



Regional Growth NSW
Development Corporation

The background of the cover is a photograph of a landscape at sunset or sunrise. In the foreground, there are tall, golden-brown grasses. In the middle ground, a large, dark sculpture of a bird with its wings spread is perched on a rectangular pedestal. The background shows more trees and a clear blue sky. A large, semi-transparent white circle is centered over the image, containing the text 'ANNUAL REPORT 2021'.

ANNUAL REPORT
2021

Regional Growth NSW Development Corporation

ABN: ABN 48 270 349 177

Post: PO Box 99
Queanbeyan
NSW 2620

Ph: 1300 764 466

E: info@rgdc.nsw.gov.au

Web: www.rgdc.nsw.gov.au

We pay respect to the traditional custodians and first peoples of NSW, and acknowledge their continued connection to their country and culture.

This annual report has been produced by Regional Growth NSW Development Corporation staff. The annual report outlines business activities and financial transactions undertaken in financial year 2020-21. It is available to the public as an electronic report and can be accessed on the Regional Growth NSW Development Corporation website www.rgdc.nsw.gov.au

30 November 2021

Contents

Regional Growth NSW Development Corporation	2
Letter of submission	4
About us	5
Our role and purpose	5
Goals and objectives	6
Governance	8
Management structure	9
Year in review	9
Parkes	10
Wagga Wagga	10
Precincts in development	10
Additional information	11
Financials	14
Independent auditors report	15
Audited financial statements	16
Budget	17
Budget FY 2021	18
Budget forecast – FY 2022	19
Appendices	20
Appendix A - Internal audit and risk management policy attestation	21
Appendix B - Cyber Security Policy attestation	22

Letter of submission

Friday, 29 October 2021

The Hon. Paul Toole MP
Deputy Premier
Minister for Regional New South Wales and Minister for Regional Transport and Roads

52 Martin Place
SYDNEY NSW 2000

Dear Deputy Premier,

Please find enclosed the annual report of the Regional Growth NSW Development Corporation for the year ended 30 June 2021.

The report details the corporation's work, achievements and relevant statutory and financial information.

It has been prepared for submission to Parliament under *the Annual Reports (Statutory Bodies) Act 2010* and the applicable provisions of the *Public Finance and Audit Act 1983*.

Yours sincerely,



Rebecca Fox
Chief Executive
Regional Growth NSW Development
Corporation

About us

The corporation was created under the *Growth Centres (Development Corporations) Act 1974 No 49* on 28 June 2019 and reports to the Deputy Premier and Minister for Regional NSW, and Minister for Regional Transport and Roads, The Hon. Paul Toole MP.

We are delivering on the NSW Government's bold commitment to drive economic growth and prosperity in regional NSW through Special Activation Precincts.

Special Activation Precincts are areas with the potential to activate significant economic development and job creation through streamlined planning and government-led infrastructure development supported by a business concierge service.

There are two precincts under delivery: Parkes and Wagga Wagga, and four precincts under development: Moree, Snowy Mountains, Williamtown and Narrabri.

The initial planning and infrastructure for the precincts is being delivered as part of the \$4.2 billion Snowy Hydro Legacy Fund.

Our role and purpose

The corporation's key responsibilities are outlined in the *Growth Centres (Development Corporations) Act 1974* and include:

- promoting, coordinating, managing and securing the economic development of the growth centre
- submitting proposals to the NSW Government with respect to the development and use of land within the growth centre
- advising NSW Government with respect to the planning, development, promotion, coordination and management of the growth centre.

The NSW Government has identified 'engine industries' that will drive regional NSW economies over the next 20 years. These include seven established sectors, and three emerging sectors.

The corporation has been tasked with driving these engine industries through our Special Activation Precincts. These build on the existing strengths and market capabilities of each region while offering opportunities to innovate and value-add.

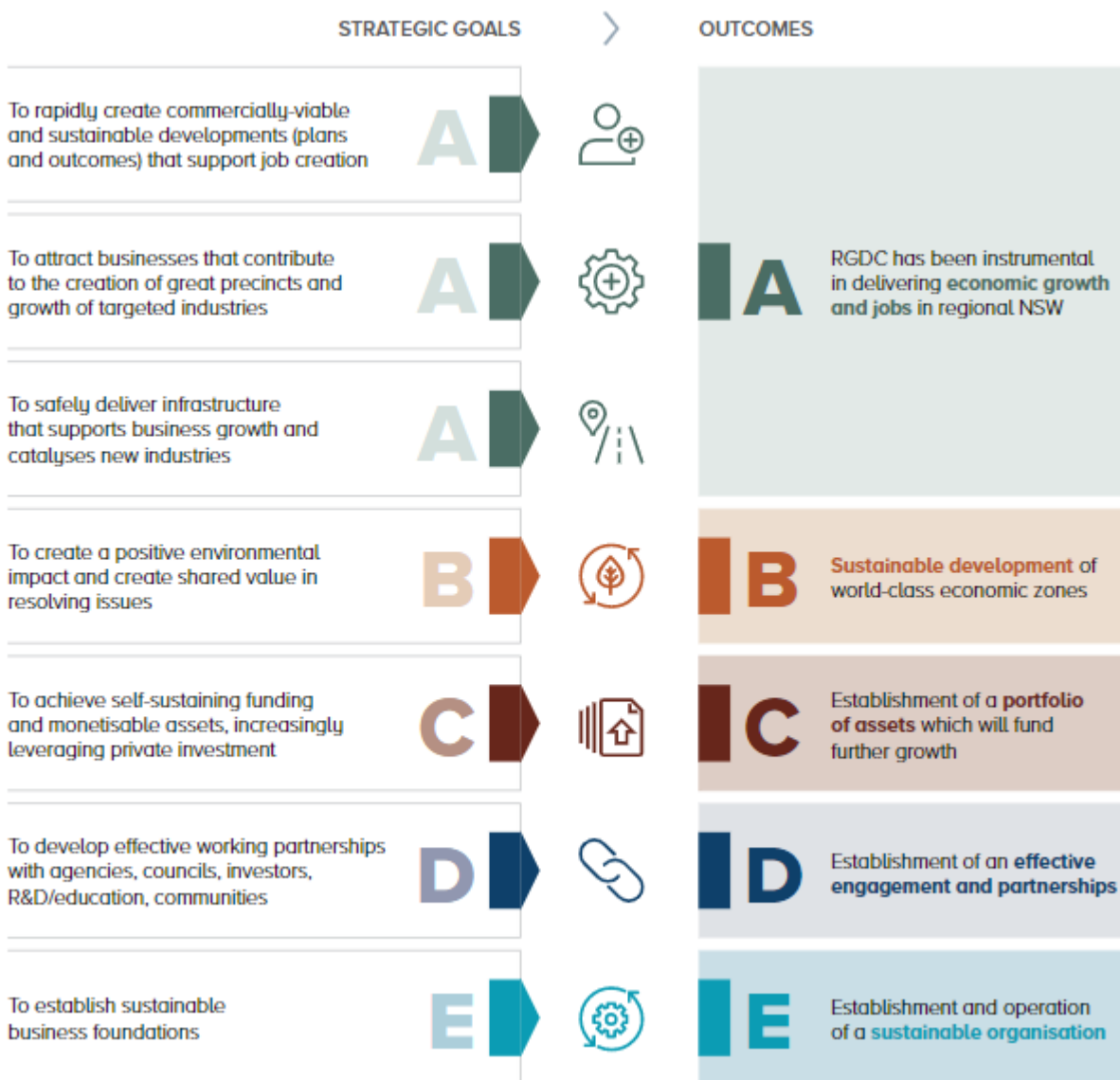
In the wake of the global COVID-19 pandemic, the NSW and Australian governments have a renewed focus on advanced manufacturing and national supply chains to reduce our reliance on imports.

The precincts provide the ideal location for businesses looking to set up or grow in NSW. Government support, government-led infrastructure investment and a business concierge service will create a more conducive environment for direct investment in new businesses in regional NSW.

The corporation works extensively with the Department of Regional NSW, Department of Planning, Industry and Environment and Local Councils to research, plan and deliver precincts which will become the centres of economic growth and development in these regions for decades to come.

Goals and objectives

Regional Growth NSW Development Corporation is focused on seven strategic goals.



The seven key goals are supported by strategies which are driven by major initiatives. Each of these will be led by an internal accountable sponsor who will develop management plans and measures of success.

KEY STRATEGIES TO PROGRESS STRATEGIC GOALS

GOALS

STRATEGIES

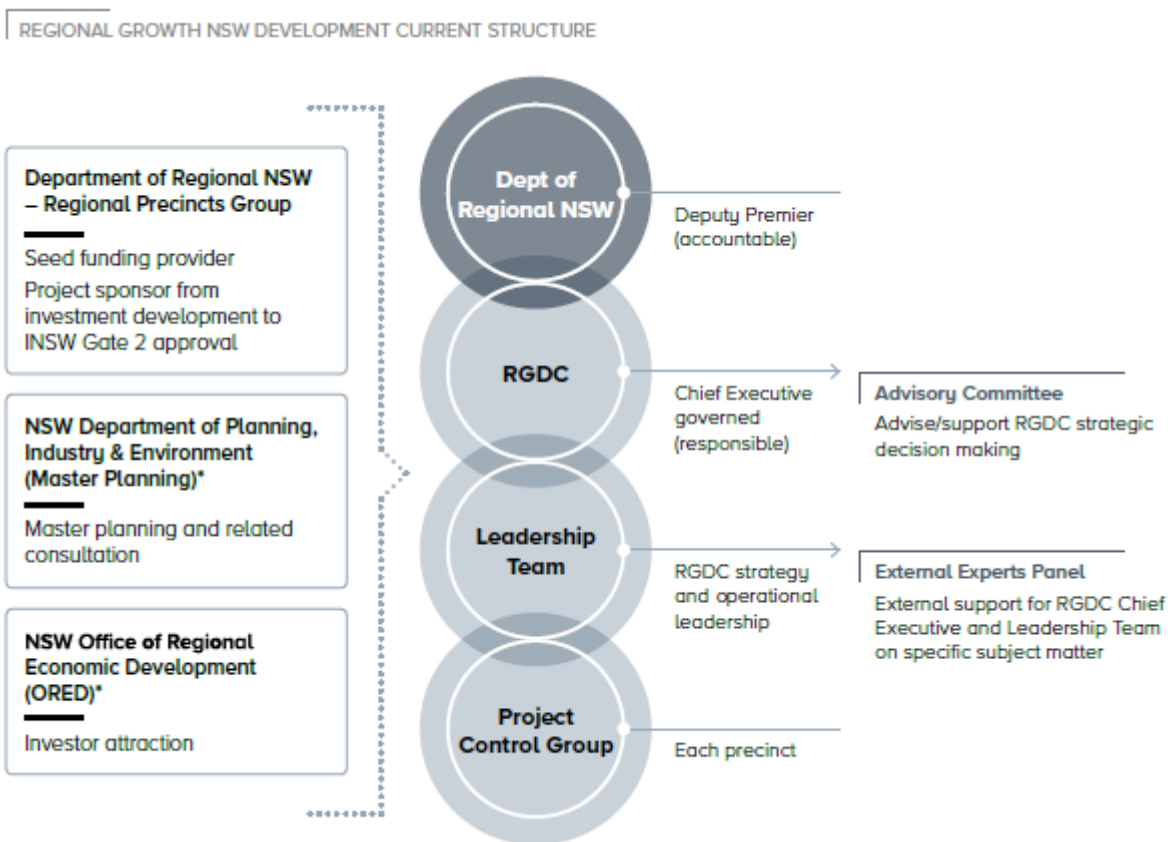
A 	We will rapidly create commercially-viable and sustainable developments (plans and outcomes) that support job creation	<ul style="list-style-type: none"> • Fast-track plans for enabling infrastructure • Prepare land for development • Implement investment strategies aimed at targeted growth sectors • Aim for private development to coincide with phased infrastructure construction • Secure anchor tenants for energy from waste and hydrogen generating facilities and other catalyst projects
	We will attract businesses that contribute to the creation of great precincts and targeted industries	<ul style="list-style-type: none"> • Work collaboratively across government to attract and convert key investors • Connect investors, developers, other government departments and local communities • Develop delivery plans which remove red tape and support economic development
	We will safely deliver infrastructure that supports business growth and catalyses new industries	<ul style="list-style-type: none"> • Accelerate the provision of enabling infrastructure which will stimulate further development • Partner with investors and industry to provide anchor tenants and energy providers
B 	We will create a positive environmental impact and create shared value in resolving issues	<ul style="list-style-type: none"> • Deliver precincts and prioritise investment towards establishing a foundation of circular economy and environmental sustainability • Support businesses to establish B2B connections which maximise economic benefits of being located within a precinct
C 	We will achieve self-sustaining funding and monetisable assets, increasingly leveraging private investment	<ul style="list-style-type: none"> • Accelerate the delivery of catalyst projects which support value uplift within the precincts and ensure long term economic sustainability of each precinct • Invest government funding in projects and infrastructure which present the greatest return for each precinct and incentivises private investment where possible
D 	We will develop effective working partnerships with agencies, councils, investors, R&D/education, communities, etc.	<ul style="list-style-type: none"> • We will effectively manage stakeholder relations through shared knowledge (database) and regular contact • We will respond to queries in a timely manner • We will manage multiple communication channels so information is readily available • We will partner with a range of stakeholders who can assist in realising the vision for each precinct.
E 	We will establish sustainable business foundations	<ul style="list-style-type: none"> • We will adopt whole of life precinct governance • We will adopt long term financing and funding approaches

Governance

Regional Growth NSW Development Corporation is governed by the *Growth Centres (Development Corporations) Act 1974 No 49*.

The corporation is a chief executive-governed entity, as provided for by the Act.

The responsible Minister is the Deputy Premier, Minister for Regional New South Wales, and Minister for Regional Roads and Transport. The key entities which form part of the corporation’s broader governance structures are outlined in the figure below.

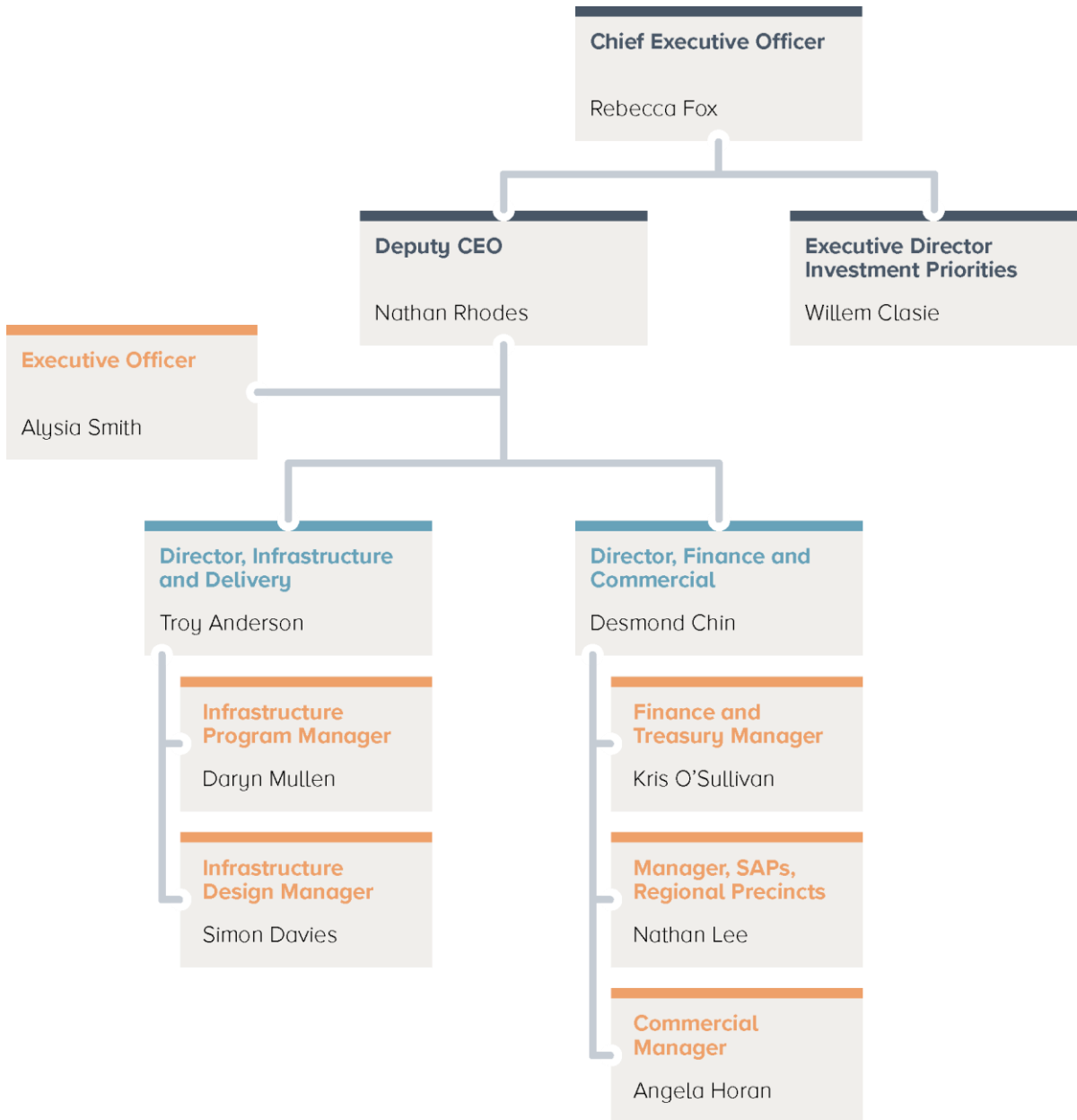


In the last financial year, corporate support services were provided by the Department of Regional NSW (DRNSW). These corporate support services include frameworks, procedures, processes, and processing pertaining to governance, risk management, procurement, finance, human resources, legal support and ICT support amongst others. The corporation has worked closely with DRNSW to operate within these frameworks to ensure all activities complied with relevant laws and directions, while meeting community expectations of probity, accountability and transparency.

During the past year we have worked closely with partner NSW Government agencies and entities to deliver a fluid stakeholder and community engagement framework from planning to delivery of Special Activation Precincts.

This has included supporting the master planning team during key community engagement activities, contributing to program planning and collaborating with external agencies delivering infrastructure aligned with or impacted by Special Activation Precincts.

Management structure



Year in review

Regional Growth NSW Development Corporation’s focus for the 2021 financial year has been progressing delivery of the Special Activation Precincts in Parkes and Wagga Wagga. Additionally, the corporation has been supporting planning of precincts in development in Moree, Snowy Mountains, Williamtown and Narrabri.

Parkes

Land acquisition in the Parkes Special Activation Precinct continued through the 2020-21 financial year, with landowner engagement yielding a positive result for the corporation.

In July 2020 the precinct masterplan was finalised and the corporation received responsibility for the delivery of enabling infrastructure and investment attraction.

Beginning in October 2020, the corporation engaged the market to procure a developer for the commercial gateway sub-precinct. The sub-precinct provides a transition between the precinct's industry uses and the township of Parkes.

Early market engagement began to scope delivery of an energy from waste facility in the precinct, central to establishing a circular economy in line with sustainability aspirations for the precinct. The corporation launched an invitation for proposal in March 2021. This procurement process will be ongoing and culminate with the selection of a successful consortium of industry-leading businesses to deliver an integrated facility.

In April 2021 the corporation awarded the design and construction contract for the precinct to Fulton Hogan. This package of work includes a range of enabling infrastructure items including road upgrades, utilities and services, precinct drainage improvements and electrical upgrades. Once complete, the new infrastructure will open around 1500 hectares for development.

Wagga Wagga

This year, concurrent to the masterplan finalisation and refinement of the precinct boundary, the corporation began land acquisition for the Wagga Wagga precinct.

In May 2021 the precinct masterplan and funding allocation were finalised and announced, marking the transfer of responsibility to the corporation for delivery. Following this announcement, the corporation commenced its program of community engagement to support the delivery of this precinct.

Following the finalisation of the masterplan, the corporation began preparing the reference design of the enabling infrastructure, to prepare for market engagement with potential contractors for detailed design and infrastructure delivery.

Precincts in development

The corporation has provided ongoing support to the embedded planning team and program sponsor, Snowy Hydro Legacy Fund, in master planning and development of the business case for enabling infrastructure in remaining precincts.

Additional information

Under the *Annual Reports (Statutory Bodies) Act 1984* and the *Annual Reports (Statutory Bodies) Regulation 2010*, the corporation has included additional information as required below:

Topic	Response
Legal Changes	<p><i>Growth Centres Act (Development Corporations) 1974</i></p> <ul style="list-style-type: none"> • The <i>Growth Centres (Development Corporations) Act 1974</i> was amended on 14 May 2021 to include the Moree and Snowy Mountains Special Activation Precincts within the descriptions of growth centres under Schedule 1 of the Act. <p><i>State Environmental Planning Policy (Activation Precincts) 2020</i></p> <ul style="list-style-type: none"> • <i>State Environmental Planning Policy (Activations Precincts) 2020</i> was amended on 21 May 2021 subject to a staggered commencement on 16 July 2021 and 31 December 2021. This amendment provided the introduction of Schedule 2 Wagga Wagga Activation Precinct along with a number of administrative updates. Administrative updates provide clarification on the consultation and concurrence processes with the precincts, minor amendments to land use tables within Parkes Special Activation Precinct, and controls for the preservation of vegetation.
Economic or other factors affecting achievement of operational objectives	<p>COVID-19 has disrupted the way NSW Government does business. The corporation has responded by accelerating delivery and construction planning to assist in economic recovery as quickly as possible. The corporation will continue to seek ways to contribute to the recovery of NSW over the next financial year.</p>
Human resources	<p>As of 30 June 2021, we had 14 personnel including:</p> <ul style="list-style-type: none"> • 1 X Senior Executive Band 3 • 1 X Senior Executive Band 2 • 2 X Senior Executive Band 1 • 4 x Clerk Grade 11/12 • 4 x Clerk Grade 9/10 • 1 x Clerk Grade 5/6 • 1 x Clerk Grade 3/4
Consultants	<p>Nil. The corporation did not engage any consultants in the 2020-21 financial year.</p>

Diversity	Diversity initiatives related to the corporation are provided and reported through the Department of Regional NSW.
Land disposal	No land disposed during this financial year.
Consumer response	Complaints to the corporation related primarily to land acquisition for the Parkes Special Activation Precinct. The corporation considers and responds to all complaints and welcomes suggestions and feedback from clients for improvements and changes.
Payment of Accounts	Due to the combined nature of the operations, it was not possible to separately report on the corporation's payments during the 2020-21 financial year. As an entity reporting to the Department of Regional NSW, the corporation's payment of accounts information has been reported at a departmental level. This information is available in the DRNSW Annual Report 2020-21.
Risk management and insurance activities	The corporation has established procedures to assess the adequacy of insurance cover on all assets and insurable risks. The corporation maintains risk registers for corporate and precinct-related initiatives. The registers are regularly reviewed and updated to advise the development and application of policies and procedures supporting the delivery of our operations. We believe assets and insurable risks including the impact of COVID-19, are adequately covered by insurance.
Internal audit and risk management policy attestation	Please refer to Appendix A .
WHS	Work, health and safety initiatives related to the corporation are provided and reported through the Department of Regional NSW.
Number and remuneration for senior execs	There were four senior executives employed at the end of the financial year including: <ul style="list-style-type: none"> • 1 x Senior Executive Band 3 • 1 x Senior Executive Band 2 • 2 x Senior Executive Band 1
<i>Government Information (Public Access) Act 2009</i>	Regional Growth NSW Development Corporation seeks to proactively release information which is deemed to be in the public interest where there are no overriding reasons against disclosure and publish such information on its website. Information which would be proactively released is that which is commonly sought after by members of

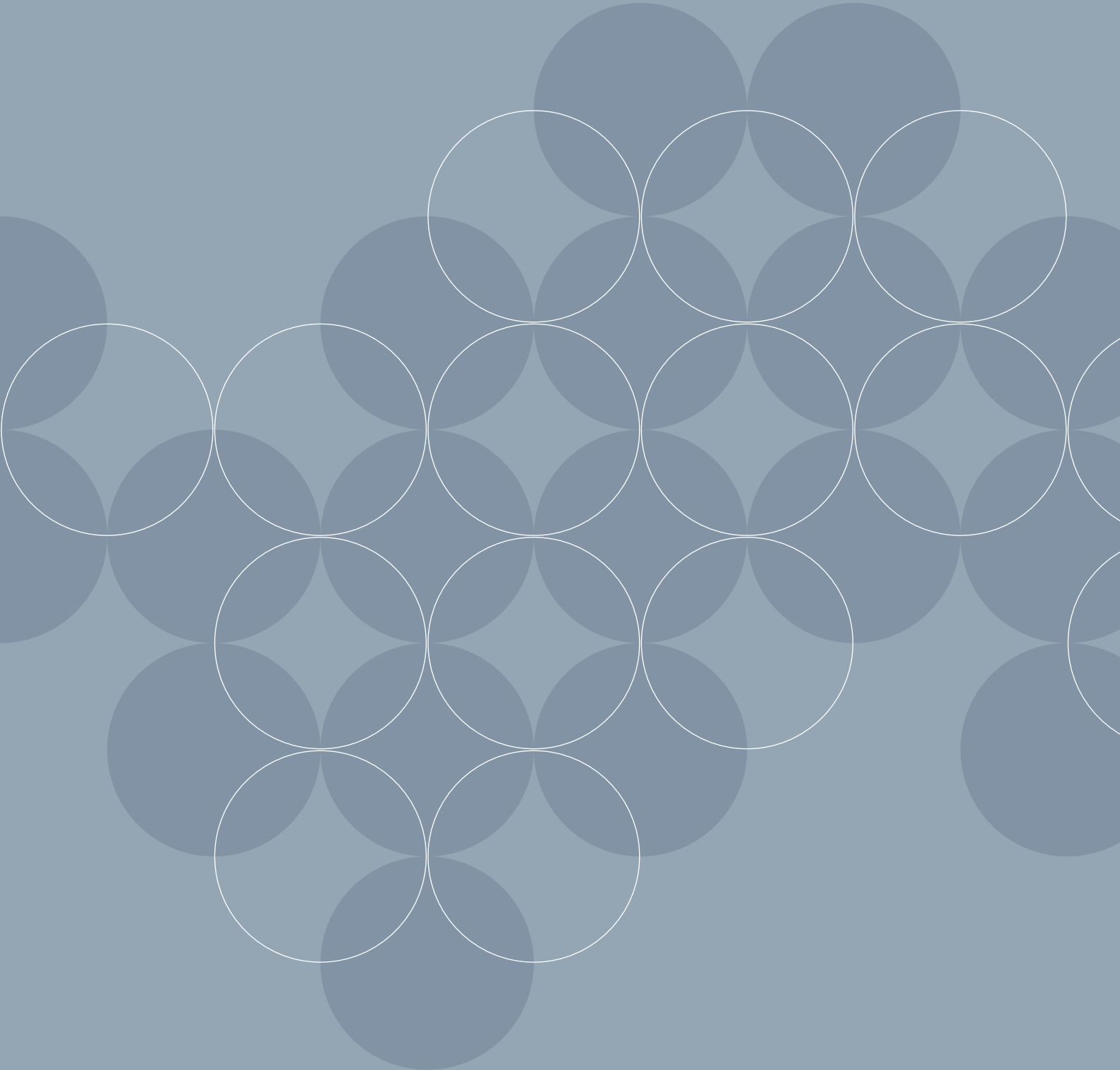
	<p>the public as reflected in the number of requests made for such information.</p> <p>The annual review of this program is conducted by staff with relevant expertise in the operation of the <i>GIPA Act</i> and any recommendations arising from this review will be made to the CEO on advice from the Communications & Engagement Manager and Director Finance and Commercial.</p> <p>During the reporting period, the corporation did not receive any formal or informal requests.</p>
Cyber Security Policy (CSP) attestation	Please refer to Appendix B .
Response to significant issues raised by Auditor General	There were no significant issues raised by the Auditor General this year.
Total external costs incurred in the production of the report	Nil
Is the report available in non-printed formats	Yes by request at www.rgdc.nsw.gov.au
Is this report available on the internet	Yes, at www.rgdc.nsw.gov.au

FINANCIALS





**INDEPENDENT
AUDITOR'S REPORT**





INDEPENDENT AUDITOR'S REPORT

Regional Growth NSW Development Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Regional Growth NSW Development Corporation (the Corporation), which comprise the Statement by the Chief Executive, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows

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

Basis for Opinion

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

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

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

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

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

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

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

Chief Executive's Responsibilities for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

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



Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

5 October 2021
SYDNEY



Ms Rebecca Fox
Chief Executive
Regional Growth NSW Development Corporation
GPO Box 5477
SYDNEY NSW 2000

Contact: Min Lee
Phone no: 02 9275 7151
Our ref: D2120075/1873

5 October 2021

Dear Ms Fox

STATUTORY AUDIT REPORT

for the year ended 30 June 2021

Regional Growth NSW Development Corporation

I have audited the financial statements of Regional Growth NSW Development Corporation (the Corporation) as required by the *Government Sector Audit Act 1983* (GSA Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2021, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Corporation. The GSA Act requires me to send this report to the Corporation's Accountable Authority, responsible Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Corporation's financial statements. I enclose the Independent Auditor's Report, together with the Corporation's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

Audit result

I expressed an unmodified opinion on the Corporation's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Corporation's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Corporation.

The Appendix lists and explains the nature and impact of the misstatements contained in the financial statements.

- Table one reports significant uncorrected misstatements and disclosure deficiencies
- Table two reports significant corrected misstatements and disclosure deficiencies.

Based on my evaluation, none of the misstatements reported are due to fraud.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on the Corporation's financial statements. This includes testing whether the Corporation complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

Auditor-General's Report to Parliament

The 2021 Auditor-General's Report to Parliament will incorporate the results of the audit.

Publication of the Statutory Audit Report

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

Acknowledgment

I thank the Corporation's staff for their courtesy and assistance.

Yours sincerely



Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

APPENDIX

Table one: Uncorrected monetary misstatements and disclosure deficiencies

Uncorrected monetary misstatements

I did not detect any reportable monetary misstatements that remain uncorrected in the financial statements.

Uncorrected disclosure deficiencies

I did not detect any reportable disclosure deficiencies that remain uncorrected in the financial statements.

Table two: Corrected monetary misstatements and disclosure deficiencies

Corrected monetary misstatements

I did not detect any reportable monetary misstatements that is corrected in the financial statements.

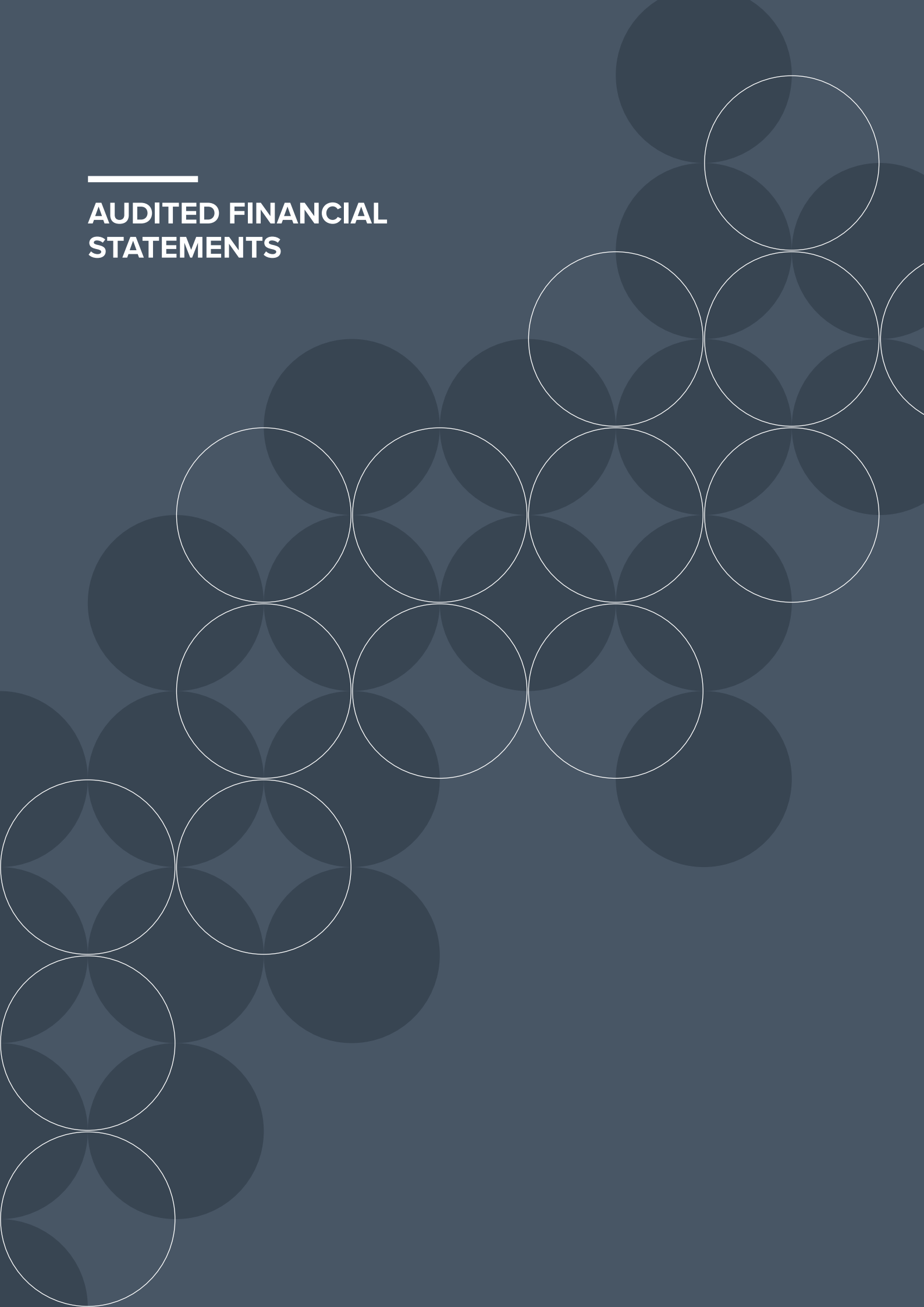
Corrected disclosure deficiencies

Management corrected the following disclosure deficiencies in the current year's financial statements. I agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

AASB reference	Disclosure title	Description of disclosure deficiency
AASB 124	Note 16 Related party disclosure	Key Management Personnel (KMP) services amount was amended from \$375,632 to \$421,567 to reflect the correct amount for KMP remuneration.
AASB 1055	Note 14 Budget review	Movement between actual and budget net assets was amended from \$27.3 million to \$76.5 million. To reflect the correct movement.



**AUDITED FINANCIAL
STATEMENTS**



Regional Growth NSW Development
Corporation

Financial Statements
30 June 2021



**Regional Growth NSW Development Corporation
Statement by the Chief Executive
for the period 1 July 2020 to 30 June 2021**

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'), I state that these financial statements:

- a. have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- b. present fairly Regional Growth NSW Development Corporation's financial position, financial performance and cash flows

A handwritten signature in black ink, appearing to read 'R Fox'.

Signed.....

Rebecca Fox
Chief Executive
Regional Growth NSW Development Corporation

Dated: 29/09/2021

Beginning of the audited financial statements

REGIONAL GROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020* \$000
Expenses excluding losses				
Personnel services expenses	2(a)	1,879	-	1,076
Operating expenses	2(b)	2,397	21,948	1,601
Depreciation and amortisation		-	2,038	-
Total expenses excluding losses		4,276	23,986	2,677
Revenue				
Grants and contributions	3(a)	31,394	128,160	5,269
Other Revenue	3(b)	102	-	-
Acceptance by the Crown of employee benefits	3(c)	74	-	-
Total revenue		31,570	128,160	5,269
Net result	9	27,294	104,174	2,592
Total other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		27,294	104,174	2,592

The accompanying notes form part of these financial statements.

* The comparative amounts represent the period from 28 June 2019 to 30 June 2020.

REGIONAL GROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		Actual	Budget	Actual
	Notes	2021	2021	2020
		\$000	\$000	\$000
ASSETS				
Current assets				
Cash and cash equivalents	4	11,856	-	-
Receivables	5	11,491	1,328	2,165
Total current assets		23,347	1,328	2,165
Non-Current Assets				
Property, plant and equipment				
Land	7	14,430	-	-
Infrastructure assets	7	15,333	105,106	1,682
Total property, plant and equipment		29,763	105,106	1,682
Total Non-Current Assets		29,763	105,106	1,682
Total assets		53,110	106,434	3,847
LIABILITIES				
Current liabilities				
Payables	6	22,926	22	1,023
Provisions	8	298	-	232
Total current liabilities		23,224	22	1,255
Total liabilities		23,224	22	1,255
Net assets		29,886	106,412	2,592
EQUITY				
Accumulated funds	10	29,886	106,412	2,592
Total equity		29,886	106,412	2,592

The accompanying notes form part of these financial statements.

REGIONAL GROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Funds \$000	Total Equity \$000
Balance at 1 July 2020	2,592	2,592
Net result for the year	27,294	27,294
Balance at 30 June 2021	29,886	29,886
Balance at 28 June 2019	-	-
Net result for the year	2,592	2,592
Balance at 30 June 2020	2,592	2,592

The accompanying notes form part of these financial statements.

REGIONAL GROWTH NSW DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		Actual	Budget	Actual
	Notes	2021	2021	2020*
		\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(1,796)	-	(819)
Other		(3,042)	(21,948)	(743)
Total payments		(4,838)	(21,948)	(1,562)
Receipts				
Grants and contributions		23,080	128,160	-
Other		21,695	-	3,244
Total receipts		44,775	128,160	3,244
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	39,937	106,212	1,682
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for property, plant and equipment		(28,081)	(106,212)	(1,682)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(28,081)	(106,212)	(1,682)
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		11,856	-	-
Opening cash and cash equivalents		-	-	-
CLOSING CASH AND CASH EQUIVALENTS	4	11,856	-	-

The accompanying notes form part of these financial statements.

* The comparative amounts represent the period from 28 June 2019 to 30 June 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Regional Growth NSW Development Corporation (the Corporation) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Corporation is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Corporation was incorporated on 28 June 2019 under Section 4 of the *Growth Centres (Development Corporations) Act 1974 No 49*.

The Corporation was established to deliver on the NSW Government's bold commitment to drive economic growth and prosperity in regional NSW through Special Activation Precincts. The Corporation work with the Snowy Hydro Legacy Fund and the Department of Regional NSW ("Principal Department"), who fund and plan these precincts respectively as part of the 20-year Economic Vision for Regional NSW.

Section 47A of the *Constitution Act 1902* precludes the Corporation from employing staff. Under the *Growth Centres (Development Corporations) Act 1974*, the Corporation can obtain personnel services from Government agencies who are able to engage staff under the *Government Sector Employment Act 2013* to enable the Corporation to exercise its functions. During 2020-21, personnel services were provided by the Department of Regional NSW.

On 2 April 2020 the Corporation was transferred from the Planning, Industry and Environment cluster to the Regional NSW cluster.

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Chief Executive on the date the accompanying statement by the Chief Executive was signed.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the Act.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets and liabilities are measured using the fair value basis. Other financial statements items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

(c) Going Concern

These financial statements of the Corporation have been prepared on a going concern basis, subject to no intervening decisions of Government.

(d) Statement of compliance

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

(e) 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 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 are recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Services provided by the Principal Department

Department of Planning, Industry and Environment (from 28 June 2019 to 1 April 2020) and Department of Regional NSW (from 2 April 2020 onward) provide the Personnel Services to the Corporation.

The following services to the Corporation are provided by the Principal Department free of charge:

- Financial shared services (including preparation of financial statements)
- IT costs

(g) Comparative information

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

The Corporation was established on 28 June 2019 (refer note 1(a)). The comparative information represents the period from 28 June 2019 to 30 June 2020.

In the comparative information, grants received from Snowy Hydro Legacy Funds have been reclassified to category "Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity" for correct classification refer (note 3(a)).

(h) Changes in accounting policies, including new or revised accounting standards

i) Effective for the first time in 2020-2021

The Corporation applied AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time this year, but do not have an impact on the financial statements of the Corporation.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the entity from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The adoption of AASB 1059 did not have an impact on Statement of Financial Position, Other Comprehensive Income and the Statement of Cash Flows for the year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Changes in accounting policies, including new or revised accounting standards (cont)

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 mandate TC 20-08). The Corporation has assessed the impact of these new standards and interpretations and considers when applied in future periods, they will not have a material impact on the financial position or performance of the

- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not for-Profit Tier 2 Entities*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*

- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

(i) Impact of COVID-19 on Financial Reporting for 2020-21

The Corporation assessed the impact of COVID-19 on its financial position as at 30 June 2021 and its financial performance for the year then ended. There were minimal to no operational impacts observed due to COVID-19.

2. EXPENSES EXCLUDING LOSSES

	2021	2020
	\$000	\$000
(a) Personnel services expenses		
Salaries and wages (including annual leave)	1,496	920
Superannuation - defined contribution plans	180	80
Long service leave	82	5
Payroll tax	121	65
Workers' compensation insurance	-	6
	1,879	1,076

During the year \$547,829 (2020: \$380,974) of salaries and wages were capitalised and are excluded from the above.

(b) Operating expenses

Administration	212	22
Advertising and promotion	29	19
Assets under \$5,000	2	3
Auditor's remuneration – audit of financial statements	56	55
Other contractors	1,592	1,302
Legal	85	-
Short term leases	51	97
Other operating expenses	269	32
Training and staff development	33	9
Travel	68	62
	2,397	1,601

Recognition and Measurement**Insurance**

The Corporations insurance activities are conducted by the Principal Department through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager and incurred/paid by DRNSW on behalf of the cluster.

Operating leases**Lease expense**

The Corporation recognises the lease payments associated with the following types leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the year in which the event or condition that triggers those payments occurs.

3. REVENUES**Recognition and Measurement**

Revenue is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*.

Comments regarding the accounting policies for the recognition of income are discussed below.

	2021 \$000	2020 \$000
(a) Grants & contributions		
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity		
Grants - Snowy Hydro Legacy Fund	29,254	2,025
Grants without sufficiently specific performance obligations		
Grants - Department Regional NSW	2,140	3,244
	31,394	5,269
(b) Other Revenue		
Fee for services	102	-
	102	-
(c) Acceptance by the Crown of employee benefits		
The following expense have been assumed by the Crown:		
Long service leave	67	-
Annual Leave	7	-
	74	-

Recognition and Measurement**Grants and contributions**

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the entity is recognised when the entity satisfies its obligations under the transfer. The Corporation satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed.

Administrative services

The Corporation has an arrangement with the Principal Department to provide corporate services to support the administration of the Corporation.

Snowy Hydro Legacy Fund

Snowy Hydro Legacy Fund is a Special Deposits Account established for the purpose of improving economic development in regional New South Wales through funding of infrastructure projects that primarily benefit regional New South Wales.

Acceptance by the Crown of employee benefits

The Corporation's liabilities for long service leave and annual leaves are assumed by The Crown in right of the State of New South Wales ("Crown"). The Corporation accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "acceptance by the Crown of employee benefits".

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2021	2020
	\$000	\$000
Cash at bank and on hand	11,856	-
	11,856	-

For the purposes of the Statement of Cash Flows, the Corporation considers cash to be cash at bank, cash advances and short term deposits.

Cash and cash equivalents (per statement of financial position)	11,856	-
	11,856	-

Refer Note 11 for details regarding credit risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2021	2020
	\$000	\$000
CURRENT		
Prepayments	234	50
Receivable - Snowy Hydro Legacy Fund	7,835	2,025
Other Receivables	2,510	-
Net GST receivable	912	90
	11,491	2,165

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 11.

Recognition and Measurement

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

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

Subsequent measurement

The Corporation holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

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

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. The Corporation recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- increased credit risk associated with debtors as a result of poor trading conditions.
- Higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of Government and/or late payment.
- Lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

6. CURRENT LIABILITIES - PAYABLES

	2021 \$000	2020 \$000
CURRENT		
Accruals - salaries and wages	42	25
Other accruals	1,447	998
Payroll taxes	9	-
Creditors - Department of Regional NSW	21,182	-
Creditors - other	246	-
	22,926	1,023

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 11.

Recognition and measurement

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

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

7. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT**(a) Total property, plant and equipment**

	Land \$000	Infrastructure \$000	Total \$000
At 30 June 2021 - fair value			
Gross carrying amount	14,430	15,333	29,763
Accumulated depreciation and impairment	-	-	-
Net carrying amount	14,430	15,333	29,763

	Land \$000	Infrastructure \$000	Total \$000
At 30 June 2020 - fair value			
Gross carrying amount	-	1,682	1,682
Accumulated depreciation and impairment	-	-	-
Net carrying amount	-	1,682	1,682

Reconciliation

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

	Land \$000	Infrastructure \$000	Total \$000
Year ended 30 June 2021			
Net carrying amount at beginning of the year	-	1,682	1,682
Purchases of assets	14,430	13,651	28,081
Net carrying amount at end of the year	14,430	15,333	29,763

	Land \$000	Infrastructure \$000	Total \$000
Year ended 30 June 2020			
Net carrying amount at beginning of the year	-	-	-
Purchases of assets	-	1,682	1,682
Net carrying amount at end of the year	-	1,682	1,682

7. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT (continued)**Recognition and Measurement****Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

Remeasurement

The Corporation will engage independent valuers to conduct interim and comprehensive revaluations of its assets to ensure that the carrying value is not different from fair value at a period of no later than three (3) years from the date at which the assets are commissioned into service. An asset is commissioned into service when it ready for use as intended by management. It is at this point in time when depreciation or amortisation will commence.

Capitalisation thresholds

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

Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis 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. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

Each class of asset has a default life which may be varied as a result of management review either at acquisition or at any time during the asset life.

Infrastructure assets as at 30 June 2021 represent Assets Under Construction and therefore not depreciated in the current year.

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value*, 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.

7. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT (continued)**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.

The Corporation has only been recently established and has not been required to conduct a comprehensive or interim revaluation.

Revaluations will be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Corporation plans to conduct a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment.

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

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

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

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The Corporation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

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

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

8. CURRENT LIABILITIES - PROVISIONS

	2021	2020
	\$000	\$000
CURRENT		
Employee benefits and related on-costs		
Annual leave	268	225
Long service leave (on-costs)	26	5
Payroll Tax	4	2
	298	232
Aggregate employee benefits and related on-costs		
Provisions - Current	298	232
Accrued salaries, wages and on-costs (Note 6)	42	25
	340	257

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

Liabilities for personnel services are stated as liabilities to the service provider, Department of Regional NSW. Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled 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).

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.

Consequential on-costs

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

9. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2021	2020
	\$000	\$000
Net cash used on operating activities	39,937	1,682
Increase / (decrease) in receivables	9,326	2,165
Decrease / (increase) in payables	(21,903)	(1,023)
Decrease / (increase) in provision	(66)	(232)
Net result	27,294	2,592

10. EQUITY**Accumulated Funds**

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

11. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument categories

Class	Note	Category	Carrying Amount	
			2021 \$000	2020 \$000
Financial Assets				
Cash and cash	4	Amortised cost	11,856	-
Receivables ¹	5	Amortised cost	10,339	2,025
Financial Liabilities				
Payables ²	6	Financial liabilities measured at amortised cost	22,917	1,023

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) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Corporation transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Corporation has transferred substantially all the risks and rewards of the asset; or
- The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

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

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

(c) Financial risks**(i) Credit risk**

Credit risk arises when there is the possibility of the Corporation's debtors defaulting 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 authority deposits. No collateral is held by the Corporation. The Corporation has not granted any financial guarantees.

Credit risk associated with the Corporation's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. The Corporation has no deposits held with NSW TCorp.

11. FINANCIAL INSTRUMENTS (continued)

(c) Financial risks (continued)

Cash and cash equivalents

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

Accounting policy for impairment of trade debtors and other financial assets.

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Corporation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery.

There was no allowance for expected credit losses for the trade debtors as at 30 June 2021.

The Corporation had no financial assets past due or impaired as at 30 June 2021.

(ii) Liquidity risk

Liquidity risk is the risk that 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 loans and other advances.

During the current year, there were no defaults of borrowings. 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.

Liabilities are recognised for amounts due to be paid in the future for goods or 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 Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There was no interest paid during the year.

11. FINANCIAL INSTRUMENTS (continued)

(c) Financial risks (continued)

The table 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 Int. Rate %	Nominal Amount \$000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-interest Bearing \$000	< 1 year \$000	1 - 5 years \$000	> 5 years \$000
2021								
<i>Payables</i>	-	22,917	-	-	22,917	22,917	-	-
	-	22,917	-	-	22,917	22,917	-	-
2020								
<i>Payables</i>	-	1,023	-	-	1,023	1,023	-	-
	-	1,023	-	-	1,023	1,023	-	-

(iii) 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 Corporation's exposure to market risk are primarily through interest rate risk on the Corporation's bank balance.

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Corporation's cash balances. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. 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	Net Result \$000 -1%	Equity \$000	Net Result \$000 +1%	Equity \$000
30 June 2021					
Financial Assets					
Cash and cash equivalents	11,856	(119)	(119)	119	119
Receivables	10,339	-	-	-	-
Financial Liabilities					
Payables	22,917	-	-	-	-
30 June 2020					
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	2,025	-	-	-	-
Financial Liabilities					
Payables	1,023	-	-	-	-

11. FINANCIAL INSTRUMENTS (continued)**(d) Fair value measurement****(i) Fair value compared to carrying amount**

Financial instruments are generally recognised at cost. 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.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Corporation is unaware of the existence of any contingent assets or liabilities as at 30 June 2021 (30 June 2020: NIL).

13. COMMITMENTS**Capital Commitments**

The Corporation has entered into the Parkes Special Activation Precinct (SAP) infrastructure agreements during the year amounting to \$125 million. In relation to the agreement aggregate capital expenditure for the acquisition of lands and development of infrastructures contracted for at reporting date and not provided for are as follows:

	2021	2020
	\$000	\$000
Within one year	71,143	-
Later than one year and not later than five years	46,074	-
	117,217	-

14. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

Net result budgeted for the year 2020-21 was a surplus of \$104.2 million. Actual net result for the year was a surplus of \$27.3 million. The favourable variance of \$76.9 million is primarily attributable to delays with land acquisition and the tendering process for the head infrastructure contract.

Assets and liabilities

Net assets were lower by \$75.6 million than budgeted amount due to lower than budgeted net result.

Cash flows

Net cash inflows were lower than budgeted amount due to lower than budgeted net result.

15. STATE OUTCOMES AND PROGRAMS

The Corporation operates to contribute to NSW State Outcome 4: Stronger and cohesive regional communities and economies. Focusing on community wellbeing and economic growth in regional New South Wales. Regions have endured unprecedented destruction and disruption through the compounding impacts of drought, bushfires, floods and COVID-19. We continue to refocus efforts on the changed economic conditions and refreshing the 20-Year Economic Vision for Regional NSW.

16. RELATED PARTY DISCLOSURE

During the year, the Corporation incurred \$424,111 (28 June 2019 to 30 June 2020: \$422,752) in respect of the key management personnel services that were provided by the Department of Regional NSW.

During the year, the Corporation did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the Corporation entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of the Corporation's revenue and expenses, and the nature of these significant transactions are detailed below;

Entity	Nature of Transaction
Department of Regional NSW	Provision of administrative, operational assistance and personnel services. Also provides interim funding when the Corporation requires.
The Crown in right of the State of New South Wales	Grants from Snowy Hydro Legacy Fund.

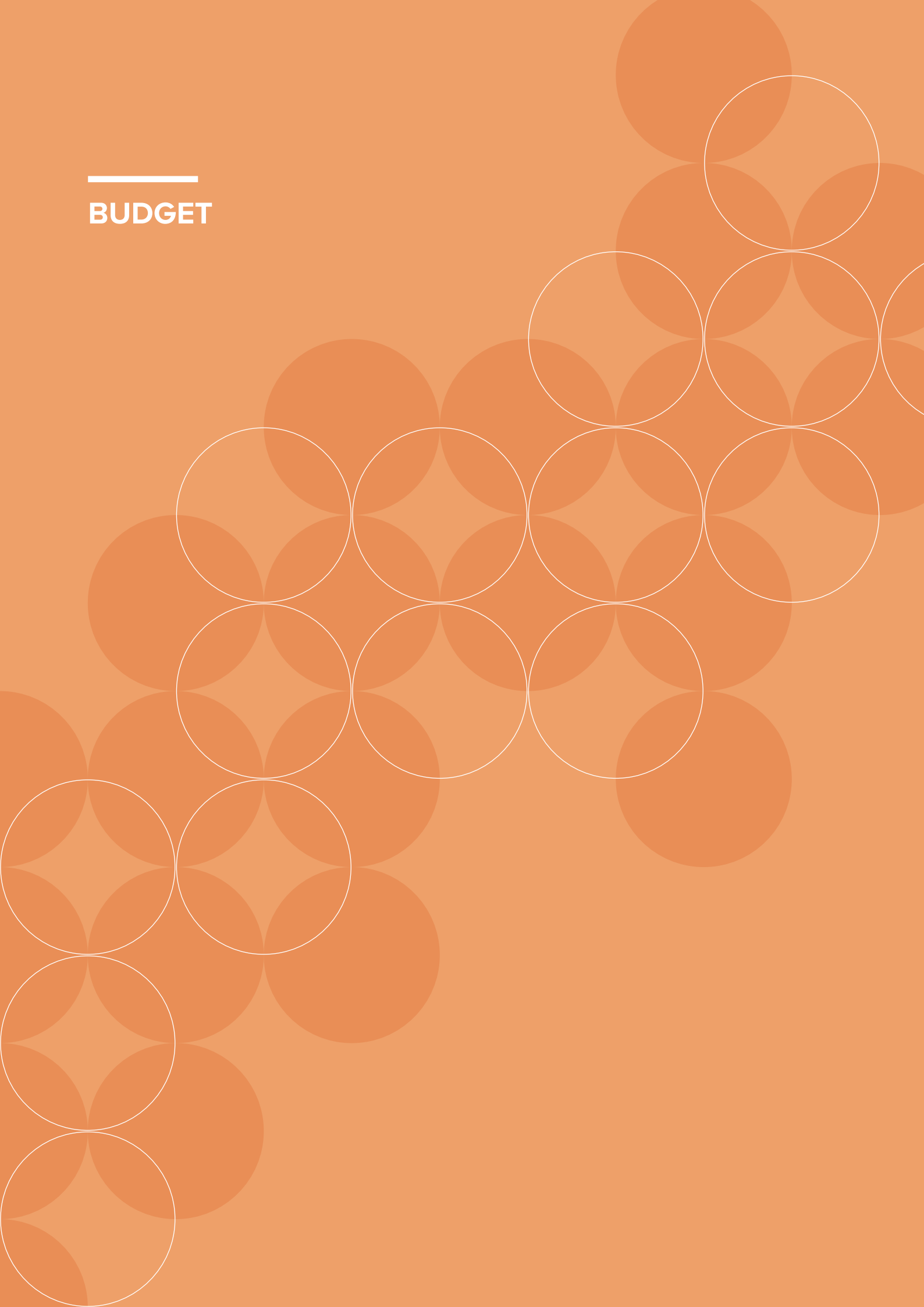
17. EVENTS AFTER REPORTING DATE

The Corporation will apply a 2.5 percent wage increase in the calculation of leave provisions at 30 June 2021.

There are no other events subsequent to the balance date that affect the financial information disclosed in these financial statements.

End of financial statements.

BUDGET



Budget FY 2021

FY21 financial budget has been provided below.

BUDGET FY 2021	Year To		
Reporting Amount \$000's	Actual	Revised Budget	Actual vs Budget
Total Revenue	31,570	30,596	974
Labour Expenditure	1,879	2,050	-171
Operating Expenditure	2,397	2,953	-556
Depreciation & Amortisation	0	38	-38
Total Expenditure	4,276	5,041	-765
Operating Result	27,294	25,555	1,739
Capital Expenditure	28,081	27,643	438

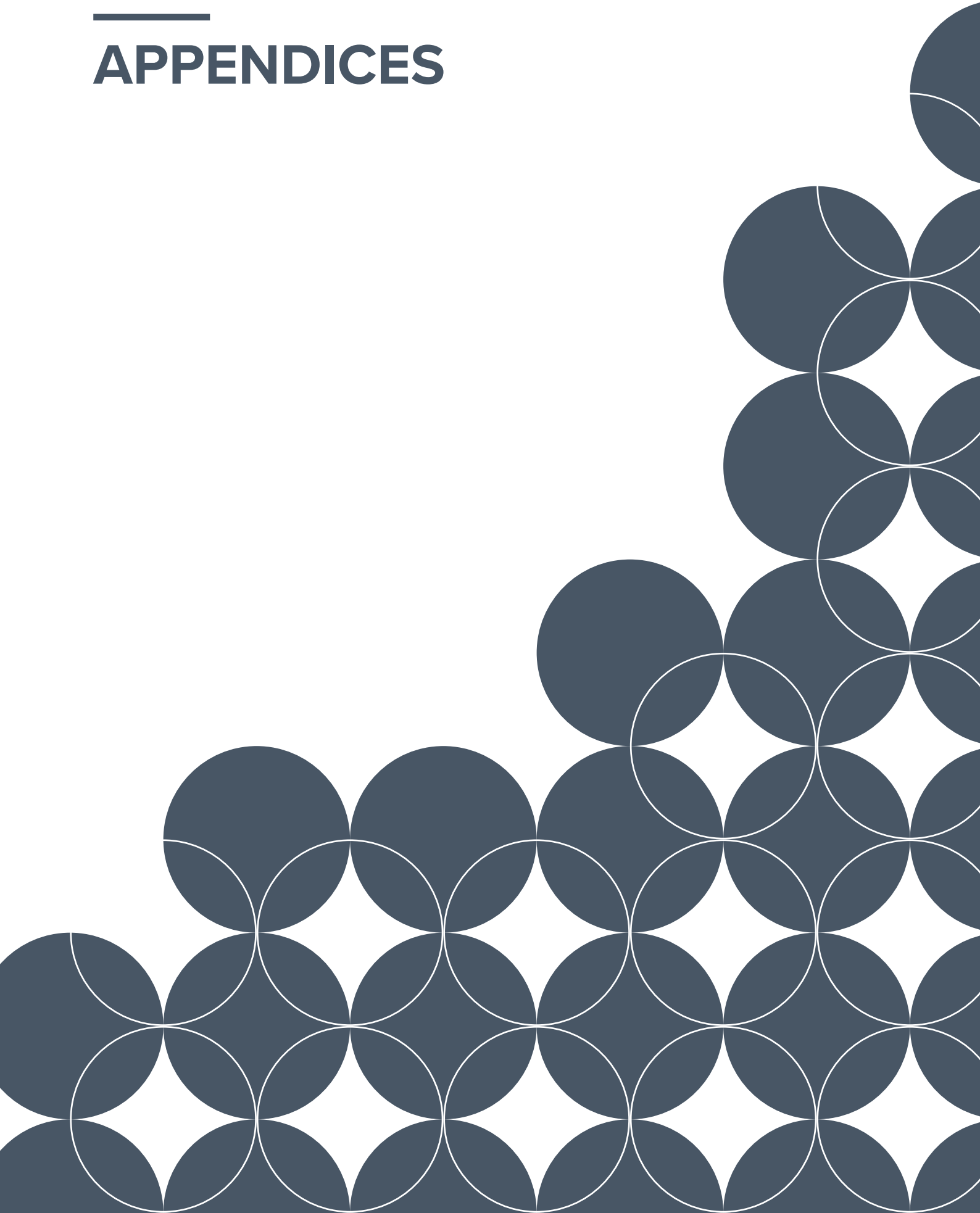
Budget forecast – FY 2022

FY22 financial forecast has been provided below.

BUDGET FORECAST FY 2022

Reporting Amount \$000's	Budget
Total Revenue	114,155
Labour Expenditure	2,080
Operating Expenditure	14,348
Depreciation & Amortisation	5,187
Total Expenditure	21,615
Operating Result	92,540
Capital Expenditure	100,240

APPENDICES



A

**INTERNAL AUDIT AND
RISK MANAGEMENT
POLICY ATTESTATION**





Regional
NSW

Director
Financial Management and Accounting Policy
NSW Treasury
PO Box 5469
SYDNEY NSW 2001
Email: finpol@treasury.nsw.gov.au

**Internal Audit and Risk Management Policy Attestation Statement for the 2020-2021
Financial Year for Regional Growth NSW Development Corporation**

Please find enclosed the abovementioned statement attesting compliance with TPP 20-08:
Internal Audit and Risk Management Policy for the General Government Sector.

Should you wish to discuss this statement further please contact Allan Murray, Chief Audit
Executive on Mobile: 0409 287 106

Yours sincerely

A handwritten signature in grey ink, appearing to read 'RFox'.

Rebecca Fox
Deputy Secretary, Regional Precincts
Department of Regional NSW
(as statutory Chief Executive, **Regional Growth NSW Development Corporation**)

Date: 29/07/2021
Encl

**Internal Audit and Risk Management Attestation Statement
2020-2021 Financial Year
Regional Growth NSW Development Corporation**

I, Rebecca Fox, Chief Executive, Regional Growth NSW Development Corporation, am of the opinion that the Regional Growth NSW Development Corporation has internal audit and risk management processes in operation that are, excluding any exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements	Compliant, Non-Compliant, or In Transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the Agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the Agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Audit and Risk Committee – Membership

The independent chair and members of the Audit and Risk Committee are:

- **Chair** - Ms Julie Elliott; Start: 1 November 2020 - Finish 30 October 2023
- **Member** – Mrs Kerry Aaby; Start: 1 November 2020 - Finish 30 October 2023
- **Member** – Mr Gary Humphreys; Start: 1 November 2020 - Finish 30 October 2023

Shared Arrangements

I, Rebecca Fox, Chief Executive, advise that Regional Growth NSW Development Corporation has entered into an approved shared arrangement with the following agencies:

- Regional NSW – Principal Department
- NSW Food Authority
- Rural Assistance Authority

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and the internal audit function. The shared Audit and Risk Committee is a Principal Department Led Shared Audit and Risk Committee.

Exceptions

As at 1 July 2020 Regional Growth NSW Development Corporation, with the approval of Treasury and the Department of Planning, Industry and Environment (DPIE), temporarily appointed members of the DPIE ARC to oversight the 2019/20 financial statements.

On 1 November 2020 Regional Growth NSW Development Corporation joined the Regional NSW shared Audit and Risk Committee.

It should be noted that at all times during these arrangements Regional Growth NSW Development Corporation had in place risk management, internal audit and Audit and Risk Committee processes compliant with Treasury Policy.



Rebecca Fox

Deputy Secretary, Regional Precincts

Department of Regional NSW

(as statutory Chief Executive, **Regional Growth NSW Development Corporation**)

B

**CYBER SECURITY
POLICY ATTESTATION**





Regional
NSW

Cyber Security Annual Attestation Statement for the 2020-2021 Financial Year

I, Rebecca Fox, am of the opinion that the information security management system of Regional Growth NSW Development Corporation (RGDC) a statutory corporation within the Department of Regional NSW, have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of the Department of Regional NSW, including RGDC.

Risks to the information and systems of the Department of Regional NSW have been assessed and are managed.

There exists a current cyber incident response plan for Department of Regional NSW which has been tested during the reporting period.

The Department of Regional NSW has an Information Security Management System (ISMS) in place.

Department of Planning, Industry and Environment (DPIE) provides Department of Regional NSW with its ICT environment through a Service Partnership Agreement. DPIE has responsibility for the technical aspects of cybersecurity on behalf of DRNSW.

DPIE has maintained certified compliance with ISO27001 Information Technology - Security Techniques - Information Security Management Systems – Requirements. This certification was provided by an Accredited Third Party (BSI) during the 2020/2021 financial year (Certificate Number is IS 645082).

There is no agency under the control of Regional Growth NSW Development Corporation which is required to develop an independent ISMS in accordance with the NSW Cybersecurity Policy

Yours sincerely

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

Regional Growth NSW Development Corporation



Regional Growth NSW
Development Corporation



For more information

Regional Growth NSW
Development Corporation



1300 REGION



info@rgdc.nsw.gov.au



rgdc.nsw.gov.au