

UrbanGrowth NSW

Sustainability Report 2017



Contents

✓ Thornton – Community spaces, waterway and 'Phoenix' public artwork



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Message from the Chairman of the Board

We are committed to delivering world-class
sustainable urban outcomes for Sydney and NSW.

Sustainability is part of our organisation's DNA, and has been for over 15 years. We have embedded it into every aspect of the work we do.

In 2017, we launched our new draft Sustainable Places Strategy for public exhibition. This is the culmination of over 18 months dedicated research, national and international benchmarking, industry engagement and consultation. The Strategy was finalised in September 2017, and many of the new targets already have been incorporated into this report, meeting our commitment to phase in our performance reporting.

We also significantly advanced our corporate sustainability governance in FY17, by becoming members of, and participating in, the Global Real Estate Sustainability Benchmark (GRESB). GRESB is an independent and international organisation that benchmarks annual sustainability performance of real asset sector portfolios and assets in public, private and direct sectors worldwide. GRESB offers voluntary reporting under three main themes of 'Real Estate', 'Real Estate Debt' and 'Infrastructure' to cater for the diversity across our sector.

On 30 June 2017, we submitted our first report under the 'Real Estate' category, along with 759 entities across 63 countries. The cumulative value of these reporting entities was over \$3.7 trillion in assets under management, and almost 200 infrastructure assets and funds.

In FY18, we look forward to adopting our new Sustainable Places Strategy in full, and reigniting our commitment to industry leadership and innovation.

John Brogden AM

Chairman, UrbanGrowth NSW





FY17

at a glance



Performance

GAINED A 76/100 GRESB PERFORMANCE SCORE:

Became the first organization of our kind to participate in Global Real Estate Sustainability Benchmark globally.



Investment

ADVANCED INNOVATION AND SUSTAINABILITY:

Communities of Practice Round Table in partnership with eight leading universities, to advance innovation and sustainability research across our projects



Delivered

LACHLAN'S LINE COMMUNITY FACILITIES:

Extensive community facilities this year, including public open spaces, BBQs, amenities blocks, a skate-park, dog park, public art, outdoor gym equipment and hydration stations.

New Sustainable Places Strategy adopted

We also adopted a new
Sustainable Places Strategy with four Leadership Goals
to guide the way we deliver new communities



Climate resilient places

to propel net positive outcomes



Productive places

to enable jobs for the future



Healthy & inclusive places

to create the world's most liveable urban communities



Accountability & collaboration

to drive accountability and collaboration along our value chain

While reporting against our new Strategy and its targets does not take full effect until the FY18 reporting year, we have taken the initiative to present preliminary performance against select targets within this report.

You will see them denoted by this symbol:

SUSTAINABLE PLACES STRATEGY



Introduction

This report represents a significant milestone for our organisation. This will be the last Sustainability Report under the UrbanGrowth NSW banner.

During the 2017 financial year, a structural review by the NSW Government has set our organisation's projects on a new path that will enable even better outcomes for the people of NSW.

This next phase will see UrbanGrowth NSW's portfolio of projects re-assigned to three separate entities: Landcom (the State-owned corporation), UrbanGrowth NSW Development Corporation, and Hunter Development Corporation.

This move aligns the respective projects with the organisations best positioned to carry them forward on behalf of the NSW Government. It also reflects the NSW Government's priorities and commitments in delivering urban development policy, particularly in response to housing affordability. You can read more about this in our FY17 Annual Report.

About this report

Our FY17 Sustainability Report is an account of our sustainability performance, with limited assurance provided by EY. It includes discussion of our material sustainability issues, and details our performance against the current sustainability indicators.

Projects that met a reporting milestone¹ are included within our performance results this year. Where project performance has not been achieved, an explanation is provided.

A full summary of all indicators and performance results, including those that may have previously been retired or were out of scope for this reporting period, are provided at Appendix A – Indicator Performance Summary.

Reporting requirements

The Landcom Corporation Act 2001 requires us to report annually against our sustainability performance. The Act states that we must develop sustainability performance indicators that are benchmarked against international best practice.

The existing UrbanGrowth NSW sustainability indicators were endorsed by the Minister for Planning in October 2013. It is prudent that our sustainability indicators remain current, and in line with industry advances. In December 2016 our draft Sustainable Places Strategy was endorsed by the UrbanGrowth NSW Board, and the Minister for Planning. The draft Strategy was placed on public exhibition, seeking feedback from community and industry, throughout April and May 2017.

The Sustainable Places Strategy has now been finalised, and endorsed by the Board. It takes full effect for Landcom from the 2018 reporting period. The Strategy has been designed with the flexibility to inform projects of varying organisational structures, to accommodate the separation of UrbanGrowth NSW's project portfolio.

¹ Milestones are associated with key development stages any given project will go through during its lifetime. See Page 26 for a detailed account of project milestones.



The way we report our performance

The way we report is guided by the
Global Reporting Initiative, and our Material Issues.

An explanation of how we report our corporate
and project indicators annually is provided within.

Material Issues

Our ambition is to transform city living by creating world-class urban areas that are vibrant, connected, competitive and resilient places to live and work.

We identify and disclose the material aspects of our operations, in accordance with the Global Reporting Initiative (GRI) G4 Guidelines.

In 2017 we renewed our materiality issues. This is an important process to inform how we do business. It provides insight into what our stakeholders value from our urban developments, and their expectations from the way we operate our organisation.

Our updated material issues have informed how we reported our performance this financial year. Case studies throughout this report are aligned to our material issues.

Material Issue	Definition
 Community Cohesion	Taking into account the heritage and history of the land, to embed arts, culture and local heritage in new projects. To integrate existing community networks and facilities, and build upon these to enhance the benefits to residents and workers at our projects (existing and future).
 Community Satisfaction with Design	To optimise the quality of design and place for our communities including with surrounding infrastructure. This also relates to having infrastructure in place during the planning phase, prior to the development of a community.
 Engagement	To collaborate, listen and involve stakeholders to arrive at a shared vision to deliver outcomes for society.
 Community Safety & Wellbeing	Collaborate with communities to design places for and promote a culture of health, safety and wellbeing for the community to enable positive interactions.
 Social Issues	To reduce instances of social issues that impact communities (e.g. youth unemployment, suicide occurrence, crime etc.).
 Jobs Creation	To drive the creation of productive cities, enabling jobs for the future.
 Affordability	To adopt an approach that delivers a high quality of life for community and delivers a broad range of diverse housing options.
 Governance	To adopt and disclose independent sustainability benchmarking or reporting frameworks to be transparent, uphold reputation, and demonstrate leadership.
 Climate Change and Resilience	To embed adaptation and resilience into all projects and improve community awareness of impacts.
 Innovation	To embrace emerging trends and at the forefront of initiatives that improve efficiency and/or performance.

Corporate reporting

Our corporate reporting focuses on
our financial performance, office sustainability,
and stakeholder and employee engagement.

Corporate reporting performance

We performed well in FY17 with all in scope corporate performance indicators reported for the year.

UrbanGrowth NSW, a trading name of Landcom, is a State owned corporation operating under the Landcom Corporation Act 2001 .

Our ambition is to transform city living by creating world-class urban areas that are vibrant, connected, competitive and resilient places to live and work.

We act as the master developer on complex urban transformation projects, which contain government-owned land and support critical infrastructure and economic clusters.

The inclusion of corporate indicators relate to our economic performance as defined in the audited financial accounts, stakeholder engagement

and wellbeing of our employees, and the environmental performance of our office premises at Parramatta, Sydney and Newcastle.



Financial performance

Our financial performance is based on our audited financial accounts and also reflected in the FY17 Annual Report.

Our economic indicators do not have achievement targets, therefore only performance has been presented.²

#	Indicator	Performance (\$,000)
1	A description of the various projects and initiatives we completed during the year that demonstrated leadership through the integration of our core values in terms of environmental, economic and social sustainability.	Achieved. Presented throughout the report.
2	The total revenue we received: calculated from the sale of land, profits from joint ventures, project management services and miscellaneous items	\$780,429
3	The sales margin we received: calculated as the sales revenue on land sales less the total cost of developing the land, divided by our sales revenue	39.53%
4	Our return on sales: calculated as our net operating profit after tax, divided by the total revenue from the sale of land	23.17%
5	Our earnings before interest and tax (EBIT)	228,621
6	Our return on equity: calculated as earnings after tax divided by our total operating assets	20.89%
7	The return on our total operating assets: calculated as profit after taxes divided by our total operating assets	14.65%
8	Our financing capacity, defined as our debt to equity ratio, which is the measure of our net debt funding as a percentage of equity, as at the end of the financial year	0.00%
9	The dividend and tax equivalent we returned to the NSW government	\$74,849

² Indicators 10 and 11 were previously retired. A full list of all indicators and their status can be seen Appendix A – Indicator Performance Summary.

Office performance

While our office operations are relatively small, we believe it is incumbent upon us to continue to reduce our own environmental impacts throughout our operations, to the best of our ability.

During the reporting period, all of our offices purchased 100% GreenPower, and we achieved a six-star NABERS Energy rating for our Parramatta and MLC Sydney CBD offices - outperforming our target.

We also maintained our performance of co-mingled waste streams, compared to our FY16 results.³

We will be retiring the above office performance targets from 30 June 2017. This decision has been made as we no longer require targets to drive sustainable performance in our corporate environment - it is simply the way we do business.

We will continue to voluntarily align to the Government Resource Efficiency Policy, that “aims to reduce operating costs of NSW Government agencies and ensure they provide leadership in resource productivity”⁴. Landcom will also maintain the existing Environmental Management System (EMS), aligned to ISO140001 that monitors and measures our office operations.

#	Indicator	Target	FY17 Performance
12	The amount of paper we purchased containing recycled content, expressed as a percentage of total paper purchases	100%	100%
13	The volume of co-mingled waste streams that we recycled from our office operations, expressed in tonnes	No Target	4.46 tonnes
14	The percentage of our Head Office tenancies located in buildings that achieved a 5 star NABERS rating	100%	100%

³ Indicator 15 has previously retired. A full list of all indicators and their status can be seen Appendix A – Indicator Performance Summary

⁴ <http://www.environment.nsw.gov.au/resources/government/140567NSWGREGP.pdf>

Staff engagement & wellbeing

We are committed to engaging and maintaining the wellbeing of our employees through a range of training and participation programs.

As part of our commitment to understand the satisfaction levels of our employees, and identify opportunities for improvement, we periodically undertake an Employee Engagement Survey. There is no achievement target for this indicator.

Our last employee survey was conducted in FY15. An Action Plan was developed in response to the survey results, focused on strategy, learning and development, recognition, systems upgrades and communications.

Some of the deliverables in response to the Action Plan have included developing a new intranet and website platform, implementing a management training program and half day induction program, informing staff through regular staff and team briefings, and introducing "Information-on-a-page" documents relating to our vision, objectives, ambition and values – which aligns to the key actions identified in our action plan.

During the FY17 reporting period, UrbanGrowth NSW underwent an

organisational review, with subsequent confirmation the organisation would be separated into three entities.

Over the course of the coming year, we will be focusing on a number of Human Resource initiatives, including the roll-out of a new staff survey, to assist with rebuilding and redefining the culture of the organisation post the transition of staff into all entities.



^ UrbanGrowth NSW employees



Collaboration & engagement

To succeed in what we've been tasked to do by Government,
we need meaningful participation of the many people
and groups who have a stake in the evolution of our cities,
including the communities who know them best.

Because of the large scale, long life and complexity of the projects we work on, we need to include a very broad range of people, groups and organisations.

For community, business, industry and professional stakeholders, public participation is recognised as fundamental to sound civic process. People have a right to be informed, at a minimum, about decisions that may affect them, and their participation improves decisions and outcomes.

For UrbanGrowth NSW, proper engagement is also fundamental to us achieving and maintaining a social license – the 'permission' granted to us by the public to do what we've been tasked to do by Government. As a government organisation, we need to recommend the best balance between sometimes divergent interests – we seek the input of all those that have a stake in the outcomes of what we do, to enable the Government to make better decisions.

If stakeholders are well engaged and they feel that processes are clear and fair, this ultimately helps increase their level of trust in us, and trust is a precondition of social license.

To drive stakeholder engagement, excellence and continuous improvement in our engagement practice, this year we finalised *Join In*, our framework for engaging stakeholders on our projects. *Join In* articulates our commitment to engagement and the principles underpinning our approach, as presented below.

We aim to be	This means
Collaborative	Working with stakeholders with an interest in delivering positive project outcomes
Purposeful	Planning and resourcing engagement to support project delivery
Proactive	Engaging stakeholders early and throughout project planning and delivery and making it easy for them to participate
Accountable	Being clear about the purpose of engagement, level of influence and how the influence has shaped recommendations and decisions
Inclusive	Engaging stakeholders with different needs and interests

Join In is based on practical experience on our own projects and other government and non-government projects, internal engagement across our organisation, external peer review by local and international experts in urban transformation and engagement, and lessons from other organisations.

Our approach, which we now apply across all projects, was recognised by the International Association for Public Participation (IAP2) Australasia, with the 2016 Project of the Year Award and Planning Award for our engagement of communities and other stakeholders on the Bays Precinct Sydney Urban Transformation Strategy.

We regularly engage people, groups and organisations from community and business, government, and industry and professional sectors, as well as internal stakeholders.

A list of the stakeholders we engaged in FY17, how we engaged them and the issues addressed is included in Appendix B – Summary of Stakeholder Issues.

✓ Discovering Parramatta North Open Day



Jobs creation

Our new Sustainable Places Strategy identifies
a long-term goal to enable between 60,000 to 80,000
direct jobs across our portfolio to 2036.

For us, great places need to have a balance of work, live and play. This means providing homes for people, in proximity to employment and recreation. Enabling new direct jobs is identified as a key material issue for us, and has been embed within our new Sustainable Places Strategy.

We have identified a long-term goal to enable between 60,000 to 80,000⁵ new direct jobs across our projects to 2036.

As we do not create direct jobs within our communities (i.e. we do not build and then operate a community center with employed staff members), we are

focusing on how to enable employment within communities. This means providing a balance of residential, retail, commercial, education, community and other uses within our precincts.

To inform how we calculate and measure our progress against this new goal, we established an Economic Development Working Group. The Working Group was tasked to research and develop a methodology for calculating jobs enabled, based on employment ratios for different land uses. This included a comprehensive review of existing government and private sector employment ratios,

and developing a user-friendly jobs calculator that our teams can use to inform project planning.

In FY17, we estimate approximately 65,800 direct jobs will be enabled, across the life of our current project portfolio⁶.

We will track progress throughout the life of a project, and update our results based on actual and forward-looking data. This means that as a master plan evolves, and specific land uses receive planning approval, we are able to recalibrate potential jobs enabled.

⁵ Estimated contribution by portfolio: Landcom Projects – 30,000, Transformation Projects – 36,000

⁶ Based on a sample of legacy Landcom projects, and new UrbanTransformation projects with approved Business Plans as at March 2017



^ Student Site Tour Discovering Parramatta North Open Day

Advancing corporate governance

As part of our new Sustainable Places Strategy we are participating in independent and international reporting frameworks to benchmark our performance against national and international peers.

Our new Sustainable Places Strategy identifies a clear commitment to advancing our corporate governance. In 2017, we became members of, and completed our first submission to, the Global Real Estate Sustainability Benchmark (GRESB).

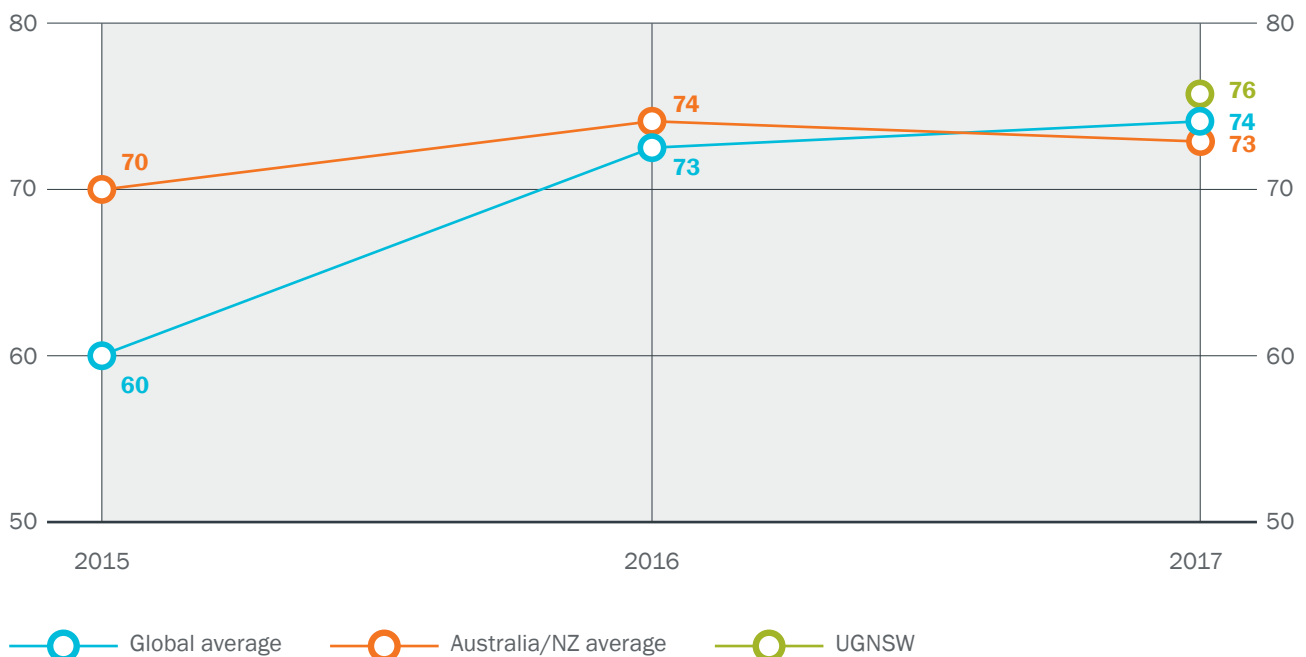
GRESB is an independent and international organisation that benchmarks annual sustainability performance of “real asset sector portfolios and assets in public, private and direct sectors worldwide”⁷. GRESB offers voluntary reporting

under three main themes of ‘Real Estate’, ‘Real Estate Debt’ and ‘Infrastructure’ to cater for the diversity across our sector.

In FY17 we achieved a performance score of 76/100, and became the first organisation of our kind to participate in GRESB. Our first report was submitted under the ‘Real Estate’ category, along with 759 entities across 63 countries. In FY18, we will seek to improve our performance.

⁷ GRESB <https://gresb.com/about/>

GRESB Annual Average Results



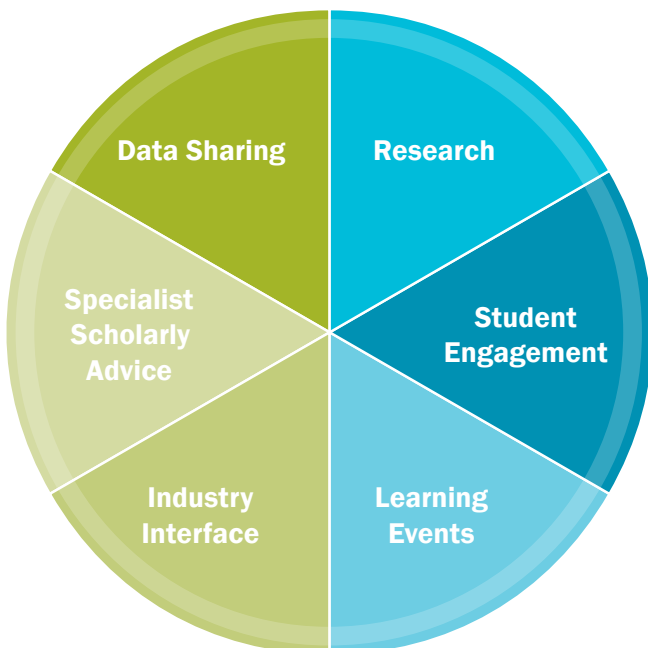
Innovation

Innovation is a material issue for UrbanGrowth NSW, and our new Sustainable Places Strategy includes a clear objective to pioneer new ideas and foster opportunities within our innovation economy.

A key measure of our innovation success will be to report the annual investment in research and development supporting our strategy principles of fostering sustainable environment, driving social equity, enabling an innovative economy and advancing our governance. We will do this by disclosing the annual investment in research or projects, led by our Communities of Practice – via our Universities Framework Agreement. The Universities Framework Agreement has been signed by eight leading NSW universities that work collaboratively with UrbanGrowth NSW on research projects focused on urban challenges.

The Universities Framework Agreement has six core areas of engagement:

Core areas of engagement



^ STEM Innovation

The Communities of Practice comprise UrbanGrowth NSW staff and academics from our university partners who meet quarterly to discuss potential research and learning opportunities.

Ten University Roundtable research proposals were funded during the year:

1. The Connected City – data sharing
2. Connected and autonomous vehicles
3. Valuing adaptive reuse of heritage buildings
4. Valuing creative place-making
5. Reflecting on regeneration
6. Sustainable food production
7. Translating health evidence into planning regulations
8. Community Engagement 4.0
9. Open Space

In FY17, the total investment value of the research generated through the University Roundtable, including cash funding (\$963,174) and in-kind professional time contribution from both the universities, government and UrbanGrowth NSW staff (\$2,103,989), was \$3,067,163. This is based on agreements executed at or before 30 June 2017.

This year we also stepped up our efforts to better engage young people, particularly through the establishment of our schools program and our Youth Engagement Strategy.

We recognise that many of today's students may live, work or visit our unique project sites. Some will be future teachers and researchers themselves – as such it is critical that young people have the opportunity to learn about urban transformation in a real project environment.

In our schools program, we expanded activities to include educational resources and field-based experiential learning at Green Square, White Bay Power Station, Parramatta North, Edmondson Park and Oran Park.

Students undertook site tours specifically linked to current curriculum where they were able to learn about the history, architecture and discuss the future opportunities these unique sites may hold.

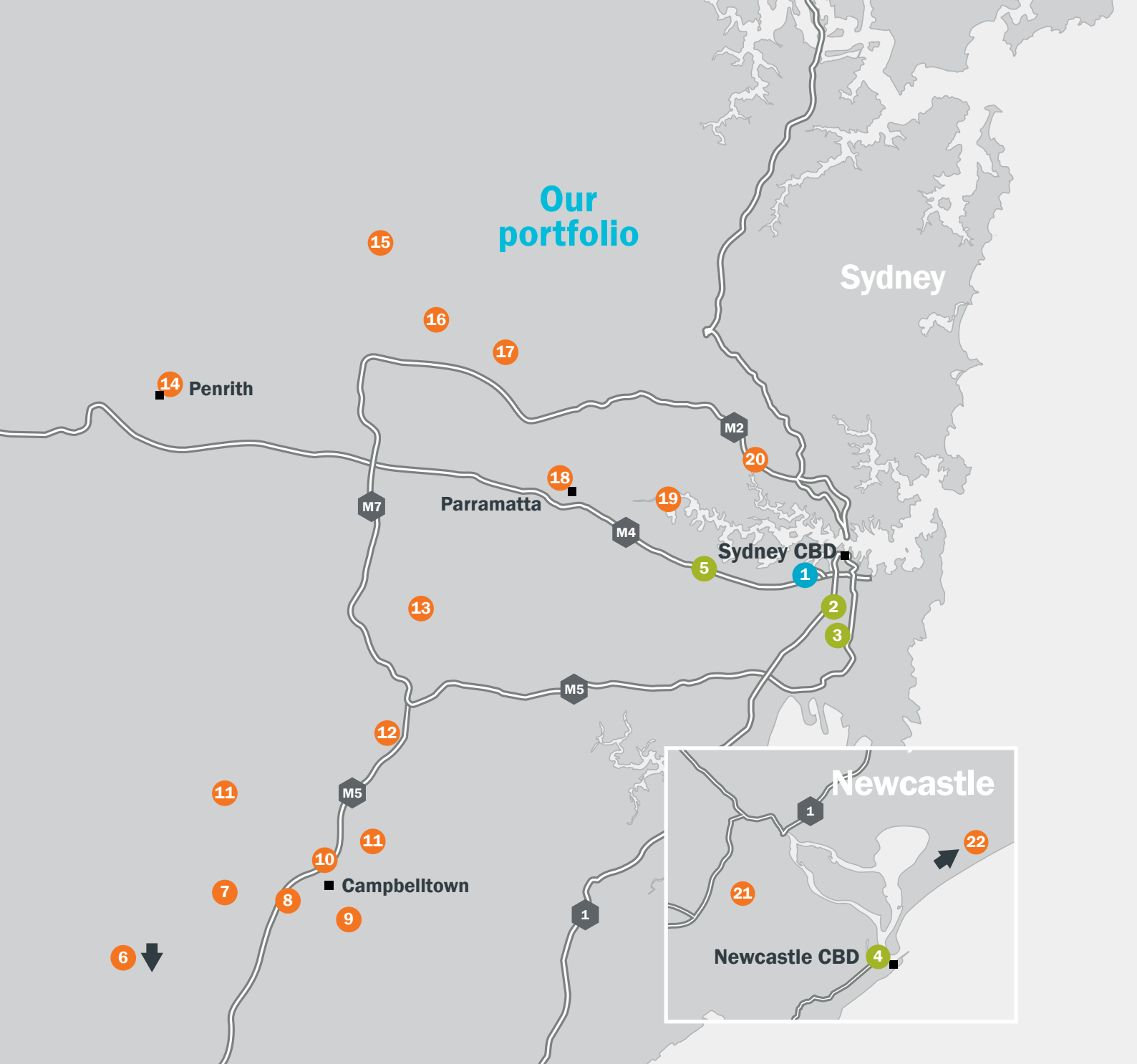
We also developed strategic relationships with peak educational stakeholders including:

- The Environmental Education Centres network
- The Environmental Education Centres Principals Association,
- Geography Teachers Association,
- History Teachers Association,
- Department of Education

During FY17 we established a strategic relationship with TAFE NSW, and we are developing a Memorandum of Understanding which outlines our shared commitment to supporting skills and trades training on our project sites.

Project reporting

In FY17 we met 75% of our overall indicators that had measureable targets and were in scope.



● The Bays Precinct

1. The Bays Precinct Sydney Urban Transformation Program

● CBD Project Portfolio

2. Central to Eveleigh Urban Transformation and Transport Program
3. Green Square Town Centre
4. Newcastle Urban Transformation and Transport Program
5. Parramatta Road Urban Transformation Program

● Western Sydney Project Portfolio

6. Renwick
7. East Village
8. Macarthur Heights
9. Newbrook
10. Hillcroft
11. Oran Park Town
12. Edmondson Park
13. Newleaf
14. Thornton
15. Riverstone
16. The Ponds
17. Sydney Metro Northwest Urban Transformation Program
18. Parramatta North Urban Transformation Program
19. The Peninsula
20. Lachlan's Line
21. Sanctuary
22. Vantage

Project reporting

Each of our project based sustainability indicators is aligned to a 'Milestone'.

Milestones are related to key development stages any given project will go through during its lifetime. Once a project meets a particular milestone, the associated sustainability indicators are triggered for reporting that financial year.

As a development often includes multiple stages over a period of many years, it is possible for any given project to trigger multiple milestones concurrently.

Milestone 1:

Project planning completion
Approval of concept plan,
development control plans
or master plan.

Milestone 2:

Precinct delivery
Where practical, completion
of one or more precincts
and precinct registration.

Milestone 3:

Built form commencement
When partnering with a
builder or other developer,
commencement of dwelling
construction.

Milestone 4:

Marketing, sales and
community programs
Land sales are occurring,
residents are moving in and
community programs are
established or in place.

2017 reporting projects

The below table indicates which developments met a reporting milestone in FY17.

Project	Milestone 1	Milestone 2	Milestone 3	Milestone 4
Ageing, Disability and Home Care Services			★	
Ageing, Disability and Home Care Services group homes			★	
Airds New Supply Program			★	
Bonnyrigg (Newleaf)		★		
Claymore (Hillcroft)		★		
Edmondson Park (Bardia)				★
Edmondson Park Town Centre and Retail		★		
Green Square Town Centre			★	
Lachlans Line		★		
Macarthur Heights		★		★
Minto				★
Newcastle East End	★			
Oran Park		★		★
Potts Hill				★
Sanctuary		★		★
Spring Farm (East Village)		★		★
Thornton				★

Project planning

The early design and planning of a project is often the most influential time to inform the sustainability decisions.

Understanding the context of a project, including its existing and future ecological potential, social sustainability needs, and economic prosperity is critical.

Our approach includes indicators and performance targets for all projects

to complete appropriate social due diligence, strategic social planning, and sustainability modelling using the PRECINX tool, before Master Plan approval. PRECINX is a sustainability modelling tool, initiated in 2009 by Landcom that evaluates social,

ecological and environmental potential of a project at neighbourhood scale, or larger.

In FY17, Newcastle East End was the only project in scope for our social due diligence indicator. We met this target.

#	Milestone	Indicator	Target	FY17 Performance
19	1	The percentage of our new projects that completed social sustainability due diligence assessments prior to master plan approval	100%	100%

Despite the implementation of Social Strategic Plans and PRECINX modelling also being a Milestone 1 indicators⁸, Newcastle East End is not in scope for reporting against these. UrbanGrowth NSW's role was to submit a Concept Master Plan Development Application, to enable the sale of the site within the reporting period. Implementing Social Strategic Plans and undertaking PRECINX modelling is only applicable to projects, where we have a material influence in the future outcomes of the project.

The requirement to use PRECINX prior to master plan is retired as at 30 June 2017. PRECINX is utilised throughout the business on a regular basis throughout the life of a project, and does not need a target to advance its use. Its use is also integral to measuring performance outcomes of our new Sustainable Places Strategy targets.

Furthermore, we have enhanced our own efficiency by training or retraining three staff members in the use of PRECINX during

2017. The Sustainability Team has also commenced remodeling all existing projects against our new Sustainability Places Strategy targets. At the time of this publication, we updated our models for Green Square, Metro North West, Parramatta North and Waterloo.

⁸ Implementation of Strategic Social Plans and PRECINX modelling are addressed at Indicators 20 and 22 respectively. No projects were in scope for this indicator during the reporting period. A full summary of indicators and their performance in Appendix A.

Design targets

Our new Sustainable Places Strategy also includes a commitment for all new projects to be reviewed by a panel of experts – or a Design Review Panel (DRP). This is aligned to our material issue of enhancing community satisfaction with design

Projects will be reviewed by our own Design Directorate, established in 2015, which includes members of the Board, NSW Government Architect's Office and the Greater Sydney Commissioner for Environment. This forum meets monthly to review our projects currently underway. Alternatively, projects may already be required to advance through a design excellence competition as part of a State Significant Development or other

development consent process. Where this is the case, we will deem the intent of the target met.

This new target aims to drive a greater focus on high quality design of our urban environments. A Design Review Panel will most typically include a broad range of design professionals, such as architects, landscape architects, urban designers and planners. This group of experts is able to test the quality of

design proposed, and offer guidance, direction and recommendations based on experience.

As part of our commitment to forward report performance of several new targets, we tested the percentage of projects that had presented to our Design Review Panel or an equivalent during FY17, during Concept Design stage. We are pleased to report all projects met our new target.⁹

#	Indicator	Target	FY17 Performance
New	Percentage of projects reviewed by the Design Directorate, or an independent design review panel during Concept Design phase	100%	100%

Edmondson Park

Excellence in Design



In FY17, a significant new artwork was unveiled at Edmondson Park railway station to commemorate the military history of the area.

The bronze sculpture was commissioned by UrbanGrowth NSW and features a military tracker dog named Caesar who trained locally at the former Ingleburn Army Camp and was posted to serve in South Vietnam in 1967. The Caesar sculpture links the military past with

the modern future and will be seen by numerous people using the train station – and also the new town center when it is complete.

Edmondson Park is one of our master planned communities in Sydney's south west and will feature a new town center, about 4,000 new homes, new schools, community facilities, recreation areas and a regional park.



'Tracker Dog' public artwork at Edmondson Park

⁹ Projects: whole master plans, or clearly distinct precincts within a large master plan. Precinct: four or more apartment buildings, 250 dwellings, or 2000m² for public realm applies. 'Concept Design' taken as at March business planning, during the current reporting year. Not Applicable: Any project within Concept Design for less than six months at time of business planning; or project reviewed in a previous reporting period, with no material changes.



Environment

We are committed to responsible environmental management and continual improvement.

Water sensitive urban design

Water sensitive urban design (WSUD) is integral to a sustainable water cycle management program. It can include elements such as wetlands, rain gardens and alternative water sources to water-efficient fittings and rainwater tanks.

It can also include the rehabilitation or protection of natural waterways such as riparian corridors or wetlands.

To heighten an awareness of WSUD, we maintain several indicators based on WSUD principles, to reduce or prevent water pollution ending up in local waterways, and provide aesthetic and community value to each project.

In FY17 we had no projects within scope for our indicators requiring the development of WSUD strategies, or the protection and/or rehabilitation of waterfront or riparian land. However, this does not mean that our projects haven't been focusing on protecting, and restoring our waterways this year. Our Parramatta North project has embedded the retention and restoration of 3.54ha of native riparian

land into its most recent Development Application, currently under consideration (Case Study Page 36).

During this reporting period we did successfully meet our target to reduce the mean annual load of nitrogen generated by development, compared to a typical urban development. This was achieved through the adoption of WSUD elements such as bioretention systems and wetlands, with results independently quantified via MUSIC¹⁰ modelling.

Finally, all projects with public open space (POS) as part of civil works, that reached practical completion in this reporting period were assessed to determine if the POS was irrigated by potable or non-potable water sources. All projects in scope for this reporting

period used recycled water for irrigation, which totaled 4.3ha of area.

While our internal policies have historically included project based performance aspirations against a range of water based pollutant loads, we have only publicly reported against nitrogen reduction.

Our new Sustainable Places Strategy has been updated to monitor and report all key WSUD pollutant load reductions, including nitrogen (45% reduction), phosphorus (65% reduction), suspended solids (85% reduction) and gross pollutants (90% reduction).¹¹

#	Milestone	Indicators	Target	FY17 Performance
29	2	% reduction in mean annual load of total nitrogen	45%	45%
32	2	% public open space irrigation by non-potable water	100%	100%

¹⁰ Model for Urban Stormwater Improvement Conceptualization

¹¹ No projects were in scope during the reporting period for Indicator 21 – WSUD Strategy, or Indicators 27-28 addressing the protection or restoration of waterfront land. A full summary of indicators and their performance in Appendix A.

Water sensitive homes

Since 2002, Landcom and UrbanGrowth NSW dwellings have saved 135,000ML from what would have typically been consumed in dwellings without water efficient fittings and reuse.

We measure water efficiency of homes built during a reporting period, in accordance with the Environment and Planning Assessment Act, Building Sustainability Index (BASIX). BASIX applies to all development types, and aims to deliver equitable, effective water and greenhouse gas reductions across NSW.

Since 2002, Landcom and UrbanGrowth NSW dwellings have saved 135,000ML from what would have typically been consumed in

dwellings without water efficient fittings and reuse. This is equivalent to 70,000 Olympic swimming pools, and resulted in household savings of over \$300M, compared to if they had no water efficient fittings or appliances.

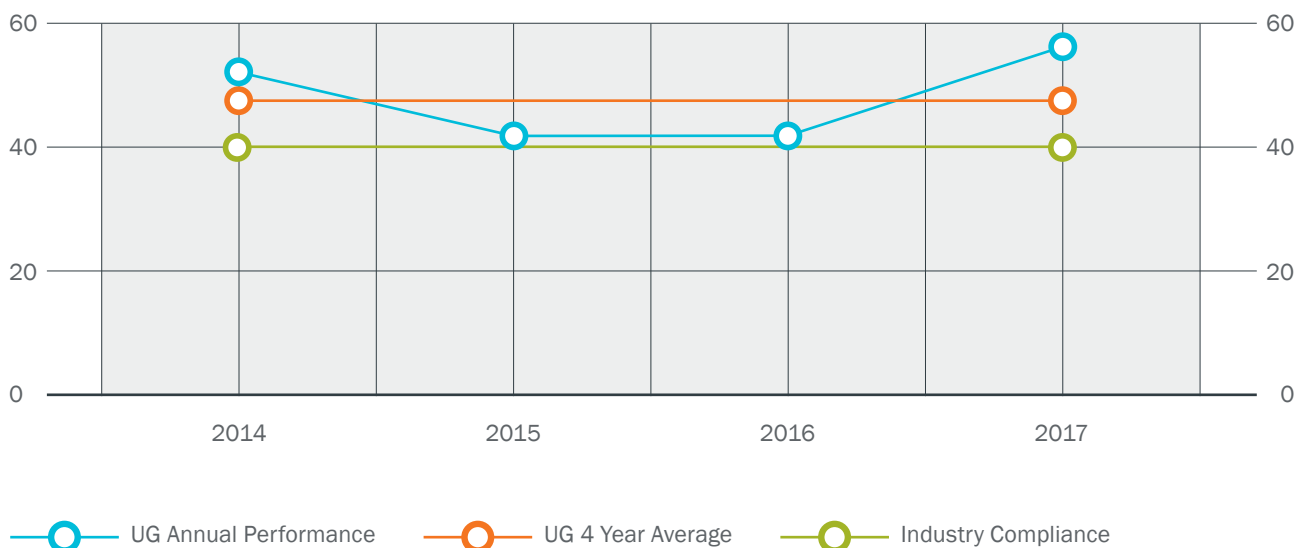
Furthermore, Landcom and UrbanGrowth NSW dwellings have saved 50,000ML more than they would have if they just met the mandatory BASIX target. This is equivalent to 25,000 Olympic swimming pools, and resulted in savings for our residents of

\$110M in savings above and beyond the BASIX Scheme.

Our new Sustainable Places Strategy continues to embed BASIX water targets, supporting reduced cost of living for people living in one of our communities. Our new water target is BASIX 60.

#	Milestone	Indicator	Target	FY 17 Performance
30	2 or 3	BASIX occupancy weighted result for water (single and multi-dwelling house)	BASIX 40	BASIX 56

Historical BASIX Water Performance





Energy efficient homes

Existing homes account for approximately 17% of NSW total energy consumption. By increasing the thermal comfort and efficiency of all new homes, the residential market can have a meaningful impact on reduced energy demand.

We measure the energy efficiency of homes we build during a reporting period in accordance with the Environment and Planning Assessment Act, Building Sustainability Index (BASIX).

"BASIX targets are calculated as a percentage savings against the NSW average benchmarks (being the average per-person water consumption and greenhouse gas emissions levels across the state). These percentage savings are then expressed as a target,

i.e. BASIX 50 represents a 50% saving against the benchmark.

BASIX assesses a proposed dwelling based on these benchmarks, and taking into account regional variations such as soil type, climate, rainfall and evaporation rates."¹²

During the reporting period a total of 39 single and multi-unit certificates were issued, and their BASIX energy scores recorded. In addition, we recorded the BASIX energy score

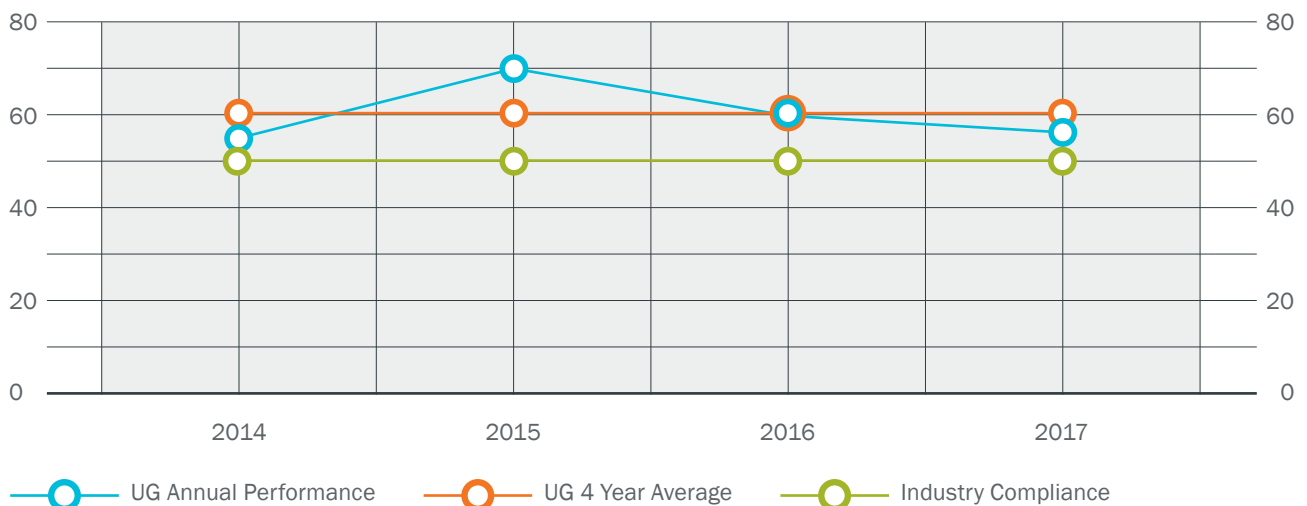
for 301 residential flats, which fall outside of the boundary of this report. These results fall outside of the reporting boundary, as the indicator was originally established for detached dwellings only.

This result is slightly down from our FY16 performance of BASIX 59. In FY18 we will continue to review opportunities to advance the energy performance of homes built at our projects.

¹² NSW Department of Planning and Environment, BASIX Help Notes <https://www.basix.nsw.gov.au/iframe/basix-help-notes/190-target-review/471-new-basix-targets.html>

#	Milestone	Indicator	Target	FY 17 Performance
31	2 or 3	BASIX occupancy weighted result for energy (single and multi-dwelling house)	BASIX 55	BASIX 55

Historical BASIX Energy Performance



In June 2017, the Department of Planning and Environment announced an update to the BASIX energy targets. These changes came into effect from 1 July 2017. Our new Sustainable Places Strategy maintains a focus on BASIX energy ratings, and sets our ambitions well beyond the new BASIX requirements. We have also expanded our focus on BASIX to include a more diverse range of built form typologies.

In FY16 we committed to progressively reporting against a handful of new targets in our FY17 report. To uphold this commitment, we are sharing the performance of our single and multi-unit dwellings, against our new BASIX targets (normalised by occupancy weighting).

The results below reaffirm our considered decision to maintain a focus on BASIX, with adjusted targets for even higher achievement.

Our historic performance from FY14-FY17 clearly demonstrates consistent achievement of BASIX 55, however benchmarking the same projects against our new targets of BASIX 60 clearly demonstrates opportunity for advancement¹³. We are aiming for our projects to take a leadership position in advancing the energy efficiency of homes further.



^ Greencycle Home Ecoliving Display Village

	No. Projects	BASIX Target	FY17 Performance
Detached and semi-detached	39	60	15%
Low Rise (up to 3 storey units)	0	55	NA
Mid-Rise (4-5 storey units)	0	45	NA
High-Rise (6 storey units and above)	2	40	0%

¹³ Note: Only detached and semi-detached dwelling results for FY17 performance is suitable for comparison to the existing target of BASIX 55.

Biodiversity & ecology

We are committed to reducing the environmental impact of our projects.

One of the biggest environmental impacts associated with urban development is the removal of habitat and landscape fragmentation. We are transparent about the impact our developments have on native habitat, including riparian corridors and other waterbodies, threatened species and habitats.

In FY17 we had no projects within scope for our biodiversity and ecological indicators¹⁴. However, this does not mean that our projects haven't been focusing on protecting, and restoring native habitats and ecological environments this year. Our Parramatta North Urban Transformation project has embedded

the retention and restoration of 3.54ha of native riparian land into its most recent Development Application, currently under consideration.

Parramatta North Urban Transformation

Cultural & Landscape Heritage



Throughout this vast scope of this project, UrbanGrowth has demonstrated significant leadership. The site preparation for renewal includes heritage publications, conservation management plans and the Canopy Replenishment Strategy.

The project aims to conserve some of Australia's most significant heritage sites, namely the Cumberland Hospital site, Parramatta Gaol site and Norma Parker Centre/Kamballa. Conservation will facilitate the area's transformation into a vibrant locality.

The area's flora diversity also holds significant value. Over many years the reduction of horticultural complexity, lack of arboricultural maintenance, and decline in plantings of trees and other plant species has had a drastic impact to the integrity of the landscape.

To halt the decline in horticultural complexity, the Canopy Replenishment Strategy strives to protect and manage the significant cultural landscape of the Parramatta North area, including views and vistas, retention and conservation of significant trees, and addressing future succession planning to maintain the character of the significant cultural landscape.



Cumberland Hospital & Significant Trees

¹⁴ No projects were in scope for indicators 23-26 during this reporting period. A full list of indicators, including those where no projects were in scope during the reporting period can be seen at Appendix A – Indicator Performance Summary.

Waste

For civil works and building construction,
we aim to recover 95% of waste, through reuse or recycling.

Preparing land for housing developments often involves significant movement of fill material within, to and from development sites.

We define our approach to waste as 95% recovery (reuse and recycle) of waste from civil works and building construction. The boundaries of this target currently align strongly with traditional greenfield development, where virgin excavated natural material (VENM) dominates waste generated and can often be reused onsite – or reallocated to our other projects.

Contaminated land and hazardous waste is typically lower in greenfield developments. Despite our best efforts, it is not always possible to remediate all contaminated land and divert hazardous waste from landfill.

This year over 224,000 tonnes of waste was generated across our reportable projects, with 89% recycled or reused based on WRAPP reports. Of these, a quarter of the projects were sampled for waste receipt verification, to inform the veracity of WRAPP reporting. Sampled projects returned

a result of 82.9% waste recycling and reuse – rendering a consistent result as presented within WRAPP reports.

As noted, the reported waste diversion from landfill includes contaminated and hazardous waste. When excluding contaminated and hazardous waste, our projects achieve a 99.8% diversion of waste from landfill.

Our new Sustainable Places Strategy carries forward our commitment of 95% diversion of waste from landfill.

#	Milestone	Indicator	Target	FY 17 Performance
34	2	% recovery (reuse and recycle) of waste from civil works and building construction	95%	89%

Environment targets

Our new Sustainable Places Strategy continues to place a high value on transparently reporting our impact on local environments.

We are advancing our approach to focus on how we can achieve net positive environmental outcomes.

Our new Sustainable Places Strategy continues to place a high value on transparently reporting our impact on local environments. We are advancing our approach to focus on how we can achieve net positive environmental outcomes.

This means we will be taking stock of the quality of land during acquisition or pre-master plan - and evaluating the impact any future development may have by using our ecological calculator. The calculator is aligned to the Green Building Council of Australia, Green Star Communities tools, and will also

support our teams in preparing Green Star Certification submissions.

This approach of early evaluation will advance the way we approach the protection and enhancement of local habitats, and also provide significant benefit to the residents of our communities.



^ Lachlan's Line, Linear Park Playground

We are also committed to investigating measures to reduce organic waste to landfill. Organic waste, otherwise known as green waste, is material such as food scraps, and garden clippings. Around half of all household waste

disposed of, and 30% of all landfill comprises household organic waste¹⁵. This is of particular concern, as the anaerobic decomposition of organic waste in landfill generates methane. When released into the atmosphere,

methane is 25 times more potent a greenhouse gas than carbon dioxide.¹⁶

Thinking of better ways to capture and use organic waste can have a material impact on emissions reductions.

15 EPA <http://www.epa.nsw.gov.au/waste/organic-waste.htm>

16 <https://environmentvictoria.org.au/resource/organic-waste/>



^ Lachlan's Line, Community Garden

Governance

Through the public exhibition of our new Sustainable Places Strategy, industry highlighted the ongoing need for leadership within the property development and construction supply chain. Particular focus was given to renewable materials, and human rights.

In response to this clear call for action, we will be bolstering our focus on our direct and indirect supply chain over the coming reporting period, with new targets and strategic priorities to continue building momentum and positive change.

This will include actions such as mandating responsibly sourced timber, reviewing how we can manage our human rights impacts, and continuing to bolster the pre-requisite sustainability conditions we require from our contractors.

Third party audits & verifications

We maintain an independently certified Environmental Management System, aligned to Australian and New Zealand standards to help manage the governance of our projects.

We are certified by an independent third party to the Australian and New Zealand standard AS/NZS 14001:2004 for our Environmental Management System (EMS)¹⁷.

This certification requires our work and our contractor work to be audited to ensure it complies with our EMS.

All works contracts with a significant environmental or WHS risk are subject to third-party independent environmental and WHS audits at least every six months during the works.

Over this reporting period, we have updated our civil works and landscape works prequalification contractor lists, in an effort to positively influence sustainability within our supply chain. Selection criteria included each

contractor to maintain minimum environmental management standards of a certified EMS or equivalent for contracts over \$5M. We expect that through this inclusion, our EMS and contractual requirements for six-monthly independent audits will increase in future years. This will be managed and reported through our EMS.

Contractors must also address any non-conformances identified in their audits – defined as issue found in the audit that may lead to environmental harm or a WHS hazard (according to our ISO14001:2004 EMS procedures and risk assessment).

Of the assessed contracts, one included a non-conformance that was not addressed and/or closed out

during the reporting period.

This matter has subsequently been resolved, and closed by the auditor. Actions taken to improve this result include updating our pre-qualified contractor list criteria to include a requirement for each contractor to manage their own EMS. This is expected to help confirm our EMS requirements are met, by increasing the robustness of our supply chain.

#	Milestone	Indicator	Target	FY17 Performance
35	2	% of civil works and builder contracts that have WHS and environmental audits done every six months	100%	100%
36	2	The number of WHS and environmental audits which had non-conformances found during the reporting period	0%	4%

¹⁷ SAI Global independently certifies the UrbanGrowth NSW EMS. EY has independently assured that UrbanGrowth NSW has maintained a certified EMS during FY17.

Influencing our supply chain

Overall, the total value of works advancing sustainable projects or processes exceeded \$4 million.

We aim to influence our supply chain by asking contractors to embed the advancement of sustainable projects or processes into contracts. This indicator is deliberately broad, to allow for innovation. We prefer not to prescribe how our supply chain meets the challenge of sustainability, but to support unique ideas and approaches. Examples may range from the sustainable sourcing and use

of materials, through to the design or construction technique used for public open space or art installations.

In FY17 all public space and major works contracts executed within the reporting period included the advancement of sustainable products or processes. Contracts within scope for this indicator ranged from civil works, through to a public art

installation, community development programs and initiatives such as re-used material for fill. This is a significant improvement on our FY16 results, where ONLY 76% of contracts met this target.

Overall, the total value of works advancing sustainable projects or processes exceeded \$4 million.¹⁸

#	Milestone	Indicator	Target	FY17 Performance
37	N/A	The percentage of public space and major works contracts we executed during the year that included requirements to advance sustainable products and/or processes	100%	100%

Throughout FY17, significant time and effort has been invested to improve the sustainable performance of our supply chain. This included a complete rework

of our civil works and landscaping supplier panel requirements, and dedicated sustainability and innovation returnable schedules for tender invitations. We also

expanded this through to many of our consultancy tenders for design, engineering and other professional services.

¹⁸ There were no projects in scope for Indicator 18, addressing agreements executed with development partners that contained non-financial performance requirements, during the reporting period. A full list of indicators and their performance results for FY17 can be seen an Attachment A.

Staff training

We support our staff to understand our Environmental Management System through training and education programs. These take many forms, from direct workshops or presentations through to online engagement.

During this reporting period, we rolled out a series of online engagement programs to evaluate the level of knowledge our staff have regarding EMS, and help advance their understanding and appreciation of the system.

In FY17, we ran three online EMS related learning forums, where staff were required to demonstrate

their learning by a short quiz at the completion of the module. Particular modules were developed for project team staff dealing with developments day to day, to supplement the corporate module.

We are pleased to report that 242 staff participated in the corporate training, and over 90 project staff passing EMS project specific learning modules.



^ Training and engagement

Social sustainability

We focus on how places can positively impact
the quality of life and experience for people using them.

Community facilities & programs

Our Community Welcome program provides services and welcome visits to the homes of customers who move into our developments. Welcome kits provided to new residents include information about local culturally and linguistically diverse (CALD) organisations, services for CALD residents and information on how to access free interpreter services.

Over the past year, program facilitators contacted more than 1,500 households in nine new housing developments. One Minto, Edmondson Park and Potts Hill developments have high proportions of CALD residents. Our initiatives to assist community members and bring

different community groups together included culturally themed welcome events, Harmony Day events, culturally appropriate catering and employing staff from CALD backgrounds.

Harmony Day events were held in March 2017 as part of our programs in Penrith, Bankstown and Campbelltown. These celebrated each community's diversity and multiculturalism.

In FY17, we had nine projects within scope for our community programs indicator, of which eight delivered community programs. Our overall total investment in community programs and value of community facilities combined was over \$9.7million.

Lachlan's Line was a major contributor to the delivery of community facilities (which excludes the cost of land) in the reporting period, and included public open spaces, BBQs, amenities blocks, a skate-park, dog park, public art, outdoor gym equipment and hydration stations.

During our FY16 reporting period, Renwick temporarily phased out investment in community programs, pending the potential sale of the remaining site. This remained consistent through FY17. As the sale did not proceed, community development programs will be reestablished in the coming financial year.

#	Milestone	Indicator ¹⁹	Target	FY17 Performance
38	4	% of all projects we delivered during the year that included community programs and the combined annual value of the programs	No Target	88% Projects \$584,405.76
39	4	The combined contract value of the community facilities that were included in all projects we delivered during the year	No Target	\$9,160,151

Green Square 'Social Corner'

Social Sustainability & Place Making



The Social Corner is a unique initiative by UrbanGrowth NSW and Mirvac, at Green Square Town Centre. This new community meeting place is a space to relax, grab a coffee, collaborate and be inspired. Everyone is welcome, and free wifi is available to the community. It's also the base for Green Square's Place Manager, Rosa Han.

The Social Corner was inspired in part by sociologist, Ray Oldenburg, and his work in identifying the "Third Place" as being essential in establishing authentic community cohesion

and feelings of sense of place and belonging. The Social Corner is Green Square Town Centre's "third place", and is located at 30 Ebsworth Street Zetland.

Since opening, The Social Corner has hosted many community events, large and small, including sustainability brunch, school holiday creative workshops, school project tours and a community information day. As well as many events, locals access The Social Corner on a daily basis for study, business and socializing.



Green Square - Social Corner

¹⁹ Indicator 40 addressing sponsorships has been retired. Our approach has matured from philanthropy to impact investing. Communities of Practice addresses impact investment and measurement for our organisation. A full list of indicators is found at Appendix A.

Affordability

Housing affordability is a key focus of the NSW Government, as articulated by the Premier of NSW's commitment to "ensure enough homes are built to meet the needs of a growing population".²⁰

We have a long history of addressing housing affordability. We first introduced housing affordability targets in 2003, and have maintained a strong focus on this social and economic issue ever since.

Our current indicator addresses the release of moderate-income housing to market within the reporting period. A households earning 80-120% of the average household income is considered 'moderate-income'²¹. We aim to achieve 7.5% of our total market releases, as moderate-income housing each year²².

We determine what percentage of our releases fall within the moderate-income bracket by calculating:

- Lot sale: the lot release price, plus the estimated cost of building a modest family home²³;
- House and land package: total cost of package

UrbanGrowth NSW does not control, or have influence over, the cost to build a home on a lot. Market fluctuation in the cost of home construction materially affects our performance against this indicator. Project development cycles and land release locations also materially affect this indicator, which is currently unaccounted for in our calculations. This is addressed as part of the new Sustainable Places Strategy.

In FY17, 24% of all lots released to market fell within the moderate-income housing range. However, the additional estimated cost of building a home on the lot reduced the overall percentage achievement of this indicator to 2.8%.

A clearer representation of our performance is shown across a six-year average. This rolling average helps to normalize annual cycles, demonstrating that over the longer term, UrbanGrowth NSW has consistently delivered 10.84% moderate income housing to market.

²⁰ Premiers Priorities, <https://www.nsw.gov.au/improving-nsw/premiers-priorities/making-housing-more-affordable/>

²¹ Price range set at 80% to 120% median household income, as reported by latest ABS census data for Sydney

²² Indicator 33. A full summary of indicators and their performance in Appendix A.

²³ We utilise BMT Quantity Surveyors calculator to estimate the cost of building a modest home during the reporting period <https://www.bmtqs.com.au/construction-cost-calculator>

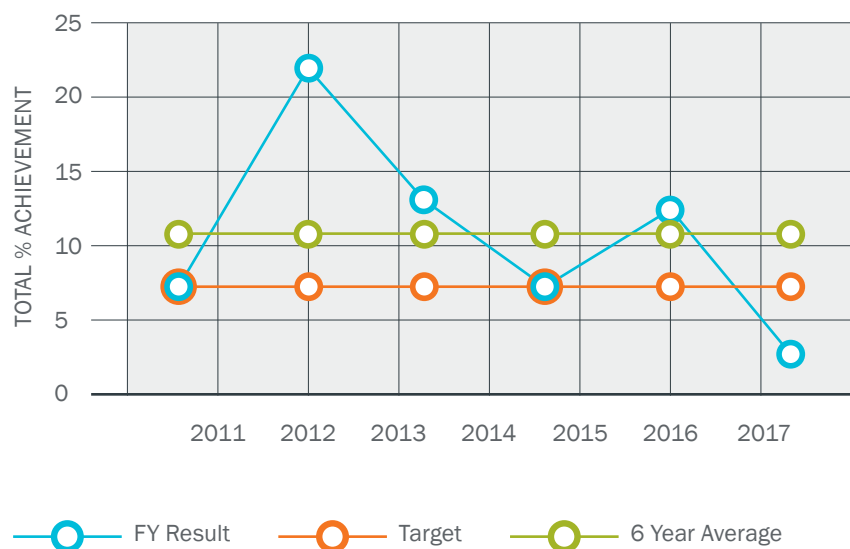


^ Affordable Housing at Thornton

As part of our new Sustainable Places Strategy, we will continue our focus on affordability, with a commitment to deliver 5-10% Affordable Housing at projects across our portfolio, and promote diverse housing solutions.

Where practicable, we will also review the opportunity to report reduced cost of living to residents within our communities, as a direct result of sustainable design and construction.

Moderate Income Housing



Thornton

Housing Diversity & Affordability

UrbanGrowth NSW exceeded the new 5-10% affordable and diverse housing target at Thornton by partnering with Community Housing Provider (CHP) Evolve Community Housing to deliver a high density development comprising private sale & affordable housing dwellings.

In conjunction with builder partner Payce, Evolve purchased the land from UrbanGrowth NSW with a requirement to build and manage a minimum of 50% affordable housing

dwellings within the development.

The final project delivered 268 dwellings of which half or 134 dwellings were retained as social or affordable dwellings.

The scale of the project is significantly larger than what has previously been possible in the CHP sector and demonstrates a step forward in achieving increased supply of affordable dwellings.



Thornton - Housing Diversity

Liveability targets

Liveability is the ability of a place to deliver quality of life to its residents and community.

It measures how a place creates economic prosperity, social stability and equity, educational opportunities, physical and mental health and wellbeing, as well as recreation, culture and entertainment.

Liveable communities are healthy and inclusive. They are connected by public and active transport to cultural and economic opportunities; and are diverse in land use and opportunity. As

a result, liveability ties into a number of our material issues.

Our new Sustainable Places Strategy sets a long-term vision to create the world's most liveable urban communities. A suite of targets that focus mental and physical health, connectivity, and social resilience will test our success. We will measure performance against our targets using a new Community Wellbeing Index,

currently under development. The Index will survey residents, and may extend to businesses and services on the quality of life experienced within a particular community.

Our Index will be aligned to the Greater Sydney Commission Liveability Framework, and benchmarked against the Deakin University Personal Wellbeing Index for comparability.



^ The Lake Neighbourhood Centre, The Ponds



The year ahead

As highlighted in the introduction to this report, UrbanGrowth NSW's portfolio has been reassigned to Landcom, UrbanGrowth NSW Development Corporation (UGDC), and the Hunter Development Corporation (HDC).

UGDC will operate within the Department of Premier and Cabinet and report to the Premier of NSW. It will focus on complex, large-scale urban transformation projects that require a coordinated approach across multiple agencies. Projects include The Bays Precinct, Parramatta North and Redfern to Eveleigh and Waterloo. This work will reflect the NSW Government's priorities of job creation, housing supply, economic growth and sustainability.

The HDC now manages the revitalisation of Newcastle's city centre and will continue to work with Transport for NSW, Newcastle City Council, the local community and other stakeholders.

Landcom will continue to function as a State owned corporation, reporting to the Minister for Planning and Housing, and two Shareholder Ministers. Its strategic direction will respond to new Statement of Ministerial Priorities, and activities focused on housing, in particular supply, affordability and diversity in projects underpinned by industry-leading sustainability principles.

Landcom's portfolio will include greenfield residential developments, Green Square Town Centre, Sydney Metro Northwest, Lachlan's Line, Wentworth Point, and projects on behalf of NSW Land and Housing Corporation and the Australian Defence Housing Corporation.

This new direction recognises Landcom's substantial record of accomplishment, particularly since corporatization in 2002.

The separation of these projects into the three entities will result in the decommissioning of the UrbanGrowth NSW brand. Therefore, this will be the last Sustainability Report by Landcom trading as UrbanGrowth NSW.



Appendix A:
Indicator performance summary

Indicator description		Target	FY17 performance
1.	A description of the various projects and initiatives we completed during the year that demonstrated leadership through the integration of our core values in terms of environmental, economic and social sustainability	No target	Target Met. Case studies provided throughout report.
2.	The total revenue we received: calculated from the sale of land, profits from joint ventures, project management services and miscellaneous items	No target	\$780,429,000
3.	The sales margin we received: calculated as the sales revenue on land sales less the total cost of developing the land, divided by our sales revenue	No target	39.53%
4.	Our return on sales: calculated as our net operating profit after tax, divided by the total revenue from the sale of land	No target	23.17%
5.	Our earnings before interest and tax (EBIT)	No target	\$228,621,000
6.	Our return on equity: calculated as earnings after tax divided by our total operating assets	No target	20.89%
7.	The return on our total operating assets: calculated as profit after taxes divided by our total operating assets	No target	14.65%
8.	Our financing capacity, defined as our debt to equity ratio, which is the measure of our net debt funding as a percentage of equity, as at the end of the financial year	No target	0.00%
9.	The dividend and tax equivalent we returned to the NSW government	No target	\$74,849,000
10.	The total number of jobs we generated, which is defined as the total number of jobs created through our activities, estimated via an ABS calculator	RETIRED	NA
11.	The total economic output we generated which is defined as the total economic output generated through our activities, estimated via an ABS calculator	RETIRED	NA
12.	The amount of paper we purchased containing recycled content, expressed as a percentage of total paper purchases	100%	100%
13.	The volume of co-mingled waste streams that we recycled from our office operations, expressed in tonnes	No target	4.46 tonnes
14.	The percentage of our Head Office and regional office tenancies located in buildings that achieved a 5 star NABERS rating	5 Star NABERS	6 Star NABERS – target exceeded
15.	Water efficiency of the Head Office (Parramatta office only)	RETIRED	NA
16.	Employee satisfaction survey responses	No target	NA
17.	A description of our stakeholder engagement processes	No target	Provided in report
18.	The percentage of all agreements executed with our development partners during the year that included non-financial performance requirements	100%	No projects in scope.
19.	The percentage of our new projects that completed social sustainability due diligence assessments prior to master plan approval	100%	100%
20.	The percentage of our new projects that had a strategic social plan in place prior to master plan approval	100%	No projects in scope

Indicator description		Target	FY17 performance
21.	The percentage of our new projects that had appropriate water sensitive urban design strategies in place prior to master plan approval	100%	No projects in scope
22.	The percentage of our new projects where we used PRECINX® prior to master plan approval to develop project specific objectives	100%	No projects in scope
23.	The percentage area of native vegetation retained within our projects, expressed as a percentage of the total area of native vegetation	100%	No projects in scope
24.	The percentage area of threatened species community or habitat which was impacted on our projects	0%	No projects in scope
25.	The area of retained native vegetation protected within our projects (including waterfront land), expressed as a percentage of the total area of native vegetation	100%	No projects in scope
26.	The area of native vegetation (including waterfront land) restored or regenerated within our projects, expressed as a percentage of the total area of native vegetation	100%	No projects in scope
27.	The area of waterfront land (including riparian corridors) protected within developable area	100%	No projects in scope
28.	The percentage area of waterfront land (including riparian corridors) we restored or regenerated within our projects	100%	No projects in scope
29.	The levels of nitrogen in stormwater from our projects that was reduced due to our water sensitive urban design initiatives: expressed as a percentage against comparable developments with no WSUD initiatives in place	N45	N45
30.	The performance of our projects during the year in terms of exceeding BASIX water efficiency targets	BASIX 40	BASIX 56

Indicator description		Target	FY17 performance
31.	BASIX occupancy weighted result for energy (single and multi-dwelling house)	BASIX 55	BASIX 55
32.	The area of public open space in our projects irrigated by a non-potable water supply, expressed as a percentage of all public open space delivered	100%	100%
33.	The amount of 'moderate income land or housing' we delivered in our projects: expressed as a percentage of the total land/housing we sold during the year	7.5%	2.8% Target not met
34.	The amount of waste we were able to recover from the civil works and building construction waste we generated in our projects, via reuse or recycling initiatives: expressed as a percentage of the total waste that was generated	95%	89% Target not met
35.	Percentage of civil works and builder contracts that have WHS and environmental audits done every six months	100%	100%
36.	The number of non conformances found in the work health and safety audits and environmental audits undertaken during the year: expressed as a percentage of all audits completed during the year	0%	4% Target not met
37.	The percentage of public space and major works contracts executed during the year that included requirements to advance sustainable products and/or processes	100%	100%
38.	Percentage of all projects we delivered during the year that included community programs and the combined annual value of the programs	No Target	88% 8 Programs \$584,405.76
39.	The combined contract value of the community facilities that were included in all projects we delivered during the year	Nil	\$9,160,151
40.	The combined annual value of the community sponsorships we financed during the year	RETIRED	NA
NEW	Percentage of projects reviewed by the Design Directorate, or an independent design review panel during Concept Design phase	100%	100%
NEW	100% dwellings meet the following BASIX Energy targets, by typology: Detached & Semi Detached: 60 Low Rise (up to 3 storeys) 55 Mid Rise (4-5 storeys) 45 High Rise (6+ storeys) 40	As specified	15% Detached & Semi Detached Target not met
NEW	Enable direct jobs by 2036	60,000-80,000 jobs	>65,000 jobs Target met
NEW	Report the annual investment in research and development supporting our strategy principles of fostering sustainable environment, driving social equity, enabling an innovative economy and advancing our governance	No target	In-Kind \$2,103,989 Cash \$963,174

Appendix B:

Summary of stakeholder issues

Stakeholders	Consultation method	Issues
State MPs	- Presentations and briefings - Site visits and tours	- Priorities and coordination - Timeframes - Program milestones
Federal MPs and agencies, including: Department of Environment, Department of Foreign Affairs	- Telephone and emails - Site visits and tours - Presentations and briefings	- Environment Protection and Biodiversity Conservation conditions - Management of Military Heritage Precinct
- State agencies, including: - Department of Premier and Cabinet - Greater Sydney Commission - NSW Treasury - Department of Planning and Environment - Office of Environment and Heritage - Transport for NSW - Roads and Maritime Services - Heritage Council - Office of Strategic Lands - Hunter Development Corporation - Trade & Investment - Office of the Government Architect - NSW Department of Education - Property NSW - Infrastructure NSW - TAFE NSW - Utilities	- Meetings and briefings - Workshops - Phone calls/emails - Seminars - Ongoing project liaison including through Multi-Agency Steering Groups, Program Advisory Boards, Program Control Groups and working groups - Industry forums - Site tours and meetings - CEOs Reference Group	- Whole of government coordination of investment decisions and delivery - Development of plans for precinct - Sustainability Strategy development and adoptions - Collaboration in accordance with agreed frameworks - Access to buildings/land - Leases and engagement with tenants - Repurposing of heritage buildings - Coordinate transport management and infrastructure - Specific discussion of projects, components and progress against milestones and objectives - Voluntary Planning Agreement and modifications to existing approvals - Regional Park embellishment and use - Provide service crossings to service land - Title production

Stakeholders	Consultation method	Issues
Councillors and local government staff	- Meetings, briefings and presentations - Phone calls/emails/letters - Workshops - Ongoing project liaison including through Project Coordination, Reference and working groups - Asset inspections	- Ongoing consultation with Council - Coordination with Council projects - Statutory planning approvals, incl: Development Control Plans, Town centre DA's and Voluntary Planning Agreement - Coordinate transport management and infrastructure - Management of community impacts, placemaking and community development issues - Resolve design and delivery issues - Negotiate subdivision - Council asset handovers - Development commencement, progress, access, road closures, street name changes - Land acquisition and asset handovers
Local community groups	- Meetings and presentations - Phone calls/emails - Ongoing project liaison including through Community Advisory Panels Reference Groups - Attendance at Community Group Meetings - Ongoing liaison through Reference Groups	- Development of plans for precinct - Impacts on local infrastructure and properties - Opportunities for community input into studies. - Provision of active recreational facilities - Adaptive reuse to secure long-term management and ownership - Sustainability Strategy leadership
Industry groups and businesses	- Presentations/talks at industry events such as business breakfasts, conferences, briefings - Advertising - Media releases - Presentations to industry groups and conferences - Presentations at events - Meetings and briefings - Workshops - On site meetings and tours - Letters, phone calls and emails	- Sustainability Strategy development and adoption - Development of plans for precinct - Interest in development and other opportunities - Impacts on working harbour - Impacts on lease arrangements and planning certainty - Commercial outcomes - Servicing schedule and progress - Maintain working relationships - Negotiating access for works

Stakeholders	Consultation method	Issues
Department of Education, Catholic Education Office, Schools and Universities	- Letters, phone calls and emails - Surveys - Fieldwork programs - Phone calls, emails - Liaison with school principal - Ongoing project liaison including through Project Control Group meetings - Meetings with academics - Lectures, presentations and tours as part of course - University Collaboration Agreement - University round tables and Communities of Practice	- Development of plans for precinct - Access to teaching materials and project information - Facilitating schools precincts - Maximising shared use of school buildings - Shared use of open space - Design, heritage and other aspects of existing spaces - Access to buildings/land
Indigenous groups	Aboriginal Cultural Heritage Liaison Committee meetings	- Coordinate pre-construction activities - Design of Aboriginal cultural heritage areas - Other indigenous matters
Media – TV news, radio and newspaper	- Interviews - Social media updates - Ministerial updates - Media releases	- Development and progress of plans for precinct - Opportunity to explain balanced outcomes at projects

Appendix C:

Assurance statement



Independent Limited Assurance Statement to the Management and Directors of UrbanGrowth NSW

Our Conclusion:

Ernst & Young ('EY') was engaged by UrbanGrowth NSW to undertake 'limited assurance' as defined by Australian Auditing Standards, here after referred to as a 'review', over selected material sustainability performance disclosures for the year ended 30 June 2017. Based on our review, nothing came to our attention that caused us to believe that the selected sustainability performance information disclosed by UrbanGrowth NSW in its 2017 Sustainability Report has not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

What our review covered

In relation to UrbanGrowth NSW's 2017 Sustainability Report ('the Report'), EY reviewed:

- selected sustainability Performance Disclosures, limited to those set out in the table below:

UrbanGrowth NSW's Performance Disclosures	Report page
1. Percentage of all projects delivered during the year that included community programs and the combined annual value of the programs	45, 55
2. The combined contract value of the community facilities that were included in all projects delivered during the year	45, 55
3. Percentage of projects reviewed by the Design Directorate, or an independent design review panel during Concept Design phase	28, 55
4. The percentage of new projects that had a strategic social plan in place prior to master plan approval	53
5. The percentage of new projects that completed social sustainability due diligence assessments prior to master plan approval	27, 53
6. Percentage of civil works and builder contracts that have WHS and environmental audits done every six months	41, 55
7. Number of direct jobs enabled by UrbanGrowth NSW	20, 55
8. The amount of 'moderate income land or housing' delivered in projects: expressed as a percentage of the total land/housing sold during the year	46, 55
9. The percentage of all agreements executed with development partners during the year that included non-financial performance requirements	53
10. The percentage of public space and major works contracts executed during the year that included requirements to advance sustainable products and/or processes	42, 55
11. Maintenance of Environmental Management System ISO14001 Certification	41
12. BASIX occupancy weighted result for energy (single and multi-dwelling house)	34, 55
13. Percentage of dwellings to achieve the following BASIX Energy targets, by typology: Detached & Semi Detached: 60 Low Rise: 55 Mid Rise: 45 High Rise: 40	35, 55
14. The annual investment in research and development as part of the Communities of Practice University Roundtable	23, 55

- selected qualitative disclosures relating to the Performance Disclosures in the table above
- UrbanGrowth NSW's reported alignment to the self-declared 'core' level of 'in accordance' requirements of the Global Reporting Initiative's ('GRI') G4 Guidelines.

Criteria applied by UrbanGrowth NSW

In preparing the Performance Disclosures, UrbanGrowth NSW applied the following criteria:

- the Global Reporting Initiative's Sustainability Reporting Guidelines ('GRI G4')
- UrbanGrowth NSW's self-determined reporting criteria, as set out in the Report.

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on the Performance Disclosures based on our review.

We confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants*, including on independence, and have the required competencies and experience to conduct this assurance engagement.

UrbanGrowth NSW's responsibility

UrbanGrowth NSW's management ("management") was responsible for selecting the Criteria, and preparing and fairly presenting the Performance Disclosures in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with UrbanGrowth NSW on 16 May 2017.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Performance Disclosures and related information, and applying analytical and other review procedures.

Our procedures included:

- Conducting interviews with personnel to understand the business and reporting process
- Conducting interviews with key personnel to understand the process for collecting, collating and reporting the Performance Disclosures during the reporting period
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Testing, on a sample basis, underlying source information to check the accuracy of the data
- Undertaking analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of UrbanGrowth NSW, or for any purpose other than that for which it was prepared.

Terence Jeyaretnam FIEAust
Partner
5 December 2017

Ernst & Young
Melbourne, Australia

Appendix D:

Global reporting initiative G4

General and Specific Standard Disclosures

GRI Reference	General standard disclosures (summarised)	Reference to where the relevant information can be found																																																																																												
STRATEGY AND ANALYSIS																																																																																														
G4-1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organization and the organisation's strategy for addressing sustainability	Sustainability Report (message from the Chair of the Board)																																																																																												
ORGANIZATIONAL PROFILE																																																																																														
G4-3	The name of the organisation	'Introduction' in the 2017 Sustainability Report'																																																																																												
G4-4	The primary brands, products, and services	Chairman's review' and 'Our Organisation' in the 2017 Annual Report																																																																																												
G4-5	The location of the organisation operates	Under 'Our Organisation' in the 2017 Annual Report																																																																																												
G4-6	The countries where the organisation operates	Under 'Our Organisation' in the 2017 Annual Report																																																																																												
G4-7	The nature of ownership and legal form	'Our Charter and Function' in the 2017 Annual Report.																																																																																												
G4-8	The markets served	'Our Charter and Function' in the 2017 Annual Report.																																																																																												
G4-9	The scale of the organisation	'Our Charter and Function' in the 2017 Annual Report.																																																																																												
G4-10	a. Number of employees by employment contract and gender b. Number of permanent employees by employment type and gender c. Total workforce by employees and supervised workers and by gender d. Total workforce by region and gender e. Report whether a substantial portion of the organization's work is performed by contractors f. Report any significant variations in employment numbers	Under 'Board of Directors, meetings and committees ' and 'Workforce diversity performance' in the 2017 Annual Report There have been no significant variations in employment numbers (-1%). <table><tr><th colspan="4">Totals</th></tr><tr><th></th><th>Female</th><th>Male</th><th>Total</th></tr><tr><td>Staff Numbers</td><td>128</td><td>124</td><td>252</td></tr><tr><td>Full-Time</td><td>122</td><td>120</td><td>232</td></tr><tr><td>Part-Time</td><td>16</td><td>4</td><td>20</td></tr><tr><td>Award Staff</td><td>91</td><td>68</td><td>159</td></tr><tr><td>Snr Mgt Contract</td><td>37</td><td>56</td><td>93</td></tr></table> <table><tr><th colspan="4">Award Staff</th></tr><tr><th></th><th>Female</th><th>Male</th><th>Total</th></tr><tr><td>Full-Time</td><td>80</td><td>67</td><td>147</td></tr><tr><td>Part-Time</td><td>11</td><td>1</td><td>12</td></tr><tr><td>Permanent</td><td>24</td><td>25</td><td>49</td></tr><tr><td>Term</td><td>67</td><td>43</td><td>110</td></tr></table> <table><tr><th colspan="4">Snr Mgt Contract</th></tr><tr><th></th><th>Female</th><th>Male</th><th>Total</th></tr><tr><td>Full-Time</td><td>32</td><td>53</td><td>85</td></tr><tr><td>Part-Time</td><td>5</td><td>3</td><td>8</td></tr></table> <table><tr><th colspan="4">Location</th></tr><tr><th></th><th>Female</th><th>Male</th><th>Total</th></tr><tr><td>Parramatta</td><td>62</td><td>72</td><td>134</td></tr><tr><td>CBD</td><td>60</td><td>45</td><td>105</td></tr><tr><td>Newcastle</td><td>6</td><td>4</td><td>10</td></tr><tr><td>Other</td><td>0</td><td>3</td><td>3</td></tr></table> Campbelltown, Claymore, Foster Note: contractor (on project site) numbers have not been included within the above totals.	Totals					Female	Male	Total	Staff Numbers	128	124	252	Full-Time	122	120	232	Part-Time	16	4	20	Award Staff	91	68	159	Snr Mgt Contract	37	56	93	Award Staff					Female	Male	Total	Full-Time	80	67	147	Part-Time	11	1	12	Permanent	24	25	49	Term	67	43	110	Snr Mgt Contract					Female	Male	Total	Full-Time	32	53	85	Part-Time	5	3	8	Location					Female	Male	Total	Parramatta	62	72	134	CBD	60	45	105	Newcastle	6	4	10	Other	0	3	3
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Other	0	3	3																																																																																											

GRI Reference	General standard disclosures (summarised)	Reference to where the relevant information can be found
G4-11	Percentage of employees covered by collective bargaining agreements	There is no change from last years position. UGNSW staff are covered by the Landcom Award
G4-12	Organisation's supply chain	Influencing Our Supply Chain' in the 2017 Sustainability Report
G4-13	Significant changes during the reporting period to the organisation's size, structure, ownership or supply chain	Introduction' in the 2017 Sustainability Report (last SR under the UG NSW banner). There have been no significant changes during the reporting period regarding the UGNSW's size, structure, ownership, or supply chain.
G4-14	How the precautionary approach or principle is addressed by the organisation	a precautionary approach is referred to in the Emergency Management Procedure 1 at http://www.urbangrowth.nsw.gov.au/assets/Sustainability/UGNSW-EMSOOverview2013.pdf Under 'Risk Management' in the 2017 Annual Report
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	Corporate governance has been identified as a material aspect of UGNSW's operations. 2017 Annual Report (Ministerial statement of priorities, Principle objectives; Ethnic Affairs Priorities Statement; NSW Government Action Plan for Women).
G4-16	Membership of associations (such as industry associations) and national or international advocacy organisation's in which the organisation holds a position on the governance body; participates in projects or committees; provides substantive funding beyond routine membership dues; and views membership as strategic.	Committee for Sydney - the former CEO, David Pitchford, was a Board Member until 2016 Committee for Economic Development - UGNSW has two trustee positions Other memberships include Green Building Council of Australia, Property Council of Australia, Master Builders Association, Urban Taskforce Australia, Urban Development Institute of Australia, Corporate Club of Australia, and Committee for Economic Development of Australia
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	List all entities included in the organisation's consolidated financial statements	'Our Organisation' and 'Financial Statements' in the 2017 Annual Report.
G4-18	The process for defining the report content and the Aspect Boundaries How the organization has implemented the Reporting Principles for Defining Report Content	2016 Sustainability Report (Reporting requirements; Responding to stakeholder priorities).
G4-19	List all material Aspects identified in the process for defining report content	'Material Issues' in the 2017 Sustainability Report.
G4-20	For each material Aspect, report the Aspect Boundary within the organisation	'Material Issues' in the 2017 Sustainability Report.
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation	'Material Issues' in the 2017 Sustainability Report.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	There have been no significant restatements of information provided in previous reports.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	There have been no significant changes from previous reporting periods in the Scope and Aspect Boundaries.

GRI Reference	General standard disclosures (summarised)	Reference to where the relevant information can be found
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups engaged by the organisation	Collaboration and Engagement' in the 2017 Sustainability Report.
G4-25	Basis for identification and selection of stakeholders with whom to engage	'Collaboration and Engagement' in the 2017 Sustainability Report.
G4-26	Organisation's approach to stakeholder engagement including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	'Collaboration and Engagement' in the 2017 Sustainability Report.
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Appendix B of the 2017 Sustainability Report, under Issues raised during UrbanGrowth NSW Stakeholder Participation FY17
REPORT PROFILE		
G4-28	Reporting period for information provided	'Ministers Letters' in the 2017 Annual Report
G4-29	Date of most recent report	'Ministers Letters' in the 2017 Annual Report
G4-30	Reporting cycle	'Ministers Letters' in the 2017 Annual Report
G4-31	Contact point for questions regarding the report or its content	'Corporate Directory' in the 2017 Sustainability Report
G4-32	Report the 'in accordance' option the organisation has chosen; the GRI Content Index for the chosen option; and reference to the External Assurance	'Our Material Issues' in the 2017 Sustainability Report.
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report The relationship between the organization and the assurance providers The highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	Assurance Letter Appendix C
GOVERNANCE		
G4-34	Organisation's governance structure, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	'Board of Directors' and 'Our Governance Structure' in the 2017 Annual Report
ETHICS AND INTEGRITY		
G4-56	a. Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Our guarantee of Service' in the 2017 Annual Report

Global Reporting Initiative 2017

G4 Specific Standards Disclosures

Note: UrbanGrowth NSW is a trading name of Landcom, a government state owned corporation. All links to reference or relevant information is current as at 30 June 2017. UrbanGrowth NSW has subsequently undergone an organisational separation. Reference or relevant information may no longer be hosted at an UrbanGrowth NSW website, and where this is the case, links to Landcom are provided.

SPECIFIC STANDARD DISCLOSURES

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CATEGORY: ECONOMIC		
MATERIAL ASPECT: ECONOMIC PERFORMANCE		
G4-DMA	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: Policies and practices for assessing, addressing and managing corporate, operational, regulatory and strategic risk that might impact financial performance.	Chairman's review', 'Chief Executive Officer's review', 'Our charter and function' and 'Measuring Performance' in the 2017 Annual Report
G4-EC1	Direct economic value generated and distributed	FY16/17 economic and financial highlights' in 2017 Annual Report 'Appendix A - 2017 Sustainability Performance Summary', in 2017 Sustainability Report
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Sustainability, including ecological considerations and climate change variable such as coastal sea rise and flooding, are investigated as part of Due Diligence processes and checklists when we assess new sites. Due Diligence findings then inform budget estimates and proposed work programs to develop or master plan sites. Further in-depth analysis or studies are then undertaken if the project proceeds. We commission studies to assess and determine how we manage key risks such as land contamination, flora and fauna communities, and social impacts of development. We are guided by the NSW Coastal Planning Guidelines when assessing and planning for typical coastal development considerations including risks such as sea level rise and land use intensity in such zones. Projects in early stages of planning this year have considered climate change impacts, in particular future sea level rise. Omissions: The financial implications of the risk or opportunity before action is taken. - The costs of actions taken to manage the risk or opportunity - Estimated quantitative financial implications due to climate change and other sustainability risks and opportunities on the valuation process. by: - Impact on revenue; - Impact on yield; and - Costs incurred to mitigate obsolescence risks.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CATEGORY: ECONOMIC		
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS		
G4-EC7	Development and impact of infrastructure investments and services supported Additional Guidance from Construction and Real Estate Sector Supplement: - Affordable and social housing - Preservation and restoration of historic assets - Publicly accessible open/recreation space - Community education and health facilities UGNSW should distinguish between voluntary investment and mandatory investment (i.e., obligations associated with building rights allocation or planning permission)	Project Reporting' in 2017 Sustainability Report (Milestone 1: Project planning completion; Milestone 2: Precinct delivery and Milestone 3 - Built form commencement; Housing affordability; Community programs). UGNSW has contributed to the preservation and restoration of historic assets in its delivery of projects during the reporting year. These include the retention and restoration of 3.54ha of native riparian land into its most recent Development Application for Parramatta North, currently under consideration.
CATEGORY: ECONOMIC		
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS		
G4-DMA	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: Policy and practices on energy management through all relevant stages of the life cycle Existing initiatives to reduce the energy requirements of sold products and services , including organization wide energy efficiency initiatives in place to design new assets (buildings and infrastructure), and redevelop/ retrofit existing assets (buildings only) to such standards Organization-wide energy management initiatives to manage existing buildings and construction sites efficiently Organization-wide end user engagement initiatives (e.g., occupants and visitors) as implemented by design professionals, building or construction personnel and building operators	'Office Performance', 'Energy Efficient Homes' and 'Third Party Audits' in 2017 Sustainability Report. Also in UrbanGrowth NSW 'EMS: Sustainability Strategy' at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
G4-EN7	Reductions in energy requirements of products and services Additional Guidance from Construction and Real Estate Sector Supplement: Reductions should refer to the extent to which initiatives to construct, manage and redevelop assets have been successful in improving energy efficiency during the reporting period	'Energy Efficient Homes' in 2017 Sustainability Report.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CRE1	Building Energy Intensity The number and type of buildings, total annual energy consumption (in kWh) and corresponding floor area (in m2), or number of persons using or visiting the buildings The method used to ensure that annual energy consumption and floor area, or numbers of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption data for a building, it is important to ensure that the result of the calculation of energy intensity by building is consistent and accurate. Report energy intensity of buildings in use Report the methodology used to calculate the energy intensity of the building in use and any adjustments	Electricity Use: Parramatta (100% Green power) - Total Elec. (kWh) - 137,138.5 MLC Centre (100% Green power) - Total Elec. (kWh) - 132,196.6 Total (100% Green power) - 269,335.1 Employment Numbers: Total Employees - 252 Calculation and Result: Total Elec./Total Employees = 1068.8kWh per person This is on par with previous years result of 1066kWh per person Note: Newcastle office has not been included within Electricity use as the total number of employees who worked there was not deemed material
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: WATER		
G4-DMA	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: Policy and practices on water use management through all relevant stages of the life cycle Policy and practices on the management of water quality through all relevant stages of the lifecycle Include the nature or type of improvements to water quality (e.g., reductions in nitrogen, phosphorus and suspended solids, and reduced pollutant loads as water exits the reporting boundary) Policy and practices on drainage and discharge of water	Water sensitive urban design' and 'Water sensitive homes' in 2017 Sustainability Report (water cycle management; water efficiency; open space irrigation) Also in UrbanGrowth NSW EMS Sustainability Strategy at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
G4-EN10	Report the total volume of water recycled and reused by the organization linked to metered utility data Additional Guidance from Construction and Real Estate Sector Supplement: Examples of water recycling and reuse include rainwater collected directly and stored by the reporting organization, and greywater and blackwater recycling	2017 Sustainability Report (Open space irrigation). 100% of public open space irrigation by non-portable water UGNSW measures the use of recycled water in development projects by percentage of public open space irrigated by non-potable water, see 2016 Sustainability Report. Omission: Total volume of water recycled and reused by the organization. - Total volume of water recycled and reused as a percentage of the total water withdrawal - Standards, methodologies, and assumptions used.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CRE2	The number and type of buildings, total annual water consumption (in litres or m3) and corresponding floor area (in m2), or number of persons using or visiting the buildings The method used to ensure that annual litres or m3 of water consumption and floor area (m2), or number of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios The methodology used to calculate the water intensity of the building in use and adjusted intensity indicator	Water consumption data for UGNSW offices is unavailable from Building Management. Water intensity of all constructed dwellings is reported in terms of the NSW Government BASIX requirements, which more accurately reflect water intensity than the GRI calculation. Omissions: Building water intensity is a useful measure of an asset owner or occupier's aggregated water consumption during the management and occupation phase of the building lifecycle. This Indicator focuses on groups of buildings and is primarily intended to track changes in reporter's assets over time.
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: MATERIALS		
G4-DMA Materials	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: Policy and practices to reduce and optimize raw material extraction purchased for direct use Policy and practices for selecting materials and engaging suppliers, including specifications for certifications, or utilization of preferred or prescribed lists of products and materials	Influencing Our Supply Chain' in 2017 Sustainability Report. Also in UrbanGrowth NSW Sustainability Strategy at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: BIODIVERSITY		
G4-DMA	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: Policy and practices on mitigation of adverse biodiversity impacts including, among others, new construction and management activities Policy and practices on avoiding selection of biologically diverse sites	Biodiversity and Ecology' in 2017 Sustainability Report. Also in UrbanGrowth NSW EMS: Sustainability Strategy at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
G4-EN13	Habitats protected or restored Additional Guidance from Construction and Real Estate Sector Supplement: Protected or restored habitats should also include: habitats that are not owned or controlled by the reporting organization The enhancement and creation of diverse and biodiversity sensitive habitats	UGNSW's biodiversity indicators (Indicators 23 -28 are reported when projects achieve Milestone 1. This includes projects that have achieved master plan or Development Application approval. In FY17, UGNSW had no projects within the scope for their biodiversity and ecological indicators and therefore nothing was reported.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: EMISSIONS		
G4-DMA	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: Policy on carbon management, including policy position on carbon offsetting. Policy and practices on reducing fugitive emissions. Report corporate and project initiatives that result in greenhouse gas emissions reductions, including: • Direct GHG emissions (G4-EN15). • Energy indirect and other indirect GHG emissions (G4-EN16 and G4-EN17)	UrbanGrowth NSW EMS: Sustainability Strategy at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
G4-EN15	Provide a breakdown of the gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent by meaningful segmentation, for example, portfolio, fund, location, asset type Additional Guidance from Construction and Real Estate Sector Supplement: Greenhouse gas emissions from transport are also reported under G4-EN17 and G4-EN30 Common fugitive emissions from real estate include refrigerant gas from HVAC equipment, for example R22	Nil - Scope 1 (direct) greenhouse gas emissions occur only from the fuel use for the corporate vehicle fleet. UGNSW purchases 'emissions offsets' to offset Scope 1 emissions.
G4-EN16	Provide a breakdown of the gross energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent by meaningful segmentation, for example, portfolio, fund, location, asset type Additional Guidance from Construction and Real Estate Sector Supplement: Greenhouse gas emissions from transport are also reported under G4-EN17 and G4-EN30.	Scope 2 (indirect) greenhouse gas emissions from electricity purchased by UGNSW for the reporting scope are zero. UGNSW purchased 100% Green Power for the reporting year and has done so since 2010.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CRE3	The number and type of buildings, total annual greenhouse gas emissions (kilograms CO2 equivalent), and corresponding floor area (in m²) or number of people The method used to ensure that the annual kilograms CO2 equivalent and floor area (m²), or numbers of persons, are consistent and accurate, thereby taking account of different landlord and tenant metering scenarios. In particular, where the reporting organization does not have all energy consumption and associated greenhouse gas emissions data for a building, it is important to ensure that the intensity indicator is consistent and accurate. Report greenhouse gas emissions intensity of buildings in use (on unadjusted basis) Report the methodology used to calculate the greenhouse gas emissions intensity from buildings	Greenhouse gas emissions from UGNSW office buildings within the reporting scope are zero. This is consistent with the purchase of 100% Green Power for these buildings.
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: COMPLIANCE		
G4-DMA	Generic Disclosures on Management Approach	UrbanGrowth NSW EMS: Sustainability Strategy at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Nil - there have been no significant fines or monetary sanctions for non-compliance with environmental laws and regulations
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: EFFLUENTS AND WASTE		
G4-DMA	Generic Disclosures on Management Approach	UrbanGrowth NSW EMS: Sustainability Strategy at http://www.urbangrowth.nsw.gov.au/assets/Publications/7.0-Sustainability-Strategy.pdf
G4-EN23	Total weight of waste by type and disposal method When reporting the total weight of hazardous and non-hazardous waste by the different disposal methods, include waste where final destination is unknown (e.g., Materials Recovery Facility) or where waste is mixed and final destination is not known or cannot be classified. Report percentage of waste by significant waste type and waste diverted from landfill. Construction companies should report significant waste types (hazardous and nonhazardous) from construction, demolition and excavation (CD&E) activities.	'Waste' in 2017 Sustainability Report. The percentage of waste by significant waste type and waste diverted from landfill was 89% It is noted that the above data has not been disclosed in accordance to G4-EN23. UGNSW aims to improve with the implementation of the new Sustainability Strategy in conjunction with continued improvements in data collection.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK		
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
G4-DMA	Generic Disclosures on Management Approach Additional Guidance from Construction and Real Estate Sector Supplement: For all the policy and procedures outlined below, report whether these form part of the health and safety management system. Policy and procedures for the procurement, transport, handling, use and disposal of all hazardous materials. Policy on compensation and benefits for employees for work-related injuries or fatalities. Policies and procedures with regard to the provision of health and safety requirements in agreements for contractors and subcontractors. Policies and procedures requiring prequalification of suppliers and contractors relating to health and safety, and including the existence of formal agreements and health and safety due diligence for new projects and investments. Report whether education and training related to assisting workforce members, their families, or community members regarding serious diseases is provided in a manner which is understood by all program recipients, for example in appropriate languages or pictorial format.	Work, Health and Safety' and 'This Year's Achievements' in 2017 Annual Report.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-LA6	Provide a breakdown of injuries, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), and absentee rate (AR) by employees and supervised employees. Include in the calculation dangerous occurrences, injuries, occupational diseases and fatalities arising from operations on-site, building maintenance, and worker commuting to and from their workplace(s), if required by law. Report for injury rate (IR) and occupational diseases rate (ODR) the nature of the injury or diseases by type, and the circumstances of the accident or dangerous occurrence, or circumstances resulting in exposure to a health hazard, as listed in ILO Protocols (see References). Report dangerous occurrences in the reporting period by gender, using an absolute number, not a rate. Dangerous occurrences should also be broken down by employees, supervised employees and independent contractors. Additional Guidance from Construction and Real Estate Sector Supplement: Injuries and fatalities to non-workers on or off a reporting organization's site or assets (including visitors to an asset or site, and members of the public), and relevant non-compliance relating to public health impacts on building users.	Work health and safety' and 'This Year's Achievements' in 2017 Annual Report. Note: The definition of 'supervised worker' in the G4 Implementation Manual p.252 does not cover workers on UGNSW projects as these sites are not under the operational control of UGNSW as defined at s11 of the NGER Act.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system. Additional Guidance from Construction and Real Estate Sector Supplement: Identify health and safety management system(s) used. Identify the percentage of the organization, by percentage of employees, supervised employees and independent contractors, operating under the health and safety management system(s). Identify the percentage of the organization internally, by percentage of employees, supervised employees and independent contractors, and the proportion externally verified to be operating in compliance with the health and safety management system(s). Report the percentage of the organization, by percentage of employees, supervised employees and independent contractors, internally verified to be operating in compliance with the health and safety management system(s). Report the percentage of the organization, by percentage of employees, supervised employees and independent contractors, externally verified to be operating in compliance with the health and safety management system(s).	100% of staff are covered under the Work Health and Safety Act 2011 and the Work Health and Safety Regulation 2011. All staff are included in the NSW Treasury Managed Fund which includes workers compensation. Note: The definition of 'supervised worker' in the G4 Implementation Manual p.252 does not cover workers on UGNSW projects as these sites are not under the operational control of UGNSW as defined at s11 of the NGER Act.
CATEGORY: SOCIAL		
SUB-CATEGORY: SOCIETY		
ASPECT: LOCAL COMMUNITIES		
G4-DMA	Generic Disclosures on Management Approach	http://www.landcom.com.au/approach/stakeholder-engagement/
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Nil - UGNSW is contracted to develop the land and affordable housing, and as such has no direct involvement in voluntary and involuntary displacement and/or resettlement due to the development.
CATEGORY: SOCIAL		
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
ASPECT: CUSTOMER HEALTH AND SAFETY		
G4-DMA	Generic Disclosures on Management Approach	Third party audits & verifications' in 2017 Sustainability Report
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Third party audits & verifications' in 2017 Sustainability Report 4% non-conformances found in the WHS audits and environmental audits undertaken during the reporting period. Target is 0%.

DMA and Indicator	Specific Standard Disclosures (summarised)	Reference to where the relevant information can be found
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Nil fines were received during FY17
CATEGORY: SOCIAL		
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
ASPECT: PRODUCT AND SERVICE LABELING		
G4-DMA	Generic Disclosures on Management Approach	Public Access to information and the protection of privacy', 2017 Annual Report

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