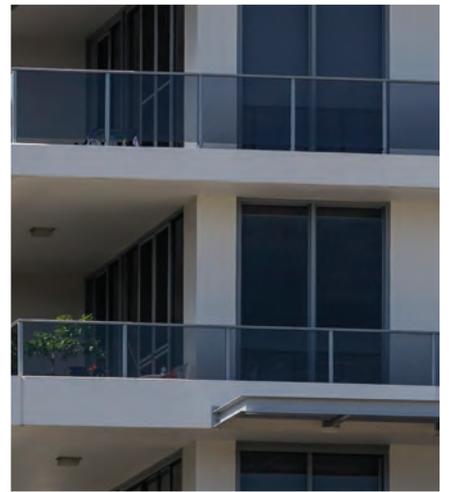


2013-14 Annual Report



Planning &
Environment

LETTER TO THE MINISTERS

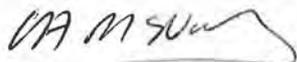
The Hon. Pru Goward MP
Minister for Planning
Minister for Women
Parliament House
Macquarie Street
Sydney NSW 2000

The Hon. Rob Stokes MP
Minister for the Environment
Minister for Heritage
Minister for the Central Coast
Assistant Minister for Planning
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Ministers

I am pleased to submit for presentation to Parliament the Annual Report for the Department of Planning and Environment for the year ending 30 June 2014, in accordance with the *Annual Reports (Departments) Act 1985*.

Yours sincerely



Carolyn McNally
Secretary



Contents

Secretary's Foreword	4
About us	5
Drive evidence-based growth planning	9
Increase and diversify housing supply	20
Facilitate employment and investment	28
Align infrastructure to growth priorities	41
Reform the planning system	47
Department of Planning and Environment - Financial Statements	51
Department of Planning and Environment - Audit Statement	86
Corporation Sole - Minister Administering the <i>Environmental Planning and Assessment Act 1979</i> - Financial Statements	88
Corporation Sole - Minister Administering the <i>Environmental Planning and Assessment Act 1979</i> - Audit Statement	116
Building Professionals Board Annual Report	118
Building Professionals Board - Financial Statements	130
Building Professionals Board - Audit Statement	148
Appendices	150
Abbreviations	191
Index	192
Contact Information	194

Secretary's Foreword

The NSW Government established the Department of Planning and Environment on 23 April 2014, when its predecessor, the former Department of Planning and Infrastructure, became part of the new Planning and Environment Cluster.

In May 2014, the Department published Population, Household and Dwelling Projections 2011-31, which identified that by 2031 Greater Sydney will be home to an additional 1.6 million people, while our largest regional cities and country and coastal centres will house 400,000 more people.

Over the year to 30 June 2014, there have been a number of achievements that support growth in NSW including:

- \$18.6 billion of major projects were approved, comprising \$13.5 billion approved by the Department, \$4.8 billion by the independent Planning Assessment Commission and \$800 million by the Minister for Planning.
- The construction of 51,976 new homes was approved – the highest level in 15 years.
- Plans were finalised for urban renewal sites in North Ryde, Wentworth Point and the Epping Town Centre, allowing for 9,050 new homes accompanied by infrastructure including parks and upgrades to local roads.
- Better infrastructure to support homes and jobs continued to be funded through the Housing Acceleration Fund, under which 11 critical projects were funded to support the delivery of up to 42,900 new homes and 12,000 hectares of employment land in the Sydney and Hunter regions.
- \$42.9 million from the Local Infrastructure Growth Scheme was approved to fund local infrastructure in new release areas in the Blacktown and The Hills local government areas.
- Over \$100 million worth of Voluntary Planning Agreements and over \$20 million of Special Infrastructure Contributions were negotiated.

The achievements outlined in this report are testament to the hard work, expertise and commitment of the Department's staff, and I thank them for their contributions.

Carolyn McNally
Secretary





About us

WHAT THE DEPARTMENT DOES

The Department of Planning and Environment is a Department of the Public Service under the *Government Sector Employment Act 2013*.

The Department is responsible for effective and sustainable planning to support the growth challenge for NSW. It makes plans, assesses proposals and develops timely policy based on evidence. Doing this requires long range thinking, integrated planning, clear and consistent policies and balanced assessment.

Primary legislation administered by the Department

The Department administers legislation on behalf of the Minister for Planning, and the Assistant Minister for Planning. The following Acts are the primary legislation that governs most of the Department's core business:

- *Environmental Planning and Assessment Act 1979*;
- *Building Professionals Act 2005*; and
- *Growth Centres (Development Corporations) Act 1974*.

OUR STRUCTURE

At 30 June 2014, the Department was organised into the following areas.

- Planning Strategies, Housing and Infrastructure Division.
- Growth Planning and Delivery Division.
- People and Business Division.
- Policy, Strategy and Reform Division.
- Finance and Services Division.
- Development Assessment Systems and Approvals Branch.
- Planning Reform and General Counsel Branch.

The staff of the following government agencies are part of the Department:

- Central Coast Regional Development Corporation;
- Hunter Development Corporation; and
- Sydney Harbour Foreshore Authority (which manages the Luna Park Reserve Trust).

These Government agencies publish separate annual reports under the *Annual Reports (Statutory Bodies) Act 1984*.

The staff of the independent Building Professionals Board and the Planning Assessment Commission are also part of the Department. The Building Professionals Board publishes an Annual Report which is included with the Department's Annual Report. Owing to administrative arrangements some statistics and other information relating to the Building Professionals Board are published in the Department's Annual Report.

The Office of Environment and Heritage, the Office of Local Government and UrbanGrowth NSW are Public Service executive agencies related to the Department, under the *Government Sector Employment Act 2013*. These agencies publish separate Annual Reports.

THE PLANNING AND ENVIRONMENT CLUSTER

The Planning and Environment Cluster was established on 23 April 2014, and comprises:

- the Department of Planning and Environment;
- the Office of Environment and Heritage (OEH); and
- the Office of Local Government (OLG).

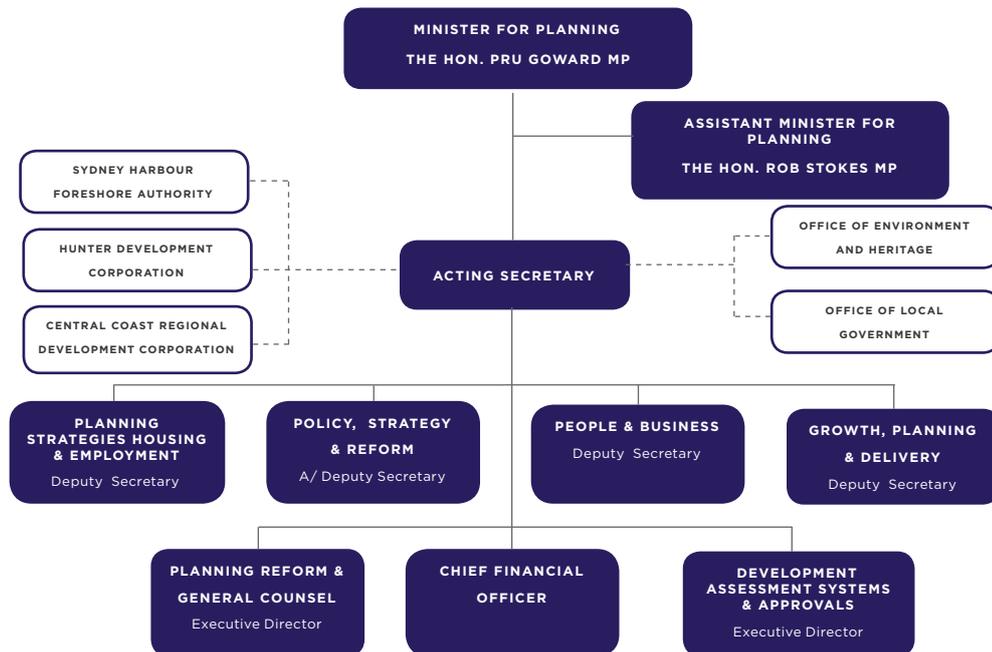
Before the Cluster was established, the Department, OEH and OLG were part of the Premier and Cabinet Cluster.

The Cluster advises the: Minister for Planning; the Minister for the Environment, Minister for Heritage and Assistant Minister for Planning; and the Minister for Local Government.

Previously, the then Department of Planning and Infrastructure advised the Minister for Planning and Infrastructure, the Hon. Brad Hazzard MP.



Department of Planning and Environment Organisation Structure at 30 June 2014



OUR COMMUNITIES AND STAKEHOLDERS

The Department works with a variety of stakeholders, including:

- local government: individual councils, Regional Organisations of Councils and their peak groups;
- State and Federal Government agencies and Members of Parliament;
- industry and businesses and their peak representative bodies;
- community, environment and not-for-profit groups;
- planning professionals, academics and technical specialists and their representatives bodies;
- property owners and investors, including owner/occupiers, residential and commercial property owners and investors; and
- local residents, including residents' action groups.

Community and stakeholder participation in planning is a key priority in order to capture and consider an appropriate diversity of views when making planning decisions. It also helps to ensure that planning outcomes respond, wherever possible, to the community's needs, interests and concerns.

We work to meet our statutory obligations under the *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulations 2000*. We also ensure that our engagement with communities and stakeholders is consistent with principles for community participation. We engage with communities and stakeholders so that they can inform planning decisions, and to build community capacity to participate in planning.



NSW 2021

NSW 2021 is the NSW Government's 10 year strategic plan to rebuild the economy, return quality services, renovate infrastructure, restore accountability to government and strengthen our local environment and communities.

NSW 2021 includes 32 goals and 180 targets by which achievement of the goals is measured. The plan sets priorities and guides NSW Government resource allocation in conjunction with the State Budget.

The Department of Planning and Environment is either the lead agency or a contributing agency responsible for delivering the following NSW 2021 goals and measures:

NSW 2021 Goals and Measures for the Department of Planning and Environment

GOAL	MEASURES
Goal 20: Build liveable centres (lead agency)	<ul style="list-style-type: none">• Percentage of the population is living within 30 minutes by public transport of a city or major centre in Metropolitan Sydney.• Increase the number of strategic plans that provide for increases in jobs and dwellings within walking catchments of centres of all sizes with good public transport through up-zonings and increased densities.
Goal 29: Restore confidence and integrity in the planning system (lead agency)	<ul style="list-style-type: none">• New planning system legislation to be introduced by end 2012.• Percentage of decisions published within five days by the Department of Planning and Environment:<ul style="list-style-type: none">- Gateway decisions for amendments to Local Environmental Plans.- Voluntary Planning Agreements.- Planning Assessment Commission determinations.- Planning Assessment Commission advices.• Percentage of State Significant Development and State Significant Infrastructure applications determined within four months.• Level of customer satisfaction with key planning processes.
Goal 3: Drive economic growth in regional NSW (contributing agency)	<ul style="list-style-type: none">• Number of Strategic Regional Land Use Plans completed by 2014.
Goal 4: Increase the competitiveness of doing business in NSW (contributing agency)	<ul style="list-style-type: none">• Percentage of planning approvals issued as complying development certificates.• Number of days it takes to make a Gateway determination.• Introduction of new planning legislation in November 2012 following comprehensive review of NSW planning system.
Goal 5: Place downward pressure on the cost of living (contributing agency)	<ul style="list-style-type: none">• The number of completed dwellings added to existing stock each year, from Metropolitan Development Program data.• The potential dwelling capacity of land with trunk water and sewer services available each year from the Metropolitan Development Program data.

Source: NSW 2021

These aims are supported at a strategic level in the Department's Corporate Plan.

Progress in 2013-14

In 2013-14, the Department continued to realise the NSW 2021 goals, and its achievements are available in the *NSW 2021 Performance Report 2013-14*. Achievements are also reported in the operational performance chapters in this report.



Drive evidence-based growth planning



HIGHLIGHTS

- Established the Centre for Demography, Economics and Research and released the *2014 Population, Household and Dwelling Projections 2011-2031*.
- Released *The Illawarra Over the Next 20 Years: A Discussion Paper*, the first step in developing a regional growth plan for the Illawarra.
- Approved 36 Standard Instrument Local Environmental Plans, bringing the number of councils operating under the new streamlined system to 143 of 152.
- Delivered 266 planning proposals back to councils to finalise, representing 75 per cent of all planning proposals receiving gateway decisions during the year.
- Released the interim report for the independent review of environmental zones in Far North Coast NSW councils.
- Rezoned the 9.9 hectare Gosford Waterfront site to revitalise Gosford.
- Introduced Coal Seam Gas exclusion zones applying to 2.7 million hectares of land and more than 96 per cent of homes across the State.



INTRODUCTION

The Department is adopting an evidence-based approach to planning for the population growth and demographic change occurring in NSW.

During 2013-14, the Department strengthened the evidence base upon which planning decisions can be made through the creation of the Centre for Demography, Economics and Research.

The process of making Regional Growth Plans began, the Strategic Regional Land Use Policy was extended, and an independent review of the application of environmental zones and environmental overlays in council Local Environmental Plans (LEPs) on the Far North Coast of NSW was conducted. Urban renewal progressed outside of Sydney with the rezoning of the Gosford Waterfront site and the establishment of heritage controls.

The process of simplifying the LEP making system continued with the Department approving a further 36 Standard Instrument LEPs.

CENTRE FOR DEMOGRAPHY, ECONOMICS AND RESEARCH

The Department established the Centre for Demography, Economics and Research as a centre of excellence in July 2013. The Centre, which specialises in demography, economics, data analysis and modelling, draws on the best information from government, industry and researchers to provide an evidence base for planning and infrastructure policy decisions.

As well as releasing population, household and dwelling projections for NSW, the Centre undertook a number of projects to enhance understanding of housing supply, fertility, internal migration, population distribution and the movement of people in regional NSW.

POPULATION, DWELLING AND HOUSEHOLD PROJECTIONS

In May 2014, the Centre released population, household and dwelling projections for NSW, Sydney and regional areas, including projections specific to each of the State's 152 local government areas.

The projections, which incorporate data from the Australian Bureau of Statistics, NSW Health and migration data from the Commonwealth Department of Immigration and Border Protection, provide a detailed assessment of how the NSW population is expected to change over the period 2011-31. They are used by the Department to plan service and infrastructure delivery, and they form the basis for assessing future requirements for residential and commercial land, housing and public utilities.

The projections are also designed to be used by governments, councils, businesses and non-government organisations to develop long term strategy, plan for services and infrastructure and make capital investment decisions.

REGIONAL GROWTH PLANNING

The Department is developing Regional Growth Plans to help the State's regions plan for their housing and employment needs in light of population change, and associated infrastructure. Regional Growth Plans will improve the current system of Regional Strategies and Strategic Regional Land Use Plans by providing a complete coverage of the State.

While addressing the full range of planning challenges in each region, Regional Growth Plans will:

- plan for population change;
- maximise economic growth;
- promote environmental assets; and
- build strong communities.



The Department is working with local government, which is central to the development and delivery of Regional Growth Plans, and local communities, who are closely consulted to ensure that their views inform the Plans.

State wide Profile

In May 2014, the Department released the NSW State wide Profile 2014. It outlines the factors shaping growth and change in communities throughout NSW and provides a snapshot of the State's economy, environment, resources, infrastructure and communities.

Together with the State wide Profile, the Department released ten new regional boundaries to be used for regional growth planning. The boundaries comprise groups of NSW councils with common assets and aspirations. Regional Growth Plans will be developed for all ten regions.

Regional Growth Planning for the Illawarra

In August 2013, the Department released *The Illawarra Over the Next 20 Years: A Discussion Paper*, the first step in developing a regional growth plan for the Illawarra, which includes the Wollongong, Shellharbour, Kiama and Shoalhaven local government areas.

The Discussion Paper was exhibited between 19 August 2013 and 11 November 2013. The Department received over 100 formal submissions in response to the Discussion Paper, and consulted the community extensively.

DRAFT METROPOLITAN STRATEGY FOR SYDNEY

The draft Metropolitan Strategy for Sydney, outlines the NSW Government's long term vision to unlock investment, target infrastructure delivery and manage growth and change in Sydney to 2031.

During 2013-14, the Department worked with other agencies to update the Strategy.

The Department undertook an extensive community consultation program to inform the Strategy, which included reviewing more than 1,100 submissions made to a public exhibition of the draft Strategy together, community events and online discussion forums.

Two community consultation sessions were held in Penrith to assist finalising the Strategy, in July 2013. These sessions were held because the Penrith community sought additional opportunities to express their views on the Strategy.



LOCAL ENVIRONMENTAL PLAN MAKING

A Local Environmental Plan (LEP) is a legal instrument that guides planning decisions across the whole or part of a Local Government Area (LGA), zoning land and applying standards to control development.

A Standard Instrument LEP applies to the whole of an LGA. The Standard Instrument LEP Program began in 2006 to simplify the plan making system by creating a common format and content for LEPs.

In 2013-14, the Department continued to convert councils to Standard Instrument LEPs, the majority being in regional NSW. The Department continued to reduce the average number of days required to make a Gateway decision and significantly increased the number of LEPs made by local planning authorities as the Minister's delegate.

Standard Instrument LEPs finalised in 2013-14

During 2013-14, the Department approved 36 Standard Instrument LEPs, bringing the number of councils across NSW operating under the new system to 143 of 152.

Year	Standard Instrument LEPs finalised
2011-12	32
2012-13	48
2013-14	36

Metropolitan LEPs

LGA	Date of finalisation
North Sydney Local Environmental Plan 2013	2 August 2013
Hornsby Local Environmental Plan 2013	27 September 2013
Ashfield Local Environmental Plan 2013	23 December 2013
Leichhardt Local Environmental Plan 2013	23 December 2013
Pittwater Local Environmental Plan 2014	30 May 2014



Regional LEPs

LGA	Date of finalisation
Walgett Local Environmental Plan 2013	5 July 2013
Yass Valley Local Environmental Plan 2013	19 July 2013
Cootamundra Local Environmental Plan 2013	26 July 2013
Bega Valley Local Environmental Plan 2013	2 August 2013
Forbes Local Environmental Plan 2013	9 August 2013
Lachlan Local Environmental Plan 2013	9 August 2013
Murrumbidgee Local Environmental Plan 2013	23 August 2013
Conargo Local Environmental Plan 2013	23 August 2013
Gwydir Local Environmental Plan 2013	30 August 2013
Broken Hill Local Environmental Plan 2013	30 August 2013
Singleton Local Environmental Plan 2013	6 September 2013
Coffs Harbour Local Environmental Plan 2013	27 September 2013
Berrigan Local Environmental Plan 2013	4 October 2013
Cooma-Monaro Local Environmental Plan 2013	25 October 2013
Wakool Local Environmental Plan 2013	22 November 2013
Warrumbungle Local Environmental Plan 2013	29 November 2013
Snowy River Local Environmental Plan 2013	13 December 2013
Oberon Local Environmental Plan 2013	20 December 2013
Kempsey Local Environmental Plan 2013	20 December 2013
Port Stephens Local Environmental Plan 2013	23 December 2013
Upper Hunter Local Environmental Plan 2013	23 December 2013
Deniliquin Local Environmental Plan 2013	23 December 2013
Wyong Local Environmental Plan 2013	23 December 2013
Gosford Local Environmental Plan 2014	11 February 2014
Griffith Local Environmental Plan 2014	21 March 2014
Great Lakes Local Environmental Plan 2014	4 April 2014
Tweed Local Environmental Plan 2014	4 April 2014
Shoalhaven Local Environmental Plan 2014	8 April 2014
Dungog Local Environmental Plan 2014	30 May 2014
Byron Local Environmental Plan 2014	30 May 2014
Leeton Local Environmental Plan 2014	10 June 2014



Local Environmental Plan making breakdown

During 2013-14, 372 planning proposals were lodged with the Department, 320 Gateway notices were issued and 336 LEPs were approved.

The Department took an average of 22 days to make a Gateway decision in 2013-14, an improvement of four days on last year's average of 26 days. The 2011-12 average was 29 days.

LEP plan making breakdown 2013-14

Region	Gateway determinations	LEPs notified	LEPs notified under delegation by relevant council	Standard Instrument LEPs
Northern	69	64	47	5
Hunter	60	69	36	7
Southern	61	38	20	6
Metropolitan CBD	65	68	41	4
Metropolitan Parramatta	76	75	32	1
Western	24	22	16	13
TOTAL	355	336	192	36

During 2013-14, the Department delivered 266 planning proposals back to councils to finalise, representing 75 per cent of all planning proposals receiving Gateway decisions during the year. In the same period, 192 LEPs were finalised under delegation by the relevant council, meaning that 52 per cent of LEPs were made by the local planning authority as the Minister's delegate.

LEP Decisions by Consent Authority

	Gateway determinations	LEPs delegated to councils	% LEPs delegated	LEPs notified	LEPs notified under delegation by relevant council	% finalised under delegation
2012-13	320	168	53%	186	6	3%
2013-14	355	266	75%	366	192	52%



Pre-Gateway reviews

An applicant may request a pre-Gateway review where the relevant local council has indicated it will not support a planning proposal. An applicant may also request a review where the council has failed to indicate its support within 90 days of a planning proposal being lodged, to obtain an independent review.

During 2013-14, the Department received 39 requests for pre-Gateway reviews. In the same period, 26 review requests were finalised, with 18 being approved and progressed to the Gateway stage for determination. Eight requests were refused.

Pre-Gateway reviews 2013-14

Region	Lodged	Determined	Approved	Refused
Northern	2	2	1	1
Hunter	1	1	1	0
Southern	6	5	4	1
Metropolitan CBD	17	10	8	2
Metropolitan Parramatta	12	8	4	4
Western	1	0	0	0
TOTAL	39	26	18	8



STRATEGIC REGIONAL LAND USE POLICY

The Strategic Regional Land Use Policy balances the land use needs of communities, valuable farmland and resource industries. The Policy applies to 5.3 million hectares of residential and high quality agricultural land. During 2013-14, the Department finalised a number of significant changes to extend the Policy and to strengthen the process of assessing the impacts of resource proposals.

Coal Seam Gas (CSG) exclusion zones

CSG exclusion zones ban new CSG activity in residential areas zoned R1-R4 and RU5 and within a two kilometre buffer around those zones, and future residential growth areas across NSW. They came into force in October 2013 for existing residential areas in all 152 local government areas in NSW, and the North West and South West Growth Centres of Sydney.

In January 2014, the Government introduced additional CSG exclusion zones for additional future residential growth areas and seven rural villages across NSW, and the equine and viticultural areas – known as Critical Industry Clusters – in the Upper Hunter Region. As a result, CSG exclusion zones apply to 2.7 million hectares of land and more than 96 per cent of homes across the State.

These changes were publicly exhibited in October and November 2013 with the Department receiving over 250 submissions. The *State Environmental Planning Policy (Mining Petroleum Production and Extractive Industries) 2007* (the Mining SEPP) was amended to give effect to the changes.

Critical industry clusters

CSG exclusion zones apply to Critical Industry Clusters (CICs) which are concentrations of highly productive industries within a region that are related to each other, contribute to the identity of that region and provide significant employment opportunities.

Between 4 October and 8 November 2013, the Department exhibited maps to verify the location of viticultural, equine and community land use. An independent consultant conducted the verification process and land owners were given the opportunity to nominate their land for inclusion if it met certain criteria. Mining and CSG companies were also given the opportunity to nominate properties that they owned when the Strategic Regional Land Use Policy was introduced in 2012, which they wanted to have removed from the CIC mapping. Submissions to the exhibition involved over 1,500 parcels of land.

In January 2014, the Department finalised this mapping, allowing the areas to be included in the additional CSG exclusion zones. As a result, the combined area of the CICs increased by 20,700 hectares to cover a total of 314,900 hectares.

Gateway process

In November 2013, the Government introduced an amendment to the Mining SEPP to clarify the decision-making process for resource proposals, which are subject to the Gateway process.

The Gateway process is an independent, upfront scientific assessment of the land and water impacts of a proposal for a State significant mining or CSG project. This assessment must occur before an applicant can submit a development application on the 2.8 million hectares of land designated as strategic agricultural land, or CICs for mining projects. Once the land and water impacts of a proposal have been identified through the Gateway assessment, they must be addressed in the development application submitted to the Department.

The Mining and Petroleum Gateway Panel is comprised of independent scientific experts who oversee the Gateway assessment process.

NORTHERN COUNCILS ENVIRONMENTAL ZONING REVIEW

An independent review was commissioned into the application of environmental zones (E zones) and environmental overlays in council LEPs on the Far North Coast of NSW. The councils affected are: Ballina, Byron, Kyogle, Lismore and Tweed.

The review considered how these Councils should use planning controls to protect the environment while still allowing the growth of the important local farming sector. Until the review is finalised all proposed E zones have been deferred from councils' LEPs.

Extensive consultation took place with councils, land owners and local stakeholders. In May 2014, the interim report prepared by consultants Parsons Brinckerhoff was released.

The draft recommendations were exhibited from 15 May 2014 to 5 June 2014, and each council was briefed on them. In response to the exhibition, over 400 submissions were received.

The submissions are currently being reviewed and final recommendations will be presented to the Minister for Planning for a decision.



STRATEGIC PLANNING REVIEWS

Oxford Falls Valley

The Department and Warringah Council are undertaking a Strategic Review of the land located in Oxford Falls Valley and Belrose North. This land was deferred from the *Warringah LEP 2011* as a result of considerable community interest regarding the proposed E3 Environmental Management zoning (E zoning) of the area.

A draft Strategic Review report, recommending the majority of land be zoned E3 Environmental Management, was publicly exhibited between 22 June and 30 August 2013, with 130 submissions received. A large number of land owners objected to the proposed E3 zone.

In March 2014, the Department published a Submissions Report after reviewing the application of the E3 zone, which highlighted the need for additional studies to be undertaken on land proposed for an E zone where it exhibits low environmental value.

Council will prepare a planning proposal to translate the deferred land into the Warringah LEP 2011. This planning proposal will then be exhibited for further public comment.

Ashfield LEP independent review

In February 2014, the Government announced an independent review of Ashfield LEP in response to community concerns regarding the process undertaken in identifying additional heritage listings.

An independent review panel comprised of Victorian architect Ms Shelly Penn and heritage expert Ms Helen Lardner was appointed to review the appropriateness of the heritage items and heritage conservation areas listed in the LEP.

The Review Panel consulted with the Council, the Department, the community and other stakeholders, and examined relevant documents.

Sutherland LEP Independent Review

An independent review of the Sutherland Shire LEP was announced by the Government in November 2013 in response to the Sutherland Shire Mayor's request to address community concerns about the way in which the draft Sutherland LEP was made.

An independent review panel comprised of planning experts Dr John Roseth and Ms Meredith Sussex AM, was appointed to assess whether the Sutherland Shire Council prepared the draft LEP in accordance with State planning laws. The Review Panel was also charged with assessing provisions contained in the second version of the draft LEP that was exhibited in late 2013. It also examined 75 changes made to the draft LEP as a result of a Mayoral Minute adopted by Council.

The Review Panel heard representations from approximately 100 people at nine public hearings, considered 253 individual submissions, 653 form letters and nine additional letters, plus changes made to the draft LEP by Mayoral Minute No 5/13-14 and more than 3,000 submissions made during two previous exhibitions of the draft LEP.

The Review Panel's report, which was released in June 2014, made 92 recommendations for Council to consider in finalising the draft LEP. In summary, the review concluded that Council has prepared the draft LEP in accordance with State planning laws and that the overall thrust of the draft LEP was sound. However, it found that Mayoral Minutes were not an appropriate substitute for planning reports and recommended that a number of provisions should be amended or reconsidered in conjunction with additional evidence.

The Department requested that Council consider the Review findings and submit the final draft LEP to the Department for finalisation by August 2014.



URBAN REVITALISATION

Newcastle city centre

Newcastle has over 155,000 residents, and the population is expected to grow to 190,000 by 2031. By 2036, the city is expected to accommodate an additional 10,000 jobs and 6,000 homes. The city is evolving beyond its industrial and manufacturing origins towards a more economically diverse regional city.

The Newcastle Urban Renewal Strategy is a 25 year plan to revitalise Newcastle, reinforce its role as a 21st century regional centre and support the creation of the jobs and homes needed by 2036. Implementation of the Strategy will occur through amendments to the planning controls contained in the *Newcastle LEP 2012* and an implementation plan.

Proceeds of \$340 million from the 98 year lease of the Port of Newcastle, together with \$120 million from the Hunter Investment & Infrastructure Fund and Restart NSW, will be used to fund the revitalisation of the Newcastle CBD and transport infrastructure.

In 2013-14, the Department continued to work with the City of Newcastle Council, key government agencies, local businesses and the community on a vision to transform and revitalise Newcastle's city centre. Amendments to the proposed planning framework, contained in the draft amendment to the *State Environmental Planning Policy (Urban Renewal)* were placed on public exhibition between 5 March 2014 and 21 March 2014. Proposed changes to the Newcastle Development Control Plan (DCP) were also exhibited between 5 March 2014 and 4 April 2014 to allow the

community to review the detailed planning and design guidelines that will support the LEP.

A total of 326 submissions were received in response to both exhibitions.

Gosford Waterfront

In February 2014, the 9.9 hectare Gosford Waterfront site was rezoned, the culmination of several years of investigation and collaboration between the NSW Government, Gosford City Council, the Central Coast Regional Development Corporation and the community.

The site's redevelopment will contribute to the delivery of up to 800 new homes and 2,000 new jobs within the Gosford CBD. The site will also enable new regional community facilities to be developed to attract tourists and visitors to Gosford, including a Regional Performing Arts Centre and Conservatorium.

The rezoning of the precinct will also establish a key linkage and new focal point between the Gosford City Centre and the waterfront. The precinct retains and improves public access to Brisbane Water, including the activation of the Breakwater, which will allow waterfront restaurants and shops to be developed.

Appropriate heritage controls have also been established to ensure future development applications assess the potential impacts on local heritage items on the site and surrounding area.

The Central Coast Regional Development Corporation is now progressing the first stage of the project, the redevelopment of the former Gosford Public School site.



OFFICE OF STRATEGIC LANDS

The Office of Strategic Lands (OSL) operates on behalf of the Minister for Planning to identify, acquire, manage (on an interim basis) and transfer to other government agencies, land required for planning purposes throughout the Sydney region.

The OSL acquires land for public purposes which are required for open space, public transport corridors and land for strategic planning projects.

The OSL administers the Ministerial Corporation (known as the Corporation Sole) which owns over \$1.5 billion worth of government land in Sydney. Using the Minister's delegated powers, it also operates the Sydney Region Development Fund (SRDF), which is the fund used to buy and sell land parcels to achieve good strategic planning outcomes.

Land purchases

In 2013-14, the SRDF acquired 12.1 hectares of open space land to the value of \$9 million in the Fairfield, Blacktown, Liverpool and Campbelltown LGAs. The majority of this land (seven hectares) was purchased as an addition to the Western Sydney Parklands.

Twenty two small parcels of land were purchased for environmental conservation purposes in Riverstone and Marsden Park in the Blacktown LGA.

The lands required for batters and bridges over the South West Rail Link were acquired by compulsory acquisition to meet the South West Rail Link project's construction time line. Ten land owners lodged applications to the NSW Land and Environment Court appealing the determination of compensation by the Valuer General. All of these matters were settled by negotiations prior to court hearings.

Land sales

Land sales and development generated \$64.7 million for the SRDF in 2013-14, including project development agreement participation payments by development partners. A total of 283 residential lots were sold to the Sydney market, including 240 lots in Bunya at Bungarribee (Doonside), 37 lots and built houses at Rouse Hill Town Centre and six lots across Bass Hill, Prospect, Marrickville and Fairfield West.

A total of 13.4 hectares of employment and industrial land was also sold at West Huntingwood, Glendenning and Chullora.

Land management

A total of 6,406 parcels of land were managed by the OSL across the Sydney region, mostly for future open space uses. Land was maintained to minimise bushfire risk to nearby assets. Buildings and property assets were maintained for general and community use through ongoing repairs and maintenance, portfolio-wide improvements to water use and continuing service to commercial and residential tenants.

The OSL also provided grant funding to Roads and Maritime Services of \$3.6 million to finalise the construction of the Erskine Park Link Road to service the Erskine Park and Western Sydney employment areas.



Increase and diversify housing supply



HIGHLIGHTS

- Home approvals in the Sydney region increased by 39 per cent on the previous year, with 38,576 approvals granted. In NSW, 51,976 approvals were granted.
- Home completions in the Sydney region increased by 68 per cent compared to the last five years, with 23,456 homes completed.
- The supply of multi-unit dwellings continued to grow, with 67 per cent of approvals and 65 per cent of completions being for semi-detached homes, terraces, villas, townhouses and apartments.
- Urban Activation Precincts at North Ryde Station, Epping Town Centre and Wentworth Point were rezoned to create up to 9,050 homes and 1,500 jobs.
- Land was rezoned for 14,650 homes in Sydney's North West and South West Growth Centres Precincts at Marsden Park, Catherine Fields and Liverpool.
- The North West Rail Link Corridor Strategy was finalised, outlining a vision for eight new stations, 28,000 new homes and 49,000 new jobs by 2036, in partnership with Transport for NSW and The Hills, Blacktown and Hornsby Councils.

INTRODUCTION

The Department's work to increase housing supply and choice is central to the Government's goal of building liveable centres where people have access to an adequate and affordable supply of homes located close to transport, jobs, infrastructure and natural environments.

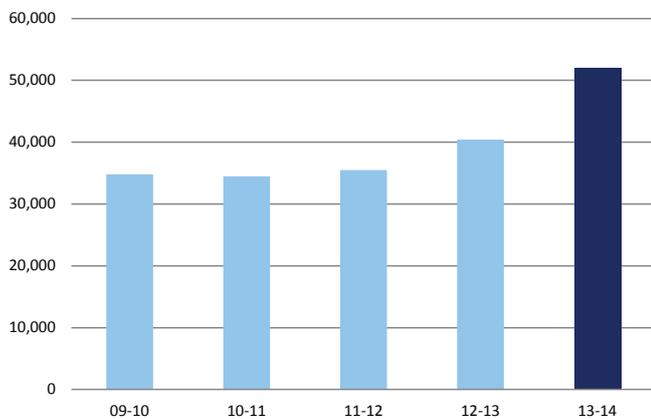
During 2013-14, the Department oversaw a marked increase in housing supply. It work in partnership with other agencies, councils and communities to rezone land for infill housing in Urban Activation Precincts, and for greenfield housing in Sydney's North West and South West Growth Centres. Land was rezoned in order to coordinate the supply of new housing with the Government's major infrastructure priorities.

KEY HOUSING SUPPLY OUTCOMES

NSW Approvals

Home approvals in NSW are at their highest levels since 2000, increasing by 29 per cent in the last twelve months with 51,976 approvals granted in 2013-14.

NSW dwelling approvals - last five years (2009-10 to 2013-14)

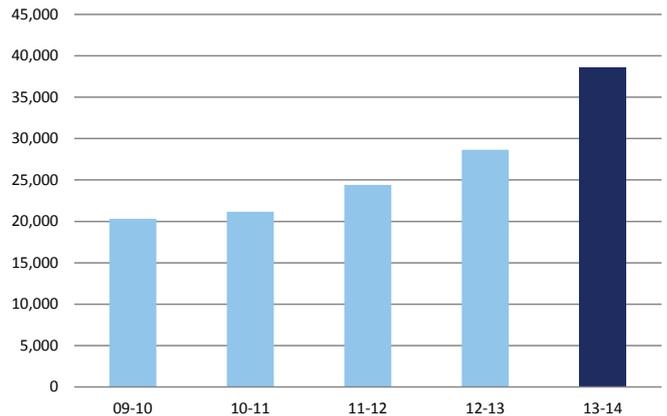


Source: ABS 8731.0 - Building Approvals, Australia, August 2014 release.

Sydney Approvals

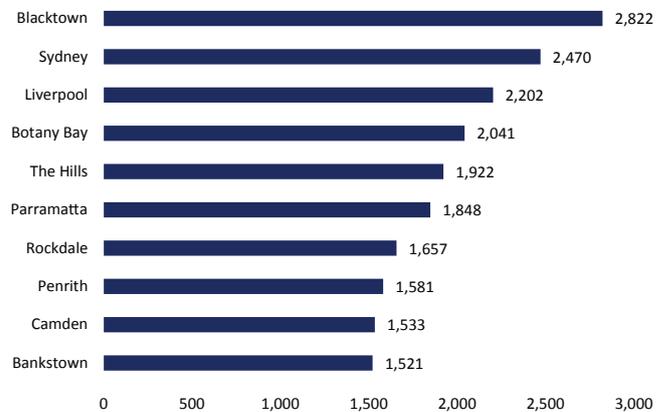
Home approvals in the Sydney region increased by 39 per cent in 2013-14 compared to the previous year, with 38,576 approvals granted. Thirty per cent of these approvals came from the State's top five Local Government Areas of Blacktown, City of Sydney, Liverpool, Botany Bay and The Hills.

Sydney region dwelling approvals - last five years (2009-10 to 2013-14)



Source: ABS Building Approvals Customised Report, June Quarter 2014

Top 10 Sydney region dwelling approvals by LGA, 2013-14



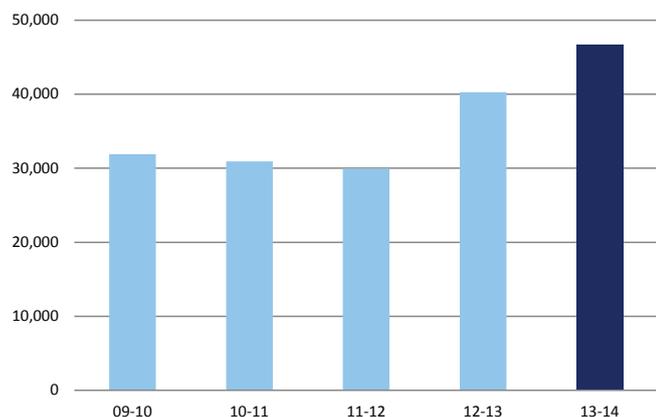
Source: ABS Building Approvals Customised Report, June Quarter 2014



NSW commencements

Housing commencements in NSW reached 46,743 in 2013-14, an increase of 16 per cent on the previous year.

NSW housing commencements - last five years (2009-10 to 2013-14)



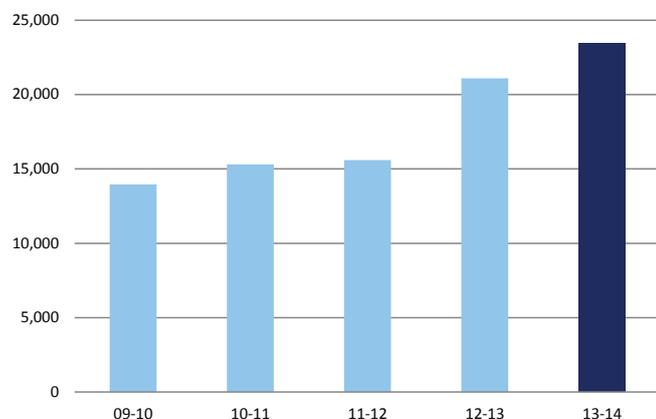
Source: ABS Building Activity - Housing Commencements Customised Report, June Quarter 2014

Sydney completions

Home completions in the Sydney region increased by 11 per cent during 2013-14 compared to the previous year, with 23,456 homes completed. This represents a 68 per cent increase over four years.

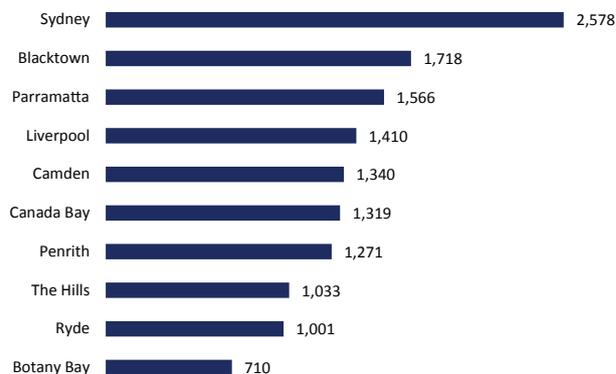
The State's top five Local Government Areas of City of Sydney, Blacktown, Parramatta, Liverpool and Camden accounted for 37 per cent of completions for the Sydney region.

Sydney region dwelling completions - last five years (2009-10 to 2013-14)



Source: Sydney Water and local councils

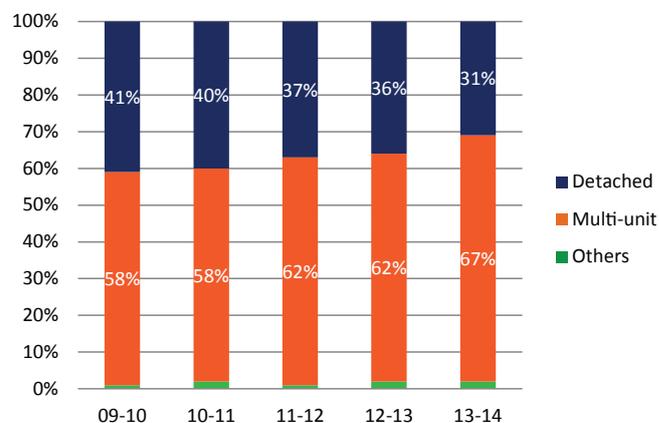
Top 10 Sydney region dwelling completions by LGA, 2013-14



Source: Sydney Water and local councils

Housing types

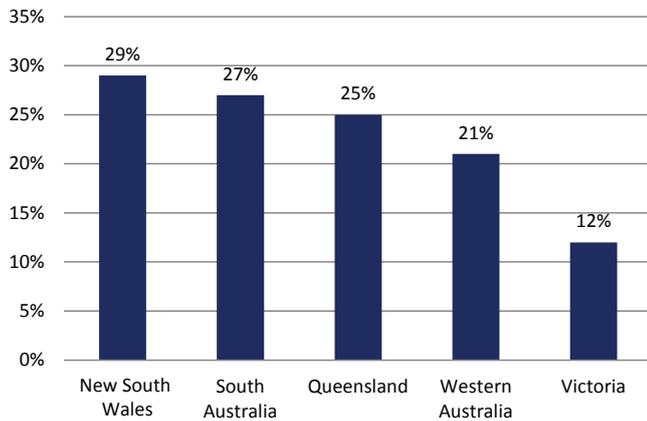
In the Sydney region, 67 per cent of approvals granted in 2013-14 were for multi-unit dwellings, including semi-detached homes, terraces, villas, townhouses and apartments. This is five per cent higher than the previous year. Housing completions are consistent with this trend with 65 per cent of completions being multi-unit dwellings.



State wide Trends

NSW approved 51,976 homes during 2013-14, an increase of 29 per cent in approvals compared to the previous year and a higher rate of approvals than other states.

Annual growth in dwelling approvals by major state 2013-14



Source: ABS 8731.0 - Building Approvals, Australia, August 2014 release

Pipeline for housing

In the Sydney region, land rezoning for around 15,000 homes occurred in 2013-14 in the four release areas of Marsden Park, Catherine Fields, Warriewood Valley and Warnervale (Precinct 7A).

Unlocking new release areas

During 2013-14, housing activity in the Sydney region greenfield release area produced 5,581 dwellings. The average over the last two years was 79 per cent higher than the average over the last ten years.

Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Greenfield production	2,587	1,970	2,430	2,326	2,366	2,924	3,407	3,078	6,196	5,581



POLICIES TO SUPPORT HOUSING

Urban Activation Precincts

The Urban Activation Precincts (UAP) Program is a key part of the Government's strategy to meet the housing, employment and infrastructure needs of Sydney's growing population. The Program is revitalising existing areas to deliver homes, jobs and infrastructure in areas of Sydney where the demand for housing is the highest and there is good access to transport, services and facilities.

The UAP program applies an evidence-based, strategic planning approach to delivering new homes and jobs. Studies are undertaken to understand the existing constraints and opportunities associated with a nominated precinct in order to identify its potential for future growth.

A fundamental element of the UAP program is working in collaboration with local councils and early consultation with the community.

The current program of UAPs has the potential to provide more than 42,000 new homes. Three precincts at North Ryde Station, Epping Town Centre and Wentworth Point were rezoned in 2013-14. The Carter Street and Herring Road Precincts were made available for public comment. Investigations are ongoing for the remaining precincts.

The Precinct Support Scheme is an initiative of the UAP Program that assists councils with the delivery of local infrastructure and amenity improvements that directly benefit a precinct community.

The Precinct Support Scheme was allocated \$50 million in the 2012-13 NSW Budget to be shared between the first eight UAPs. An additional \$50 million was allocated for future UAPs in the 2013-14 Budget.

Memoranda of Understanding were signed with councils, committing over \$13 million in Precinct Support Scheme funding for local infrastructure projects associated with the North Ryde Station, Epping Town Centre and Wentworth Point UAPs.

North Ryde Station (City of Ryde)

Located adjacent to the North Ryde Railway Station, this 12.5 hectare site is on mostly vacant government-owned land used for M2 Hills Motorway upgrade works. The rezoning of the Precinct was finalised in September 2013 and allows up to 3,000 new homes and the creation of 1,500 additional commercial and retail jobs that will transform the area into a vibrant local centre. Feedback from the community resulted in the Tennis World site being removed from the rezoning and a reduction in some building heights.

A funding agreement for the delivery of a new park in Macquarie Corridor was negotiated with City of Ryde Council in 2013-14, with \$6 million to be allocated from the Precinct Support Scheme.

Epping Town Centre (Hornsby Shire and Parramatta City Councils)

The rezoning of the Epping Town Centre Precinct was finalised in March 2014 and provides for an estimated 3,750 new homes over the next 20 years. The Precinct is situated within a ten minute walk of Epping Railway Station, which provides good access to employment and education destinations. This will be further improved when the North West Rail Link is completed.

There is a strong demand for residential development in the area and an increasing demand for retail development. Residents will also benefit from improved pedestrian and cycle access and strengthened heritage zones.

Funding agreements for the delivery of public parks and amenities were negotiated with Hornsby Shire and Parramatta City Councils in 2013-14, with \$5 million to be allocated from the Precinct Support Scheme.

Wentworth Point (Auburn City Council)

The rezoning of the Wentworth Point Precinct was finalised in June 2014 and allows for 2,300 apartments, maritime facilities, a large peninsula park, a new school and connections to the nearby Sydney Olympic Parklands.

Residents will be able to walk to expanded Sydney Harbour ferry services and take advantage of the proposed bridge across Homebush Bay to access Rhodes Railway Station. The site is close to both



the Sydney and Parramatta CBDs and will provide residents with good access to jobs.

A funding agreement for the delivery of a new peninsula park was negotiated with Auburn City Council in 2013-14, with \$5 million to be allocated from the Precinct Support Scheme.

Herring Road, Macquarie Park (City of Ryde)

The Herring Road Precinct is located at the north-western end of Macquarie Park in an area which includes Macquarie Shopping Centre, Macquarie University and the Ivanhoe Estate. The Precinct will facilitate the redevelopment of land for a mix of residential, commercial, retail and community uses, including an estimated 5,400 new homes by 2031. Investigations are complete and the precinct proposal was exhibited between June 2014 and August 2014.

Carter Street, Lidcombe (Auburn City Council)

The Carter Street Precinct adjoins Sydney Olympic Park and lies within 800 metres of Olympic Park Station. It is currently largely zoned for employment purposes. Redevelopment of the Precinct will support Sydney Olympic Park in its role as a specialised centre, providing a mixture of housing, retail, office-based employment and services. The Precinct has access to public transport, open space and recreational facilities.

The Precinct plan was exhibited between March 2014 and April 2014, and proposes up to 5,500 dwellings, a new retail centre, 11.4 hectares of office, business, retail and light industrial uses, a new primary school and open space adjacent to Sydney Olympic Park.

Randwick (Randwick City Council)

The NSW Government has committed to providing light rail from Circular Quay to Randwick and Kingsford at an estimated cost of \$1.6 billion. Potential opportunities for growth within the Randwick UAP are being investigated to make maximum use of the new infrastructure. Increased housing density will be focused within a five minute walk of the proposed light rail stops in Randwick, including Randwick Racecourse, Randwick Health Campus and the University of NSW. Planning and consultation is ongoing.

Anzac Parade South (Randwick City Council)

Anzac Parade South is an important corridor within the Sydney metropolitan area. It provides housing close to employment and education and has good access to transport, infrastructure and open spaces. Located within the Sydney Global Economic Corridor, Anzac Parade South includes the local centres of Maroubra Junction, Duffys Corner, Malabar and Little Bay. The study area boundary is within a ten minute walk of each of the four local centres and their existing shops, services and public transport. Planning and consultation is ongoing.

Arncliffe and Banksia Precincts (Rockdale City Council)

Rockdale City Council nominated a corridor along the Princes Highway between Arncliffe and Banksia as a UAP.

Showground Station Precinct (The Hills Shire Council)

The Precinct was nominated by The Hills Shire Council in October 2013 following the completion of the North West Rail Link Corridor Strategy. It can accommodate up to 3,600 new homes and 7,700 jobs across 271 hectares. A green corridor will be maintained around Cattai Creek and Castle Hill Showground as an essential recreation space for the community.

Bella Vista Station Precinct (The Hills Shire Council, Blacktown Council)

The Precinct was nominated by The Hills Shire Council in October 2013, following the completion of the North West Rail Link Corridor Strategy. It will build on existing office and warehouse space with shops, cafes and restaurants near the new station, with a capacity for up to 4,400 additional homes and 10,500 jobs across 472 hectares.

Kellyville Station Precinct (The Hills Shire Council, Blacktown Council)

The Precinct was nominated by The Hills Shire Council in October 2013, following the completion of the North West Rail Link Corridor Strategy. It has the capacity for up to 4,400 new homes and 800 jobs centred on a new local centre close to the new station.



Growth Centres

Sydney's North West and South West Growth Centres include 34 precincts across six council areas. Collectively they have potential to create 181,000 new homes over a 25-30 year period.

In 2013-14, land was rezoned for more than 14,650 homes in the Growth Centre Precincts of Marsden Park, Catherine Fields (Part) and East Leppington (Liverpool Part). Work commenced to rezone land for a further 12,200 homes in the Riverstone East, Vineyard, West Schofields (Part) and Marsden Park North Precincts. The Department continued to work on rezoning the Leppington Precinct, with capacity for another 9,000 homes.

The Department is also working with government agencies to ensure infrastructure is delivered to support growth in these Precincts. Housing will be supported by transport infrastructure including the North West and South West Rail Links and upgrades to Camden Valley Way, Richmond Road and Schofields Road.

NORTH WEST RAIL LINK STRATEGY

The \$8.3 billion North West Rail Link is Australia's largest public transport infrastructure project currently under construction, and a priority rail project for the NSW Government.

The Project presents an excellent opportunity for the State to work collaboratively with local councils to ensure that land use planning is integrated with this major government investment in infrastructure.

In September 2013, the North West Rail Link Corridor Strategy was finalised following public consultation, and in partnership with Transport for NSW and relevant councils. The Strategy identifies the future vision, character and development yield for lands surrounding each of the eight new stations located along the North West Rail Link Corridor. It identifies that development of lands within the Corridor will provide for 28,800 new dwellings and 49,500 new jobs by 2036.

The creation of these new homes and jobs will be focused on locations within walking distance of the

new stations, creating local centres with good services, high quality public spaces and a range of community facilities. Implementation of the Strategy will play a major role in supporting the housing and jobs growth that Sydney needs to cater for its growing population.

In October 2013, the Hills Shire Council unanimously nominated the Showground Station, Bella Vista Station and Kellyville Station precincts as locations for future UAPs.

REGIONAL HOUSING HIGHLIGHTS

Northern Region

- The Standard Instrument LEP Program was completed across the region in May 2014 with the finalisation of the *Byron LEP 2014*.
- In May 2014 the *Ballina LEP Amendment No.9 (Cumbalum Land Release)* provided for up to 3,000 new homes.
- Eleven other amending LEPs were finalised, facilitating up to 855 new homes.
- Gateway determinations were issued for 14 planning proposals which have the potential to create an additional 710 new homes.
- The *Far North Coast Residential Submarket Analysis 2013* was completed and will inform the *North Coast Regional Growth and Infrastructure Plan* by helping to identify appropriate residential land release and housing opportunities to support growth in the Region and meet existing and future housing needs.

Hunter and Central Coast

- Comprehensive LEPs were approved for the Dungog, Great Lakes, Gosford, Port Stephens, Singleton, Wyong and Upper Hunter LGAs. The *Upper Hunter LEP 2013* consolidated three existing LEPs for the amalgamated Local Government Area.
- In Port Stephens, 500 residential allotments were rezoned at Medowie consistent with the *Lower Hunter Regional Strategy* and the *Medowie Local Strategy*.



- A number of rezonings were approved in the Cessnock LGA consistent with the *Lower Hunter Regional Strategy* and the endorsed *Cessnock Settlement Strategy*, which will provide up to 850 residential allotments.
- In Lake Macquarie, land was rezoned at Edgeworth to provide an additional 300 residential allotments. The rezoning adjoins the recently approved Coal and Allied residential development of up to 3,300 new homes. Together, the sites will support the Edgeworth Town Square and the Main Road Renewal Corridor, the Glendale and Cardiff emerging centres and the proposed transport hub at Glendale
- In the Wyong LGA, a rezoning at Warnervale will provide for up to 2,300 new homes, while a rezoning at Berkeley Vale and Glenning Valley will provide for up to 290 new homes.
- Land in Karalta Road, Erina was zoned to allow development of 112 manufactured homes.

Southern Region

- Council-wide LEPs were approved for the Shoalhaven, Bega, Snowy River, Cooma-Monaro and Yass Valley LGAs, providing 63 hectares of land for commercial, industrial and mixed use development.
- LEPs were finalised in the region, creating ten hectares of industrial land.
- Gateway determinations were issued that created 62 hectares of industrial land.

Metropolitan CBD

- Five Standard Instrument LEPs were finalised for Ashfield, Canada Bay, Leichhardt, North Sydney and Pittwater LGAs, providing for up to 21,660 new homes.
- Seventy one LEPs were finalised, creating the potential for 5,496 new homes. This includes an additional 3,355 new homes from three LEPs in the City of Sydney.
- Gateway determinations were issued for 64 planning proposals which created the potential

for 10,041 new homes.

Metropolitan Parramatta

- In March 2014, land was rezoned on the former Ashlar Golf Course located approximately one kilometre north-west of the Blacktown Central Business District and 800 metres south-east of the Marayong Railway Station. The site covers approximately 38 hectares and provides for up to 1,200 new homes.
- Additional homes will be provided in North Richmond through the April 2014 rezoning of land adjacent to the current township. This will provide approximately 1,400 new homes in the Hawkesbury LGA over the next ten years.

Western Region

- Thirteen Standard Instrument LEPs were finalised in 2013-14, creating an additional 1,000 hectares of land zoned for housing. This increase has the potential to create over 1,000 new homes in Berrigan (300 hectares), Forbes (225 hectares), Griffith (430 hectares), Oberon (15 hectares) and Walgett (30 hectares) LGAs.
- Planning proposals were approved to amend the *Mid Western Regional Council LEP 2012* (110 hectares in Mudgee) and *Parke LEP 2012* (10 hectares) to increase housing supply.
- Under round eight of the Planning Reform Fund Program, the Mid Western Regional Council is being provided with \$45,500 to assist in the preparation of an urban release strategy, which will identify the orderly release of urban land for housing in Mudgee.



Facilitate employment and investment



HIGHLIGHTS

- 313 major developments worth a total of \$18.6 billion were approved, creating 80,744 jobs.
- Compliance investigations of project approvals increased by 27 per cent, with 871 inspections, audits and 'spot check' monitoring of development projects conducted.
- Joint Regional Planning Panels approved \$6.4 billion worth of regionally significant developments.
- The Employment Land Audit of the 20 largest employment precincts in the Sydney Region was updated.
- New planning controls to streamline the development of the State's three major ports were released to help the Port of Newcastle transition to a private long term lease operation to fund the revitalisation of Newcastle CBD.

INTRODUCTION

The Department helps to drive economic development in NSW through its development assessment role. Major projects that will boost employment and deliver new infrastructure are considered through a balanced assessment process.

The Department also plays a major economic role in planning to ensure that the State's businesses have access to employment lands in the right places at the right time, and that people have opportunities to work close to home. Work continues to create the Broader Western Sydney Employment Area, the largest employment space in NSW.

ASSESSMENT OUTCOMES

In 2013-14, 313 major development proposals were determined with a combined capital investment value of \$18.6 billion. The projects have the potential to generate more than 31,278 construction jobs and more than 41,231 operational jobs.

These proposals were assessed by the Department because they are of regional or State significance. Typically, the projects have the potential to make a major economic contribution to NSW or have a significant environmental or amenity impact which requires careful consideration.

The projects were determined under the Government's new assessment regime for the consideration of development proposals, the State Significant Development (SSD) and State Significant Infrastructure (SSI) systems, which were created in 2011 to replace the former Part 3A system.

In 2013-14, 95 per cent of SSD and SSI projects were assessed within four months. This outcome exceeded the benchmarks set in *NSW 2021* which requires 85 per cent of approvals to be assessed within four months.

Approvals by Assessment System 2013-14

Approval Type	Decider	Projects	Construction Jobs	Operational Jobs	Capital Investment Value (\$)
Part 3A	Department	8	535	198	561,044,000
	Minister	1	200	0	310,000,000
	PAC	23	11,308	14,678	5,109,271,497
	Land and Environment Court	1	0	0	0
Part 3A Total		33	12,043	14,876	5,980,315,497
SSD	Department	30	5,564	15,331	1,987,061,426
	Minister	1	1,600	4,000	997,200,000
	PAC	7	4,197	4,463	1,113,900,000
SSD Total		38	11,361	23,794	4,098,161,426
SSI	Department	4	205	330	973,700,000
	Minister	7	6,540	1,180	6,862,900,000
SSI Total		11	6,745	1,510	7,836,600,000



Approval Type	Decider	Projects	Construction Jobs	Operational Jobs	Capital Investment Value (\$)
Part 4	Department	16	3	2	472,385
	PAC	1	0	0	5,000,000
Part 4 Total		17	3	2	5,472,385
Part 3A modifications	Department	138	856	166	529,892,677
	Minister	1	0	0	0
	PAC	44	262	881	196,923,950
Part 3A mod Total		183	1,118	1,047	726,816,627
SSD modifications	Department	14	5	0	200,000
	Minister	1	0	0	0
	PAC	2	0	0	0
SSD mod Total		17	5	0	200,000
SSI modifications	Department	1	0	0	0
SSI mod Total		1	0	0	0
Part 4 modifications	Department	11	3	2	0
	PAC	1	0	0	0
	Land & Environment Court	1	0	0	0
Part 4 mod Total		13	3	2	0
Grand Total		313	31,278	41,231	18,647,565,935

Refusal by Assessment System 2013-14

Type	Decider	Projects
Part 3A	PAC	3
Part 3A Mod	Department	1
	PAC	3

Project Decisions and Modifications 2013-14

Decider	2009-10	2010-11	2011-12	2012-13	2013-14
Minister	20%	13%	2%	3%	4%
Department	76%	80%	74%	78%	71%
PAC	4%	7%	24%	19%	25%



STATE SIGNIFICANT DEVELOPMENT DECISIONS BOOSTING EMPLOYMENT

Erskine park food processing facility

On 3 December 2013, the Department granted approval for a 24-hour food preparation and packaging facility at Erskine Park within the Western Sydney Employment Area. The facility, which includes administrative buildings, will process, pack and label 2,000 tonnes of bulk refrigerated meat and poultry each week. The site will accommodate a building of 18,521 square metres and a 250 vehicle car park.

The project is worth \$134 million and is expected to create 200 construction jobs and 400 operational jobs in Western Sydney.

The Department set conditions of approval to ensure that potential environmental, traffic and noise impacts during the construction and operation of the facility are managed within acceptable limits.

Murray Goulburn milk plant

On 17 December 2013, the Department granted approval for the construction and operation of a 24 hour Murray Goulburn Cooperative milk processing facility at Erskine Park within the Western Sydney Employment Area. The facility is expected to pasteurise, homogenise and package up to 150 million litres of raw milk per year.

The proposal also includes the construction of refrigerated milk silos, an equipment hygiene system, a wastewater treatment system and a gas-fired energy facility.

The project is worth \$65 million and is expected to create 150 construction jobs and 45 operational jobs in Western Sydney.

The Department set conditions of approval to ensure that potential environmental, traffic and noise impacts during the construction and operation of the facility are managed within acceptable limits.

Atlas mineral sands

On 6 June 2014, the Department granted approval for the construction and operation of the Altas-Campaspe Mineral Sands Project. The open cut mine, to be located at Balranald in South-West NSW, will extract 7.2 million tonnes of mineral sands ore per year over 20 years, producing \$95 million in State royalties. It

is expected to create 300 construction jobs and 200 operational jobs.

Thirty submissions were received in response to the exhibition of the Project, all of which were supportive.

The Department set conditions of approval including extensive native vegetation management adjacent to the mine, Mungo National Park and Mungo State Conservation Area, road maintenance contributions to the Balranald and Central Darling Shire Councils and the construction of a rail out facility for the transfer of materials from the mine to minerals processing centres.

Sydney International Convention Exhibition and Entertainment Precinct (SICEEP)

The NSW Government has partnered with the private sector to deliver world class convention, exhibition and entertainment facilities at Darling Harbour, a major urban renewal project designed to maintain the State's competitiveness in the national and international conference and event markets.

The project involves the transformation of a 20 hectare precinct extending from Cockle Bay to Haymarket. The project's three main elements are the Core Facilities (the convention, exhibition and entertainment facilities), the southern Darling Square mixed use precinct and the International Convention Centre Hotel.

In August 2013, the Minister granted approval for the construction of the core facilities, marking the first stage of the SICEEP project.

The core facilities will include a 12,000 person capacity convention space, 35,000 square metres of exhibition space, 7,600 square metres of meeting room space, a 9,000 person capacity entertainment facility, and will face a redesigned and revitalised Tumbalong Park. The proposal is worth \$997 million and is expected to create 1,600 construction jobs and 4,000 operational jobs.

In December 2013, the Department granted concept approval for the southern Darling Square component, providing for a new inner-city residential and business community including new public spaces. The proposal is worth \$709 million and is expected to create 2,100 construction jobs and 2,000 operational jobs.

In June 2014, the Department granted approval for the 35 storey International Convention Centre Hotel. The Hotel will form a distinct landmark and will support the special event and tourist functions of Darling



Harbour and the Core Facilities. The proposal is worth \$128 million and is expected to create 350 construction jobs and 250 operational jobs.

Northbank Enterprise Hub

In June 2014, the Department granted approval for the establishment of an industrial park on 241 hectares of vacant agricultural land at Tomago in the Port Stephens LGA. The approval included substantial site preparation works, bulk earthworks and the provision of stormwater infrastructure, roads and services.

The project is worth \$300 million and is expected to create 180 construction jobs in the Lower Hunter region.

COMPLIANCE ACTIVITY

The Department performs a critical role in monitoring and regulating its project approvals, which involves investigating potential breaches and taking appropriate regulatory action where necessary, as well as undertaking proactive audit campaigns in industry sectors or to respond to issues of concern.

The Compliance Unit has an office in Sydney and a specialised team based in Singleton with responsibility for the Hunter coal mining industry. The Alpine Resorts Team at Jindabyne also carries out compliance functions.

During 2013-14, the Department formed the Northern Regions Team by expanding the compliance functions run out of the Singleton office to monitor mining and extractive projects in the Gloucester, Mudgee and Gunnedah regions. A localised approach allows the Department to respond quickly to local compliance issues and to engage effectively with local communities.

Investigations and Enforcement Action

During 2013-14, the number of compliance investigations undertaken by the Department, which can involve inspections and audits in response to complaints, as well as 'spot check' monitoring of development projects, increased by 27 per cent from 688 to 871.

Enforcement action, which can involve warning letters, orders and penalty notices, and in significant cases, prosecution, was also up by 54 per cent from 226 to 348 actions.

Prosecutions

Aston Coal 2 Pty Ltd

On 8 November 2013, coal mining company Aston Coal 2 was fined \$20,000 in the Land and Environment Court for two breaches of the *Environmental Planning and Assessment Act 1979*. A summary of the decision is contained in the Legal Change section on page 170.

Proactive campaigns

Reviews of biodiversity offsets

Reviews of the biodiversity offset areas for Upper Hunter mines were conducted over 2013-14. To help compensate for the vegetation cleared during mining operations, most mining approvals now require Biodiversity Offset Areas or habitat enhancement areas as part of their conditions of approval.

The review was undertaken to ensure management planning processes for the areas were up to date and that the sites were being managed in accordance with environmental assessment and management plans, and to improve the Department's assessment of biodiversity offsets. Ten reviews were conducted in the



Upper Hunter region coal mines.

The mines were found to be generally compliant. The Department required that two sites carry out significant tree planting and maintenance works within their offset areas.

Audit campaign of potentially hazardous industry projects

During 2013 and early 2014, an audit campaign of potentially hazardous industries for which the Department is the consent authority, was undertaken to evaluate compliance with the conditions of approval relating to an independent hazard audit, and the implementation of any recommendations from the independent audit.

Thirteen facilities were inspected under the campaign, with 33 subject to a detailed desktop audit. Of the facilities inspected, three were found to be fully compliant.

Overall, the campaign successfully addressed non-compliance with project approvals and identified opportunities for improved environmental performance. The Department is utilising the audit findings to improve its management regime for the industry, including a review of existing conditions for approval.

A flow-on effect has been that a significant number of facilities that, although not part of the campaign, have proactively approached the Department to address reporting obligations under their project approvals.

Significant compliance outcomes

Prosecution of Glass Recovery Services Pty Ltd (Penrith)

On 18 February 2014, the Department commenced prosecution proceedings against Glass Recovery

Services Pty Ltd (GRS) in the NSW Land and Environment Court, for operating a glass recycling facility without development consent. Departmental officers had previously inspected the site and found the facility, which is subject to an application currently being assessed by the Department, was already fully operational. The matter is to be heard in court in December 2014.

Prosecution of Boggabri Coal Pty Limited (Gunnedah Coalfields)

On 29 April 2014, the Department commenced prosecution proceedings against Boggabri Coal Pty Limited in the NSW Land and Environment Court. Boggabri Coal pleaded guilty to stockpiling around 90,000 cubic metres of excavated material from its nearby open cut coal mine at an unauthorised location, a disused quarry site outside the mine's boundary. The Court imposed a fine of \$82,500 and ordered that the company pay the Department's legal costs of \$38,000. The stockpile has since been removed.

Blast fume management

Mudgee and Gloucester mines are now required to prepare blast fume management plans for the Department's approval. In addition, mines have been requested to start recording blast fume levels from all mine blasts.

Educational workshops for mine staff

As part the Department's ongoing efforts to improve environmental management practices at mine sites, a series of workshops were conducted with mine operators and supervisors over the past year. Six workshops were run at two different mines covering issues such as dust management, blasting, lighting, water management and noise management within the context of the mines' project approvals. **Compliance**



Compliance Investigations 2013-14

Sector	Sydney	Singleton	Jindabyne
Mines	86	442	
Quarries/extractive	48		
Industry	139		
Resources/waste	6		
Infrastructure and Energy	67		
Key Sites	53		30
Subtotal	399	442	30
Total	871		

Enforcement Actions 2013-14

Sector	Mines	Quarries/ extractive	Industry	Resources / Waste	Infrastructure & Energy	Key Sites
Action						
Prosecutions	1			1		
Fines	13	3			1	4
Orders	2		6		2	4
Other Enforcement Activities	117	15	72	4	26	54
Proactive campaigns	1		1			
Subtotal	134	18	79	5	29	62
Total	327					

BROADER WESTERN SYDNEY EMPLOYMENT AREA

Western Sydney has one of the fastest growing economies in Australia. Its population is expected to rise from 2 million in 2011 to 2.9 million in 2031. The NSW Government established the Western Sydney Employment Area (WSEA), located about 50 kilometres from the Sydney CBD, to enable the region to respond to this population growth and meet the demand for new jobs.

In June 2013, the Government released a draft Broader WSEA Structure Plan, which sets out a vision for the development of the largest employment space in NSW to deliver 57,000 jobs over the next 30 years.

The draft Broader WSEA Structure Plan is a key step towards achieving the Government's goal of delivering 50 per cent of Sydney's jobs growth in Western Sydney, providing the opportunity for more people to work closer to home. Transport, logistics and warehousing are anticipated to be the main emerging employment sectors utilising the Broader WSEA in the short to medium term, while enhanced infrastructure will provide opportunities for higher density employment, such as business parks, in the longer term.

In April 2014, the Commonwealth Government confirmed Badgerys Creek, near the WSEA, as the location of Sydney's second airport. This decision allows the NSW Government to plan for future land uses and transport infrastructure around the airport and to finalise the details of the draft Broader WSEA Structure Plan. This will be publicly exhibited when it is completed with the view to finalising it by the end of 2015.

The NSW and Commonwealth Governments have announced \$3.5 billion in funding over 10 years to improve roads in Western Sydney near Badgerys Creek.

EMPLOYMENT LANDS DEVELOPMENT PROGRAM

The Employment Lands Development Program (ELDP) manages the supply of employment lands for the Sydney region and informs the coordination of associated infrastructure. The ELDP's scope includes lands for traditional heavy and light industry and maintenance and freight distribution sectors, as well as office based and knowledge based industries.

The ELDP was expanded in 2013 to consider major business parks (zoned areas greater than 50 hectares).

The Department provides a research and monitoring role to inform policy and strategy development for employment lands. The ELDP 2013 Update Report shows that at January 2013, there were:

- 15,169 hectares of existing employment lands, including both developed and undeveloped lands;
- 3,612 hectares of undeveloped employment lands without water and sewer services;
- 678 hectares of undeveloped employment lands with water and sewer services;
- 2 years' supply of available undeveloped and serviced employment lands using a high take-up rate (300 hectares per annum);
- 3,116 hectares of proposed employment lands identified in planning strategies, which are yet to be rezoned;
- 156 hectares of employment lands that were rezoned to other purposes in 2012;
- 578 hectares of developed and undeveloped existing lands in major business parks;
- 161 hectares of undeveloped lands in major business parks without water and sewer services; and
- 14 hectares of undeveloped lands in major business parks with water and sewer services.



EMPLOYMENT LAND AUDIT UPDATE REPORT 2014

The Department has now completed an update of the Employment Land Audit undertaken in 2012. The update covered the 20 largest employment precincts (5,869 hectares in total) covering nearly 80 per cent of all undeveloped employment land across the Sydney Region.

The Audit was updated to identify the development that has occurred since 2012 within the 20 precincts. The update also reviewed the ongoing relevance of the site specific and systemic constraints previously identified, and the status of the critical infrastructure projects which would assist in unlocking the precincts' development potential.

The update identified that over 240 hectares of land had been taken up by industrial developments within the precincts since the Audit was undertaken in 2012, with the greatest focus of development occurring within the Western Sydney Employment Area.

This updated information helps the Government prioritise infrastructure projects and informs future planning for industrial land.

RECOGNISING THE ECONOMIC BENEFITS OF MINING PROJECTS

The NSW planning policy governing major mining projects, the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007* (the Mining SEPP) was amended in November 2013 to specify the potential investment and employment benefits for regional communities as an important consideration in deciding development applications for major mining projects.

The changes, which were exhibited in July and August 2013, make clear that economic factors, including job creation, regional expenditure and State royalties must be considered by Departmental decision makers when they are establishing the significance of a mineral resource. They also stipulate the key environmental, ecological and amenity criteria required to protect water resources, habitat and amenity.

Once the economic factors are established, they are then weighed against any potential environmental, social and amenity impacts of an application, allowing for a strengthened and more balanced assessment of mining projects.

STREAMLINING ENVIRONMENTAL ASSESSMENTS AND APPROVALS

During 2013-14, the NSW Government worked with the Commonwealth Government to streamline environmental assessment and approval process in order to eliminate duplication and reduce costs for proponents, deliver more timely approvals, boost productivity and create jobs.

In November 2013, the NSW and Commonwealth Governments signed a Memorandum of Understanding (MoU) to create a one-stop-shop for environmental approvals. In December 2013, the two governments signed a bilateral agreement to create a single environmental assessment process, meaning that proponents will only need to undergo a single assessment process to cover both State and Commonwealth obligations. Under this system, environmental standards and protections are maintained.

The two governments agreed to enter into a bilateral agreement on approvals within 12 months. Under an approvals bilateral, proponents will only need to obtain a single environmental approval covering State and Commonwealth obligations.

To realise the full benefits of this agreement, work is under way to accredit NSW environmental approval systems under national environmental law.

CONSISTENT APPROACH TO PORTS PLANNING

In March 2014, the Minister for Planning announced new planning controls to streamline the development of the State's three major ports to help the Port of Newcastle transition to a private long term lease operation, the proceeds of which will go towards revitalising the Newcastle CBD.



These changes, which ensure that the planning controls applying to the Port of Newcastle mirror those in place at Port Kembla and Port Botany, were given effect through the introduction of the new *State Environmental Planning Policy (Three Ports) 2014*.

The Policy streamlines the development assessment process for common infrastructure at the ports and ensures that significant projects such as new berths and large scale dredging will automatically be subject to an assessment by the Department, including community consultation. At the same time, minor developments at the ports will be exempt from requiring approval if they meet certain standards, or are dealt with as a complying development.

The Department exhibited the Three Ports SEPP in November and December 2013. Feedback from councils and other stakeholders resulted in changes being made to the Policy before it was finalised.

REGIONAL DEVELOPMENT

Regional development overview

The Joint Regional Planning Panels (regional panels) provide independent, merit-based decision making on regionally significant developments, with development applications first assessed by the local council and then determined by the relevant regional panel.

Regional panels may also have a role in planning proposals such as rezonings, where the Minister for Planning has appointed them to act as the relevant planning authority (RPA) or asked them to undertake a pre-Gateway review.

Regional panel meetings are generally conducted in public. The applicant and any other person who has made a submission to the public exhibition of the development application (DA) can make a presentation to the regional panel to express their views on the DA.

Six panels operate throughout NSW: Northern, Western, Hunter and Central Coast, Southern, Sydney East and Sydney West. Each panel is comprised of five members, three appointed by the Minister and two appointed by the relevant local council.

Determination of development applications

In 2013-14, the regional panels:

- held 185 public determination meetings; and
- determined 241 DAs including projects worth a total of \$6.4 billion.

Consistent with previous years, the percentage of regional panel determinations that were in accordance with council recommendations was 94.2 per cent, the recommendation of the council assessment report being an important consideration for regional panels.

Determination times

In 2013-14, the average determination time for DAs determined by regional panels was 228 days (excluding 'stop the clock' periods).

One of the main contributors to overall determination times was the time involved in determining DAs with a capital investment value less than \$5 million (average determination time of 331 days). The DAs in this category include complex developments such as waste management facilities, subdivisions of more than 250 lots and marinas requiring referrals to and approvals from other agencies.

The average determination time for DAs with a capital investment value of over \$20 million was 210 days.



Determinations not consistent with Council's recommendation*

Region	No. of Determinations	Approved		Refused	
		Total	Contrary	Total	Contrary
Hunter & Central Coast	19	16	0	3	0
Northern	17	16	0	1	0
Southern	20	19	0	1	0
Sydney East	91	82	10	9	2
Sydney West	82	81	2	1	0
Western	12	12	0	0	0
TOTAL	241	226	12	15	2

*If no council recommendation, for example, refusal, panel decision not considered contrary.

Regional Panel decisions and determination times by capital investment value 2013-14*

Capital Investment Value (CIV)	Determinations	Approved	Refused	Average DA Determination Time (days) *	Capital Investment Value of Approvals
< \$5 million	32	30	2	331	\$0.024bn
\$5-20 million	68	67	1	229	\$0.698bn
> \$20 million	141	129	12	210	\$5.723bn
TOTAL	241	226	15	228	\$6.445bn

*Excludes Crown s89 referrals, Crown DAs CIV>\$5M referred to Minister, 120 day referrals (CIV \$10M-\$20M) and s96(2) modifications.

Regional Panel decisions and determination times by region 2013-14*

Region	Determinations	Approved	Refused	Average DA Determination Time (days) *	Capital Investment Value of Approvals
Hunter & Central Coast	19	16	3	295	\$0.367bn
Northern	17	16	1	239	\$0.326bn
Southern	20	19	1	220	\$0.393bn
Sydney East	91	82	9	172	\$3.156bn
Sydney West	82	81	1	281	\$2.038bn
Western	12	12	0	165	\$0.165bn
TOTAL	241	226	15	228	\$6.445bn

*Excludes Crown s89 referrals, Crown DAs CIV>\$5M referred to Minister, 120 day referrals (CIV \$10M-\$20M) and s96(2) modifications.



Planning proposals

Acting as the relevant planning authority (RPA), the regional panels completed consideration of nine planning proposals for Local Environmental Plans (LEPs) during 2013-14, recommending to the Minister that eight LEPs be made and recommending against one proposal.

The regional panels also provided advice to the Minister on 19 pre-Gateway reviews during 2013-14 (up from four in 2012-13).

Re-appointment of regional panel members

In June 2013, the Government-appointed regional panel members and alternate members were reappointed by the Minister for a period of 12 months (until the end of June 2014). The reappointment of the panel chairs was made following the concurrence of Local Government New South Wales.

Complaints handling

During 2013-14, 14 complaints about regional panels were investigated, a significant reduction from the previous year.

There was found to be no breach of the regional panels' Code of Conduct following investigation of the complaints. Reporting on complaints handling is publicly available on the regional panels website.

Legal appeals

In 2013-14, two new proceedings were commenced in the Land and Environment Court (LEC) against a regional panel. These were Class 4 Land and Environment Court procedural appeals against panel decisions. The Panel filed a submitting appearance in one of the matters, which was subsequently resolved without the need for a contested hearing. The other matter is at a preliminary stage in the Court process.

A regional panel has intervened in one Class 1 merit appeal against a panel decision. Those proceedings are also at a preliminary stage.

Two judgments for Class 4 proceedings were handed down by the LEC in 2013-14. One challenge was partly upheld, although it is subject to an appeal in the Court of Appeal, while the other challenge was dismissed.

REGIONAL EMPLOYMENT HIGHLIGHTS

Northern Region

- Ten amending LEPs were finalised during the year for 90 hectares of additional employment land in the Armidale Dumaresq, Ballina, Clarence Valley, Gwydir, Kyogle and Port Macquarie LGAs.
- In May 2014, the *Armidale Dumaresq LEP 2012 Amendment No.3* consolidated Council's planning instruments into a single LEP. This will support the creation of new jobs by releasing additional employment land and identifying areas suitable for bulky goods retailing.
- Gateway determinations were issued for 16 planning proposals which have the potential to rezone land to support 1,770 new jobs.
- The Department approved the *Bellingen Employment Land Strategy 2013*. The Strategy identifies opportunities to meet future employment land needs in the Bellingen Shire, including through potential extensions to the Bellingen and Urunga retail/commercial centres and possible expansions to industrial areas in Dorrigo and Urunga.

Hunter and Central Coast

- At Cessnock, land was rezoned at Greta for a train support facility which will support around 40 new jobs. This rezoning was consistent with the Part 3A approval for the train support facility and rezones environmentally significant lands E2 Environmental Conservation.
- Land was rezoned for a freeway service centre at Cooranbong at Lake Macquarie which will support up to 50 new jobs.
- Land adjacent to the Somersby Business Park at Gosford was rezoned to provide an additional 22 hectares of employment land.
- Land adjacent to Wyong Hospital was rezoned to support around 160 new jobs.
- A rezoning at Warnervale created a business park expected to support around 1,000 new jobs.



Southern Region

- Council wide LEPs were approved for the Shoalhaven, Bega, Snowy River, Cooma-Monaro and Yass Valley LGAs, providing for up to 6,375 new homes.
- A total of 38 LEPs were finalised in the region rezoning land for an additional 1,730 dwellings.
- A total of 57 Gateway determinations were issued for an additional 3,232 dwellings and 440 hectares of land for rural residential development.
- In March 2014, an LEP was finalised for 150 hectares of urban land at East Albury allowing for 1,400 new homes.
- In March 2014, a Gateway determination was issued for a proposal to allow 1,500 new homes at Moss Vale.
- In February 2014, an LEP was finalised for the Jerberra Estate in the Shoalhaven LGA. This resolved the planning options of a long-running dispute over the development potential of a paper subdivision, providing land owners with certainty about their development rights whilst protecting significant environmental assets.
- In November 2013, the *Illawarra Urban Development Program Update Report 2013* was released. It reports an increase in the number of dwellings completed in the Illawarra over the past two years - the first time in ten years that there has been two consecutive year increases.

Metropolitan CBD

- Five Standard instrument LEPs were finalised in Ashfield, Canada Bay, Leichhardt, North Sydney and Pittwater LGAs, providing for up to 26,739 new jobs.

- Seventy one LEPs were finalised, creating the potential for 4,699 new jobs. This includes an additional 4,327 jobs from two LEPs in the City of Sydney.
- Gateway determinations were issued for 64 planning proposals which created the potential for 3,836 new jobs.

Metropolitan Parramatta

- In March 2014, land was rezoned on the former Ashlar Golf Course located approximately one kilometre north-west of the Blacktown CBD and 800 metres south-east of the Marayong Railway Station. The site covers approximately 38 hectares and is expected to create approximately 200 jobs during the construction phase.

Western Region

- Thirteen Standard Instrument LEPs were finalised across the region in 2013-14, rezoning an additional 1,100 hectares of land for employment purposes. This increase has the potential to increase employment opportunities for over 1,100 people in the Broken Hill (400 hectares), Deniliquin (45 hectares), Griffith (300 hectares), Walgett (20 hectares) and Warrumbungle (10 hectares) LGAs.
- Under Round 8 of the Planning Reform Fund Program, Blayney Shire Council is being provided with \$85,000 to assist in the preparation of a strategy to plan for employment land and opportunities. Dubbo City Council is being provided with \$80,000 to assist in the preparation of a mining strategy to plan for mining opportunities in the region.



Align infrastructure to growth priorities



HIGHLIGHTS

- **\$42.9 million in Local Infrastructure Growth Scheme funding was allocated to deliver essential infrastructure in housing growth areas in the Blacktown City and The Hills Shire Councils.**
- **24 Planning Agreements were executed with developers, securing \$106.7 million towards the dedication of land for environmental, emergency services and education purposes, the construction of roads and affordable housing in growth areas.**
- **\$20.5 million in Special Infrastructure Contributions were secured for regional infrastructure in Western Sydney's North West and South West Growth Centres and the Balmoral Road, Elderslie and Spring Farm urban release areas.**
- **Almost \$4 million in Metropolitan Green Space and Sharing Sydney Harbour Access Program funding was allocated for new and upgraded recreation trails around Sydney Harbour and the metropolitan area.**

INTRODUCTION

The Department continues to work with infrastructure agencies and stakeholders to enhance the policy framework for planning the infrastructure required to support integrated land use planning across NSW.

At the program level, over \$380 million was allocated towards infrastructure projects to accelerate the delivery of new homes, including through the Housing Acceleration Fund, the Local Infrastructure Growth Scheme, Special Infrastructure Contributions and planning agreements with developers. A further \$4 million was allocated to new and upgraded recreation trails around Sydney Harbour and the metropolitan area.

SUPPORTING STRATEGIC INFRASTRUCTURE PLANNING

Several strategies and policies guide the planning and development of infrastructure to support integrated land use planning in NSW.

During 2013-14, the Department's Infrastructure Strategy Team worked directly with infrastructure agencies across government to understand the implications of growth on infrastructure networks.

Through moving to a location-based approach to infrastructure and land use planning, greater opportunities are created for a coordinated approach to housing, employment and economic growth outcomes. This approach is applied at various scales through regional, subregional and precinct planning.

GROWTH INFRASTRUCTURE PLANS

Growth Infrastructure Plans evaluate sites for housing and jobs growth, based on a range of factors including infrastructure requirements. This process assists the Government to target infrastructure funding to the areas that demonstrate the greatest public benefit.

Identifying the Government's growth priority locations encourages infrastructure agencies to align their growth infrastructure planning to these locations and remove blockages to infrastructure delivery in high growth areas.

In 2012-13, the Department delivered a pilot project that evaluated 41 priority land release areas in Sydney's North West and South West Growth Centres. The growth infrastructure planning program was extended in 2013-14 to consider growth priorities elsewhere in Sydney identified through subregional planning.

Stakeholder engagement was also extended to incorporate social infrastructure providers including education, health and emergency services.

MAJOR INFRASTRUCTURE CORRIDOR PRESERVATION AND MANAGEMENT REVIEW

A review of major infrastructure corridor preservation and management processes was undertaken in 2013-14, in partnership with Infrastructure NSW (INSW). The review analysed the current planning and funding mechanisms available to support major infrastructure corridor preservation and management processes. The Department and INSW began working together to address the findings of the review relating to the identification of corridors, simplifying the infrastructure project planning approval process and funding growth corridors.



STATE SIGNIFICANT INFRASTRUCTURE DECISIONS

Pacific Highway upgrade - Woolgoolga to Ballina

In June 2014, the Government approved the Pacific Highway Upgrade – Woolgoolga to Ballina project, one of the largest infrastructure projects in NSW.

The Project will upgrade about 155 kilometres of the Pacific Highway to a four-lane divided road between Woolgoolga, to the north of Coffs Harbour, and Ballina. The upgrade will provide major improvements to travel on the North Coast of NSW, including safer and more reliable travel for road users, reduced travel times with improved road efficiency for travellers and business operators, and improved amenity for local communities.

The approval will enable the aim of the State and Commonwealth Governments to provide dual carriageways on the Pacific Highway between Hexham and the Queensland Border by 2020, to be achieved.

The Department set stringent conditions on the approval to address environmental and amenity impacts from the construction and operation of the road upgrade.

CBD Light Rail

In June 2014, the Department granted approval for the construction of the \$1.6 billion CBD and South East Light Rail, an efficient state of the art mass transit system to transform Sydney's CBD and South Eastern Suburbs.

The project will include 20 light rail stops along the 12 kilometre route, linking Circular Quay and Central, the Moore Park sporting and entertainment precinct including the Sydney Cricket Ground and Sydney Football Stadium, Randwick Racecourse, the University of NSW and the Prince of Wales Hospital at Randwick. The CBD Light Rail will operate wire-free within a pedestrian zone in George Street, from Hunter Street

to Town Hall. A stabling facility will be located in Randwick, and a maintenance depot in Rozelle.

The service will have the capacity to carry up to 9,000 passengers per hour in each direction, increasing capacity as Sydney's population grows.

The Department set conditions to ensure that potential public safety, traffic and access, noise and vibration, visual and socio-economic impacts during the construction and operation of the CBD Light Rail are managed within acceptable limits.

Northern Beaches Hospital Project

In June 2014, the Minister for Planning granted Health Infrastructure planning approval for the first stage of the Northern Beaches Hospital (NBH) development at Frenchs Forest, facilitating the delivery and transformation of health services for Sydney's Northern Beaches community. This approval sets out a concept proposal for the Hospital and Stage 1 site clearance and preparatory works, comprising service diversions, general site vegetation clearance and biodiversity management works, in preparation for a future Stage 2 application.

A future Stage 2 State Significant Infrastructure application will be lodged by Health Infrastructure for the detailed design and construction of the NBH, at which time the Department will exhibit the application and environment impact statement to obtain community feedback on the proposal.

The \$467 million health services investment is expected to create approximately 1,000 operational jobs, deliver 423 new hospital beds and provide surgical, paediatric, obstetric, inpatient mental health services and an emergency department.

The Department set conditions of approval to help guide the design of the new hospital and ensure the potential environmental, noise and traffic impacts during the Stage 1 site clearance and preparatory works are managed within acceptable limits.



HOUSING ACCELERATION FUND

The Housing Acceleration Fund (HAF), which was set up to finance infrastructure projects that will accelerate the delivery of new homes, was a key initiative of the 2012-13 and 2013-14 Building the State NSW Budget package.

Under the HAF, \$392.5 million has been committed to support the delivery of new housing and employment areas. The 2013-14 Budget included \$211 million under the HAF to fund 11 critical projects to support the delivery of up to 42,900 new homes and 1,200 hectares of employment land in the Sydney and Hunter regions. This funding built on the 2012-13 Budget allocation of \$181 million that was spread across ten projects, in support of 76,000 new homes.

The precincts that have benefited from the HAF are demonstrating increased development activity - development application approvals have been given to 2,693 new dwellings and 1,506 dwellings have been registered.

LOCAL INFRASTRUCTURE GROWTH SCHEME

The Government committed \$99 million in the 2013-14 State Budget to the Local Infrastructure Growth Scheme (LIGS) to help keep housing affordable and enable councils to fund their local infrastructure plans.

The LIGS assists councils to deliver essential local infrastructure such as local roads, stormwater facilities and open space in housing growth areas when costs exceed the cap on developer contributions.

Councils are eligible for funding after their local development contributions plan has been reviewed by the Independent Pricing and Regulatory Tribunal (IPART), their recommendations are reported to the Minister for Planning, and the council has adopted the contributions plan in accordance with the Minister's requirements.

Funding of \$42.9 million from the 2013-14 Budget funding was approved for new release areas in the Blacktown and The Hills local government areas, including:

- Riverstone and Alex Avenue (Blacktown Council), 15,300 homes benefitting 1,337 lots;
- Balmoral Road (The Hills Shire Council), 6,000 homes benefitting 206 lots; and
- North Kellyville (The Hills Shire Council), 5,100 homes benefitting 393 lots.

In total, more than \$61 million in LIGS funding was approved for new release areas within Blacktown and The Hills local government areas.



PLANNING AGREEMENTS TO SUPPORT GROWTH

Planning agreements made between the Government and developers support growth as they enable developers to make contributions towards the delivery of State infrastructure in growth areas. Planning agreements can secure monetary contributions, land dedication, affordable housing and also some town planning costs.

During 2013-14, 24 agreements were executed securing \$106.7 million in contributions towards State infrastructure through the dedication of land for environmental, emergency services and education purposes, the construction of roads and affordable housing.

At 30 June 2014, 70 planning agreements were under management, securing contributions of \$486 million to support development through the delivery of infrastructure.

Planning agreements executed 2013-14

Location and description of land	LGA	Estimated Value \$	Date Executed
Payment of monetary contribution towards designated growth infrastructure			
Land at Dora Creek	Lake Macquarie	\$2,188,020	2 July 2013
Land at Vista Park, Wongawilli	Wollongong	\$4,716,670	5 August 2013
Land at 434 Bong Bong Road, West Dapto (Brooks Reach Stages 12-16)	Wollongong	\$1,285,175	18 October 2013
Land in Western Sydney Employment Area, Eastern Creek (Hansons)	Blacktown	\$4,204,710	18 October 2013
Land at Thornton North (Stage 1 - Redpee)	Maitland	\$106,690	7 November 2013
Land in Western Sydney Employment Area, Eastern Creek (Jacfin Stage 4)	Blacktown	\$442,740	27 November 2013
Land at Bellbird Ridge, Bellbird North	Cessnock	\$154,656	18 December 2013
Land at 103-109 Avondale, North Cooranbong	Lake Macquarie	\$24,148	7 February 2014
Land at Thornton North (Stage 1 - Freeway Land Company)	Maitland	\$187,025	9 February 2014
Land at Huntlee (Stage 1)	Cessnock	\$6,051,783	4 September 2013
Land at Thornton North (Stage 1 - Thornton Development Corporation, Lot 2 DP 788219)	Maitland	\$88,881	4 March 2014
Land at Spring Farm South	Camden	\$7,387,104	5 March 2014
Land at Schofields (CSR)	Blacktown	\$2,100,000	7 March 2014
Land in Western Sydney Employment Area, Horsley Park (Jacfin - Stage 1)	Penrith	\$1,436,000	21 March 2014
Land at Thornton North (Stage 1 - Investa Residential Estates)	Maitland	\$2,228,878	21 March 2014
Land at Thrumster, Sovereign Hills (Area 13 Urban Release Area)	Port Macquarie-Hastings	\$3,003,000	25 March 2014
Land at Nulkaba (15 O'Connor Road)	Cessnock	\$72,440	4 April 2014
Land at Thornton North (Stage 1 - Maitland Nominee Holdings)	Maitland	\$773,660	7 May 2014



Location and description of land	LGA	Estimated Value \$	Date Executed
Dedication of land for transport and urban residential development purposes			
Land in Elderslie and Spring Farm Urban Release Areas	Camden	\$908,084	17 July 2013
Dedication of land for education purposes, road and water works			
Land at Marsden Park (Winten)	Blacktown	\$33,000,000	30 September 2013
Land at Marsden Park (Stockland)	Blacktown	\$37,000,000	30 September 2013
Dedication of affordable housing			
Land in Leichhardt (Kolotex)	Leichhardt	Nominal value not established	15 February 2014
Land in Leichhardt (Labelcraft)	Leichhardt	Nominal value not established	15 February 2014
TOTAL (EST)		\$107 Million	

SPECIAL INFRASTRUCTURE CONTRIBUTIONS

A Special Infrastructure Contribution is a financial payment made by a developer during the development process, typically prior to the registration of residential lots, to help fund regional infrastructure, such as roads and open space.

In 2013-14, close to \$20.5 million in contributions, made via 82 transactions, was collected by the Department's Development Contributions branch for the North West and South West Growth Centres in Western Sydney and the Balmoral Road, Elderslie and Spring Farm urban release areas.

MAPPING THE BUDGET WEBSITE

During the first half of 2014, the Department developed the Mapping the Budget 2014-15 website, a NSW Government website that maps the location of major infrastructure investments and projects across the State. The projects, which are identified in Budget Paper 4, have an estimated total cost of \$73.1 billion, with a 2014-15 Budget commitment of \$11.5 billion. Users can search the website to locate the details of projects under way in their council area. For more information see www.myinfrastructure.planning.nsw.gov.au

FUNDING OPEN SPACE PROJECTS

In September 2013, the Minister announced almost \$4 million in funding for open space projects under the Metropolitan Greenspace and the Sharing Sydney Harbour Access Programs.

The Metropolitan Greenspace Program funds State and local government partnerships to improve regionally significant open space for recreational purposes, increasing links between bushland, parks, waterways and centres.

The Sharing Sydney Harbour Access Program funds projects to improve public access and enhance the recreational enjoyment of Sydney Harbour and its tributaries for residents and visitors to Sydney.

In 2013-14, 46 projects were awarded funding under the two programs, contributing mainly to new and upgraded recreation trails around Sydney Harbour and the metropolitan area.



Reform the planning system



HIGHLIGHTS

- **\$1 million of grants was offered to councils to implement a new State wide standard for development application tracking software.**
- **The level of fast tracked complying development approved by a private certifier rather than by council assessment increased by 12 per cent to 25.6 per cent of all development approvals in NSW.**
- **The Exempt and Complying Development Policy was updated to include an expanded Commercial and Industrial Code.**
- **Pilots commenced for the education program PlanEd for planning professionals and community groups, and the Future Cities NSW 2014 Program with six councils working on sustainable urban development in identified precincts.**

INTRODUCTION

The Department is streamlining and simplifying the planning system to ensure a stronger delivery focus for stakeholders and to equip it to deliver the requirements of the State's growing population.

Ongoing policy reform sees the range of straightforward, low impact developments, which can be assessed as exempt and complying development without the need for council assessment, continue to expand, reducing red tape and saving our customers time and money. Design standards for apartments and sustainability targets are being updated to reflect best practice.

The Department is also forging a new standard in professional development, piloting education programs for the planning sector, councils and school students, as well as increasing community understanding of the planning system.

APPLICATION TRACKING

The Application Tracking tool allows users to view and track the progress of development applications online via council websites. In May 2014, the Department offered \$1 million in grants for councils without an online application tracking capability to purchase new software and those that already had an application tracking system, to upgrade their existing system. The Department had previously provided \$75,000 of funding to five councils.

In 2014-15, the Department will continue work on the next phase of ePlanning tools and the Planning Portal, a central access point adding enhanced functionality and greater integration of ePlanning tools and services. The Planning Portal is scheduled to be released in October 2015.

EXEMPT AND COMPLYING DEVELOPMENT

The State Exempt and Complying Development Policy allows straightforward, low impact developments, like garden sheds, decks and carports, to be approved by a private certifier rather than being subject to council assessment. The Policy applies to homes, businesses and industry, and caters to a range of development such as the construction of a new house, alterations and additions to a house, new industrial buildings and changes to a business use.

The Policy reduces red tape and saves time and money for businesses and the community by streamlining development approval processes. Fast tracked complying development approvals can be issued within 21 days compared to 68 days for the average full development application determined, as reported in the *Local Development Performance Monitoring Report 2012-13*, which is the latest report released in March 2014. The Policy also frees up council resources.

In 2012-13, 25.6 per cent of all development approvals in NSW were fast tracked delivering more than \$3 billion of complying development to NSW. In the same period over 19,000 complying development certificates were issued by councils and accredited private certifiers, representing an increase in complying development of 12 per cent from the 2011-12 period.

On 22 February 2014, a change to the policy included:

- expansion of the Commercial and Industrial Code to allow new industrial buildings, additions to commercial buildings and change of use;
- extended exempt development to certain advertising, signage, temporary uses and structures;
- new notification requirements for neighbours in residential areas (to encourage greater communication between applicants and neighbours); and
- improved privacy standards for housing.

The State wide controls continued to be reviewed to ensure the requirements of the policy are appropriate and effective in reducing red tape, costs and delays for homes owners and businesses.



BASIX

BASIX sets savings targets to reduce water and energy consumption and greenhouse gas emissions for new homes, saving residents money on their water and utility bills.

As part of the Department's ongoing program to monitor and evaluate BASIX, a report by Rous Water was released in December 2013. It found that actual water usage dropped by an average of 48.6 per cent across new homes in Ballina, Byron, Lismore and Richmond Valley council areas which have implemented water efficiency measures under BASIX.

Proposed changes to the BASIX targets, designed to increase the targets by up to 10 per cent for new homes and apartments, were placed on public exhibition from December 2013 until February 2014. For a four bedroom home located in Western Sydney, the proposed increase in BASIX targets are expected to deliver total savings of \$7,254 in utility bills over 40 years, with an additional cost as little as \$378.

A total of 83 written submissions were received from a range of stakeholders, and 180 people also responded to an online survey.

The Department also conducted a number of briefing sessions for over 70 representatives from industry organisations and key government agencies. Feedback from the written submissions, online survey and briefing sessions is currently being considered by the Department.

AGED CARE SPRINKLER INSTALLATION

In January 2013, new laws came into effect requiring all aged care facilities in NSW to install automatic sprinkler systems to reduce the fire risk for elderly and vulnerable residents.

In February 2014, the regulations governing the installation of automatic sprinkler systems in aged care facilities were modified to enable some facilities to reduce their installation costs while still protecting lives and ensuring safety.

With the agreement of Fire and Rescue NSW, the changes require all residential living quarters to continue to be protected by automatic fire sprinklers, while in some non-residential areas such as offices,

facility operators have the option of not installing sprinklers as long as suitable fire and smoke barriers and smoke detectors are in place.

These changes ensure that high fire hazard areas will be protected by sprinklers so as not to compromise the safety of residents.

PLANNING EXCELLENCE

During 2013-14, the Department developed a number of programs to provide professional development opportunities for the planning sector and to educate the community on the NSW planning system.

PlanEd

PlanEd provides professional development for planners and knowledge building for related professionals. The Program was created in response to feedback from professional bodies, councils and other organisations about the need for a Department-led professional development program.

A preliminary user needs survey was conducted in July 2013. The results were used to determine the key areas of training and education required and the preferred modes of delivery. Over 840 responses were received, with over half coming from State and local planning officers.

An open tender process occurred with two service providers selected in April 2014 to design and deliver six priority courses in the first year. These include Planning for Non-Planners, An Introduction to Feasibility Assessment and Pillars of Planning: An Introduction (comprising modules on evidence-based strategic planning, social and economic planning, environment and heritage, and design quality).

Course content including an eLearning platform was established, with pilots of the Introduction to Feasibility Assessment course occurring in late June 2014.



Plan Shapers

Plan Shapers engages primary and secondary school students in the issues involved in designing future communities. It aims to help students develop a better understanding of the NSW planning system, and to capture the interest of students considering a career in planning and related disciplines.

During 2013-14, consultation was undertaken with the Department of Education and Communities, the Geography Teachers' Association of NSW, geography teachers and school principals. Case studies were identified based on the Department's work for use in the classroom.

Future Cities NSW Program 2014

The Future Cities NSW Program is a 12 month program, partly sponsored by the Department, for local government councillors, council staff and community leaders to explore, discover and test innovative ways to address some of the challenges they face in sustainable urban development.

The focus for 2014 is the revitalisation of neighbourhoods and communities, with six councils selected to participate in determining on-the-ground solutions for a specific issue in their LGA.

In May 2014, following an expression of interest, successful councils and their project topics were announced. They include Canada Bay (Rhodes East), Gosford City (Gosford City Centre), Hornsby Shire (Hornsby West Side), Marrickville (Central Industrial Area), Pittwater (Mona Vale Town Centre), and Wollongong (West Crown Street Precinct).

Workshops with participating councils began in June 2014. Several webcasts on liveability issues were produced and made available to all NSW councils.

LOCAL DEVELOPMENT PERFORMANCE MONITORING REPORT

The *Local Development Performance Monitoring Report* contains statistical information on development types and council processing times in NSW. Compiled annually by the Department, the Report is based mainly on data supplied by councils.

The latest Report was released in March 2014 and covers the 2012-13 financial year. Overall, the key indicators of performance, including the average time involved in councils determining a development application and the number of councils with high average determination times was similar to 2011-12.

Councils took an average of 68 days to determine development applications in 2012-13, three days fewer than in 2011-12.

The proportion of applications that was determined as complying development increased from 23 per cent to 25.6 per cent of all development approvals.

Across NSW, councils, private certifiers and joint regional planning panels, approved \$24.5 billion worth of local and regional projects, an increase of 11 per cent on the previous year.

Eleven LGAs – City of Sydney, Blacktown, Parramatta, Penrith, Ryde, The Hills, Liverpool, Campbelltown, Camden, Canterbury and Rockdale – had projects approved with a combined construction value of more than half a billion dollars in 2012-13.



Department of Planning and Environment - Financial Statements

Department of Planning and Environment

Statement of Secretary

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state that:

- a) The accompanying financial statements have been prepared in accordance with:
 - applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
 - the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*; and
 - the Financial Reporting Directions published in the Financial Reporting Code for General Government Sector Agency or issued by the Treasurer under section 9(2) (n) of the *Public Finance and Audit Act 1983*.
- b) The statements and notes exhibit a true and fair view of the financial position and transactions of the agency; and
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Secretary
Department of Planning and Environment
Date: 22 September 2014



Department of Planning and Environment

Statement of comprehensive income for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	107,697	111,852	100,962
Other operating expenses	2(b)	55,174	39,192	45,552
Depreciation and amortisation	2(c)	794	1,668	858
Grants and subsidies	2(d)	133,868	175,587	127,584
Finance costs	2(e)	1,244	546	1,068
Total expenses excluding losses		298,777	328,845	276,024
Revenue				
Recurrent appropriation	3(a)	133,687	196,853	160,117
Capital appropriation	3(a)	4,870	4,870	2,143
Sale of goods and services	3(b)	36,416	40,306	41,173
Personnel services revenue	3(c)	28,630	28,021	26,367
Investment revenue	3(d)	622	707	998
Grants and contributions	3(e)	5,863	37,074	5,313
Acceptance by Crown Entity of employee benefits and other liabilities	3(f)	5,036	3,817	5,217
Other revenue	3(g)	69,804	9,437	36,210
Total Revenue		284,928	321,085	277,538
Gain/(Loss) on disposal	4	(13)	-	(15)
Net Result		(13,862)	(7,760)	1,499
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Net increase/(decrease) in property, plant and equipment revaluation surplus		-	-	(38)
Actuarial gain/(loss) on defined benefit plans	13(b)	579	-	2,593
Total other comprehensive income		579	-	2,555
TOTAL COMPREHENSIVE INCOME		(13,283)	(7,760)	4,054

The accompanying notes form part of these financial statements.



Department of Planning and Environment
Statement of financial position as at 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000	1 July* 2012 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	6	94,383	26,808	31,150	27,987
Receivables	7	34,962	43,500	37,211	41,832
Total Current Assets		129,345	70,308	68,361	69,819
Non-Current Assets					
Property, plant and equipment	8				
• Land		8,542	11,581	8,542	8,581
• Plant and equipment		989	1,577	1,008	863
Total property, plant and equipment		9,531	13,158	9,550	9,444
Intangible assets	9	14,357	2,959	2,879	1,093
Total Non-Current Assets		23,888	16,117	12,429	10,537
Total Assets		153,233	86,425	80,790	80,356
LIABILITIES					
Current Liabilities					
Payables	12	52,337	10,469	23,989	21,559
Provisions	13(a)	15,368	27,481	14,728	15,930
Other	14	56,920	-	-	-
Total Current Liabilities		124,625	37,950	38,717	37,489
Non-Current Liabilities					
Borrowings	15	20,391	10,092	19,979	22,337
Provisions	13(a)	9,413	1,160	10,007	12,497
Total Non-Current Liabilities		29,804	11,252	29,986	34,834
Total Liabilities		154,429	49,202	68,703	72,323
Net Assets		(1,196)	37,223	12,087	8,033
EQUITY					
Reserves		73	111	73	111
Accumulated funds		(1,269)	37,112	12,014	7,922
Total Equity		(1,196)	37,223	12,087	8,033

* Refer to the following notes for more information regarding the prior year adjustments:

Note 23 - correction of prior year error

Note 24 - Change of Accounting Standard AASB 119 *Employee Benefits*

The accompanying notes form part of these financial statements.



Department of Planning and Environment

Statement of cash flows for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(105,424)	(108,550)	(100,915)
Grants and subsidies		(87,021)	(147,917)	(122,866)
Finance costs		(833)	(546)	(1,048)
Other		(50,895)	(36,311)	(52,982)
Total Payments		(244,173)	(293,324)	(277,811)
Receipts				
Recurrent appropriation		190,607	196,853	158,577
Capital appropriation		4,870	4,870	2,143
Cash reimbursements from the Crown Entity		4,848	-	5,217
Sale of goods and services		66,140	65,012	112,409
Interest received		866	707	913
Grants and contributions		5,863	6,133	3,093
Other		46,068	13,142	3,926
Total Receipts		319,262	286,717	286,278
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	75,089	(6,607)	8,467
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		-	-	-
Purchases of property, plant and equipment		(391)	(3,812)	(535)
Purchase of intangibles		(11,465)	(1,706)	(2,269)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(11,856)	(5,518)	(2,804)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		-	-	-
Repayment of borrowings		-	(1,245)	(2,500)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	(1,245)	(2,500)
NET INCREASE/(DECREASE) IN CASH		63,233	(13,370)	3,163
Opening cash and cash equivalents		31,150	40,178	27,987
Cash transferred in/(out) as a result of administrative restructuring		-	-	-
CLOSING CASH AND CASH EQUIVALENTS	6	94,383	26,808	31,150

The accompanying notes form part of these financial statements.



Department of Planning and Environment

Statement of cash flows for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(105,424)	(108,550)	(100,915)
Grants and subsidies		(87,021)	(147,917)	(122,866)
Finance costs		(833)	(546)	(1,048)
Other		(50,895)	(36,311)	(52,982)
Total Payments		(244,173)	(293,324)	(277,811)
Receipts				
Recurrent appropriation		190,607	196,853	158,577
Capital appropriation		4,870	4,870	2,143
Cash reimbursements from the Crown Entity		4,848	-	5,217
Sale of goods and services		66,140	65,012	112,409
Interest received		866	707	913
Grants and contributions		5,863	6,133	3,093
Other		46,068	13,142	3,926
Total Receipts		319,262	286,717	286,278
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	75,089	(6,607)	8,467
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		-	-	-
Purchases of property, plant and equipment		(391)	(3,812)	(535)
Purchase of intangibles		(11,465)	(1,706)	(2,269)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(11,856)	(5,518)	(2,804)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		-	-	-
Repayment of borrowings		-	(1,245)	(2,500)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	(1,245)	(2,500)
NET INCREASE/(DECREASE) IN CASH		63,233	(13,370)	3,163
Opening cash and cash equivalents		31,150	40,178	27,987
Cash transferred in/(out) as a result of administrative restructuring		-	-	-
CLOSING CASH AND CASH EQUIVALENTS	6	94,383	26,808	31,150

The accompanying notes form part of these financial statements.

Department of Planning and Environment
Supplementary Financial Statements
Service group statements for the year ended 30 June 2014

	Planning Strategies, Housing and Infrastructure*		Planning Operations and Regional Delivery*		Development Assessment, Systems and Approvals*		Personnel Services		Not Attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
EXPENSES AND INCOME												
Expenses excluding losses												
Operating expenses	22,110	20,688	22,630	22,642	33,885	26,452	29,072	31,180	-	-	107,697	100,962
Employee related	18,105	13,168	7,644	8,918	28,957	23,466	468	-	-	-	55,174	45,552
Other operating expenses	212	244	299	308	283	306	-	-	-	-	794	858
Depreciation and amortisation	33,120	56,419	13,445	25,985	17,605	2,900	-	-	69,698	42,280	133,868	127,584
Grants and subsidies	1,244	1,068	-	-	-	-	-	-	-	-	1,244	1,068
Finance costs	74,791	91,587	44,018	57,853	80,730	53,124	29,540	31,180	69,698	42,280	298,777	276,024
Total Expenses excluding Losses												
Revenue**												
Recurrent Appropriation	-	-	-	-	-	-	-	-	133,687	160,117	133,687	160,117
Capital Appropriation	-	-	-	-	-	-	-	-	4,870	2,143	4,870	2,143
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	-	-	-	-	4,705	5,217	5,036	5,217
Sale of goods and services	7,269	1,732	8,145	23,222	21,002	16,219	331	-	-	-	36,416	41,173
Personnel services revenue	170	299	195	283	257	416	28,630	26,367	-	-	28,630	26,367
Investment income	1,235	926	1,360	877	3,268	1,290	-	2,220	-	-	622	998
Grants and contributions	39,915	25,094	12,754	4,496	17,135	6,620	-	-	-	-	5,863	5,313
Other Revenue	48,589	28,051	22,454	28,878	41,662	24,545	28,961	28,587	143,262	167,477	69,804	36,210
Total Revenue												
Gain/(loss) on disposal of non-current assets	(2)	(4)	(2)	(4)	(9)	(7)	-	-	-	-	(13)	(15)
Other gains/(losses)	-	-	-	-	-	-	-	-	-	-	-	-
Net result	(26,204)	(63,540)	(21,566)	(28,979)	(39,077)	(28,586)	(579)	(2,593)	73,564	125,197	(13,862)	1,499
Other Comprehensive Income												
Revaluation surplus	-	-	-	(38)	-	-	-	-	-	-	-	(38)
Other net increases in equity	-	-	-	-	-	-	579	2,593	-	-	579	2,593
Total other Comprehensive Income												
	-	-	-	(38)	-	-	579	2,593	-	-	579	2,555
TOTAL COMPREHENSIVE INCOME	(26,204)	(63,540)	(21,566)	(29,017)	(39,077)	(28,586)	-	-	73,564	125,197	(13,283)	4,054

* The names and purposes of each service group are summarised in Note 5.

** Appropriations are made on the Department basis and not to individual service groups. They are therefore included in the 'Not Attributable' column. This also applies to cluster grant funding.

Department of Planning and Environment
Supplementary Financial Statements
Service group statements as at 30 June 2014

	Planning Strategies, Housing and Infrastructure*		Planning Operations and Regional Delivery*		Development Assessment, Systems and Approvals*		Personnel Services		Not Attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
ASSETS AND LIABILITIES												
Current Assets												
Cash and cash equivalents	25,892	9,330	29,755	8,827	38,736	12,993	-	-	-	-	94,383	31,150
Receivables	5,149	6,295	5,918	5,955	7,703	8,765	16,192	16,196	-	-	34,962	37,211
Total current assets	31,041	15,625	35,673	14,782	46,439	21,758	16,192	16,196	-	-	129,345	68,361
Non-current Assets												
Property, plant and equipment	271	302	8,854	8,828	406	420	-	-	-	-	9,531	9,550
• Land	-	-	8,542	8,542	-	-	-	-	-	-	8,542	8,542
• Plant and equipment	271	302	312	286	406	420	-	-	-	-	989	1,008
Intangibles	3,939	862	4,527	816	5,891	1,201	-	-	-	-	14,357	2,879
Total non-current assets	4,210	1,164	13,381	9,644	6,297	1,621	-	-	-	-	23,888	12,429
TOTAL ASSETS	35,251	16,789	49,054	24,426	52,736	23,379	16,192	16,196	-	-	153,233	80,790
Current liabilities												
Payables	14,152	15,312	16,263	3,245	21,171	4,776	751	656	-	-	52,337	23,989
Provisions	2,461	2,630	2,828	2,489	3,680	3,663	6,399	5,946	-	-	15,368	14,728
Other	-	-	-	-	-	-	-	-	56,920	-	56,920	-
Total current liabilities	16,613	17,942	19,091	5,734	24,851	8,439	7,150	6,602	56,920	-	124,625	38,717
Non-current liabilities												
Borrowings	20,391	19,979	-	-	-	-	-	-	-	-	20,391	19,979
Provisions	103	96	118	91	150	135	9,042	9,685	-	-	9,413	10,007
Total non-current liabilities	20,494	20,075	118	91	150	135	9,042	9,685	-	-	29,804	29,986
TOTAL LIABILITIES	37,107	38,017	19,209	5,825	25,001	8,574	16,192	16,287	56,920	-	154,429	68,703
NET ASSETS	(1,856)	(21,228)	29,845	18,601	27,735	14,805	-	(91)	(56,920)	-	(1,196)	12,087

* The names and purposes of each service group are summarised in Note 5.



Department of Planning and Environment
Supplementary Financial Statements
Summary of compliance with financial directives

	2014			2013				
	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000
ORIGINAL BUDGET APPROPRIATION/EXPENDITURE								
• Appropriation Act	196,853	118,912	4,870	4,870	104,588	6,849	6,849	2,143
• S24 PFAA - transfers of function between entities	-	-	-	-	(52)	-	-	-
	196,853	118,912	4,870	4,870	104,536	6,849	6,849	2,143
OTHER APPROPRIATIONS/EXPENDITURE								
• Additional Appropriations	14,776	14,776	-	-	-	-	-	-
• Under expenditure against protected items/first year enhancements	-	-	-	-	-	(1,706)	(1,706)	-
• Reduced Commonwealth funding	-	-	-	-	-	-	-	-
• Rollovers	-	-	-	-	26,357	-	-	-
• S31 Transfer	-	-	-	-	-	-	-	-
• Transfers from another entity (s33 of the Appropriation Act)	-	-	-	-	50,003	-	-	-
	14,776	14,776	-	-	76,360	(1,706)	(1,706)	-
Total Appropriations/Net Claim on Consolidated Fund (includes transfer payments)	211,629	133,688	4,870	4,870	180,896	5,143	5,143	2,143
Amount drawn down against Appropriation	-	190,608	-	4,870	-	-	-	2,143
Liability to Consolidated Fund	-	56,920	-	-	-	-	-	-

Notes:

1. The summary of compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).
2. Liability to the Consolidated Fund represents the difference between the 'Amount drawn down against Appropriation' and the 'Expenditure / Net Claim on Consolidated Fund'.
3. Refer to Note 14 for more details regarding the nature of liability to the Consolidated Fund.



Department of Planning and Environment
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Department of Planning and Environment is a NSW government agency. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

Under the *Administrative Arrangements (Administrative Changes - Ministers and Public Service Agencies) Order 2014*, the Department changed its name from Planning and Infrastructure to Department of Planning and Environment. The change became effective on 23 April 2014.

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Secretary on 22 September 2014.

(b) Basis of preparation

- (i) The Department's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:
- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
 - the requirements of the *Public Finance and Audit Act 1983* and *Public Finance Audit Regulation 2010* and
 - the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

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

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

- (ii) The financial statements are prepared on a going concern basis. A letter of comfort has been issued by the Treasurer for the provision of financial support to the Department.

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

(c) Statement of compliance

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

(d) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

(e) Insurance

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

(f) Accounting for the goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except that:

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

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are recognised as revenue when the Department obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

Appropriations are not recognised as revenue in the following circumstances:

- 'Equity appropriations' to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contributions by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the statement of comprehensive income, statement of summary of compliance with financial directives and the total appropriations is disclosed in Note 3(a).
- Unspent appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund in note 14.



Department of Planning and Environment
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (ii) **Sale of goods**
Revenue from the sale of goods is recognised as revenue when the Department transfers the significant risks and rewards of ownership of the assets.
- (iii) **Rendering of Services**
Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

- (iv) **Investment revenue**
Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

- (v) **Developers' contributions - Voluntary Planning Agreements (VPA's)**
From time to time, as provided under Division 6 of the Environmental Planning and Assessment Act 1979, the Department enters into voluntary planning agreements with developers and associated parties, which provide for monetary and non-monetary contributions for public works. These contributions are generally recognised when received, due to the possibility that individual development approvals may not be acted upon by the applicant.

- (vi) **Special Infrastructure Contributions**
The Department is responsible for the collection of Special Infrastructure Contributions within the States Growth Centre Precincts. The Special Infrastructure Contributions refers to the levy paid by developers on lands to be developed within these precincts.

Prior to 2011-12 year, such contributions were recognised as administrative revenue when received. The Department did not retain the contributions but forwarded them to the Special Infrastructure Fund as administered by the Crown instead.

In 2011-12 year and onwards, the Department changed the accounting treatment and recognised these contributions as revenue when received, and as grants expense when they were paid out. Monies have been held within the Department's bank account, and recognised as an asset until paid out.

The Department also enters into Works-in-Kind agreements with developers, whereby developers undertake infrastructure development and receive Special Infrastructure Contributions credit offsets. Works-In-Kind completed during the year are treated as revenue and as a grant expense when the asset is transferred to the relevant authorities. When the value of Works-in-kind is greater than the original assessment, a liability is recognised accordingly for the Department because the developer earns a credit, which can be used to offset the cost of future development, should these be approved through the planning system.

- (vii) **Other Revenue**
The Department recognises recovery of personnel services from Corporation Sole, 'Minister Administering the Environmental Planning and Assessment Act 1979' as revenue based on salaries and employment benefits incurred on staff members allocated to the agency.

The Department also recognises recovery of actual costs associated with precincts planning from developers as revenue when they fall due.

(h) Assets

- (i) **Acquisitions of assets**
Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(i)).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

- (ii) **Capitalisation thresholds**
Property, plant and equipment and intangible assets costing \$5,000 (GST exclusive) and above individually (or forming part of a network costing more than \$5,000) are capitalised.
- (iii) **Revaluation of Property, Plant and Equipment**
Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

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



Department of Planning and Environment
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) *Assets (continued)*

(iii) *Revaluation of Property, Plant and Equipment (continued)*

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Notes 8 and 10 for further information regarding fair value.

The Department revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. In 2010, the Department performed a full revaluation for its land assets. On 27 March 2014, the Department engaged an independent professional valuer to provide indexation valuation advice for annual financial reporting purposes.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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

Revaluation increments are credited directly to the revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise. Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) *Impairment of property, plant and equipment*

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment are carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) *Depreciation of property, plant and equipment*

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Department.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Category	Depreciation rate
Computers	25%
Furniture	10%
Plant and motor vehicles	20%
Make-good and fit-out	Based on useful lives
Land	Not a depreciable asset

(vi) *Major inspection costs*

When major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) *Restoration costs*

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(viii) *Maintenance*

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(ix) *Leased assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.



Department of Planning and Environment
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) *Assets (continued)*

(x) Intangible assets

The Department recognises intangible assets only if it is probable that future economic benefits will flow to the Department 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.

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

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Department's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Department's intangible assets are amortised using the straight line method over periods appropriate to the future economic benefit and range between 2 to 5 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for 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 original invoice amount where the effect of discounting is immaterial.

(xii) Impairment of financial assets

All of the Department's financial assets, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Department will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xiii) Derecognition of financial assets and financial liabilities

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

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

Where the Department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Department's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(xiv) Restricted assets

Restricted assets are assets whose use by the Department is limited by externally imposed restrictions.

(xv) Trust Funds

The Department receives monies in a trustee capacity from developers as set out in Note 25. As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Department's own objectives, these funds are not recognised in the financial statements.

(xvi) Other assets

Other assets are recognised on a historical cost basis.

(i) *Liabilities*

(i) Payables

These amounts represent liabilities for goods and services provided to the Department and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

In relation to Works-in-Kind, a developer will earn a credit if the value of the actual works completed is in excess of the original assessment value. The developer can then apply the credit to offset costs of future developments. The Department recognises these credits as Works-in-Kind earned in advance.



Department of Planning and Environment
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) *Liabilities (continued)*

(ii) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using effective interest rate method. Gains or losses are recognised in the net result for the year on derecognition.

(iii) Employee benefits and other provisions

(a) Salaries and wages, annual leave, sick leave and on-costs

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

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Department has assessed the actuarial advice based on the Department's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

(b) Personnel services

The Department provides personnel services to the following agencies:

- Building Professionals Board,
- Central Coast Regional Development Corporation,
- Hunter Development Corporation,
- Corporation Sole, Minister Administering the Environmental Planning and Assessment Act 1979, and
- Sydney Harbour Foreshore Authority.

The Department recognises all relevant employee related benefits as expenses and revenue in the Statement of comprehensive income and as liabilities and receivables in the Statement of financial position.

Following the release of the Administrative Arrangements Order 2014 [effective from 24 February 2014], all casual staff members employed under the former Sydney Harbour Foreshore Authority (SHFA) Casual Staff Division and their related obligations were transferred to the Department. Under this arrangement, the Department provides casual personnel services to SHFA and accounts for the relevant financial transactions the same as the Department does to the above agencies.

(c) Long service leave and Superannuation

The Department's liabilities for long service leave and superannuation are assumed by the Crown Entity (except for Sydney Harbour Foreshore Authority staff - see below). The Department accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 14/04) to employees with 5 or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The liability for long service leave for Sydney Harbour Foreshore Authority's staff is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by an employee up to the reporting date using the discount method. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(d) Consequential on-costs

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

(e) Other provisions

Other provisions exist when the Department has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

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

The Department is in the opinion that the time value of money is immaterial and hence other provisions are not discounted.



Department of Planning and Environment
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Fair value hierarchy

A number of the Department's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Department categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

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

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

Refer to Notes 10 and 20 for further disclosures regarding fair value measurements of financial and non-financial assets.

(k) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the revaluation of property, plant and equipment as discussed in note 1(h)(iii).

(ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior retained funds.

(iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation of Australian Accounting Standards (e.g. revaluation surplus and foreign currency translation reserve).

(l) Equity transfers

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

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

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Department recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Department does not recognise that asset.

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(n) Comparative Information

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

(o) Grants and subsidies expenses

Grants and subsidies are generally comprised of cash contributions to local government authorities and non-government organisations. These are expensed when the Department transfers control of the relevant assets.

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

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of Australian Accounting Standard AASB 13 *Fair Value Measurement* that have been applied for the first time in 2013-14. This standard requires disclosures of non-current assets between three different levels of fair value hierarchy. There is no financial impact in the period of initial application.

(ii) Issued but not yet effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective. NSW Treasury TC 14/03 mandates agencies not to early adopt any of the following accounting pronouncements:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 1031 Materiality
- AASB 1055 and AASB 2013-1 regarding budgetary reporting
- AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C)

The Department does not anticipate any material financial impact in its financial statements when these accounting pronouncements become effective and are applied.



Department of Planning and Environment
Notes to the financial statements

2(a) EMPLOYEE RELATED EXPENSES

	2014 \$'000	2013 \$'000
Salaries and wages (including annual leave)	85,669	79,745
Superannuation - defined benefit plan	1,844	2,102
Superannuation - defined contribution plan	6,336	6,025
Long service leave	3,621	3,647
Workers' compensation insurance	201	376
Payroll tax and fringe benefits tax	5,347	5,521
Redundancies	4,679	3,546
	<u>107,697</u>	<u>100,962</u>

An amount of \$3.099 million (2013: \$0.476 million) has been capitalised to intangible assets and is therefore excluded from the above.

Corporate Services functions were provided free of charge by ServiceFirst (Finance and Services) to the Department. The value of these services has been estimated at \$6.81 million (2013: \$5.74 million).

2(b) OTHER OPERATING EXPENSES

	2014 \$'000	2013 \$'000
Auditor's remuneration		
• audit of the financial statements	108	105
Advertising/Public relations	1,256	1,602
Other contractor expenses	14,570	27,482
Computer costs	1,425	1,946
Consultancy costs	13,388	831
Equipment maintenance/consumables	33	48
Fees for services rendered	7,640	1,478
Legal fees	895	1,119
Motor vehicle and plant hire expenses	72	142
Motor vehicle leasing costs	224	221
Minor equipment purchases	45	197
Operating lease rental expense - minimum lease payments	7,138	2,786
Maintenance	875	201
Committee members*	3,152	2,896
Insurance - public liability	307	227
Memberships & subscriptions - Organisational fees	387	725
Printing	915	828
Telephones	372	440
Stores/stationery/materials	189	192
Training	508	385
Travel	556	662
Other	1,119	1,039
	<u>55,174</u>	<u>45,552</u>

* The Committee members expenses, which were disclosed as employee related expenses in prior year, are now being reclassified under other operating expenses in current and comparative year. There is nil impact on the overall net result due to this re-classification.

2(c) DEPRECIATION AND AMORTISATION EXPENSE

	2014 \$'000	2013 \$'000
Depreciation		
Plant and equipment	397	375
Amortisation	-	-
Intangible assets	397	483
	<u>794</u>	<u>858</u>



Department of Planning and Environment
Notes to the financial statements

2(d) GRANTS AND SUBSIDIES

	2014 \$'000	2013 \$'000
Cluster grants		
Sydney Harbour Foreshore Authority	50,376	30,057
UrbanGrowth NSW Development Corporation	6,097	12,223
Hunter Development Corporation	10,425	-
UrbanGrowth NSW	2,800	-
	<u>69,698</u>	<u>42,280</u>
SIC/VPA grants		
RMS - Erskine park/Wallgrove Road contributions	1,695	7,938
Special Infrastructure Contributions grants - Works-in-Kind	13,618	10,853
	<u>15,313</u>	<u>18,791</u>
Department funded grants		
Planning Reform Fund grants to Councils	1,321	1,016
Contributions to Building Professionals Board Corporation Sole, Minister administering the Environmental Planning and Assessment Act 1979 - expenditure & loan servicing contribution	2,900	2,900
Sharing Sydney Harbour Access grants to Councils	5,034	9,584
Local Infrastructure Growth Scheme (formerly Priority Infrastructure Fund) and Comprehensive Housing Strategy Fund grants to councils	960	246
Urban Activation Precincts Support Scheme	25,663	47,330
Warnervale Biodiversity	6,385	-
Other*	4,860	-
	<u>1,734</u>	<u>5,437</u>
	<u>48,857</u>	<u>66,513</u>
	<u>133,868</u>	<u>127,584</u>

* 2013: Includes \$3.0 million paid to Port Macquarie Hastings Council for Thrumster Water Reservoir Project.

2(e) FINANCE COSTS

	2014 \$'000	2013 \$'000
Interest expense on TCorp borrowings	1,244	1,068
	<u>1,244</u>	<u>1,068</u>

3(a) APPROPRIATIONS

	2014 \$'000	2013 \$'000
Recurrent Appropriation		
Total recurrent drawdowns from NSW Treasury (per Summary of compliance)	190,607	160,117
less: Liability to Consolidated Fund (per Summary of compliance)	56,920	-
Total	<u>133,687</u>	<u>160,117</u>
Comprising:		
Recurrent appropriations (per Statement of comprehensive income)	133,687	160,117
Total	<u>133,687</u>	<u>160,117</u>
Capital Appropriation		
Total capital drawdowns from NSW Treasury (per Summary of compliance)	4,870	2,143
less: Liability to Consolidated Fund (per Summary of compliance)	-	-
Total	<u>4,870</u>	<u>2,143</u>
Comprising:		
Capital appropriations (per Statement of comprehensive income)	4,870	2,143
Total	<u>4,870</u>	<u>2,143</u>

3(b) SALE OF GOODS AND SERVICES

	2014 \$'000	2013 \$'000
Planning Reform Fund contribution	22,543	21,584
Fees for services	5,250	4,692
Development Application fees for planning projects	8,094	14,266
Other	529	631
	<u>36,416</u>	<u>41,173</u>



Department of Planning and Environment
Notes to the financial statements

3(c) PERSONNEL SERVICES REVENUE

	2014 \$'000	2013 \$'000
Employee expenses recoveries	28,630	26,367
	<u>28,630</u>	<u>26,367</u>

3(d) INVESTMENT REVENUE

	2014 \$'000	2013 \$'000
Interest - bank	622	998
	<u>622</u>	<u>998</u>

3(e) GRANTS AND CONTRIBUTIONS

	2014 \$'000	2013 \$'000
Contributions received from:		
• NSW Government agencies	2,910	3,000
• Reimbursement of voluntary redundancy payments	2,953	2,313
	<u>5,863</u>	<u>5,313</u>

3(f) ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

	2014 \$'000	2013 \$'000
The following liabilities and expenses have been assumed by the Crown Entity:		
• Superannuation - defined benefits	1,453	1,548
• Long service leave	3,522	3,603
• Payroll tax	61	66
	<u>5,036</u>	<u>5,217</u>

3(g) OTHER REVENUE

	2014 \$'000	2013 \$'000
Special Infrastructure Contributions (SIC)		
• Cash	20,459	11,629
• Works-in-Kind	19,934	8,711
Interim Land Release Levy	17,646	-
Developer Contributions - Voluntary Planning Agreements	5,748	8,955
Administrative fee recovered from NSW government agencies	2,614	2,790
Other revenue	3,403	4,125
	<u>69,804</u>	<u>36,210</u>



Department of Planning and Environment
Notes to the financial statements

4 LOSS ON DISPOSAL

	2014 \$'000	2013 \$'000
Plant and equipment	<u>(13)</u>	<u>(15)</u>
	<u>(13)</u>	<u>(15)</u>

5 SERVICE GROUPS OF THE DEPARTMENT

Planning Strategies, Housing and Infrastructure

Objective(s): This service group covers the state-wide delivery of strategic zoned (and where applicable, serviced) land for housing and employment, including strategic planning and coordination of infrastructure provision into land supply and land release programs. The service group also prepares, monitors and updates the Metropolitan Plan.

Planning Operations and Regional Delivery

Objective(s): This service group is responsible for preparing regional and sub-regional plans and strategies to ensure housing and employment targets are met. The group is also responsible for working with local councils on the preparation and implementation of local environmental plans, rezoning and other statutory planning instruments.

Development Assessment, Systems and Approvals

Objective(s): This service group covers timely and efficient delivery of assessment and decision making for development and infrastructure projects of State significance, including whole-of-government leadership in the administration of environmental impact assessment and development approvals. It involves managing development and building controls, and the associated regulatory and operational aspects, to ensure ongoing reform and best practice. It is also responsible for the ongoing administration of the Joint Regional Planning Panels.

Personnel Services

Objective(s): This service group covers personnel services that are provided to the Hunter Development Corporation, Central Coast Regional Development Corporation and the Sydney Harbour Foreshore Authority.

6 CURRENT ASSETS - CASH & CASH EQUIVALENTS

	2014 \$'000	2013 \$'000
Cash at bank and on hand	<u>94,383</u>	<u>31,150</u>

For the purpose of the Statement of cash flows, cash includes cash on hand, cash at bank and short-term deposits at call.

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

	2014 \$'000	2013 \$'000
Cash and cash equivalents (per Statement of financial position)	94,383	31,150
Closing Cash and Cash Equivalents (per Statement of cash flows)	<u>94,383</u>	<u>31,150</u>

Details regarding credit risk, liquidity risk and market risk are disclosed at Note 20.

7 CURRENT ASSETS - RECEIVABLES

	2014 \$'000	2013 \$'000
Sale of goods and services	8,230	8,081
Less: Allowance for impairment	-	-
	<u>8,230</u>	<u>8,081</u>
Personnel services revenue	15,769	16,196
GST receivable	4,476	6,247
Developer Contributions – Voluntary Planning Agreements	3,640	3,397
Revenue from sundry debtors	2,704	2,627
Prepayments	143	663
	<u>34,962</u>	<u>37,211</u>

Details regarding credit risk, liquidity risk and market risk are disclosed at Note 20.



Department of Planning and Environment
Notes to the financial statements

8 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Land (under Coastal Protection Scheme)	Plant and Equipment	Total
	\$'000	\$'000	\$'000
At 1 July 2013 - fair value			
Gross carrying amount	8,542	2,874	11,416
Accumulated depreciation	-	(1,866)	(1,866)
Net carrying amount	<u>8,542</u>	<u>1,008</u>	<u>9,550</u>
At 30 June 2014 - fair value			
Gross carrying amount	8,542	2,972	11,514
Accumulated depreciation	-	(1,983)	(1,983)
Net carrying amount	<u>8,542</u>	<u>989</u>	<u>9,531</u>

Reconciliation

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

	Land (under Coastal Protection Scheme)	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Year ended 30 June 2014			
Net carrying amount at beginning of year	8,542	1,008	9,550
Additions	-	391	391
Disposals	-	(13)	(13)
Net revaluation increment/(decrement)*	-	-	-
Depreciation	-	(397)	(397)
Net carrying amount at end of year	<u>8,542</u>	<u>989</u>	<u>9,531</u>

* A revaluation of land assets as at 30 June 2014 was undertaken by Land & Property Information on 27 March 2014, an independent and professionally qualified valuer. The valuation report shows there is no material movement which warrants adjustments to relevant assets values.

	Land (under Coastal protection Scheme)	Plant and Equipment	Total
	\$'000	\$'000	\$'000
At 1 July 2012 - fair value			
Gross carrying amount	8,581	2,403	10,984
Accumulated depreciation	-	(1,540)	(1,540)
Net carrying amount	<u>8,581</u>	<u>863</u>	<u>9,444</u>
At 30 June 2013 - fair value			
Gross carrying amount	8,542	2,874	11,416
Accumulated depreciation	-	(1,866)	(1,866)
Net carrying amount	<u>8,542</u>	<u>1,008</u>	<u>9,550</u>

Reconciliation

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

	Land (under Coastal protection Scheme)	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Year ended 30 June 2013			
Net carrying amount at beginning of year	8,581	863	9,444
Additions	-	534	534
Disposals	-	(14)	(14)
Net revaluation increment/(decrement)	(39)	-	(39)
Depreciation	-	(375)	(375)
Net carrying amount at end of year	<u>8,542</u>	<u>1,008</u>	<u>9,550</u>

* A revaluation of land assets as at 30 June 2013 was undertaken by Land and Property Information, an independent and professionally qualified valuer.



Department of Planning and Environment
Notes to the financial statements

9 NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Work in Progress \$'000	Software \$'000	Total \$'000
At 1 July 2013 - fair value			
Gross carrying amount	-	4,566	4,566
Accumulated amortisation	-	(1,687)	(1,687)
Net carrying amount	<u>-</u>	<u>2,879</u>	<u>2,879</u>
At 30 June 2014 - fair value			
Gross carrying amount	12,352	4,566	16,918
Accumulated amortisation	-	(2,561)	(2,561)
Net carrying amount	<u>12,352</u>	<u>2,005</u>	<u>14,357</u>

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the current reporting period is set out below:

	Work in Progress \$'000	Software \$'000	Total \$'000
Year ended 30 June 2014			
Net carrying amount at beginning of year	-	2,879	2,879
Additions	12,352	-	12,352
Amortisation	-	(874)	(874)
Net carrying amount at end of year	<u>12,352</u>	<u>2,005</u>	<u>14,357</u>

	Work in Progress \$'000	Software \$'000	Total \$'000
At 1 July 2012 - fair value			
Gross carrying amount	-	2,297	2,297
Accumulated amortisation	-	(1,204)	(1,204)
Net carrying amount	<u>-</u>	<u>1,093</u>	<u>1,093</u>
At 30 June 2013 - fair value			
Gross carrying amount	-	4,566	4,566
Accumulated amortisation	-	(1,687)	(1,687)
Net carrying amount	<u>-</u>	<u>2,879</u>	<u>2,879</u>

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the prior year reporting period is set out below:

	Work in Progress \$'000	Software \$'000	Total \$'000
Year ended 30 June 2013			
Net carrying amount at beginning of year	-	1,093	1,093
Additions	-	2,269	2,269
Amortisation	-	(483)	(483)
Net carrying amount at end of year	<u>-</u>	<u>2,879</u>	<u>2,879</u>

Department of Planning and Environment
Notes to the financial statements

10 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair value hierarchy

Property, plant and equipment	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Land	-	8,542	-	8,542
	<u>-</u>	<u>8,542</u>	<u>-</u>	<u>8,542</u>

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

(b) Valuation techniques, inputs and processes

The Department engaged Land and Property Information (LPI) Valuation Services to provide independent valuation advice on the coastal land assets. The valuation is in compliance with relevant requirements as set out in Treasury Policy TPP 14-01 and Australian Accounting Standard AASB 13. The fair value hierarchy for coastal land is considered to be at level 2.

Method of Valuation – Market Approach

This valuation method applies to land assets only based on existing use.

The valuers have assessed to adjacent land use values and market evidence, and applied appropriate discounts to reflect existing use and physical attributes of the subject land. The valuers have utilised the market analysis and valuation resources of the Land and Property Management Authority (LPMA), along with rating and taxing valuations held on behalf of the Valuer General of NSW to assist with assessment of property values.

The Land and Property Information (LPI) Valuation Services has used in-house valuation system "Valmap" to spatially identify property and at the same time identify rating and taxing valuation levels and comparable sales evidence. These methodologies have been reported in depth in the comprehensive valuation carried out by Land and Property Information in the June 2010 valuation report.

Plant and equipment

These assets are not included in the table above because they are measured at depreciated historical cost as a surrogate for fair value.

11 RESTRICTED ASSETS

	2014 \$'000	2013 \$'000
Special Infrastructure Contribution/Voluntary Planning Agreements*	28,735	8,276
Interim Land Release Levy*	17,646	-
	<u>46,381</u>	<u>8,276</u>

* These above amounts represent financial payments received from developers during development process to help fund development of infrastructure, such as roads, open space, utilities, transport and some town planning costs.

12 CURRENT/NON-CURRENT LIABILITIES - PAYABLES

	2014 \$'000	2013 \$'000
Accrued salaries, wages and on-costs	2,804	1,745
Creditors	8,375	5,947
Grants payable	33,229	-
Revenue received in advance	90	90
Accrued expenses	2,273	4,325
Works-in-Kind received in advance	5,566	11,882
	<u>52,337</u>	<u>23,989</u>

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 20.



Department of Planning and Environment
Notes to the financial statements

13(a) CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2014 \$'000	2013 \$'000
Provision		
Employee benefits and related on-costs		
Recreation leave	9,073	8,248
Employee benefits and related on-costs	<u>15,386</u>	<u>16,165</u>
	24,459	24,413
Other Provisions		
Leasehold obligations	322	322
Total Provisions	<u><u>24,781</u></u>	<u><u>24,735</u></u>
Aggregate employee benefits and related on-costs		
Provisions - current	15,368	14,728
Provisions - non-current	9,091	9,685
Accrued salaries, wages and on-costs (Note 12)	<u>2,804</u>	<u>1,745</u>
	<u><u>27,263</u></u>	<u><u>26,158</u></u>

	2014 \$'000	2013 \$'000
Employee benefits expected to be settled within 12 months from reporting date		
Recreation leave	7,053	8,248
Employee benefits and related on-costs	<u>6,295</u>	<u>6,480</u>
	<u><u>13,348</u></u>	<u><u>14,728</u></u>
Employee benefits expected to be settled in more than 12 months from reporting date		
Recreation leave	2,020	-
Employee benefits and related on-costs	<u>9,091</u>	<u>9,685</u>
	<u><u>11,111</u></u>	<u><u>9,685</u></u>

Movements in provisions (other than employee benefits)

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

	2014 \$'000	2013 \$'000
Leased Obligations		
Carrying amount at beginning of year	322	322
Carrying amount at end of year	<u>322</u>	<u>322</u>

The above amounts relate to leasehold obligations for various properties leased by the Department. The amount of obligation is based on an estimated make good cost of \$120 per square metre. The settlement date is based on the expiry date of the various leases.

13(b) SUPERANNUATION

The liability for the defined benefit schemes related to the Sydney Harbour Foreshore Authority was transferred from the former Land and Property Management Authority to the Department on 1 April 2011. The superannuation schemes are:

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

During the year, Accounting Standard AASB 119 *Employee Benefits* modified the calculation of superannuation expense by combining various rates into one net discount rate. This has resulted in an increase to Superannuation expenses and a reduction in actuarial movements on defined benefit plans. Refer to Note 24 for more details.



Department of Planning and Environment
Notes to the financial statements

13(b) SUPERANNUATION (CONTINUED)

The above superannuation schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the schemes are closed to new members. The assessed liability as at 30 June 2014 and the funds held at the reserve account at Pillar Administration are:

As at 30 June 2014	SASS	SANCS	SSS	TOTAL
Number of members				
Contributors	-	-	-	-
Deferred benefits	-	-	2	2
Pensioners	-	-	19	19
Pensions fully commuted	-	-	1	1
Total	-	-	22	22

As at 30 June 2013	SASS	SANCS	SSS	TOTAL
Number of members				
Contributors	4	5	1	10
Deferred benefits	-	-	3	3
Pensioners	-	-	17	17
Pensions fully commuted	-	-	1	1
Total	4	5	22	31

Financial year to 30 June 2014	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Superannuation Position				
Accrued Liability*	10	(72)	16,913	16,851
Estimated reserve account balance	59	(406)	(7,662)	(8,009)
<i>Net liability/(asset) recognised in Statement of financial position at end of year</i>	69	(478)	9,251	8,842

Reconciliation of the assets and liabilities recognised in statement of financial position

Financial year to 30 June 2013	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Superannuation Position				
Accrued liability*	1,217	321	16,525	18,063
Estimated reserve account balance	(143)	100	(8,999)	(9,042)
<i>Net liability/(asset) recognised in Statement of financial position at end of year</i>	1,074	421	7,526	9,021

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

Nature of the Benefits Provided by The Fund

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

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

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.

Description of the Regulatory Framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation and their associated regulations:

- *Superannuation Act 1916*,
- *State Authorities Superannuation Act 1987*,
- *Police Regulation (Superannuation) Act 1906*,
- *State Authorities Non-Contributory Superannuation Scheme Act 1987*.

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.

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 last actuarial investigation was performed as at 30 June 2012.



Department of Planning and Environment
Notes to the financial statements

13(b) SUPERANNUATION (CONTINUED)

Description of other entities' responsibilities for the governance of the fund

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 rules;
- management and investment of the fund assets; and
- compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The 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.
- 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.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Reconciliation of the Net Defined Benefit Liability/(Asset)

Financial year to 30 June 2014	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Net Defined benefit liability at beginning of year	1,074	420	7,526	9,020
Current service cost	51	12	30	93
Net Interest on the net defined benefit liability/(asset)	23	1	318	342
Actual return on Fund assets less Interest income	371	-	(503)	(132)
Actuarial (gains)/losses arising from changes in financial assumptions	-	-	505	505
Actuarial (gains)/losses arising from liability experience	(500)	(138)	(314)	(952)
Employer contributions	(949)	(774)	1,689	(34)
Net Defined benefit liability/(asset) at end of year	70	(479)	9,251	8,842

Financial year to 30 June 2013	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Net Defined benefit liability at beginning of year	1092	409	9,737	11,238
Current service cost	66	25	23	114
Net interest on the net defined benefit liability/(asset)	32	12	298	342
Actual return on Fund assets less interest income	89	6	(643)	(548)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	3	479	482
Actuarial (gains)/losses arising from changes in financial assumptions	(65)	(29)	(1,853)	(1,947)
Actuarial (gains)/losses arising from liability experience	(90)	9	(499)	(580)
Employer contributions	(50)	(14)	(16)	(80)
Net Defined benefit liability at end of year	1,074	421	7,526	9,021

Reconciliation of the fair value of Fund assets/(liabilities)

Financial year to 30 June 2014	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Fair value of Fund assets/(liabilities) at beginning of year	143	(100)	8,998	9,041
Interest income	19	8	302	329
Actual return on Fund assets less interest income	(371)	-	503	132
Employer contributions	949	774	(1,688)	35
Contributions by participants	22	-	12	34
Benefits paid	(811)	(290)	(527)	(1,628)
Taxes, premiums and expenses paid	(10)	14	62	66
Fair value of Fund assets/(liabilities) at end of year	(59)	406	7,662	8,009

Department of Planning and Environment
Notes to the financial statements

13(b) SUPERANNUATION (CONTINUED)

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Financial year to 30 June 2013				
Fair value of Fund assets at beginning of year	646	123	8,087	8,856
Interest income	17	3	239	259
Actual return on Fund assets less interest income	(89)	(5)	643	549
Employer contributions	50	14	16	80
Contributions by participants	27	-	31	58
Benefits paid	(495)	(220)	(132)	(847)
Taxes, premiums and expenses paid	(14)	(14)	114	86
Fair value of Fund assets/(liabilities) at end of year	142	(99)	8,998	9,041

Reconciliation of the Defined Benefit Obligation

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Financial year to 30 June 2014				
Present value of defined benefit obligations at beginning of year	1,216	321	16,525	18,062
Current service cost	51	12	30	93
Interest cost	42	10	619	671
Contributions by participants	22	-	12	34
Actuarial losses arising from changes in financial assumptions	-	-	505	505
Actuarial gains arising from liability experience	(500)	(138)	(314)	(952)
Benefits paid	(811)	(290)	(527)	(1,628)
Taxes, premiums and expenses paid	(10)	13	63	66
Present value of defined benefit obligations at end of year	10	(72)	16,913	16,851

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Financial year to 30 June 2013				
Present value of defined benefit obligations at beginning of year	1,738	532	17,824	20,094
Current service cost	66	25	23	114
Interest cost	49	15	537	601
Contributions by participants	27	-	31	58
Actuarial (gains)/losses arising from changes in demographic assumptions	-	3	479	482
Actuarial gains arising from changes in financial assumptions	(65)	(29)	(1,853)	(1,947)
Actuarial (gains)/losses arising from liability experience	(89)	9	(499)	(579)
Benefits paid	(495)	(220)	(132)	(847)
Taxes, premiums and expenses paid	(14)	(14)	114	86
Present value of defined benefit obligations at end of year	1,217	321	16,524	18,062

Reconciliation of the effect of the Asset Ceiling

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Financial year to 30 June 2014				
Adjustment for effect of asset ceiling at beginning of year	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-
Adjustment for effect of asset ceiling at end of year	-	-	-	-

	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Financial year to 30 June 2013				
Adjustment for effect of asset ceiling at beginning of year	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-
Adjustment for effect of asset ceiling at end of year	-	-	-	-

Fair Value of Fund Assets As at 30 June 2014

All Pooled Fund assets are invested by 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.

Asset category	Level 1 \$'M	Level 2 \$'M	Level 3 \$'M	Total \$'M
Short-term securities	1,573	880	-	2,453
Australian fixed interest	11	2,354	-	2,365
International fixed interest	-	881	-	881
Australian equities	11,494	241	3	11,738
International equities	8,173	2,780	-	10,953
Property	894	693	1,686	3,273
Alternatives	565	4,897	867	6,329
Total*	22,710	12,726	2,556	37,992



Department of Planning and Environment
Notes to the financial statements

13(b) SUPERANNUATION (CONTINUED)

The percentage invested in each asset class at the balance sheet date:

	2014 %	2013 %
Short-term securities	6.5	30.4
Australian fixed interest	6.2	26.1
International fixed interest	2.3	6.9
Australian equities	30.9	2.2
International equities	28.8	8.3
Property	8.6	13.1
Alternatives	16.7	13.0
Total	100.0	100.0

*Additional to the assets disclosed above, at 30 June 2014 the Pooled Fund has provisions for receivables/(payables) estimated to be around \$2.2 billion, giving estimated assets totalling around \$40.2 billion.

The following hierarchies are applicable to asset categories of the Fund:

- Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this levels 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 containing 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 flows 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.

Significant Actuarial Assumptions As at 30 June 2014

Discount rate	3.57% pa
Salary increase rate (excluding promotional increases)	From 1 July 2014: • Up to 30 June 2015: 2.27% pa • Up to 30 June 2018: 2.5% pa • Up to 30 June 2023: 3.0% pa • Thereafter: 3.5%.
Rate of CPI increase	2.50% pa
Pensioner mortality	as per the 2012 actuarial investigation of the Pooled Fund

Sensitivity Analysis

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	3.57%	2.57%	4.57%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	16,852	19,335	14,807

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	2.50%	3.00%	2.00%
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	16,852	18,054	15,751

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
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)	16,852	16,852	16,852



Department of Planning and Environment
Notes to the financial statements

13(b) SUPERANNUATION (CONTINUED)

	Base Case	Scenario G +5% pensioner mortality rates	Scenario H -5% pensioner mortality rates
Defined benefit obligation (\$'000)	<u>16,852</u>	<u>16,639</u>	<u>17,077</u>

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.

Expected contributions

Financial year to 30 June 2014	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Expected employer contributions to be paid in the next reporting period	<u>51</u>	<u>12</u>	<u>11</u>	<u>74</u>

Financial year to 30 June 2013	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Expected employer contributions to be paid in the next reporting period	<u>62</u>	<u>19</u>	<u>29</u>	<u>110</u>

Funding Arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. 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.

Surplus/deficit

The following is a summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 *Financial Reporting by Superannuation Plans* :

Financial year to 30 June 2014	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Accrued benefits	-	-	9,483	9,483
Net market value of Fund assets	59	(406)	(7,662)	(8,009)
Net (surplus)/deficit	<u>59</u>	<u>(406)</u>	<u>1,821</u>	<u>1,474</u>

Financial year to 30 June 2013	SASS \$'000	SANCS \$'000	SSS \$'000	TOTAL \$'000
Accrued benefits	952	212	9,500	10,664
Net market value of Fund assets	(143)	100	(8,998)	(9,041)
Net (surplus)/deficit	<u>809</u>	<u>312</u>	<u>502</u>	<u>1,623</u>

Contribution recommendations

Recommended contribution rates for the Department are:

	SASS	SANCS	SSS
Multiple of member contributions	2.3	-	0.9
Member salary	-	2.5%	-

Economic assumptions

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

Weighted-Average Assumptions

Expected rate of return on Fund assets backing current pension liabilities	8.3%
Expected rate of return on Fund assets backing other liabilities	7.3%
Expected salary increase rate	2.7% pa (PSS 3.5% pa) to 30 June 2018, then 4% pa thereafter
Expected rate of CPI increase	2.5%

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 12.7 years.



Department of Planning and Environment
Notes to the financial statements

13(b) SUPERANNUATION (CONTINUED)

Additional Information

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Profit and Loss Impact 2014				
Current service cost	51	12	30	93
Net interest	23	1	318	342
Past service cost	-	-	-	-
(Gains)/Loss on settlement	-	-	-	-
Defined benefit cost	74	13	348	435
Profit and Loss Impact 2013				
Current service cost	66	25	23	114
Net interest	33	12	297	342
Past service cost	-	-	-	-
(Gains)/Loss on settlement	-	-	-	-
Defined benefit cost	99	37	320	456
Other Comprehensive Income 2014				
Actuarial (gains)/losses on liabilities	(500)	(137)	191	(446)
Actual return on Fund assets less Interest income	371	(1)	(503)	(133)
Adjustment for effect of asset ceiling	-	-	-	-
Total remeasurement in Other comprehensive income	(129)	(138)	(312)	(579)
Other Comprehensive Income 2013				
Actuarial (gains)/losses on liabilities	(155)	(17)	(1,872)	(2,044)
Actual return on Fund assets less Interest income	89	5	(643)	(549)
Adjustment for effect of asset ceiling	-	-	-	-
Total remeasurement in Other comprehensive income	(66)	(12)	(2,515)	(2,593)

14 CURRENT LIABILITIES - OTHER LIABILITY

	2014 \$'000	2013 \$'000
Liability to Consolidated Fund	56,920	-
Balance at the end of year	56,920	-

The Department received appropriations for grant payments in relation to Local Infrastructure Growth Scheme and Urban Activation Precinct. As at 30 June 2014, the outstanding amount represents unpaid Local Infrastructure Growth Scheme of \$45.76M and Urban Activation Precinct of \$11.16M.

15 NON-CURRENT LIABILITIES - BORROWINGS

	2014 \$'000	2013 \$'000
TCorp Borrowings		
Face value of loans	20,811	20,678
Loan Premium/(Unamortised discount) on face value of loans	(420)	(699)
Balance at the end of year	20,391	19,979

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 20.

16 INCREASE/(DECREASE) IN NET ASSETS FROM EQUITY TRANSFERS

The Sydney Harbour Foreshore Authority Casual Staff Division was transferred to the Department on 24 February 2014 under the *Administrative Arrangements Order 2014*. At the time of transfer, there was no impact on the Department's equity due to the relevant employment condition. There is also nil impact on the relevant comparative.

17 COMMITMENTS FOR EXPENDITURE

	2014 \$'000	2013 \$'000
Operating Lease Commitments		
Aggregate operating lease commitments for office accommodation and motor vehicles contracted for at balance date but not provided for:		
Not later than 1 year	8,046	3,609
Later than 1 year but not later than 5 years	1,645	2,244
Later than 5 years	-	-
Total (Including GST)	9,691	5,853

The total commitments above includes input tax credits of \$881,000 (2013: \$532,000) that are expected to be recoverable from the Australian Taxation Office.



Department of Planning and Environment
Notes to the financial statements

18 CONTINGENT LIABILITIES

The Department is currently involved in eight legal cases (2013: twelve cases) related to planning matters where costs are not determined yet (2013: \$69,000). The Department is also involved in three (2013: three cases) other cases which are covered by the Treasury Managed Fund.

19 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2014 \$'000	2013 \$'000
Net cash flows from operating activities	75,089	8,467
Depreciation and amortisation	(794)	(858)
Net (loss)/gain on disposal of non-current assets	(13)	(15)
(Increase)/Decrease in provisions	(46)	3,362
Non-cash actuarial adjustment	(579)	(2,593)
Decrease in other assets	(2,249)	(4,291)
Increase in creditors and other liabilities	(85,270)	(2,573)
Net result	<u>(13,862)</u>	<u>1,499</u>

20 FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument categories

Class	Notes	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
<i>Financial Assets</i>				
Cash and cash equivalents	6	N/A	94,383	31,150
Receivables	7	Loans and receivables (at amortised cost)	30,342	28,984
<i>Financial Liabilities</i>				
Payables*	12	Financial liabilities measured at amortised cost	46,780	12,017
Borrowings	15	Financial liabilities measured at amortised cost	20,391	19,979

Notes

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

(b) Credit Risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to the Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). Credit risk arises from the financial assets of the Department, including cash and receivables. No collateral is held by the Department. The Department has not granted any financial guarantees.

Cash

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

Receivables – trade debtors

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts, which are known to be uncollectable, are written off. An allowance for impairment is raised when there is objective evidence that the Department will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are generally made on 30 day terms.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due \$5,835,000 (2013: \$5,393,000) and not less than three months past due \$5,962,000 (2013:\$6,039,000) are not considered impaired. Together, these represent 100 per cent of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

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



Department of Planning and Environment
Notes to the financial statements

20 FINANCIAL INSTRUMENTS (CONTINUED)

	Total ^{1,2}	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
2014			
< 3 months overdue	1,965	1,965	-
3 months - 6 months overdue	100	100	-
>6 months overdue	3,897	3,897	-
2013			
< 3 months overdue	1,382	1,382	-
3 months - 6 months overdue	955	955	-
>6 months overdue	3,702	3,702	-

Notes

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

(c) Liquidity Risk

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

	2014 \$'000	2013 \$'000
TCorp debt facility	29,000	29,000
Sums drawn	20,391	19,979
Unused facility	<u>8,609</u>	<u>9,021</u>

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

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Secretary (or a person appointed by the Secretary) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.63% (2013: 10.95%).

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount	Interest Rate Exposure \$'000			Maturity Dates \$'000		
			Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing	<1 year	1-5 years	>5 years
2014								
Payables	N/A	46,780	-	-	46,780	46,780	-	-
TCorp borrowings	4.82	20,391	-	-	-	-	20,391	-
		<u>67,171</u>	-	-	<u>46,780</u>	<u>46,780</u>	<u>20,391</u>	-
2013								
Payables	N/A	12,017	-	-	12,017	12,017	-	-
TCorp borrowings	4.82	19,979	-	-	-	-	19,979	-
		<u>31,996</u>	-	-	<u>12,017</u>	<u>12,017</u>	<u>19,979</u>	-

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Statement of financial position.

(d) 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. The Department's exposure to market risk are primarily through interest rate risk on the Department's borrowings. The Department has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2013. The analysis assumes that all other variables remain constant. Other price risk is immaterial.



Department of Planning and Environment
Notes to the financial statements

20 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Interest Rate Risk

Exposure to interest rate risk arises through the Department's interest bearing liabilities. This risk is minimised by undertaking fixed rate borrowings with NSW TCorp. The Department does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Department's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
2014					
<i>Financial Assets</i>					
Cash and cash equivalents	94,383	(944)	(944)	944	944
2013					
<i>Financial Assets</i>					
Cash and cash equivalents	31,150	(312)	(312)	312	312

(f) Fair Value Measurement

With the exception of the TCorp borrowings, all of the Department's financial assets and financial liabilities are of a short-term nature. They are recognised in the Statement of financial position at amortised cost.

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

The Department undertakes borrowings with NSW TCorp. The borrowings are on fixed term loans at a fixed interest rate to minimise exposure to interest rate fluctuation. The loans are initially recognised in the Statement of financial position at their fair values plus transaction costs. The fair values of the borrowings are considered to be level 2. They are estimated at their fair value plus transaction costs, with their attaching discount being amortised over the lives of the borrowings.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
2014				
<i>Financial Liabilities</i>				
Borrowings	-	20,391	-	20,391
	-	20,391	-	20,391

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
2013				
<i>Financial Liabilities</i>				
Borrowings	-	19,979	-	19,979
	-	19,979	-	19,979

There were no transfers between level 1 or 2 during the periods.



Department of Planning and Environment
Notes to the financial statements

21 BUDGET REVIEW

Financial Performance

Expenses

Other operating expenses are \$15.9M above budget due to contractor expenses [\$14.6M] included in this line item whereas it was classified as employee related expenses in the budget.

Grants and subsidies expenses are \$41.7M below budget due to grants actually paid to Roads and Maritime Services, other government agencies and local government councils allied entities due to non-receipt of claims as per budgeted timings.

Revenue

Recurrent appropriation is \$63M below budget primarily due to delays of cluster grant payments.

Sale of goods and services revenue is \$3.9M below budget due to lower development applications for planning projects compared with budget.

Grants and contributions revenue is \$31.2M lower than budget reflecting reimbursement of voluntary redundancies from NSW Treasury and grants from other government agencies not included in the budget and the SIC cash [\$20.5M] and Interim Land Release Levy [\$17.6M] are classified as actual other revenue.

Other revenue is \$60.4M above budget primarily due to receipt of Interim Land Release Levy [\$17.6M] and recognition of increased Special Infrastructure and Voluntary Planning Agreement Contributions revenue [\$46.1M].

Financial Position

Assets

Cash and cash equivalents are \$67.6M above budget due to grants [Local Infrastructure Growth Scheme: \$45.76M and Urban Activation Precinct [\$11.16M] not paid out by 30 June and receipt of Interim Land Release Levy [\$17.6M] transferred from Corporation Sole, Minister Administering the Environmental Planning and Assessment Act 1979.

Intangible assets are \$11.4M above budget due to capitalisation of ePlanning project.

Payables are \$41.9M above budget due to grants payable [\$33.2M] and Special Infrastructure Contribution Works-in-Kind received in advance [\$5.5M].

Other liability of \$56.92M represents liability to the Consolidated Fund.

Total provisions are \$3.8M below budget due to over budget of provision for personnel services.

Borrowings are \$10.3M above budget due to no repayment of loan principal during the current financial year.

Cash Flows

Operating activities

Grants and subsidies payments are \$60.9M below budget due to Local Infrastructure Growth Scheme and Urban Activation Precinct grant not paid out by 30 June.

Cash reimbursements from the Crown Entity are \$4.8M above budget due to receipts of employee leave entitlements were not included in the budget.

Other receipts are \$32.9M above budget primarily due to Interim Land Release Levy [\$17.6M] and Special Infrastructure and Voluntary Planning Agreement Contributions [\$20.06M].

Investing activities

Payments for purchase of intangibles \$9.8M are above budget due to capitalisation of the ePlanning project.

Department of Planning and Environment
Notes to the financial statements

22 AFTER BALANCE DATE EVENTS

The Department is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

23 CORRECTIONS OF ERROR

Accounting for Special Infrastructure Contribution Works-In-Kind (WIK)

The Department is responsible for the collection of Special Infrastructure Contributions (SIC) within the States Growth Centre Precincts.

Prior to the current reporting period, the Department accounted for the amount of Special Infrastructure Contribution (SIC) credits as claimed by developers as revenue and expenses. The value of actual Works-in-Kind completed in excess of the assessed amount (SIC-WIK credits) was not recognised as a liability.

In June 2014, the Department revised its accounting treatment to recognise values of the completed WIK items as expenses when the items were transferred from developers to other State controlled entities or local authorities on behalf of the Department. Values of the completed WIK item in excess of the agreed assessment amounts (SIC-WIK credits) are recognised as Works-in-Kind received in advance. Regular indexation on SIC-WIK credits are recognised as an expense and Works-in-Kind received in advance.

The above error occurred prior to the earliest prior period presented in the Department's financial statements. The error has been corrected by restating the beginning balances of relevant affected line items in the Statement of financial position for the earliest prior period presented as follows.

	2013		
	30 June	Increase/ (Decrease)	30 June
	\$'000	\$'000	Restated \$'000
Statement of comprehensive income (extract)			
Expenses excluding losses			
Grants and subsidies	126,927	657	127,584
Total expenses excluding losses	274,812	657	275,469
Revenue			
Other revenue	37,695	(1,485)	36,210
Total revenue	279,354	(1,485)	277,869
TOTAL COMPREHENSIVE INCOME	6,196	(2,142)	4,054

	2013			2012		
	30 June	Increase/ (Decrease)	30 June	1 July	Increase/ (Decrease)	1 July
	\$'000	\$'000	Restated \$'000	\$'000	\$'000	Restated \$'000
Statement of financial position (extract)						
Current Liabilities						
Payables	12,107	11,882	23,989	11,819	9,740	21,559
Total Current Liabilities	26,835	11,882	38,717	27,749	9,740	37,489
Total Liabilities	55,504	11,882	67,386	60,936	9,740	70,676
Net Assets	23,969	(11,882)	12,087	17,773	(9,740)	8,033
Equity						
Accumulated funds	23,896	(11,882)	12,014	17,662	(9,740)	7,922
Total Equity	23,969	(11,882)	12,087	17,773	(9,740)	8,033



Department of Planning and Environment
Notes to the financial statements

24 Application of Accounting Standards: AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119

Except for the changes described below, the Department has consistently applied the accounting policies as set out in Note 1 to all periods presented in these financial statements.

The Department, as a personnel service provider has adopted the revised AASB 119 *Employee Benefits* with an application date of 1 July 2013.

The Department restated all related employee related expenses, personnel service revenue, receivables and associated provision for the prior year. This adjustment reflects a change in the value of the provision for employee benefits as a result of retrospective changes to accounting for defined benefit plans under AASB 119 *Employee Benefits* (applicable from 1 July 2013). The impact of the restatement of prior year related financial items are summarised below.

	2014	2013		
	Adjustments	30 June Previously reported	Adjustments	30 June Restated
	\$'000	\$'000	\$'000	\$'000
Statement of comprehensive income (extract)				
Expenses excluding losses				
Employee related	485	100,407	555	100,962
Total expenses excluding losses	485	275,469	555	276,024
Revenue				
Personal service revenue	(13)	26,698	(331)	26,367
Total Revenue	(13)	277,869	(331)	277,538
Net Result	(498)	2,385	(886)	1,499
Other comprehensive income				
Actuarial gain/(loss) on defined benefit plans	498	1,707	886	2,593
Total other comprehensive income	498	1,707	886	2,593

	2012		
	1 July Previously reported	Adjustments	1 July Restated
	\$'000	\$'000	\$'000
Statement of financial position			
Current Assets			
Receivables	40,185	1,647	41,832
Total current assets	68,172	1,647	69,819
Total Assets	78,709	1,647	80,356
Non-current liabilities			
Provisions	10,850	1,647	12,497
Total non-current liabilities	33,187	1,647	34,834
Total Liabilities	70,676	1,647	72,323

	2014	2013		
	Adjustments	30 June Previously reported	Adjustments	30 June Restated
	\$'000	\$'000	\$'000	\$'000
Statement of financial position				
Current Assets				
Receivables	1,303	35,894	1,317	37,211
Total current assets	1,303	67,044	1,317	68,361
Total Assets	1,303	79,473	1,317	80,790
Non-current liabilities				
Provisions	1,303	8,690	1,317	10,007
Total non-current liabilities	1,303	28,669	1,317	29,986
Total Liabilities	1,303	67,386	1,317	68,703



Department of Planning and Environment
Notes to the financial statements

25 Trust Funds

	2014 \$'000	2013 \$'000
City West Housing Pty Ltd	10,590	-
	<u>10,590</u>	<u>-</u>

The Department holds money which is used for developments in Ultimo-Pyrmont and Green Square under State Environmental Planning Policy Number 70 Affordable Housing (Revised Schemes). These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives.

The following is a summary of the transactions:

	2014 \$'000	2013 \$'000
Cash Balance at the beginning of the financial year	-	-
Add: Receipts	47,435	14,951
Less: Payments	36,845	14,951
Cash balance at the end of the financial year	<u>10,590</u>	<u>-</u>

END OF AUDITED FINANCIAL STATEMENTS



Department of Planning and Environment - Audit Statement



INDEPENDENT AUDITOR'S REPORT

Department of Planning and Environment

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Department of Planning and Environment (formerly the Department of Planning and Infrastructure) (the Department), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2014, 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 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Secretary's Responsibility for the Financial Statements

The Secretary is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Secretary determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



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

My opinion does *not* provide assurance:

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

Independence

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

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



Grant Hehir
Auditor-General

22 September 2014
SYDNEY

Corporation Sole - Minister Administering the *Environmental Planning and Assessment Act 1979* - Financial Statements

Corporation Sole "Minister Administering the Environmental Planning & Assessment Act, 1979"

Statement by Secretary for the year ended 30 June 2014

Under section 41C of the Public Finance and Audit Act 1983:

- I certify that the financial statements for Corporation Sole have been prepared in compliance with the Public Finance and Audit Act 1983, Treasurer's Directions and the Public Finance and Audit Regulation 2010 and in compliance with Australian Accounting Standards.
- in my opinion, the financial statements exhibit a true and fair view of the financial performance and position of the Corporation Sole.
- at the date of signing these financial statements, I am not aware of any circumstances that would render particulars included in the financial statements to be misleading or inaccurate.



19.9.14

Carolyn McNally

Secretary of the Department of Planning & Environment

Dated at Sydney this 19 September 2014

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Statement of comprehensive income for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses				
Operating expenses				
Personnel services	2(a)	2,875	3,392	2,593
Other operating expenses	2(b)	17,026	11,536	9,465
Depreciation and amortisation	2(c)	22	5	338
Grants and subsidies	2(d)	22,983	24,840	46,364
Finance costs	2(e)	22,572	24,500	21,563
Other expenses	2(f)	88	-	-
Total expenses excluding losses		65,566	64,273	80,323
Revenue				
Investment revenue	3(a)	3,205	6,700	3,163
Grants and contributions	3(b)	26,814	12,682	20,738
Sale of goods and services	3(c)	7,025	8,181	7,661
Other revenue	3(d)	7,003	5,000	24,407
Total revenue		44,047	32,563	55,969
Gain on disposal	4	21,194	14,509	21,468
Net result		(325)	(17,201)	(2,886)
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Net increase/(decrease) in property, plant and equipment revaluation surplus		(7,596)	-	84,831
Total other comprehensive income		(7,596)	-	84,831
TOTAL COMPREHENSIVE INCOME		(7,921)	(17,201)	81,945

The accompanying notes form part of these financial statements.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Statement of financial position as at 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	5	63,395	138,814	59,196
Receivables	6	1,596	5,815	3,334
Financial assets at fair value	7	582	237	-
Other financial assets	8	50,844	-	40,747
		<u>116,417</u>	<u>144,866</u>	<u>103,277</u>
Non-current assets held for sale	9	47,799	27,149	49,976
Total current assets		<u>164,216</u>	<u>172,015</u>	<u>153,253</u>
Non-current Assets				
Property, plant and equipment				
• Land and buildings	10	1,486,513	1,411,495	1,516,051
• Plant and equipment	10	41	6	63
Total property, plant and equipment		<u>1,486,554</u>	<u>1,411,501</u>	<u>1,516,114</u>
Intangible assets	11	189	105	189
Total Non-Current Assets		<u>1,486,743</u>	<u>1,411,606</u>	<u>1,516,303</u>
Total Assets		<u>1,650,959</u>	<u>1,583,621</u>	<u>1,669,556</u>
LIABILITIES				
Current Liabilities				
Payables	13	14,840	52,398	38,493
Borrowings	14	38,109	36,117	17,600
Total current liabilities		<u>52,949</u>	<u>88,515</u>	<u>56,093</u>
Non-current Liabilities				
Borrowings	14	374,824	381,956	384,197
Provisions	15	72	132	72
Total Non-current Liabilities		<u>374,896</u>	<u>382,088</u>	<u>384,269</u>
Total Liabilities		<u>427,845</u>	<u>470,603</u>	<u>440,362</u>
Net Assets		<u>1,223,114</u>	<u>1,113,018</u>	<u>1,229,194</u>
EQUITY				
Reserves		1,073,537	957,847	1,074,671
Accumulated funds		137,264	155,171	138,641
Amounts recognised in equity related to assets held for sale		12,313	-	15,882
Total Equity		<u>1,223,114</u>	<u>1,113,018</u>	<u>1,229,194</u>

The accompanying notes form part of these financial statements.

“Minister Administering the Environmental Planning & Assessment Act, 1979”

Statement of changes in equity for the year ended 30 June 2014

	Note	Accumulated Fund \$'000	Assets Revaluation Surplus \$'000	Assets Held for Sale Reserve \$'000	Total \$'000
Balance at 1 July 2013		138,641	1,074,671	15,882	1,229,194
Net result for the year		(325)	-	-	(325)
Other comprehensive income:					
Net increase/(decrease) in property, plant and equipment		852	(7,998)	(450)	(7,596)
Total other comprehensive income		852	(7,998)	(450)	(7,596)
Total comprehensive income for the year		527	(7,998)	(450)	(7,921)
Transfers to Accumulated Funds		(3,745)	6,864	(3,119)	-
Transactions with owners in their capacity as owners					
Increase in net assets from equity transfers	16	1,841	-	-	1,841
Balance at 30 June 2014		137,264	1,073,537	12,313	1,223,114
Balance at 1 July 2012		181,260	1,034,843	13,150	1,229,253
Net result for the year		(2,886)	-	-	(2,886)
Other comprehensive income:					
Net increase in property, plant and equipment		-	84,831	-	84,831
Total other comprehensive income		-	84,831	-	84,831
Total comprehensive income for the year		(2,886)	84,831	-	81,945
Transfers to Accumulated Funds		42,271	(45,003)	2,732	-
Transactions with owners in their capacity as owners					
Decrease in net assets from equity transfers	16	(82,004)	-	-	(82,004)
Balance at 30 June 2013		138,641	1,074,671	15,882	1,229,194

The accompanying notes form part of these financial statements.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Statement of cash flows for the year ended 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
	Notes			
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(2,874)	(3,392)	(2,170)
Grants and subsidies		(22,463)	(19,840)	(44,788)
Finance costs		(23,278)	(23,000)	(21,048)
Other payments		(46,563)	(16,271)	(51,570)
Total Payments		(95,178)	(62,503)	(119,576)
Receipts				
Recoupment of costs from Government		5,034	5,034	20,738
Sales of goods and services		7,025	8,181	12,393
Interest received		3,443	6,700	3,375
Other receipts		38,997	16,648	7,661
Total Receipts		54,499	36,563	44,167
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	(40,679)	(25,940)	(75,409)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of land and buildings, and plant and equipment		59,099	54,509	43,444
Purchases of land and buildings, and plant and equipment		(14,678)	(25,000)	(34,536)
NET CASH FLOWS FROM INVESTING ACTIVITIES		44,421	29,509	8,908
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and advances		12,986	-	29,239
Repayment of borrowings and advances		(1,850)	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		11,136	-	29,239
NET INCREASE/(DECREASE) IN CASH		14,878	3,569	(37,262)
Opening cash and cash equivalents		99,943	135,245	137,205
CLOSING CASH AND CASH EQUIVALENTS	5	114,821	138,814	99,943

The accompanying notes form part of these financial statements.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Corporation Sole "Minister Administering the Environmental Planning and Assessment Act, 1979" (the Corporation), incorporating the Sydney Region Development Fund operates under the provisions of the Environmental Planning and Assessment Act 1979 to acquire and develop lands required for planning purposes within the Sydney Region. The corporation is a separate reporting entity. There are no other entities under its control.

The Corporation is a NSW government statutory body. The Corporation is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the period ended 30 June 2014 have been authorised for issue by the Secretary on 19 September 2014.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment and assets (or disposal groups) held for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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

(c) Statement of compliance

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

(d) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate to not-for-profit general government sector agencies.

(e) Insurance

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

(f) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

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

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.



Notes to the financial statements

1 Summary of Significant Accounting Policies (continued)

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Contributions

Contributions from other bodies (including grants and donations) are recognised as revenue when the Corporation obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Corporation transfers the significant risks and rewards of ownership of the assets. In relation to sale of land assets, the Corporation recognises revenue when the relevant settlement contract reaches settlement.

(iii) Rendering of services

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

(iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Rental revenue from operating leases is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term. Royalty revenue is recognised in accordance with AASB 118 *Revenue* on an accrual basis in accordance with the substance of the relevant agreement.

(h) Grants and subsidies expenses

Grants and subsidies are generally comprised of cash contributions to local government authorities and non-government organisations. These are expensed when the Corporation transfers control of the relevant assets.

(i) Assets

(i) Acquisitions of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Refer to Note 1(i) for more details.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation threshold

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

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

1 Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

(iii) Revaluation of property, plant and equipment (continued)

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Notes 10 and 12 for further information regarding fair value.

The Corporation revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last comprehensive revaluation was completed on 30 April 2013 for the following asset classes on the dates noted and was based on an independent assessment:

- Core Land: Corridor,
- Core Land: Open space,
- Non-core Land: Surplus Land (Marketable) and
- Non-core Land: Surplus Land (Non-marketable).

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

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

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

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

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

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

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

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Land under care, control and management

The Corporation holds some land assets that are under care, control and management arrangement with local councils. Although the relevant councils are responsible for the daily management care of the land, the Corporation remains the legal owner and attains accounting control over these assets. These assets are recognised in the Statement of financial position at fair value. Also refer to Note 1(i)(xvii) for more details.

(vi) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Corporation.

All material separately identifiable components of assets are depreciated over their shorter useful lives. Land is not a depreciable asset. The following are the depreciation rates:

- Computers 25%
- Office equipment 14%



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

1 Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

(vii) Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(viii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(ix) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(x) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits. Operating lease payments are charged to the Statement of comprehensive income in periods which they are incurred.

(xi) Intangible assets

The Corporation 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.

The useful lives of intangible assets are assessed to be finite, except for legal intangibles such as permanent easements.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Corporation's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Corporation's intangible assets are amortised using the straight line method. In-house software has an effective life of 4 years. For easements, only temporary easements are amortised, and they are amortised for the term of easement.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xii) Receivables

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

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

“Minister Administering the Environmental Planning & Assessment Act, 1979”

Notes to the financial statements

1 Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

(xiii) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The Corporation determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

The Corporation subsequently measures investments classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option; i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the entity’s key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item ‘investment revenue’.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the Corporation commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of financial position date.

(xiv) Impairment of financial assets

All financial assets, except those measured at fair value through profit or loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Corporation will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When a financial asset available for sale is impaired, the cumulative loss amount is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as “available for sale” must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xv) Derecognition of financial assets and financial liabilities

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

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

Where the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Corporation’s continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

1 Summary of Significant Accounting Policies (continued)

(i) Assets (continued)

(xvi) Non-current assets (or disposal groups) held for sale

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

(xvii) Land transfers

Land acquired for road purposes may be transferred, as required for construction, to the Roads and Maritime Services without charge. Open Space land may be similarly transferred to local councils without charge.

For transfers of land to the Corporation with no consideration, the asset is recognised at fair value in the Statement of financial position.

(j) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Corporation and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Borrowings

Loans are not held for trading and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on derecognition.

(iii) Financial guarantees

The Corporation has reviewed its financial guarantees and determined that there is no liability to be recognised for financial guarantee contracts as at 30 June 2014 and at 30 June 2013. Refer to Note 18 regarding disclosures on contingent liabilities.

(iv) Personnel services

The Corporation does not have any employees. Human resources are provided by Department of Planning and Environment on a fee for services rendered basis. This fee includes all employee related costs including salaries, superannuation, leave entitlements, payroll tax and workers' compensation insurance. Accordingly, the Corporation does not have liability for employee entitlements.

(v) Other provisions

Other provisions exist when the Corporation has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

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

If the effect of the time value of money is material, provisions will be discounted, which will be a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The Corporation does not provide discount on its provisions because the discount is considered immaterial.

(k) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Corporation's policy on the revaluation of property, plant and equipment as discussed in note 1(i)(iii).

(ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

1 Summary of Significant Accounting Policies (continued)

(l) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies is designated or required by Accounting Standards to be treated as a contribution by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure between not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value.

All other equity transfers are recognised at fair value.

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the *Public Finance and Audit Act 1983* where there has been a transfer of functions between government agencies. Other amendments made to the budget are not reflected in the budgeted amounts.

(n) Comparative information

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

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

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of Australian Accounting Standard AASB 13 Fair Value Measurement that have been applied for the first time in 2013-14. This standard requires disclosures of non-current assets between three different levels of fair value hierarchy. There is no financial impact in the period of initial application.

(ii) Issued but not yet effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective. NSW Treasury TC 14/03 mandates agencies not to early adopt any of the following accounting pronouncements:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 (NPF) *Consolidated Financial Statements*
- AASB 127 (NPF) *Separate Financial Statements*
- AASB 1031 *Materiality*
- AASB 1055 and AASB 2013-1 regarding budgetary reporting
- AASB 2011-7 (NPF) regarding consolidation and joint arrangements
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-6 regarding Reduced Disclosure Requirements
- AASB 2013-8 regarding Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities
- AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C)

The Corporation does not anticipate any material financial impact in its financial statements when these accounting pronouncements become effective and are applied.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014	2013
	\$'000	\$'000
2 Expenses Excluding Losses		
(a) Personnel services		
Salaries and wages (including recreation leave)	2,469	2,071
Superannuation	217	267
Long service leave	57	71
Workers' compensation insurance	1	17
Payroll tax and fringe benefits tax	131	167
	<u>2,875</u>	<u>2,593</u>
(b) Other operating expenses		
Auditor's remuneration		84
• audit of the financial statements	147	
Internal audit	121	-
Operating lease rental expense		219
• minimum lease payments	130	13
• related outgoings	3	
Maintenance - property	6,016	7,182
Bad Debts	-	13
Insurance	20	21
Consultants	50	-
Other contractors	74	-
General administration	2,880	1,796
Write-off of assets	2,829	-
Property settlement expenses	2,278	-
Development expenses	2,478	137
	<u>17,026</u>	<u>9,465</u>
(c) Depreciation and amortisation expense		
Depreciation		9
• Leased assets office space	22	
Amortisation		329
• Property interest	-	
	<u>22</u>	<u>338</u>
(d) Grants and subsidies		
Open Space Improvement and Restoration - Government Agencies		1,719
• Metropolitan Greenspace Program	1,336	
Other - Government agencies		44,525
• State government	20,607	120
• Local government	1,040	
	<u>22,983</u>	<u>46,364</u>
(e) Finance costs		
Interest expense on borrowings	22,572	21,563
	<u>22,572</u>	<u>21,563</u>
(f) Other expenses		
Loss on revaluation	88	-
	<u>88</u>	<u>-</u>

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014	2013
	\$'000	\$'000
3 Revenue		
(a) Investment revenue		
Bank interest	2,977	2,535
T'Corp Hour-Glass cash facilities designated at fair value through profit or loss	228	228
Derivatives gain/(loss)	-	400
	<u>3,205</u>	<u>3,163</u>
(b) Grants and contributions		
Contributions from:		
• Federal government	-	3,700
• State government	5,034	9,584
• Local government ¹	7,640	7,454
• S94 Contributions ²	14,140	-
	<u>26,814</u>	<u>20,738</u>
1. Local councils within the Sydney Regional Development Fund are levied for contributions to meet interest expenses on and repayment of debt in accordance of Section 143 of the <i>Environmental Planning and Assessment Act, 1979</i> .		
2. Contributions received from Penrith Lakes City Council for Erskine Park Link Road construction.		
(c) Sale of goods and services		
Rents	3,105	3,417
Royalties	3,920	4,244
	<u>7,025</u>	<u>7,661</u>
(d) Other revenue		
Contract and license receipts	5,594	11,437
Land received free of charge	703	12,655
Other miscellaneous	706	315
	<u>7,003</u>	<u>24,407</u>
4 Gain on Disposal		
Proceeds from disposal	59,099	41,475
Written down value of assets disposed	(37,905)	(20,007)
	<u>21,194</u>	<u>21,468</u>



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014	2013
	\$'000	\$'000
5 Current Assets - Cash and Cash Equivalents		
Cash at bank and on hand	50,301	18,815
Short-term deposits	6,200	16,262
T'Corp Hour-Glass cash facilities	6,894	24,119
	<u>63,395</u>	<u>59,196</u>
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.		
Cash and cash equivalent assets recognised in the Statement of financial position are reconciled at the end of the financial year to the Statement of cash flows as follows:		
Cash and cash equivalents (per Statement of financial position)	63,395	59,196
Financial assets at fair value (per Statement of financial position)	582	-
Other financial assets (per Statement of financial position)	50,844	40,747
Closing cash and cash equivalents (per Statement of cash flows)	<u>114,821</u>	<u>99,943</u>
Refer to Note 21 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.		
6 Current Receivables		
GST receivable	-	1,819
Rental debtors	544	553
Sundry debtors	1,052	962
	<u>1,596</u>	<u>3,334</u>
Refer to Note 21 for details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired.		
7 Current Assets - Financial Assets at Fair Value		
T'Corp Hour-Glass strategic cash facilities	582	-
	<u>582</u>	<u>-</u>
Refer to Note 21 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.		
8 Current Assets - Other Financial Assets		
Investments - Term Deposits	50,844	40,747
	<u>50,844</u>	<u>40,747</u>
Refer to Note 21 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.		

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014 \$'000	2013 \$'000
9 Current Assets - Non-current Assets Held for Sale		
Balance at 1 July	49,976	27,149
<i>Less:</i>		
• Land sold or disposed	(37,945)	(18,063)
• Net decrement on revaluation	(538)	-
<i>Add:</i>		
• Net transfers from Property, plant and equipment	36,306	40,890
Balance at 30 June	47,799	49,976
Amounts recognised in other comprehensive income relating to assets held for sale		
Property, plant and equipment asset revaluation increments/(decrements)	(450)	-
	(450)	-

These are land assets which have been identified as surplus land and are expected to be included in the disposal process within the next financial year.

	Core Land \$'000	Non-core land \$'000	Leased Asset Office Space \$'000	Plant and Equipment \$'000	Total \$'000
10 Non-current assets - Property, plant and equipment					
At 1 July 2013 - fair value					
Gross carrying amount	1,291,569	224,482	72	46	1,516,169
Accumulated depreciation	-	-	(9)	(46)	(55)
Net carrying amount	<u>1,291,569</u>	<u>224,482</u>	<u>63</u>	<u>-</u>	<u>1,516,114</u>
At 30 June 2014 - fair value					
Gross carrying amount	1,288,835	197,678	72	-	1,486,585
Accumulated depreciation	-	-	(31)	-	(31)
Net carrying amount	<u>1,288,835</u>	<u>197,678</u>	<u>41</u>	<u>-</u>	<u>1,486,554</u>

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:

	Core Land \$'000	Non-core land \$'000	Leased Asset Office Space \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2014					
Net carrying amount at beginning of year	1,291,569	224,482	63	-	1,516,114
Additions	10,673	5,561	-	1	16,235
Disposals	(357)	(123)	-	(1)	(481)
Net asset transfers through equity	(2,698)	4,539	-	-	1,841
Net revaluation	(8,283)	285	-	-	(7,998)
Transfers from/(to) assets held for sale	(937)	(35,369)	-	-	(36,306)
Transfers between classes	1,697	(1,697)	-	-	-
Write off of assets	(2,829)	-	-	-	(2,829)
Depreciation	-	-	(22)	-	(22)
Net carrying amount at end of year	<u>1,288,835</u>	<u>197,678</u>	<u>41</u>	<u>-</u>	<u>1,486,554</u>



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	Core Land \$'000	Non-core land \$'000	Leased Asset Office Space \$'000	Plant and Equipment \$'000	Total \$'000
10 Non-current assets - Property, plant and equipment (continued)					
At 1 July 2012 - fair value					
Gross carrying amount	1,256,702	262,892	607	451	1,520,652
Accumulated depreciation	-	-	(535)	(451)	(986)
Net carrying amount	<u>1,256,702</u>	<u>262,892</u>	<u>72</u>	<u>-</u>	<u>1,519,666</u>
At 30 June 2013 - fair value					
Gross carrying amount	1,291,569	224,482	72	46	1,516,169
Accumulated depreciation	-	-	(9)	(46)	(55)
Net carrying amount	<u>1,291,569</u>	<u>224,482</u>	<u>63</u>	<u>-</u>	<u>1,516,114</u>

Reconciliation

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

	Core Land \$'000	Non-core land \$'000	Leased Asset Office Space \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2013					
Net carrying amount at beginning of year	1,256,702	262,892	72	-	1,519,666
Additions	35,248	797	-	-	36,045
Disposals	(1,944)	-	-	-	(1,944)
Net asset transfers through equity	(81,303)	-	-	-	(81,303)
Net revaluation	82,709	1,840	-	-	84,549
Transfers from/(to) assets held for sale	(32)	(40,858)	-	-	(40,890)
Transfers between classes	189	(189)	-	-	-
Depreciation	-	-	(9)	-	(9)
Net carrying amount at end of year	<u>1,291,569</u>	<u>224,482</u>	<u>63</u>	<u>-</u>	<u>1,516,114</u>

11 Non-current assets - Intangible Assets

	Property Interests \$'000	Software \$'000	Total \$'000
At 1 July 2013 - fair value			
Gross carrying amount	189	405	594
Accumulated amortisation	-	(405)	(405)
Net carrying amount	<u>189</u>	<u>-</u>	<u>189</u>
At 30 June 2014 - fair value			
Gross carrying amount	189	405	594
Accumulated amortisation	-	(405)	(405)
Net carrying amount	<u>189</u>	<u>-</u>	<u>189</u>

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

11 Non-current assets - Intangible Assets (continued)

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the current reporting period is set out below:

	Property Interests \$'000	Software \$'000	Total \$'000
Year ended 30 June 2014			
Net carrying amount at beginning of year	189	-	189
Additions	-	-	-
Disposals	-	-	-
Net asset transfers through equity	-	-	-
Net revaluation	-	-	-
Amortisation	-	-	-
Net carrying amount at end of period	<u>189</u>	<u>-</u>	<u>189</u>
At 1 July 2012 - fair value			
Gross carrying amount	-	-	-
Accumulated amortisation	-	-	-
Net carrying amount	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2013 - fair value			
Gross carrying amount	189	405	594
Accumulated amortisation	-	(405)	(405)
Net carrying amount	<u>189</u>	<u>-</u>	<u>189</u>

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the prior year reporting period is set out below:

	Property Interests \$'000	Total \$'000
Year ended 30 June 2013		
Net carrying amount at beginning of year	-	-
Additions	937	937
Disposals	-	-
Net asset transfers through equity	(701)	(701)
Net revaluation	282	282
Amortisation	(329)	(329)
Net carrying amount at end of year	<u>189</u>	<u>189</u>



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

12 Fair value measurement of non-financial assets

(a) Fair value hierarchy

2014

	Level 1	Level 2	Level 3	2014 Total
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (Note 10)				
Land and Buildings	-	1,486,513	-	1,486,513
Non-current Assets Held for Sale (Note 9)				
	-	47,799	-	47,799
	-	1,534,312	-	1,534,312

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

(b) Valuation techniques, inputs and processes

The Corporation has the following land assets:

- corridor land (part of core land)
- open space land (part of core land)
- land assets held for sale
- surplus and non-marketable land, and
- surplus land (non-core land).

In relation to land assets, the Corporation engaged Land & Property Information (LPI) Valuation Services to provide independent valuation advice on assets categorised as assets held for sale and surplus lands and CBRE Valuations Pty Ltd in relation to other land assets. Both valuation assignments are in compliance with relevant requirements as set out in Treasury Policy TPP 14-01 and Australian Accounting Standard AASB 13.

Fair Value Hierarchy

The fair value hierarchy for all land assets is considered to be at Level 2 as the value assessments have been determined from the direct comparison of the subject lands to sales of similar zoned lands transacted openly in the market place.

Method of Valuation – Market Approach

The valuers have assessed to adjacent land use values and market evidence, and applied appropriate discounts to reflect existing use and physical attributes of the subject land. The valuers have utilised the market analysis and valuation resources of the Land and Property Management Authority (LPMA), along with rating and taxing valuations held on behalf of the Valuer General of NSW to assist with assessment of property values.

The Land and Property Information (LPI) Valuation Services has used in-house valuation system "Valmap" to spatially identify property and at the same time identify rating and taxing valuation levels and comparable sales evidence. These methodologies have been reported in depth in the comprehensive valuation carried out by Land and Property Information in the April 2013 valuation report.

In addition, when conducting the valuation, the following factors were considered by the valuers:

- local knowledge,
- enquiries with local real estate agents,
- statistical information, and

	2014	2013
	\$'000	\$'000
13 Current Liabilities - Payables		
Creditors	7,091	23,982
Unearned revenue	518	472
GST payable	581	-
Accrued interest	6,491	7,198
Security and contract deposits	159	35
Property acquisitions	-	6,806
	<u>14,840</u>	<u>38,493</u>

Refer to Note 21 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables.

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014 \$'000	2013 \$'000
14 Current/Non-current Liabilities - Borrowings		
CURRENT		
T'Corp borrowings	38,109	17,600
	38,109	17,600
NON-CURRENT		
T'Corp borrowings	374,824	384,197
	374,824	384,197
Total Borrowings	412,933	401,797
Refer to Note 21 for details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings.		
15 Non-current Liabilities - Provision		
Restoration costs	72	72
	72	72
Movements in Provision (other than employee benefits)		
Movements in provision for restoration costs during the financial year are set out below:		
Carrying amount at start of year	72	132
Additional provision recognised	-	-
Amount used	-	-
Unused amount reversed	-	(60)
Carrying amount at end of year	72	72
16 Increase/(Decrease) in Net Assets from Equity Transfers		
<u>Land Description</u>	<u>Receiving/Contributing Authority</u>	
• South West Rail Link	Transport for NSW	(13)
• Park Lands	Western Sydney Parklands Trust	(3,040)
• North West Rail Link	Transport for NSW	-
• Eastern Creek	Roads and Maritime Services	-
• General Lands	Roads and Maritime Services	-
		4,894
		1,841
		(82,004)



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014 \$'000	2013 \$'000
17 Commitments for expenditure		
(a) Capital commitments		
Aggregate capital expenditure for the acquisition of Land, and plant and equipment contracted for at balance date and not provided for:		
Not later than one year	1,545	-
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	<u>1,545</u>	<u>-</u>
(b) Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	53	53
Later than one year and not later than five years	62	115
Later than five years	-	-
Total	<u>115</u>	<u>168</u>

The Corporation has entered into operating lease agreements with third parties for provision of office accommodation for the corporation's purposes.

The total commitments above include input tax credits of nil (nil in 2013) that are expected to be recovered from the Australian Taxation Office.

18 Contingent Liabilities and Contingent Assets

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

The Corporation is unable to quantify the effect in financial terms for the following contingent assets and liabilities unless otherwise stated.

(a) Contingent liabilities

Landcom Participation Agreement - Exit put option

The Corporation and Landcom have entered into a contract in February 2004 with regards to the Landcom Participation Agreement – Rouse Hill Regional Centre. Either party to the agreement can exercise the exit put option. If either the Minister or Landcom exercises the exit put option set out in the agreement but the other party does not, then the other party will have the right to pay to the exiting party the same amount that it would have received from the Developer, and the remaining party will take 100% of future project revenue. As at reporting date, neither party has exercised the exit put option. The Corporation is unable to quantify the effect in financial terms as the exact circumstances of exercising the option are unknown. In certain circumstances, this can be a contingent asset.

South West Rail Link compulsory acquisitions of land legal proceedings

There is one matter before the NSW Land and Environment Court relating to the 2012 compulsory acquisitions of land for the South West Rail Link. There are three matters that have had compensation resolved in the NSW Land and Environment for which the quantum for costs payable to the Applicant by the Minister has not been finalised.

Legal Action against the State of NSW

A plaintiff has commenced legal action in the Supreme Court seeking damages for breaches of the Fair Trading Act and Trade Practices Act against the Corporation and Roads and Maritime Services. The parties are waiting for judgment from the Court over aspects of the statement of claim.

Rudders Lane - Compulsory acquisition of land

The former owner of a road known as Rudders Lane at West Huntingwood are seeking appropriate compensation via the Land Acquisition (Just Terms Compensation) Act. Expert reports (town planning and valuation) have been prepared ahead of assessment by the Valuer General.

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

18 Contingent Liabilities and Contingent Assets (continued)

(b) Contingent assets

Rouse Hill Town Centre – Put/call option

The Corporation has entered into an agreement in March 2011 to sell land at the Rouse Hill town centre. The sale depends on certain pre-conditions being met by the Purchaser before a call or put option can be exercised. These pre-conditions centre around precinct planning and development consent approvals from the Hills Shire Council, who is the consent authority.

Huntingwood West – Put/call option

The Corporation entered into an agreement in May 2008 to sell land at Huntingwood West for a total of \$125M (present value as at 26 May 2008). The payments are to be made in five instalments which Purchaser and the Corporation have a put/call option, in which the first payment was made in September 2008. The remaining instalment is due prior to June 2016. The Purchaser has the option of purchasing the remaining stages of the property by making a call option. If the Purchaser does not accept an irrevocable offer to purchase on the due dates in the agreement then the Corporation can make a put option by forcing purchase by the nominated dates.

19 Budget Review

Net result

Expenses

Expenses were \$1.3M higher than budget due to several factors. Property Settlement expenses increased by \$2.3M due to settlement of South-West Rail Link land compensation cases. Furthermore, there was \$2.8M of unplanned assets written-off. This was partially offset by finance costs which were \$2M favourable due to the withdrawal from derivatives.

Revenue

Revenue (including gain on disposal) was \$18.2M higher than budget. This is mainly due to Grants and contributions being \$14.2M favourable because of the receipt of levy of \$14.1M (Erskine Park Link Road project) not budgeted for. Gains on disposals were \$6.7M favourable due to sale of West Huntingwood lands. These gains were offset by Investment Revenue being \$3.5M less than budget due to lower cash balances and weaker financial market.

Assets and liabilities

Total current assets were lower than budgeted by \$7.8M due to several factors. Non-current assets held for sale were \$20.0M over budget due to next year's disposal program. Cash and cash equivalents are lower by \$75.4M primarily due to the payment of \$17.6M interim land release levy to the Department of Planning and Environment and movement of cash assets into longer term deposits.

Total non-current assets are up by \$75.1M against budget. Assets were revalued in June 2013 and the impact was not included in the current year budget.

Total current liabilities were \$35.5M lower than budget primarily due to repayment to the Department of Planning and Environment in relation to the Interim Land Release Fund.

Total non-current liabilities are \$7.2M favourable due to lower than budgeted borrowings for Erskine Park Link Road

Cash flows

Net cash flows from operating activities were \$14.7 million lower than budget primarily due to payments to creditors, payments for property settlement and other operating expenditure made during the year.

Net cash flows from investing activities were \$14.9 million higher than budget mainly due to lower spend on acquisition of land.

Net cash flows from financing activities consisting of borrowings relating to the prior year costs for Erskine Park Link Road project from T'Corp amounting to \$11.1 million were not budgeted.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

	2014 \$'000	2013 \$'000
20 Reconciliation of Cash Flows from Operating Activities to Net Result		
Net cash flows from operating activities	(40,679)	(75,409)
Depreciation and amortisation	(22)	(338)
Borrowing costs	707	(515)
(Decrease) in receivables	(1,738)	(912)
Increase in other assets	182	12,655
Decrease in payables	22,946	39,955
Decrease/(Increase) in provision	-	60
Decrease/(Increase) in other liabilities	-	150
Write-off of assets	(2,827)	-
Loss on revaluation decrement	(88)	-
Net gain on disposal of land	21,194	21,468
Net result	<u>(325)</u>	<u>(2,886)</u>

21 Financial instruments

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

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

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

(a) Financial instruments categories

Financial assets	Notes	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
<i>Class:</i>				
Cash and cash equivalents	5	N/A	63,395	59,196
Receivables	6	Loans and receivables (at amortised cost)	1,596	1,515
Financial assets at fair value	7	At fair value through profit or loss - designated as such upon initial recognition	582	-
Other financial assets	8	Loans and receivables (at amortised cost)	50,844	40,747

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

21 Financial instruments (continued)

(a) *Financial instruments categories (continued)*

Financial liabilities	Notes	Category	Carrying Amount 2014 \$'000	Carrying Amount 2013 \$'000
<i>Class:</i>				
Payables	13	Financial liabilities measured at amortised cost	13,582	37,986
Borrowings	14	Financial liabilities measured at amortised cost	412,933	401,797

Notes

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

(b) *Credit risk*

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Corporation, including cash, receivables, and short-term deposits. No collateral is held by the Corporation. Also, the Corporation has not granted any financial guarantees.

Credit risk associated with the Corporation's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (T'Corp) 11.00am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

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

The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are past due more than three months are considered impaired. There are no debtors which are currently past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are rental and sundry debtors in the "Current assets - Receivables" category of the Statement of financial position.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

21 Financial instruments (continued)

(b) Credit risk

Receivables - trade debtors - cont'd

	Total \$'000	Past Due but not Impaired \$'000	Considered Impaired \$'000
2014			
< 3 months overdue	-	-	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
2013			
< 3 months overdue	-	-	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-

Notes

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

Authority deposits

The Corporation has placed funds on deposit with T'Corp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by T'Corp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 2.92% (2013: 3.69%) on a weighted average balance during the year of \$9.8M (2013: \$24.1M). None of these assets are past due or impaired.

(c) Liquidity risk

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

During the current and prior years, there were no defaults on any loan payable. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Secretary (or a person appointed by the Secretary) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.63% (2013: 10.95%).

"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

21 Financial instruments (continued)

(c) *Liquidity risk - contd.*

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Interest Rate %	Interest Rate Exposure				Maturity Dates		
		Nominal Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest Bearing \$'000	< 1	1-5 years	> 5 years
						year	\$'000	\$'000
2014								
Payables	N/A	13,582	-	2,871	10,711	10,711	2,871	-
Borrowings:								
T'Corp borrowings								
• Loan: Rail Link	5.57	343,183	343,183	-	-	40,904	170,385	131,894
• Loan: Corporation	5.65	120,987	120,987	-	-	11,209	62,037	47,741
• Loan: Erskine Park	3.89	57,326	57,326	-	-	7,925	26,583	22,818
		<u>535,078</u>	<u>521,496</u>	<u>2,871</u>	<u>10,711</u>	<u>70,749</u>	<u>261,876</u>	<u>202,453</u>
2013								
Payables	N/A	37,986	-	20,025	17,961	28,445	9,541	-
Borrowings:								
T'Corp borrowings								
• Loan: Rail Link	5.05	346,825	346,825	-	-	32,391	173,653	140,781
• Loan: Corporation	5.56	124,137	124,137	-	-	5,475	74,295	44,367
• Loan: Erskine Park	4.19	41,471	41,471	-	-	1,760	31,064	8,647
		<u>550,419</u>	<u>512,433</u>	<u>20,025</u>	<u>17,961</u>	<u>68,071</u>	<u>288,553</u>	<u>193,795</u>

Notes

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

(d) *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposure to market risk are primarily through interest rate risk on the Corporation's borrowing and other price risks associated with the movement in the unit price of the Hour-Glass investment facilities. The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of financial position date. The analysis is performed on the same basis as for 2013. The analysis assumes that all other variables remain constant.



"Minister Administering the Environmental Planning & Assessment Act, 1979"

Notes to the financial statements

21 Financial instruments (continued)

(d) Market risk - contd.

Interest rate risk

Exposure to interest rate risk arises primarily through the Corporation's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW T'Corp. The Corporation does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	+1% Profit \$'000	Equity \$'000	-1% Profit \$'000	Equity \$'000
2014					
<i>Financial assets</i>					
Cash and cash equivalents	63,395	634	634	(634)	(634)
Financial assets at fair value	582	6	6	(6)	(6)
<i>Financial liabilities</i>					
Payables	13,582	(136)	(136)	136	136
2013					
<i>Financial assets</i>					
Cash and cash equivalents	18,815	188	188	(188)	(188)
<i>Financial liabilities</i>					
Payables	38,458	(384)	(384)	384	384

Other price risk – T'Corp Hour-Glass investment facilities

Exposure to 'other price risk' primarily arises through the investment in the T'Corp Hour-Glass investment facilities, which are held for strategic rather than trading purposes. The Corporation has no direct equity investments. The Corporation holds units in the following Hour-Glass investment trusts:

Facility	Investment Sector	Investment Horizon	2014 \$'000	2013 \$'000
Cash	Cash and money market instruments	Up to 1.5 years	6,894	24,119
Strategic Cash	Cash and money market instruments	1.5 years to 3 years	582	-

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW T'Corp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, T'Corp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. T'Corp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Corporation's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW T'Corp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The T'Corp Hour-Glass investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by T'Corp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

“Minister Administering the Environmental Planning & Assessment Act, 1979”

Notes to the financial statements

21 Financial instruments (continued)

(d) *Market risk - cont'd.*

Other price risk – T'Corp Hour-Glass investment facilities

	Change in Unit Price \$'000	Impact on profit/Loss	
		2014 \$'000	2013 \$'000
Hour-Glass investments			
Cash facility	+/- 1%	69	241
Strategic cash facility	+/- 1%	6	-

The effect of changes in unit prices on other components of equity is nil.

(e) *Fair value compared to carrying amount*

Financial instruments are generally recognised at cost, with the exception of the T'Corp Hour-Glass facilities, which are measured at fair value. Except where specified below, the amortised cost of financial instruments recognised in the Statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

	2014 Carrying Amount \$'000	2014 Fair Value \$'000	2013 Carrying Amount \$'000	2013 Fair Value \$'000
Financial assets at fair value				
T'Corp Hour-Glass Investment - Strategic cash facility	582	582	-	-
Financial liabilities				
Borrowings	412,933	449,376	401,797	433,185

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 Total \$'000
Financial assets at fair value				
T'Corp Hour-Glass Investment Facility	-	7,476	-	7,476
	-	7,476	-	7,476
Financial assets at fair value				
T'Corp Hour-Glass Investment Facility	-	24,119	-	24,119
	-	24,119	-	24,119

There were no transfers between Level 1 and 2 during the period ended 30 June 2014.

22 Events after the reporting period

There were no after balance date events which would have a material impact on these financial statements.

End of audited financial statements



Corporation Sole - Minister Administering the *Environmental Planning and Assessment Act 1979* - Audit Statement



INDEPENDENT AUDITOR'S REPORT

Corporation Sole 'Minister Administering the *Environmental Planning and Assessment Act 1979*'

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Corporation Sole 'Minister Administering the *Environmental Planning and Assessment Act 1979*' (the Corporation), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Secretary's Responsibility for the Financial Statements

The Secretary is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

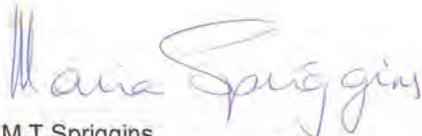
My opinion does *not* provide assurance:

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

Independence

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

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



M T Spriggins
Director, Financial Audit Services

19 September 2014
SYDNEY



Building Professionals Board Annual Report

2013-14





**Building
Professionals
Board**

The Hon. Pru Goward, MP and the Hon. Rob Stokes, MP
52 Martin Place
SYDNEY NSW 2000

Dear Ministers

We have pleasure in submitting the annual report of the Building Professionals Board for the year ending 30 June 2014, for presentation to the Parliament of New South Wales in accordance with the *Annual Reports (Statutory Bodies) Act 1984*.

This report is part of the annual report of the Department of Planning and Environment.

Yours sincerely,

George Maltabarow
President
Building Professionals Board

Malcolm Ryan
Deputy President
Building Professionals Board



CHARTER

The Building Professionals Board (the Board) is an independent NSW Government authority with a critical role in building and construction.

The Board supports a quality built environment by ensuring the integrity of the building certification system, and assisting certifiers to meet their legislative requirements.

The Board was established in 2007 and has the following functions under the *Building Professionals Act 2005* (BP Act):

- accrediting certifiers for the purposes of the *Environmental Planning and Assessment Act 1979* or regulations;
- promoting and maintaining standards of building and subdivision certification and design;
- investigating complaints and taking disciplinary action against certifiers;
- prosecuting offences against the BP Act or regulations, or any offence under the *Environmental Planning and Assessment Act 1979* or regulations that relate to accredited certifiers;
- reviewing the accreditation scheme under the BP Act;
- investigating matters as requested by the Minister, and providing advice to the Minister; and
- any other functions conferred on the Board by the BP Act or any other Act.

Accredited certifiers include building surveyors, specialist engineers and land surveyors, some of whom are employed by a local council.

Certifiers issue a range of development, subdivision and strata certificates during the design and construction of a development, to confirm they are satisfied the development is fit to use and safe to occupy and meets legislative requirements and national building standards.

2013-14 ACHIEVEMENTS

In 2013-14 the Board continued to streamline its operations and implement reforms to the building certification system in line with the proposals in *Building Certification and Regulation - Serving a New Planning System for NSW* ('Maltabarow report').

The Board achieved this by:

- working with the Department of Planning and Environment to integrate building regulation and building certification;
- transforming business processes to improve efficiency and better deliver accreditation and advisory services;
- implementing the recommendations of an independent review of its complaints investigations and disciplinary processes;
- progressing development of a comprehensive Practice Guide for certifiers through its Practice Guide Reference Group;
- establishing a Local Government Reference Group to develop a framework for enhanced cooperation between councils and certifiers;
- providing quick and convenient access to information, advice and resources about building certification and accreditation via its new website at bpb.nsw.gov.au;
- scoping an improved insurance model to better protect certifiers and property owners;
- partnering with the University of Newcastle, to develop a self-assessment tool for certifiers; and
- developing new categories of accredited certifier to increase compliance of swimming pool barriers, and to support infrastructure development and investment at NSW ports (see 'Activities' below).

These reforms were strongly supported by stakeholder feedback during public exhibition of the Maltabarow report.

AIMS AND OBJECTIVES

Priorities to support NSW 2021

The Building Professionals Board Strategic Plan 2014-16 sets the following priority objectives which support *NSW 2021* goals:

- to transform the way the Board works for a high performance and delivery-focused culture and organisation;
- to increase public awareness of the certification system and improve public confidence in private certification;
- to process complaints against accredited certifiers in an efficient, fair and effective manner;
- to expand the scope and supply of accredited certifiers;
- to make relevant building professionals accountable for their design, certification and installation work;
- to improve accredited certifiers' competence and provide guidance and assist accredited certifiers to comply with their legislated obligations;
- to develop and implement policy or legislation to improve the certification process in NSW;
- to implement an audit and advisory review regime that identifies and addresses areas of greatest risk to the certification process; and
- to ensure consumer protection measures are in place for building professionals.



STRUCTURE

Board members

There are eight Board members, appointed by the Minister for Planning on the basis of their knowledge and experience. Operational support is provided by a staff secretariat.

Each member is appointed for up to three years and may be reappointed by the Minister.

The Board comprises:

- George Maltabarow (President), an energy specialist and experienced chief executive in government and private industry;
- Malcolm Ryan (Deputy President), Deputy General Manager (Environment) at Warringah Council, with experience in planning;
- Susan Bailey, a qualified lawyer and experienced General Counsel in complex corporate environments;
- Sarah Hill, an urban planner, Director of Hill PDA and immediate former president of the Planning Institute of Australia (NSW);
- Robert Marinelli, a building surveyor and certifier experienced in all classes of buildings;
- Peter Meredith, Director of Housing at the Master Builders Association (NSW), with experience in building construction;
- Sean O'Toole, former Managing Director of UrbanGrowth NSW, and experienced in urban planning; and
- Karen Stiles, Executive Officer of the Owners Corporation Network, experienced in strata committees and in engaging local communities.

Committees

In 2013-14, the Board was assisted by the Accreditation Committee and the Insurance Committee. These committees comprise Board members as well as Government and industry experts in relevant professions.

In 2013-14, the Board also established a Local Government Reference Group and a Practice Guide Reference Group to progress high priority initiatives.

Board meetings

The Board held meetings on 7 July, 2 September, 14 October, 25 November and 16 December 2013, and 24 February, 24 March, 5 May and 23 June 2014.

Extraordinary 'strategy day' meetings were held on 28 October 2013 and 6 May 2014. The latter formed part of a meeting in Wagga Wagga held to consult the Council and other stakeholders about issues affecting certification in regional NSW.

The Board also held extraordinary meetings to discuss the proposed reforms in chapter 8 of the *White Paper - a new planning system for NSW*, on 14 August, 11 September, 23 September, 9 October, 22 October, 21 November and 16 December 2013.

Board attendance at regular and extraordinary meetings in 2013-14

Board member	No. regular meetings attended	No. extraordinary 'strategy day' meetings attended	No. extraordinary 'White Paper' meetings attended
George Maltabarow	9	2	7
Malcolm Ryan	9	2	3
Karen Stiles	9	2	5
Sarah Hill	9	2	6
Robert Marinelli	9	2	6
Peter Meredith	9	2	7
Sean O'Toole	4	1	0
Susan Bailey	5	1	1

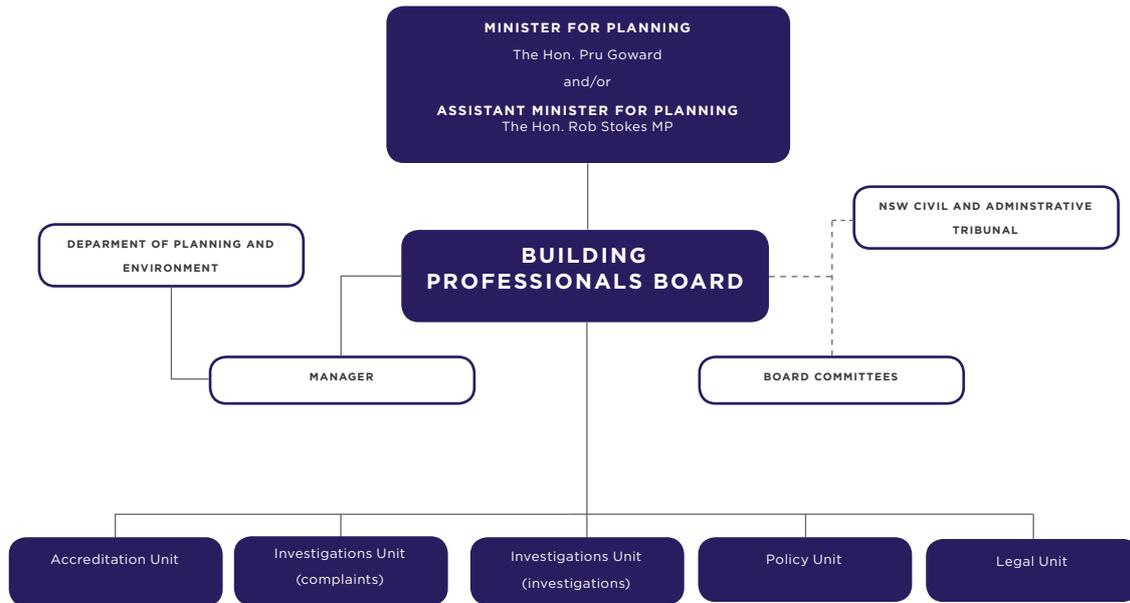
Note: Susan Bailey and Sean O'Toole were appointed to the Board in September 2013 and December 2013 respectively; hence their non-attendance at earlier meetings.

Various Board members also attended meetings of Board committees and Reference Groups.

- The Accreditation Committee met on 15 October and 10 December 2013, and 18 February, 8 April and 3 June 2014.
- The Insurance Committee met on 11 February and 1 April 2014.
- The Local Government Reference Group met on 5 December and 18 December 2013, and 25 February, 27 March and 3 April 2014
- The Practice Guide Reference Group met on 23 December 2013, and 4 March, 8 April, 13 May and 13 June 2014.



Building Professionals Board Organisation Chart at 30 June 2014



Note: For most matters, the Building Professionals Board reports to the Assistant Minister for Planning, however, in certain matters the Board may report to the Minister for Planning.

ACTIVITIES

Accrediting certifiers

The Building Professionals Board accredits almost 1,500 certifiers in NSW. The accreditation scheme sets strict requirements that all certifiers must meet in terms of qualifications, skills, knowledge and experience.

Certifiers are public officials who must:

- comply with a code of conduct;
- complete professional development activities each year;
- be insured for their work (unless employed by a council);
- maintain complete, confidential and secure records; and
- avoid conflicts of interest.

There are many different categories of accredited certifiers. Some certifiers are highly specialised and work on a specific aspect of development, while others possess a wider, more general skills base.

Accreditation in 2013-14

- The number of accredited certifiers increased to 1,476 at 30 June 2014 (compared to 1,467 in 2012-13 and 1,380 in 2011-12).
- The Board made significant progress in establishing two new accreditation categories, in which certifiers are to be accredited in 2014-15:
 - 'Three Ports' certifiers (category A5) will help boost development and investment at Port Botany, Port Kembla and the Port of Newcastle; and
 - swimming pool certifiers (category E1) will help implement amendments to the *Swimming Pools Act 1992* and assist in preventing child drownings.
- The Board processed 1,436 applications for accreditation and renewal, some of which were from practitioners in other states under the *Mutual Recognition Act 1992*.



NUMBER OF ACCREDITED CERTIFIERS IN NSW

Category of accreditation	2011-12	2012-13	2013-14
A1 - building surveyor grade 1	633	648	660
A2 - building surveyor grade 2	288	296	279
A3 - building surveyor grade 3	174	202	207
A4 - building inspector	129	152	146
A5 - Port Botany, Port Kembla and Port of Newcastle	0	0	0
B1 - subdivision certification	18	21	20
C1 - private road and drainage design compliance	141	156	168
C2 - Accredited certifier - private road and drainage construction compliance	67	71	70
C3 - Accredited certifier - stormwater management facilities design compliance	72	75	74
C4 - Accredited certifier - stormwater management facilities construction compliance	73	77	76
C5 - Accredited certifier - subdivision and building (location of works as constructed)	19	18	19
C6 - Accredited certifier - subdivision road and drainage construction compliance	65	71	70
C7 - Accredited certifier - structural engineering compliance	75	79	79
C8 - Accredited certifier - electrical services compliance	4	4	5
C9 - Accredited certifier - mechanical services compliance	7	7	10
C10 - Accredited certifier - fire safety engineering compliance	64	71	85
C11 - Accredited certifier - energy management compliance (Classes 3, 5 to 9)	3	3	3
C12 - Accredited certifier - geotechnical engineering compliance	46	48	49
C13 - Accredited certifier - acoustics compliance	2	2	2
C14 - Accredited certifier - building hydraulics compliance	16	19	20
C15 - Accredited certifier - stormwater compliance	72	76	75
C16 - Accredited certifier - specialty hydraulic services compliance	49	51	53
D1 - Accredited certifier - strata certification	24	23	24
Total*	1,986	2,096	2,117

Source: Building Professionals Board

*Many certifiers are accredited in more than one category, so the numbers add up to more than the total number of certifiers for that year.



COMPLAINTS AND INVESTIGATIONS

The vast majority of certifiers approach their work with skill, diligence and integrity, and the Board has significant statutory powers to take disciplinary action in the relatively few cases that warrant it.

The Board investigates certifiers, and can take action if a certifier is found to have engaged in unsatisfactory professional conduct or professional misconduct. All investigations are conducted in an impartial, transparent and fair manner.

The Board also carries out audits to help certifiers understand their obligations, and ensure they are meeting legislative requirements and applying best practice.

Certifiers may appeal a decision by the Board to the NSW Civil and Administrative Tribunal (formerly the Administrative Decisions Tribunal), an independent government body. In the vast majority of cases, the Tribunal has affirmed the Board's disciplinary actions.

Investigations in 2013-14

Providing better information via the Board's new website has led to:

- a reduction in the number of informal complaints received; and
- an increase in the quality and completeness of information received with formal complaints.

During 2013-14, there were several significant investigations by the Board against accredited certifiers. Five cases were heard in the Tribunal on appeal by the certifier, with some published as case studies on the Board's website to educate certifiers, property owners and the community.

Penalties imposed in 2013-14 included cautions, reprimands, and fines up to \$25,000 (the Board can issue a fine up to \$100,000).

One particular investigation during 2013-14 highlights the seriousness with which the Board considers the safety of home owners and the community. A certifier issued a construction certificate and nominated an incorrect classification under the Building Code of Australia. This had a significant adverse impact on the required fire safety measures for the building.

Along with other penalties, the Board cancelled the certifier's accreditation and imposed a five-year ban on reapplying, taking into account the certifier's disciplinary history. The certifier was one of three to

have their accreditation cancelled in 2013-14, which sent a clear message that certifiers must act with care, diligence and competence to ensure (among other things) building safety is not compromised.

The Board also assisted certifiers to increase their skills and knowledge in order to improve their work. Some disciplinary actions imposed in 2013-14 include ordering a certifier to complete a specific training course by a set date, or issue certain certificates via a peer review process. Actions such as these maintain good outcomes for home owners and the community, but still enable the certifier to earn a living.

Improved investigative processes

The Board commissioned an independent review into its complaints and investigation processes in early 2014.

The review found current processes to be efficient and transparent, resulting in consistent and fair decisions, with the main constraint being limited resources. Alongside the significant change brought about by organisational restructuring, this has impacted the number of outstanding complaints (below).

Despite these constraints, the Board is implementing specific actions which have already increased the efficiency of its investigative processes and are leading to improved outcomes for all stakeholders.

These actions included:

- reengineering the triage process to quickly assess incoming complaints to determine which can be resolved quickly, thus maximising available resources for more difficult complaints;
- employing additional staff to resolve outstanding complaints and speed up processing times; and
- improving the correspondence and reporting framework so all parties understand exactly what they need to do and receive regular updates.

In 2013-14, 153 complaints were received in relation to the conduct of 72 certifiers. This increase is due largely to legislative change as discussed further down.



Complaints	2009-10	2010-11	2011-12	2012-13	2013-14
Received	87	97	103	104	153
Determined	154	94	130	53	65
Outstanding	58	61	34	83	173

Source: Building Professionals Board

Outstanding complaints at 1 July 2014 include some that were received before 1 July 2013 and carried over into the 2013-14 financial year.

How complaints were determined	2012-13	2013-14
Certificate of accreditation cancelled	1	1
Certificate of accreditation cancelled, reprimand and fine	1	0
Certificate of accreditation suspended, reprimand and fine	4	0
Reprimand and fine	7	1
Reprimand	2	0
Caution and fine	0	3
Caution	3	5
No further action	3	0
Withdrawn or dismissed	32	55
TOTAL	53	65

Source: Building Professionals Board

Who made a complaint	2012-13	2013-14
Councils	43%	41%
Neighbours	36%	35%
Property owners	13%	16%
Others (e.g. clients, owner's corporations or strata committees)	8%	8%
TOTAL	100%	100%

Source: Building Professionals Board



Most complaints are unsubstantiated, or the certifier is not at fault

The Board receives many complaints for which there is no evidence that the certifier engaged in unsatisfactory professional conduct or professional misconduct. This is reflected in the number of complaints that are dismissed or withdrawn. In taking such action, the reasons for a decision are clearly set out so the complainant and certifier understand the decision.

The Board often receives complaints about matters that are outside the statutory responsibilities of certifiers. These matters commonly relate to the work of builders or tradespeople, or the enforcement role of local councils. Complainants and people who have concerns about the conduct of certifiers are given assistance by the Board's staff to resolve their concerns.

Complying development changes

Many complaints received by the Board against certifiers arise when a complying development certificate is issued for a development that does not meet the prescribed conditions set by *State Environmental Planning Policies Exempt and Complying Development (2008)*.

Of complaints received during April to June 2014, 44 per cent related to complying development certificates, compared with 23 per cent during April-June 2013.

To address this issue, the Board is partnering with training providers to develop a course about complying development, which will be available to certifiers in 2014-15.

Communication and online services

The Board's website bpb.nsw.gov.au was relaunched in March 2014 with clearer, more useful and accessible information. The website enables customers to easily find the information they need without having to contact staff.

The Board's online services are supported by ongoing customer service training for staff, and streamlined business processes to make interactions faster, easier and more effective for customers.

- The website has received 3,641 visitors and 26,472 page views per month (on average) since it was relaunched. This is substantially more than the monthly average of 3,221 visitors and 20,101 page

views during 2013-14 before the relaunch.

- Visitor numbers are increasing steadily and more visitors are using mobile devices to access the website.
- 2,998 people were subscribed to the Board's email newsletter in June 2014, up from 2,684 in June 2013.

CONSUMER RESPONSE - COMPLAINTS ABOUT THE BOARD

Most complaints received about the Board are about issues such as:

- the time taken to process complaints, or the Board's decision about a complaint;
- the time taken to process applications and renewals of accreditation, or a refusal to issue a certificate of accreditation (or conditions imposed upon that accreditation);
- the lack of updated 'certifier checklists' for complying development, following the 22 February 2014 amendments to the laws for complying development; and
- the time taken to introduce new categories of accreditation, specifically, for swimming pool barrier certifiers.

In 2013-14, the Board responded to the above issues by:

- improving customer service, streamlining business processes and introducing more rigorous methods of data collection to track priority issues;
- commissioning an independent review into its complaints and investigations processes, and beginning to implement the recommendations from the review;
- updating its website with clearer information about what is needed to be accredited and why an application may be refused;
- developing more formal working relationships with the Department of Planning and Environment, which administers the law for complying development, and providing feedback on the draft 'certifier checklists'; and
- obtaining Ministerial approval to exhibit the proposed new category for swimming pool barrier certifiers, and working with other agencies on communication strategies.



LEGAL CHANGE

Building Professionals Board legislative changes

No amendment was made to the *Building Professionals Act 2005* during 2013-14.

The *Building Professionals Regulation 2007* was amended as follows.

- The *Building Professionals Amendment (Exemptions) Regulation 2013* came into force on 18 October 2013. It amended the conflict of interest provisions for council accredited certifiers to allow certificates to be issued for development (up to a capital investment value of \$5 million):
 - where the council is the applicant for the certificate;
 - where council officers have been involved in the design or construction e.g. amenity blocks and other public utilities; and
 - where the applicant is another employee of the council.
- The *Building Professionals Amendment (Categories of Accreditation) Regulation 2014* came into force on 31 May 2014. It amended the existing A5 category of accreditation to include development at the Port of Newcastle, following the privatisation of this port.
 - When accredited in early 2015, A5 certifiers will be authorised to issue complying development certificates, construction certificates and compliance certificates for structures that are unclassifiable under the Building Code of Australia, at Port Botany, Port Kembla and the Port of Newcastle.
 - A5 certifiers will also be authorised to act as the principal certifying authority for these developments.

Building Professionals Board summary of significant judicial decisions

During 2013-14, there were five cases against accredited certifiers heard in the Tribunal on appeal by the certifier:

- 8 May 2014: *Fitzgerald v Building Professionals Board (No 2, Disciplinary Order)* [2014] NSWCATOD 51;
- 31 December 2013: *McGufficke v Building Professionals Board* [2013] NSWADT 307;
- 24 December 2013: *Fitzgerald v Building*

Professionals Board [2013] NSWADT 299;

- 20 December 2013: *McGufficke v Building Professionals Board* [2013] NSWADT 296; and
- 16 December 2013: *Qiu v Building Professionals Board* [2013] NSWADT 289.

Significant cases are profiled below.

Fitzgerald v Building Professionals Board (No 2, Disciplinary Order) [2014] NSWCATOD 51

Private certifier Mr Paul Fitzgerald was reprimanded and fined \$25,000. His accreditation was cancelled and he cannot reapply for accreditation until March 2018. The decision was an aggregation of determinations in relation to four developments and taking into consideration previous disciplinary actions against Mr Fitzgerald.

For instance, for one of the developments, Mr Fitzgerald issued a construction certificate and nominated an incorrect classification under the Building Code of Australia. This had a significant adverse impact on the required fire safety measures for the building.

McGufficke v Building Professionals Board [2013] NSWADT 307

Private certifier Mr Scott McGufficke was found to have issued a construction certificate which gave the development the wrong classification. He repeated the error in the occupation certificate, which was issued when a pre-condition of the development consent hadn't been complied with.

Mr McGufficke was reprimanded, fined \$10,000 and ordered to complete the Advanced Building Regulation course offered by the UTS Centre for Local Government.

Qiu v Building Professionals Board [2013] NSWADT 289

Private certifier Mr Ting Jian Qiu made numerous errors in issuing a complying development certificate for each of three proposed houses. For instance, two of the houses were incorrectly assessed as being two-storey but in fact were three-storey in part and therefore not permissible as complying development.

Mr Qiu was reprimanded and fined \$7,000. Also, a condition was imposed on his accreditation that had the effect of imposing a peer review system for any determination by Mr Qiu of an application for complying development. This condition will operate for two years.



MULTICULTURAL PRACTICE

Division	Initiative	Description	Time frames	Expected activity during 2014-15
People & Business	Assisting people whose first language is not English	The Building Professionals Board employs staff who speak languages in addition to English – Arabic, Cantonese, Filipino, Greek, Hindi, Indonesian and Vietnamese. The Board's website refers people whose first language is not English to the Translation and Interpreting Service, so they can receive documents, advice and assistance through inquiry lines.	N/A (ongoing)	Ongoing – to continue as during 2013-14

Source: Building Professionals Board

PRIVACY

In complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIPA), from 18 December 2013 to 4 April 2014, the Board exhibited the report *Building Certification and Regulation - Serving a New Planning System for NSW*. A secure online system was used to collect submissions. Nobody who made a submission requested anonymity and all submissions were published in accordance with the Department of Planning and Environment's Privacy Statement.

In accordance with the *Building Professionals Act 2005*, the Board publishes the disciplinary history of accredited certifiers. This information is available on the Board's website.

The Board also maintains an online register of certifiers (with names, contact details, accreditation and insurance information) to help property owners find a certifier for their development.

RESEARCH AND DEVELOPMENT

Division	Project title	Project description	Time frames	Expected activity during 2014-15
People & Business	Building Professionals Board Transformation Program	The Board's staff worked with consultants to research customer wants and needs to develop priority initiatives to transform customer service and engagement, and make business and operating procedures more efficient.	Implementation began in late 2013 and will continue to mid-2015, with continued refinement ongoing.	See previous column.

Source: Building Professionals Board

WASTE

The Board supports the Department of Planning and Environment's policies on reducing waste and employing measures to reuse and recycle waste, via electronic file management and minimising the printing out of documents.

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

The Board did not grant funds to non-government community organisations in 2013-14.



Building Professionals Board - Financial Statements



STATEMENT BY MEMBERS OF THE BOARD for the year ended 30 June 2014

Pursuant to Section 41C of the Public Finance and Audit Act 1983 we declare, on behalf of the Board, that in our opinion:

- 1) The accompanying financial statements exhibit a true and fair view of the financial position of the Building Professionals Board as at 30 June 2014 and transactions for the year 1 July 2013 to 30 June 2014;
- 2) The statements have been prepared in accordance with:
 - Applicable Australian Accounting Standards (which includes Australian Accounting Interpretations);
 - The requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010.

Further, the Members of the Board are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Board:

Handwritten signature of George Maltabarow in black ink.

George Maltabarow
President

Date 3/10/14

Handwritten signature of Malcolm Ryan in black ink.

Malcolm Ryan
Deputy President

Date 3/10/14

BUILDING PROFESSIONALS BOARD

Statement of comprehensive income for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses			
Operating expenses			
Personnel services	2(a)	2,528	2,766
Other operating expenses	2(b)	903	1,145
Depreciation and amortisation	2(c)	55	56
Grants and subsidies		10	-
Total Expenses excluding losses		3,496	3,967
Revenue			
Investment revenue	3(a)	98	77
Grants and contributions	3(b)	2,900	2,900
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	167	143
Other revenue	3(d)	1,244	612
Total Revenue		4,409	3,732
Loss on disposal	4	(10)	-
Net result		903	(235)
<i>Items that will not be reclassified to net result</i>			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		903	(235)

The accompanying notes form part of these financial statements.



BUILDING PROFESSIONALS BOARD

Statement of financial position as at 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,066	2,271
Receivables	6	118	70
Total Current Assets		3,184	2,341
Non-Current Assets			
Property, plant and equipment -Plant and equipment	7	5	8
Total property, plant and equipment		5	8
Intangible assets	8	42	103
Total Non-Current Assets		47	111
Total Assets		3,231	2,452
LIABILITIES			
Current Liabilities			
Payables	9	626	765
Provisions	10	354	340
Total Current Liabilities		981	1,105
Total Liabilities		981	1,105
Net Assets		2,251	1,347
EQUITY			
Accumulated funds		2,251	1,347
Total Equity		2,251	1,347

The accompanying notes form part of these financial statements.



BUILDING PROFESSIONALS BOARD

Statement of changes in equity for the year ended 30 June 2014

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2013	1,347	1,347
Net result for the year	903	903
Other comprehensive income	-	-
Total comprehensive income for the year	903	903
Balance at 30 June 2014	2,250	2,250
Balance at 1 July 2012	1,582	1,582
Net result for the year	(235)	(235)
Other comprehensive income	-	-
Total comprehensive income for the year	(235)	(235)
Balance at 30 June 2013	1,347	1,347

The accompanying notes form part of these financial statements.



BUILDING PROFESSIONALS BOARD

Statement of cash flows for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel Services		(2,342)	(2,642)
Grants and subsidies		(10)	-
Other Payments		(876)	(1,336)
Total Payments		(3,228)	(3,978)
Receipts			
Contributions received		2,900	2,900
Interest received		98	77
Other revenue		1,025	1,117
Total Receipts		4,023	4,094
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	795	116
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of land and buildings, plant and equipment and infrastructure systems		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH		795	116
Opening cash and cash equivalents		2,271	2,155
CLOSING CASH AND CASH EQUIVALENTS	5	3,066	2,271

The accompanying notes form part of these financial statements.



BUILDING PROFESSIONALS BOARD
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Building Professionals Board is a NSW government entity. The Building Professionals Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Board on 3 October 2014.

(b) Basis of Preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and
- the requirements of the Public Finance and Audit Act 1983 and Public Finance Audit Regulation 2010

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

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

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

(d) Insurance

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

(e) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where:

- The amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(ii) Rendering of services

Revenue from the rendering of services is recognised as revenue when the services are provided. Revenue received from building certifiers is recognised on an accrual basis over the period to which the fees are applicable.

(iii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Board transfers the significant risks and rewards of ownership of the assets.



BUILDING PROFESSIONALS BOARD

Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(f) Income Recognition - continued

(iv) Grants and Contributions

Contributions from other bodies (including grants and donations) are generally recognised as revenue when the Board obtains control over the assets comprising the contributions. The control over contributions is normally obtained upon receipt of cash.

(g) Grants and subsidies expenses

Grants and subsidies expenses comprised of cash contributions to external third parties. These are expensed when the Board transfers control of the relevant assets.

(h) Assets

(i) Acquisitions of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(l)).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

(ii) Capitalisation thresholds

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

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

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

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 8 for further information regarding fair value.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

The Board revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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



BUILDING PROFESSIONALS BOARD

Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(h) Assets - continued

(iii) Revaluation of Property, Plant and Equipment - continued

Revaluation increments are credited directly to the revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result. Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise. Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board.

All material separately identifiable components of assets are depreciated over their shorter useful lives. The following is the depreciation rate:

<u>Category</u>	<u>Depreciation rate</u>
Computer hardware	20%

(vi) Major inspection costs

When major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(viii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(ix) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.



BUILDING PROFESSIONALS BOARD

Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(h) Assets - continued

(x) Intangible assets

The Board recognises intangible assets only if it is probable that future economic benefits will flow to the Board 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.

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

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Board's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Board's intangible assets are amortised using the straight line method over 4 years, appropriate to the future economic benefit.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less any allowance for 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 original invoice amount where the effect of discounting is immaterial.

(xii) Other assets

Other assets are recognised on a historical cost basis.

(i) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Board and other amounts, including interest. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee benefits and other provisions

(a) Salaries and wages, Long Service Leave and Superannuation

The Board's accounts include a Provision for personnel services. This reflects the Board's liability to the Department of Planning and Environment (DP&E) for the recreation leave entitlements due to personnel services provided to the Board.

The Board's accounts do not include Provision for long service leave or Superannuation, nor is there any comparable Provision for personnel services to reflect these liabilities. All of the Board's liabilities for long service leave and Superannuation up to the end of the financial year have been paid. As staff are employed by DP&E, and unfunded liability for these items has been transferred to the State, in accordance with relevant Treasury guidelines.

(b) Consequential on-costs

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



BUILDING PROFESSIONALS BOARD

Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(i) Liabilities - continued

(ii) Employee benefits and other provisions - continued

(c) Other provisions

Other provisions exist when the Board has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

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

The Board is in the opinion that the time value of money is immaterial and hence other provisions are not discounted.

(j) Fair value hierarchy

A number of the Board's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Board categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

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

The above policy does not apply to plant and equipment because they are measured at depreciated historical cost as a surrogate for fair value.

(k) Equity and reserves

Accumulated funds

The category 'Accumulated Funds' includes all current and prior retained funds.

(l) Equity transfers

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

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

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Board recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Board does not recognise that asset.

(m) Comparative information

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



BUILDING PROFESSIONALS BOARD
Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of Australian Accounting Standard AASB 13 *Fair Value Measurement* that have been applied for the first time in 2013-14. This standard requires disclosures of non-current assets between three different levels of fair value hierarchy. There is no financial impact in the period of initial application.

(ii) Issued but not yet effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective. NSW Treasury TC 14/03 mandates agencies not to early adopt any of the following accounting pronouncements:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments, and
- AASB 1031 Materiality

The Board does not anticipate any material financial impact in its financial statements when these accounting pronouncements become effective and are applied.

2 EXPENSES EXCLUDING LOSSES

	2014	2013
	\$'000	\$'000
(a) Personnel services		
Salaries and wages (including recreation leave)	2,063	2,329
Superannuation	203	225
Long service leave	107	73
Payroll tax and fringe benefits tax	154	139
	<u>2,528</u>	<u>2,766</u>
(b) Other operating expenses		
Auditor's remuneration		
- audit of the financial statements	58	8
Operating lease rental expense		
- minimum lease payments	323	265
Contractors	398	603
Fees for services	10	23
Staff training and conferences	18	7
Travel costs	10	36
Minor equipment purchases	-	4
Other	86	199
	<u>903</u>	<u>1,145</u>
(c) Depreciation and amortisation expense		
Depreciation		
- Plant and equipment	3	3
Amortisation		
- Intangible assets	52	53
	<u>55</u>	<u>56</u>



BUILDING PROFESSIONALS BOARD
Notes to the financial statements

3 REVENUE

	2014	2013
	\$'000	\$'000
(a) Investment revenue		
Bank interest	98	77
	<u>98</u>	<u>77</u>
(b) Grants and contributions		
Contribution from the Department of Planning and Environment	2,900	2,900
	<u>2,900</u>	<u>2,900</u>
(c) Acceptance by the Crown Entity of employee benefits and other liabilities		
Superannuation	58	45
Long service leave	107	96
Payroll tax	2	2
	<u>167</u>	<u>143</u>
(d) Other revenue		
Accreditation revenue	1,151	410
Other miscellaneous	93	202
	<u>1,244</u>	<u>612</u>

4 LOSS ON DISPOSAL

Disposal of intangible assets - software	(10)	-
	<u>(10)</u>	<u>-</u>

5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and on hand	3,066	2,271
	<u>3,066</u>	<u>2,271</u>

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

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

Cash and cash equivalents (per Statement of financial position)	3,066	2,271
Closing cash and cash equivalents (per Statement of cash flows)	<u>3,066</u>	<u>2,271</u>

6 CURRENT ASSETS - RECEIVABLES

	2014	2013
	\$'000	\$'000
Debtors	10	-
GST receivable	14	35
Prepayments	20	23
Accrued revenue	124	12
Less: Allowance for impairment	(50)	-
	<u>118</u>	<u>70</u>

Details regarding credit risk, liquidity risk, and market risk, including financial assets that are either past due or impaired, are disclosed in Note 14.



BUILDING PROFESSIONALS BOARD
Notes to the financial statements

7 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
At 1 July 2013 - fair value			
Gross carrying amount	45	-	45
Accumulated depreciation	(37)	-	(37)
Net carrying amount	<u>8</u>	<u>-</u>	<u>8</u>
At 30 June 2014 - fair value			
Gross carrying amount	45	-	45
Accumulated depreciation	(40)	-	(40)
Net carrying amount	<u>5</u>	<u>-</u>	<u>5</u>

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:

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
Year ended 30 June 2014			
Net carrying amount at beginning of year	8	-	8
Depreciation expense	(3)	-	(3)
Net carrying amount at end of year	<u>5</u>	<u>-</u>	<u>5</u>
At 1 July 2012 - fair value			
Gross carrying amount	45	130	175
Accumulated depreciation	(34)	(130)	(164)
Net carrying amount	<u>11</u>	<u>-</u>	<u>11</u>
At 30 June 2013 - fair value			
Gross carrying amount	45	-	45
Accumulated depreciation	(37)	-	(37)
Net carrying amount	<u>8</u>	<u>-</u>	<u>8</u>

Reconciliation

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

	Plant and Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
Year ended 30 June 2013			
Net carrying amount at beginning of year	11	-	11
Depreciation expense	(3)	-	(3)
Net carrying amount at end of year	<u>8</u>	<u>-</u>	<u>8</u>

BUILDING PROFESSIONALS BOARD
Notes to the financial statements

8 NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Software \$'000	Total \$'000
At 1 July 2013		
Gross carrying amount	211	211
Accumulated amortisation	(108)	(108)
Net carrying amount	<u>103</u>	<u>103</u>
At 30 June 2014		
Gross carrying amount	173	173
Accumulated amortisation	(131)	(131)
Net carrying amount	<u>42</u>	<u>42</u>

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the current reporting period is set out below:

	Software \$'000	Total \$'000
Year ended 30 June 2014		
Net carrying amount at beginning of year	103	103
Amortisation	(52)	(52)
Disposals	(10)	(10)
Net carrying amount at end of year	<u>42</u>	<u>42</u>
At 1 July 2012		
Gross carrying amount	211	211
Accumulated amortisation	(55)	(55)
Net carrying amount	<u>156</u>	<u>156</u>
At 30 June 2013		
Gross carrying amount	211	211
Accumulated amortisation	(108)	(108)
Net carrying amount	<u>103</u>	<u>103</u>

Reconciliation

A reconciliation of the carrying amount of the intangible assets at the beginning and end of the prior year reporting period is set out below:

	Software \$'000	Total \$'000
Year ended 30 June 2013		
Net carrying amount at beginning of year	156	156
Amortisation	(53)	(53)
Net carrying amount at end of year	<u>103</u>	<u>103</u>



BUILDING PROFESSIONALS BOARD

Notes to the financial statements

9 CURRENT/NON-CURRENT LIABILITIES - PAYABLES

	2014	2013
	\$'000	\$'000
Creditors	177	229
Revenue received in advance	400	492
Accrued personnel services	49	44
	626	765

Details regarding credit risk, liquidity risk, and market risk, including financial assets that are either past due or impaired, are disclosed in Note 14.

10 CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

Personnel services provision	354	340
Leasehold obligations	-	-
	354	340

Aggregate Personnel Services

Provisions - current	354	340
Accrued personnel services (Note 9)	49	44
	403	384

Movement in provisions (other than employee benefits)

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

	Leasehold Obligations	Total
	\$'000	\$'000
2014		
Carrying amount at the beginning of the financial year	-	-
Unused amounts reversed	-	-
Carrying amount at end of year	-	-
2013		
Carrying amount at the beginning of the financial year	130	130
Unused amounts reversed	(130)	(130)
Carrying amount at end of year	-	-

11 COMMITMENTS FOR EXPENDITURE

	2014	2013
	\$'000	\$'000
Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	263	13
Later than one year and not later than five years	1,029	12
Later than five years	-	-
Total (including GST)	1,292	25

The Board has entered into operating lease agreements with third parties for provision of office accommodation for the Board's purposes.

The total commitments above includes input tax credits of \$117,454 (2013: \$2,272) that are expected to be recoverable from the Australian Taxation Office.



BUILDING PROFESSIONALS BOARD
Notes to the financial statements

12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

As at 30 June 2014, the Board does not have any contingent liabilities nor contingent assets (2013: Nil).

13 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2014 \$'000	2013 \$'000
Net cash flows from operating activities	795	116
Depreciation and amortisation	(55)	(56)
Loss on sale of intangible assets	(10)	-
Increase in receivables	49	46
Decrease/(Increase) in payables	139	(492)
Decrease/(Increase) in provision	(14)	151
Net result	<u>903</u>	<u>(235)</u>

14 FINANCIAL INSTRUMENTS

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

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

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

a) Financial instrument categories

Financial Assets	Notes	Category	Carrying Amount	
			2014 \$'000	2013 \$'000
Class:				
Cash and cash equivalents	5	N/A	3,066	2,271
Receivables ¹	6	Loans & receivables measured at amortised cost	84	12

Financial Liabilities	Notes	Category	Carrying Amount	
			2014 \$'000	2013 \$'000
Class:				
Payables ²	9	Financial liabilities measured at amortised cost	226	273

Notes

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



BUILDING PROFESSIONALS BOARD
Notes to the financial statements

14 FINANCIAL INSTRUMENTS - CONTINUED

b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Board, including cash, receivables, and short-term deposits. No collateral is held by the Board. Also, the Board has not granted any financial guarantees.

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

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

Receivables – trade debtors

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

The Board 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 past due or impaired whose terms have been renegotiated.

c) Liquidity Risk

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

During the current and prior years, the Board does not have loans. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small suppliers where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Secretary (or a person appointed by the Secretary) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.63% (2013: 10.95%).

	Average Effective Interest Rate \$'000	Interest Rate Exposure				Maturity Dates		
		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
2014								
Payables	N/A	226	-	-	226	226	-	-
Total		226	-	-	226	226	-	-
2013								
Payables		273	-	-	273	273	-	-
Total	N/A	273	-	-	273	273	-	-

BUILDING PROFESSIONALS BOARD
Notes to the financial statements

14 FINANCIAL INSTRUMENTS - CONTINUED

d) Market Risk

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

The effect on profit and equity due to a reasonably possible change in interest rate risk variable is outlined in the information below. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2013. The analysis assumes that all other variables remain constant.

e) Interest Rate Risk

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2014					
<i>Financial Assets</i>					
Cash and cash equivalents	3,066	(31)	(31)	31	31
<hr/>					
2013					
<i>Financial Assets</i>					
Cash and cash equivalents	2,271	(23)	(23)	23	23

f) Fair Value compared to carrying amount

All of the Board's financial assets and liabilities are of a short-term nature. They are recognised in the Statement of financial position at amortised cost.

The Board is of the opinion that the values at which these instruments are recognised in the Statement of financial position reflect their fair value.

15 EVENTS AFTER THE REPORTING PERIOD

There were no after balance date events which would have a material impact on these financial statements.

END OF AUDITED FINANCIAL STATEMENTS



Building Professionals Board - Audit Statement



INDEPENDENT AUDITOR'S REPORT

Building Professionals Board

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Building Professionals Board (the Board), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



MT Spriggins
Director, Financial Audit Services

7 October 2014
SYDNEY





Appendices

APPENDIX ONE

151

Human resources	151
Management and senior executives	152
Requirements arising from employment arrangements	153
Workforce diversity	154
Work health and safety	155

APPENDIX TWO

156

Disability plans	156
Multicultural policies and services	156

APPENDIX THREE

158

Legal change	158
Risk management and insurance	169

APPENDIX FOUR

175

Economic or other factors	175
Disclosure of controlled entities and subsidiaries	175
Land disposal	175
Credit card certification	175
Funds granted to non-government community organisations	175
Payment of accounts	176
Consultants	178

APPENDIX FIVE

181

Public interest disclosures	181
Consumer response	182
Government information (Public Access)	182

APPENDIX SIX

189

Research and development	189
Waste management	190
International travel	190

Appendix One



HUMAN RESOURCES

Employee headcount

The employee headcount for the Department of Planning and Environment at 30 June 2014 was 564. The employee headcount for the Building Professionals Board at 30 June 2014 was 18.

Staff profile by employment basis

The following 2013-14 data relates to the Department of Planning and Environment only.

		2010-11			2011-12			2012-13			2013-14		
		Men	Women	Total									
Permanent	Full-time	216	216	432	235	207	442	240	199	439	209	176	385
	Part-time	8	49	57	12	55	67	11	66	77	8	39	47
Temporary	Full-time	26	25	51	24	23	47	18	30	48	37	51	88
	Part-time	2	5	7	4	6	10	7	11	18	4	7	11
Trainee		2	1	3	0	1	1	0	0	0	0	0	0
SES		11	1	12	10	0	10	9	2	11	22	11	33
Total		265	297	562	285	292	577	285	308	593	279	282	564

Exceptional movements in salaries and wages

The Crown Employees (Public Sector – Salaries 2008) Award was varied to increase salaries and salary based allowances by 2.3 per cent effective from the commencement of the first full pay period on or after 1 July 2013.

Effective from 1 October 2013 a determination was made by the Statutory and Other Offices Tribunal to increase the total remuneration package levels for officers of the Senior Executive Service by 2.5 per cent. Payment of the increase was subject to certification of satisfactory performance.



Industrial relations policies and practices

The Department and the Public Service Association (PSA) continued to maintain a constructive relationship through consultation and information exchange during 2013-14.

The Joint Consultative Committee (JCC), comprising representatives from the Department, the PSA and employee delegates, met on four occasions.

Personnel policies and practices

The Department provides information to staff about personnel policies and practices on the Department's intranet. Staff can also access information about pay, entitlements and workplace conditions. The Department's induction program is used to provide new starters with personnel information.

MANAGEMENT AND SENIOR EXECUTIVES

The following lists the individuals holding positions designated as principal officers of the Department of Planning and Environment during the 2013-14 reporting year.

Name	Position	Qualifications	Period in position
Carolyn McNally	Acting Secretary	Bachelor of Arts	23 April 2014 - 30 June 2014
Sam Haddad	Director-General	Master of Applied Science, Bachelor of Science	1 July 2013 - 9 May 2014
Richard Pearson	Deputy Secretary, Growth Planning & Delivery	Master of Environmental Studies, Bachelor of Town Planning (Hons)	1 July 2013 - 30 June 2014
Stephen McIntyre	Deputy Secretary, Planning Strategies, Housing & Infrastructure	Graduate Diploma in Management, Graduate Diploma in Environmental Studies, Bachelor of Engineering (Hons)	1 July 2013 - 30 June 2014
Jill Reich	Deputy Secretary, People & Business	Master of Science, Executive MBA, Graduate Diploma in IT, Bachelor of Arts	1 July 2013 - 30 June 2014
Stephen Payne	Chief Financial Officer	Bachelor of Commerce, Fellow, Institute of Chartered Accountants Australia	1 July 2013 - 14 March 2014
Alison Frame	Acting Deputy Secretary, Policy, Strategy & Reform	Bachelor of Speech Pathology, Bachelor of Arts	11 June 2014 - 30 June 2014
Christopher Wilson	Executive Director, Development Assessment Systems & Approvals	Master of Urban and Regional Planning, Bachelor of Arts (Hons)	1 July 2013 - 30 June 2014
Marcus Ray	Executive Director, General Counsel & Regulatory Reform	Master of Laws, Bachelor of Laws (Hons), Bachelor of Arts (Hons)	1 July 2013 - 30 June 2014

Numbers and gender of senior executives*

The following data relates to the Department of Planning and Environment only.

Band	Male	Female
Band 4 (Secretary)		1
Band 3 (Deputy Secretary)	2	2
Band 2 (Executive Director)	8	3
Band 1 (Director)	54	37
Total	64	43

* The Department is transitioning senior executives towards compliance with the requirements of the Government Sector Employment Act 2013 (GSE). These positions have been categorised to match the GSE classifications.

Senior executive remuneration

Band	Range	Average remuneration
Band 4 (Secretary)	\$422,501 - \$488,100	\$488,100
Band 3 (Deputy Secretary)	\$299,751 - \$422,500	\$321,716
Band 2 (Executive Director)	\$238,301 - \$299,750	\$268,209
Band 1 (Director)	\$167,100 - \$238,300	\$172,618

Senior executive employee related expenditure

The above data considers Senior Executive Service staff and senior officer equivalents; that is Senior Officer Grades 1 to 3 and Planning Officer Grades 4 and 5.

The Department is transitioning Senior Executives to be compliant with the GSE Act requirements. Current positions have been categorised to match the GSE classifications.

At 30 June 2014, approximately 19% of employee related expenditure was related to senior executives and equivalent officers.

REQUIREMENTS ARISING FROM EMPLOYMENT ARRANGEMENTS

The Department provides personnel services to the Building Professionals Board, the Sydney Harbour Foreshore Authority, the Hunter Development Corporation and the Central Coast Regional Development Corporation.



WORKFORCE DIVERSITY

The Department of Planning and Environment collects workforce diversity data regularly for the NSW Public Service Commission as part of the NSW public sector workforce profile. This profile measures performance in meeting NSW Government benchmarks for employing staff from diversity groups and informs planning and development of diversity initiatives.

For administrative purposes, the following workforce diversity data incorporates the Department, the Building Professionals Board and Statutory Bodies.

Significant workforce diversity initiatives

The Department values the principles of equity and diversity in its workforce. A workplace that more closely reflects the broader community of NSW enables the Department to deliver more effective and efficient services.

To support workforce diversity, the Department has embedded policies and practices that facilitate inclusiveness. Additionally, the Department has invested in a number of mandatory training sessions for staff and supported various initiatives to encourage diversity and participation.

To promote professional development and good workplace relations, the Department supports the following groups:

- Young Planning Professionals Group (YPPG);
- Green Group;
- Geographic Information System user group; and
- Women in Planning.

The Department, the Planning Institute of Australia (NSW Chapter) and a number of universities continue to support the Planning Professionals Forum to encourage new people to the planning profession.

Performance development training was also offered to all staff.

The Department also facilitated mandatory 'Respect in the Workplace' training. This training enabled staff to develop a better understanding of how individual behaviour can affect others in the workplace and how to seek guidance and support.

Within the Department there are 26 staff members who have agreed to use their second language skills to assist with departmental business. This initiative is complementary to the services of an accredited, professional interpreter or translator, which are also available where appropriate.

The Department's intranet is regularly updated to keep staff informed about internal initiatives and external services available to support an inclusive and healthy workplace. Through this mechanism, staff can also access further information about legislation governing workforce diversity.

Trends in the representation of diversity groups

Diversity group	2011-12	2012-13	2013-14	Benchmark/target
Women	50.6%	51.7%	50.3%	60.0%
Aboriginal people and Torres Strait Islanders	0.2%	0.0%	0.0%	2.6%
People whose first language spoken as a child was not English	26.1%	21.5%	21.0%	19.0%
People with disability	6.4%	4.9%	4.1%	N/A
People with disability requiring work-related adjustment	2.0%	1.5%	1.1%	1.5%

Trends in the distribution* of diversity groups

Diversity group	2011-12	2012-13	2013-14	Benchmark/target
Women	93	93	94	100
Aboriginal people and Torres Strait Islanders	N/A	N/A	N/A	N/A
People whose first language spoken as a child was not English	93	95	91	100
People with disability	97	100	96	100
People with disability requiring work-related adjustment	N/A	N/A	N/A	N/A

*A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

WORK HEALTH AND SAFETY

The Department recognises its responsibility to provide a safe and healthy work environment. This commitment extends to ensuring that the Department's operations do not place the local community at risk of injury, illness or property damage.

In 2013-14, various Work Health and Safety (WHS) procedures were reviewed to provide guidance and support on topics including issue resolution, manual handling and first aid.

Health and Safety Representatives and the WHS Committee worked to resolve a number of health and safety problems by consulting with staff:

- seventeen staff received professional ergonomic assessments to correct workstations; and
- fourteen workplace incidents were reported. Of these, two incidents resulted in workers' compensation claims, which equated to a total of 20.5 days of lost time.

Other WHS related support was provided to ensure a healthy workplace via a number of channels including: in-house WHS training, HR assistance, promoting the Employee Assistance Program and development of user guides, videos and information sheets which are available on the Department's intranet.



Appendix Two



DISABILITY PLANS

The Department continues to be committed to minimising the barriers that prevent people with a disability from accessing information, services and employment.

During 2013-14, the Department continued to improve the accessibility of its websites, including the main website www.planning.nsw.gov.au and related content-specific websites according to the NSW Government requirement that all agency websites conform to the World Wide Web Consortium's Web Content Accessibility Guidelines 2.0 and achieve Level AA compliance by 31 December 2014. Expressions of interest were sought to carry out an accessibility audit of selected Departmental websites.

MULTICULTURAL POLICIES AND SERVICES

The Department supports the principles of multiculturalism as outlined in the *Community Relations Commission Principles of Multiculturalism Act 2000* and the Multicultural Policies and Services Program, and remains sensitive to cultural, racial, religious and linguistic considerations that are relevant to its communities and stakeholders.

During 2013-14, the Department undertook a number of activities to advance its commitment to multiculturalism.

Understanding the NSW population

The Department established the Centre for Demography, Economics and Research as a centre of excellence. The Centre draws on the best information from government, industry and researchers to analyse and publish data and information to inform the decisions required to meet NSW's long term growth challenges.

Facilitating educational establishments and cultural facilities

The planning controls contained within the Standard Instrument - Principal Local Environmental Plan, and the *State Environmental Planning Policy (Sydney Region Growth Centres)* for Sydney's North West and South West Growth Centres (the Growth Centres SEPP) permit the establishment of new schools and cultural centres within residential and business zones.

During the year, the Department liaised with a number of multicultural communities and continued to ensure that planning controls reflect the demand for interfaith schools and cultural facilities, especially in greenfield developments in north west and south west Sydney.

Translating and interpreting service

The Department's Information Centre located at the Bridge Street head office provides stakeholders and the community with a central source of information on the Department's programs and regulatory functions, publication distribution and sales, and statutory and promotional displays.

People who do not speak English can access the Information Centre's services through the TIS National translating and interpreting service, which is free of charge for users. The availability of the translating and interpreting service is advertised on the Department's website and in publications.



Education and professional development

During 2013-14, the Department incorporated multicultural considerations into the development of a number of education and professional development initiatives.

The PlanEd program provides professional development for planners and others working in related professions, and builds the community's knowledge of the planning system. During the 2013-14 year the Department gained feedback from representatives from culturally and linguistically diverse (CALD) communities on how best to involve CALD participants in the 'Planning for Non-Planners' course.

The Plan Shapers program engages school students at the primary and secondary levels in the issues involved in designing future communities, including the importance of identifying and planning for culturally diverse communities.

Performance monitoring

The Department worked on the development of a methodology and performance indicators to monitor the NSW planning system, to facilitate greater transparency and accountability, and to drive high performance in the system. A paper looking at national and international best practice monitoring of planning systems was completed.



Appendix Three



LEGAL CHANGE

The following information relates to the Department of Planning and Environment and the Building Professionals Board.

Changes in Acts and subordinate legislation

Environmental Planning & Assessment Act 1979

Regulations

- *Environmental Planning and Assessment Amendment (Claymore Urban Renewal Project) Order 2013* (1 November 2013).
- *Environmental Planning and Assessment Amendment (Complying Development and Fire Safety) Regulation 2013* (20 December 2013).
- *Environmental Planning and Assessment Amendment (Gateway Process for Strategic Agricultural Land) Regulation 2013* (4 October 2013).
- *Environmental Planning and Assessment Amendment (Transitional Arrangements—Repeal of Part 3A) Regulation 2013* (4 October 2013).
- *Environmental Planning and Assessment Amendment (State Significant Infrastructure Declaration) Order 2013* (25 October 2013).
- *Environmental Planning and Assessment Amendment (Bush Fire Prone Land) Regulation 2014* (30 May 2014).
- *Environmental Planning and Assessment Amendment*

(Complying Development and Fire Safety) Regulation 2014 (21 February 2014).

- *Environmental Planning and Assessment Amendment (Fire Sprinklers) Regulation 2014* (14 February 2014).
- *Environmental Planning and Assessment Amendment (Subdivision Works) Regulation 2014* (24 April 2014).
- *Environmental Planning and Assessment Amendment (Three Ports) Regulation 2014* (30 May 2014).

Building Professionals Act 2005

Regulations

- *Building Professionals Amendment (Exemptions) Regulation 2013* (18 October 2013).
- *Building Professionals Amendment (Categories of Accreditation) Regulation 2014* (30 May 2014).

State Environmental Planning Policies

- *State Environmental Planning Policy Amendment (Cessnock and Newcastle) 2013* (9 August 2013).
- *State Environmental Planning Policy Amendment (Epping Town Centre) 2013* (14 March 2014).
- *State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013* (23 September 2013).
- *State Environmental Planning Policy (Exempt and Complying Development Codes) Amendment (Commercial and*

Industrial Development and Other Matters) 2013 (20 December 2013).

- *State Environmental Planning Policy (Infrastructure) Amendment (Light Rail) 2013* (4 October 2013).
- *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment 2013* (4 October 2013).
- *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Resource Significance) 2013* (4 November 2013).
- *State Environmental Planning Policy (Sydney Harbour Catchment) Amendment (Subdivisions in Waterways Zones) 2013* (6 December 2013).
- *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Blacktown Growth Centres Precinct Plan) 2013* (4 October 2013).
- *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Catherine Fields Precinct) 2013* (20 December 2013).
- *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Land Use) 2013* (13 September 2013).
- *State Environmental Planning Policy No 62—Sustainable Aquaculture (Amendment No 5)* (11 April 2014).
- *State Environmental Planning Policy Amendment (Epping Town Centre) 2013* (14 March 2014)



APPENDIX THREE

- *State Environmental Planning Policy Amendment (Gosford Cultural Precinct) 2014 (11 February 2014).*
 - *State Environmental Planning Policy Amendment (Homebush Bay Area) 2014 (13 June 2014).*
 - *State Environmental Planning Policy Amendment (Newcastle) 2014 (30 May 2014).*
 - *State Environmental Planning Policy Amendment (South Wallarah Peninsula) 2014 (17 April 2014).*
 - *State Environmental Planning Policy (Major Development) Amendment (Huntlee New Town) 2014 (31 January 2014).*
 - *State Environmental Planning Policy (Major Development) Amendment (Port of Newcastle) 2014 (28 March 2014).*
 - *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Coal Seam Gas) 2014 (28 January 2014).*
 - *State Environmental Planning Policy (Port Botany and Port Kembla) Amendment (Port of Newcastle) 2014 (7 March 2014).*
 - *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Alex Avenue and Riverstone Precincts) 2014 (7 March 2014).*
 - *State Environmental Planning Policy (Western Sydney Employment Area) Amendment (Pipelines) 2014 (27 June 2014).*
- Local Environmental Plans**
- *Albury Local Environmental Plan 2010 (Amendment No 9) (8 November 2013).*
 - *Albury Local Environmental Plan 2010 (Amendment No 10) (21 March 2014).*
 - *Albury Local Environmental Plan 2010 (Amendment No 11) (28 March 2014).*
 - *Albury Local Environmental Plan 2010 (Amendment No 12) (6 June 2014).*
 - *Albury Local Environmental Plan 2010 (Amendment No 13) (28 March 2014).*
 - *Armidale Dumaresq Local Environmental Plan 2012 (Amendment No 1) (30 August 2013).*
 - *Armidale Dumaresq Local Environmental Plan 2012 (Amendment No 3) (6 June 2014).*
 - *Ashfield Local Environmental Plan 2013 (23 December 2013).*
 - *Auburn Local Environmental Plan 2010 (Amendment No 8) (11 April 2014).*
 - *Auburn Local Environmental Plan 2010 (Amendment No 9) (30 August 2013).*
 - *Auburn Local Environmental Plan 2010 (Amendment No 10) (29 November 2013).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 2) (13 September 2013).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 3) (27 September 2013).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 4) (4 October 2013).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 5) (11 October 2013).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 6) (31 January 2014).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 7) (7 March 2014).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 8) (11 April 2014).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 9) (23 May 2014).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 10) (11 April 2014).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 11) (30 May 2014).*
 - *Ballina Local Environmental Plan 2012 (Amendment No 13) (23 May 2014).*
 - *Bankstown Local Environmental Plan 2001 (Amendment No 46) (24 March 2014).*
 - *Bankstown Local Environmental Plan 2001 (Amendment No 47) (7 March 2014).*
 - *Bega Valley Local Environmental Plan 2013 (2 August 2013).*
 - *Bega Valley Local Environmental Plan 2013 (Amendment No 1) (13 June 2014).*
 - *Bellingen Local Environmental Plan 2010 (Amendment No 3) (16 August 2013).*
 - *Bellingen Local Environmental Plan 2010 (Amendment No 4) (7 February 2014).*
 - *Berrigan Local Environmental Plan 2013 (4 October 2013).*



APPENDIX THREE

- *Blacktown Local Environmental Plan (Central Business District) 2012 (Amendment No 1) (28 February 2014).*
- *Blacktown Local Environmental Plan 1988 (Amendment No 225) (5 July 2013).*
- *Blacktown Local Environmental Plan 1988 (Amendment No 229) (20 December 2013).*
- *Blacktown Local Environmental Plan 1988 (Amendment No 233) (30 August 2013).*
- *Blacktown Local Environmental Plan 1988 (Amendment No 235) (2 August 2013).*
- *Blacktown Local Environmental Plan Amendment (Western Sydney Employment Area) 2013 (8 November 2013).*
- *Blayney Local Environmental Plan 2012 (Amendment No 3) (7 February 2014).*
- *Blue Mountains Local Environmental Plan 1991 (Amendment No 40) (12 July 2013).*
- *Blue Mountains Local Environmental Plan 2005 (Amendment No 27) (20 December 2013).*
- *Bombala Local Environmental Plan 2012 (Amendment No 1) (11 April 2014).*
- *Broken Hill Local Environmental Plan 2013 (30 August 2013).*
- *Burwood Local Environmental Plan 2012 (Amendment No 1) (23 August 2013).*
- *Burwood Local Environmental Plan 2012 (Amendment No 2) (13 September 2013).*
- *Burwood Local Environmental Plan 2012 (Amendment No 3) (4 April 2014).*
- *Byron Local Environmental Plan 1988 (Amendment No 153) (25 October 2013).*
- *Byron Local Environmental Plan 2014 (30 May 2014).*
- *Camden Local Environmental Plan 2010 (Amendment No 14) (2 May 2014).*
- *Camden Local Environmental Plan 2010 (Amendment No 18) (28 February 2014).*
- *Camden Local Environmental Plan 2010 (Amendment No 20) (20 June 2014).*
- *Camden Local Environmental Plan 2010 (Amendment No 22) (14 February 2014).*
- *Camden Local Environmental Plan 2010 (Amendment No 24) (17 January 2014).*
- *Camden Local Environmental Plan 2010 (Amendment No 25) (1 November 2013).*
- *Camden Local Environmental Plan 2010 (Amendment No 26) (16 August 2013).*
- *Camden Local Environmental Plan 2010 (Amendment No 28) (29 November 2013).*
- *Camden Local Environmental Plan 2010 (Amendment No 30) (6 June 2014).*
- *Canada Bay Local Environmental Plan 2013 (Amendment No 1) (30 May 2014).*
- *Canada Bay Local Environmental Plan 2013 (Amendment No 2) (23 August 2013).*
- *Canada Bay Local Environmental Plan 2013 (Amendment No 3) (21 February 2014).*
- *Canada Bay Local Environmental Plan 2013 (19 July 2013).*
- *Canterbury Local Environmental Plan 2012 (Amendment No 1) (8 November 2013).*
- *Canterbury Local Environmental Plan 2012 (Amendment No 2) (21 March 2014).*
- *Canterbury Local Environmental Plan 2012 (Amendment No 3) (11 April 2014).*
- *Canterbury Local Environmental Plan 2012 (Amendment No 4) (14 March 2014).*
- *Cessnock Local Environmental Plan 2011 (Amendment No 4) (2 August 2013).*
- *Cessnock Local Environmental Plan 2011 (Amendment No 5) (18 October 2013).*
- *Cessnock Local Environmental Plan 2011 (Amendment No 6) (22 November 2013).*
- *Cessnock Local Environmental Plan 2011 (Amendment No 7) (7 March 2014).*
- *Cessnock Local Environmental Plan 2011 (Amendment No 8) (24 April 2014).*
- *Cessnock Local Environmental Plan 2011 (Amendment No 9) (9 May 2014).*
- *Clarence Valley Local Environmental Plan 2011 (Amendment No 6) (20 December 2013).*
- *Clarence Valley Local Environmental Plan 2011 (Amendment No 7) (7 February 2014).*
- *Clarence Valley Local Environmental Plan 2011*



APPENDIX THREE

- (Amendment No 8)
(6 September 2013).*
- *Clarence Valley Local Environmental Plan 2011 (Amendment No 9)
(4 April 2014).*
- *Clarence Valley Local Environmental Plan 2011 (Amendment No 10)
(14 March 2014).*
- *Clarence Valley Local Environmental Plan 2011 (Amendment No 11)
(6 June 2014).*
- *Coffs Harbour Local Environmental Plan 2013
(27 September 2013).*
- *Coffs Harbour Local Environmental Plan 2013 (Amendment No 1)
(4 April 2014).*
- *Conargo Local Environmental Plan 2013
(23 August 2013).*
- *Coolamon Local Environmental Plan 2011 (Amendment No 1)
(7 February 2014).*
- *Cooma-Monaro Local Environmental Plan 2013
(25 October 2013).*
- *Cooma-Monaro Local Environmental Plan 2013 (Amendment No 1)
(6 June 2014).*
- *Cooma-Monaro Local Environmental Plan 2013 (Amendment No 2)
(28 March 2014).*
- *Cootamundra Local Environmental Plan 2013
(26 July 2013).*
- *Corowa Local Environmental Plan 2012 (Amendment No 1)
(25 October 2013).*
- *Corowa Local Environmental Plan 2012 (Amendment No 2)
(30 May 2014).*
- *Corowa Local Environmental Plan 2012 (Amendment No 3)
(30 May 2014).*
- *Deniliquin Local Environmental Plan 2013 (23 December 2013).*
- *Dubbo Local Environmental Plan 2011 (Amendment No 2)
(16 August 2013).*
- *Dungog Local Environmental Plan 2014 (30 May 2014).*
- *Eurobodalla Local Environmental Plan 2012 (Amendment No 3)
(18 October 2013).*
- *Fairfield Local Environmental Plan 2013 (Amendment No 1)
(29 November 2013).*
- *Fairfield Local Environmental Plan 2013 (Amendment No 2)
(7 March 2014).*
- *Fairfield Local Environmental Plan 2013 (Amendment No 4)
(7 March 2014).*
- *Fairfield Local Environmental Plan 2013 (Amendment No 6)
(21 March 2014).*
- *Fairfield Local Environmental Plan 2013 (Amendment No 8)
(14 March 2014).*
- *Forbes Local Environmental Plan 2013 (9 August 2013).*
- *Glen Innes Severn Local Environmental Plan 2012 (Amendment No 1)
(2 May 2014).*
- *Gloucester Local Environmental Plan 2010 (Amendment No 2)
(12 July 2013).*
- *Gosford Local Environmental Plan 2014 (11 February 2014).*
- *Gosford Local Environmental Plan 2014 (Amendment No 1)
(21 March 2014).*
- *Gosford Local Environmental Plan 2014 (Amendment No 2)
(9 May 2014).*
- *Gosford Local Environmental Plan 2014 (Amendment No 3)
(6 June 2014).*
- *Gosford Local Environmental Plan No 482 (5 July 2013).*
- *Gosford Local Environmental Plan No 483
(13 December 2013).*
- *Goulburn Mulwaree Local Environmental Plan 2009 (Amendment No 4)
(8 November 2013).*
- *Goulburn Mulwaree Local Environmental Plan 2009 (Amendment No 5)
(23 August 2013).*
- *Great Lakes Local Environmental Plan 1996 (Amendment No 72)
(6 September 2013).*
- *Great Lakes Local Environmental Plan 2014
(4 April 2014).*
- *Great Lakes Local Environmental Plan 2014 (Amendment No 1)
(27 June 2014).*
- *Greater Hume Local Environmental Plan 2012 (Amendment No 1)
(20 December 2013).*
- *Greater Hume Local Environmental Plan 2012 (Amendment No 2)
(28 March 2014).*
- *Greater Taree Local Environmental Plan 2010 (Amendment No 5)
(4 April 2014).*



APPENDIX THREE

- *Greater Taree Local Environmental Plan 2010 (Amendment No 7) (23 May 2014).*
- *Griffith Local Environmental Plan 2014 (21 March 2014).*
- *Guyra Local Environmental Plan 2012 (Amendment No 2) (13 June 2014).*
- *Gwydir Local Environmental Plan 2013 (30 August 2013).*
- *Harden Local Environmental Plan 2011 (Amendment No 1) (7 March 2014).*
- *Hawkesbury Local Environmental Plan 2012 (Amendment No 1) (7 February 2014).*
- *Hawkesbury Local Environmental Plan 2012 (Amendment No 2) (6 September 2013).*
- *Hawkesbury Local Environmental Plan 2012 (Amendment No 3) (7 February 2014).*
- *Hawkesbury Local Environmental Plan 2012 (Amendment No 6) (11 April 2014).*
- *Hawkesbury Local Environmental Plan 2012 (Amendment No 9) (16 May 2014).*
- *Holroyd Local Environmental Plan 2013 (Amendment No 1) (13 December 2013).*
- *Hornsby Local Environmental Plan 2013 (27 September 2013).*
- *Hornsby Local Environmental Plan 2013 (Amendment No 1) (28 March 2014).*
- *Hurstville Local Environmental Plan 2012 (Amendment No 1) (13 September 2013).*
- *Hurstville Local Environmental Plan 2012 (Amendment No 2) (4 April 2014).*
- *Inverell Local Environmental Plan 2012 (Amendment No 1) (28 February 2014).*
- *Kempsey Local Environmental Plan 1987 (Amendment No 118) (12 July 2013).*
- *Kempsey Local Environmental Plan 2013 (20 December 2013).*
- *Kogarah Local Environmental Plan 2012 (Amendment No 1) (22 November 2013).*
- *Ku-ring-gai Local Environmental Plan (Local Centres) 2012 (Amendment No 1) (9 August 2013).*
- *Ku-ring-gai Local Environmental Plan (Local Centres) 2012 (Amendment No 2) (7 February 2014).*
- *Ku-ring-gai Local Environmental Plan No 218 (5 July 2013).*
- *Ku-ring-gai Local Environmental Plan No 220 (22 November 2013).*
- *Ku-ring-gai Local Environmental Plan No 221 (14 February 2014).*
- *Kyogle Local Environmental Plan 2012 (Amendment No 1) (6 June 2014).*
- *Lachlan Local Environmental Plan 2013 (9 August 2013).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 50) (4 October 2013).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 59) (23 May 2014).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 70) (17 April 2014).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 72) (14 March 2014).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 76) (13 September 2013).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 77) (6 September 2013).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 81) (18 October 2013).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 82) (9 May 2014).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 83) (13 June 2014).*
- *Lake Macquarie Local Environmental Plan 2004 (Amendment No 88) (28 February 2014).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 1) (23 August 2013).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 4) (13 September 2013).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 5) (23 August 2013).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 8) (17 April 2014).*
- *Lane Cove Local Environmental*



APPENDIX THREE

- Plan 2009 (Amendment No 9) (30 August 2013).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 11) (27 September 2013).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 12) (23 August 2013).*
- *Lane Cove Local Environmental Plan 2009 (Amendment No 15) (6 September 2013).*
- *Leeton Local Environmental Plan 2014 (10 June 2014).*
- *Leichhardt Local Environmental Plan 2013 (23 December 2013).*
- *Leichhardt Local Environmental Plan 2013 (Amendment No 1) (4 March 2014).*
- *Lismore Local Environmental Plan 2012 (Amendment No 1) (7 February 2014).*
- *Lismore Local Environmental Plan 2012 (Amendment No 2) (14 February 2014).*
- *Lismore Local Environmental Plan 2012 (Amendment No 3) (21 February 2014).*
- *Lismore Local Environmental Plan 2012 (Amendment No 4) (25 October 2013).*
- *Lismore Local Environmental Plan 2012 (Amendment No 5) (25 October 2013).*
- *Lismore Local Environmental Plan 2012 (Amendment No 6) (4 April 2014).*
- *Liverpool Local Environmental Plan 2008 (Amendment No 27) (20 June 2014).*
- *Liverpool Local Environmental Plan 2008 (Amendment No 28) (4 April 2014).*
- *Liverpool Local Environmental*
- Plan 2008 (Amendment No 30) (17 April 2014).*
- *Liverpool Local Environmental Plan 2008 (Amendment No 36) (20 June 2014).*
- *Liverpool Local Environmental Plan 2008 (Amendment No 43) (20 June 2014).*
- *Lord Howe Island Local Environmental Plan 2010 (Amendment No 1) (17 April 2014).*
- *Maitland Local Environmental Plan 2011 (Amendment No 3) (5 July 2013).*
- *Maitland Local Environmental Plan 2011 (Amendment No 4) (16 August 2013).*
- *Maitland Local Environmental Plan 2011 (Amendment No 5) (22 November 2013).*
- *Maitland Local Environmental Plan 2011 (Amendment No 6) (30 May 2014).*
- *Maitland Local Environmental Plan 2011 (Amendment No 7) (13 June 2014).*
- *Maitland Local Environmental Plan 2011 (Amendment No 10) (30 May 2014).*
- *Manly Local Environmental Plan 2013 (Amendment No 1) (21 March 2014).*
- *Manly Local Environmental Plan 2013 (Amendment No 2) (2 May 2014).*
- *Marrickville Local Environmental Plan 2011 (Amendment No 1) (25 October 2013).*
- *Mid-Western Regional Local Environmental Plan 2012 (Amendment No 6) (30 August 2013).*
- *Mid-Western Regional Local Environmental Plan 2012 (Amendment No 7) (11 April 2014).*
- *Mid-Western Regional Local Environmental Plan 2012 (Amendment No 8) (4 April 2014).*
- *Mid-Western Regional Local Environmental Plan 2012 (Amendment No 9) (20 June 2014).*
- *Mosman Local Environmental Plan 2012 (Amendment No 3) (6 June 2014).*
- *Murrumbidgee Local Environmental Plan 2013 (23 August 2013).*
- *Muswellbrook Local Environmental Plan 2009 (Amendment No 10) (1 November 2013).*
- *Nambucca Local Environmental Plan 2010 (Amendment No 13) (8 November 2013).*
- *Nambucca Local Environmental Plan 2010 (Amendment No 16) (7 March 2014).*
- *Nambucca Local Environmental Plan 2010 (Amendment No 17) (14 March 2014).*
- *Narrabri Local Environmental Plan 2012 (Amendment No 1) (9 May 2014).*
- *Narrabri Local Environmental Plan 2012 (Amendment No 2) (30 May 2014).*
- *Newcastle Local Environmental Plan 2012 (Amendment No 1) (13 September 2013).*
- *Newcastle Local Environmental Plan 2012 (Amendment No 2) (30 August 2013).*
- *Newcastle Local Environmental*



APPENDIX THREE

- Plan 2012 (Amendment No 3) (1 November 2013).*
- *Newcastle Local Environmental Plan 2012 (Amendment No 4) (14 March 2014).*
- *Newcastle Local Environmental Plan 2012 (Amendment No 5) (28 March 2014).*
- *North Sydney Local Environmental Plan 2013 (2 August 2013).*
- *North Sydney Local Environmental Plan 2013 (Amendment No 1) (17 January 2014).*
- *North Sydney Local Environmental Plan 2013 (Amendment No 2) (22 November 2013).*
- *North Sydney Local Environmental Plan 2013 (Amendment No 3) (23 May 2014).*
- *Oberon Local Environmental Plan 2013 (20 December 2013).*
- *Orange Local Environmental Plan 2011 (Amendment No 1) (14 March 2014).*
- *Orange Local Environmental Plan 2011 (Amendment No 2) (26 July 2013).*
- *Parramatta Local Environmental Plan 2011 (Amendment No 4) (13 September 2013).*
- *Parramatta Local Environmental Plan 2011 (Amendment No 5) (21 March 2014).*
- *Parramatta Local Environmental Plan 2011 (Amendment No 6) (11 April 2014).*
- *Parramatta Local Environmental Plan 2011 (Amendment No 7) (11 April 2014).*
- *Parramatta Local Environmental Plan 2011 (Amendment No 8) (20 June 2014).*
- *Parramatta Local Environmental Plan 2011 (Amendment No 9) (20 June 2014).*
- *Penrith Local Environmental Plan 2010 (Amendment No 3) (23 May 2014).*
- *Pittwater Local Environmental Plan 1993 (Amendment No 97) (6 December 2013).*
- *Pittwater Local Environmental Plan 2014 (30 May 2014).*
- *Pittwater Local Environmental Plan 2014 (Amendment No 1) (6 June 2014).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 12) (28 February 2014).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 14) (23 May 2014).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 19) (20 December 2013).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 22) (27 September 2013).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 23) (16 August 2013).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 26) (30 August 2013).*
- *Port Macquarie-Hastings Local Environmental Plan 2011 (Amendment No 27) (1 November 2013).*
- *Port Stephens Local Environmental Plan 2000 (Amendment No 38) (5 July 2013).*
- *Port Stephens Local Environmental Plan 2000 (Amendment No 39) (30 August 2013).*
- *Port Stephens Local Environmental Plan 2013 (23 December 2013).*
- *Port Stephens Local Environmental Plan 2013 (Amendment No 1) (30 May 2014).*
- *Port Stephens Local Environmental Plan 2013 (Amendment No 2) (23 May 2014).*
- *Port Stephens Local Environmental Plan 2013 (Amendment No 4) (13 June 2014).*
- *Port Stephens Local Environmental Plan 2013 (Amendment No 5) (27 June 2014).*
- *Queanbeyan Local Environmental Plan (Poplars) 2013 (23 August 2013).*
- *Queanbeyan Local Environmental Plan 2012 (Amendment No 1) (2 May 2014).*
- *Richmond Valley Local Environmental Plan 2012 (Amendment No 1) (12 July 2013).*
- *Richmond Valley Local Environmental Plan 2012 (Amendment No 2) (29 November 2013).*
- *Richmond Valley Local Environmental Plan 2012 (Amendment No 3) (21 March 2014).*



APPENDIX THREE

- *Richmond Valley Local Environmental Plan 2012 (Amendment No 4) (13 June 2014).*
- *Richmond Valley Local Environmental Plan 2012 (Amendment No 5) (28 March 2014).*
- *Rockdale Local Environmental Plan 2011 (Amendment No 3) (13 December 2013).*
- *Rockdale Local Environmental Plan 2011 (Amendment No 4) (30 August 2013).*
- *Rockdale Local Environmental Plan 2011 (Amendment No 6) (25 October 2013).*
- *Ryde Local Environmental Plan 2010 (Amendment No 5) (4 October 2013).*
- *Shellharbour Local Environmental Plan 2013 (Amendment No 2) (17 April 2014).*
- *Shoalhaven Local Environmental Plan (Jerberra Estate) 2014 (14 February 2014).*
- *Shoalhaven Local Environmental Plan 2014 (8 April 2014).*
- *Singleton Local Environmental Plan 2013 (6 September 2013).*
- *Singleton Local Environmental Plan 2013 (Amendment No 1) (30 May 2014).*
- *Snowy River Local Environmental Plan 2013 (13 December 2013).*
- *Strathfield Local Environmental Plan 2012 (Amendment No 1) (15 November 2013).*
- *Strathfield Local Environmental Plan 2012 (Amendment No 2) (17 January 2014).*
- *Sutherland Shire Local Environmental Plan 2006 (Amendment No 15) (2 August 2013).*
- *Sutherland Shire Local Environmental Plan 2006 (Amendment No 19) (30 August 2013).*
- *Sutherland Shire Local Environmental Plan 2006 (Amendment No 21) (29 November 2013).*
- *Sydney Local Environmental Plan (Green Square Town Centre) 2013 (Amendment No 1) (16 May 2014).*
- *Sydney Local Environmental Plan (Green Square Town Centre) 2013 (13 September 2013).*
- *Sydney Local Environmental Plan (Green Square Town Centre—Stage 2) 2013 (Amendment No 1) (9 May 2014).*
- *Sydney Local Environmental Plan (Green Square Town Centre—Stage 2) 2013 (6 September 2013).*
- *Sydney Local Environmental Plan 2012 (Amendment No 2) (20 September 2013).*
- *Sydney Local Environmental Plan 2012 (Amendment No 3) (17 December 2013).*
- *Sydney Local Environmental Plan 2012 (Amendment No 4) (14 March 2014).*
- *Sydney Local Environmental Plan 2012 (Amendment No 5) (11 April 2014).*
- *Sydney Local Environmental Plan 2012 (Amendment No 6) (13 June 2014).*
- *Sydney Local Environmental Plan 2012 (Amendment No 7) (14 February 2014).*
- *Tamworth Regional Local Environmental Plan 2010 (Amendment No 3) (9 August 2013).*
- *Tamworth Regional Local Environmental Plan 2010 (Amendment No 4) (6 December 2013).*
- *Tenterfield Local Environmental Plan 2013 (Amendment No 1) (20 December 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 1) (5 July 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 3) (19 July 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 4) (2 August 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 5) (23 August 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 6) (27 September 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 7) (4 October 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 8) (22 November 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 9) (21 February 2014).*
- *The Hills Local Environmental Plan 2012 (Amendment No 10) (8 November 2013).*
- *The Hills Local Environmental Plan 2012 (Amendment No 11) (7 March 2014).*



APPENDIX THREE

- *The Hills Local Environmental Plan 2012 (Amendment No 13) (11 April 2014).*
- *The Hills Local Environmental Plan Amendment (Sydney Region Growth Centres) - North Kellyville Precinct) 2014 (17 April 2014).*
- *Tweed Local Environmental Plan 2014 (4 April 2014).*
- *Upper Hunter Local Environmental Plan 2013 (23 December 2013).*
- *Upper Lachlan Local Environmental Plan 2010 (Amendment No 3) (6 June 2014).*
- *Uralla Local Environmental Plan 2012 (Amendment No 1) (9 August 2013).*
- *Wagga Wagga Local Environmental Plan 2010 (Amendment No 9) (6 December 2013).*
- *Wagga Wagga Local Environmental Plan 2010 (Amendment No 10) (21 February 2014).*
- *Wagga Wagga Local Environmental Plan 2010 (Amendment No 11) (4 April 2014).*
- *Wagga Wagga Local Environmental Plan 2010 (Amendment No 12) (30 May 2014).*
- *Wakool Local Environmental Plan 2013 (22 November 2013).*
- *Walgett Local Environmental Plan 2013 (5 July 2013).*
- *Warringah Local Environmental Plan 2011 (Amendment No 2) (14 February 2014).*
- *Warringah Local Environmental Plan 2011 (Amendment No 3) (20 September 2013).*
- *Warringah Local Environmental Plan 2011 (Amendment No 4) (7 February 2014).*
- *Warringah Local Environmental Plan 2011 (Amendment No 5) (20 September 2013).*
- *Warringah Local Environmental Plan 2011 (Amendment No 6) (30 May 2014).*
- *Warringah Local Environmental Plan 2011 (Amendment No 7) (27 June 2014).*
- *Warringah Local Environmental Plan 2011 (Amendment No 8) (17 January 2014).*
- *Warringah Local Environmental Plan 2011 (Amendment No 9) (30 May 2014).*
- *Warringah Local Environmental Plan 2011 (Amendment No 10) (11 April 2014).*
- *Warrumbungle Local Environmental Plan 2013 (29 November 2013).*
- *Waverley Local Environmental Plan 2012 (Amendment No 2) (13 June 2014).*
- *Waverley Local Environmental Plan 2012 (Amendment No 3) (14 March 2014).*
- *Weddin Local Environmental Plan 2011 (Amendment No 1) (27 June 2014).*
- *Wellington Local Environmental Plan 2012 (Amendment No 1) (8 November 2013).*
- *Willoughby Local Environmental Plan 2012 (Amendment No 1) (13 June 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 7) (12 July 2013).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 9) (12 July 2013).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 10) (6 June 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 12) (11 October 2013).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 13) (28 March 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 16) (14 February 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 17) (14 March 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 18) (2 May 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 19) (27 June 2014).*
- *Wingecarribee Local Environmental Plan 2010 (Amendment No 20) (27 June 2014).*
- *Wollondilly Local Environmental Plan 2011 (Amendment No 3) (31 January 2014).*
- *Wollondilly Local Environmental Plan 2011 (Amendment No 4) (24 July 2013).*
- *Wollondilly Local Environmental Plan 2011 (Amendment No 5) (16 May 2014).*
- *Wollondilly Local Environmental*



APPENDIX THREE

- Plan 2011 (Amendment No 6) (20 December 2013).*
- *Wollondilly Local Environmental Plan 2011 (Amendment No 7) (23 December 2013).*
- *Wollondilly Local Environmental Plan 2011 (Amendment No 8) (7 February 2014).*
- *Wollondilly Local Environmental Plan 2011 (Amendment No 9) (28 March 2014).*
- *Wollongong Local Environmental Plan 2009 (Amendment No 14) (8 November 2013).*
- *Wollongong Local Environmental Plan 2009 (Amendment No 15) (6 June 2014).*
- *Wollongong Local Environmental Plan 2009 (Amendment No 16) (4 October 2013).*
- *Wollongong Local Environmental Plan 2009 (Amendment No 17) (17 April 2014).*
- *Wyong Local Environmental Plan 1991 (Amendment No 185) (22 November 2013).*
- *Wyong Local Environmental Plan 1991 (Amendment No 186) (23 August 2013).*
- *Wyong Local Environmental Plan 1991 (Amendment No 187) (12 July 2013).*
- *Wyong Local Environmental Plan 1991 (Amendment No 188) (2 August 2013).*
- *Wyong Local Environmental Plan 1991 (Amendment No 191) (13 December 2013).*
- *Wyong Local Environmental Plan 2013 (23 December 2013).*
- *Wyong Local Environmental Plan 2013 (Amendment No 1) (12 May 2014).*
- *Wyong Local Environmental Plan 2013 (Amendment No 2) (20 June 2014).*
- *Yass Valley Local Environmental Plan 2013 (19 July 2013).*
- *Young Local Environmental Plan 2010 (Amendment No 6) (12 July 2013).*



Summary of significant judicial decisions

Director-General, Department of Planning & Infrastructure v Aston Coal 2 Pty Ltd (2013) 199 LGERA 176

These were criminal proceedings brought by the Director-General against a proponent of a major project application for failure to disclose reportable political donations as required by the *Environmental Planning and Assessment Act 1979*. The Court found that directors of the proponent who were granted share options had a financial interest in the project. Accordingly, political donations made by those directors were required to be disclosed in connection with the major project application.

The proponent was convicted of the offence, each director fined \$10,000 and the proponent ordered to pay the Director General's costs of the proceedings.

Darkinjung Local Aboriginal Land Council v Wyong Coal Pty Ltd (No. 2) (2014) 202 LGERA 223

These were judicial review proceedings which concerned the statutory interpretation of the provision in the *Environmental Planning and Assessment Regulation 2000* which sets out when the consent of NSW Aboriginal Land Council (ALC) is required for development applications. This Minister was a respondent to the proceedings, as the relevant consent authority.

The development application sought approval for a proposed new underground coal mine near Wyong on the Central Coast. Part of the land to which the development application relates is owned by Darkinjung Local ALC, which brought the proceedings. Neither the Local ALC nor the NSW ALC had provided consent to the development application.

The Court held that clause 49 of the Regulation required the consent of NSW ALC for development applications that relate to land owned by a local ALC. The absence of NSW ALC's consent on a development application could be remedied at any time up until determination of the development application.

Boral Cement Pty Ltd v SHCAG Pty Ltd; Minister for Planning and Infrastructure v SHCAG Pty Ltd [2013] NSWLEC 203

The proceedings before Justice Pain were an appeal from a decision of two commissioners of the Court to refuse an extension of the existing Berrima colliery. An appeal from a commissioner's decision can only be made in relation to a question of law, not a question of fact or to revisit the merits of a development.

Her Honour found that the commissioners had denied procedural fairness to the parties in giving substantial weight to objectors' submissions on noise, dust and traffic without notice to the parties of the intention to do so. The Court set aside the commissioners' judgement and remitted the matter for redetermination by different commissioners.

The proponent later determined not to proceed with its project application and accordingly it agreed to orders being made whereby project approval was refused.

Warkworth Mining Ltd v Bulga Milbrodale Progress Association Inc (2014) 307 ALR 262

The proceedings before the Court of Appeal were an appeal against the decision of Chief Justice Preston of the Land and Environment Court to refuse a part 3A project application for the extension of the Warkworth Coal mine in the Upper Hunter. An appeal can only be made in relation to a question of law, not a question of fact or to revisit the merits of the Project.

Warkworth Mining Ltd appealed the decision to the Court of Appeal on a number of legal grounds, including that Warkworth was denied procedural fairness in relation to certain aspects of the case and that the Chief Judge failed to take into account some of the arguments made by Warkworth.

The Minister joined the appeal and argued that the Chief Judge did not give appropriate consideration to the Director General's assessment report.

The Court of Appeal delivered a unanimous decision on 7 April 2014 dismissing all grounds of the appeal. As a result, the decision of Chief Judge to refuse the Project stands.

RISK MANAGEMENT AND INSURANCE

Department of Planning and Environment

The Department participates in the NSW Treasury Managed Fund, a government self-insurance arrangement that provides workers' compensation, comprehensive motor vehicle, property, public liability and miscellaneous cover. The Department places a high priority on the implementation of sound risk management practices. This is expressed through links between risk management, premium monitoring and claims management.

The Audit and Risk Committee has a majority of independent members and complies with the other requirements of the Internal Audit and Risk Management Policy for the NSW Public Sector. The following Internal Audit and Risk Management Statement reports compliance with the core requirements of Treasury Circular NSW TC 09-08 Internal Audit and Risk Management Policy for the 2013-14 financial year.

The Department updated its organisation-wide risk assessment during the year. An internal audit program provides independent, objective assurance to assist the Department. The provision of internal audit services is outsourced.

During 2013-14, the following internal audit reports were reviewed by the Audit and Risk Committee:

- work health and safety;
- special infrastructure contributions and voluntary planning agreements;
- procurement process;
- planning reform fund grants management process;
- review of banking process;
- human resources (recruitment, termination, payroll, flex time and leave);
- accounting allocation review;
- review of cabcharge e-ticket process;
- review of credit cards and readiness for P-card implementation;
- readiness review for transition of Objective to Cloud;

- business continuity management; and
- Grants Management Phase 2 Review.

Corporation Sole

The Corporation Sole also participates in the NSW Treasury Managed Fund. The Corporation also insures its three properties at the Erskine Park Biodiversity Corridor with AON Risk Service Australia Limited. The Corporation places a high priority on the implementation of sound risk management practices. This is expressed through the links between risk management, premium monitoring and claims management.

The Department's Audit and Risk Committee provides its services to the Corporation Sole.

Building Professionals Board

For 2013-14, the Portfolio Ministers granted the relevant exceptions from the core requirements of Treasury Circular 09/08. Once a Treasury approved shared arrangement agreement (covering the sharing of the Audit and Risk Committee, internal audit function and Chief Audit Executive) is in place, a determination by the Portfolio Minister will no longer be required.

During 2012-13 the same practicable alternative measures (as outlined on page 171) for 2013-14 were in place, however a ministerial exception was not sought.



Internal Audit and Risk Management Statement for the 2013-2014 Financial Year for the Department of Planning & Environment

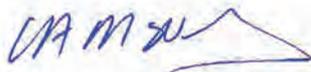
I, Carolyn McNally, Secretary of the Department of Planning & Environment, am of the opinion that the Department of Planning & Environment has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I am of the opinion that the Audit and Risk Committee for the Department of Planning & Environment is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee during 2013-14 are:

- Carol Holley, independent Chair (term of appointment: four years starting 1 December 2009, term concluded on 30 November 2013).
- Brian Blood, independent Chair (term of appointment: four years starting 1 December 2013).
- Alan Zammit, independent member (term of appointment: three years starting 27 February 2012).
- Elizabeth Crouch, independent member (term of appointment: three years commencing 21 October 2013).
- Brett Whitworth, non-independent staff member of the Department of Planning & Environment (term of appointment: two years commencing 27 January 2012 and term renewed for a further two years commencing 27 January 2014).

These processes provide a level of assurance that enables the senior management of the Department of Planning & Environment to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury.



Carolyn McNally
Secretary

29.8.14

Internal Audit and Risk Management Statement for the 2013-2014 Financial Year for the Building Professionals Board

I, George Maltabarow, am of the opinion that the Building Professionals Board has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, George Maltabarow, am of the opinion that the internal audit and risk management processes for the Building Professionals Board depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the Building Professionals Board has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
Core Requirement 1. An internal audit function has been established and maintained. Clauses 1.2 and 1.3.	<ul style="list-style-type: none"> The Department of Planning & Environment has established an outsourced internal audit service delivery model. Specified internal audits cover the Building Professionals Board. The functions of the Chief Audit Executive for the Building Professionals Board were carried out by the Department's Chief Audit Executive.
Core Requirement 2. An Audit and Risk Committee has been established. Clause 2.1.	<ul style="list-style-type: none"> The Department of Planning & Environment's Audit and Risk Committee provides its services to the Building Professionals Board. Effective from 27 January 2014, only the independent members of the Department of Planning & Environment's Audit and Risk Committee oversighted the business of the Building Professionals Board.

I, George Maltabarow, am of the opinion that the Audit and Risk Committee for the Department of Planning & Environment is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Department of Planning & Environment's Audit and Risk Committee are:

- Carol Holley, independent chair (term of appointment: four years starting 1 December 2009, term concluded on 30 November 2013).
- Brian Blood, independent chair (term of appointment: four years starting 1 December 2013).
- Alan Zammit, independent member (term of appointment: three years starting 27 February 2012).
- Elizabeth Crouch, independent member (term of appointment: three years commencing 21 October 2013).
- Brett Whitworth, non-independent staff member of the Department of Planning & Environment (term of appointment: two years commencing 27 January 2012 and term renewed for a further two years commencing 27 January 2014).¹

¹ Effective from 27 January 2014, only independent members of the Audit and Risk Committee oversighted the business of the Building Professionals Board, in keeping with NSW Treasury's *Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees* (TPP 12-04).



Version 1.1 May 2013

These processes, including the practicable alternative measures [being] implemented, provide a level of assurance that enables the senior management of the Building Professionals Board to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasury.



Per George Maltabarow
President
Building Professional Board

Mr Whitworth did not attend the parts of Audit and Risk Committee meetings that related to the Building Professionals Board from this date.

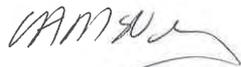
**Digital Information Security Annual Attestation Statement for the 2013-14
Financial Year for the Department of Planning and Environment**

I, Carolyn McNally, am of the opinion that the Department of Planning and Environment had an information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the *Digital Information Security Policy for the NSW Public Sector*.

I, Carolyn McNally, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of the Department of Planning and Environment are adequate for the foreseeable future.

I, Carolyn McNally, am of the opinion that all Public Sector Agencies, or part thereof, under the control of the Department of Planning and Environment with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the *Digital Information Security Policy for the NSW Public Sector*.

I, Carolyn McNally, am of the opinion that, where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, certified compliance with AS/NZS ISO/IEC 27001 *Information technology – Security techniques – Information security management systems – Requirements* had been maintained by all or part of the Department of Planning and Environment and all or part of any Public Sector Agencies under its control.



Carolyn McNally
Secretary
Department of Planning and Environment

17.10.14





Digital Information Security Annual Attestation Statement for the 2013-14 Financial Year for the Building Professionals Board

We, George Maltabarow and Malcolm Ryan, were advised on 22 October 2014 by the Building Professionals Board secretariat, which in turn was advised on 20 October by the Director, Finance and Assets, Department of Planning and Environment, that:

The NSW Government *Digital Information Security Policy for the NSW Public Sector* (the Policy) requires the Board to have an Information Security Management System that takes into account a minimum set of controls, and requirements relating to certification, attestation and the NSW Government Digital Information Security Community of Practice.

Under the policy, the Board is to transition to a new system for classifying information that is consistent with the Australian Government security classification system and supported by effective governance. This transition may be staged in accordance with the model set out in the Policy.

During 2014-15, the Department of Planning and Environment will continue to develop its Information Security Management System as part of a staged transition.

At 30 June 2014 the Department had progressed to Level 3 'defined' under the Policy.

This was achieved by:

- developing an Information Security Policy, guidelines and usage protocols that align with the *Digital Information Security Policy 2012* and the ISO27001 standard (*AS/NZS ISO/IEC 27001 Information technology – Security techniques – Information security management systems – Requirements*);
- developing a Statement Of Applicability, Risk & Threat Assessment and Risk Treatment plans in accordance with the ISO27001 standard;
- assessing information assets and applying a risk rating; and
- participating in the Digital Information Security Community of Practice.

The aim is to reach Level 4 'managed' by 30 June 2015, by convening a steering committee that will govern the program, deliver education to all staff and develop effective performance metrics.

The Building Professionals Board secretariat uses the same standard operating environment and policy framework as the Department. The Board will therefore be part of the Department's transition and adopt the Department's Information Security Management System rather than undergo a separate process. This will enable the Board to meet the requirements of the Policy.

Therefore, on the basis of the above:

We, George Maltabarow and Malcolm Ryan, are of the opinion that the Building Professionals Board had an Information Security Management System in place during the financial year being reported as consistent with the Core Requirements set out in the Policy and consistent with the staged approach permitted under that Policy.

We, George Maltabarow and Malcolm Ryan, are of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of the Building Professionals Board are adequate for the foreseeable future.

Building Professionals Board (02) 9860 1800 | bpb@bpb.nsw.gov.au | www.bpb.nsw.gov.au
3 Marist Place, Parramatta, NSW 2150 | PO Box 3720 Parramatta, NSW 2124

Appendix Four



ECONOMIC OR OTHER FACTORS

The Department, the Building Professionals Board and the Corporation Sole are not aware of any economic or other factors affecting the achievement of operational objectives.

DISCLOSURE OF CONTROLLED ENTITIES AND SUBSIDIARIES

Controlled entities

The Department, the Building Professionals Board and the Corporation Sole do not have any controlled entities.

Subsidiaries

The Department, the Building Professionals Board and the Corporation Sole do not have any subsidiaries.

LAND DISPOSAL

No properties were sold/disposed of during the year by either the Department or the Building Professionals Board. Land sold/disposed of by the Corporation Sole is covered on page 21.

CREDIT CARD CERTIFICATION

The Department's corporate credit card policies are in accordance with NSW Treasury's and the Auditor-General's guidelines. The Department's corporate credit card policies and procedures satisfy the requirements of Treasurer's Directions. Corporate card expenditures are monitored for compliance and usage was considered to comply with best practice guidelines.

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

During 2013-14, there were no funds granted by the Department to non-government community organisations.



APPENDIX FOUR

PAYMENT OF ACCOUNTS

Account payment performance

Department of Planning and Environment – Aged analysis by quarter

Quarter	Current (within due date) \$	30-60 days overdue \$	61-90 days overdue \$	90+ days overdue \$
All suppliers				
September 2013	1,413,182,08	64,768	9,230	7,113
December 2013	994,178	70,300	4,227	293,991
March 2014	1,986,691	51,862	150,582	362,664
June 2014	3,574,741	2,320	(767)	(6,846)

*Calculations for the aged analysis table above are based on the date of receipt of a correctly rendered invoices received by Service First.

Corporation Sole – Aged analysis by quarter*

Quarter	Current (within due date) \$	30-60 days overdue \$	61-90 days overdue \$	90+ days overdue \$
All suppliers				
September 2013	1,400,563	2,8799		
December 2013	92,247	49,851		
March 2014	515,765			1,949
June 2014	643,850			

*Calculations for the aged analysis table above are based on the date of receipt of a correctly rendered invoice received by Service First for either the Office of Strategic Lands or the suppliers directly.

Department of Planning and Environment – accounts due or paid within each quarter*

Measure	September 2013	December 2013	March 2014	June 2014
All suppliers				
Number of accounts due for payment	3,816	3,508	2,830	2,981
Number of accounts paid on time	2,843	2,437	1,778	2,305
Target for percentage of accounts paid on time	90.0%	90.0%	90.0%	90.0%
Actual percentage of accounts paid on time (based on number of accounts)	74.5%	69.5%	62.8%	77.3%
Dollar amount of accounts due for payment	\$25,308,414	\$15,978,749	\$20,477,361	\$32,608,070
Dollar amount for accounts paid on time	\$12,808,34	\$7,102,918	\$9,829,024	\$9,345,172
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

*Due date is calculated based on Government terms of payment made by the end of the month following the month in which an invoice is received excluding small business suppliers.



APPENDIX FOUR

Corporation sole – accounts due or paid within each quarter*

Measure	September 2013	December 2013	March 2014	June 2014
All suppliers				
Number of accounts due for payment	434	365	469	380
Number of accounts paid on time	427	349	428	361
Target for percentage of accounts paid on time	90.0%	90.0%	90.0%	90.0%
Actual percentage of accounts paid on time (based on number of accounts)	98.4%	95.6%	91.3%	95.0%
Dollar amount of accounts due for payment	\$14,335,703	\$7,452,094	\$6,384,988	\$2,922,227
Dollar amount for accounts paid on time	\$14,303,645	\$7,396,019	\$6,144,870	\$2,891,929
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Source: Office of Strategic Lands

*Due date is calculated based on Government terms of payment made by the end of the month following the month in which an invoice is received excluding small business suppliers.

Department of Planning and Environment – accounts due or paid within each quarter (small business suppliers)*

Measure	September 2013	December 2013	March 2014	June 2014
All suppliers				
Number of accounts due for payment	6	8	3	3
Number of accounts paid on time	2	4	1	1
Target for percentage of accounts paid on time	90.0%	90.0%	90.0%	90.0%
Actual percentage of accounts paid on time (based on number of accounts)	33.0%	50.0%	33.0%	33.0%
Dollar amount of accounts due for payment	\$90,217	\$30,140	\$19,674	\$4,976
Dollar amount for accounts paid on time	\$6,600	\$9,092	\$138	\$254
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

*Due date is calculated based on Government terms of payment made by the end of the month following the month in which an invoice is received excluding small business suppliers.



APPENDIX FOUR

Corporation sole – accounts due or paid within each quarter (small business suppliers)*

Measure	September 2013	December 2013	March 2014	June 2014
All suppliers				
Number of accounts due for payment	-	1	-	2
Number of accounts paid on time	-	1	-	2
Target for percentage of accounts paid on time	90.0%	90.0%	90.0%	90.0%
Actual percentage of accounts paid on time (based on number of accounts)	-	100%	-	100%
Dollar amount of accounts due for payment	-	\$2,420	-	\$6,600
Dollar amount for accounts paid on time	-	\$2,420	-	\$6,600
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Source: Office of Strategic Lands

*Due date is calculated based on Government terms of payment made by the end of the month following the month in which an invoice is received excluding small business suppliers.

CONSULTANTS

Consultants of value less than \$50,000

Number of engagements	Amount \$
91	\$2,440,973



APPENDIX FOUR

Consultancies of value equal to or more than \$50,000

Name of consultant	Nature of work undertaken	Amount \$
Finance and accounting		
PricewaterhouseCoopers Securities	Risk management advisory, plan reviews, financial advice and budget funding	206,418
TTF Deloitte Access Economics	ePlanning Business Case, WP plan, budget, funding	132,132
Centre for International Economics	PRF fees & economic modelling - production of a standard SIA	174,563
Applied Economics Pty Ltd	Prioritisation method, SIA Guidelines for SRDP	54,545
O'Connor Marsden & Associates Pty Ltd	Internal audit services	51,548
Legal		
Nil		
Information technology		
Nil		
Management services		
Bendelta Pty Ltd	High performance workshop, Performance system development & education	220,655
Capgemini Australia Pty Ltd	ePlanning customer service, HR operating model	182,886
Survey Channel Pty Ltd	Design and facilitation	139,971
McLachlan Lister Pty Ltd	Project Management	59,520
Planning		
Arup Pty Ltd	Traffic analysis - Part 3A Applications	153,047
SGS Economics and Planning Pty Ltd	Part 3A Application - Socio-Economic Analysis	531,381
Deloitte Touché Tohmatsu	Time & cost benchmarking	645,611
Manidis Roberts Pty Ltd	Urban Planning Review - 3A Applications, review report writing - mining	409,899
Aecom Australia Pty Ltd	Master planning: Marsden Park, Catherine Fields, mining assessment, town planning Review 3A Application	263,691
Perception Partners	Strategic communications services	223,451
JBA Urban Planning Consultants Pty Ltd	Council Project Coordinator East Leppington, town planning review 3A application	148,148
Hill PDA Pty Ltd	Socio-economic analysis - Part 3A applications, White paper planning review and delivery	233,508
United States Studies Centre	Future Cities NSW Program	185,875
Jacobs Group (Australia) Pty Ltd	MDA Guidelines PM consultation	156,083
Kinesis Pty Ltd	CCAP precinct licence	177,591
Bugseye Pty Ltd	Strategic communications advice	130,113
Urban Circus Pty Ltd	Improve 3D Modelling Workflow - Visualisation Support	125,342
BIS Shrapnel Pty Ltd	Badgerys Creek Scenario	123,900
Timothy Williams And Associates Pty Ltd	Research on Findings - Super Sydney Conversations	112,046
Law in Order Electronic Pty Ltd	Project MD	101,624
NGIS Australia Pty Ltd	Web based interactive maps	92,620
Red Bean Republic Pty Ltd	Web infrastructure and design	83,125



APPENDIX FOUR

Name of consultant	Nature of work undertaken	Amount \$
GHD Pty Ltd	LEP Acceleration Fund - Area 3	81,575
Urbis Pty Ltd	Town Planning Review - 3A Applications	51,641
Herron Todd White Sydney Pty Ltd	UFM Parramatta & Hills Town, Urban Feasibility Model	77,145
Parsons Brinckerhoff Australia Pty Ltd	Flood, Rip corridors & WC management - Leppington, Traffic assessment services	64,241
TTF Macroplan Australia (NSW) Trust	Far North Coast-Regional Strategy Review, WP expert advice	70,600
Paxus Australia Pty Ltd	Data warehouse and business intelligence projects	68,026
Bienalto Consulting	ePlanning Program, Exempt Development Pilot, Interactive House Development	66,840
Cardno Geotech Solutions	Project Management	71,142
Land Use Planning Strategies Pty Ltd	Planning Advice	64,000
Everjoy Consulting Pty Ltd	Robert Bassett - Spatial (Planning) viewer	66,290
SMS Management & Technology	DP&I ePlanning Portal	55,225
Ernst & Young	LUTI model initial assessment	54,500
URS Australia Pty Ltd	Planning Advice, Chester Hill Site Audit	53,463
Squiz Australia Pty Ltd	DP&I ePlanning portal	51,706
Environmental		
HLCD Pty Ltd	Ashfield LEP heritage review	163,766
Umwelt (Australia) Pty Ltd	Leard Forest Regional Biodiversity Strategy	51,869
Engineering		
Civil Certification	Penrith Lakes - Weir 3 certification	529,557
Organisational review		
The Connolly Partnership Pty Ltd	Stakeholder engagement system advice	118,250
Consulting Bentley Pty Ltd	External engagement strategy	89,368
Training		
UNE Partnerships Pty Ltd	PlanEd Training & Education	55,747
Total number of individual consultancies with a value equal to or more than \$50,000 = 49		7,024,243



Appendix Five



PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 1994* (the Act), section 31, requires each public authority to prepare an Annual Report on the public authority's obligations under the Act. The information to be provided in the Annual Report is outlined in the *Public Interest Disclosures Regulation 2011* section 4. In accordance with the regulation, the following information is provided on the Department's public interest disclosures.

a. Number of public officials who made public interest disclosures to the Department.....	0
b. Total number of public interest disclosures relating to possible or alleged:	
i. Corrupt conduct.....	2
ii. Maladministration	1
iii. Serious and substantial waste of public money.....	0
iv. Government information contraventions.....	0
v. Local government pecuniary interest contraventions.....	0
Total public interest disclosures received.....	3

- | | |
|---|---|
| c. Number of public interest disclosures that have been finalised | 4 |
| d. The Department has an internal reporting policy in place. | |
| e. Actions taken by the Secretary to ensure staff are aware of the Department's policy and the protections under the Act are: | |
| - selected staff attended training conducted by the NSW Ombudsman; | |
| - a detailed information email was sent to all staff about the Act and amendments; and | |
| - a link to the Department's policy has been provided on the Department's intranet. | |

PRIVACY MANAGEMENT

Under the *Privacy and Personal Information Protection Act 1998* (the Act), in the 2013-14 reporting period, there were:

- no requests for access to documents; and
- three applications for internal review about breaches of privacy, of which one was completed and two were carried forward into the 2014-15 reporting period.

The completed review found that an email containing the sender's personal information had been forwarded beyond the Department without the sender's permission, and that this breached an information protection principle of the Act. The Department apologised for the breach, issued a communication to all staff reminding them of their obligations under the Act and undertook to conduct privacy training for relevant staff. The Department subsequently obtained an online training course which deals with the principles and requirements of the Act, and the division involved in the breach completed the training.

The Department continued to distribute the training software to improve the quality and efficiency of redaction capabilities, in order to strengthen privacy procedure and compliance with the Act.

The Department is committed to ensuring the protection of the right to privacy of its staff and clients and has a designated privacy officer. There is a privacy page on the Department's website and an internal site on the Department's intranet, containing privacy guidelines for staff. The Department has a Privacy Management Plan as required under section 33 of the Act. Advice is regularly sought of and provided by privacy staff.

The Privacy Manager can be contacted at:
 23-33 Bridge Street Sydney NSW
 Phone (02) 9228 6116
 Fax (02) 9228 6120



CONSUMER RESPONSE

Six complaints about the Department were registered in the 2013-14 year, and two carried forward from 2012-13. Issues raised included poor customer service, insufficient compliance action, breach of confidence, wrongful planning practices and bias.

Two complaints were found to be substantiated, each in part. One related to a draft email being sent in error. The other alleged ongoing provision to the public of false and misleading information by the Department about the *Draft Exposure Planning Bill 2013*.

Unsubstantiated issues included allegations of insufficient compliance action, with investigations indicating for example proponent compliance with conditions of consent, or the need to encourage proponents in relation to compliance with some conditions, such as noise attenuation. Government information (Public Access)

GOVERNMENT INFORMATION (PUBLIC ACCESS)

Obligations under the GIPA Act

The 2013-14 reporting year was the fourth year of operation of the *Government Information (Public Access) Act 2009* (the GIPA Act).

For administrative purposes, the data below relate to the Department's and the Building Professionals Board's obligations under the GIPA Act. These data are required by clause 7 and Schedule 2 of the GIPA Regulation.

1. Review of proactive release program

Under section 7 of the GIPA Act, agencies must review their programs for the proactive release of government information. Information proactively released by the Department in the 2013-14 year includes the following:

Growth, Planning and Delivery

Regions

- Sydney's Demographic Profile 2013 (pictorial information brochure).
- Alternative Growth Scenarios for Sydney

Diagrams – interactive data 2013.

- NSW State wide Profile 2014 – Information snapshot on the regions of NSW.
- Illawarra Urban Development Program 2013.
- Review into environmental zones on the far North Coast - Interim report and Department's recommendations.
- Far North Coast Residential Sub-market Analysis.

Policy, Strategy and Reform

Local plans, codes and development guidelines

- Information Sheets to explain the operation of the:
 - *State Environmental Planning Policy (Exempt and Complying Development Codes 2008)* for waterways structures;
 - Revised Planning for Paper Subdivisions Guidelines;
- Answers to Questions on Notice and Supplementary Questions to the Legislative Council Select Committee on Social, Public and Affordable Housing.
- Planning Circular on proposed amendment to the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008*.
- Planning Circular on proposed amendments to the *Environmental Planning and Assessment Regulation 2000*.
- Fact Sheets covering the following development types now covered by the Codes SEPP:
 - Advertising and Signage;
 - Temporary Uses and Structures;
 - Waterways Structures, in conjunction with the NSW Roads and Maritime Services Authority;
 - Home Business Food Activity, in conjunction with the NSW Food Authority; and
 - New Fire Safety Code.
- Revised Facts Sheets:
 - General Housing Code;
 - Rural Housing Code; and

- Commercial and Industrial Code.
- Amendment to the Exempt and Complying Development Policy commenced on 22 February 2014:
 - Expansion of commercial and industrial codes (e.g. new industrial buildings, additions to commercial buildings, expanded change of use);
 - Additional exempt development types (advertising and signage and temporary uses and structures); and
 - New notification requirements for neighbours in residential areas (to encourage greater communication between applicants and neighbours).
- Updating website layout and content to reflect recent changes to the policy

Development Assessment & Systems Approval

- Upper Hunter Strategic Assessment - Terms of Reference - exhibition 31 May 2013 to 5 July 2013.
- *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Resource Significance) 2013* - exhibition 29 July 2013 to 12 August 2013.
- *State Environmental Planning Policy (Infrastructure) Amendment (Light Rail) 2013* - exhibition 29 August 2013 to 12 September 2013.
- *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) Amendment (Coal Seam Gas) 2013* - exhibition 4 October 2013 to 8 November 2013.
- *SEPP (Infrastructure) Amendment (Shooting Ranges) 2013* - exhibition 21 October 2013 to 2 December 2013.
- *State Environmental Planning Policy (Port Botany and Port Kembla) Amendment (Port of Newcastle) 2013* - exhibition 26 November 2013 to 16 December 2013.
- *State Environmental Planning Policy (Infrastructure) Amendment (Sport and Recreation) 2013* - exhibition 10 December 2013 to 31 January 2014.
- *State Environmental Planning Policy Amendment (Newcastle) 2014* - exhibition 4 April 2014 to

17 April 2014.

ICT and ePlanning

- EHC User Guide - August 2013, November 2013, February 2014, May 2014.
- EHC DL Flyers - attic conversion, in-ground pool, lodging development applications, deck, garage, fence, driveway, shed.
- EHC DL Fliers - General information plus magnet.
- EHC promotional video.
- EHC 'How to' videos - Investigate your options, Prepare your application, Submit for consideration, Lodge and track your application, Assess an application.
- EHC stakeholder video - Mid-Western Regional Council.
- EHC stakeholder video - Manly Council.
- EHC mouse pad - includes website address.
- Councils involved in the EHC project - updated map.
- EHC Call for Certifiers - September 2013, May 2014.
- EHC Avant Card Postcard.
- ePlanning video - NSW Planning Portal.
- ePlanning Glossary of Terms.
- Spatial Data Download - Planning & Environment provides free planning spatial datasets for downloading into a Geographic Information System (GIS)
<http://www.planning.nsw.gov.au/spatial-datadownload>.
- BASIX target review website - overview and supporting documents for public exhibition.
- University of Canberra BASIX user survey.
- BASIX - Rous Water Performance Report.
- BASIX newsletters - October 2013 (3 newsletters), December 2013, January 2014, March 2014, May 2014 and June 2014.



Planning Strategies, Housing and Infrastructure

Housing & Infrastructure

- Marsden Park Precinct (North West Growth Centre).
- Marsden Park Community Update 4.
- Marsden Park precinct planning package gazetted and Guide to Rezoning.
- Marsden Park North precinct release letter.
- Marsden Park North precinct FAQ.
- Riverstone East Precinct (NWGC).
- Riverstone East precinct release letter, map, access form, FAQ (mailout).
- Riverstone East precinct FAQ and Community Update 1 (mail & web).
- Riverstone East precinct workshop discussion paper (mail & web).
- Riverstone East precinct land owner information session presentation (web & in person).
- Riverstone East precinct workshop feedback (web).
- Vineyard Precinct (NWGC).
- Vineyard precinct release letter, map, access form, FAQ (mailout).
- Vineyard precinct FAQ and Community Update One (mail & web).
- Vineyard precinct workshop discussion paper (mail & web).
- Vineyard precinct land owner information session presentation (web & in person).
- Vineyard precinct workshop feedback (web).
- Catherine Fields (part) Precinct (SWGC).
- Catherine Fields (part) precinct planning package gazettal letter (mailout)
- Catherine Fields (part) precinct Guide to Rezoning (mail & web).
- Leppington Precinct (SWGC).
- Leppington Community Update 4 (mail & web).
- Leppington precinct planning workshop presentation (web & in person).
- Rickard Road Strategic Route Study – Preferred route report (web).
- Ingleside (Pittwater LGA).
- Ingleside newsletters (Editions 1, 2 and 3).
- Ingleside Planning Workshop Discussion Paper and Outcomes Report.
- Employment Typology Study and Outcomes.
- Broader Western Sydney Employment Area Enquiry by Design Workshop outcomes.
- Broader WSEA exhibition package, brochures, and FAQs.
- North West Rail Link Corridor Strategy and Structure Plans for the following precincts: Cherrybrook Station, Castle Hill Station, Showground Station, Norwest Station, Bella Vista Station, Kellyville Station, Rouse Hill Station and Cudgegong Road Station.
- North Ryde Station Precinct – Finalisation Report, information brochure, FAQs, presentations to the Community Reference Group, media releases.
- Epping Town Centre Precinct - Finalisation Report, information brochure, FAQs.
- Wentworth Point Precinct – Planning Proposal, Planning Report Vol 1 and 2, brochures and FAQs, Finalisation Report.
- Carter St Lidcombe Precinct - Planning Proposal, Planning Report Vol 1 and 2, exhibition brochure.

Centre for Demography, Research and Policy

- *NSW in the future: Preliminary 2013 Population Projections*. This release included a report, downloadable spreadsheets, interactive maps on the Department's websites, and fact sheets.
 - *2014 NSW and Local Government Area Population Household and Dwelling Projections 2011-31*. This release included the following:
 - a series of five fact sheets;
 - interactive maps on the Department's website;
 - downloadable data files;
 - a series of technical papers, FAQs and user guide (15 papers); and
 - NSW Population Bulletin issues released in October 2013 and June 2014.
 - Monthly Housing Monitors.
 - Quarterly Housing Monitors.
 - Annual Employment Lands Audit.
- and media release on BASIX review.
 - Release of online maps, updates, implementation reports, fact sheets, media releases and stakeholder newsletters about installation of sprinklers in aged care facilities.
 - Release of a draft Planning Circular, Q&As, stakeholder communications/ information session and media release on planning for coastal hazards.
 - Release of investigation report, Frequently Asked Questions and media release on mine subsidence in the Sugarloaf State Conservation Area, in the NSW Hunter Valley.
 - Release of interactive online maps, extensive fact sheets and graphics, presentations and stakeholder communications/newsletters/ information sessions on the NSW Population, Household and Dwelling Projections.

Community & Stakeholder Engagement

- Release of Illawarra discussion paper, brochure, fact sheet, video, interactive website and media release.
- Publication of brochures, fact sheets, stakeholder communications and media releases on Strategic Regional Land Use Policy (including CSG exclusion zones, Critical Industry Clusters, Strategic Agricultural Land, Mining & Petroleum Gateway Panel).
- Publication of brochures, fact sheets, newsletters, media releases, letters of support on the Planning Bill 2013.
- Release of a detailed submissions report and stakeholder responses on the White Paper and a summary of key changes to the Bill.
- Publication of two brochures, more than 25 information sheets, media release, summary of submissions and stakeholder communications/ information sessions on expansion of exempt and complying development.
- Publication of a brochure, industry and community Frequently Asked Questions documents, online survey, web pages, stakeholder communications



2. Number of access applications received (GIPA Act)

The Department received 134 access applications during the year. This includes withdrawn applications (nine) and applications which were invalid when initially received but subsequently became valid (three), but does not include transferred applications (eight) or applications which remained invalid (three).

Twelve applications were brought forward from 2012-13 (11 decided, one withdrawn) and 12 applications were carried forward into the 2014-15 year.

One hundred and thirty four access applications were decided in the year including withdrawn applications, and no supplementary decisions were made. A breakdown of this data is contained in Tables A and B.

3. Number of refused applications for Schedule 1 information (GIPA Act)

During 2013-14, the Department refused 13 applications (one in full 12, in part) because they requested Schedule 1 information for which there is conclusive presumption of overriding public interest against disclosure. A breakdown of these data is contained in Table D.

Schedule 1 criteria were employed 18 times, twice in five applications.

Statistical information about access applications

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	3	3	0	1	0	1	0	3
Members of Parliament	3	2	0	1	0	1	0	0
Private sector business	21	3	4	4	0	2	0	1
Not-for-profit organisations or community groups	5	3	1	2	0	1	0	1
Members of the public (application by legal representative)	17	8	3	7	0	1	0	2
Members of the public (other)	15	3	2	7	0	1	0	2
Total	64	22	10	22	0	7	0	9

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

Table B: Number of applications by type of 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
Personal information applications*	2	0	0	1	0	0	0	0
Access applications (other than personal information applications)	61	23	9	22	0	7	0	9
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0
Total	63	23	9	23	0	7	0	9

*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).

APPENDIX FIVE

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	6
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	6
Invalid applications that subsequently became valid applications	3

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	4
Executive Council information	6
Contempt	0
Legal professional privilege	8
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is 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 section 14 of the Act

	Number of times when application not successful
Responsible and effective government	8
Law enforcement and security	0
Individual rights, judicial processes and natural justice	12
Business interests of agencies and other persons	8
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory time frames (20 days plus any extensions)	114
Decided after 35 days (by agreement with applicant)	9
Not decided within time (deemed refusal)*	2
Total	125

*For each application not decided within time, a late decision was made under section 63(2) of the Act.



Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	3	3	6
Review by Information Commissioner*	0	4	4
Internal review following recommendation under section 93 of the Act	0	0	0
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0
Total	3	7	10

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made. This table only lists the number of applications with completed reviews.

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

*This table lists the number of review applications decided. Thirteen review applications were made, of which three were withdrawn from the NSW Civil and Administrative Tribunal.

Appendix Six



RESEARCH AND DEVELOPMENT

The Department's Centre for Demography, Economics and Research conducts work in the areas of demography, economics, data analysis and modelling, and strategic planning to inform the decisions required to meet NSW's long term growth challenges. The Centre undertook the following research and development during 2013-14, as outlined below.

Centralisation of data warehouse and business intelligence

A project was undertaken to enable the production of more intelligent system for reporting on housing supply in NSW. Phase one of the project, conducted between March and June 2014, used cloud based technology to build a central warehouse of historical and future housing supply data. Using this technology has improved the accuracy and currency of data, and increased turn-around-times for reporting. Phase two of the project, to be conducted over 2014-15, will stabilise technology solutions, enhance reporting capabilities, integrate the system with ePlanning services and extend it to a broader range of the Centre's work.

Fertility levels and intentions

During March and June 2014, evidence was collated to evaluate the future fertility levels and intentions of women in NSW. The research will inform future fertility assumptions used in the NSW Population, Housing and Dwelling Projections, a detailed assessment of how our population is expected to change over the next 20 years.

NSW internal migration database

Commencing in April 2014, and over a period of four months a system was developed to integrate NSW internal migration data from Australia's census for varied temporal and spatial scales, enabling the extraction of summary internal migration information for a specified area(s).

The changing distribution of the NSW population and its drivers

Commencing in April 2014, and over a period of four months research was conducted to synthesise information about the dynamics of recent population change in NSW, consider the underlying drivers of this change and to identify the implications for regional development and policy.

Movement of people in regional NSW, 2006-11

During November 2013 and June 2014, research was conducted into the major factors influencing local economic and demographic change in non-metropolitan NSW in order to identify the main drivers of net migration in regional Local Government Areas.

ePlanning

Validating and improving the BASIX energy assessment tool for low carbon living, 2014-17

The Department is participating in this four-year project together with the University of New South Wales, the Commonwealth Department of Industry, the NSW Office of Environment and Heritage and the City of Sydney. The project, which is funded by the Cooperative Research Centre for Low Carbon Living, monitors the energy consumption of BASIX-compliant houses and units after occupation. The findings will assist in identifying areas where the BASIX assessment tool can be improved, and will inform future sustainability policies.



Australian Urban Research Infrastructure Network (AURIN) Urban Housing Lens, 2010-14

AURIN is a national collaboration delivering e-research infrastructure to empower better decisions for Australia's urban settlements and their future development. Led by the University of Melbourne and funded by the Commonwealth Government's Education Investment Fund and the National Collaborative Research Infrastructure Strategy, AURIN is a \$24 million project to build e-research infrastructure to enable a better understanding of the current state of Australia's cities and towns, and what is required to meet the challenges that they face.

WASTE MANAGEMENT

The Department is committed to sustainable practices and meeting its obligations under the NSW Government's Waste Reduction and Purchasing Policy and is continually seeking to reduce waste and promote recycling and reuse.

The Department's head office is located at 23-33 Bridge Street, Sydney, where 58 per cent of staff work. Under the National Australian Built Environment Rating System (NABERS), managed by the NSW Office of Environment and Heritage, the Bridge Street building retains the following ratings:

- 5 star energy rating;
- 4 star water rating; and
- 4.5 star energy efficiency rating.

During the 2013-14 reporting year the Department's head office recycled 22.5 tonnes of paper, 3.7 tonnes of cardboard and 1.1 tonnes of comingled containers. This equates to a saving of:

- 1,042 trees;
- 67 barrels of oil;
- 473 gigajoules of energy; and
- 839 kilolitres of water.

Through our association with post-consumer recycling provider Close the Loop, the Department has recycled 241.6 kilograms of toner cartridges which would otherwise have gone to landfill.

The Department also utilises its electronic document and records management system (EDRMS), intranet

and other technologies to workflow and publish documents electronically rather than printing hard copies. The majority of photocopiers are set to double-sided printing as a defaulted setting. Where practicable, the Department purchases paper with a high recycled content.

The Department's other offices implement sustainability measures under its toner cartridge recycling and EDRMS programs. As these offices are located in commercial, multi-tenanted premises, it is difficult to measure their performance on other measures independently of other tenants.

INTERNATIONAL TRAVEL

John Hudson and Peter Holt visited Copenhagen between 1 July 2013 and 8 July 2013 to study the adoption of technology in the Danish planning system.

Abbreviations

AASB	Australian Accounting Standards Board	EEO	Equal Employment Opportunity	NPWS	National Parks and Wildlife Services
ALC	Aboriginal Land Council	ELDP	Employment Lands Development Program	NCAT	NSW Civil and Administrative Tribunal
ARC	Audit and Risk Committee	EPA	Environmental Protection Authority	OEH	Office of Environment and Heritage
ARMC	Audit and Risk Management Committee	EPI	Environmental Planning Instrument	OLG	Office of Local Government
AURIN	Australian Urban Research Infrastructure Network	EUA	Environmental Update Agreement	OSL	Office of Strategic Lands
BAF	Business Advisory Forum	FACS	Department of Family and Community Services	PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
BASIX	Building Sustainability Index	FTE	Full-time Equivalent	PSA	Public Service Association
BPB	Building Professionals Board	GIPA	<i>Government Information (Public Access) Act</i>	PSC	Public Service Commission
CAE	Chief Audit Executive	GIS	Geographic Information System	RAPs	Regional Action Plans
CALD	Culturally and Linguistically Diverse	GST	Goods and Service Tax	RPA	Relevant Planning Authority
CBD	Central Business District	HTML	Hypertext Markup Language	SEPP	State Environmental Planning Policy
CE	Chief Executive	HR	Human Resources	SES	Senior Executive Service
CEO	Chief Executive Officer	ICAC	Independent Commission Against Corruption	SHFA	Sydney Harbour Foreshore Authority
CICs	Critical Industry Clusters	ICT	Information and Communications Technology	SICEEP	Sydney International Convention Exhibition and Entertainment Precinct
CIV	Capital Investment Value	INSW	Infrastructure NSW	SMC	Senior Management Council
CMS	Content Management Scheme	IT	Information Technology	SRDF	Sydney Region Development Fund
COAG	Council of Australian Governments	JCC	Joint Consultative Committee	TC	Treasury Circular
CSG	Coal Seam Gas	JRPP	Joint Regional Planning Panel	TMF	Treasury Management Fund
DA	Development Application	LEP	Local Environmental Plan	UAP	Urban Activation Precinct
DCP	Development Control Plan	M2	M2 motorway (also known as the Hills M2 motorway)	XML	Extensible Markup Language
DFS	Department of Finance and Services	NBH	Northern Beaches Hospital	WHS	Work Health and Safety
DPC	Department of Premier and Cabinet	NDIS	National Disability Insurance Scheme	WSEA	Western Sydney Employment Area
E zones	Environmental zones			YPPG	Young Planning Professionals Group
EDRMS	Electronic Document and Records Management System				



Index

A		D		H	
abbreviations	190	development assessment outcomes	29	Herring Road, Macquarie Park Urban Activation Precinct	25
about us	5	digital information security	170	Housing Acceleration Fund	44
account payment performance	176	disability plans	156	housing approvals	21
Acts - new and amended	159	E		housing commencements	22
aged care sprinkler installation	49	economic or other factors	175	housing completions	22
annual report expenditure	2	educational workshops for mine staff	33	housing supply	21
Anzac Parade South Urban Activation Precinct	25	employment land audit	36	housing types	22
appendices	150	Employment Lands Development Program	35	human resources	151
Application Tracking (eplanning)	47	eplanning		Independent Auditor's Report - Building Professionals Board	149
Arncliffe Urban Activation Precinct	25	181,197		Independent Auditor's Report - Corporation Sole for the Minister Administering the Environmental Planning and Assessment Act 1979	116
Ashfield LEP independent review	17	Epping Town Centre Urban Activation Precinct	24	Independent Auditor's Report - Department of Planning and Environment	96
Aston Coal 2 Pty Ltd	170	Erskine Park Food Processing Facility	31	I	
Atlas-Campaspe Mineral Sands audit campaign (potentially hazardous industry projects)	33	exceptional movements in salaries and wages	151	industrial relations policies and practices	152
B		exempt and complying development	48	infrastructure plans	42
Banksia Urban Activation Precinct	25	F		International travel	188
BASIX	48	female principal officers	151	Insurance	169
Bella Vista Station Urban Activation Precinct	25	Finance and Operations Division	175	J	
bilateral arrangements on environmental assessments and approvals	36	financial statements - Building Professionals Board	130	Joint Regional Planning Panels	37
blast fume management	33	financial statements - Corporation Sole for the Minister Administering the Environmental Planning and Assessment Act 1979	88	judicial decisions (summary of significant decisions)	168
Boggabri Coal Pty Limited	33	financial statements - Department of Planning and Environment	51	K	
Broader Western Sydney Employment Area	35	Future Cities NSW Program	50	Kellyville Station Urban Activation Precinct	25
Building Professionals Board Annual Report	118	G		L	
C		gateway process	16	land disposal	175
Carter Street, Lidcombe Urban Activation Precinct	25	General Counsel and Legal Services	158	land release (greenfield)	26
CBD Light Rail	43	GIPA Act	182	legal change	158
Centre for Demography, Economics and Research		government information	182	legislation administered by the Department	6
Community and Stakeholder Engagement	7	Gosford Waterfront	19	letter to the Ministers	2
compliance activity	32	grants to non-government community organisations	175	Local Development Performance Monitoring Report	50
consultancy expenditure	176	growth centres	26	local environmental plan making	12
consumer response	182	Glass Recovery Services Pty Ltd	33	Local Infrastructure Growth Scheme	44
contact details	194	Growth Design and Programs Division	6		
controlled entities and subsidiaries	175				
credit card use	175				
critical industry clusters	16				
CSG exclusion zones	16				



M

mapping the budget website	46
Metropolitan Greenspace Program	46
Metropolitan Strategy for Sydney	11
mining projects (recognising economic benefits)	36
multicultural policies and services	156
Murray Goulburn Milk Plant	31

N

Newcastle City Centre	18
North Ryde Station Urban Activation Precinct	24
North West Rail Link Strategy	26
Northbank Enterprise Hub	32
Northern Beaches Hospital Project	43
northern councils environmental zoning review	16
<i>NSW 2021</i> responsibilities	8

O

Office of Environment and Heritage	6
Office of Local Government	6
Office of Strategic Lands	18
other gains/(losses)	172
Oxford Falls Valley (strategic planning review)	17

P

Pacific Highway Upgrade - Woolgoolga to Ballina	43
performance monitoring	157
personnel policies and practices	152
personnel services provided to Public Service executive agencies	6
pipeline for housing	23
PlanEd	49
Plan Shapers	49
planning agreements	45
Planning and Environment cluster	6
planning excellence	49
Planning Services Division	6
policies to support housing	24
Policy and Strategy Division	6
Population, Household and Dwelling Projections	10
ports planning	36
pre-gateway reviews	15
privacy management	181
public interest disclosures	181

R

Randwick Urban Activation Precinct	25
regional housing highlights	26
regional development	37
regional employment highlights	39
regional growth planning	10
research and development	189
review of biodiversity offsets	32
risk management	169

S

Sharing Sydney Harbour Access Program	46
Secretary's foreword	3
senior executives	152
Showground Station Urban Activation Precinct	25
Special Infrastructure Contributions	46
staff	151
Standard Instrument Local Environmental Plans	12
State Significant Infrastructure development application decisions	43
State wide Profile	11
strategic infrastructure planning	42
strategic planning reviews	17
Strategic Regional Land Use Policy	16
structure chart	7
Sutherland LEP independent review	17
Sydney Harbour Foreshore Authority	6,153
Sydney International Convention Exhibition and Entertainment Precinct	31

U

urban revitalisation	18
----------------------	----

W

waste reduction	190
website access	156
Wentworth Point Urban Activation Precinct	24
work health and safety	155
workforce diversity	154



Contact Information

DEPARTMENT OF PLANNING AND ENVIRONMENT

HEAD OFFICE

23-33 Bridge Street
Sydney NSW 2000
GPO Box 39
Sydney NSW 2001
Tel: (02) 9228 6111
Fax: (02) 9228 6455
information@planning.nsw.gov.au

INFORMATION CENTRE

23-33 Bridge Street
Sydney NSW 2000
GPO Box 39
Sydney NSW 2001
Tel: (02) 9228 6333 or
1300 905 695
Fax: (02) 9228 6555
Information@planning.nsw.gov.au

TRANSLATING AND INTERPRETING SERVICE

Please telephone 131 450. Ask for an interpreter in your language and request to be connected to (02) 9228 6333 - Department of Planning & Environment Information Centre.
Local call costs from fixed phones.
Call rates from mobiles at applicable rates.

ACCESS

Business hours for the Department of Planning and Environment are 9am to 5pm Monday to Friday.
ABN 38 755 709 681

CLUSTER AGENCIES

OFFICE OF ENVIRONMENT & HERITAGE

HEAD OFFICE

59-61 Goulburn Street
Sydney NSW 2000
PO Box A290
Sydney South NSW 1232
Tel: (02) 9995 5000
Fax: (02) 9995 5999
www.environment.nsw.gov.au
Details of Sydney and Regional offices are listed on the website above.

OFFICE OF LOCAL GOVERNMENT

HEAD OFFICE

5 O'Keefe Avenue
Nowra NSW 2541
Locked Bag 3015
Nowra NSW 2541
Tel: (02) 4428 4100
Fax: (02) 4428 4199
dlg@dlg.nsw.gov.au
www.dlg.gov.au



CONTACT INFORMATION

SYDNEY REGION

SYDNEY EAST REGION

4-6 Bligh Street
Sydney NSW 2000
GPO Box 39
Sydney NSW 2001
Tel: (02) 9228 6333
Fax: (02) 9228 6244

SYDNEY WEST REGION

Level 5, 10 Valentine Ave
Parramatta NSW 2150
GPO Box 39
Sydney NSW 2001
Tel: (02) 9860 1560

NORTHERN REGION

GRAFTON OFFICE

Level 3, 49 Victoria Street
Locked Bag 9022
Grafton NSW 2460
Tel: (02) 6641 6600
Fax: (02) 6641 6601

TAMWORTH OFFICE

Level 3, Noel Park House
155-157 Marius Street
PO Box 550
Tamworth NSW 2340
Tel: (02) 6701 9689
Fax: (02) 6701 9690

HUNTER AND CENTRAL COAST REGION

GOSFORD OFFICE

Level 3, 107 Mann Street
PO Box 1148
Gosford NSW 2250
Tel: (02) 4348 5000
Fax: (02) 4323 6573

NEWCASTLE OFFICE

PricewaterhouseCoopers Centre
Level 2,
26 Honeysuckle Drive
PO Box 1226
Newcastle NSW 2300
Tel: (02) 4904 2700
Fax: (02) 4904 2701

SINGLETON OFFICE

Suite 14, Level 11
Civic Avenue
PO Box 3145
Singleton NSW 2330
Tel: (02) 6575 3405
Fax: (02) 6575 3415

SOUTHERN REGION

WOLLONGONG OFFICE

Level 2, 84 Crown Street
PO Box 5475
Wollongong NSW 2520
Tel: (02) 4224 9450
Fax: (02) 4224 9470

QUEANBEYAN OFFICE

Level 1, 11 Farrer Place
Queanbeyan NSW 2620
PO Box 5475
Wollongong NSW 2520
Tel: (02) 6456 7133
Fax: (02) 6229 7901

ALPINE RESORTS

Shop 5A
Snowy River Avenue
PO Box 36
Jindabyne NSW 2627
Tel: (02) 6456 1733
Fax: (02) 6456 1736

WESTERN REGION

DUBBO OFFICE

Area 1, Level 1
188 Macquarie Street
PO Box 58
Dubbo NSW 2830
Tel: (02) 6841 2180
Fax: (02) 6884 8483

BUILDING PROFESSIONALS BOARD

Level 3, 3 Marist Place
Parramatta NSW 2150
PO Box 3720
Parramatta NSW 2124
Tel: (02) 9873 8537
Fax: (02) 9873 8517
bpb@bpb.nsw.gov.au

