NSW GOVERNMENT

Regional Growth NSW Development Corporation

2022 Annual Report

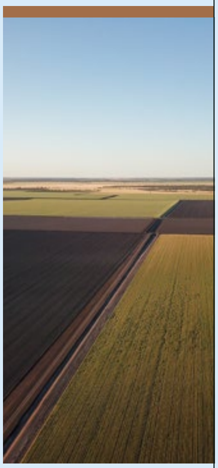
Special Activation Precincts

PARKES

IN DELIVERY

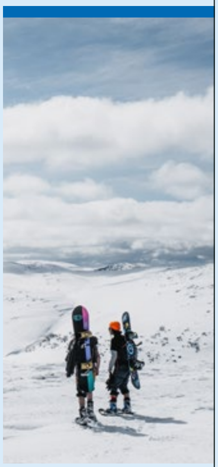
WAGGA WAGGA

IN DELIVERY



MOREE

IN DELIVERY



SNOWY MOUNTAINS

IN DELIVERY

WILLIAMTOWN

IN MASTER PLANNING

NARRABRI

IN MASTER PLANNING

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Published by the Regional Growth NSW Development Corporation ABN 48 270 349 177
Title: Regional Growth NSW Development Corporation Annual Report 2022

Cover image: Riverina Intermodal Freight and Logistics (RiFL) Hub construction, courtesy of Wagga Wagga City Council and Matt Beaver.

Letter of submission

31 October 2022

The Honourable Paul Lawrence Toole MP
Deputy Premier
Minister for Regional New South Wales
Minister for Police

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 2022.

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,

James Bolton
Acting Chief Executive
Regional Growth NSW
Development Corporation

Rebecca Fox
Acting Secretary
Department of Regional NSW

Foreword

The Regional Growth NSW Development Corporation (the corporation) is responsible for delivering the NSW Government's bold vision for regional NSW through the $1 billion Special Activation Precinct program, as outlined in the 20-Year Economic Vision for Regional NSW - Refresh.

The Special Activation Precinct program will support long-term job creation and economic development across regional NSW, building on the natural or physical endowments of a region to deliver thriving business hubs. Precincts are located in Parkes, Wagga Wagga, the Snowy Mountains, Moree, Williamtown and Narrabri.

Special Activation Precincts set the blueprint for inter-agency and inter-department cooperation and collaboration, including the corporation, Department of Regional NSW, Department of Planning and Environment and the Office of Regional Economic Development.

In 2021-22, to ensure the successful and seamless transition from master planning to delivery of these transformational infrastructure projects, the relevant agencies involved are now working under a single umbrella to provide surety to stakeholders, businesses, investors and the communities involved.

Despite the COVID-19 pandemic restricting travel and our engagement activities, it's been a big year for the corporation, with another two precincts going into delivery.

We kickstarted construction of enabling infrastructure in Parkes and welcomed our first circular economy investor. We adopted key delivery strategies in Parkes, Moree and Wagga Wagga.

The corporation's mission is clear and focused. I'm incredibly proud of the progress the corporation has made and to see the Special Activation Precinct vision come to life.

James Bolton
Acting Chief Executive
Regional Growth NSW Development Corporation

About us

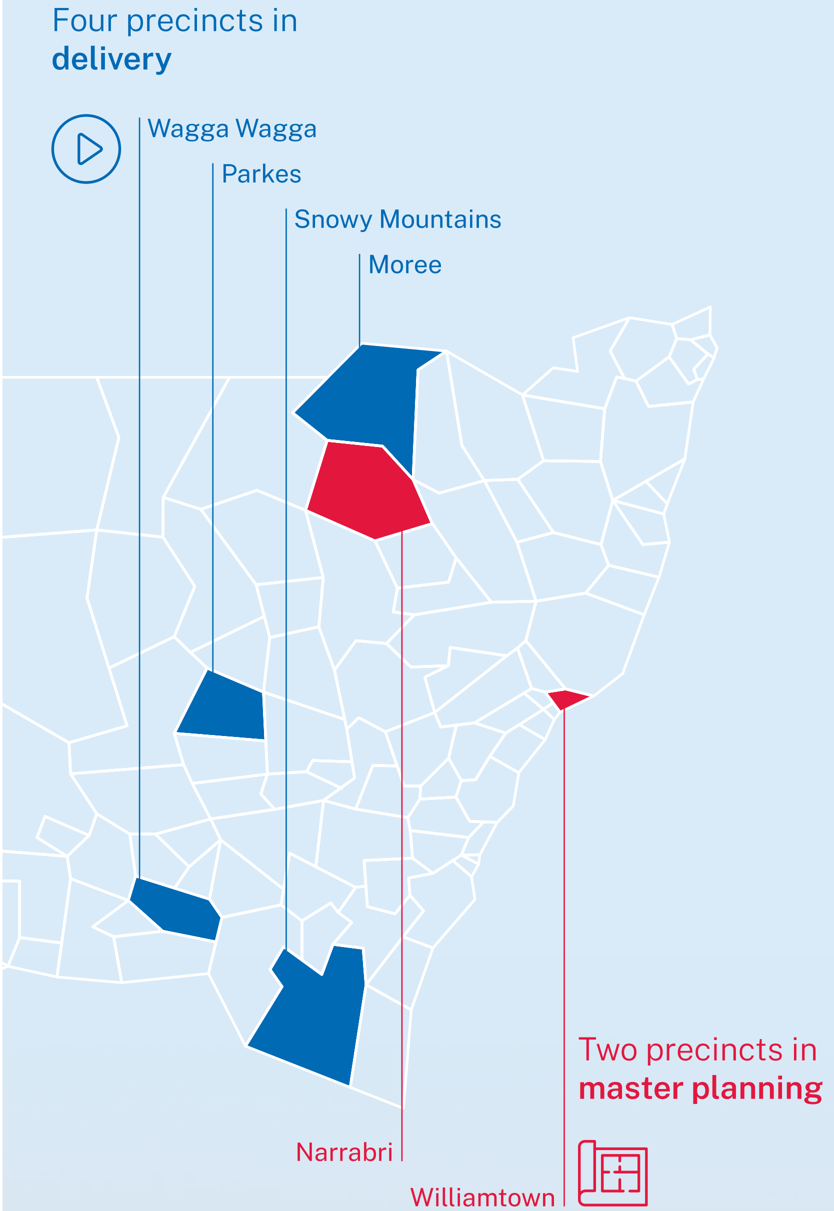
The corporation was created under the *Growth Centres (Development Corporations) Act 1974 No 49* on 28 June 2019 and reports to the Deputy Premier and Minister for Regional NSW, and Minister for Police, The Hon. Paul Toole MP.

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 dedicated areas in a regional location identified by the NSW Government to become thriving business hubs with the potential to create jobs, attract businesses and investors, support local industries and fuel regional economic development. Precincts are supported by streamlined planning, government-led infrastructure development and a business concierge service.

There are a total of six precincts, with four precincts in delivery: Parkes, Wagga Wagga, Moree and Snowy Mountains, and two precincts in master planning: Williamtown and Narrabri.

The planning, infrastructure and delivery of the precincts is part of the $4.2 billion Snowy Hydro Legacy Fund, dedicated to transformational infrastructure investment in regional NSW and the 20-Year Economic Vision for Regional NSW - Refresh.



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.

The corporation has been tasked with driving these engine industries through the 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 Federal Governments have a renewed focus on advanced manufacturing and national supply chains to reduce our reliance on imports.

The precincts provide opportunities for catalytic investors and businesses looking to set up or grow in regional NSW, building on each precinct's natural endowments. Government support, government-led infrastructure investment and a business concierge service will create a more conducive environment for investment in regional NSW.

The corporation is part of the Department of Regional NSW and works in collaboration with the Department of Planning and Environment and Local Councils to research, plan and deliver precincts which will become the centres of long-term economic growth and development across regional NSW.

Lake Jindabyne

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.

Strategic goals

1 To rapidly create commercially-viable and sustainable developments (plans and outcomes) that support job creation

2 To attract businesses that contribute to the creation of great precincts and growth of targeted industries

3 To safely deliver infrastructure that supports business growth and catalyses new industries

4 To create a positive environmental impact and create shared value in resolving issues

5 To achieve self-sustaining funding and monetisable assets, increasingly leveraging private investment

6 To develop effective working partnerships with agencies, councils, investors, R&D/ education and communities

7 To establish sustainable business foundations

Outcomes

RGDC has been instrumental in delivering **economic growth and jobs** in regional NSW

Sustainable development of world-class economic zones

Establishment of a **portfolio of assets** which will fund further growth

Establishment of **effective partnerships**

Establishment and operation of a **sustainable organisation**

Key strategies to progress strategic goals

	Goals	Strategies
1	**We will rapidly create commercially-viable and sustainable developments (plans and outcomes) that support job creation**	• 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
2	**We will attract businesses that contribute to the creation of great precincts and targeted industries**	• 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
3	**We will safely deliver infrastructure that supports business growth and catalyses new industries**	• Accelerate the provision of enabling infrastructure which will stimulate further development • Partner with investors and industry to provide anchor tenants and energy providers
4	**We will create a positive environmental impact and create shared value in resolving issues**	• Deliver precincts and prioritise investment towards establishing a foundation of circular economy and environmental sustainability • Support businesses to establish business to business connections which maximise economic benefits of being located within a precinct
5	**We will achieve self-sustaining funding and monetisable assets, increasingly leveraging private investment**	• 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
6	**We will develop effective working partnerships with agencies, councils, investors, R&D/ education and communities**	• 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.
7	**We will establish sustainable business foundations**	• 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*.

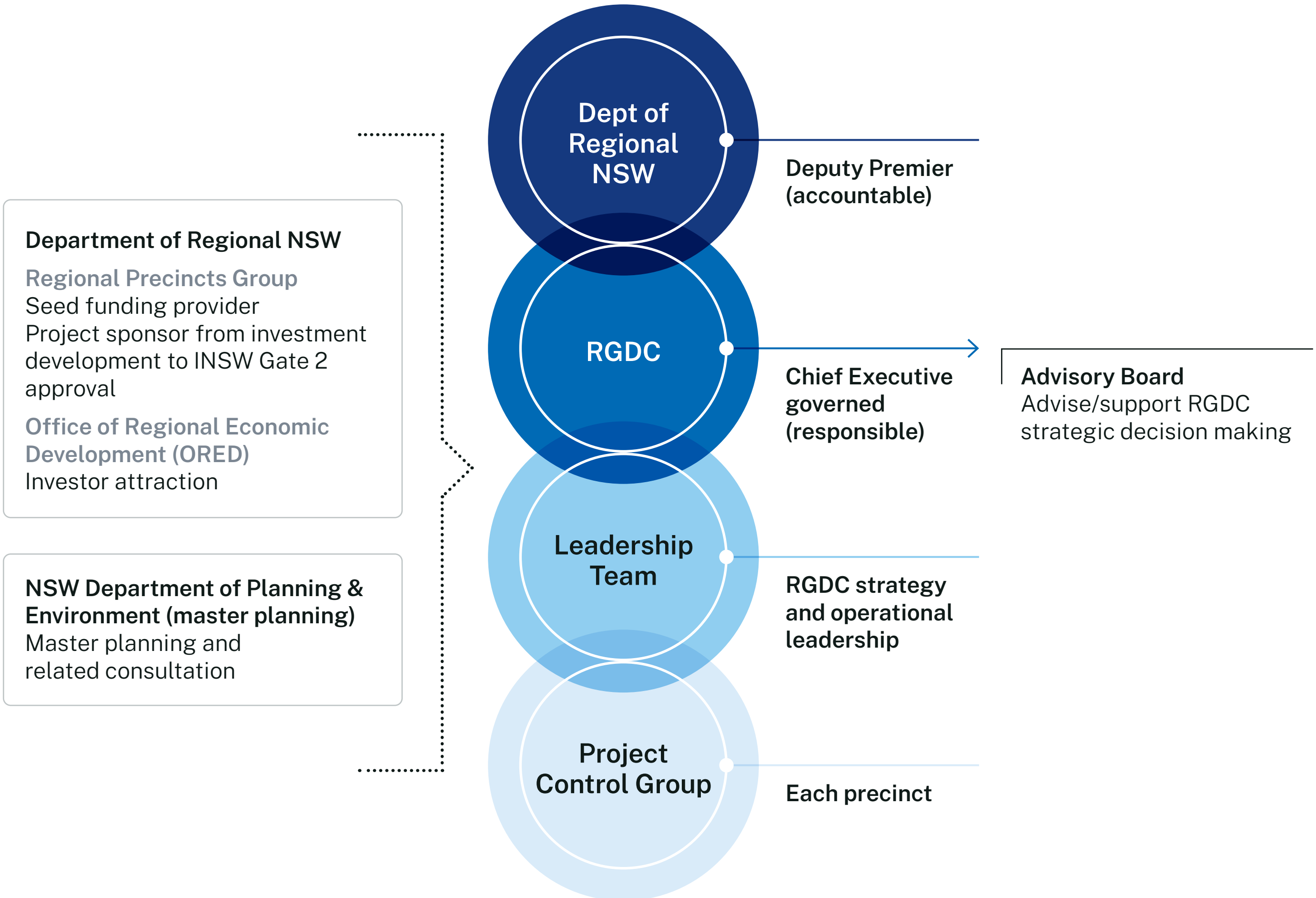
The corporation is a chief executive-governed entity, as provided for by the Act.

The responsible Minister is the Deputy Premier, Minister for Regional New South Wales, and Minister for Police. 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

Chief Executive

Executive Director
Planning and Infrastructure

- **Director** – Sustainability, Partnerships and Concierge
- **Director** – Infrastructure and Delivery
- **Director** – Planning Services

Executive Director
Commercial and Major Projects

- **Director** – Major Projects
- **Director** – Major Projects

Functional structure as at 30 June 2022

Year in review

Regional Growth NSW Development Corporation's focus for the 2021-22 financial year has been progressing delivery of the precincts in Parkes and Wagga Wagga, including commencing Stage 1 infrastructure works in Parkes and undertaking delivery planning in Moree and the Snowy Mountains. Additionally, the corporation has been supporting planning of precincts in development in Williamtown and Narrabri.

Parkes
In delivery

Wagga Wagga
In delivery

Moree
In delivery

Snowy Mountains
In delivery

Williamtown
In master planning

Narrabri
In master planning

Riverina Oils, Wagga Wagga

Construction at the Parkes Special Activation Precinct.

Parkes

Infrastructure
Oct 2021
commencement of Stage 1

Investment
$260 million
Brightmark LLC

Land acquisition in the Parkes Special Activation Precinct continued through the 2021-22 financial year.

In October 2021, major construction of stage 1 enabling infrastructure to activate 1,500 hectares officially commenced with the corporation's construction partner Fulton Hogan. The key features of the stage 1 works include:

- upgrading 7.3 kilometres of Brolgan Road
- shared user path along Brolgan Road featuring solar lighting
- streetlighting at the three intersections of Brolgan Road
- construction of two bridges over existing railway lines (removing level crossings)
- utility works and upgrades to gas, water, electricity, sewer and communication networks
- landscaping and urban design
- recycled water network
- wastewater treatment plant
- three megalitre water reservoir.

To enable the construction of the two railway overpass bridges, Brolgan Road and Coopers Road were closed to local traffic in February 2021 and a new access road constructed to facilitate continued access.

The precinct's delivery plan was finalised in December 2021, setting out the criteria for the precinct's design, landscaping, infrastructure planning, delivery and development proposal assessment.

In March 2022, Brightmark LLC a global plastics recycling company announced they would invest $260 million to build Australia's first advanced plastics recycling facility in the Parkes precinct. The facility will divert 200,000 tonnes of plastic waste from landfill to create new products in line with the precinct's circular economy and sustainability goals.

The corporation received non-binding proposals from interested proponents and consortia for the procurement of a proposed energy from waste facility in the precinct, central to establishing a circular economy in line with the precinct's sustainability aspirations. The NSW Government is taking a considered approach, in line with the standards outlined in the NSW Environment Protection Agency (EPA) Energy from Waste Policy Statement. The procurement process is ongoing, with the next step to shortlist consortia to submit binding proposals ahead of a government decision.

To support the delivery and stage 1 construction of the precinct, quarterly newsletters are distributed, and community pop-ups and engagement sessions are held regularly with the Parkes community and key stakeholders.

Wagga Wagga

Following completion of the master plan and precinct boundary, the corporation continued land acquisition for the Wagga Wagga precinct.

Work also commenced on the precinct draft delivery plan, which went on public exhibition in April 2022. The delivery plan sets out the criteria for the precinct's design, landscaping, infrastructure planning, delivery and development proposal assessment.

To support the public exhibition of the draft delivery plan, community engagement sessions were held with key stakeholders in Wagga Wagga. Submissions received from the draft delivery plan will inform the final delivery plan, which is being finalised.

Work has also progressed on the staging of enabling infrastructure, which is expected to commence following the finalisation of the delivery plan.

Public exhibition

Apr 2022

draft delivery plan

Community engagement

230

landowners in and adjoining the precinct

RiFL Hub construction, courtesy of Wagga Wagga City Council and Matt Beaver

Moree

In March 2022, the master plan and subsequent planning instruments were finalised and $194 million in funding committed to the Moree precinct, marking the transfer of responsibility to the corporation for the precinct's delivery.

Work commenced on the design and delivery of the precinct, including the delivery plan and procurement of construction services for stage 1 infrastructure works such as roads, sewer, water and electricity services.

The delivery plan will outline the staging and detailed requirements for development.

Planning
Mar 2022
master plan finalised

Funding
$194 million
commitment to Moree precinct

Aerial of agricultural land in Moree

Snowy Mountains

At the very end of the 2021-22 financial year, the Snowy Mountains precinct master plan was finalised and $391.3 million of capital funding allocated, marking the transfer of responsibility to the corporation for the precinct's delivery.

The corporation will now begin work on the delivery plan and development control plans, and the staging of enabling infrastructure such as amenity and utility upgrades.

Planning
Jun 2022
master plan finalised

Funding
$391.3 million
commitment to Snowy Mountains precinct

Sunrise in Blue Cow, courtesy of Perisher

Precincts in development

The corporation has provided ongoing support to the embedded planning team and program sponsor, Department of Regional NSW (Snowy Hydro Legacy Fund), in master planning and development of the remaining precincts, Williamtown and Narrabri.

F-35A Lightning II at RAAF Base Williamtown, courtesy of Department of Defence

Aerial of Narrabri

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	*Growth Centres Act (Development Corporations) 1974* • The *Growth Centres (Development Corporations) Act 1974* 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. *State Environmental Planning Policy (Precincts-Regional) 2021* • State Environmental Planning Policy (Activation Precincts) 2020 was consolidated into State Environmental Planning Policy (Precincts-Regional) 2021 on 1 March 2022. • State Environmental Planning Policy (Activation Precincts) 2020 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. • State Environmental Planning Policy (Activation Precincts) 2020 was amended on 26 November 2021. This amendment provided the introduction of Schedule 2A Moree Activation Precinct along with a number of administrative updates. Administrative updates confirm the consent authority within the Parkes Special Activation Precinct, defer the commencement of Schedule 2 Wagga Wagga Activation precinct until 31 March 2022, introduce a table of local heritage items in the Wagga Wagga Special Activation Precinct and provide for a number of minor actives as exempt development.
Economic or other factors affecting achievement of operational objectives	The Corporation assessed the impact of COVID-19 on its financial position as at 30 June 2022 and its financial performance for the year then ended. There were minimal to no operational impacts observed due to COVID-19. However, majority of their impacts on projects were due to wet weather around the Parkes and Wagga Wagga areas.
Human resources	As of 30 June 2022, we had 36 personnel including: • 1 x Senior Executive Band 2 • 4 x Senior Executive Band 1 • 10 x Clerk Grade 11/12 • 14 x Clerk Grade 9/10 • 3 x Clerk Grade 7/8 • 1 x Clerk Grade 5/6 • 2 x Clerk Grade 3/4 • 1 x Contingent Labour (Chief Executive, Executive Director Commercial & Major Projects and Director Major Projects roles occupied by DRNSW Employees 1 X Senior Executive Band 3, 1 x Senior Executive Band 2 and 1 x Senior Executive Band 1)
Consultants	Nil. The corporation did not engage any consultants in the 2021-22 financial year.
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.

Topic	Response
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 2021-22 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 2021-22.
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.
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: • 1 x Senior Executive Band 2 • 4 x Senior Executive Band 1 Chief Executive, Executive Director Commercial & Major Projects and Director Major Projects roles occupied by DRNSW Employees 1 X Senior Executive Band 3, 1 x Senior Executive Band 2 and 1 x Senior Executive Band 1)
Government Information (Public Access) Act 2009	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 the public as reflected in the number of requests made for such information. The annual review of this program is conducted by staff with relevant expertise in the operation of the GIPA Act and any recommendations arising from this review will be made to the Chief Executive. During the reporting period, the corporation did not receive any formal or informal requests.
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 rgdc.nsw.gov.au
Is this report available on the internet	Yes, at rgdc.nsw.gov.au

Financials

Narrabri local cafe

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 2022, the Statement of Financial Position as at 30 June 2022, 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.

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

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 Regulation 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

Delegate of the Auditor-General for New South Wales

29 September 2022
SYDNEY

Financial Statements
30 June 2022

Regional Growth New South Wales Development Corporation
Statement by the Chief Executive
for the year ended 30 June 2022

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 the Regional Growth NSW Development Corporation financial position, financial performance and cash flows.

Signed

James Bolton
Acting Chief Executive
Regional Growth NSW Development Corporation

Date: 20/09/2022

Statement of Comprehensive Income for the year ended 30 June 2022

$000	Notes	Actual 2022	Budget 2022	Actual 2021
Expenses excluding losses				
Personnel services expenses	2(a)	1,558	2,080	1,879
Operating expenses	2(b)	9,402	14,328	2,397
Depreciation and amortisation		-	5,187	-
Total expenses excluding losses		**10,960**	**21,595**	**4,276**
Revenue				
Investment Revenue	3(a)	110	-	-
Grants and contributions	3(b)	73,390	116,655	31,394
Other Revenue	3(c)	47	-	102
Personnel services revenue	3(d)	130	-	74
Total revenue		**73,677**	**116,655**	**31,570**
Other Gains / (losses)	3(e)	(185)	-	-
Net result	9	**62,532**	**95,060**	**27,294**
Other comprehensive income				
Net increase / (decrease) in property, plant and equipment		1,993	-	-
Total other comprehensive income		**1,993**	**-**	**-**
TOTAL COMPREHENSIVE INCOME		**64,525**	**95,060**	**27,294**

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2022

		Actual	Budget	Actual
$000	**Notes**	**2022**	**2022**	**2021**
ASSETS				
Current assets				
Cash and cash equivalents	4	3,801	1,985	11,856
Receivables	5	24,299	18,990	11,491
Total current assets		**28,100**	**20,975**	**23,347**
Non-Current Assets				
Property, plant and equipment				
Land	6	23,040	-	14,430
Assets under construction	6	70,124	115,093	15,333
Total property, plant and equipment		93,164	115,093	29,763
Total Non-Current Assets		**93,164**	**115,093**	**29,763**
Total assets		**121,264**	**136,068**	**53,110**
LIABILITIES				
Current liabilities				
Payables	8	26,478	12,423	22,926
Provisions	8	375	400	298
Total current liabilities		**26,853**	**12,823**	**23,224**
Total liabilities		**26,853**	**12,823**	**23,224**
Net assets		**94,411**	**123,245**	**29,886**
EQUITY				
Reserves		1,993	-	-
Accumulated funds	10	92,418	123,245	29,886
Total equity		**94,411**	**123,245**	**29,886**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2022

$000	Accumulated Funds	Assets Revaluation Reserve	Total Equity
Balance at 1 July 2021	29,886	-	29,886
Net result for the year	62,532	-	62,532
Other comprehensive income:			
Net increase / (decrease) in property, plant and equipment	-	1,993	1,993
Total comprehensive income for the year	**62,532**	**1,993**	**64,525**
Balance at 30 June 2022	**92,418**	**1,993**	**94,411**
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**

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2022

		Actual	Budget	Actual
$000	**Notes**	**2022**	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(1,431)	(2,080)	(1,796)
Other		(3,181)	(14,328)	(3,042)
Total payments		**(4,612)**	**(16,408)**	**(4,838)**
Receipts				
Grants and contributions		54,554	116,655	23,080
Other		3,411	-	21,695
Total receipts		**57,965**	**116,655**	**44,775**
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	**53,353**	**100,247**	**39,937**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for property, plant and equipment		(61,408)	(100,240)	(28,081)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(61,408)**	**(100,240)**	**(28,081)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(8,055)**	**7**	**11,856**
Opening cash and cash equivalents		11,856	1,978	-
CLOSING CASH AND CASH EQUIVALENTS	4	**3,801**	**1,985**	**11,856**

The accompanying notes form part of these financial statements.

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 2021-22, personnel services were provided by the Principal Department.

These financial statements for the year 1 July 2021 to 30 June 2022 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, 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.

The Corporation receives funding from the Snowy Hydro Legacy Fund (SHLF). The Corporation receives financial support from the Principal Department. Subsequent to 30 June 2022, the Corporation has received confirmation that the Principal Department will provide financial support for a period of no less than 12 months from the date of signing the prior year financial statements.

(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.

(f) Services provided by the Principal Department

Principal Department and the Corporation signed a Service Partnership Agreement. In accordance with this agreement the Corporation reimburses the Principal Department for services incurred on behalf of the Corporation. The services provided by the Principal Department include:

- Property, Facilities and Fleet
- Finance Services
- People Services
- Legal and Governance

- ICT Services
- Procurement Services

(g) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous reporting period, 30 June 2021, for all amounts reported in the financial statements.

The budget amounts in statement of comprehensive income, statement of financial position and statement of cashflows are full year original budget presented to Parliament in respect of the reporting period.

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

i) Effective for the first time in 2021-2022

The accounting policies applied in 2021-22 are consistent with those of the previous financial year. There are no new or revised Australian Accounting Standards applied for the first time in 2021-22 which has material impact on the financial statements.

- *AASB 1060 General Purpose Financial Statements - Simplified Disclosures For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts*
- *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 2020-9 Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- *AASB 2021-1 Amendments to Australian Accounting Standards - Transition to Tier 2: Simplified Disclosures for Not-For-Profit Entities*
- *AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021*

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. The Corporation has assessed the impact of these new standards and intepretations and considers when applied in future periods, they will not have a material impact on the financial position or performance of the Corporation.

- *AASB 17 Insurance Contracts*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- *AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB – Comparative Information*

(i) Impact of COVID-19 on Financial Reporting

The Corporation assessed the impact of COVID-19 on its financial position as at 30 June 2022 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

$000	2022	2021
(a) Personnel services expenses		
Salaries and wages (including annual leave)	1,046	1,496
Superannuation - defined contribution plans	303	180
Long service leave	(45)	82
Payroll tax	214	121
Workers' compensation insurance	40	-
	1,558	**1,879**

During the year $2,848,498 (2021: $547,829) of salaries and wages were capitalised and are excluded from the above.

(b) Operating expenses		
Administration	54	212
Advertising and promotion	13	29
Assets under $5,000	22	2
Auditor's remuneration – audit of financial statements	66	56
Board members sitting fees	48	-
Legal	528	85
Other contractors	8,500	1,592
Other operating expenses	15	269
Short term leases	9	51
Training	26	33
Travel	121	68
	9,402	**2,397**

Recognition and Measurement

Insurance

The Corporation's 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.

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

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.

$000	2022	2021
(a) Investment Revenue		
Rental income	110	-
	110	**-**
(b) Grants & contributions		
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity		
Grants – Snowy Hydro Legacy Fund	70,701	27,730
Grants without sufficiently specifc performance obligations		
Grants – Department Regional NSW	2,689	3,664
	73,390	**31,394**
(c) Other Revenue		
Fees for Service / Other	47	102
	47	**102**
(d) Personnel services revenue		
The following expense/(gain) have been assumed by the Crown:		
Long service leave	121	67
Annual leave	9	7
	130	**74**
(e) Other Gains/(Loss)		
Revaluation of long service leave liability transferred to Crown	(185)	-
	(185)	**-**

Recognition and Measurement

Investment Revenue

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income.

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.

Personnel services revenue

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 "personnel services revenue".

4. Current assets - cash and cash equivalents

$000	2022	2021
Cash at bank and on hand	3,801	11,856
	3,801	**11,856**

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

Cash and cash equivalents (per statement of financial position)	3,801	11,856
	3,801	**11,856**

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

5. Current assets - receivables

$000	2022	2021
CURRENT	106	234
Prepayments	21,586	7,835
Receivable - Snowy Hydro Legacy Fund	71	2,510
Other Receivables	2,536	912
Net GST receivable	**24,299**	**11,491**

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.
- based on the Corporation's assessment, there are no Expected Credit Losses as at 30 June 2022 (30 June 2021 : NIL).

6. Non-current assets – property plant and equipment

$000	Land	Assets Under Construction	Total
(a) Total property, plant and equipment			
At 30 June 2022 - fair value			
Gross carrying amount	23,040	70,124	93,164
Accumulated depreciation and impairment	-	-	-
Net carrying amount	**23,040**	**70,124**	**93,164**
At 30 June 2022 - fair value			
Gross carrying amount	14,430	15,333	29,763
Accumulated depreciation and impairment	-	-	-
Net carrying amount	**14,430**	**15,333**	**29,763**

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:

$000	Land	Assets Under Construction	Total
Year ended 30 June 2022			
Net carrying amount at beginning of the year	14,430	15,333	29,763
Purchases of Land	6,617	-	6,617
Additions	-	54,791	54,791
Revaluation	1,993	-	1,993
Net carrying amount at end of the year	**23,040**	**70,124**	**93,164**
Year ended 30 June 2021			
Net carrying amount at beginning of the year	-	1,682	1,682
Purchases of Land	14,430	-	14,430
Additions	-	13,651	13,651
Revaluation	-	-	-
Net carrying amount at end of the year	**14,430**	**15,333**	**29,763**

6. 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. 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 2022 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 (TPP 21-09). 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.

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 revaluation. However Corporation conducted an interim revaluation by applying indexation to its land portfolio as at 30 June 2022 resulting an increase in valuation by $1.9 million.

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.

7. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

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 the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Corporation'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 *Fair Value Measurement*, the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the Valuation techniques as follows:

- Level 1 -quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity 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 Corporation recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair value hierarchy

$000	Level 1	Level 2	Level 3	Total
At 30 June 2022				
Property, plant and equipment (Note 6)				
Land	-	-	23,040	23,040
	-	-	23,040	23,040
At 30 June 2021				
Property, plant and equipment (Note 6)				
Land	-	-	14,430	14,430
	-	-	14,430	14,430

(b) Valuation techniques, inputs and processes

The valuers have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions comparable of land that have occurred in the subject market. Accordingly, an interim valuation was completed during March 2022 by Australis. Movements in the value of the land were transferred to the asset revaluation surplus. Management requested that Australis assess the value of land for the quarter of June 2022 and concluded there was no material movement in the final quarter.

8. Current liabilities

$000	2022	2021
CURRENT		
Personnel services payable	110	51
Other accruals	10,147	1,447
Unearned Income	16	-
Creditors - Department of Regional NSW	13,627	21,182
Creditors - other	2,578	246
	26,478	**22,926**

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.

$000	2022	2021
Employee benefits and related on-costs		
Annual leave	321	268
Long service leave (on-costs)	48	26
Payroll Tax	6	4
	375	**298**
Aggregate employee benefits and related on-costs		
Provisions - Current	375	298
Accrued salaries, wages and on-costs	92	42
	467	**340**

Recognition and measurement

Salaries and wages, annual leave and sick leave

Liabilities for personnel services are stated as liabilities to the service provider, Principal Department. 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

$000	2022	2021
Net cash used on operating activities	**53,353**	**39,937**
Increase / (decrease) in receivables	12,808	9,326
Decrease / (increase) in payables	(3,552)	(21,903)
Decrease / (increase) in provision	(77)	(66)
Net result	**62,532**	**27,294**

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 CE 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

			Carrying amount ($000)	
Class	**Note**	**Category**	**2022**	**2021**
Financial Assets				
Cash and cash equivalents	4	Amortised cost	3,801	11,856
Receivables[1]	5	Amortised cost	21,657	10,339
Financial Liabilities				
Payables[2]	8	Financial liabilities measured at amortised cost	26,460	22,917

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.

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 2022 (30 June 2021:Nil)

(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.

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

			Interest rate exposure			Maturity dates		
	Weighted average effective int. rate %	Nominal amount $000	Fixed interest rate $000	Variable interest rate $000	Non-interest bearing $000	< 1 year $000	1 - 5 years $000	> 5 years $000
2022								
Payables	-	26,460	-	-	26,460	26,460	-	-
	-	26,460	-	-	26,460	26,460	-	-
2021								
Payables	-	22,917	-	-	22,917	22,917	-	-
	-	22,917	-	-	22,917	22,917	-	-

(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	Equity $000	Net Result $000	Equity $000
		-1%		+1%	
30 June 2022					
Financial Assets					
Cash and cash equivalents	3,801	(38)	(38)	38	38
Receivables	21,657	-	-	-	-
Financial Liabilities					
Payables	26,460	-	-	-	-
30 June 2021					
Financial Assets					
Cash and cash equivalents	11,856	(119)	(119)	119	119
Receivables	10,339	-	-	-	-
Financial Liabilities					
Payables	22,917	-	-	-	-

(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.

13. Commitments

Capital Committents

During the year 2022, the Corporation entered into the Parkes Special Activation Precinct (SAP) infrastructure agreements. 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:

$000	2022	2021
Within one year	107,601	71,143
Later than one year and not later than five years	10,376	46,074
Net result	**117,977**	**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 2021-22 was a surplus of $95.1 million. Actual net result for the year was a surplus of $62.5 million. The unfavourable variance of $32.5 million is primarily attributed to delays with land acquisition, supply chain and constrains and wet weather periods.

Assets and liabilities

Net assets were lower by $28.8 million than the budgeted amount due to lower capital spend resulting in lower claims from the Snowy Hydo Legacy Fund.

Cash flows

Net cash flows were slightly lower than budgeted due to lower than budgeted net result offset by lower capital spend.

15. State outcomes and programs

The Corporation operates to contributes 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 $185,045 (30 June 2021: $424,111) 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

Mr. James Bolton appointed as Acting Chief Executive of the Corporation on 15th August 2022 following the appointment of Ms. Rebecca Fox as Acting Secretary of the Department of Regional NSW.

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

Cattle farmers in Moree

Budget FY 2022

Reporting Amount $000's	Actual	Revised Budget	Actual vs Budget
Total Revenue	**73,677**	**76,914**	**3,237**
Labour Expenditure	1,558	2,031	-473
Operating Expenditure	9,402	7,311	2,091
Depreciation & Amortisation	0	5,187	-5,187
Total Expenditure	**10,960**	**14,529**	**–3,569**
Operating Result	**62,717**	**62,385**	**332**
Capital Expenditure	61,408	70,085	-8,677

Budget FY 2023

Reporting Amount $000's	Budget
Total Revenue	**427,667**
Labour Expenditure	5,399
Operating Expenditure	101,370
Depreciation & Amortisation	3,927
Total Expenditure	**110,696**
Operating Result	**316,971**
Capital Expenditure	321,073

Appendices

Birchwood Cafe, Jindabyne

Appendix 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

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:

- **Cha**ir - Ms Julie Elliott; Start: 1 November 2020 - Finish 30 October 2023
- **Member** – Mrs Kerry Adby; 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**)

Appendix B
Cyber Security Policy attestation

4 October 2022

Cyber Security Annual Attestation Statement for the 2021-2022 Financial Year

I, James Bolton, am of the opinion that the information security management system of Regional Growth NSW Development Corporation (RGDC) a statutory authority within the Department of Regional NSW (DRNSW) 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 DRNSW and the supported entities.

Risks to the information and systems of DRNSW and the supported entities have been assessed and are managed.

There exists a current cyber incident response plan for DRNSW and the supported entities which has been tested during the reporting period.

DRNSW and the supported entities have an Information Security Management System (ISMS) in place.

The Department of Planning, Industry and Environment (DPE) provides DRNSW and the supported entities with their ICT environment through a Service Partnership Agreement. DPE has responsibility for the technical aspects of cybersecurity on behalf of DRNSW and the supported entities.

Cyber security is appropriately addressed at agency governance forums.

DPE has maintained certification with ISO27001 Information Technology - Security Techniques - Information Security Management Systems – Requirements. This certification was provided by an Accredited Third Party (BSI) during the 2021/2022 financial year (Certificate Number is IS 645082).

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

Yours sincerely

James Bolton
Regional Growth NSW Development Corporation

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