Landing project at Thornton with 134 Affordable apartments including 10 social housing, and 134 private market homes in a total of 268 apartments.

Landcom has demonstrated environmental and social leadership at Thornton, including quality public amenity and space, a successful community development program, heritage interpretation, and the innovative compact homes delivered through the industry leading 21st Century living program. Landcom continues to deliver housing through development partners at Thornton.

Oran Park Library



Blacktown Native Institute



Demonstrating leadership

At Landcom we challenge ourselves to show leadership in what we do and how we do it. We are committed to complex problem solving, collaboration, industry research and policy initiatives in sustainability, housing and project evaluation. Through open leadership we communicate what we learn to support continual learning across the industry and supported through partnering.

Our leadership is reflected throughout our projects and in our trusting relationships with industry, agency and community stakeholders.

Notable examples of leadership in our projects this year include:

- **Riverstone (Blacktown LGA)** – Here we are working with 51 landowners to unlock this early paper subdivision in the first application of the paper subdivision legislation. Ongoing problem solving through this first project will deliver approximately 300 home sites at Riverstone and inform future partnerships across NSW to unlock paper subdivisions;
- **Oran Park Town (Camden LGA)** – This year Landcom commenced works on the approximately 10.5ha \$18 million Doohan Reserve and an approximately 2.5ha \$14 million Julia Reserve youth precinct and recreation building. This high quality public infrastructure will add to the already high amenity of Oran Park Town. Landcom also supported a new Department of Education High School, in addition to the new library, retail area and smart work hub already delivered;

- **Lachlan’s Line (Ryde LGA)** – This year we commenced construction for the new \$40 million pedestrian bridge across Delhi Road and M2 Motorway connecting the Lachlan’s Line community to North Ryde Metro Station. This enabling infrastructure will improve accessibility for the residents of this growing area, and create a unique piece of iconic placemaking infrastructure;
- **Reconciliation in action (Blacktown LGA)** - Landcom handed back the six hectare Blacktown Native Institute site to the Dharug community as the traditional custodians of the land on 13 October 2018. Over 20 years we engaged with Aboriginal stakeholders to explore opportunities for the site and prepare the necessary Management Plans, as well as support the formation of the Dharug Strategic Management Group and enable the Dharug community to actively own and manage the site.

This year Landcom’s leadership in sustainability practise and policy, and engagement practice includes:

- Delivering minimum **5% Affordable Housing** and targeting a minimum **20% of housing with universal design**, certified as ‘silver level’ by Livable Housing Australia, through our project partnering agreements;
- Landcom’s international recognition as **fourth in the world** and third across Asia Pacific in the 2018 Global Real Estate Sustainability Benchmark (GRESB) Developer Assessment. Landcom is the only government land organisation in the world to participate alongside publicly listed and private companies in GRESB, which assesses environmental, social and governance management and implementation performance;

- Achieving **Green Building Council of Australia’s 6 star Communities** world class sustainability rating for our Green Square town centre project. Led by City of Sydney, Landcom worked with our project partner, Mirvac to provide the data necessary for the rating assessment;
- Recognition of the energy rebate scheme at our **Macarthur Heights** project by the NSW Office of Environment and Heritage as part of their Sustainability Advantage Recognition Scheme. Our energy rebate scheme was recognised for driving real improvements to the environment by encouraging individual home owners to build homes that are more efficient and healthy for them and the environment;

- Our adoption of the NSW Government Common Planning Assumptions and the NSW Government Common Planning Assumptions Group adoption of Landcom’s **work-space ratios** for planning policy across NSW government; and
- Landcom partnering with Department of Planning, Industry and Environment (DPIE) to advise government and inform policy about property development contributions.

For more information about our projects and our Strategic Directions in action see The Landcom Way - case studies from page 20.

The Landcom Way - case studies



The Ponds



Our mission to create more affordable and sustainable communities is guided by three Strategic Directions:



Housing: Increase affordability, supply and diversity of new housing;



Partnerships: Partner with others to unlock development opportunities and improve delivery;



Leadership: Demonstrate excellence in sustainable development and planning practice.

Landcom is proud of what we have achieved this year. The following case studies showcase our role of unlocking government-owned land and driving industry innovation, and our unique capabilities to optimise government investment in infrastructure, and deliver housing supply through partnerships with the private sector.

Market context

The Sydney housing market has suffered a significant correction, with housing price growth bottoming out around negative 8% by the end of FY19. This drop in price growth resulted in a drop in demand for housing with impacts across the whole residential housing sector in NSW, and was partly brought about by restrictions on lending and the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry which had the impact of significantly restricting credit for housing.

These market conditions have impacted Landcom and all developers in the NSW residential market.

Despite these conditions we have maintained our financial results while successfully delivering

housing supply, affordability, diversity and sustainability.

In FY19 Landcom supplied 2,368 home sites to the market directly or through our partners.

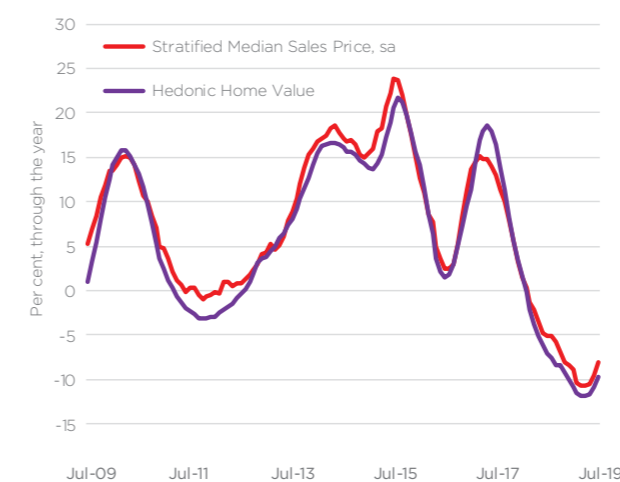
Landcom is expert at delivering in a tightening market and delivering housing and economic activity at a time when the industry is under stress. Our actions to build production, secure project pipelines, leverage government investment in infrastructure and unlock sites for delivery through partnerships, all support the development and construction industry and jobs, and achieves social and economic benefit to the NSW economy.

Landcom also has a leadership role within Government as a member of the Housing and Property

Group Executive Committee within the Department of Planning, Industry and Environment. As a trusted adviser we help deliver Government's urban management objectives in inspiring places and better urban outcomes.

Landcom plays a unique role to leverage Government policy, assets and infrastructure investment to maximise the returns to Government, and unlock delivery through the development industry. At the same time Landcom continues to positively drive change in the industry through our aspirational objectives in creating more affordable and sustainable communities.

Sydney House Price Growth



Sydney Property Price Growth



Source: CoreLogic, ABS



20,000 Home Sites Program

Landcom continues to contribute significantly to housing supply in the Greater Sydney region.

The Government's challenge to deliver 20,000 home sites in four years from March 2015 spurred Landcom to better leverage our role in the industry and to deliver more housing through partnerships.

On 2 August 2016, Planning Minister Rob Stokes said, "We are determined that as Sydney gets bigger it will get better as well. While we need to focus on greater housing supply we need to focus also on those connections between homes and jobs so that Sydney becomes a more sustainable city, a more liveable city and a more productive city. We are getting on with building tomorrow's Sydney and at the heart of tomorrow's Sydney will be jobs in Western Sydney."

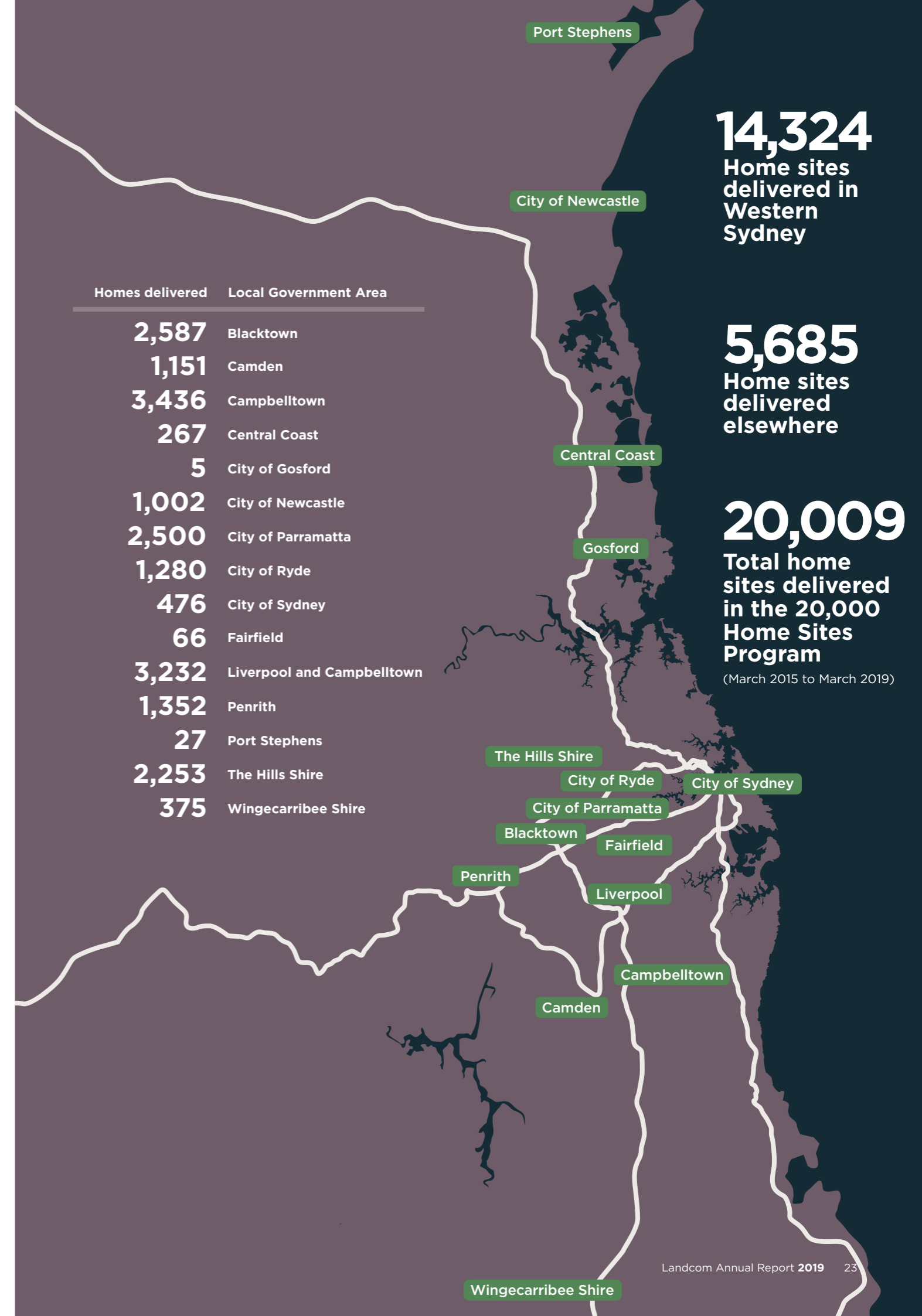
In response we turned our focus to:

- Achieving planning approvals to unlock land supply;
- Delivering key infrastructure to reduce risk and improve timeframes; and
- Delivering through development industry partners to multiply industry activity.

This approach significantly increased housing supply and Landcom delivered 20,009 new home sites over the four year period from March 2015. To put this into perspective, the historic average total dwelling completions for the Greater Sydney region over the 20 years from FY97 to FY17 was 23,070 dwellings per year.

14,324 of these home sites delivered by Landcom were located in Western Sydney, including 2,500 in the city of Parramatta. 2,253 were in The Hills local government area and the remainder were elsewhere across Greater Sydney.

Through this program Landcom developed its capabilities to leverage investment and deliver through industry partners. Landcom's unique and essential role requires strong working relationships with industry and councils and is essential to driving housing supply.





Renwick

Our Renwick project is located north of Mittagong in the Southern Highlands and is the redevelopment of the former State Wards Farm on behalf of the landowner, Department of Family and Community Services (Communities and Justice from 1 July 2019).

The vision is to deliver modern living with a rural lifestyle. We are creating this by providing home sites for a diversity of housing types to support the changing needs of regional communities, along with quality community infrastructure.

Different sized housing sites at different price points offer this regional market with homes to suit families of all types, sizes and incomes. This supports a healthy and diverse community where families and people with different housing needs are catered for and feel welcome.

The 119 hectare site has a long and powerful history. Conservation of both European and Aboriginal heritage has been an important part of the planning and design.

An integral part of the new community is the improved 15 hectare creek corridor, made more accessible with dedicated shared bicycle and pedestrian pathways. The environment is enhanced by a backdrop of nine hectares of retained native woodland.

Landcom has applied leading Water Sensitive Urban Design principles to manage the stormwater across the project.

Another feature of our Renwick project is the accessible playground. This playground has easy access to the adjoining



Renwick Community Centre

Indicative artist impression
subject to change and subject
to approvals

special needs school and supports inclusive connections for local families. This is placemaking by design at its best.

Home sites at Renwick have been selling steadily since the first release in 2010 with over 95% now sold. Recent sales rates exceed the market trend and demonstrate the acceptance of diverse and affordable product in this regional location.

The final piece will be the construction of the Renwick Community Centre which will be handed over to Wingecarribee Council.

Landcom creates affordable and sustainable communities in both metropolitan and regional areas. At Renwick we have leveraged the value of surplus government assets

to deliver quality development and deliver on the Government's urban management objectives.





Oran Park Town

This innovative venture brought together the passionate landowner, Greenfields Development Company, and Landcom to deliver something special on some 380 hectares located in south west Sydney.

Initiated in 2003, this partnership was the starting point for Landcom's approach to delivery through partnerships on greenfield projects. It also kicked off significant change in the south west of Sydney, with multi-award winning communities serviced by a new town centre, called Oran Park Town.

The Oran Park Town masterplan addressed the future community needs for housing and a modern town centre with all the services needed for a growing and flourishing community. The vision was to deliver sustainable living with a focus on lifelong education, high quality infrastructure and amenity, and a walkable neighbourhood with a diverse mix of housing.

Our proposal with Greenfield Development Company created the largest Voluntary Planning Agreement in NSW at the time, involving over \$150 million of infrastructure, public spaces and community facilities for Camden Council. It demonstrates Landcom's unique role in unlocking major projects and mutually leveraging our trusted relationships with development partners and government. From this unique position we unlock and deliver long term investment and best practice urban outcomes for the people of NSW - places like Oran Park Town.



Doohan Reserve sports precinct



Oran Park sports field

Indicative artist impression
subject to change and
subject to approvals

Oran Park Town will offer many new facilities, and will grow to include 50,000m² retail floor space and 80,000m² commercial floor space. These include:

- Churches;
- New Primary and High Schools;
- Council Chambers;
- Shopping Centre;
- Regional Library and Resource Centre;
- Smart Work Hub;
- 10,000m² Town Park with lake and wetland;
- Multiple sporting fields;
- Connecting cycleways and pedestrian pathways and bridges;
- Childcare centre;
- Retirement village; and
- Integrated Primary Health Care Centre.

The thriving town centre also includes residential apartment buildings and innovative '21st Century Living' terrace houses. Along with compact house lots, standard sized lots and semi-rural lots, Oran Park Town provides diverse and affordable housing options to support a healthier and sustainable community.

Detailed design guidelines ensured the building of quality and sustainable housing and landscaping. Water Sensitive Urban Design included a stormwater quality strategy using combined raingardens and detention basins to improve local riparian corridors.

The site's heritage and proud associations with motor racing and farming have been interpreted and reflected in the design to create a truly unique sense of place.

Landcom and Greenfields Development Company have supported the growing Oran Park Town community from the beginning with ground-breaking and award-winning programs including the Community Welcome Program started in 2009 and the Monthly Community Markets started in 2014. The Smart Work Hub supports many telecommuters and start-ups and continues to grow.

Residents have told us they feel included, safe and secure, and they have pride for their community.

Landcom and Greenfields Development Company have won many awards for this remarkable project including:

- 2011 UDIA NSW Award for Marketing Excellence;
- 2013 Planning Institute of Australia NSW President's Award;
- 2017 Urban Taskforce Development Excellence Award;
- 2017 UDIA Masterplanned Communities Commendation; and
- 2018 Western Sydney Leadership Dialogue Project of the Year for Oran Park Library.

There are two final pieces to deliver on the Oran Park Town vision. One is the Youth and Recreation Centre in Julia Reserve which includes a skatepark and kick-around area.

The other is the Doohan Reserve sports precinct. When complete this precinct will feature four football fields, ten tennis courts, two club houses and an all-abilities playground.

Works for Julia Reserve and Doohan Reserve community facilities commence in the year ahead.



Sydney Metro Northwest Places Program

Landcom and Sydney Metro are working together on the long-term planning and development of government owned land surrounding the eight new Sydney Metro Northwest stations from Tallawong in Rouse Hill through to Epping.

This cross-government collaboration will see Landcom deliver diverse housing, retail and commercial spaces, public spaces and community facilities in well-designed inspiring places close to state-of-the-art transport. The Program will help deliver housing and employment growth, creating new and diverse opportunities to support changing communities, and leveraging the government's investment in infrastructure.

Landcom, as master developer of Sydney Metro owned land, is working closely with state and local government agencies, the Department of Planning, Industry and Environment, businesses and communities to finalise concept proposals for sites within the Program. Our approach is to deliver with experienced development partners who share our vision for optimising the benefits of the new world class Metro and creating more affordable and sustainable places for current and future communities.

Following the opening of the Metro in May 2019, we announced the divestment of the first development



Artwork at Bella Vista Metro Station - Sam Songailo - Pastel Shadow



Pocket Park, Tallawong Station

sites at Tallawong and Hills Showground. With construction anticipated to commence in 2021, these first two developments are expected to jointly deliver up to 1,500 dwellings and up to 20,000m² of retail, commercial or community space to support growing communities and driving jobs and economic activity.

Development of concept masterplans for the Kellyville, Bella Vista and Epping precincts is also underway, with ongoing consultation planned for 2019-20 to ensure we achieve outcomes that will meet the needs of future communities. We are committed to excellent design and collaborate with the Government Architect NSW, local councils, Sydney Metro and future developers to leverage their expertise. We are investigating

opportunities for different home types, from high rise to low rise medium density, as well as townhouses and small lot housing.

Norwest is the first major commercial release in the Program. At the heart of the established Norwest Business Park and next to Norwest Station, the project will provide potential spaces for A-grade corporate offices, commercial strata units, short-term accommodation, co-working facilities, inspiring public spaces and entertainment destinations for the community to enjoy. The Norwest site will reinvigorate the existing business park with a new night time economy that has long been sought in the Hills District. Concept plans for this site will be on public exhibition in late 2019.

Placemaking and early activation

Embedding placemaking into this Program is integral to its success. We understand the benefits of placemaking and place activation and we have a dedicated placemaking team for this Program.

Placemaking is a people centered approach to the planning, design and management of public spaces. It builds on a local community's assets, inspiration, and potential and reflects community and cultural values. And it creates lively neighbourhoods and inviting public spaces where people want to live, work, shop and play.

Activation supports placemaking. We are creating the spaces, activities and opportunities to interact in a place and to create a

sense of place. By listening to local stakeholders and working with the community our placemaking activities and opportunities will evolve as these places develop over time.

We are creating places that are safe, vibrant and welcoming. We are doing this progressively by creating spaces like the new Tallawong pocket park that can become a focus for daily use and reflect the local personality. We have a partnership with the Museum of Sydney's C3West program which will see interactive community events at Tallawong (The Plant Library) and Bella Vista (Hasta La Bella Vista Baby!) later in 2019.

Landcom and Sydney Metro are working together on the long-term planning and development of government owned land surrounding the eight new Sydney Metro Northwest stations from Tallawong in Rouse Hill through to Epping



Edmondson Park

Landcom is partnering with the private sector to create a brand new suburb at Edmondson Park.

Edmondson Park is located in south west Sydney on land previously used by the Department of Defence to train the Australian army. Covering 425 hectares, the project extends across the two adjoining suburbs of Edmondson Park in the north and Bardia in the south.

Having completed masterplanning in 2011, and built and sold the first residential lots in 2012, Landcom sold development parcels to the private sector to boost development activity and housing supply. Frasers Property Australia is now undertaking works to construct Ed.Square, the new town centre south of the train station, and Dahua Group is developing residential land in Bardia.

This year we settled the sale of the second residential stage within the town centre south in another significant transaction with Frasers Property Australia. Frasers Property Australia will now complete the development of the Town Centre South with around 1,884 dwellings including apartments and terraces.

Whilst Frasers Property Australia and Dahua deliver our well laid plans, we have been consulting with stakeholders to inform our proposed amendments to the Town Centre North area of the concept plan. These proposed amendments will provide for more diverse housing types and sizes to supply housing which is more affordable. We propose to increase building heights adjacent to the station

and prohibit apartment buildings further from the station, provide better walkability and cycle access and more direct access to inspiring public spaces and community facilities.

Once finalised, Landcom plans to bring forward our investment in infrastructure and public space towards releasing development parcels to developers from 2022.

In the meantime, Landcom is facilitating the early delivery of Buchan Avenue which is a key access route through the Town Centre North for existing residents. Buchan Avenue will provide connections to the station for pedestrians, cyclists and vehicles.

The history of the area is important and Bardia Barracks and Mont Saint Quentin Oval make up the state heritage listed Ingleburn Military Heritage Precinct. We continue to work with stakeholders to understand and support the Aboriginal heritage and military history in the proposed redevelopment of the area, and we continue to plan for the adaptive reuse of the heritage listed Bardia Barracks.

This year the upgrade of the heritage listed Mont Saint Quentin Oval was approved. Next year we will deliver new public spaces and community facilities including an AFL field, amenities building, barbeque facilities, picnic shelters,

Public art at Bardia Park

restored heritage items and an inclusive playground. Landcom delivers inspirational public spaces for the whole community.

Once complete Edmondson Park will include:

- A Town Centre of up to 45,000m² retail and commercial space;
- Around 4,500 new homes with a mix of diverse housing types;
- Upgrades to childcare facilities;
- A 150 hectare regional park; and
- A 50 hectare network of smaller community parks, playgrounds, playing fields and reserves.

Edmondson Park demonstrates our unique role and capabilities in unlocking opportunity for delivery through the private sector. We are respecting heritage and history and leveraging government investment in public infrastructure to drive housing supply for more affordable and sustainable communities.

Landcom is partnering with the private sector to create a brand new suburb at Edmondson Park

Case Study

Strategic Direction Partnerships and Leadership



Skills Exchange graduate Tasileta Poutasi (centre right) with Michael Ragg from WEM, Haydn Days from Landcom and Craig Hardy from WEM



Chief Executive Officer John Brogden with Skills Exchange graduates 2019

Land and Housing Corporation partnership

For over a decade Landcom has been working with Land and Housing Corporation to deliver new diverse communities where:

- Social housing blends in with private and affordable housing; and
- Residents have better access to transport, improved community facilities and quality parklands.

Our unique role in these projects across south west Sydney leverages government investment in social infrastructure and delivers quality urban and social outcomes for the whole community.

In Stages 4 and 5 at Bonnyrigg this year Landcom has delivered 21 apartments, eight houses and eight terraces for social housing, mixed across 150 new dwellings. The sale of new housing has also been successful and our residents are very proud to live in this revitalised and affordable suburb.

Landcom also improves the opportunities for local disadvantaged and out of work people with work and training opportunities through the Skills Exchange program.

The Skills Exchange program is a key element of Landcom's Sustainable Places Strategy and aims to provide education, training and ultimately clear pathways for local people to access local jobs.

In 2019 eleven students are participating in the Skills Exchange program at Bonnyrigg in a partnership between Landcom, Land and Housing Corporation, TRN (our Principal Civil Contractors), Master Builders Association and the Daystar Foundation.

The students are from surrounding areas and will participate in a three day training course each week over a six week period to gain certified skills including basic construction, construction health and safety, first aid and traffic management.

TRN will be offering positions to five of the graduates to work on the next stage of earthworks for our Bonnyrigg community. The remaining graduates will be connected with labour hire companies to help their job search.

This is the third Skills Exchange since 2017 with over 30 participants to date learning the skills they need

to find employment in Australia's largest industry.

One of our earliest graduates, Tasileta Poutasi is a labourer who now drives dozers and graders with Western Earthmoving (WEM). This is an amazing success.

Our Skills Exchange program demonstrates partnership and leadership in action, and we are planning more in the future.

This is the third Skills Exchange since 2017 with over 30 participants to date learning the skills they need to find employment in Australia's largest industry

Case Study

Strategic Direction Partnerships and Leadership



Green Square town centre

With vision, tenacity and a 20 year investment Landcom resolved the ownership, planning and infrastructure constraints of this former industrial site to deliver this exciting new town centre halfway between the Sydney CBD and Sydney Airport.

Already we have delivered 476 new homes and 3,343m² of retail tenancies through our private sector partnering arrangement with Mirvac, and together we are bringing the Green Square town centre to life.

Sustainability, placemaking and design quality are key elements of our offering at Green Square town centre.

This year we celebrated the opening of the OVO residential apartment building. OVO is the tallest tower in Green Square town centre and has a distinctive ellipsoid-shape and a botanically inspired colour scheme. Designed by FJMT in partnership with Mirvac Design, OVO received an Honourable Mention at The International Design Awards held in Los Angeles in April 2019 and was described by judges as offering a powerful sense of identity to the Green Square town centre in the City of Sydney.

Another way we are helping to create a sense of place and community at Green Square town centre is through the work of our dedicated Place Manager. This year we have shared in the community's delight at the opening of the new library and



Children enjoying outdoor cinema at Green Square town centre

plaza, and their participation in placemaking initiatives. Our placemaking initiatives occur through partnerships with the local community arts organisation, 107 Projects, local artists and other community program providers, as well as through Landcom and Mirvac's Green Square Summer Festival. The placemaking initiatives aim to cater for everyone in the community.

Sustainability is also key to the success of Green Square. The 6 Star Green Star Communities rating for this project representing 'World Leadership' excellence in sustainable development awarded to Green Square town centre is considered ground breaking. A number of stakeholders enabled the Green Star rating for the town

centre. City of Sydney coordinated the rating application as the certification Applicant, with input from all developers in Green Square town centre, including Landcom.

Interest in our achievements at Green Square town centre also extends to high school geography students. Green Square town centre is a Higher School Certificate case study and we enthusiastically welcome hundreds of students each year to learn about urban dynamics, urban renewal, and the importance of property development to housing supply and economic development in NSW.



OVO, Green Square



Green Square town centre was awarded a 6 Star Green Star Communities rating representing 'World Leadership'



Landcom quality

Demonstrating innovation and quality has long guided Landcom's approach to leading positive change in the development industry.

Since launching our industry leading design and planning guides, the Landcom Guidelines, back in 2008, Landcom has consistently driven innovation in quality and sustainability to raise the bar and deliver better places.

Our focus on design quality across housing built form, urban design, sustainability and community infrastructure including parklands, playgrounds and other public spaces has not only won Landcom many awards but more importantly continues to deliver a positive legacy across Greater Sydney. We know from our annual Healthy & Inclusive Places survey results that there are many proud communities passionate about what we do and the value we bring to their lives through our attention to deliver quality places.

And this inspires us to challenge ourselves and our industry to do better, more affordably and more sustainably.

Some of the innovative ways we work to deliver quality results include:

- Partnering agreements that preserve and leverage our design quality and project objectives when delivered by others;
- Design guidelines help landowners and home builders get the best design and sustainability outcomes for their property and their community;

- Design and landscaping rebates across many projects reward landowners and home builders who apply best practice design and landscaping;
- Sustainability Rebate Schemes being piloted at Macarthur Heights help landowners and home builders build more efficient, healthier homes for themselves and the environment;
- Our Design Advisory Panel provides critical review and evaluation of our projects by external advisers including expert architects, designers and planners through an internal process to inform best practice in our projects;
- Demonstration projects where we design and build innovative, affordable and diverse housing product to test viability and market take up of housing typologies and delivery models, for example the terrace housing and apartments at Thornton;
- Engagement with local councils and local people to inform our design quality for public spaces, in particular to address local needs and placemaking aspirations;
- Innovation through research with our University Roundtable partners where we collaborate on important research to inform and improve the quality of our work; and
- Engaging organisations, groups and individuals who have a stake in the outcomes of what we do, to enable the government to make better decisions. Join In is our engagement framework with guiding principles to drive engagement excellence and continuous improvement.

Landcom has a unique and essential role in driving the development industry and state and local government to deliver better quality housing and communities.

We do this by pushing the boundaries, innovating and leading to deliver more affordable and sustainable communities.

Demonstrating innovation and quality has long guided Landcom's approach to leading positive change in the development industry



Sustainability, learning and community engagement

Landcom is committed to demonstrating excellence in sustainable development and planning practice. In FY18 Landcom adopted the new Sustainable Places Strategy with a vision to create innovative and productive places that demonstrate global standards of liveability, resilience, inclusion, affordability and environmental quality.

Our Sustainable Places Strategy was directly informed by the United Nations Sustainable Development Goals, COP21 Paris Agreement, and Resilient Sydney Strategic Directions. We are also a Participant of the United Nations Global Compact for Human Rights. Our sustainability performance results are reported annually in our Sustainability Report

A key achievement in FY19 includes our international recognition as fourth in the world and third across Asia Pacific in the 2018 Global Real Estate Sustainability Benchmark (GRESB) Developer Assessment. Landcom is the only government land organisation in the world to participate alongside publicly listed and private companies in GRESB, which assesses environmental, social and governance management and implementation performance

A summary of further performance is provided below, and detailed achievements are available in our FY19 Sustainability Report.

Development supply chain

We continued our work with key industry partners to address important issues within the industry, such as human rights

and sustainability throughout the development supply chain. This year we became participants in the United Nations Global Compact and founding members of the Property Council of Australia Supplier Engagement Platform created to support the development industry in meeting its obligations to the new Federal Modern Slavery Act 2018.

Climate change

In FY19 Landcom sought to better understand its physical and transition risks to climate change. A gap analysis, aligned with the Task Force on Climate-related Financial Disclosures and 2019 Global Real Estate Sustainability Benchmark Development Resilience Module, determined Landcom's current level of preparedness for the transition risks of climate change, and how Landcom currently addresses the physical

United Nations Sustainable Development Goals - Landcom aligns its sustainability goals and targets to these Sustainable Development Goals.



risks of its assets. This analysis, which included business wide stakeholder engagement and a review of Landcom's systems and processes, found that while Landcom is comprehensively addressing the physical risks to assets, there is opportunity to enhance our preparedness to transition risks. Closing this gap will be a key focus in FY20.

Skills Exchange program

In FY19 we delivered our Skills Exchange program at Macarthur Heights, and commenced a new program at Bonnyrigg. This is an extension of our Skills Exchange investment that commenced at Airds and Claymore in FY18. These communities have an identified need for employment pathways for young people and the long-term unemployed.

At Macarthur Heights ten participants commenced the eight-week program, with a total of seven completions, and five students successfully placed in full time employment immediately after fulfilling the course requirements. Participants that completed the program obtained a Certificate II of Land and Conservation Management, and five secured a pathway into full time employment in the construction industry.

Participants of our Bonnyrigg program will graduate in early FY20.

Recognition

In June Landcom was honoured for its continued advancement of sustainability by the NSW Minister for Energy and Environment with a Sustainability Advantage Recognition Scheme award. The recognition related to our newly launched Sustainability Rebate Scheme at Macarthur Heights, which supports home owners to build more efficient, healthier homes for themselves and the environment.

Landcom also continued its commitment to research and learning throughout the reporting period. FY19 is the third year of Landcom's unique University Framework Agreement, a partnership with eight leading NSW universities that collaborate on



Skills Exchange graduates 2019

research that benefits Landcom's operations, and the property and development industry.

Our University Roundtable Power Plants collaborative research project team was awarded the 2019 Landscape Architecture Award for Research, Policy and Communications by the Australian Institute for Landscape Architecture. The award recognised the experimental phytoremediation and land management design research project, located at the former White Bay Power Station, Sydney. The design-led research experience used plants to pilot a low impact solution for decontamination at the post-industrial site.

For more information about Landcom's sustainability and learning performance, please see our FY19 Sustainability Report.

Communications and engagement - shaping and delivering plans with communities

To successfully deliver development projects we aim to meaningfully engage our stakeholders by applying our Join In Engagement Charter. We are guided by five best practice engagement principles, which means we aim to be collaborative, purposeful, proactive, accountable and inclusive in our engagement practice.

This year we worked with communities in different ways to support planning and delivery of local development projects including:

- In Sydney's north west and south west we consulted with communities on plans for new town centre developments in Tallawong and Edmondson Park. We sought feedback before progressing our development plans, kept communities informed about development applications, and we are working to address issues raised in submissions received through public exhibition;
- In Wentworth Point we invited the community to view the approved designs and discuss construction and delivery of a new riverside park;
- In Ryde we worked closely with our partners to minimise construction impacts and keep local businesses and nearby residents informed of works to widen Delhi Road and build the new pedestrian and cycle bridge to Ryde Station; and
- In Riverstone we kept landowners informed with regular progress reports about approvals, works and delivery costs.

Compliments and complaints feedback system

We provide advice to our customers and stakeholders on how to submit feedback and the procedures we follow if they choose to submit it.

Executive General Managers review complaints to determine if there is cause to implement corrective or

preventative action. Many compliments and complaints are dealt with within seven days.

During the year, we received 18 complaints and six compliments.

FY19 Complaints and Compliments Register		
Category	Complaints	Compliments
Building and construction	9	-
General customer service	4	1
Marketing/sales	2	1
Environment	2	-
Community events/site visits	1	4
Total	18	6

Multicultural policies and services program

Multicultural priorities

Landcom recognises and values the different linguistic, religious and ancestral backgrounds of all the people in NSW. We follow the principles set out by Multicultural NSW in the Multicultural Policies and Services Program to identify and address opportunities to meet the needs of these communities in our day to day operations through the focus areas of service delivery, planning, leadership, and engagement. A summary of Landcom's FY19 Multicultural Policies and Services

Program activities and FY19 reporting theme outcomes is provided below.

Landcom's multicultural strategies address our internal and external stakeholders, including our staff, our retail purchasers and our work with development industry stakeholders across our community engagement initiatives, sales and marketing programs and community development programs and partnerships.

Multicultural Policies and Services Program FY19	
Focus	Activities
Service delivery	
Mainstream services deliver for everyone	<ul style="list-style-type: none"> Our framework for engaging stakeholders, Join In, offers ways to engage with all stakeholders, including culturally and linguistically diverse communities Stakeholder engagement strategies developed and implemented on 100% of current projects Translation and Interpretation Service (TIS) procedure reviewed and TIS account established
Targeted programs fill the gaps	<ul style="list-style-type: none"> TIS translators used for face to face meetings, when required Five information sessions included targeted translators FY19 community development program focus on community cohesion and connection. We partnered with the Welcome Dinner Program to connect newly arrived people with established Australians over dinner and conversation to support people to break through cultural, social and other barriers by sharing of food and stories
People from culturally diverse backgrounds are aware of NSW Government (funded) services, programs and functions	<ul style="list-style-type: none"> TIS availability provided on all Landcom marketing and promotional materials TIS posters displayed in all Landcom Sales Offices TIS contact information provided on Landcom contact webpage
Planning	
Strong plans to deliver services	<ul style="list-style-type: none"> Record of all languages spoken by participating Landcom staff and ability to use culturally and linguistically diverse (CALD) staff to assist with engagement activities
Evidence driven planning	<ul style="list-style-type: none"> Landcom undertakes an annual Healthy & Inclusive Places survey designed to engage people of all linguistic, religious and ancestral backgrounds to inform the way we deliver community development programs and initiatives that are meaningful and impactful



Multicultural Policies and Services Program FY19	
Focus	Activities
Leadership	
Demonstrated leadership in culturally inclusive practices	<ul style="list-style-type: none"> Aligned with the United Nations Sustainable Development Goals (SDG), Landcom has adopted a suite of public targets that support us to deliver world class liveable places founded on equity, affordability and inclusion. These targets are contained in the Sustainable Places Strategy pillar for our Healthy & Inclusive Places survey Translation Interpreter Service (TIS) and targeted culturally and linguistically diverse (CALD) collateral provided at all information sessions Our staff proactively celebrate diversity through internal events such as cultural lunches, fundraising activities and social events Implementation of Diversity & Inclusion Action Plan enabling a focus on CALD including inclusive leadership, reduced bias, and diversity and inclusion awareness training. Action Plan created with input from staff based Diversity & Inclusion Working Group. Commitment to active reporting to monitor progress on action plan Adopted reporting of CALD measures against Public Service Commission benchmark
Increased recognition of the value of cultural diversity	<ul style="list-style-type: none"> Fostering continuous improvement in diversity and inclusion was identified as an opportunity for Landcom, and in FY19 we have responded by adopting a Diversity & Inclusion Policy, and an Action Plan with measures that include indigenous, disability, and linguistically diverse employment targets to 2023. We also established an employee led working group to lead key initiatives and staff engagement We undertook a Human Rights assessment in relation to the interface between Landcom's operations and human rights. The introduction of modern slavery legislation and growing stakeholder awareness and expectations of corporate responsibility for human rights has led organisations such as Landcom seeking to understand and address their potential human rights impacts Landcom applies merit based staff selection and recruitment practices and trained all our people leaders in recruitment skills including unconscious bias training Landcom acknowledges the Traditional Custodians in our meetings and on our website pages, and flies Aboriginal and Torres Strait Islander flags in our office foyers
Engagement	
Collaboration with diverse communities	<ul style="list-style-type: none"> Through the annual Healthy & Inclusive Places survey we seek to understand residents' cultural affiliations, and how they prefer to connect with one another and their surrounding community. This directly informs our approach to community development Our Future Leaders Program participants underwent cultural awareness training and worked with Aboriginal people to inform the internal Local Aboriginal Land Council Partnership Guide. Total spend on cultural awareness training for Future Leaders was \$15,000
Understanding the needs of people from diverse backgrounds	<ul style="list-style-type: none"> Landcom is committed to a diversity and inclusion approach that includes comprehensive staff training including cultural awareness training We better understand the demographic profile and needs of our communities through use of our Social Atlas tool subscription, checking with local councils and Healthy & Inclusive Places survey results to apply to our services planning and delivery



FY19 Multicultural Policies and Services Program reporting themes outcomes:

During FY19, the following outcomes were achieved against the Multicultural Policies and Services Program reporting themes:

Improving outcomes for culturally and linguistically diverse women in leadership

- Staff based Diversity & Inclusion Working Group formed to promote and encourage diversity and inclusion throughout Landcom and to champion gender equity, diversity and inclusion initiatives, and report progress and achievements;
- Development of the Women leading @ Landcom program to be delivered in FY20;
- 4.6% of women leaders came from a culturally and linguistically diverse background. This represents five culturally and linguistically diverse women in leadership roles; and
- \$34,022 leadership development spend on culturally and linguistically diverse women.

Provision of language services

- Client demographics established using our Social Atlas tool, checking with local councils and our Healthy & Inclusive Places survey results and applied to our services planning and delivery;
- FY19 expenditure on translation services and culturally and linguistically diverse review of promotion and information material was \$395 including GST;
- Nil provision for Bilingual staff and Community Language Assistance Scheme (CLAS) recipients, however a number

- of staff willingly offered translation assistance on an adhoc basis; and
- Cultural Awareness training provided as part of the Future Leaders program.

Services for humanitarian entrants

- FY19 outcome is Diversity & Inclusion Plan; and
- FY20 Diversity & Inclusion Plan to include measures to increase diversity & inclusion, build awareness, review practices and reduce bias.

FY20 Multicultural Policies and Services Program strategies and activities include:

- Women Leading @ Landcom program - involving 19 women;
- FY20 Diversity & Inclusion Plan to include measures to increase diversity and inclusion, build awareness, review practices and reduce bias; and
- Landcom is focussing on the delivery of the Diversity & Inclusion Action Plan with focus on three areas including:
 - Create an environment that values diversity and inclusion;
 - Increase attraction, retention and development of staff from diverse backgrounds initially prioritising women, Aboriginal and Torres Strait Islanders, culturally and linguistically diverse people, people with disability, generational diversity and LGBTIQ+; and
 - Reduce bias and embed diverse and inclusive practices into how we work.

Health, Safety and Environment

Landcom's approach to Health, Safety and Environment (HSE) is about caring for others and ourselves so that we can be productive, healthy and safe. This means we all go home at the end of every day to the people and things that are important to us.

We recognise that everyone at Landcom plays a part in creating a safety culture that actively identifies and manages risks. The health and safety of employees, contractors or members of the public should never be compromised. We hold ourselves to account for our actions and respectfully challenge others if safety standards and behaviours are not being maintained.

To this end, during the reporting period the Board, Executive Management team and HSE Committee strengthened our commitment to HSE by:

- Appointing a Director, Health, Safety and Environment to ensure strategic direction of our HSE journey;
- Delivering legal obligations under the Workplace Health and Safety Act 2011 training to all staff;
- All Executive Management team and Board members attended WHS Officers Due Diligence Obligations workshops; and
- Conducting driver awareness training for project teams and other staff.

To meet Landcom's duty towards our Principal Contractors and other stakeholders during the reporting period the Board, Executive Management team and HSE Committee strengthened our commitment to HSE. We launched HSE lead indicators to monitor the HSE performance of our active projects (in accordance with Guidance on Occupational Health and Safety in Government Procurement and the NSW Government Work Health and Safety Management Systems and Auditing Guidelines 5th Edition). The results will complement Landcom's commitment to continuous improvement.

In FY19 our project teams (including Superintendents and Principal Contractors) have conducted:

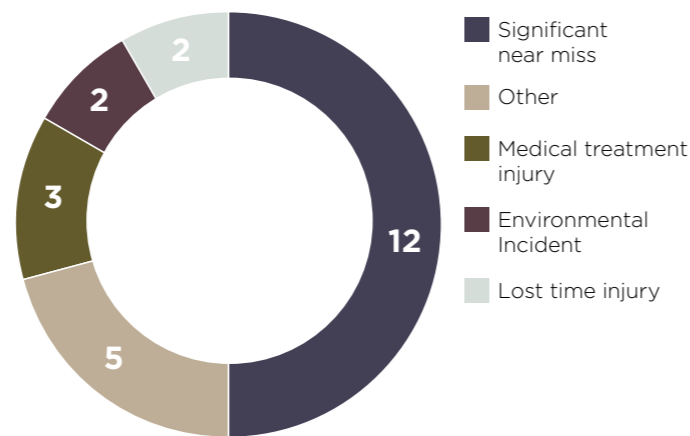
- 312 site inspections;
- 228 safety observations;
- 38 HSE audits; and
- 245 environmental inspections/observations.

During FY19 there were nil prosecutions under the Workplace Health and Safety Act 2011 or NSW Work Health Safety Regulations 2015.

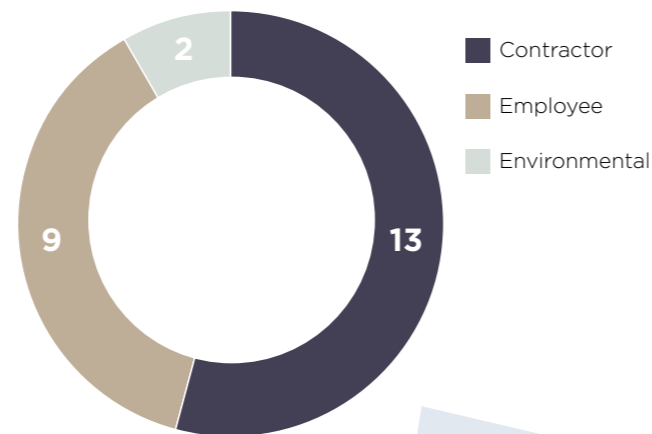


Our Incident Statistics for FY19 as shown below.

Incidents by category



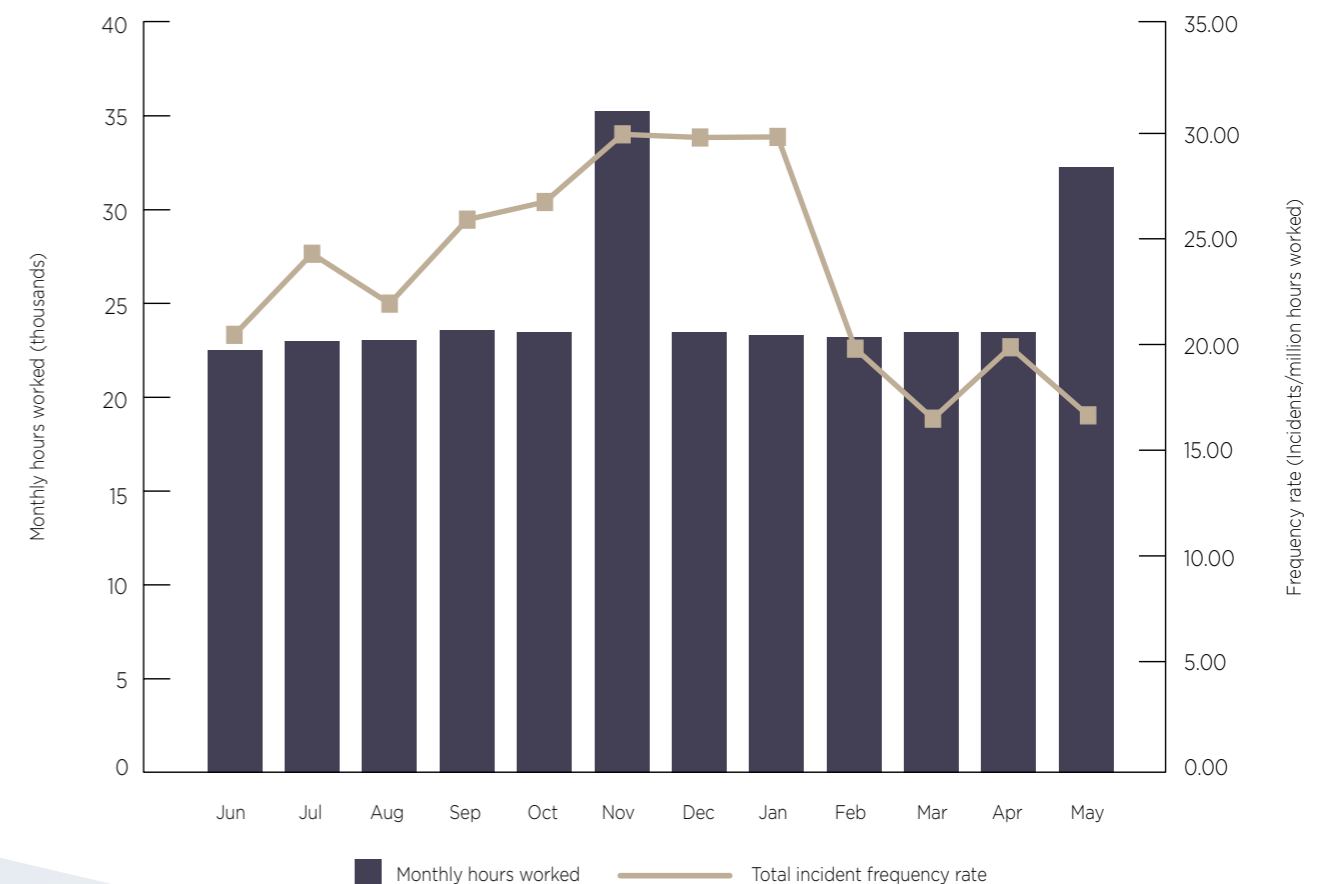
Incidents by person type



Construction, Lachlan's Line

There has been a decrease in our Total Incident frequency rate as represented below.

12 month rolling incident frequency rate - employees



Shaping our year ahead

New business, new partnerships

With a focus on building more collaborative relationships with our stakeholders, we have consolidated our partnering and business development activities to identify acquisitions that meet our Strategic Directions, leverage stakeholder involvement and opportunity through collaboration, and to secure the future Landcom pipeline projects.

Also we are exploring new financial and delivery models and housing types to inspire more opportunities to work with industry partners and deliver delightful places where people want to work, live and play.

Making a difference: enabling the future

FY20 promises a productive year for delivery including enabling infrastructure, placemaking, and sustainability, such as:

- Site works at Lachlan's Line including the installation of the globally unique pedestrian bridge, commissioning of significant pieces of public art, and bringing the next development stage to market for sale;
- Construction of Buchan Avenue and 5.3 hectare Mont Saint Quentin oval at Edmondson Park;
- The first major commercial sales release of Norwest to reinvigorate Norwest with new nighttime activity;
- The completion of the Renwick Community Centre and its dedication to Wingecarribee Council;

- Tailored placemaking and activation at Tallawong to welcome the community to these growing Northwest station precincts; and
- Delivering 2.5 hectare Julia Reserve with Youth Recreation Centre, and 10.5 hectare Doohan Reserve and sporting complex at Oran Park.

Creating more affordable and sustainable communities

With our development partners and across our 14 current projects we will continue to deliver more affordable and sustainable housing, enabling infrastructure and quality public amenity to create communities that people are proud to live in.

Through our Housing Affordability & Diversity Policy we will be focussed on improving housing affordability and diversity through identifying new delivery models and typologies to deliver more diverse and affordable housing including opportunities to ensure the delivery of minimum 5% Affordable Housing in all projects and achieve our target of 20% universal housing, certified to Housing Australia Silver Level standard.



Green Square town centre



Lachlan's Line pedestrian bridge

indicative artist impression subject to change and subject to approvals

Partnerships for better outcomes

Guided by our Stakeholder Relationship Strategy we will be applying a more collaborative approach to working with our stakeholders. Our stakeholders include developers, builders, Community Housing Providers and institutional and private landowners are essential to our mission to create more affordable and sustainable communities through partnerships and leadership.

Our partnering arrangements are varied as shown by these projects with FY20 milestones:

- At Riverstone Scheduled Lands we are delivering a subdivision of 300 lots for 51 landowners. We have agreements with all landowners to develop their land concurrently applying the paper subdivision legislation. The subdivision works will be completed in the coming years and this will initiate the crucial phase of reconciling land titles and costs with the landowners. This process will be a key indicator on the project's success and inform decision-making about future use of the legislation across the state by Landcom and councils;
- Building on our working relationship with Sydney Metro, Landcom will be progressing planning for station sites at Tallawong and Bella Vista and future sites as well as delivering placemaking and activation along the station precincts; and
- With our development partner Mirvac, Landcom will be progressing to the next stage at the award winning Green Square town centre.

Continued investment in our people

In the year ahead we have a focus on developing our culture, and supporting and developing our people.

Our focus areas this year are:

- Building a diverse and inclusive culture with high employee engagement that demonstrates our values;
- Continuing to implement initiatives to drive employee engagement; and
- Driving capability across all levels in the organisation, with a focus on our Future Leaders and Women Leading @ Landcom programs.

We also have a number of projects underway to streamline systems and processes and to enable us to be more agile.

Our performance – people



Our governance structure



Our leadership intent, culture and Code of Conduct

Code of Conduct

Landcom has a Code of Conduct (the Code) in place and it applies to our Directors, employees, contractors and consultants, setting out how we should conduct ourselves every day. The Board updated the Code in July 2018 to reflect Landcom's core values.

The Code is supported by Landcom's policy framework and all Staff are required to acknowledge the Code through a formal declaration.

Guiding principles

The Code operates on six guiding principles which inform every decision and action taken:

1. Act with honesty and integrity in everything we do;
2. Build relationships, treating all others with respect and dignity;
3. Ensure the safety and wellbeing of yourself and others;
4. Respect confidentiality and use information appropriately;
5. Use and manage public resources economically and efficiently; and
6. Hold each other accountable to the Code of Conduct.

Procedures for shareholder and employee consultation and feedback

We have procedures for our Shareholder and Portfolio Ministers to provide recommendations, feedback or direction to the Board and senior management. The Portfolio Minister provides a statement of priorities for the Board which the Board considers in preparing the corporate plan.

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 with their staff. Any matters arising that require the Board's attention are reported by the Chief Executive Officer in his regular update, which is a standing agenda item for every scheduled Board meeting.



Landcom's head office in Parramatta



Measuring people performance

Human Capital Management System

Landcom has implemented a new Human Capital Management System to assist strategic people decision-making to drive business outcomes. This will increase the Corporation's ability to predict, respond to and manage current and future workforce challenges.

The areas implemented this year include Recruitment and Selection, On-boarding and Off-boarding and Performance and Learning. Additional modules will be activated in future, including Talent and Succession, and surveys.

This system is allowing digitalisation of a significant number of manual processes which will improve productivity, efficiency and information flow.

Training and development

Landcom is committed to providing our staff a clear plan and pathway for their growth and development. Continuous learning, compliance training and individual skill and professional development are important to enable people to thrive in our rapidly changing and fast paced environment.

Specific training for individuals is identified in the Performance Development Plan. In addition, organisation wide development is provided to develop critical skills people require as the nature of work and roles are evolving. This is usually offered in group training sessions. These ranged from Presentation Skills, Outlook, Domestic Violence Awareness for Leaders, Recruitment and Selection Essentials for

Leaders, Custodians of Culture, Relationships and Partnership Principles, Privacy Awareness training and attendance at conferences such as TEDx.

Seven people participated in the inaugural Future Leaders program in FY19. We are continuing this successful program in FY20 as well as commencing the Women Leading @ Landcom program.

The Learning module of the Human Capital Management System offers staff access to a range of online learning. Over 20 courses are currently available and we propose to provide access to the full suite of over 200 courses in the future.

Employee engagement

Landcom took part in the People Matter Employee Survey that was open to all employees across the NSW Government sector in June 2018.

Landcom used the results to identify strengths and opportunities for improving our people practices. Employee engagement increased to 67%, up 5% since the previous survey in December 2017 and is 1% higher than the overall Public Sector results.

We are action planning to drive initiatives around increasing confidence in recruitment, career development, diversity and inclusion, ensuring appropriate workplace behaviour, and driving confidence in resolving issues.

Workforce diversity performance

Landcom launched its inaugural Diversity & Inclusion Policy in 2018 to outline Landcom's commitment to unlock the potential of our workforce by ensuring that diversity and inclusion becomes a key feature of how we do business. As a strategic lever, the combined focus on diversity and inclusion will better enable Landcom to use the full capability of our workforce, increase business capacity and drive increased levels of performance and staff satisfaction.

The Diversity & Inclusion Policy was updated in 2019 to better reflect our commitment and focus areas. This update was informed by staff consultation and industry analysis. A staff based Diversity & Inclusion Working Group is now working to advance diversity practices.

Other diversity initiatives include:

- Updates of diversity and inclusion employee data to inform the Action Plan;
- Scoping and selection of 19 participants for FY20 Women Leading @ Landcom program aimed at accelerating our female talent; and
- Domestic and Family Violence Awareness training progressing across the business with targeted education for People Managers.

The year ahead will focus on:

- Creating an environment that values diversity and inclusion;
- Increasing our ability to attract, retain and develop staff from diverse backgrounds;
- Reducing bias;
- Embedding diverse and inclusive practices into how we work; and
- Driving the 'if not, why not' approach to Flexible Working for all staff.

Future Leaders program

Following on from the successful inaugural Future Leaders Program in FY19, a selected group of seven participants from across Landcom is participating in FY20. The program is designed around the elements of experience, education and exposure and will focus on housing affordability as the applied development project.

Addressing discrimination in the workforce

Our Discrimination, Harassment & Bullying Free Workplace Policy was launched this year and this was followed by training and education workshops for staff. Managers received additional training in their role as custodians of our culture.

Trends in the representation of Workforce Diversity Groups

5a. Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark	2017	2018	2019
Women	50%	50.8%	49.4%	50.6%
Aboriginal and/or Torres Strait Islander People	3.3%	0.0%	0.0%	0.6%
People whose first language spoken as a child was not English	23.2%	20.2%	23.5%	24.0%
People with disability	5.6%	2.4%	1.9%	5.8%
People with disability requiring work-related adjustment	N/A	0.4%	0.0%	1.3%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014 - 2017 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census

does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Board of Directors



Suzanne Jones

Chair

Independent Non-executive Director

Appointed to the Board in June 2016
Appointed as Chair in October 2017

Committee appointments:

Member of the Audit and Risk Management Committee

Member of the People, Culture and Nominations Committee

Suzanne has held senior executive and non-executive roles involving transport and energy, infrastructure planning and delivery, environmental assessment and sustainability, resource and asset management, property development, tourism and vocational education and training. All have involved considerable stakeholder engagement often in highly regulated environments.

Suzanne is currently the National Chair of Dial Before You Dig. She is also a member of the Commonwealth Government's Emissions Reduction Assurance Committee.

Suzanne was previously on the NSW National Parks and Wildlife Council, serving as its Chair for four years, and was a Director of TransGrid, Australia's largest transmission network, for the four years prior to its successful privatisation in December 2015. Suzanne also served as Deputy Chair of ACT's Suburban Land Agency and as a Director of the NSW Public Transport Authority, Parramatta Rail Link Pty Ltd, the Illawarra Regional Information Service, Newcastle Urban Renewal and Transport, Garrigal Housing, Smoke Alarms Holding Ltd and was a member of the Australian Astronomical Observatory's governance committee.

Suzanne holds a Bachelor of Town Planning (Honours) from the University of NSW, a Masters of Business Administration from the University of Rochester, is a Fellow of the Australian Institute of Company Directors and a Member of the Planning Institute of Australia. Suzanne has undertaken a business leadership course at Harvard, a chair's leadership course at Insead and was awarded international fellowships by the United States and the Netherlands governments.



John Barbeler

Independent Non-executive Director

Appointed to the Board in March 2018

Committee appointments:

Chair of Audit and Risk Management Committee

John has held Chief Financial Officer and business leadership positions in both the public and private sector and for the Sydney Organising Committee for the Olympic Games (SOCOG).

From 2010 to 2015, John was the CFO at the Federal Department of Health. Prior to that he was CFO/Director of Corporate Services at the City of Sydney, General Manager, Finance at SOCOG and has held CFO and business enabling executive roles with major global private sector organisations including PepsiCo, BTR and CSR.

John is a member of the Audit, Risk and Improvement Committee for Penrith City, Cumberland and Snowy Monaro Regional Councils. He is a former Director for Alzheimer's Australia ACT Ltd and a former member of NSW Electoral Commission Audit Committee.

John is a FCPA and holds a Bachelor of Commerce (Honours) from the University of Queensland.



Professor Pamela Hanrahan

Independent Non-executive Director

Appointed to the Board in October 2018

Committee appointments:

Chair of the People, Culture and Nominations Committee

Professor Hanrahan is a lawyer and legal academic who specialises in corporate law, financial services and investments regulation, and corporate governance. She is a faculty member of the UNSW Business School and has over 15 years' experience as a lawyer in private practice and four years as a senior regulator in Australian Commonwealth and State government agencies.

Professor Hanrahan was the Registrar of Community Housing for NSW from 2013-2015. In this role she was instrumental in leading the successful commencement of the National Regulatory System for Community Housing, working with Community Housing Providers in NSW and nationally to enhance their capacity to provide quality outcomes for residents and to build the confidence of funders, financiers and the community in the sector.

Pamela holds a Bachelor of Arts (with Honours) and Bachelor of Laws (with Honours) from The University of Melbourne, a Master of Laws (with Honours) from Case Western Reserve University and Doctor of Juridical Science from The University of Melbourne.



Peter Roberts

Independent Non-executive Director

Appointed to the Board in April 2018

Appointed as Deputy Chair in December 2018

Committee Appointments:

Member of the People, Culture and Nominations Committee

Member of the Audit and Risk Management Committee

Peter has more than 30 years' experience in finance, accounting, tax, real estate and funds management in the public and private sectors.

He is Managing Director of PcRoberts Consulting services, an Independent Director of Western Sydney Parklands Trust and Chair of its Audit Committee and a Director of KU Children's Services and member of its Audit Committee.

He is currently CFO for the National Housing Finance and Investment Corporation. His previous roles included Interim Chief Financial Officer at UrbanGrowth NSW, Chief Financial and Operations Officer of Barangaroo Delivery Authority, Chief Financial Officer at Charter Hall Group, Dexus Property Group, Colonial First State Property, Fund Manager with Stockland Unlisted Property Funds, and Lend Lease Real Estate Investments.

Peter holds a Bachelor of Finance and Administration from the University of New England, is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors, and holds a Graduate Diploma in Applied Finance Investment from the Securities Institute of Australia.

Landcom Executive

Ben Robinson

Executive General Manager,
People, Culture & Safety

Sandra Lee

Executive General
Manager, Legal &
Compliance

Anna Petersen

Executive General Manager,
Communications & Policy

Scott Gregg

Executive General
Manager, Projects

Robert Dodd

Executive General Manager,
Finance & Commercial

Matthew Beggs

Executive General Manager,
Partnerships & Business
Development

John Brogden

Chief Executive Officer

Tasha Burrell

Executive General Manager, Projects

Landcom Executive

John Brogden

Chief Executive Officer

John was appointed to the Board of Landcom in January 2012 as Chairman before accepting the permanent role of CEO in May 2018. Prior to this John was the Managing Director & CEO of the Australian Institute of Company Directors, the CEO of the Financial Services Council and the CEO of Manchester Unity.

He is also the Chairman of Lifeline Australia and Furlough House Retirement Village and Patron of Sailability Pittwater, Bilgola Surf Lifesaving Club, Avalon Beach Surf Lifesaving Club and Kookaburra Kids.

John's previous non-executive directorships include Abacus Australian Mutuals (Chairman), BBI – The Australian Institute of Theological Education (Chairman), NIA Pty Limited (health.com.au), Sydney Ports Corporation, Australian Private Health Insurance Association and the Australian Friendly Societies Association.

From 1996 to 2005, John was the Member for Pittwater in the NSW Parliament.

In January 2014, John was made a Member of the Order of Australia (AM) for significant service to the community through representational roles with social welfare organisations, particularly Lifeline, to the business and financial sectors and to the Parliament of New South Wales.

John holds a Masters of Public Affairs from the University of Sydney and is a Fellow of the Australian Institute of Company Directors.

Matthew Beggs

Executive General Manager, Partnerships & Business Development

Matthew is responsible for leading, planning and strategic decision-making for the Business & Partnerships Division to develop strategic partnerships and relationships that unlock development opportunities and improve delivery, deliver property solutions that increase the affordability, supply and diversity of housing and demonstrate excellence in sustainable development and planning practice.

Matthew has over 30 years' experience in the property and development industry, with experience in the planning and delivery of large development projects, major property transactions, business development and relationship management.

Matthew joined Landcom in 2002 as part of the Business Development Team, before moving into Urban Development in 2005 where he worked on the One Minto and Oran Park Town projects. He was appointed General Manager Development Retail in 2014 (Landcom trading as UrbanGrowth NSW), Head of Western Sydney Projects portfolio in 2015, Head of Projects in 2017 and Executive General Manager, Projects in 2018.

Prior to working at Landcom, Matthew was with the Department of Defence for six years, managing rezoning, preparation and disposal of major Defence sites in Sydney. He also spent seven years with Australian Property Group consulting to Australian Government clients for planning approvals, sales, leasing and acquisitions.

Matthew holds a Graduate Diploma in Urban Estate Management and a Masters of Project Management.

Tasha Burrell

Executive General Manager, Projects

Tasha oversees a portfolio of the organisation's development projects. Tasha is a property development professional with over 27 years' experience in residential and commercial property development and funds management in Sydney, with extensive experience in implementing large scale urban renewal, housing and infrastructure projects. She has an in-depth understanding of the development industry and the Sydney property market.

Tasha joined Landcom in 2009 as part of the Urban Renewal Team and has led numerous projects including Green Square Town Centre, Edmondson Park Town Centre and Thornton at Penrith. She was appointed Development Director in 2013 and Program Director, Western Sydney in 2015. She was appointed Executive General Manager, Projects in April 2019.

Over her career, Tasha has held senior roles in both the private and public sectors. Early in her career Tasha was a Project and Design Architect for a number of leading architectural firms, and has held leadership positions at St. Hilliers Property involving residential, commercial and industrial projects and at UrbanGrowth NSW on major renewal projects. Tasha places great importance on the people and relationships that make projects happen and believes this is the key to successful business outcomes.

Tasha is a Board Director at the Women's Housing Company which is a not-for-profit Community Housing Provider.

Tasha holds a Bachelor of Architecture (Hons) and a Bachelor of Arts from the University of Technology Sydney, an Associate Diploma in Architectural Drafting from Hornsby College of Technical and Further Education and is a Graduate of the John Grill Executive Leadership in Major Projects from Sydney University.

Robert Dodd

Executive General Manager, Finance & Commercial

Robert was appointed Executive General Manager - Finance & Commercial in May 2018 with this role incorporating the previous Chief Financial Officer position. His areas of responsibility include finance, legal and IT, as well as commercial operations. Robert has 40 years of experience, the majority within the development and construction sectors of the property industry in Australia. He has extensive experience in both the residential, commercial and retail sectors, as well as in acquisitions and disposals.

Prior to working at Landcom, Robert was the Chief Financial Officer for Leighton Properties (Aus), Lend Lease Construction Division (ANZ), Meriton (Aus) and Built (Aus). He has also worked in senior management positions with Toll Logistics, operating in the Asia Pacific region.

Robert holds a Bachelor of Commerce from the University of New South Wales, is a Certified Public Accountant and is a Member of Australian Institute of Company Directors.

Scott Gregg

Executive General Manager, Projects

Scott Gregg joined Landcom in 2015 to lead the Sydney Metro Northwest Places Program. A key focus of this role included the negotiation and establishment of Landcom's role as master developer of the government lands adjoining eight new station precincts as part of Sydney Metro Northwest Places.

Scott has over 35 years' experience in the property industry private and public sectors and has a track record of initiating and delivering large and complex mixed use developments.

Scott was on the executive of Parramatta City Council for five years and has held Director level positions at Place Leaders Asia Pacific, Land and Housing Corporation, University of Western Sydney and the Toga Group.

Scott has been responsible for substantial project portfolios and has led many high profile projects including Parramatta Square, Darwin City Waterfront, and the Jones Bay Wharf Redevelopment.

Scott holds a degree in Architecture from University of Technology Sydney, post graduate studies in Urban Estate Management, and is a Green Star Accredited Professional in both Communities and Design & As-Built and is a Foundation Fellow of the Australian Institute of Company Directors.

Sandra Lee

Executive General Manager, Legal & Compliance

Sandra is Landcom's chief legal and compliance adviser and also oversees the company secretariat, risk and internal audit functions.

Sandra joined Landcom as Senior Manager - Legal, where she was responsible for managing the legal function for Landcom's Western Sydney Projects Portfolio. In April 2018, Sandra was appointed the General Counsel of Landcom where she oversaw the legal and governance functions for the organisation. Sandra holds a Bachelor of Commerce (Accounting) and Bachelor of Laws from the University of New South Wales. She was appointed Executive General Manager, Legal & Compliance in April 2019.

Sandra has almost 20 years legal advisory, compliance and transactional experience across multiple real estate sectors, specialising in complex, structured transactions, including joint ventures, acquisitions, disposals and complex leasing. Sandra has worked in private legal practice, most recently as Special Counsel at Henry Davis York. Sandra has also worked as Senior Legal Counsel for the Goodman Group.

Landcom Executive

Anna Petersen

Executive General Manager, Communications & Policy

Anna oversees the corporate marketing, communications, engagement, sustainability, learning and policy functions of the organisation.

Anna has 25 years' professional experience in the urban planning and development industry. She joined Landcom in 2002 as a Senior Development Manager and later joined the sustainability team where she led our social sustainability practice, looking at the links between urban planning and design, and community wellbeing. Anna later held senior roles with Landcom in policy, strategy and communications, and most recently led development of Landcom's stakeholder engagement framework.

Anna was appointed Executive General Manager of the new Communications & Policy division in March 2019, after leading the former Communications & Community division since November 2018. Prior to this she was Acting Executive General Manager Corporate Affairs from May 2018.

Prior to Landcom, Anna held roles in project management with South Sydney Development Corporation, private consulting with HASSELL and HBO+EMTB, and facilities management with the University of Sydney.

Anna holds a Masters of Professional Communication, a Masters of Urban and Regional Planning, and a Bachelor of Science (Architecture) from Sydney University, and a Certificate in Public Participation from the International Association for Public Participation (Australasia).

Ben Robinson

Executive General Manager, People, Culture & Safety

Ben was appointed to the role of Executive General Manager, People, Culture & Safety in April 2019. In this role, he oversees organisational development, industrial relations, operations, payroll and work, health and safety. Ben joined Landcom in April 2018 in the role of People & Culture Business Partner.

Ben has 15 years' experience as a people and culture professional, working in both the private and public sectors in various industries including retail, not-for-profit, FMCG, financial services and education.

Prior to joining Landcom, Ben most recently worked at Torrens University Australia in a Senior Business Partnering role with responsibility across faculty, support, restaurant and hotel staff. Ben also worked at the consumer organisation CHOICE, as the Head of People & Culture.

Ben holds a Master of Business in Human Resource Management from the University of Technology Sydney.

David Sellin

Company Secretary

David was appointed Company Secretary in January 2019 to cover extended leave for Shauna Woodward and is primarily responsible for governance, working closely with the Board and broader Executive team.

David has extensive legal and corporate governance experience supporting Boards, Board Committees and Management Committees and has previously held roles at Herbert Smith Freehills as well as a number of property companies including Mirvac Group, Investa Property Group and Leighton Holdings (now CIMIC Group).

David holds a Masters of Corporate and Commercial Law from the University of New South Wales and is a Fellow of the Governance Institute of Australia.

Shauna Woodward

Company Secretary

Shauna was appointed Company Secretary in March 2018, having acted in the role since September 2017 following the separation of Landcom from what was previously UrbanGrowth NSW, and is primarily responsible for governance working closely with the Board and the broader Executive team. Shauna joined UrbanGrowth NSW as Deputy Company Secretary in February 2017.

Shauna has extensive experience in corporate governance supporting Boards, Board Committees and Management Committees and has previously held roles at Vicinity Centres, an ASX top 30 company, and at APRA regulated Credit Union Australia. She has experience in the areas of property development, managed investment schemes, banking, financial planning, general insurance and health insurance.

Shauna holds a Bachelor of Business (Finance) from Swinburne University of Technology, is a Chartered Secretary and is a Graduate of the Australian Institute of Company Directors.

Executive Notes

Mirjana Juka

Interim Executive General Manager, People & Culture

Left position 22 August 2018

Michael Clark

Executive General Manager, Partnerships & Business Development

Left position 24 September 2018

Amanda Chadwick

Executive General Manager, Policy & Strategy

Left position 29 March 2019

Robert Vella

Executive General Manager, Business Operations & Compliance

Left position 2 April 2019

Shauna Woodward

Company Secretary

On parental leave as of 20 March 2019

David Sellin

Company Secretary

Commenced 14 January 2019 and left position 12 July 2019

Executive positions

Total remuneration for senior executives is calculated as the sum of the cost of employment, including contributions to a superannuation scheme by Landcom and novated lease payments for a motor vehicle, where such an option has been exercised. The Chief Executive Officer's performance is reviewed on a half-yearly basis by the Chair who reports the outcome of her review to the People, Culture and Nominations Committee, and the Board.

The Chief Executive Officer reviews the performance of each of the Executives on a half-yearly basis, with the findings from the annual review reported to the People, Culture and Nominations Committee.

Staff employed as or acting in recurrent senior executive roles represented 15.4% of total employee related expenditure in 2019, compared with 16.7% in 2018. Additional non recurrent costs of \$1,387,659 were also incurred due to the restructure in 2019, taking the total percentage to 21.1%.

Band	2019		2018	
	Female	Male	Female	Male
Band 4 (Secretary)	0	1	0	1
Band 3 (Deputy Secretary)	3	3	0	4
Band 2 (Executive Director)	0	1	3	0
Band 1 (Director)	1	(1)*	1	0
Totals	4	5	4	5

* Interim male replacement covering female substantive role holder at 30 June 2019.

Executive remuneration

Band Remuneration	Range \$	Average	
		2019 \$	2018 \$
Band 4 (Secretary)	475,151 - 548,950	600,531	600,531
Band 3 (Deputy Secretary)	337,101 - 475,150	410,376	420,063
Band 2 (Executive Director)	268,001 - 337,100	335,000	308,035
Band 1 (Director)	187,900 - 268,000	218,663	213,000

Board remuneration

Board	Salary \$	Audit & Risk Management Committee \$	People, Culture and Nominations Committee \$	Super \$	Total \$
Suzanne Jones	68,763	4,245	4,245	7,339	84,592
John Barbeler	39,564	6,378	1,959	4,550	52,451
Peter Roberts	51,468	4,245	5,409	5,806	66,928
Pamela Hanrahan	31,064	-	3,499	3,283	37,846

Note: Pamela Hanrahan became a member on 17 October 2018.

Miscellaneous activities

Promotional activities

During FY19 our promotional activities increased awareness and encouraged public participation that informs our projects. Activities to encourage public participation included:

- Social media and website updates;
- Online newsletters;
- Advertising including print, online, outdoor and radio;
- Pop-up stalls at markets, shopping centres and railway stations;
- Direct emails;
- Letterbox drops and direct mail;
- Advertising in foreign language newspapers; and
- Engagement opportunities promoted at public and stakeholder meetings.

Promotion was also undertaken to support the sale of land, including:

- Maintaining, creating and enhancing websites advertising; and
- Fact sheets, information booklets and other print collateral.

Funds granted to non-government community organisations

The organisation has in place a corporate sponsorship policy and annual program of activities. There were no unconditional grants, gifts or donations made to organisations outside of the program.

Production cost of Annual Report

The FY18 Annual Report total cost of production is estimated at approximately \$12,522.

Consultancies

We spent \$981,241 in the reporting period on consultants. These engagements assisted us in decision-making for our sustainability framework, risk management, WHS and corporate strategy. This figure excludes project related consultancies.

Overseas visits

During the reporting period two staff members travelled overseas to visit a number of institutions and meet with government officials about housing innovation and sustainability at a total cost of \$21,884.

Managing a successful business



Risk management

Landcom is committed to good corporate governance and adopts a methodical approach to the process and practice of risk management. Our Enterprise Risk Management Framework is consistent with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009 and our risk management practices are integrated into our business processes and operations.

Our Enterprise Risk Management Framework aims to provide clarity on our appetite and limits for business risk, raise risk awareness throughout the organisation and provide the framework, policies and procedures required to successfully manage the risks inherent in our business.

To ensure our risk management process continues to work effectively and creates value, we:

- Ensure the Board, CEO, Executive Committee and all staff are committed to risk management;
- Continuously enhance the integration of risk management within our business processes; and
- Assign risk management responsibilities within the organisation, review our risk management framework to continually improve our decision-making and business processes and ensure they provide clear, consistent methodology, reporting and auditing tools.

Management and reporting of risks in key areas of the business are continuously performed throughout the year, and includes:

- Strategic and corporate risks;
- Projects risks;
- Work health and safety;
- Information and communications; and
- Fraud and corruption prevention.

Our Enterprise Risk Management Framework also provides for appropriate processes to govern, review and audit our risks. These include:

- Regular risk reviews by the full Board and the Audit and Risk Management Committee of the Board;
- A risk-based internal audit program that assesses our treatment of risks; and
- Reviews of our business partners' capacity and ability to meet their obligations. Depending on the role of those partners, these reviews may include financial capacity, safety and risk management abilities, compliance with government procurement guidelines and other measures as appropriate.

The Board's Audit and Risk Management Committee consists of non-executive Directors and is attended by management representatives as well as independent advisers and observers.

The Committee regularly considers risk matters arising from internal and external audits as well as independent assessments of performance against key risk management systems such as the Work Health and Safety Management System, Environmental Management System, Fraud Control Framework and others.

Business continuity

Our Business Continuity Plan is designed to minimise adverse impacts on our staff, stakeholders and business operations in the event of a major incident or crisis. It identifies critical business processes and scenarios that could disrupt our business, and outlines recovery plans to restore business processes.

Our Business Continuity Plan is tested and reviewed on an annual basis to ensure that we have the resources and capability to respond to an event that could disrupt or threaten our business.

Insurance

The NSW Treasury Managed Fund provides our insurance cover. This fund is based on the principles of self-insurance and prioritises the implementation of sound risk management practice. The self-insurance scheme is administered by Gallagher Bassett for processing of self-insurance claims relating to motor vehicle, property/public liability and director/officer liability. Workers Compensation Insurance is administered by Allianz Australia under the Treasury Managed Fund.

We completed our FY19–FY20 Renewal Declarations for the Treasury Managed Fund in November 2018 and all policies have been renewed for the current policy period.

Legal events

A resident of the Thornton Estate V Landcom & Penrith City Council

On 26 June 2019, Landcom was served with a Statement of Claim by a resident of the Thornton Estate. The plaintiff sought damages, interest and costs in respect to an alleged trip and fall on the footpath on 10 April 2016 outside the Community Centre at Thornton, naming Landcom as a second defendant. The plaintiff claimed that Penrith City Council and Landcom owed him a duty of care and was negligent, resulting in the accident and injuries. Landcom, who did not own or have control over the footpath, has referred the Statement of Claim to its insurer.

Legislative changes

In FY19, the following legislative changes were introduced which have or will impact on the following areas of Landcom's business:

- The Government Sector Finance Act 2018 was passed by the NSW Parliament in December 2018. The Government Sector Finance Act 2018 contains provisions relating to the financial management and administration of the NSW Government sector, including Landcom. It introduces a greater focus on performance, transparency, accountability, and efficiency with respect to financial management in the government sector;
- Legislation to amend the Conveyancing Act 1919 and the Real Property Act 1900 passed in the NSW Parliament in November 2018, the main purposes of which are to support the transition to paperless conveyancing and introduce vendor disclosure requirements in relation to off the plan contracts to give purchasers access to remedies and relief where disclosure is ineffective;
- Due to measures in the FY18 Federal Budget, from 1 July 2018, most purchasers of either:
 - new residential premises;
 - land that could be used to build new residential property ('potential residential land'), will be required to pay a withholding amount from the contract price at the date of settlement. This is paid directly to the Australian Taxation Office rather than to the property supplier;
- The new Modern Slavery Act 2018 (Commonwealth), passed by the Federal Parliament in July 2018, will impact on Landcom's compliance obligations; and
- In FY19, amendments to the federal whistle-blowing provisions of the Taxation Administration Act 1953 (Commonwealth) were passed. These amendments will enhance whistle blower protection at a federal level, coming into effect on 1 July 2019. However, they have also inadvertently created new federal compliance obligations on NSW government agencies which, potentially, are different to and in addition to their existing obligations under the NSW whistleblowing legislation, the Public Interest Disclosures Act 1994.



INDEPENDENT AUDITOR'S REPORT

Landcom

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Landcom (the Corporation), which comprises the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the International Financial Reporting Standards as disclosed in Note 1.2 of the financial statements

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

Basis for Opinion

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

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

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

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

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

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

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

Director's Responsibilities for the Financial Statements

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

In Note 1.2 of the financial statements, the directors state, in accordance with Accounting Standard AASB 101 'Presentation of the financial statements', that the financial statements comply with International Financial Reporting Standards.

In preparing the financial statements, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Corporation or to cease operations or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



Scott Stanton
Assistant Auditor-General

2 September 2019
SYDNEY

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 NSW:

(a) The financial statements:

- (i) exhibit a true and fair view of the financial position of Landcom NSW as at 30 June 2019 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, Treasurer's Directions mandated by the Treasurer, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015.

(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:



SUZANNE JONES
Chair



JOHN BARBELER
Director

30 August 2019
Sydney

Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	Continuing Operations \$'000		Discontinuing Operations \$'000		Total \$'000	
		2019	2018	2019	2018	2019	2018
Sales revenue	2(a)	267,771	792,720	-	-	267,771	792,720
Cost of sales		(189,747)	(502,712)	-	-	(189,747)	(502,712)
Gross Profit		78,024	290,008	-	-	78,024	290,008
Other revenue	2(b)	4,409	6,299	-	10,110	4,409	16,409
Finance income	2(c)	18,356	19,341	-	-	18,356	19,341
Marketing and selling expenses	3	(1,723)	(5,447)	-	-	(1,723)	(5,447)
Employee related expenses	4	(24,588)	(16,267)	-	-	(24,588)	(16,267)
Other expenses	5	(25,152)	(28,750)	-	(10,110)	(25,152)	(38,860)
Depreciation and amortisation expense	6	(1,748)	(916)	-	-	(1,748)	(916)
Finance costs	7	(373)	(8)	-	-	(373)	(8)
Profit before income tax equivalent expense		47,205	264,260	-	-	47,205	264,260
Income tax equivalent expense	8	(14,161)	(79,278)	-	-	(14,161)	(79,278)
Net profit for the year		33,044	184,982	-	-	33,044	184,982
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Superannuation actuarial gain/(losses) on defined benefit plans	19	(3,951)	8,979	-	-	(3,951)	8,979
Income tax on items that will not be reclassified to profit or loss		1,185	(3,352)	-	-	1,185	(3,352)
Total items that will not be reclassified to profit or loss		(2,766)	5,627	-	-	(2,766)	5,627
Other comprehensive income for the year (net of tax)		(2,766)	5,627	-	-	(2,766)	5,627
Total comprehensive income for the year		30,278	190,609	-	-	30,278	190,609

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 2019

	Notes	2019 \$'000	2018 \$'000
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	9	664,207	1,030,870
Trade and other receivables	10	22,382	29,788
Inventories	11	100,059	196,467
Current tax receivables	17	12,312	-
Other current assets	12	7,651	7,287
Total Current Assets		806,611	1,264,412
<i>Non-Current Assets</i>			
Trade and other receivables	10	1,674	6,886
Inventories	11	207,551	190,954
Property, plant and equipment	13	1,814	1,667
Intangible assets	14	6,368	3,533
Deferred tax assets	15	51,186	61,984
Total Non-Current Assets		268,593	265,024
TOTAL ASSETS		1,075,204	1,529,436
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	16	71,660	222,971
Current tax liabilities	17	-	63,987
Provisions	18	322,407	380,891
Total Current Liabilities		394,067	667,849
<i>Non-Current Liabilities</i>			
Trade and other payables	16	742	40
Provisions	18	55,281	66,719
Deferred tax liabilities	20	2,303	2,295
Total Non-Current Liabilities		58,326	69,054
TOTAL LIABILITIES		452,393	736,903
NET ASSETS		622,811	792,533
Equity			
Contributed capital		272,827	272,827
Retained earnings		349,984	519,706
TOTAL EQUITY		622,811	792,533

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 2019

	Notes	Continuing Operations \$'000		Discontinuing Operations \$'000		Total \$'000	
		2019	2018	2019	2018	2019	2018
Cash flows from operating activities							
Receipts from customers		304,643	855,216	-	10,110	304,643	865,326
Interest received		13,871	18,203	-	-	13,871	18,203
Payments to suppliers and employees		(401,971)	(386,490)	-	(10,110)	(401,971)	(396,600)
Income tax equivalent paid		(78,458)	(72,076)	-	-	(78,458)	(72,076)
Finance costs		(18)	(8)	-	-	(18)	(8)
Net cash flows generated from/(utilised in) operating activities	22	(161,933)	414,845	-	-	(161,933)	414,845
Cash flows from investing activities							
Payments for property, plant and equipment and intangibles		(4,730)	(3,381)	-	-	(4,730)	(3,381)
Proceeds from sale of property, plant and equipment		-	29	-	-	-	29
Net cash flows used in investing activities		(4,730)	(3,352)	-	-	(4,730)	(3,352)
Cash flows from financing activities							
Repayment of borrowings		-	-	-	-	-	-
Dividends paid to NSW Treasury		(200,000)	-	-	-	(200,000)	-
Net cash flows used in financing activities		(200,000)	-	-	-	(200,000)	-
Net increase / (decrease) in cash and cash equivalents		(366,663)	411,493	-	-	(366,663)	411,493
Cash and cash equivalents at the beginning of the year		1,030,870	619,377	-	-	1,030,870	619,377
Cash and cash equivalents at the end of the year	9	664,207	1,030,870	-	-	664,207	1,030,870

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 2019

	Notes	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2018		272,827	519,706	792,533
Profit for the year ended 30 June 2019		-	33,044	33,044
Other comprehensive income				
Superannuation actuarial gain/(losses) on defined benefit plans		-	(3,951)	(3,951)
Income tax relating to components of other comprehensive income		-	1,185	1,185
Total other comprehensive income		-	(2,766)	(2,766)
Total comprehensive income for the year		-	30,278	30,278
Transactions with owners in their capacity as owners				
Dividends to Treasury		-	(200,000)	(200,000)
Total transactions with owners in their capacity as owners		-	(200,000)	(200,000)
Balance as at 30 June 2019		272,827	349,984	622,811
Balance as at 1 July 2017		275,847	529,097	804,944
Profit for the year ended 30 June 2018		-	184,982	184,982
Other comprehensive income				
Superannuation actuarial gain/(losses) on defined benefit plans		-	8,979	8,979
Income tax relating to components of other comprehensive income		-	(3,352)	(3,352)
Total other comprehensive income		-	5,627	5,627
Total comprehensive income for the year		-	190,609	190,609
Transactions with owners in their capacity as owners				
Dividends to Treasury		-	(200,000)	(200,000)
Increase / (decrease) in net assets from equity transfers	28	(3,020)	-	(3,020)
Total transactions with owners in their capacity as owners		(3,020)	(200,000)	(203,020)
Balance as at 30 June 2018		272,827	519,706	792,533

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 2019

REPORTING ENTITY

Landcom is a NSW statutory State Owned Corporation established on 1 January 2002 by the Landcom Corporation Act 2001 and is owned by the NSW Government. The Corporation operates under the commercial disciplines of the NSW Government's Commercial Policy Framework and is a for-profit entity for financial reporting purposes.

Landcom works with the NSW Government to improve the supply, diversity and affordability of housing across the state. Landcom is focused on supporting this government priority and delivering the local infrastructure to help communities grow and thrive.

Landcom unlocks surplus or underutilised government-owned sites or large institutional land holdings to create vibrant urban places with housing choices, community facilities, open spaces and access to services. Landcom has a long history of building award-winning sustainable urban developments and delivering civic projects that add economic and social value to the state.

Landcom brings expertise to masterplanning strategic and complex residential projects on vacant or established sites. Landcom operates across Greater Sydney and regional areas as directed by the NSW Government.

Landcom also provides management services to other government agencies.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements have been prepared in accordance with:

- the State Owned Corporations Act 1989;
- compliance with mandated Treasurer's Directions;
- 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 2015.

Property, plant and equipment is recognised at fair value and subsequently measured at cost. Inventory is measured at the lower of cost and net realisable value. Other financial statements items are prepared in accordance with the historical cost convention. Borrowings are stated at amortised cost and provisions expected to be settled after more than 12 months after reporting date are stated at present value.

Judgements, 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 Australian Accounting Standards (including Australian Accounting Interpretations). Compliance with Australian Accounting Standards ensures that the financial statements and notes of Landcom comply with International Financial Reporting Standards (IFRS).

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

1.3 Revenue Recognition

Revenue from contract with customers

Revenue from customers is measured based on the consideration specified in a contract with a customer. Landcom recognises revenue when control over a good or service is transferred to a customer.

Sale of land

Landcom develops and sells land. Revenue is recognised at a point in time when control over the property has been transferred to the customer, usually at settlement. The revenue is measured at the transaction price agreed under the sale contract. Landcom's performance obligations to its customers are completed when legal title has passed to the customer.

Property development management fees

Landcom provides property development management services to the NSW State Government agencies and other parties. Landcom generates property development management fees calculated as a fixed percentage of total project costs. Management fees are therefore recognised over time based on costs incurred. The related costs are recognised in profit or loss as incurred.

Contract liabilities and financing components

Landcom recognises contract liabilities (unearned income and deposits) when the payments from Landcom's customers exceed the services rendered.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.3 Revenue Recognition (continued)

The period between Landcom's completion of the development management services or sale of land and receiving payment from the customer is typically one year or less. Occasionally such period is greater than 12 months and therefore the impact of time value of money (financing component) is calculated and reflected.

Other revenue

- Interest income is recognised as the interest accrues, using the effective interest rate method.
- Rental income is recognised in accordance with AASB 117 Leases on a straight-line basis over the term of the lease.

1.4 Expenditure Recognition

Operating expenses are expensed in the year in which they are incurred.

1.5 Employee Benefits

All liabilities for employee benefits are fully provided for in accordance with AASB 119 Employee Benefits. Employee benefits applicable to Landcom are shown below.

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. Employees are expected to settle annual leave within twelve months and as such, no present value measurement is required.

Non-vesting sick leave

Unused non-vesting sick leave does not give rise to a liability.

Long service leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits for all employees with five or more years of service. Consideration is given to certain factors based on actuarial review every three years, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date. A shorthand approach is adopted to update for the intervening two years. This is in accordance with TC18/13 Accounting for Long Service Leave and Annual Leave.

Superannuation

Landcom has an obligation for the defined 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).

Mercer Administration advises Landcom of the level of liability for Landcom's defined benefit 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 in June of each year. The main drivers of the actuarial calculations are the level of investment return, salary inflation and CPI increases.

Amounts representing prepaid superannuation contributions are recognised as an asset. Amounts representing unfunded superannuation are recognised as a liability. The assets and liabilities are not netted off in the financial statements. Actuarial gains and losses are recognised immediately as other Comprehensive Income/outside profit or loss in the year in which they occur. Landcom contributes defined contribution to the First State Superannuation Scheme, a defined contribution scheme, as well as other private schemes to a lesser extent.

Termination payments

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Termination benefits are recognised at the earlier of the following dates:

- (a) when Landcom can no longer withdraw the offer of those benefits; and
- (b) when Landcom recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value liability.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Employee Benefits (continued)

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 Icare, 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 2019. No major claims exist under these policies at 30 June 2019.

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.

Lease incentives under a non-cancellable operating lease, like a rent-free period, are recognised as an asset as a lessor (leasehold right) and as a liability as a lessee (lease incentive). Leasehold rights (asset) and lease incentives are amortised to rental expense on a straight-line basis over the term of the lease.

Landcom has operating leases in place in respect of its premises in Parramatta, Sydney 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 one month and five 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. Other administrative overhead 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.

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 National Tax Equivalent Regime of the NSW Treasury, which proposes, as far as practical, the adoption of the relevant Commonwealth tax legislation 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 all temporary differences. 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.9 Income Tax Equivalent Expense (continued)

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. All deferred tax assets/liabilities are classified as non-current in the Statement of Financial Position as these are expected to be settled after more than 12 months.

1.10 Dividends to the NSW Treasury

Landcom recognises dividends in accordance with the Financial Distribution Policy for Government Business TPP16-04 and Section 20S of State Owned Corporations Act 1989. The Shareholding Ministers have accepted the dividend recommendation for the 2018-19 financial year of \$200 million.

1.11 Goods and Services Tax

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

- 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;
- 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 demand deposits. 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.

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. Landcom holds the receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost, 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. Sales are made on varying terms, but generally on a 28-day exchange and 21-day settlement basis.

1.14 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.

1.15 Inventories - Land Classification

Inventories comprise undeveloped land, work in progress and developed land. Land is classified as work in progress while it is under development.

Landcom capitalises costs associated with pursuing development opportunities. Where there is a likelihood that the project will not progress then the net realisable value of the project is considered to be nil and capitalised costs are written off and recognised as an expense in the Statement of Comprehensive Income during the financial year.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.16 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.

Landcom reviews its inventory balances periodically and writes off inventory where the net realisable value is less than the carrying amount in the accounts based on the latest forecast. When the circumstances that previously caused inventories to be written down below cost no longer exist due to change in economic circumstances, the amount of the write back is credited in the Statement of Comprehensive Income limited to the amount of the original write-down so that the new carrying amount is the lower of the cost and the revised net realisable value.

1.17 Leasehold Improvements

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.

1.18 Property, 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 2019 approximates fair value.

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 20 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.

1.19 Intangible Assets

Landcom recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Subsequently, as there is no active market for Landcom's intangible assets, the assets are at cost less any accumulated amortisation and impairment losses where an indicator of impairment exists.

The useful lives of intangible assets are assessed to be finite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Computer software costs (licences) and website costs are treated as intangible assets. The useful lives of these intangible assets are estimated as finite and the straight line method over a period of four to five years is utilised.

1.20 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.

1.21 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.

Landcom also holds monies 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 within 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.22 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 using Commonwealth government bond rate.

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 settlement. If the effect of time value of money is material, provisions are discounted at Commonwealth government bond rate.

Provisions for make good of the leased premises is recognised as stated in the lease agreement. The payment may be payable at the end of lease term.

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 to 24 months. This payment represents reimbursement for additional costs incurred by the purchaser in complying with the design criteria set by Landcom.

1.23 Joint Arrangements

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Landcom has joint operations and therefore recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

1.24 Assets and liabilities attributable to a disposal group held for distribution and discontinued operations

Assets and liabilities held for distribution are measured at the lower of the carrying amount and fair value less costs to distribute if their carrying amount will be recovered principally through a distribution to the shareholder instead of through use.

These assets and liabilities must be available for immediate distribution and the distribution must be highly probable.

Discontinued operations are excluded from the results of continuing operations and are presented as discontinued operations in the Statement of Comprehensive Income, details of discontinued operations are set out in Note 28.

1.25 Equity transfer

The transfer of net assets between entities is as a result of a shareholder decision. Consequently, the transfer is designated as a contribution by owners and recognised as an adjustment to "Contributed Capital". This treatment is consistent with AASB1004 and Australian Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities and in accordance with TPP 09-3 Accounting Policy: Contributions by owners made to wholly owned Public Sector Entities. These transfers are recognised at fair value, details of equity transfers are set out in Note 28.

1.26 Changes in accounting policy, including new or revised Australian Accounting Standards

(a) New standards adopted by Landcom

Landcom has adopted AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers from 1 July 2018.

(i) AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities, a forward-looking 'expected loss' impairment model for financial assets and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets. Landcom adopted the standard from 1 July 2018.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Classification and measurements

Landcom's receivables, other financial assets and other assets, previously classified as loans and receivables, are now classified as financial assets at amortised cost. This classification is based on Landcom holding these assets to collect contractual cash flows. This change in classification has not impacted the carrying value of receivables financial assets.

There has been no impact on Landcom's accounting for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss which Landcom does not have.

Impairment of financial assets

AASB 9's new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than incurred credit losses. Landcom apply the simplified approach to measuring expected credit losses as prescribed by AASB 9, which provides for the use of the lifetime expected loss provision for all trade and other receivables. The credit risk for these financial assets has been assessed as low, based on the assessment at adoption. There was no material impact to Landcom on adopting the new impairment model.

(ii) AASB 15 Revenue from Contracts

AASB 15 Revenue from Contracts with Customers requires recognition of revenue related to the transfer of promised goods or services when control of the goods or service passes to the customer. It requires the identification of discrete performance obligations within a transaction and allocating an associated transaction price to these obligations.

Landcom has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018. The standard has required additional disclosures and some reclassifications. In accordance with the transition provisions in AASB 15, Landcom has adopted the new rules retrospectively and has restated comparative disclosures for the 30 June 2018 financial year.

Classification and measurements

Landcom manages and sell land with revenue recognised when control over the land has been transferred to the customer. There has been no change in the timing of recognition of revenue on adoption of this standard. Revenue on sale of land continues to be recognised at settlement where Landcom's performance obligations to its customers are completed. Management fees derived from development management services will continue to be recognised over time as obligations under the contract are performed, based on cost plus methodology. There was no impact to the opening retained earnings at 1 July 2017.

Presentation of assets and liabilities related to contracts with customers

Landcom has also voluntarily changed the presentation of certain amounts in the balance sheet to reflect the terminology of AASB 15. Contract liabilities were previously presented as unearned income and deposits held.

(b) New standards not yet adopted

(i) AASB 16 Leases

AASB 16 Leases, effective from 1 July 2019, sets out the principles for the recognition, measurement, presentation and disclosure of leases. This standard will result in almost all leases being recognised on the balance sheet of lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Landcom will adopt the partial retrospective method where the cumulative effect of initially applying AASB 16 is recognised on the initial application date. The comparative for the year 30 June 2019 will not be restated.

AASB 16 Leases requires Landcom to recognise new assets and liabilities, on 1 July 2019, for its operating leases of office and sales premises. Landcom has estimated the increase in both the assets and liabilities to be \$7.4m.

The estimated amounts may change prior to adoption if Landcom enters into additional leases before adoption of AASB16 or if there were changes in lease terms and interest rates applied in calculating the lease liability.

Lastly, the nature of expenses related to those leases will change from a single straight lined operating lease expense to a combination of depreciation charge for a right-of-use asset and interest expense arising from lease liabilities.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

2 (a) Sales Revenue

The effect of initially applying AASB 15 on the Landcom's revenue from contracts with customers is described in Note 1.26(a)(ii). Landcom derives revenue over time and at a point in time in the following ways.

	2019 \$'000	2018 Restated \$'000
(i) Disaggregation of revenue from contracts with customers		
Income from land sales	163,089	570,425
Income from managed land sales	82,229	204,567
Management fees	22,453	17,728
	267,771	792,720
Timing of revenue recognition		
Transferred at a point in time	245,318	774,992
Transferred over time	22,453	17,728
Revenue from contracts with customers	267,771	792,720

(ii) Assets and liabilities related to contracts with customers

Landcom has recognised the following assets and liabilities related to contracts with customers:

Trade receivables (current and non-current), included in trade and other receivables (Note 10)	16,735	34,649
Contract liabilities (Note 16)	39,240	78,524

Movements in contract liabilities

Opening balance	78,524	75,593
Revenue recognised that was included in the contract liability balance at the beginning the year	(48,720)	(12,513)
Cash received, excluding amounts recognised as revenue during the year	9,436	15,444
Closing balance	39,240	78,524

Landcom's contract assets balance as at 30 June 2019 is nil (30 June 2018: nil).

Landcom' contracts with the customers for the sale land are usually settled within a year or less. Further, Landcom bills amounts that typically align directly with the value the customer derives. As a result, Landcom does not disclose information about remaining performance obligations.

2 (b) Other Revenue

	2019 \$'000	2018 \$'000
Rental income	585	595
Holding cost recoveries	3,460	5,448
Other (2018, refer to note 28 Discontinued Operations)	364	10,366
	4,409	16,409

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

2 (c) Finance Income

	2019 \$'000	2018 \$'000
Interest from bank	18,271	18,203
Unwinding of the discount rate	-	1,035
Interest from late settlement	85	103
	18,356	19,341

3 Marketing and Selling Expenses

	2019 \$'000	2018 \$'000
Advertising and marketing	1,218	1,686
Sales contractors and commission	446	3,747
Other selling costs	59	14
	1,723	5,447

4 Employee Related Expenses

	2019 \$'000	2018 \$'000
Salaries and wages	24,162	23,627
Termination payments	3,057	62
Superannuation - defined benefit plans	644	932
Superannuation - defined contribution plans	2,334	2,414
Long service leave	1,056	195
Annual leave	2,047	2,194
Payroll tax and fringe benefits tax	1,891	1,919
Other employee related expenses	1,996	967
	37,187	32,310
Recovered from UrbanGrowth NSW Development Corporation	-	(3,839)
Transfer of capital costs to inventories	(12,599)	(12,204)
	24,588	16,267

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

5 Other Expenses

	2019 \$'000	2018 \$'000
Auditor's remuneration - audit of financial statements	240	231
Operating lease rental expense	2,514	2,584
General administrative costs	13,557	14,638
Council rates	966	858
Land tax	13,842	10,935
Write back inventory previously written off	-	(123)
Adjustment of inventory to net realisable value	1,123	6,232
Adjustment of inventory to net realisable value related to Discontinued Operations (Note 28)	-	10,110
Project establishment costs	994	464
Property and accommodation expenses	148	280
Consultancy Fees	981	1,289
(Profit) / loss on sale of property, plant and equipment	-	(14)
Intangible asset impairment	-	1,000
	34,365	48,484
Recovered from UrbanGrowth NSW Development Corporation	-	(1,999)
Transfer of capital costs to inventories	(9,213)	(7,625)
	25,152	38,860

6 Depreciation and Amortisation Expense

	2019 \$'000	2018 \$'000
Leasehold improvements	311	370
Plant and equipment	237	325
Intangible assets	1,181	200
Motor vehicles	19	21
	1,748	916

7 Finance Costs

	2019 \$'000	2018 \$'000
Interest	18	8
Unwinding of the discount rate	355	-
	373	8

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

8 Income Tax

	2019 \$'000	2018 \$'000
Income tax expense recognised in the Statement of Comprehensive Income		
The major components of income tax expense for the year ended 30 June 2019 and 2018 are:		
Current income tax charge	2,159	116,258
Deferred income tax		
Origination and reversal of temporary differences	12,002	(36,980)
Income tax expense reported in the Statement of Comprehensive Income	14,161	79,278
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	11,983	(37,340)
Other movements in deferred tax	11	-
Increase in deferred tax liabilities	8	360
	12,002	(36,980)
Income tax expense recognised directly in equity		
Deferred income tax related to items charged or credited directly to equity:		
Superannuation actuarial (loss)/ gain	(1,185)	3,352
Income tax expense reported in equity	(1,185)	3,352
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:		
Accounting profit before income tax	47,205	264,260
At the statutory income tax rate of 30% (2018: 30%)	14,161	79,278
Income tax expense reported in the Statement of Comprehensive Income	14,161	79,278

9 Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Cash at bank and on hand	239,707	1,030,870
Short term deposits	424,500	-
	664,207	1,030,870

Included in the cash and cash equivalents is restricted cash of \$34.251 million (2018 \$48.893 million). These funds are related to cash held on behalf of project partners.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

10 Trade and Other Receivables

	2019 \$'000	2018 \$'000
Current		
Trade receivables	15,061	27,763
Development bonds	544	923
Loan receivables	108	500
Interest receivable	4,699	299
GST Receivable	1,948	-
Other receivables	22	303
	22,382	29,788
Non-current		
Trade receivables	1,674	6,886
	1,674	6,886

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 23.

The non-current trade receivable represents proceeds for projects \$1.674 million (2018: \$6.886 million).

11 Inventories

	2019 \$'000	2018 \$'000
Current		
Work in progress	66,963	75,154
Developed land	33,096	121,313
	100,059	196,467
Non-current		
Work in progress	207,551	190,954
	207,551	190,954
Total	307,610	387,421
Details of inventories:		
Acquisition costs	104,592	109,524
Development costs	166,052	252,244
Other costs	36,966	25,653
	307,610	387,421

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

12 Other Assets

	2019 \$'000	2018 \$'000
Current		
Prepayments	7,651	7,287
	7,651	7,287

13 Property, Plant and Equipment

	2019 \$'000	2018 \$'000
Leasehold improvements		
At gross carrying amount	2,241	2,241
Accumulated depreciation	(2,062)	(1,751)
Net carrying amount	179	490
Motor vehicles		
At gross carrying amount	150	150
Accumulated depreciation	(87)	(68)
Net carrying amount	63	82
Plant and equipment		
At gross carrying amount	3,608	2,894
Accumulated depreciation	(2,036)	(1,799)
Net carrying amount	1,572	1,095
Total net carrying amount	1,814	1,667

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:

2019	Leasehold improvements \$'000	Motor vehicles \$'000	Plant & equipment \$'000	Total \$'000
Net carrying amount at beginning of year	490	82	1,095	1,667
Additions	162	-	552	714
Disposals	-	-	-	-
Equity transfer	-	-	-	-
Depreciation expense	(311)	(19)	(237)	(567)
Net carrying amount at the end of the year	341	63	1,410	1,814

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

13 Property, Plant and Equipment (continued)

2018	Leasehold improvements \$'000	Motor vehicles \$'000	Plant & equipment \$'000	Total \$'000
Net carrying amount at beginning of year	1,873	89	3,584	5,546
Additions	1	28	127	156
Disposals	-	(14)	-	(14)
Equity transfer	(1,014)	-	(2,291)	(3,305)
Depreciation expense	(370)	(21)	(325)	(716)
Net carrying amount at the end of the year	490	82	1,095	1,667

14 Intangible Assets

	2019 \$'000	2018 \$'000
Computer software and website		
Gross carrying amount		
Carrying amount at beginning of the year	8,981	5,756
Additions	4,016	3,225
Carrying amount at end of the year	12,997	8,981
Accumulated amortisation and impairment		
Carrying amount at beginning of the year	(5,448)	(4,248)
Impairment of intangible assets	-	(1,000)
Amortisation expense	(1,181)	(200)
Carrying amount at end of the year	(6,629)	(5,448)
Net carrying amount at end of the year	6,368	3,533

15 Deferred Tax Assets

The balance comprises temporary differences attributable to:

	2019 \$'000	2018 \$'000
Depreciation and amortisation	524	541
Provisions	50,098	60,587
Sundry	557	770
Fair value adjustments	7	86
	51,186	61,984

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

15 Deferred Tax Assets (continued)

	2019 \$'000	2018 \$'000
Movements		
Carrying amount at beginning of the year	61,984	27,996
Credited/(charge) to the Statement of Comprehensive Income	(11,983)	37,340
Credited/(charge) to equity	1,185	(3,352)
Carrying amount at end of the year	51,186	61,984

16 Trade and Other Payables

	2019 \$'000	2018 \$'000
Current		
Trade payables	1,028	7,520
GST payable	-	21,990
Contract liabilities (unearned income and deposits)	39,240	78,524
Accrued expenses	24,798	111,728
Bonds and deposits held	5,732	2,257
Retentions	862	952
	71,660	222,971
Non-current		
Bonds and deposits held	742	-
Accrued expenses	-	40
	742	40

17 Current Tax Liabilities / (Asset)

	2019 \$'000	2018 \$'000
Carrying amount at beginning of the year	63,987	19,805
Income tax expense	14,161	79,278
Movement in deferred tax assets/(liabilities)	(12,002)	36,980
Tax payment	(78,458)	(72,076)
Carrying amount at end of the year	(12,312)	63,987

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

18 Provisions

	2019 \$'000	2018 \$'000
(a) Employee benefits - current		
Provision for annual leave	1,390	1,431
Provision for long service leave		
- Expected to be settled within 12 months	406	397
- Expected to be settled after 12 months	4,672	4,562
Provision for on-costs	1,058	1,244
Other	642	940
	8,168	8,574
(b) Employee benefits - non-current		
Provision for superannuation liability (Refer Note 19)	16,906	13,412
Provision for long service leave	442	431
Provision for on-costs	70	69
	17,418	13,912
Total employee benefits	25,586	22,486
(c) Other provisions - current		
Provision to complete projects	113,314	171,087
Provision for rebates	925	1,229
Provision for dividend to NSW Treasury	200,000	200,000
	314,239	372,316
(d) Other provisions - non-current		
Provision to complete projects	37,243	51,505
Provision for rebates	145	779
Provision for other	475	524
	37,863	52,808
Total other provisions	352,102	425,124
Total provisions	377,688	447,610
Total current and non-current provisions		
Current employee benefits	8,168	8,575
Current other provisions	314,239	372,316
	322,407	380,891
Non-current employee benefits	17,418	13,912
Non-current other provisions	37,863	52,807
	55,281	66,719
Total non-current provisions	55,281	66,719
	377,688	447,610

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

18 Provisions (continued)

Reconciliations of the carrying amount of other provision are set out below:

30 June 2019	Provision for rebates \$'000	Provision for dividend \$'000	Provision for other \$'000	Total \$'000	
Carrying amount at beginning of the year	2,008	222,592	200,000	524	425,124
Additional provisions recognised	76	22,511	200,000	-	222,587
Reductions in provisions	(1,014)	(94,546)	(200,000)	(49)	(295,609)
Carrying amount at end of the year	1,070	150,557	200,000	475	352,102

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. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the Schemes are closed to new members

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The most recent investigation was performed as at 30 June 2018. The next investigation will be performed at 30 June 2021.

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

19 Superannuation (continued)

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall;
- Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions;
- Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions;
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions; and
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk. There were no fund amendments, curtailments or settlements during the year.

Superannuation position as at 30 June 2019

	SASS 2019	SANCS 2019	SSS 2019	Total 2019
Member numbers				
Contributors	4	6	2	6*
Deferred benefits	-	-	-	-
Pensioners	-	-	17	17
Pensions fully commuted	-	-	2	2
Superannuation position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000
Accrued liability (Note 1)	4,312	759	33,575	38,646
Estimated reserve account balance	(1,669)	(202)	(19,869)	(21,740)
1. Deficit/(surplus)	2,643	556	13,707	16,906
2. Future Service Liability (Note 2)	55	118	51	224
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	-	-	-	-
4. Net (asset)/liability to be recognised in Statement of Financial Position (1. + 3.)	2,643	556	13,707	16,906

*SANCS members excluded from the member count as they are already reported under SASS and SSS fund

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/(surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

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 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed 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. (Note: this also includes a contribution tax provision).

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Reconciliation of the Net Defined Benefit Liability/(Asset)	SASS 2019 \$'000	SANCS 2019 \$'000	SSS 2019 \$'000	Total 2019 \$'000
Net Defined Benefit Liability/(Asset) at start of year	2,857	572	9,898	13,327
Current service cost	49	24	41	114
Net Interest on the net defined benefit liability/(asset)	100	19	411	530
Actual return on Fund assets less Interest income	(122)	(25)	(736)	(883)
Actuarial (gains)/losses arising from changes in demographic assumptions	3	1	(18)	(14)
Actuarial (gains)/losses arising from changes in financial assumptions	218	51	4,623	4,892
Actuarial (gains)/losses arising from liability experience	269	42	(357)	(46)
Employer contributions	(731)	(128)	(155)	(1,014)
Net Defined Benefit Liability/(Asset) on 30 June 2019	2,643	556	13,707	16,906

Reconciliation of the Fair Value of Fund Assets	SASS 2019 \$'000	SANCS 2019 \$'000	SSS 2019 \$'000	Total 2019 \$'000
Fair value of Fund assets at beginning of the year	1,676	190	19,145	21,011
Interest income	70	7	775	852
Actual return on Fund assets less Interest income	122	25	736	883
Employer contributions	731	128	155	1,014
Contributions by participants	49	0	43	92
Benefits paid	(862)	(130)	(1,101)	(2,093)
Taxes, premiums & expenses paid	(117)	(18)	116	(19)
Fair value of Fund assets at 30 June 2019	1,669	202	19,869	21,740

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Reconciliation of the Defined Benefit Obligation	SASS 2019 \$'000	SANCS 2019 \$'000	SSS 2019 \$'000	Total 2019 \$'000
Present value of defined benefit obligations at beginning of the year	4,533	762	29,043	34,338
Current service cost	49	24	41	114
Interest cost	170	27	1,185	1,382
Contributions by participants	49	0	43	92
Actuarial (gains)/losses arising from changes in demographic assumptions	3	1	(18)	(14)
Actuarial (gains)/losses arising from changes in financial assumptions	218	51	4,623	4,892
Actuarial (gains)/losses arising from liability experience	269	42	(357)	(46)
Benefits paid	(862)	(130)	(1,101)	(2,093)
Taxes, premiums & expenses paid	(117)	(18)	116	(19)
Present value of defined benefit obligations at the end of the year	4,312	759	33,575	38,646

Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 June 19

Asset category	Total (\$'m)	Quoted prices in active markets for identical assets		
		Level 1 (\$'m)	Significant observable inputs Level 2 (\$'m)	Unobservable inputs Level 3 (\$'m)
Short Term Securities	4,043	2,136	1,907	-
Australian Fixed Interest	2,295	5	2,290	-
International Fixed Interest	1,968	7	1,952	9
Australian Equities	8,369	7,818	548	3
International Equities	11,387	8,795	2,592	-
Property	3,589	699	717	2,173
Alternatives	10,558	327	5,758	4,473
Total	42,209	19,787	15,764	6,658

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

The percentage invested in each asset class at the date of the Statement of Financial Position:

Short Term Securities	
Australian Fixed Interest	
International Fixed Interest	
Australian Equities	
International Equities	
Property	
Alternatives	
Total	

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

Fair value of entity's own financial instruments

The fair value of the Pooled Fund assets as at 30 June 2019 includes \$99.5 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$316 million (30 June 2018: \$280 million).
- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$331 million (30 June 2018: \$287 million).

Significant Actuarial Assumptions at the Reporting Date	2019
Discount rate	3.03%
Salary increase rate (excluding promotional increases)	3.2% pa
Rate of CPI Increase	1.75% for 2018/19 and 2019/20, 2.00% for 2020/21; 2.25% for 2021/22 and 2022/23; 2.50% pa thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2019 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2019.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1% discount rate	Scenario B +1% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation \$000	38,646	44,260	34,051

	Base Case	Scenario C +0.5% CPI increase	Scenario D -0.5% CPI decrease
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation \$000	38,646	41,137	36,377

	Base Case	Scenario E +0.5% Salary increase	Scenario F -0.5% Salary decrease
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation \$000	38,646	38,855	38,443

	Base Case	Scenario G +Lower mortality*	Scenario H Higher mortality**
Defined benefit obligation \$000	38,646	39,229	38,272

*Assumes the short term pensioner mortality improvement factors for years 2019-2023 also apply for years after 2023

**Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for years 2019 to 2023

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

a) Surplus/deficit

Information on surplus / deficit is not available for the year ended 30 June 2019.

b) Contribution recommendations

Recommended contribution rates for the entity are not applicable.

c) Economic assumptions

The economic assumptions adopted for the 30 June 2019 AASB 1056 Accounting Standard "Superannuation Entities" are:

Weighted-average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (SASS, SANCS, SSS)	3.2% pa
Expected rate of CPI increase	2.2% pa

d) Expected Contribution

	SASS 2020	SANCS 2020	SSS 2020	Total 2020
Expected employer contributions to be paid in the next reporting period \$'000	731	128	156	1,015

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 12.6 years.

	SASS 2019 \$'000	SANCS 2019 \$'000	SSS 2019 \$'000	Total 2019 \$'000
Profit and Loss Impact				
Current service cost	49	24	41	114
Net interest	100	20	410	530
Defined benefit cost	149	44	451	644

	SASS 2019 \$'000	SANCS 2019 \$'000	SSS 2019 \$'000	Total 2019 \$'000
Other Comprehensive Income				
Actuarial (gains) losses on liabilities	490	93	4,249	4,832
Actual return on Fund assets less Interest income	(121)	(25)	(735)	(881)
Total re measurement in Other Comprehensive Income	369	68	3,514	3,951

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Superannuation position as at 30 June 2018

	SASS 2018	SANCS 2018	SSS 2018	Total 2018
Member numbers				
Contributors	5	7	2	7*
Deferred benefits	-	-	-	-
Pensioners	-	-	17	17
Pensions fully commuted	-	-	2	2
Superannuation position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000
Accrued liability (Note 1)	4,533	762	29,043	34,338
Estimated reserve account balance	(1,676)	(190)	(19,145)	(21,011)
1. Deficit/(surplus)	2,857	572	9,898	13,327
2. Future Service Liability (Note 2)	94	115	71	280
3. Surplus in excess of recovery available from schemes (- 1. - 2. and subject to a minimum of zero)	-	-	-	-
4. Net (asset)/liability to be recognised in Statement of Financial Position (1. + 3.)	2,857	572	9,898	13,327

*SANCS members excluded from the member count as they are already reported under SASS and SSS fund

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit/ (surplus) less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

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 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed 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. (Note: this also includes a contribution tax provision).

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Reconciliation of the Net Defined Benefit Liability/(Asset)	SASS 2018 \$'000	SANCS 2018 \$'000	SSS 2018 \$'000	Total 2018 \$'000
Net Defined Benefit Liability/(Asset) at start of year	4,049	768	18,165	22,982
Current service cost	212	50	80	342
Net Interest on the net defined benefit liability/(asset)	97	19	474	590
Actual return on Fund assets less Interest income	(169)	(18)	(1,076)	(1,263)
Actuarial (gains)/losses arising from changes in demographic assumptions	(49)	(13)	107	45
Actuarial (gains)/losses arising from changes in financial assumptions	(258)	(53)	(7,504)	(7,815)
Actuarial (gains)/losses arising from liability experience	(355)	(63)	(206)	(624)
Employer contributions	(670)	(118)	(142)	(930)
Net Defined Benefit Liability/(Asset) on 30 June 2018	2,857	572	9,898	13,327

Reconciliation of the Fair Value of Fund Assets	SASS 2018 \$'000	SANCS 2018 \$'000	SSS 2018 \$'000	Total 2018 \$'000
Fair value of Fund assets at beginning of the year	4,060	648	18,380	23,088
Interest income	105	15	469	589
Actual return on Fund assets less Interest income	169	18	1,076	1,263
Employer contributions	670	118	142	930
Contributions by participants	103	-	46	149
Benefits paid	(3,308)	(576)	(1,121)	(5,005)
Taxes, premiums & expenses paid	(123)	(33)	153	(3)
Fair value of Fund assets at 30 June 2018	1,676	190	19,145	21,011

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Reconciliation of the Defined Benefit Obligation	SASS 2018 \$'000	SANCS 2018 \$'000	SSS 2018 \$'000	Total 2018 \$'000
Present value of defined benefit obligations at beginning of the year	8,110	1,415	36,546	46,071
Current service cost	212	50	80	342
Interest cost	201	35	942	1,178
Contributions by participants	103	-	46	149
Actuarial (gains)/losses arising from changes in demographic assumptions	(49)	(13)	107	45
Actuarial (gains)/losses arising from changes in financial assumptions	(258)	(53)	(7,504)	(7,815)
Actuarial (gains)/losses arising from liability experience	(355)	(63)	(206)	(624)
Benefits paid	(3,308)	(576)	(1,121)	(5,005)
Taxes, premiums & expenses paid	(123)	(33)	153	(3)
Present value of defined benefit obligations at the end of the year	4,533	762	29,043	34,338

Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 June 18

Asset category	Total (\$'m)	Quoted prices in active markets for identical assets		
		Level 1 (\$'m)	Significant observable inputs Level 2 (\$'m)	Unobservable inputs Level 3 (\$'m)
Short Term Securities	4,401	2,185	2,216	-
Australian Fixed Interest	2,235	42	2,193	-
International Fixed Interest	1,396	8	1,388	-
Australian Equities	9,271	8,719	549	3
International Equities	10,891	8,499	2,392	-
Property	3,711	788	609	2,314
Alternatives	9,896	422	5,332	4,142
Total	41,801	20,663	14,679	6,459

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

The percentage invested in each asset class at the date of the Statement of Financial Position:

	30 June 2018
Short Term Securities	10.5%
Australian Fixed Interest	5.3%
International Fixed Interest	3.3%
Australian Equities	22.2%
International Equities	26.1%
Property	8.9%
Alternatives	23.7%
Total	100.0%

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

Fair value of entity's own financial instruments

The fair value of the Pooled Fund assets as at 30 June 2018 includes \$97.7 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$280 million (30 June 2017: \$250 million).
- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$287 million (30 June 2017: \$261million).

Significant Actuarial Assumptions at the Reporting Date	2018
Discount rate	4.17% pa
Salary increase rate (excluding promotional increases)	2.7% pa for 2018/2019; 3.2% pa thereafter
Rate of CPI Increase	2.25% 2018/2019 and 2019/2020; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are those to be used for the 2018 actuarial investigation of the Pooled Fund. These assumptions will be disclosed in the actuarial investigation report which will be available on the Trustee's website when the investigation is complete. The report will show the pension mortality rates for each age. Alternatively, the assumptions are available on request from the Trustee.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2018 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2018.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1% discount rate	Scenario B +1% discount rate
Discount rate	as above	as above -1.0% pa	as above +1.0% pa
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation \$000	34,338	39,145	30,387

	Base Case	Scenario C +0.5% CPI increase	Scenario D -0.5% CPI decrease
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation \$000	34,338	36,560	32,312

	Base Case	Scenario E +0.5% Salary increase	Scenario F -0.5% Salary decrease
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation \$000	34,338	34,463	34,219

	Base Case	Scenario G +Lower mortality*	Scenario H Higher mortality**
Defined benefit obligation \$000	34,338	34,787	34,039

*Assumes the short term pensioner mortality improvement factors for years 2018-2023 also apply for years after 2023

**Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for years 2018 to 2023

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

a) Surplus/deficit

The following is a summary of the 30 June 2018 financial position of the Fund calculated in accordance with AASB 1056 Accounting Standard "Superannuation Entities":

	SASS 2018 \$'000	SANCS 2018 \$'000	SSS 2018 \$'000	Total 2018 \$'000
Accrued benefits*	3,834	633	18,216	22,683
Net market value of Fund assets	(1,676)	(190)	(19,145)	(21,011)
Net (surplus)/deficit	2,158	443	(929)	1,672

*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

b) Contribution recommendations

Recommended contribution rates for the entity are not applicable.

c) Economic assumptions

The economic assumptions adopted for the 30 June 2018 AASB 1056 Accounting Standard "Superannuation Entities" are:

Weighted-average assumptions	
Expected rate of return on Fund assets backing current pension liabilities	7.4% pa
Expected rate of return on Fund assets backing other liabilities	6.4% pa
Expected salary increase rate (SASS, SANCS, SSS)	2.7% for 2018/19 then 3.2% pa thereafter
Expected rate of CPI increase	2.2% pa

d) Expected Contribution

	SASS 2019	SANCS 2019	SSS 2019	Total 2019
Expected employer contributions to be paid in the next reporting period \$000	731	128	156	1,015

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 13 years.

	SASS 2018 \$'000	SANCS 2018 \$'000	SSS 2018 \$'000	Total 2018 \$'000
Profit and Loss Impact				
Current service cost	212	50	80	342
Net interest	97	19	474	590
Defined benefit cost	309	69	554	932

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

19 Superannuation (continued)

	SASS 2018 \$'000	SANCS 2018 \$'000	SSS 2018 \$'000	Total 2018 \$'000
Other Comprehensive Income				
Actuarial (gains) losses on liabilities	(662)	(129)	(7,603)	(8,394)
Actual return on Fund assets less Interest income	(169)	(18)	(1,076)	(1,263)
Adjustment for effect of asset ceiling	-	-	-	-
Transfers out of business recognised in contributed capital	553	125	-	678
Total re measurement in Other Comprehensive Income	(278)	(22)	(8,679)	(8,979)

20 Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

	2019 \$'000	2018 \$'000
Fair value adjustments	113	310
Depreciation and amortisation	-	5
Prepayments	2,190	1,980
	2,303	2,295
Movements		
Carrying amount at beginning of the year	2,295	1,935
Charge to the Statement of Comprehensive Income	8	360
Carrying amount at end of the year	2,303	2,295

21 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 2019

22 Reconciliation of Profit after income tax to net cash flows from operating activities

	2019 \$'000	2018 \$'000
Net cash flows utilised / (generated) from operating activities	(161,933)	414,845
Depreciation and amortisation	(1,748)	(916)
Gain/(loss) from sale of property, plant and equipment	-	14
Impairment of intangibles	-	(1,000)
Unwinding of discount rate income and expense	(355)	1,035
Change in assets and liabilities		
Decrease/(increase) in provisions	74,228	(82,128)
Decrease/(increase) in payables and tax liabilities	214,917	(123,452)
Increase/(decrease) in receivables	(12,618)	3,726
Decrease in inventory and other assets	(79,447)	(27,142)
Net Profit for the year	33,044	184,982

23 Financial Instruments

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 Board 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. The Audit and Risk Management Committee has responsibility for overseeing monitoring of compliance with policies.

Financial instrument categories

Financial assets	Notes	Category	Carrying amount 2019 \$'000	Carrying amount 2018 \$'000
Class				
Cash and cash equivalents	9	Financial assets measured at amortised cost	664,207	1,030,870
Trade and other receivables	10	Financial assets measured at amortised cost	22,108	36,674

Financial liabilities	Notes	Category	Carrying amount 2019 \$'000	Carrying amount 2018 \$'000
Class				
Trade and other payables	16	Financial liabilities measured at amortised cost	26,688	120,240

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

23 Financial Instruments (continued)

(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. 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
For the year Ended 30 June 2019			
Not yet due	18,788	-	-
< 3 Months overdue	3,178	3,178	-
3 months - 6 months overdue	10	10	-
> 6 months overdue	132	132	-
For the year Ended 30 June 2018			
Not yet due	35,586	-	-
< 3 Months overdue	1,004	1,004	-
3 months - 6 months overdue	84	84	-
> 6 months overdue	-	-	-

Note: This analysis excludes statutory receivables (GST receivable), 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. The maximum exposure to credit risk of these TCorp letters of undertaking is \$31.943 million (2018: \$40.113 million).

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

23 Financial Instruments (continued)

(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
2019								
Payables	-	26,688	-	-	26,688	26,688	-	-
	-	26,688	-	-	26,688	26,688	-	-
2018								
Payables	-	120,240	-	-	120,240	120,200	40	-
	-	120,240	-	-	120,240	120,200	40	-

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 2019

23 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, is minimal. When Landcom has debt it is managed by TCorp, the appointed debt management contractor.

Exposure to interest rate risk arises primarily through Landcom's interest bearing liabilities, cash and investments. 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 and equity of Landcom. 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
2019					
Financial assets					
Cash and cash equivalents	664,207	(6,642)	(4,649)	6,642	4,649
2018					
Financial assets					
Cash and cash equivalents	1,030,870	(10,309)	(7,216)	10,309	7,216

(e) Net fair value

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.

24 Expenditure Commitments

	2019 \$'000	2018 \$'000
Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	2,091	2,493
Later than one year but not later than five years	6,859	336
Later than five years	-	-
Total operating lease commitments (including GST)	8,950	2,829

25 Contingent Assets and Liabilities

At reporting date, there were no significant contingent assets or liabilities incurred in the normal course of business (2018: \$2.25 million).

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

26 Related Party Transactions

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.

Compensation paid to the key management personnel of Landcom was \$5.183 million (2018 \$2.711 million). 2019 is higher due to payments made for positions that are non-recurrent of \$1.452 million (including payment of leave balances and termination payments increasing \$0.926 million). In addition, a \$0.974 million increase is in relation to roles that were not in place for the full year in 2018.

	2019 \$'000	2018 \$'000
Short term employee benefits	4,370	2,375
Post-employment benefits	259	147
Other long term benefits	-	8
Termination benefits	554	181
Total compensation paid to key management personnel	5,183	2,711

Outstanding balances relating to any key management personnel was \$Nil (2018: \$Nil). There have been no guarantees provided or received for any key management personnel.

During the year, Landcom has had inter agency transactions for reimbursement of cost, distribution of revenue and management fees with other NSW State Government Agencies. In addition to the agencies listed in Note 27, Landcom also transacted with Department of Aging Disability & Health, Roads and Maritime Services, Transport for NSW and Family and Community Services.

In 2018, land from Planning NSW was transferred at fair value of \$1.00 each and recorded as an equity transfer.

Inter-agency revenue	2019 \$'000	2018 \$'000
Department of Planning and Environment		1,693
Department of Aging Disability and Health	680	15,820
NSW Land and Housing Corporation	46,067	24,140
UrbanGrowth NSW Development Corporation	-	10,110
Family and Community Services	35,488	60,920

Inter-agency receivables / (payables)	2019 \$'000	2018 \$'000
Department of Aging Disability and Health	-	22
Family and Community Services	1,925	-
NSW Land and Housing Corporation	2,882	300
Roads and Maritime Services	3,812	7,623
UrbanGrowth NSW Development Corporation	-	222

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

27 Joint Arrangements

As part of normal business operations, Landcom has various contractual arrangements with other parties. The arrangements are for land development, which is Landcom's core business. These contractual arrangements require unanimous consent from all parties for all relevant activities. In all the joint arrangements the parties have equal voting rights.

These arrangements are therefore classified as joint operations and Landcom recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in Note 1.23.

Details of these arrangements are as follows:

Name of joint arrangement	Nature of relationship	List of Parties Involved	Project location	Agreement Existed	
				2019	2018
Macarthur Heights	Joint operation	• University of Western Sydney	Campbelltown, NSW	Yes	Yes
Rouse Hill Town Centre	Joint operation	• Department of Planning and Environment	Rouse Hill NSW	Yes	Yes
Oran Park Town Centre	Joint operation	• Greenfield Development Corporation Ltd • Leppington Pastoral Co Pty Ltd	Oran Park, NSW	Yes	Yes
Green Square Town Centre	Joint operation	• Mirvac Green Square Limited	Green Square, NSW	Yes	Yes
Bonnyrigg	Joint operation	• NSW Land and Housing Corporation	Bonnyrigg, NSW	Yes	Yes
Airds Bradbury Renewal	Joint operation	• NSW Land and Housing Corporation	Airds, NSW	Yes	Yes
Claymore Renewal	Joint operation	• NSW Land and Housing Corporation	Claymore, NSW	Yes	Yes
Sydney Metro Northwest Places	Joint operation	• Sydney Metro	Northwest Sydney, NSW	Yes	Yes

28 Discontinued Operations

In May 2017, following a decision by NSW Government acting in its capacity as owner, Landcom committed to a plan to transfer management of the following major urban transformation projects to UrbanGrowth NSW Development Corporation:

- The Bays Precinct
- Parramatta North
- Anzac Parade South

UrbanGrowth NSW Development Corporation and Landcom entered into a Service Level Agreement (SLA) for Landcom to support UGDC and provide services from 1 July 2017 until 30 June 2018. Formal equity transfers occurred on 20 October 2017. Landcom received \$10.110 million from UrbanGrowth NSW Development Corporation in accordance with the SLA related to costs incurred on the Bays and Parramatta North projects.

The plan also involved the transfer of the management of the Newcastle Urban Transformation Program to Hunter Development Corporation.

The assets and liabilities associated with those projects to be transferred were presented as held-for-distribution to owners at 30 June 2017. During prior year reporting period, additional assets and liabilities were identified and transferred together with the project inventories, employees, and employee benefit liabilities. These assets and liabilities include an office lease and associated furniture and equipment which are included in the carrying value of the disposal group held for distribution immediately prior to the transfer.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

28 Discontinued Operations (continued)

The assets and liabilities were transferred to Hunter Development Corporation and UrbanGrowth NSW Development Corporation during the prior year reporting period, upon which Landcom recorded a distribution to owners via an adjustment to contributed capital, on the basis the transaction is with its shareholders in their capacity as owners. The net contributed capital transferred in the Statement of Changes in Equity is \$3.020 million.

A. Equity transfer	2019 \$'000	2018 \$'000
Details of the assets and liabilities transferred to UGDC and HDC		
Property plant and equipment	-	3,305
Inventories	-	2,367
Total Assets	-	5,672
Employee benefit liabilities	-	2,196
Make good provision	-	456
Total Liabilities	-	2,652
Net assets transferred	-	3,020

There are no discontinued operations for the year ended 30 June 2019.

29 Events After Reporting Period

There has been no material post balance date events which would require disclosure or adjustments to the 30 June 2019 Financial Statements.

30 Segment Information

For the 12 months to the 30 June 2019 and 2018 Landcom operated in one business segment, and one geographical segment. Consequently, segment information for 2019 and 2018 has not been reported.

End of Financial Statements

Corporate directory

The current and previous Annual Reports can be downloaded at:
www.landcom.com.au/publications

For general enquiries contact:
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**Our office is open 8.30am to 5:30pm
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Appendix

Corporate governance

Landcom is established under the Landcom Corporation Act 2001, and operates under that Act and the State Owned Corporations Act 1989

Lay solid foundations for management and oversight

Constitution and Board Charter

The Landcom Constitution sets out the procedures to be followed by Landcom Board and Management in the conduct of the affairs of Landcom, and reflects the requirements of the Landcom Corporation Act and the State Owned Corporations Act.

The Board is accountable to our Shareholder and Portfolio Ministers for the performance of Landcom and the delivery of Our Strategic Directions, the Statement of Corporate Intent under the State Owned Corporations Act and the Statement of Priorities under the Landcom Corporations Act. In doing this, the Board aims to deliver on the NSW Government's housing affordability objectives across metropolitan and regional NSW, including by:

- Increasing affordability, supply and diversity of new housing;
- Partnering with others to unlock development opportunities and improve delivery; and
- Demonstrating excellence in sustainable development and planning practice.

The Landcom Board Charter, reviewed annually by the Board, reflects the Landcom Constitution and sets out the duties, independence requirements, ethical standards, and expectations of individual Directors, including procedures for declaring conflicts of interest. Specific responsibilities of the Board include:

- Providing leadership and setting the tone for Landcom's culture together with monitoring, measuring and assessing the culture;
- Promoting the critical importance of work health and safety and an appropriate risk culture;
- Providing leadership, setting major corporate goals and providing strategic direction;
- Providing input into, reviewing and approving the Statement of Corporate Intent (SCI) and other major plans and ensure performance objectives are included, and oversee their implementation;
- Monitoring the implementation of approved strategies, guidance and directions from the Shareholder Ministers and the Portfolio Minister;
- Approving and reviewing the progress of major capital expenditure, capital management, acquisitions and disposals and other significant financial matters outside the express authorities delegated to the Chief Executive Officer (CEO) and, as applicable, make recommendations to the Shareholder Ministers;

- Approving and monitoring the integrity of financial and other reporting, including the annual and half-yearly financial statements;
- Approving and providing rigorous oversight of the risk management framework (including the risk appetite and internal control systems) and overseeing compliance with laws and policies;
- Ensuring the continuous, proactive and timely disclosure of material information to Shareholder Ministers and the Portfolio Minister;
- Approving, and reviewing as needed, delegations of authority to Board Committees, CEO and Management generally;
- Supporting the CEO and ensuring appropriate resources are in place to implement approved strategy, SCI, major plans and any Ministerial Directions;
- Ensuring discussions with Management are appropriately focused whilst maintaining separation of the Board and Management;
- Providing clear feedback on the quality and type of information and inputs provided from Management to facilitate complex decision making;
- Making recommendations to the Shareholder Ministers in relation to appointing, remunerating and evaluating the performance of the CEO; and
- Consulting with the CEO prior to the appointment of any Executive General Manager, their remuneration framework and succession planning for these roles.

Director appointment and selection

The process of selecting a new director involves a review of the Board Skills Matrix to consider the experience of current directors, identifying gaps in the Board's skills and engaging with NSW Treasury and the appointed recruitment consultant to identify and present appropriately skilled and experienced candidates.

The candidates undergo a thorough process which involves a formal interview with a panel appointed by NSW Treasury, including Landcom's Chair and independent members. If the panel determines a candidate is suitable for appointment to the Board, comprehensive probity checks are undertaken of the potential appointee's character, experience, qualifications, criminal and bankruptcy history.

The candidate's recommendation is considered by the Shareholder and Portfolio Ministers. This recommendation is then considered by Cabinet prior to any appointment being approved by the Governor.

Company Secretary

The Board is responsible for the appointment of the Company Secretary who is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Company Secretary works with the Chair to monitor and enhance corporate governance processes and to ensure that Board policies are followed.

The Company Secretary, on a day-to-day basis, reports to the Executive General Manager Legal & Compliance.

Diversity and inclusion

Landcom adopted its inaugural Diversity & Inclusion Policy in September 2018 and its current Policy in August 2019. The Board oversees Landcom's diversity and inclusion aspiration - to create a welcoming safe and inclusive work environment where all employees can fully contribute to do their best work to deliver excellence in more sustainable and affordable NSW housing.

Landcom has continued to focus effort towards furthering diversity and inclusion and has established a cross-functional Diversity & Inclusion Working Group to drive Landcom's diversity and inclusion aspiration.

Diversity enables Landcom to draw on a range of unique individual characteristics to provide a rich view of our organisation. When used as a strategic lever, the combined focus on diversity and inclusion enables Landcom to fully utilise the capability of our workforce, thereby increasing business capacity and driving higher levels of performance.

Landcom has adopted a Diversity & Inclusion Action Plan which will be reviewed by the Working Group annually and overseen by the Executive Committee and the People, Culture & Nominations Committee.

The Action Plan outlines a focus on three main pillars:

- Create an environment that values diversity and inclusion;
- Increase attraction, retention and development of staff from diverse backgrounds initially prioritising women, Aboriginal and Torres Strait Islanders, culturally and linguistically diverse people, people with disability and LGBTIQ+; and
- Reduce bias and embed diverse and inclusive practices into how we work.

To measure performance against the Diversity & Inclusion Policy, benchmarks have been set across four workforce diversity groups (gender, Aboriginal and/or Torres Strait Islander People, people whose first language spoken as a child was not English, and people with a disability) and have been reported annually. Landcom has other metrics in place to monitor progress towards its Diversity & Inclusion aspiration such as female representation at key decision making levels, diversity of recruitment panels and LGBTIQ+.

Performance against measurable objectives is included in this report.

Board evaluation

The Board is committed to undertaking annual performance reviews, with every second annual review being conducted by an external and independent facilitator. At the time of the 2017 review, the Board engaged an external independent

facilitator to conduct the Board evaluation, as well as a review of Landcom's governance framework following the separation from UrbanGrowth NSW Development Corporation.

The results of this review were presented to the Board and CEO in December 2017. The Board and Management have adopted a program to implement the recommendations, and to ensure compliance with TPP 17-10 Commercial Policy Framework: Guidelines for Governing Boards of Government Businesses and the NSW Auditor- General Governance recommendations

The Board conducted an internal evaluation in 2018, which was presented to the Board in January 2019. The Board established a program to implement the proposed actions which were recommended to address the common themes from the evaluation.

Senior executive evaluations

The performances of senior executives are reviewed annually, including the setting of Key Performance Indicators (KPIs) which are measurable and quantifiable. These KPIs are assessed during interim six monthly reviews and regular check-ins.

During FY19, all staff participated in mandatory performance reviews and setting of individual performance plans.

The KPIs for the CEO are set by the Board in line with our Strategic Directions. The Chair formally assesses the CEO's performance against these targets and reports the progress to the People, Culture and Nominations Committee and the Board.

Corporate Governance Statement

Compliance with governance principles and disclosure requirements

The NSW Treasury policy and guidelines paper TPP17-10 (**TPP17-10**) provides a framework for the Government's expectations for standards of corporate governance that should be adopted by all governing boards of Government businesses which includes Landcom.

TPP17-10 also sets out the disclosure requirements under relevant legislation, which includes an 'if not, why not' approach. If the Board considers any recommendation in TPP 17-10 not appropriate, or Landcom has not adopted the recommendation, the Board must explain 'why not', and explain how its practices are consistent with the spirit of the relevant recommendation.

Landcom has adopted the standards of corporate governance contained in TPP17-10, except in relation to the following matter:

Each Director should be limited to sitting on three Government Boards.

Director John Barbeleer sits on three local government audit committees. The Board has determined that the total time commitment required for Mr Barbeleer to hold these positions does not impact on his ability to fulfil his duties as a Director of Landcom, and those Board positions do not impact on his independence. All other directors do not sit on more than 3 Government Boards.

Board structure

The Board should have a range of skills, experience, perspectives and diversity for it to properly understand and competently address significant current and emerging issues for Landcom and meet its statutory objectives. This includes Directors with experience in the following areas:

- Property development;
- Design, planning and project management;
- Affordable or community housing;

- Government or public sector; and
- Finance.

The table below sets out Directors' attendance at Board and Board Committee meetings for the reporting period, together with details on their independence, appointment date and Government Board¹ appointments.

Board and Board Committee attendance (FY19)									
Director	Board		Audit & Risk Management Committee		People, Culture & Nominations Committee		Independent	Year appointed	No. Government Boards ¹
	A	B	A	B	A	B			
Suzanne Jones (Chair) ²	9	16	2	5	3	4	Yes	2016	1
John Barbeler	16	16	5	5	3	3	Yes	2018	4
Pamela Hanrahan ³	13	13	-	-	1	1	Yes	2018	1
Peter Roberts	16	16	5	5	4	4	Yes	2018	2
Jim Betts ⁴	0	7	-	-	-	-	No	2017	-

A Meetings attended

B Meetings eligible to attend

¹ Government Boards includes any Board or Committee positions held within NSW Government or Local Government, including Landcom.

² Suzanne Jones did not attend any Board or Committee meetings during her leave of absence from 20 December 2018 to 20 June 2019.

³ Pamela Hanrahan was appointed as a Director on 17 October 2018.

⁴ Jim Betts did not participate in the meetings held on 22 October and 23 October 2018 in order to avoid a potential conflict of interest given the nature of the meetings. Mr Betts' term as Director expired on 30 November 2018.

Gender diversity breakdown for the Board at the start and end of the reporting period		
	1 July 2018	30 June 2019
Female	25%	50%
Male	75%	50%

Director independence

The composition of the Board, the independence of Directors and the limitation on Government Board appointments are all determined in accordance with the Board Charter having regard to the NSW Treasury's 'Guidelines for Government Boards of Government Businesses – TPP17-10'. All Directors are independent, with the exception of Jim Betts (a former Director) who was Chief Executive Officer of Infrastructure NSW, a NSW public sector agency. The Board's majority independence allows for decisions to be made in the best interests of Shareholders.

Succession plan and crisis management procedures

The Board, through its People, Culture and Nominations Committee, considers Board succession planning on a regular basis.

In the event of a major event or crisis, the Board will follow internal protocols on crisis management which are reviewed annually and tested regularly as part of business continuity planning.

Board skills matrix

The Board Plan was approved in April 2018, and is reviewed every two years. It sets out the best structure for the Board to add value having regard to the current Board's size, composition, diversity, skills and expertise, cohesion and need for appropriate renewal while meeting future needs. The Board Plan draws upon inputs encompassing five key elements:

- Board performance evaluations;
- The Board skills matrix;
- Board policies, including the Diversity & Inclusion and Director Professional Development Policies;
- Consultation with relevant stakeholders, as deemed appropriate; and
- People, Culture & Nominations Committee recommendations.

The Board skills matrix identifies the number of Directors with skills and experience in areas considered most relevant for Landcom. The skills matrix is reviewed annually through a Director self-assessment methodology against a set of descriptive guidelines.

Directors who assessed their skill level as Advanced or Expert satisfied the capability requirement for inclusion in the matrix.

Directors who assessed their skill level as Competent in any skill category have not been included in the matrix.

Board skills matrix		
Skills and experience		No. of Directors (out of 4)
Leadership and people	Leadership experience, influencing organisational culture and people management practices	4
Strategy	Developing, implementing and challenging strategic and business plans	4
Urban design and renewal	Design, architecture, planning, public sector and community engagement	3
Property development and project management	Large scale multi-purpose development and project management and delivery	3
Government	Senior advisory public sector experience	4
Financial acumen	Financial accounting and reporting, including analysing financial statements and assessing financial viability	4
Risk management	Enterprise risk management	4
Commercial operations	Technology, procurement, contract management, marketing	3
Legal and regulatory	Contracts, compliance, dispute management	4
Corporate governance	For-profit board experience	4
Capital management	Capital management strategies, corporate finance and capital markets	3
Sustainability and corporate responsibility	Developing and implementing social responsibility or sustainability strategies and initiatives	4
Work health and safety	Management practices and policy	4

Board induction and professional development

Landcom's Director Induction program is designed to ensure that newly appointed Directors receive an appropriate induction to familiarise themselves with the Landcom business and its industry, thus allowing new Directors to contribute to decision-making at the earliest opportunity.

Upon appointment to the Board, Directors participate in briefings with the CEO and other senior executives and receive information to assist with a timely understanding of:

- Landcom's financial, strategic, operational and risk management positions and policies;
- Landcom's portfolio of projects;
- Rights, duties and responsibilities of Directors and senior executives;
- Roles and responsibilities of senior executives; and
- Roles and responsibilities of Board committees.

In addition to an appropriate initial induction, the Board has adopted a Professional Development Policy to support Directors in maintaining and enhancing their effectiveness, including:

- Site visits to understand Landcom's operations; and
- Briefings to understand changes to industry and regulatory requirements, including regular WHS updates.

Overseas visits

The Chair undertook an overseas visit in September 2018 as a guest of the Kingdom of the Netherlands. The visit included a number of companies, academic institutions and meetings with government officials regarding innovation and sustainability. The cost to Landcom was return travel to Amsterdam.

Board Committees

The Board has two standing Committees to assist with discharging its responsibilities.

The Board determines the composition and membership of its Committees. Each Committee sets, reviews and updates its Charter annually for approval by the Board. The Committee Charters detail their respective purpose, membership criteria, role and responsibilities.

A summary is set out below.

Audit & Risk Management Committee		
Composition	Membership in FY19	Purpose and Responsibilities
Comprises three Directors, each of whom are independent non-executive directors. The Committee is chaired by an independent Chair who is not the Chair of the Board.	Current members: <ul style="list-style-type: none"> • John Barbeler (Chair) • Suzanne Jones • Peter Roberts 	The Committee operates under a Charter and is responsible for making recommendations to the Board with respect to: <ul style="list-style-type: none"> • Enhancing the systems of internal control of Landcom; • Improving external accountability and financial management; • Overseeing the effectiveness of the work health and safety framework; • Overseeing and promoting the effectiveness of the risk management framework; • Maintaining an effective and efficient external and internal audit capability; • Ensuring compliance with applicable legislation; and • Continuous improvement of Landcom's business management systems.

People, Culture & Nominations Committee		
Composition	Membership in FY19	Purpose and Responsibilities
Comprises three Directors, each of whom are independent non-executive directors. The Committee is chaired by an independent Chair who is not the Chair of the Board.	Current members: <ul style="list-style-type: none"> • Pamela Hanrahan (Chair) • Peter Roberts • Suzanne Jones Former member: <ul style="list-style-type: none"> • John Barbeler 	The Committee operates under a Charter and is responsible for making recommendations to the Board with respect to: <ul style="list-style-type: none"> • Developing a composition framework for the Board having regard to the current Board's size, diversity, skills and expertise, tenure, cohesion and need for appropriate renewal from time to time, and as a consequence make appropriate recommendations to Government for the appointment of new Directors; and • Fulfilling its oversight responsibilities in relation to significant people and culture matters.

Safeguard integrity in corporate reporting CEO and CFO declaration

The Board receives declarations twice a year for the half and full year financial periods in accordance with Section 41C of the Public Finance and Audit Act 1983 and/or Section 23 of the State Owned Corporations Act 1989 (for half year reports) from the Chief Executive Officer and Executive General Manager with functional responsibilities of the Chief Financial Officer. The declarations confirm whether, in their opinion, the financial records of Landcom have been properly maintained, whether the financial statements apply with the appropriate accounting standards and give a true and fair view of Landcom's financial position and performance, and whether any circumstances exist which may render the financial statements misleading or inaccurate.

Make timely disclosure

Disclosure policy

Landcom has a Continuous Disclosure Policy, which was refreshed in May 2019, which includes the following principles consistent with the NSW Treasury Policy 'Performance Reporting and Monitoring Policy for Government Businesses — TPP18-02':

- Landcom will make timely disclosures to Shareholder Ministers where Landcom becomes aware of any matters concerning Landcom or its operations, whether strategic, financial or non-financial performance outcomes, which might reasonably be expected to influence NSW Treasury and Shareholder Ministers' view of Landcom's outlook;
- Landcom will make timely disclosures to NSW Treasury where Landcom becomes aware of any matters concerning Landcom or its operations which may have the potential to cause a material variation of at least 10 percent of the total cost of a capital project or Landcom's overall total capital expenditure program across the forward estimates; and
- Landcom will make timely disclosures to the public and key stakeholders (including Landcom's Portfolio Minister) where Landcom becomes aware of any information concerning Landcom or its operations that a reasonable person would expect would be of significant interest or concern to those entities or that is likely to impact on the general public.

Acknowledge the rights of shareholders

Processes for communication with shareholders

The Chair and CEO conduct half-yearly briefings with the Treasurer and the Minister for Finance and Small Business, as Landcom's Shareholder Ministers.

Landcom may conduct additional briefings for our Shareholder Ministers as required.

The Chair and CEO meet half-yearly with the Secretary of NSW Treasury. Additionally, Landcom's Management frequently interact with NSW Treasury as the representative of Landcom's Shareholder Ministers.

Recognise and manage risk

Risk Management Framework

The Board has adopted a consolidated approach to risk management which incorporates governance, compliance, risk appetite and business continuity management. This approach is consistent with the Australian and New Zealand Standard on Risk Management (ISO 31000:2009). The Risk Management Framework was last reviewed and adopted by the Board in August 2018 (FY19) and is reviewed at least annually for currency and to ensure the approach to risk management continues to be sound.

The Board oversees that an effective Risk Management Framework is in operation and has delegated to management responsibility for risk management activities, following a 'three lines of defence' model:

- Line 1 — Ownership: owning and managing risk through management controls and internal control measures such as internal policies and procedures;
- Line 2 — Oversight: monitoring of risk through our risk management, compliance and safety functions; and
- Line 3 — Assurance: independent assurance through an internal audit function.

Internal audit

Landcom has co-sourced the internal audit function, led by Landcom's Director Audit & Risk and supported by an external internal audit provider. The function provides the Audit & Risk Management Committee and senior management with independent, objective assurance around internal controls.

The Chief Audit Officer functionally reports to the Chair of the Audit & Risk Management Committee and attends and reports to each meeting of the Audit & Risk Management Committee against the internal audit plan, as approved by the Audit & Risk Management Committee.

Material risk

Landcom is exposed to a range of political, economic, social, technological, environmental and legal risks which could have an adverse effect on Landcom's future. These risks may vary over time and from project to project. Landcom puts processes in place to reduce inherent risks and manage residual risks.

Disclosure of approved exemptions

Following corporatisation of Landcom on 1 January 2002, approval was granted for reporting exemptions relevant to this Annual Report (shown in the table below). The exemptions, some with conditions attached, were approved by NSW Treasury to overcome concerns about the loss of commercial confidentiality for statutory State Owned Corporations.

Statutory requirements		
Annual reporting exemptions	Act/Regulation references	Comments
Budgets: <ul style="list-style-type: none"> 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) <i>Annual Reports (Statutory Bodies) Act 1984</i> cl. 7 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	-
Report of operations		
Annual reporting exemptions	Act/Regulation references	Comments
Summary review of operations: <ul style="list-style-type: none"> Narrative summary of significant operations Selected financial and other quantitative information associated with the administration of programs or operations 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	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: <ul style="list-style-type: none"> 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 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	Exemption subject to a condition that comments and information relating to 'management and activities' are to be disclosed in a summarised form.
Research and development: <ul style="list-style-type: none"> Completed research including resources allocated Continuing research and development activities, including resources allocated unless that information could adversely affect operations 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	-
Human resources: <ul style="list-style-type: none"> 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 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	-
Consultants: <ul style="list-style-type: none"> For each engagement costing more than \$50,000: <ul style="list-style-type: none"> name of consultant title of project actual cost For each engagement costing less than \$50,000: <ul style="list-style-type: none"> total number of engagements total cost If applicable, a statement that no consultants were engaged 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	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.

Statutory requirements		
Annual reporting exemptions	Act/Regulation references	Comments
Land disposal: <ul style="list-style-type: none"> Properties disposed of during the year: <ul style="list-style-type: none"> total number total value If value greater than \$5 million and not by public auction or tender: <ul style="list-style-type: none"> 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 <i>Government Information (Public Access) Act 2009</i> 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	-
Consumer responses: <ul style="list-style-type: none"> Extent and main features of complaints Services improved/changed in response to complaints/ suggestions 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	Exemption subject to a condition that comments and information relating to 'consumer responses' are to be disclosed in a summarised form.
Payment of accounts: <ul style="list-style-type: none"> Performance in paying accounts, including action to improve payment performance 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	This exemption only applies to statutory state-owned corporations as they are not subject to the payment of accounts provisions in s.13 of the Public Finance and Audit Regulation.
Time for payment of accounts: <ul style="list-style-type: none"> Reasons for late payment Interest paid due to late payments 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	As above.
Report on risk management and insurance activities	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	Exemption subject to a condition that the comments and information are to be disclosed in a summarised form.
Disclosure of controlled entities: <ul style="list-style-type: none"> Details of names, objectives, operations, activities of controlled entities and measures of performance 	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	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 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	-
Liability management performance	Schedule 1 <i>Annual Reports (Statutory Bodies) Regulation 2015</i>	-

Public access to information and the protection of privacy

Government Information (Public Access) formal access publications

During the reporting period, Landcom received three valid formal access applications under the Government Information (Public Access) Act 2009. The processing period in the Act allowed for two applications received in FY19 to be carried into FY20.

One application was partly refused because there was an overriding public interest considerations against disclosure of some of the information (as listed in the Section 14 Act Table).

The following tables contain statistical information about the formal access applications decided in FY19.

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	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

* 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 B

Table B — Number of applications by type of application and outcome

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

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

Table C — Invalid applications

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

Table D – Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used ¹¹
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

¹¹ More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E— Other public interest considerations against disclosure: matters listed in table to Section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	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	
Reason for invalidity	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1

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

Table I – Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)	
	Number of applications for review
Agency-initiated transfers	0
Applicant-initiated transfers	0

Authorised proactive release of information under Section 7(3) of Government Information (Public Access) Act 2009

Under Section 7 of the GIPA Act, agencies must identify the kinds of government information that can be made publicly available at least every 12 months.

Landcom's program for the proactive release of information involves regularly updating the Landcom website and individual project websites to provide information regarding our policies, projects and initiatives. We also publish information about the community consultations we undertake and other commonly requested categories of information and the impact, if any, of proactively releasing this information.

During the year, Landcom:

- Considered the formal access applications received;
- Considered the informal applications received;
- Determined that there were no particular additional

- categories of information that were being regularly or repeatedly requested in the formal applications;
- Reviewed and consulted with staff about information and categories of information that are frequently requested or which have been proactively released in FY19; and
- Further consultation occurred through attendance at team meetings, GIPA briefings and updates.

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.

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

Privacy

We are committed to protecting the personal information of our customers, stakeholders, staff members and the general public. We are subject to the Health Records and Information Privacy Act 2002 (NSW) and voluntarily comply with the principles of the Privacy and Personal Information Protection Act 1998 (NSW). We ensure that we:

- Only collect relevant personal information for lawful purposes directly related to our activities;
- Protect personal information from misuse and unauthorised access;
- Take reasonable steps to check the accuracy of personal information before we use it;
- Don't give personal information to other organisations for marketing purposes;
- Only use personal information for the purposes it was collected;
- Make all relevant staff members aware of their obligations to protect privacy;
- Only disclose personal information to third parties if:
 - We are authorised or required to by law;
 - We have verbal or written authority - we can reasonably assume, in the circumstances, that the person would consent;
 - There is a danger of injury or loss of life; and
 - Our contractors need the information for essential activities.

In FY19, we:

- Undertook a privacy compliance review of the personal and health information handled by Landcom;
- Commenced a review of our Privacy Policy and the development of a privacy manual for use by staff which will include updated collection notices, terms and conditions in contracts and surveys, guidance and checklist for staff to determine whether a Privacy Impact Assessment might be needed, checklists for designing data collection forms (digital and physical);
- Progressed development of a Data Breach Response Procedure and Workplace Surveillance Procedure;
- Developed an online privacy awareness training module which all staff are required to complete, and
- Participated in privacy practitioner's network events.

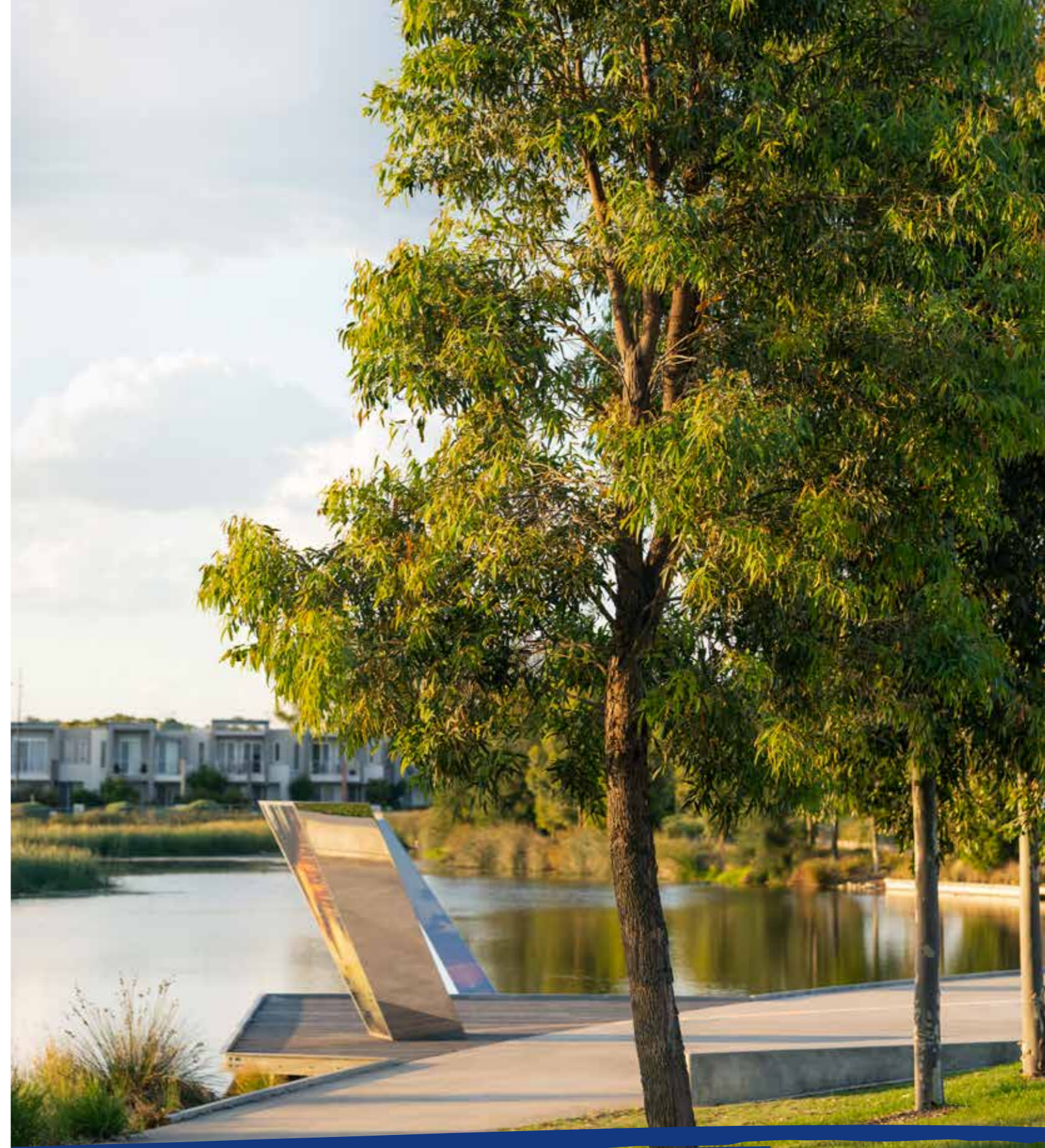
Public Interest Disclosures Act 1994

The following table contains information about our obligations under Section 31 of the Public Interest Disclosures Act 1994.

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Section 31 Report		Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials making a public interest disclosure		1	0	0
Number of public interest disclosures we received relating to:	Corrupt conduct	1	0	0
	Maladministration	0	0	0
	Serious and substantial waste of public money	0	0	0
	Government information contraventions	0	0	0
	Local government pecuniary interest contraventions	0	0	0
Total	0	0	0	
Number of public interest disclosures we finalised			1	
Whether we have a public interest disclosures policy in place			Yes	
Action taken by us to ensure that our staff awareness responsibilities under Section 6E(1) (b) of the Act have been met		Staff briefings, inductions and team meetings, posters and copies of Landcom's PID Policy and Procedure on bulletin boards, links on the Landcom intranet, general awareness training provided to staff and Management training by the NSW Ombudsman.		

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