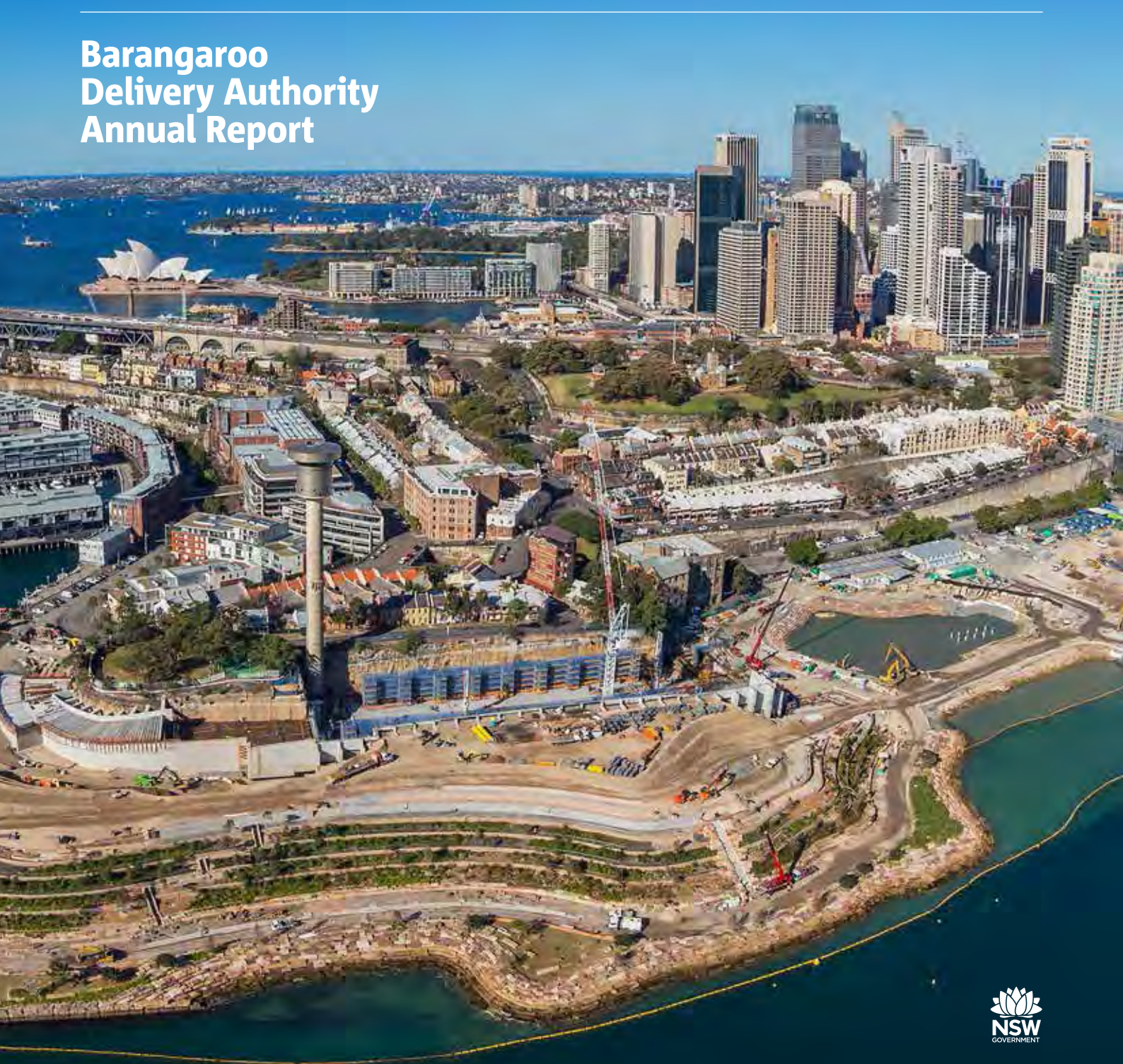


# 2014



## Barangaroo Delivery Authority Annual Report









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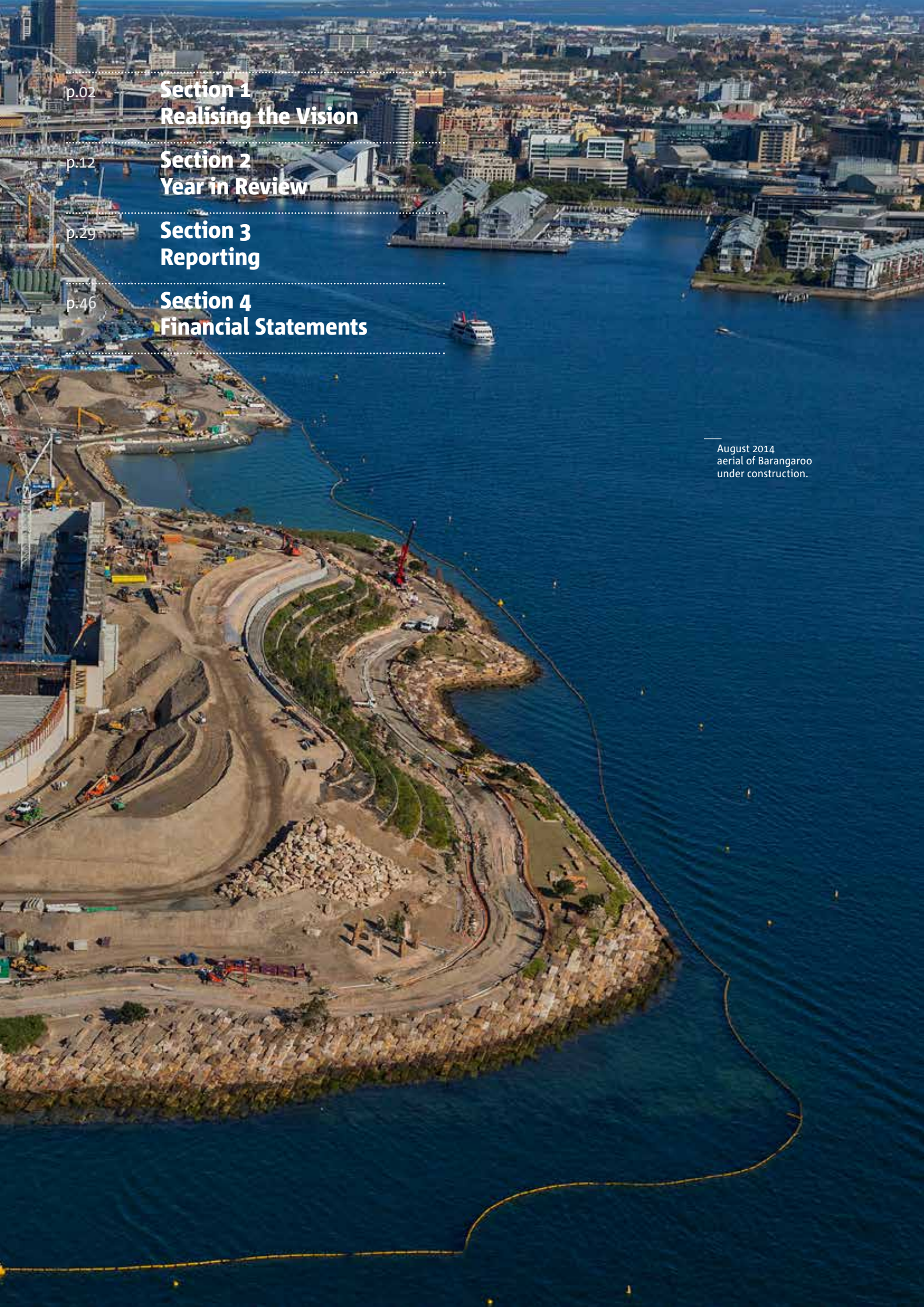
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August 2014  
aerial of Barangaroo  
under construction.





# Section 1

## Realising the Vision

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## Letter to the Premier

31 October 2014

The Honourable Mike Baird MP  
Premier of NSW  
Level 20  
52 Martin Place  
SYDNEY NSW 2000

Dear Premier

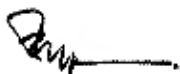
We have pleasure in providing the Barangaroo Delivery Authority's Annual Report for the year ended 30 June 2014, for the purpose of submission to Parliament.

This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984, the Barangaroo Delivery Authority Act 2009, the Public Finance and Audit Act 1983 and the regulations under those Acts.

Yours sincerely



Terry Moran AC  
Chairman  
Barangaroo Delivery Authority



Craig van der Laan  
Acting Chief Executive Officer  
Barangaroo Delivery Authority



Barangaroo will enhance and renew Sydney's national and regional significance as Australia's economic centre.

## Chairman's Foreword

Significant progress was made during 2013-14 on the redevelopment of the Barangaroo precinct on the western foreshore of Sydney's CBD and the Barangaroo Delivery Authority looks forward to delivering on several milestones in the next 12 months.

Over 2013-14, more than 24,000 people attended public events, including two open days and the International Fleet Review, reflecting the Authority's desire to maximise public access to Barangaroo during the construction phase. This desire to maximise public access will continue after opening, with 50 per cent of Barangaroo to be public open space or parkland.

Visitors would have seen dramatic change at Barangaroo South with work well advanced on the first two commercial office towers and much of the Headland Park taken shape.

At June 30 2014, the Headland Park was about 65 per cent complete, with most of the 6,500 sandstone blocks placed around the foreshore to help re-create a natural headland. The new six hectare park is on schedule to open to the public in mid-2015.

Important steps were also undertaken during 2013-14 to deliver Central Barangaroo – the next phase of this 22 hectare precinct – with a call for Expressions of Interest from local and international developers for the three development blocks within Central Barangaroo.

Central Barangaroo will be a diverse and vibrant area located between the commercial hub at Barangaroo South and the natural open space of the Headland Park. Central Barangaroo's master plan framework was delivered following comprehensive public and stakeholder consultation.

A number of other key achievements were also realised in 2013-14. The \$57 million White Bay Cruise Passenger Terminal, delivered by the Authority and Sydney Ports, was awarded several major architectural awards. Furthermore, several important planning approvals were secured, including for the waterfront promenade and interim public domain at Central Barangaroo.

These achievements would not have been possible without John Tabart, who announced in August 2014 his resignation as Chief Executive Officer. Over a period of six years, John has made an outstanding contribution to this project. He leaves a significant legacy and the Board thanks him for his hard work, dedication and leadership during his tenure.

I would like to take this opportunity to welcome the appointment of Craig van der Laan as the Authority's Acting Chief Executive Officer. Mr Van der Laan has extensive experience in global public companies and has served in a variety of commercial and operational roles.

I also welcome two recent appointments to the Authority's Board. I was pleased that Peter Young AM, who has had a 40-year career in finance and construction, and Christine Covington, who has over 28 years' experience in environment, planning and property law, joined the Board in July 2014. It is good news that these two distinguished Sydneysiders have agreed to bring their considerable skills and experience to Barangaroo.

I am confident that our achievements in the past 12 months provide the platform for ensuring Barangaroo will enhance and renew Sydney's national and regional significance as Australia's economic centre.

Barangaroo will also be a major boost for the tourism credentials of one of the world's most enjoyable and vibrant cities, already renowned globally for its lifestyle, exciting waterfront and public spaces, indigenous attractions, cultural experiences, design excellence and innovative architecture.

The Authority will meet several significant milestones over the coming year, including the opening of the Headland Park waterfront promenade, the opening of the first commercial and residential buildings in Barangaroo South and the completion of the bid process for Central Barangaroo.

A handwritten signature in black ink, appearing to read 'Terry Moran', with a long, sweeping underline.

**Terry Moran AC**  
Chairman



Barangaroo will return 50 per cent of this 22-hectare precinct to the people of Sydney via open space, boardwalks, parklands and other public domain.

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## Acting Chief Executive Officer's Report

Barangaroo is being rapidly transformed into Sydney's most exciting urban precinct. It's an impressive sight to witness daily how the 1,200 workers at Barangaroo South and the 250 workers at the Headland Park are creating this visionary project for Sydney and NSW.

The project has widespread support from the Sydney community, which recognises that Barangaroo will make significant economic, social and cultural contributions to the city for all who live here and visit.

Once completed, Barangaroo is estimated to contribute \$1.5 billion per year to the NSW economy and provide 40 per cent of the forecast demand for office space in the CBD over the next 10 years.

Importantly, planners have listened during an extensive consultation process and are returning 50 per cent of this 22 hectare precinct to the people of Sydney via open space, boardwalks and parklands – a remarkable demonstration of commitment to the community, while recognising the importance of vibrant and active public spaces to the success of Barangaroo.

Given the scale and significance of this urban renewal project, it was an honour to be appointed the Authority's Acting Chief Executive Officer in August 2014. Barangaroo is a significant project not only for Sydney but for Australia as a whole.

I look forward to working with an impressive array of local and global industry professionals on guiding this project through its next stages.

This Report outlines the tremendous work of the Authority's staff and partners during 2013-14. The construction underway at Barangaroo South, the Headland Park and the adjoining Wynyard Walk and the planning efforts for Central Barangaroo are a testament to their professionalism and dedication.

The Authority has a big year ahead of it, with the opening of the Headland Park in mid-2015 and securing planning approval for development of part of Central Barangaroo.

I will be working with all our stakeholders over 2014-15 to help deliver the benefits of Barangaroo to Sydney and NSW.

A handwritten signature in black ink, appearing to read 'Craig van der Laan'.

**Craig van der Laan**  
Acting Chief Executive Officer

# Realising the Vision

## Vision

Barangaroo will be a celebrated destination for all; it will raise our international acclaim, deliver financial and economic success, be a reference point for cultural wonder, Indigenous respect, design excellence and sustainable cities. Sydney is creating the best place in the best place in the world, adding a brilliant new dimension to brilliant Sydney.

Barangaroo is one of the most ambitious urban renewal projects in the world today, embodying world-class design excellence and sustainability. The former 22 hectare container port on the western edge of Sydney's CBD is being transformed into a vital extension of the city, a new global financial hub and a spectacular headland park.

The primary instrument of governance for the project is the *Barangaroo Delivery Authority Act (2009)* and accountability rests with the Chief Executive Officer and the Board.

### Barangaroo Delivery Authority Act

The Barangaroo Delivery Authority was established on 30 March 2009 under the *Barangaroo Delivery Authority Act (2009)*.

The objects of the Act are:

- to encourage the development of Barangaroo as an active, vibrant and sustainable community and as a location for national and global business;
- to create a high quality commercial and mixed use precinct connected to, and supporting, the economic development of Sydney;
- to facilitate the establishment of Barangaroo Headland Park and public domain land;
- to promote the orderly and sustainable development of Barangaroo, balancing social, economic and environmental outcomes; and
- to create in Barangaroo an opportunity for design excellence outcomes in architecture and public domain design.

The Authority has the following functions under the Act:

- to promote, procure, facilitate and manage the orderly and economic development and use of Barangaroo, including the provision and management of infrastructure;
- to promote, procure, organise, manage, undertake, secure, provide and conduct cultural, educational, residential, commercial, transport, tourist and recreational activities and facilities at Barangaroo;
- to develop and manage the Barangaroo Headland Park and public domain so as to encourage its use by the public, and to regulate the use of those areas;

- to facilitate and provide for appropriate commercial activities within the Barangaroo Headland Park and public domain that are consistent with the provision of cultural, educational and recreational activities, and the use and enjoyment of those areas by the public;
- to promote development within Barangaroo that accords with best practice environmental and town planning standards, is environmentally sustainable and applies innovative environmental building and public domain design;
- to liaise with Government agencies with respect to the coordination and provision of infrastructure associated with Barangaroo; and
- to undertake the delivery of infrastructure associated with Barangaroo or that relates to the principal functions of the Authority.





### Functions of the Authority

Under the Act, the functions for the Authority include promotion, procurement and management of the orderly and economic development and use of Barangaroo including infrastructure.

This also extends to providing cultural, educational, residential, commercial, transport, tourist and recreational activities and facilities at Barangaroo. The Authority's function is also to liaise with Government agencies in the coordination, delivery and provision of infrastructure relating to the principal functions of the Authority.

The Authority has led the consultation process with external public, private and community stakeholders, to engage the broad range of participants in the creation and operations of Barangaroo.

### Objectives for Barangaroo

There are clear economic, cultural and strategic objectives for Barangaroo. Over the next eight years, Barangaroo will become:

- A proud addition to Sydney, acclaimed globally for its innovative and inspiring architecture, public spaces and iconic cultural attractions.
- A dynamic and connected world-class CBD precinct giving the waterfront back to Sydneysiders to work, live and play, alive with 50,000 people every day of the week.
- Carbon neutral, water positive and zero waste: positioning it as a world leader in environmental and social sustainability.
- A \$6 billion financial and professional services headquarters and public domain built by the private sector.
- A long-term contributor for the State, generating more than \$1.5 billion annually to the economy and a cultural investment for NSW.
- A major catalyst for greater Sydney's physical and functional transformation to reaffirm its position as Australia's number one city.
- The establishment of the Barangaroo Headland Park, the public domain waterfront land, design excellence and sustainable development are also key requirements.

### Strategic Plan

The Authority's strategic plan supports the delivery of the commercial and public elements of the precinct. The Project Development Agreement with Lend Lease, the public waterfront and the Headland Park, as part of a design and construction agreement with Baulderstone, and the planning for the potential future cultural uses within Barangaroo, are key parts of this plan.

The Headland Park and Barangaroo South's first commercial buildings will open in mid-2015. The entire precinct is projected to be completed by 2022.

### Board Structure and Strategy

As at 30 June 2014, the NSW Government-appointed Chair and Board Members were Terry Moran AC, Chairman, Gabrielle Trainor, Brendan Crotty<sup>1</sup>, John Fitzgerald, Kerry Clare, Peter Young AM<sup>2</sup> and John Tabart<sup>3</sup>, Chief Executive Officer.

The Board's strategy is to focus on the timely delivery of major investment, economic, public domain, visitors to the site and cultural objectives of Barangaroo. There is a particular focus on the contribution to the NSW economy through the investment of \$6 billion over the life of the project and the onsite and offsite construction and permanent jobs that are and will be created by Barangaroo.

<sup>1</sup> Brendan Crotty resigned 30 June 2014.

<sup>2</sup> Peter Young AM was appointed 1 March 2014.

<sup>3</sup> John Tabart resigned August 2014.

## **Barangaroo Delivery Authority Board as at 30 June 2014**

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### **Terry Moran AC BA (Hons) – Chairman**

Terry Moran AC has had a diverse public service career working with successive Australian Federal and State Governments in public policy and public sector management. His early career as a CEO focussed on building Australia's education and technical skills capacity.

In 2000, he was appointed Secretary of the Department of Premier and Cabinet in Victoria. Terry was Secretary of the Department of the Prime Minister and Cabinet from March 2008 to September 2011, overseeing further development and implementation of the national reform agenda, particularly through social policy.

He was also responsible for overseeing work on national security and international policy, environment, industry and economic policy, and coordination of government administration, including Cabinet support. He also played a lead role in driving reforms to the Australian Public Service. Mr Moran is National President of the Institute of Public Administration of Australia.

Appointed in September 2011 for a period of three years and reappointed in September 2014 for a further three years.

### **John Tabart B.Eng**

During 2013-14, John Tabart was CEO of the Barangaroo Delivery Authority. He has an extensive international, commercial and residential property development and investment background as a CEO including 10 years at the helm of VicUrban, which also delivered the public/private Melbourne Docklands development.

He is also a Fellow of the Australian Institute of Company Directors; Institute of Engineers Australia; and Australian Institute of Public Administration. John holds a Bachelor of Engineering (University of Tasmania).

Held office as Chief Executive Officer from March 2009 to October 2014.

### **Kerry Clare B. Arch LFRAIA**

Kerry Clare is the Board nominee of the City of Sydney. She is a founding director of Clare Design (1979-present), and is a member of the City of Sydney Design Advisory Panel, providing advice on public and private developments to maintain high standards of urban design. She also serves on the Design Review Panel (SEPP 65) for Randwick and Waverley Councils.

Career highlights include: RIAA Gold Medal 2010; 33 State + National RIAA awards for Architecture; RIAA National Councillor (2000-2002); Design Director NSW Government Architects Office (1998-2000); founding director of Architectus Sydney (2000-2010); Northern Territory Government Urban Design Advisory Panel (2009-2010); Adjunct Professor University of Sydney (1998-2005); Professor University of Newcastle (2011-present) and Visiting Professor, Bond University (2014).

Appointed in September 2011 for a period of three years and reappointed on 1 September 2014 for a further six months.

### **Brendan Crotty LS, DQIT, Dip.Bus Admin, MAPI, FAICD, FRICS**

Brendan Crotty is the Chairman of the Western Sydney Parklands Trust. He has formal qualifications in Surveying, Town Planning and Business Administration and is a Fellow of the Australian Property Institute, the Australian Institute of Company Directors and the Royal Institute of Chartered Surveyors.

Brendan is a director of Brickworks Limited, GPT Group, Denhold Pty Ltd and Chairman of CloudFX Group Holdings Pte Ltd (inc in Singapore). Prior to his retirement as a full-time executive in 2007, Brendan was Managing Director of the Australand Property Group for 17 years.

Appointed in March 2009 for a period of three years and reappointed for a further term expiring on 30 November 2014. Brendan resigned from the Board effective 30 June 2014.

### **John Fitzgerald MPInfra (Hons), FAICD, FIPAA (Vic)**

John Fitzgerald has extensive experience in infrastructure delivery and is a specialist advisor to KPMG on the infrastructure and government sectors. He is a Director on the Boards of the Port of Melbourne Corporation and the Victorian Funds Management Corporation. He is also Chair of the NSW Government Steering Committee for the Sydney International Convention, Exhibition and Entertainment Precinct Project.

John's previous Board positions included Director on the National Advisory Board of Infrastructure Partnerships Australia and Executive Director Department of Treasury and Finance (Victoria) Executive Board.

Until September 2011, John was a Deputy Secretary, Commercial Division, at the Victorian Department of Treasury and Finance where he was responsible for the provision of strategic commercial, financial and risk management advice to the Victorian Government. John led the development of Victoria's PPP policy, Partnerships Victoria, was a member of the Infrastructure Working Group of Council of Australian Governments and chaired its PPP sub-Committee.

John holds a Master of Public Infrastructure (Research) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors and the Institute of Public Administration Australia (Victoria).

Appointed in July 2011 for a period of five years.



**Gabrielle Trainor LLB, FAICD**

Gabrielle Trainor is a non-executive director and advisor whose experience covers 20 years involved on boards in the public and private sectors ranging from infrastructure, urban development, public transport, tourism, hospitality, sports, arts and Indigenous advancement and welfare.

Her background is as a lawyer, newspaper journalist, public sector executive and consultant in issues management, public policy and corporate affairs. She is a trustee of the University of Western Sydney and the Charlie Perkins Education Trust, a director of Business Events Sydney, Cape York Partnership and the GWS Giants Australian Football Club. She chairs the National Film and Sound Archive and Barnardo's Australia.

She is a Fellow of the Australian Institute of Company Directors and an Honorary Associate in the Graduate School of Government at the University of Sydney.

Appointed in March 2009 for a period of three years and reappointed for a further term expiring on 30 November 2014.

**Peter Young AM BSc, MBA**

Peter Young AM is the Chairman of Barclays Australia. He is also Chairman of Standard Life Investments Limited in Australia, and a member of the Standard Life plc Asia Advisory Board, and a Non-Executive Director of Fairfax Media Limited. He also serves as a Director of the Sydney Theatre Company and as a Director of the Great Barrier Reef Foundation.

Prior to his appointment at Barclays, Peter was a Senior Advisor at the Royal Bank of Scotland (formerly ABN AMRO) and Chairman of Investment Banking at ABN AMRO Australia and New Zealand between 2003 and 2006. He also served as Chairman of the Queensland Investment Corporation (QIC); Chairman of the Transfield Services Infrastructure Fund; and Chairman of the Board of the Australian Federal Government's owned Export Finance and Insurance Corporation (EFIC). He was previously a member of the NSW Art Gallery Board of Trustees; a member of the QLD Art Gallery Board of Trustees; and Chairman of NSW Cultural Management.

Peter is a recipient of the Centenary Medal and in 2008 was appointed a Member of the Order of Australia for his services to business and commerce, particularly in the areas of finance and investment, and to cultural and environmental organisations.

Appointed in March 2013 for a period of five years.

**Board Meetings held 2013-14**

In 2013-14, 11 Board meetings were held and below is a record of attendance.

Board member	Attended
Terry Moran AC	11
Kerry Clare	11
Brendan Crotty	9
John Fitzgerald	10
John Tabart	11
Gabrielle Trainor	7
Peter Young AM (appointed 1 March 2014)	2

**Acting Chief Executive Officer****Mr Craig van der Laan BA, LLB**

Craig van der Laan has extensive experience in global public companies in the property funds management, logistics and industrial sectors, and in a variety of corporate, commercial and operational roles.

Mr van der Laan served from 2001 to 2009 as a member of the Global Executive Leadership Team of the Brambles Group, holding senior executive roles including as Global Head of Mergers & Acquisitions, Group General Counsel and Company Secretary, and as Group President of Brambles' CHEP pallet pooling and container business across the Asia-Pacific region.

Since leaving Brambles, Mr van der Laan has served in a range of special advisory roles, including as Chief Strategy Officer of Lend Lease Group from May to December 2012, as Chief Risk Officer and Group General Counsel of the Leighton Group from June 2011 to March 2012, and most recently as a senior adviser to Transurban in respect of its bid for Queensland Motorways.

Mr van der Laan also previously served as a General Counsel and Company Secretary of the Westfield Group, and as a corporate solicitor with Australian National Industries Limited.

Following the resignation of John Tabart, Mr van der Laan was appointed Acting Chief Executive of the Authority on 25 August 2014.



> Some of the 7,000 visitors at the 2014 public open day



## Achievements in 2013-14

**65 per cent** Headland Park completed

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**16 expressions of interest** received for Central Barangaroo

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**White Bay Cruise Terminal** wins three architectural awards

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**24,000 people** visited Barangaroo for events including two public open days

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# Section 2

## Year in Review

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- 21** Arts and Culture
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# A New Headland Park for Sydney



- > The first tree planting, January 2014.
- > Construction of the Headland Park, March 2014.



Significant progress has been made towards creation of the Headland Park. A spectacular new place for Sydney, the six hectare park will include two coves, a continuous sandstone foreshore, 75,000 native plants and a cultural space landscaped into the headland. As at 30 June 2014, the Headland Park was 65 per cent complete and on schedule to open to the public in mid-2015.

Boulderstone is the contractor appointed by the Authority to deliver the Headland Park.

## Building the Park

In January 2014, planting began of the 75,000 plants, shrubs and trees for the Park. The native plants consist of trees, shrubs and other plants chosen following a study of unspoilt natural areas along the Hawkesbury River and within Muogamarra Nature Reserve, one of Sydney's most outstanding ecosystems.

By the end of June 2014, nearly 18,000 trees, shrubs and other plants had been planted, including seven large figs trees.

In March 2014, a critical part of restoring this foreshore to its historical shape was the removal of the last of 33 pieces of concrete wall (caissons) from the old port edge.

Works on the Headland Park cultural space were also well underway as at year end and on track for completion in mid-2015.

## A naturalist foreshore

The creation of a naturalistic sandstone foreshore inspired by the pre-1836 shoreline is almost complete.

Realising this vision first required removing the caissons lining the old port's seawall. Using a special wire cutting process, each caisson was lifted and removed by a crane barge. This world-first use of such a technique eliminated the need for divers and underwater demolition. The caissons have been crushed onsite, with the materials used to help build the Park, in line with Barangaroo's sustainability commitments.

Following the removal of the concrete edge of the old wharf, placement began of 6,500 sandstone blocks to recreate the foreshore.

The sandstone blocks for the foreshore have come from almost entirely within Barangaroo, with 8,800m<sup>3</sup> extracted from the site of the cultural space by December 2013.

Building the foreshore has resulted in other significant innovations. These include purpose-built 'block handlers' to eliminate the need for interaction between cranes and people when lifting the multi-tonne blocks, and code-mapping to track each block across the process of extraction, shaping and final placement.

## Recreating the headland

The powerful symbol of the Headland Park's landform will reconnect the heights of Millers Point to the rocky harbour foreshore as it once did, prior to the area being developed as a port. The works will restore one of Sydney's most stunning green headlands, visually linking the headland archipelagos of Balls Head, Goat Island and Ballast Point.

This process involves significant earthworks. These works are on schedule, with fill being placed adjacent to the counterfort wall of the cultural space. As fill works have been completed, terrace walls have been constructed and then finished with topsoil, followed by landscaping and irrigation works.

## Celebrating our heritage

The development of Barangaroo has presented the opportunity to discover multiple layers of Sydney's heritage, interpreted through careful research and archaeological investigations.

Significant heritage preservation efforts at Barangaroo include:

- Naturally reconnecting the heights of Millers Point to the rocky harbour foreshore.
- The discovery, retention and incorporation of the Munn's Slipway into the new sandstone foreshore of the Headland Park.
- The discovery, salvaging and incorporation of the 1865 Cuthbert sandstone seawall into the landscape entry to the future cultural space at the Headland Park.
- The preservation, relocation and adaptive reuse of the early 1900's sewage pumping station #14 at the Towns Place entrance to the Headland Park.
- The retention and incorporation of the 1903 sandstone seawall along the north western edge of the Headland Park foreshore.



> Watch the video about returning the harbour at [www.youtube.com/BarangarooSydney](http://www.youtube.com/BarangarooSydney).

- The preservation of the sandstone cliff face carved away during the industrial maritime era, along with its celebration as a feature within the future culture space.
- Placing signage and stone inscriptions detailing maritime heritage within Millers Point.
- The adoption of maritime, indigenous and natural themes in the naming of places within Barangaroo.

The plan proposed a range of improvements, including wider footpaths, improved cycle ways, better lighting, improved seating, more street trees and the landscaping of Munn Reserve. Construction works are scheduled to start in September 2014.

#### **Future of the Harbour Control Tower**

In April 2014, as part of the vision of a naturalistic headland, the Authority lodged an application to demolish the disused Harbour Control Tower. Located on the site, the tower was built in 1973 to monitor ships in the harbour.

A number of options were considered for the tower, including artistic and tourism uses. However, due to its limited access, health and safety concerns, the cost of upkeep and the conflict with the vision for a naturalistic park inspired by the neighbouring green headlands of Sydney Harbour, demolition was considered the preferred option.

The Authority consulted neighbours and other key stakeholders during the planning process. The Department of Planning and Environment also placed the Authority's demolition application on exhibition for public comment. The Authority's application is still to be determined.

#### **Integrating with the neighbourhood**

The Authority and the City of Sydney are collaborating on public domain improvements to improve access to the Headland Park from the adjacent communities of Millers Point, Dawes Point and Walsh Bay.

In September 2013, as part of this integration works program, the Authority lodged a Development Application for proposed public domain works at the Headland Park, specifically in Argyle Place, Munn Reserve, Dalgety Road and Towns Place.

The Authority and the City of Sydney teamed up to display a proposed range of the improvements. Two information update sessions were held at the Authority's office and one 'drop-in' session at Abraham Mott Hall in Millers Point.

An independent planner, commissioned by the City of Sydney, completed the final report and the Development Application was approved in December 2013.



## Barangaroo South

> Open Day 2014 gave Sydneysiders the opportunity to tour Barangaroo and see the construction progress.



Covering approximately 7.5 hectares, Barangaroo South is one of Sydney's largest development projects since the 2000 Olympics and one of the most significant waterfront regenerations worldwide.

The project involves the creation of a new mixed use waterfront financial and professional services district, with world-class office space, premium residential buildings, shopping, dining, hotel, hospitality and 50 per cent public domain. The project is being developed by Lend Lease under a Project Development Agreement with the Authority.

The Authority is responsible for the administration of the Project Development Agreement with Lend Lease.

### Construction progress by Lend Lease

Construction progress at Barangaroo South in 2013-14 included:

- Tower Two core reaching Level 31, with the office floors at Level 18 and the facades at Level 11.
- Tower Three core up to Level 9 and its western podium up to Level 3.
- Completion of excavation of the Stage 1A basement area under the three towers and its slab poured.
- Completion of basement piling under Anadara (R8) and commencement of construction of the basement ground slab.
- Basement piling for Alexander (R9) underway.

### Exhibition on City Walk Bridge

In June 2014, the Authority placed on exhibition the Review of Environmental Factors for the proposed City Walk Bridge. The Bridge will help workers, residents and visitors access Barangaroo (and in particular Barangaroo South) while providing a safe crossing over Sussex Street. The two-week exhibition was in the Authority's foyer and was promoted through an advertisement in local media. No submissions about this application were received from members of the public.

### Modification to concept plan for Barangaroo South

In April 2014, Lend Lease lodged preliminary documentation relating to a proposed modification of the concept plan approval covering Barangaroo South.

This modification is required to accommodate the NSW Government's request to relocate the Barangaroo South hotel onto land. The process started with a request for the Department of Planning and Environment to outline the information which would need to be covered in detail in the planning application for when the project is placed on public exhibition.

The proposed modification, which has not yet been lodged, is to reflect the outcome of negotiations between Lend Lease and the NSW Government, through the Barangaroo Delivery Authority, to relocate the approved hotel building to an onshore location at Barangaroo South.

In November 2013, the Authority assisted with public consultation in relation to the proposed modification, including an exhibition at the Authority's public foyer.



< Sydney McQuillan, winner of the ages 9-12 category in the 'See Your Artwork' competition.

### **Barangaroo student art competition**

The Barangaroo construction site hosted a range of student artwork in 2013 as part of the “See Your Artwork” competition.

Students were asked to respond to the question “What does Barangaroo mean to you?” with drawings, paintings or other creations. The works of all entrants were featured along a 60 metre long stretch of hoarding at the construction site.

Barangaroo’s Aboriginal heritage and the waterside precinct’s focus on Sydney Harbour were recurring themes in students’ works. There were more than 180 entrants from over 35 suburbs in three categories, with prizes awarded for category winners and the three runners up. The judging panel was made up of representatives from the Authority and Lend Lease.

### **Protecting water and air quality**

Managing environmental concerns and ensuring world-class natural resource management outcomes during the Barangaroo South construction process are primary objectives for the Authority and Lend Lease.

Stormwater runoff is captured and processed by Lend Lease through Australia’s largest mobile water treatment plant before being returned to Sydney Harbour. The plant has succeeded in meeting stringent NSW Government water quality standards.

Dust and odour suppression systems are used by Lend Lease during active excavations to protect air quality. Local air quality is also protected by an on-site concrete batching plant, which has resulted in a major reduction of truck movements to and from Barangaroo, eliminating an estimated 55,000 truck trips.





Headland Park, Central  
Barangaroo and Barangaroo  
South, taken May 2014.



# Central Barangaroo



< Artist's impression of Central Barangaroo prepared for the April 2014 call for Expressions of Interest.

The 5.2 hectare Central Barangaroo is the final piece of Barangaroo yet to be defined. The NSW Government's ambition is for Central Barangaroo to become a new centrepiece for Sydney. An active and vibrant precinct that includes a range of public and cultural activities and waterfront open space.

During 2013-14, significant progress on the master planning and development planning for Central Barangaroo.

## Master planning outcomes

Through 2013-14, the Authority worked closely with the community and stakeholders to develop the master planning framework for Central Barangaroo. Skidmore Owings & Merrill – one of the world's largest and most influential architecture, engineering and urban planning firms – led the master planning process in collaboration with the Authority.

The consultation process identified key themes for the master planning framework. These included:

- the creation of a diverse, vibrant and active area;
- strong pedestrian connections to Millers Point, Observatory Hill, Walsh Bay and the CBD;
- the inclusion of a distinct arts and cultural character; and
- maintaining at least 50 per cent of the area as public open space.

The master plan framework, released in November 2013, provides a structure of key urban and civic elements including development massing, pedestrian connectors, a street network, and public domain and, subject to planning approval, proposes the following key elements:

- an increase in density to allow diverse mixed use development within the current approved envelopes and footprints;
- the 'Sydney Steps' linking Kent Street and Observatory Hill to the waterfront plus a minimum of two east-west connections from Hickson Road through the development zone to the public domain area;
- the development of up to 120,000m<sup>2</sup> of gross floor area within the B4 Mixed Use Zone with minimum commitment of 10,000m<sup>2</sup> for mixed uses, of which a minimum of 5,000m<sup>2</sup> will be for cultural use; and
- a maximum of 5,000m<sup>2</sup> of gross floor area in the RE1 Public Recreation Zone for cultural, civic, community and active uses.

## Master planning consultation

The Authority ensured that the public and key stakeholders had significant input into the master planning process across 2013-14.

On 31 July 2013, the Authority and key stakeholders met to review the strategic direction for master planning for Central Barangaroo. Skidmore Owings & Merrill updated attendees on the progress of the master planning process.

In November 2013, the master planning framework was displayed online and at the Authority's offices and was promoted through mainstream media channels and direct messages to stakeholders. Authority representatives were also available to explain the plan to visitors.

In April 2014, more than 100 stakeholders and members of the public attended a major consultation briefing at Customs House. At that briefing, Authority representatives provided a general project update as well as the development of the Central Barangaroo master plan and the preliminary concept plan modification application required for its implementation.

Over these previous 12 months, the Authority also undertook a series of meetings and briefings and partnered with major stakeholders, including:

- multiple meetings with the City of Sydney, the Lord Mayor, and senior executives;
- briefings with cultural institutions including the Powerhouse and Sydney Observatory (a branch of the Museum of Applied Arts and Sciences);
- an industry event hosted by the NSW Division Property Council of Australia; and
- a public presentations by Phil Enquist, Lead Partner Urban Design and Planning, at Skidmore Owings & Merrill hosted by University of New South Wales Faculty of Built Environment.





In September 2013, the Premier announced approval for a tree lined, sandstone waterfront promenade, providing public access to the harbour.

< NSW Division Property Council of Australia lunch, May 2014.

### **Lodgement of concept plan modification**

In March 2014, the Authority lodged a preliminary environmental assessment report and a request for Director General's Requirements to modify the current concept plan for Central Barangaroo. This represented an important step in the statutory planning process to update the approved concept plan to reflect the outcomes of the master planning and public consultation process.

The Department of Planning and Environment issued Director General's Requirements for the modification on 15 April 2014. The Authority is currently preparing the modification application.

The modification application is expected to be publicly exhibited during late 2014, with assessment and determination likely in early 2015.

### **Call for Expressions of Interest – Central Barangaroo Development**

In April 2014, the Authority called for Expressions of Interest from local and international developers for the three development blocks within Central Barangaroo. This was the first stage of the development bid process which would lead to a shortlisting of developers to be invited to submit detailed development proposals.

The Expressions of Interest reflected the established Central Barangaroo vision, objectives and master plan. It contained key criteria that needed to be addressed, including capability, financial capacity, conceptual approach to design, design excellence, sustainability and response to commercial and risk parameters.

Expressions of Interest closed on 25 June 2014. The Authority received 16 submissions, nine from respondents interested in development within Central Barangaroo and seven from respondents relating to other involvement such as providing financing.

### **Tenant Identification Registration of Interest**

In May 2014, the Authority requested submissions from arts, cultural, civic, community and educational organisations interested in becoming tenants in Central Barangaroo.

The purpose of this exercise was to provide prospective developers with a wide range of potential tenants for them to consider for space within Central Barangaroo. The inclusion of cultural use will ensure the precinct is diverse and vibrant while maximising the value uplift for Barangaroo as a whole.

### **Central Waterfront Promenade approved**

In September 2013, the Premier announced that planning approval had been received for the 300m long waterfront pedestrian promenade at Central Barangaroo.

The promenade will include a tree-lined, sandstone walkway and a lowered boardwalk providing public access to the water's edge, and a pontoon in the Northern Cove for pleasure craft and water taxis.

The waterfront promenade of Central Barangaroo is expected to be open by mid-2015 (to coincide with the Headland Park opening) well before the anticipated start date of Central Barangaroo construction in mid-2016.

# Design Excellence



< The Johnson Pilton Walker designed White Bay Cruise Terminal represents the first milestone for Barangaroo.

In 2013-14, the NSW Government's active commitment to design excellence led to international recognition for the design of Barangaroo's first completed milestone and ongoing work to ensure excellence in the design of buildings, public domain and natural areas.

## Eminent design advisors

The Authority's design advisors work with external design advisors and meet with them regularly. These advisors provide guidance and ensure design excellence is incorporated across the Barangaroo project.

Barangaroo's design advisors for 2013-14 were:

- Bob Nation – Design Advisor, Barangaroo Delivery Authority;
- Keith Cottier (Chairman, Allen Jack + Cottier);
- Richard Nugent (Associate Director, Conybeare Morrison); and
- Karl Fender (Director, Fender Katsalidis).

## Ensuring an integrated public domain

More than half the total area of Barangaroo will be public domain including parkland. To ensure a consistent character throughout, the Authority and its design consultants, including Skidmore, Owings & Merrill and Peter Walker Partners, hosted sessions with Lend Lease and its design team.

The objective was to achieve key design principles including a continuous and integrated public domain across Barangaroo, the alignment of streets and laneways and consistent character of the foreshore walk.

## Appointment of local Sydney architects to Barangaroo South design team

In 2013-14, the Authority participated on design juries for buildings R1 and R7. These buildings border King Street Wharf and will include space for retail shops, restaurants and ferry amenities. The design submissions were considered by juries that included:

- Graham W Jones – Principal Architect, Lend Lease Design;
- Greg Deas – Principal, Master Planning and Design, Lend Lease;
- Jonathan Emery – Managing Director, Urban Regeneration and Sustainability, Lend Lease;
- Michael Wheatley – Barangaroo Development Manager, Lend Lease;

- Bob Nation – Design Advisor, Barangaroo Delivery Authority; and
- Ivan Harbour – Architect, Barangaroo South, Rogers Stirk Harbour and Partners.

## Collaborating on design

During 2013-14, the Authority worked with Lend Lease and its selected architects Collins and Turner Architects (Building R1) and Durbach Block Jagers (Building R7) in advancing the designs for the buildings' development applications.

The Authority reviewed Lend Lease designs for Barangaroo South, including the intersection of commercial spaces at the ground level of the waterfront residential buildings Anandara and Alexander. This work will ensure the buildings connect with the surrounding public domain and foreshore.

Design of the three residential towers 4a, 4b, 5 and podia within Barangaroo South is ongoing with further study and design development being undertaken with the preferred design architects. The outcome is expected to be announced in the first quarter of 2015.

## First milestone wins design awards

In June 2014, the White Bay Cruise Terminal won awards in three categories at the NSW Architecture Awards: Public Architecture, Sustainable Architecture and the NSW Colorbond Award for Steel Architecture.

Designed by Johnson Pilton Walker, the Terminal represents a significant delivery milestone for Barangaroo. The \$57 million Terminal was funded and project managed by the Authority.

It follows the Terminal's win in the Transport Category at the October 2013 World Architecture Festival Awards, and recently the 2014 International Architecture Award conferred by the Chicago Athanaeum & European Centre for Architecture in September 2014.

Note: the Terminal is also being considered in three categories at the Australian Institute of Architects National Awards, due to be announced in Darwin on 6 November 2014.



# Arts and Culture



> Headland Park cultural space under construction, March 2014.

## The Arts and Cultural Panel

In February 2014, the Board approved the Charter for the Barangaroo Arts and Cultural Panel. The Arts and Cultural Panel will guide the strategic planning and delivery process of arts and cultural activities.

The Panel will provide expert advice about developing the character and identity of the Barangaroo precinct through public art and culture. The Panel convenes four times annually.

Panel Members include:

- Gabrielle Trainor, Chair of the Panel, Chair of the National Film and Sound Archive and Board Member, Barangaroo Delivery Authority;
- Hetti Perkins, Artistic Director, Corroboree Sydney Festival;
- Lieven Bertels, Festival Director, Sydney Festival;
- Simon Hardy, Executive Director, Design and Infrastructure – Barangaroo South, Lend Lease;
- Jess Scully, Curator, Vivid Ideas;
- Leon Paroissien AM, Founding Director, Museum of Contemporary Art, Sydney. Chair of the City of Sydney's Public Art Advisory Panel, Mr Paroissien joins the Panel as the City of Sydney's representative; and
- Alison Page, National Aboriginal Design Agency, joins the Panel as Lend Lease's representative.

## The Arts and Culture Plan

In November 2013, the Authority and Lend Lease reached an agreement to work together to deliver a single Public Art and Cultural Plan for the precinct. This overarching plan consolidates previous drafts of a Barangaroo Public Art and Cultural Plan with two of Lend Lease's existing commissioned plans. As other developers become involved through Central Barangaroo, they will be invited to participate in arts and culture planning. .

The Plan will outline overall strategy, context, differing procurement and commissioning methodologies and implementation and governance protocols. It also provides a framework for expenditure on permanent or temporary public art and cultural and civic events.

An initial nine priority projects are identified within the plan across the site, ranging from permanent public artworks to ongoing cultural and 'artist in residence' programs.

In June 2014, a jury was formed for selecting the Northern Cove landmark public art piece. Chaired by Edmund Capon AM OBE, the jury includes Lucy Turnbull AO, Elizabeth Ann Macgregor OBE, Nicholas Baume, Peter Young AM and Gabrielle Trainor.

## A Curatorial Advisor for Barangaroo

In June 2014, the Authority issued a Request for Proposal for a Curatorial Advisor to provide expert advice on the selection of artists for commissioned works at Barangaroo. The Curatorial Advisor will work with the Authority, Lend Lease and any future developers involved in Barangaroo.

Note: in August 2014, the Authority appointed Barbara Flynn to this role.

## Cultural space

Ongoing consultations during 2013-14 confirmed broad interest in, and enthusiasm for, the concept of a national centre for Indigenous art and culture at Barangaroo.

The National Museum of Australia and the Authority led a group including the Australian Institute of Aboriginal and Torres Strait Islander Studies, the National Film and Sound Archive and the Metropolitan and La Perouse Local Aboriginal Land Councils in consultations with Aboriginal and Torres Strait Islander communities about the potential to create an internationally distinctive and highly visited national centre for Indigenous art and culture at Barangaroo.

The Authority undertook three consultation sessions in Sydney, with further consultations in Perth, Broome and Darwin, facilitated by Aden Ridgeway of Cox Inall Ridgeway. Further consultations will continue through 2014.

To date, the feedback gathered through consultations has supported the opportunity to develop an iconic national cultural centre which would be a living and dynamic place to celebrate Australia's First People.

## Feasibility study for the cultural space

Following a formal tender process that concluded in June 2014, the Authority engaged Boston Consulting Group to progress a feasibility study for a national centre for Indigenous arts and culture.

The feasibility study will include an integrated business case, concept curatorial plan and economic model assessing the concept of a national centre of Indigenous arts and culture.

# Transport



< Artist's impression of the Barangaroo ferry hub, as at May 2014.

More than 24,000 people are expected to live and work in Barangaroo, with a further 33,000 expected to visit every day. The NSW Government is implementing an integrated transport plan to ensure Barangaroo is accessible for everyone.

The Authority is supporting delivery of this plan by participating in various cross-government project control groups.

## Barangaroo Ferry Hub

Announced in May 2014, the Barangaroo Ferry Hub will feature three new ferry wharves, providing new berthing space for services from the Parramatta River, the Eastern Suburbs and the Lower North Shore to Barangaroo.

The new ferry hub will help relieve future capacity constraints at Circular Quay and will connect customers to the city centre via Wynyard Walk, a high quality pedestrian link between Barangaroo and Wynyard Station.

The Authority participates in a Ferry Landside Working Group. Meetings were held on 6 May 2014 and 2 June 2014.

## Wynyard Walk

Work continues on Wynyard Walk, which will be the pedestrian link between Wynyard Station and Barangaroo. Wynyard Walk will provide a 180-metre pedestrian thoroughfare through to the intersection of Kent Street and Napoleon Street, and a pedestrian bridge over Sussex Street. This will allow commuters to walk from Wynyard Station to Barangaroo in approximately six minutes.

During 2013-14, two 12-storey buildings were demolished in Clarence Street to make way for the Wynyard Station Clarence Street Portal. Following demolition, crews began an 18 metre excavation to make way for the new entrance to Wynyard Station on Clarence Street. Excavation is expected to be complete in late 2014.

The project will increase the entry and exit capacity of Wynyard Station to meet current and future demands for the CBD's western corridor and waterfront.

As a major stakeholder in Wynyard Walk, the Authority participates in regular Project Control Group meetings and Executive Steering Group meetings aimed at reporting project progress and managing the interface between adjoining precincts.

## Barangaroo Traffic Operations Group

The Barangaroo Traffic Operations Group met regularly in 2013-14. The Group manages the interim transport and traffic needs of Barangaroo. The Group's priorities are the ongoing quality of traffic conditions and safe access for pedestrians, cyclists and vehicles in the streets surrounding Barangaroo.

The Group which comprises the Barangaroo Delivery Authority, NSW Police, Lend Lease, City of Sydney, Transport for NSW, Transport Management Centre and Baulderstone continues to monitor developments and provide recommendations as Barangaroo continues to develop.



Visitors enjoying  
Barangaroo's Open Day,  
June 2014.



# Public Engagement at Barangaroo



< Watch the Open Day video at [www.youtube.com/BarangarooSydney](http://www.youtube.com/BarangarooSydney).

As part of the NSW Government's commitment to opening the western foreshore of the CBD, the Authority hosted a variety of events for the community, industry, media and government. In total, around 24,000 people attended these.

A further online audience of nearly 18,000 people viewed seven short video stories via Barangaroo's YouTube Channel. Joined by our 2,445 Facebook followers, this strong onsite and online following makes Barangaroo an active member of the community.

During 2013-14, tours of the Headland Park commenced, welcoming stakeholders and the community to see the creation of the new harbour headland at Barangaroo.

Event	Visitors
Open Day 2014	7,000
International Fleet Review	10,700
Vans Warped Tour	5,000
Headland Park Open Day 2013	1,000
Community and Stakeholder Tours	700

## 2014 Public Open Day welcomes 7,000

On 22 June 2014, the Authority, Lend Lease and Baulderstone welcomed more than 7,000 visitors to Barangaroo for the first site-wide, free open day. The day included self-guided tours of Barangaroo South and Headland Park and information talks and family activities.

## Venue for the International Fleet Review

Over the October long weekend in 2013, 10,700 people visited Barangaroo to board warships and meet Navy personnel as part of the Royal Australian Navy's International Fleet Review.

## Vans

On 1 December 2013, the Vans Warped Tour attracted almost 5,000 visitors to Barangaroo. This event attracted significant social media attention, with 7,000 'mentions' on Facebook.

There were some disturbances to the adjacent residential areas and a delay in reopening the Foreshore Walk. All feedback was taken into account and, ultimately, the concert organiser was fined by the City of Sydney for breaching noise level limits.

## 2013 Open Day at Headland Park

On 4 August 2013, approximately 1,000 people attended the Headland Park Open Day. Jointly hosted by the Authority and Baulderstone, this free event featured a range of self-guided tours, information talks and family activities.

## 2013 New Year's Eve

With major construction underway at Headland Park, Barangaroo was unable to host a New Year's Eve celebration in 2013.

Sydneysiders have enjoyed New Year's Eve celebrations at Barangaroo in past years and the Authority looks forward to welcoming them again in December 2014.

## Headland Park stakeholder tours

The Authority runs bi-weekly stakeholder tours of Headland Park.

Over 2013-14, 67 tours were conducted for a diverse range of stakeholders including Infrastructure NSW, Engineers Australia, NSW Coastal, Ocean & Port Engineering Panel, NSW Treasury, NSW Office of Environment and Heritage and the University of NSW.

A number of VIPs and special guests also visited including former Prime Minister, the Hon. Paul Keating, NSW Minister for Planning, the Hon Pru Goward MP, NSW Minister for Aboriginal Affairs, the Hon Victor Dominello MP and the Lord Mayor of the City of Sydney, Clover Moore.

## Recording construction milestones

The Authority continues to maintain an active image and video library, commissioning photographic and video recordings of construction milestones in 2013-14. Seven videos were produced, and made available online, with a total of 17,992 views during the year. Photography is regularly updated across the Authority's digital (website, social media and eNews) channels and promotional materials.

## Sharing our stories

Barangaroo is an active member of the online community, sharing regular updates to followers each week. The Authority maintains profiles with Facebook, YouTube, LinkedIn, Instagram and Twitter.



- > Visitors to Barangaroo as part of the Royal Australian Navy's International fleet Review, October 2013.
- > Headland Park tour for Open Day, June 2014.



### Connecting with the local community

The Authority published digital newsletters in September 2013, December 2013 and April 2014, which were distributed via email to a combined audience of 13,704.

Community updates were also held throughout the year on specific topics such as master planning Central Barangaroo and the future of the Harbour Control Tower.

The Authority maintained its commitment and participation in local liaison groups, hosting five meetings of the Construction Community Liaison Group (CCLG) and participating in five meetings of the Business Construction Liaison Group (BLG) throughout 2013-14.

Authority representatives also attended the bi-monthly meetings of the Millers Point Estates Advisory Board, the Millers Point Residents' Action Group, and the Millers Point Social Housing Meetings.

These events help ensure local residents and businesses are informed about the project and construction impacts. There were no recorded concerns with the level and quality of information provided to the community.

### Community contact tools

The Authority is open and accessible to the public and ready to respond to any construction or community related enquiries via an information phone line (1300 966 480) and dedicated email address (info@barangaroo.com), as well as our social media channels. These contact details are available on all neighbour communication pieces, including construction notifications, advertisements and signage.

### Good Neighbour Plan

The Authority updated its Good Neighbour Plan in December 2013.

The objective of the Plan is to proactively engage every neighbour in a coordinated manner to share the excitement of development progress, listen to their concerns and minimise any inconvenience. The Good Neighbour Plan is one of a suite of plans developed to manage specific aspects of the Barangaroo development and is updated annually. The Plan complements the Lend Lease Barangaroo South Community and Stakeholder Engagement Strategy and the Headland Park Community Relations Plan.

# 130%

increase in Facebook followers during 2013-14

# 46,000

views of Barangaroo's Facebook post about Open Day 2014 during 2013-14

# 18,000

views of Barangaroo videos on YouTube during 2013-14

# Barangaroo timeline

The creation of Barangaroo is a long term project.

An indicative timeline is as follows:

**2013**

Continue construction of commercial towers at Barangaroo South

Temporary cruise passenger terminal closes and new terminal opens at White Bay

Headland Park construction continues

Trial of remediation of former Millers Point Gasworks commences

Central Barangaroo master planning

**2014**

Headland Park construction continues

Public brief for first phase residential in Central Barangaroo commences

Commence Barangaroo South foreshore residential buildings and public domain

Continue construction of commercial towers at Barangaroo South

Completion of the Northern Cove

**2015**

Headland Park opens

First commercial building including ground floor retail at Barangaroo South complete and progressively opening

Public domain progressively opens at Barangaroo, including City Walk Bridge

Waterfront residential buildings complete

Central Barangaroo development contracts awarded

**2016**

Second and third commercial towers open at Barangaroo South

Work commences on Phase One development in Central

Barangaroo South public domain opens

**2019**

Barangaroo South first residential tower complete\* and Hotel Resort complete\*

Phase One Central Barangaroo complete

\* subject to approvals

**2022**

Entire precinct projected to be completed





# Section 3

## Reporting

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## Management and Structure

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Refer to Section 1 for an outline of the Barangaroo Delivery Authority Act and Barangaroo Delivery Authority Board structure and strategy.

The Authority employs a team of dedicated, talented and experienced management and support staff and contractors who are working together with a larger group of consultants and partners to deliver a world-class Barangaroo precinct for the people of Sydney and Australia.

As at 30 June 2014, the Executive Team of the Barangaroo Delivery Authority included the Chief Executive Officer and four Directors spanning the key divisions of Finance, Legal and Corporate Services, Barangaroo South, Headland Park and Central Barangaroo and Planning Governance.

**John Tabart** (BE (Civil/Struct), FIE (Aust), FAICD, FIPA (Vic))  
Chief Executive Officer

**Peter Roberts** (B. Fin Admin, FCA, IACD, Finsia)  
Chief Financial and Operating Officer

**Chris Lamont** (B Ec, GAICD)  
Executive Director, Planning and Governance

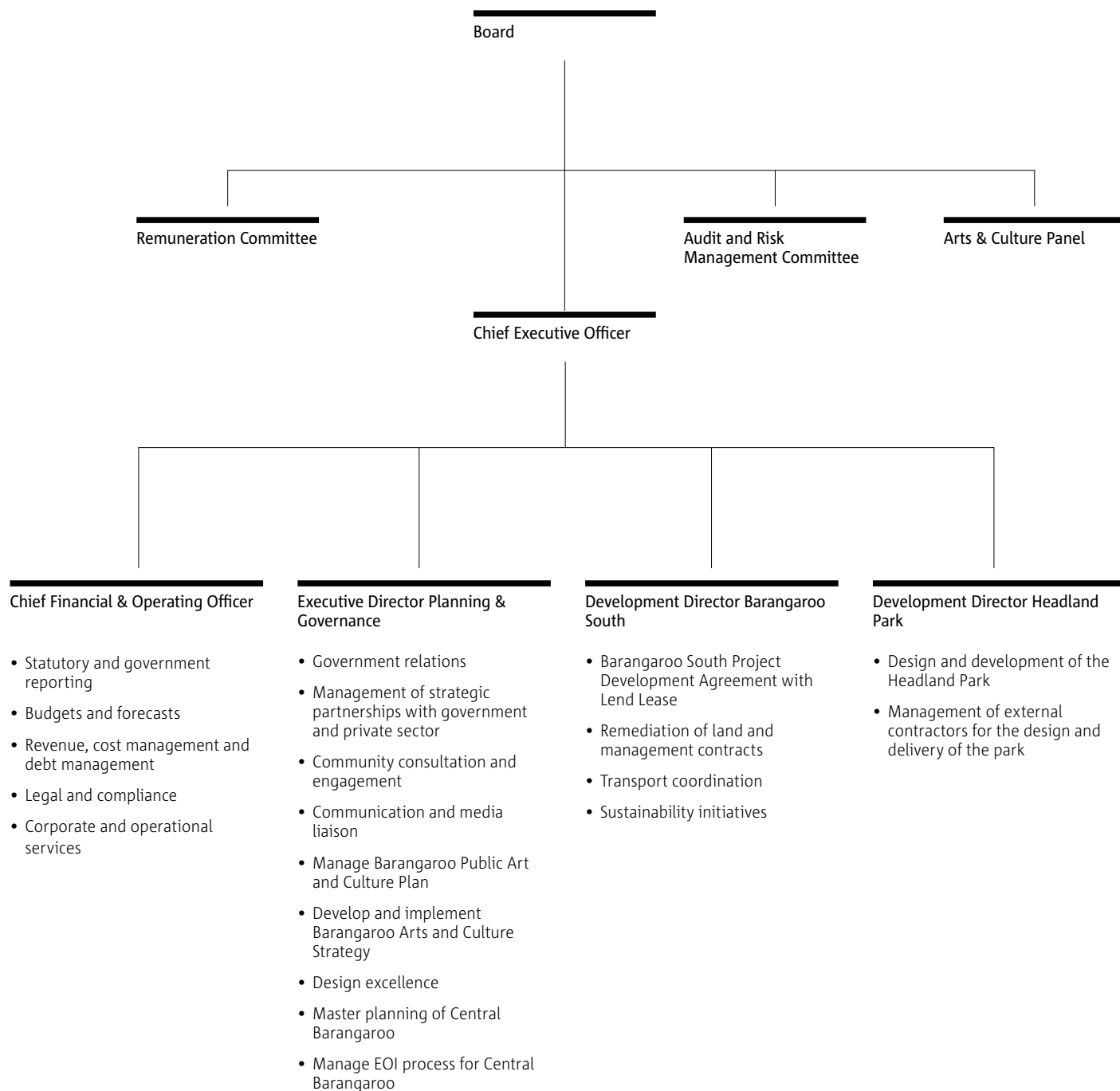
**Tony Gulliver** (B. Arch, Grad Dip Prop Dev)  
Development Director

**Darryl Kite** ((BSC, BE (Civil), MBA)  
Acting Development Director

The next page outlines the organisational structure as at 30 June 2014.



## Organisation Chart (as at 30 June 2014)



## Human Resources

As at 30 June 2014, the Authority had a total of 28 employees.

There were no exceptional movements in wages, salaries or allowances, except for increases awarded across the public sector.

### Employee numbers by category

Salary scale	30 June 2011		30 June 2012		30 June 2013		30 June 2014	
	Total number of employees	Women	Total number of employees	Women	Total number of employees	Women	Total number of employees	Women
Grade 1-2 or equivalent	1	1	1	1	2	1	1	1
Grade 3-5 or equivalent	1	1	1	1	3	3	0	0
Grade 6-9 or equivalent	2	1	2	1	5	2	6	3
Grade 10-12 or equivalent	5	4	3	3	2	2	1	1
Above grade 12 or equivalent	12	3	13	4	13	7	19	7
<b>Total number of employees*</b>	<b>21</b>	<b>10</b>	<b>20</b>	<b>10</b>	<b>25</b>	<b>15</b>	<b>28</b>	<b>12</b>

\* Figures do not include casual employees. Part-time employees are counted as one.

### Senior Executive Reporting

	2014	
	Female	Male
Band 3	0	3
Band 2	0	1
Band 1	7	8
<b>Totals</b>	<b>7</b>	<b>12</b>

Band	Range	Average Remuneration 2014
	\$	\$
Band 3	299,751 - 422,500	373,000
Band 2	238,301 - 299,750	284,000
Band 1	167,100 - 238,300	182,000

In 2014, 84.5% of the Authority's employee related expenditure related to senior executives.

The following information is provided as per statutory reporting requirements in relation to senior executives within Band 3. Qualifications can be found on page 28.

John Tabart, Chief Executive Officer, SES Level 7. Mr Tabart's total remuneration package is \$455,200 per annum.

Chris Lamont, Executive Director Planning & Governance, SES Level 6. Mr Lamont's total remuneration package is \$355,000 per annum.

Peter Roberts, Chief Financial & Operating Officer, SES Level 6 equivalent. Mr Roberts' total remuneration package is \$310,225 per annum.



## Human Resources (continued)

### Multicultural Policies and Services Program

The Authority is a small government agency and consequently, plans to meet its obligation to report on key multicultural strategies triennially.

In 2014 the Authority developed a Multicultural Policies and Services Program Plan. A key focus of the Executive Committee in the 2014-15 financial year will be the implementation of this plan.

The Authority will provide an update in the next Annual Report an outline of its multicultural strategies and implementation outcomes .

### Workforce Diversity

The Authority's baseline data relating to workplace diversity shows strong representation of women across the organisation although less representation of women in the Senior Executive. The minimal representation across diversity groups inspires a commitment for the Authority to achieve improved diversity in the year ahead. The Authority will work toward this with a greater focus on workplace diversity, including through the application of the Authority's Multicultural Policy and Services Program.

Diversity Group	As a % of all employees		
	2011-12	2012-13	2013-14
Women	50	60	44
Aboriginal people and Torres Strait Islanders	0	0	0
People whose first language spoken as a child was not English	5	20	11
People with a disability	0	0	0
People with a disability requiring work-related adjustment	0	0	0

### Management and activities

The Authority was not subject of any external or internal performance reviews in 2013-14. The Authority implemented recommendations and made management and activity improvements as a result of the Sussex/Penn Review completed in 2013 and the Performance Audit undertaken by the Auditor General in 2011.

## Internal Audit and Risk Management

### Internal Audit and Risk Management Statement for the 2013-14 Financial Year for the Barangaroo Delivery Authority

I, Craig van der Laan, am of the opinion that Barangaroo Delivery Authority has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I, Craig van der Laan, am of the opinion that the internal audit and risk management processes for Barangaroo Delivery Authority depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) Barangaroo Delivery Authority has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
Core requirement 3: Independent Chairs and Members	<ul style="list-style-type: none"> <li>Clause 3.5.1 of TPP09-05 provides that the initial term for membership of an Audit and Risk Committee must not exceed four (4) years and should provide an option for reappointment for a further term of maximum four (4) years, particularly for independent members.</li> <li>At the time the Board of the Barangaroo Delivery Authority appointed the initial members of its Audit and Risk Management Committee it chose to set the term of the appointments as two years, expiring December 2011 and it reappointed those members for a further two year term expiring December 2013.</li> <li>When the Board came to consider the appointments to take effect from December 2013 it decided that although a third term for independent members was not permitted under TPP09-05, it wished to have the initial members serve a further term which would still not exceed the maximum of eight years allowed under the policy.</li> <li>The Premier (as the Authority's portfolio minister) approved the exemption.</li> </ul>

I, Craig van der Laan, am of the opinion that the Audit and Risk Management Committee for Barangaroo Delivery Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Management Committee are:

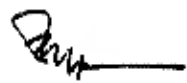
- Independent Chair, Brendan Crotty, appointed 18 December 2009, reappointed 17 December 2011 to 1 July 2014
- Independent Member 1, Gabrielle Trainor, appointed 18 May 2010, reappointed 17 May 2014 for 2 years
- Independent Member 2, John Fitzgerald, appointed 17 December 2011 for three years
- Independent Member 3, Allan Cook, appointed 18 December 2009, reappointed 17 December 2011 for two years
- Independent Member 4, Carolyn Burlew, appointed 18 December 2009, reappointed 17 December 2011 and 17 December 2013 for two years
- Independent Member 5, Jon Isaacs, appointed 12 February 2014 for three years.

I, Craig van der Laan, declare that this Internal Audit and Risk Management Statement is made on behalf of the following controlled entities (or subsidiaries):

- The Barangaroo Delivery Authority Staff Agency.

These processes, including the practicable alternative measures being implemented, provide a level of assurance that will enable the senior management of Barangaroo Delivery Authority to understand, manage and satisfactorily control risk exposures.

As required by the policy, the then Chief Executive Officer of Barangaroo Delivery Authority, John Tabart, submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasury on behalf of the Treasurer.



Craig van der Laan  
Acting Chief Executive Officer  
Date: 30 October 2014

## Risk Management and Insurance

The Authority has in place both appropriate structures and rigorous processes to identify and manage material risks to its strategic and operational objectives. Responsibilities for managing risk are clearly delegated within the Authority, and expert support is obtained where needed. The program of risk management is overseen by the Audit and Risk Management Committee of the Authority’s Board who meet four times a year.

Material risks to annual business plans and 15 year financial forecasts are formally identified and scrutinised quarterly, with material exposures monitored monthly by the Authority’s management team.

PricewaterhouseCoopers are the Authority’s internal auditors. Walter Partners are the Authority’s probity advisors. Significant control systems and processes are routinely evaluated and tested by PricewaterhouseCoopers. Reports from PricewaterhouseCoopers are responded to by management and reported to the Audit and Risk Management Committee to ensure appropriate governance is in place over material risks to the Authority.

The Authority is exposed to risks specific to the commercial arrangements with the appointed commercial development partner, Lend Lease, as well as risks associated with developing the public spaces of Central Barangaroo and Headland Park. The Authority’s role as Road Authority for part of Hickson Road and Napoleon Street also comes with risks which require management.

These risks range from managing the performance of developers and contractors on site, managing public health and safety during development and managing various stakeholder expectations for the finished development. Each of the identified material risks to the Authority’s strategy and operational objectives has been analysed, mitigation plans documented and evaluated, and responsibilities assigned to ensure these risks are well managed to avoid unexpected events. The Authority carries a comprehensive range of insurance cover through the Treasury Managed Fund.

## Audit and Risk Management Committee

The Committee’s responsibilities include the following:

- Risk management
- Control framework
- External accountability
- Compliance with applicable laws and regulations
- Internal audit
- External audit.

The Members of the Committee appointed by the Board were:

**Brendan Crotty** (Chair – Resigned 30 June 2014)  
See Board biography.

**Gabrielle Trainor**  
See Board biography.

**John Fitzgerald** (Appointed 17 December 2011)  
See Board biography.

**Allan Cook** (Retired December 2013)  
Allan Cook is from A. D. Cook & Associates (COMFAS Pty Ltd). Allan is Chair of the Audit and Risk Management Committees for NSW Health Share, NSW Health Pathology, NSW Health (Statutory Corporations ACI/CEC) and independent member Audit and Risk Management Committee NSW Fire and Rescue. Allan is a Certified Practising Accountant (Fellow).

**Carolyn Burlew**  
Carolyn is Chair of the Audit and Risk Management Committees for Department of Education and Communities, NSW Ombudsman and Department of Finance and Services and member of the Audit and Risk Management Committee NSW Treasury. Carolyn is also a Board member and Deputy Chair for the South West Sydney Local Health District. Carolyn is a Fellow of the Institute of Company Directors, has a Master of Public Administration (University of Queensland), and Bachelor of Arts and Diploma of Applied Science (Queensland University of Technology). She was previously a qualified registered nurse and registered midwifery nurse.

**John Isaacs** (Appointed February 2014)  
Jon Isaacs has played a senior role in the interface between the NSW Government and property development for over eighteen years. He was a member of the Board of Sydney Harbour Foreshore Authority from 1996 to 2007, the last three years as Chairman. He has been the Independent Chair of the Joint Management Committee of the Rouse Hill Regional Centre (a \$1.2 billion joint venture between the NSW Government and Lend Lease and GPT) since 2003. He is an experienced member and Chair of Audit Committees in the public, private and not for profit sectors. He currently chairs the Audit Committees of the State Emergency Service, Government Property NSW and Murrumbidgee Local Health District. He is an Executive Coach and Mentor with Stephenson Mansell Group.

In the year 2013-14, five meetings were held and below is a record of attendance.

Member	Attended
Brendan Crotty (Chair)	5
John Fitzgerald	4
Gabrielle Trainor	4
Allan Cook	3
Carolyn Burlew	5
Jon Isaacs	2



## Remuneration Committee

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The Committee's responsibilities include the following:

- Reviewing executive remuneration and contracts relating to employees and contractors within the Authority on an annual basis or more frequently as determined necessary; and
- To advising the CEO in relation to the remuneration and benefits for all executives employed by the Authority including:
  - Executives employed under the Public Service Management Act;
  - Executives on fixed-term contract basis in specialist roles by the Authority; and
  - Contractors employed on a short-term basis.

The Members of the Committee appointed by the Board were:

**John Fitzgerald** (Chair)

See Board biography.

**Brendan Crotty** (Resigned 30 June 2014)

See Board biography.

In the year 2013-14, two meetings were held and below is the record of attendance.

Member	Attended
John Fitzgerald (Chair)	2
Brendan Crotty	2
John Tabart	2
Peter Roberts	2

## Arts and Culture Panel

In the year 2013-14, five meetings were held and below is a record of attendance.

Member	Attended
Alison Page	1
Chris Lamont	1
Evan Kaldor	3
Gabrielle Trainor	5
Hetti Perkins	3
Jess Scully	4
John Tabart	3
Kerry Clare	2
Leon Paroissien AM	1
Lieven Bertels, Knight in the Order of the Crown, Belgium	3
Simon Hardy	2

Note. Kerry Clare left the Panel within 2013-14.

## Arts and Culture Jury

The Jury was established in April 2014.

In the year 2013-14, two meetings were held and below is a record of attendance. The Authority's CEO and Arts and Culture Advisor also attend jury meetings.

Member	Attended
Edmund Capon AM OBE (Chair)	2
Nicholas Baume	2
Gabrielle Trainor	2
Lucy Turnbull AO	1
Peter Young AM	1
Elizabeth Ann Macgregor OBE	0

## Statutory Reporting Obligations

### Work Health and Safety

There are no incidents to report in relation to the Authority's employees for the triennial period ending June 2014.

### Consumer Activities

The Authority provides enquiry, complaints and feedback mechanisms for the community.

These are:

- A 24-hour community information line for construction issues, 1300 966 480:
- A dedicated information email address, info@barangaroo.com; and
- Social media including Facebook, YouTube, LinkedIn, Instagram and Twitter.

All mechanisms are monitored regularly, with enquiries and complaints responded to promptly. Where appropriate, these enquiries and complaints are forwarded on to Lend Lease or Baulderstone for resolution.

Approximately 460 emails and 120 calls were received during 2013-14. These emails and calls related to issues including:

- complaints about noise, dust, traffic and other construction impacts;
- comments on planning and design;
- requests for information;
- notifications of technical difficulties with Barangaroo.com; and
- unsolicited proposals and requests for commercial opportunities.

### Personnel Policies

The Authority has adopted the best policies and practices of both the public and private sector in employee management. During the year policies were developed on bullying and harassment prevention, managing performance and dignity at work.

### Industrial Relations Policies

There were no industrial disputes lodged by the NSW Public Service Association with the Industrial Relations Commission of NSW. There was no working time lost due to industrial disputes during the year. There were no exceptional movements in wages, salaries or allowances, except for increases awarded across the public sector by the Industrial Relations Commission of NSW.

### Disability Plan

With the commencement of the Government Sector Employment Act 2013 (NSW) on 24 February 2014, the Authority is obliged to prepare and implement a Disability Action Plan. The Authority is a small government agency and consequently, plans to meet its obligation to report on this triennially.

Accessibility is part of all planning for Barangaroo and universal access has been considered part of the design and delivery to date.

The public domain at Barangaroo will be designed to be safe and accessible for people who use the public domain. The public domain will consider universal access requirements.

### Waste

The Authority is committed to waste reduction and minimising energy use. Although the Authority has not had a formal plan in place to respond to the Waste Reduction and Purchasing Policy (WRAPP), its commitment is demonstrated in a number of initiatives including the provision of recycling facilities for staff to minimise waste, the use of sensor lights in the Authority's offices and the procurement of recycled paper for its printers and copiers.

The Office of Environment and Heritage published the NSW Government Resource Efficiency Policy (GREP) to replace the NSW Government Sustainability Policy and streamline reporting under the WRAPP. The Authority undertakes to comply with GREP in the new financial year.

### Funds granted to non-government organisations

During 2013-14 the Authority did not grant any funds to non-government community organisations.

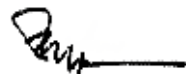
### Digital Information Security Policy

I, Craig van der Laan, am of the opinion that Barangaroo Delivery Authority had an Information Security Management System in place with certain controls and procedures being implemented during the financial year being reported on consistent with the Core Requirements set out in the *Digital Information Security Policy for the NSW Public Sector*.

I, Craig van der Laan, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of Barangaroo Delivery Authority are adequate for the foreseeable future.

I, Craig van der Laan, am of the opinion that all Public Sector Agencies, or part thereof, under the control of Barangaroo Delivery Authority with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the *Digital Information Security Policy for the NSW Public Sector*.

I, Craig van der Laan, am of the opinion that, where necessary in accordance with the *Digital Information Security Policy for the NSW Public Sector*, certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - *Information security management systems* - Requirements had been maintained by all or part of Barangaroo Delivery Authority and all or part of any Public Sector Agencies under its control.



Craig van der Laan  
Acting Chief Executive Officer

Date: 30 October 2014



**Code of Conduct**

The Barangaroo Delivery Authority's Code of Conduct embodies the public sector values of integrity, diligence, economy, efficiency and accountability.

The code incorporates the principles of ethical or responsible decision making and respect for the law, government and community.

The code also offers guidance in situations where a person may be unsure of the appropriate course of action. Matters dealt with in the code include conflicts of interest, copyright and licences, internal information and information on clients, secondary employment, political participation, corrupt conduct and reporting breaches of the code.

**Overseas Travel**

Name	Destination	Period of travel	Purpose
Gabrielle Trainor	United States of America	16 - 21 June 2014	Attend New Cities Summit

**Payment of Accounts**

The table below summarises the Authority's account performance during 2013-14. A target of 90% of accounts paid on time was set, which was achieved. The Authority will continue driving improvements in this area. The Authority will monitor its payment processes in the coming financial year to ensure our payment targets are met.

Description	Quarter Ended 30/09/2013 \$'000	Quarter Ended 31/12/2013 \$'000	Quarter Ended 31/03/2014 \$'000	Quarter Ended 30/06/2014 \$'000	Total accounts paid on time \$'000
Percentage of accounts paid on time	76%	95%	92%	93%	90%
Total dollar of accounts paid on time	18,452	34,250	23,827	36,949	113,478
Total dollar of accounts paid	24,148	36,063	25,821	39,562	125,594

There was one instance where penalty interest was paid to small business creditors due to late payment caused by a delay in reviewing the service and invoice details.

**Credit Card Certification**

The Authority has a credit card policy, which complies with NSW Treasury's Treasurer's Directions. It is certified that credit card usage by Barangaroo Delivery Authority officers has been in accordance with this policy. The Authority currently has one credit card on issue with a limit of \$5,000.

**Annual Report Costs**

The production cost of the 2013-14 Annual Report was \$7,800. The Authority thanks the Sydney Harbour Foreshore Authority for its support in producing this Annual Report.

A pdf version of the report is available for downloading at [www.barangaroo.com](http://www.barangaroo.com)

### Consultants

The Authority engages consultants for specialised work only where there is no in-house expertise or additional resources are required. The Authority used consultants in specialist areas such as landscape design, urban planning, engineering, financial modelling and risk assessment, design evaluation, delivery, planning and sustainability.

Forty-five consultants whose fees were more than \$30,000 were engaged during the year, as shown in the table below. These fees totalled \$10,048,971 and include consulting expenditure that has been capitalised in the construction of Headland Park and Barangaroo North Public Domain.

Sixty-four consultants whose fees were up to \$30,000 were also engaged, with fees totalling \$606,964.

Name	Description	Total \$
AEA Consulting	International cultural study	48,000
Altus Group Cost Management	Quantity surveyor	191,380
Anderson Hunter Horne	Urban planning	206,583
APP Corporation Pty Ltd	Remediation services	348,874
AquaAsia Pty Ltd	Financial advisory services	225,416
Baxo Pty Ltd	Commercial analysis	153,750
Bloompark Consulting Pty Ltd	Project management	63,405
Colliers International	Residential development market analysis	153,750
Conybeare Morrison International Pty Ltd	Design Excellence advice	38,313
Cox Inall Ridgeway	Indigenous consultation	133,123
Doll Martin Associates Pty Ltd	IT consulting advisory services	36,008
Douglas Partners Pty Ltd	Geotechnical engineering	71,868
Emery Studio	Design	195,290
Environ Australia Pty Ltd	Site auditor	61,556
Ernst & Young	Financial advisory services	30,472
Evans & Peck Pty Ltd	Project management	1,579,898
Finlay Consulting	Strategy advisory	65,250
Flux Consultants Pty Ltd	Environmental sustainability services	441,980
Greg Hadaway	Work health and safety advisory	125,214
GTA Consultants	Transport and traffic consultancy	114,491
Kathy Jones & Associates Pty Ltd	Community relations and consultation services	474,890
KMH Environmental Pty Ltd	Environmental Management services	101,999
KPMG	Financial modelling and risk assessment	808,844
MBMpl Pty Ltd	Quantity surveyor	43,693
MG Planning Pty Ltd	Planning services	85,313
O'Connor Marsden & Associates	Probity advisor	30,762
Parsons Brinckerhoff Australia Pty Limited	Traffic consultancy services	99,113
Peter Walker and Partners	Landscape architecture	1,573,015
Peter Walker and Partners Landscape Architecture, Inc.	Landscape architecture	134,244
Philip Chun Associates	Fire engineering and building code consulting	48,170
Plancom Consulting Pty Ltd	Project management	63,900

PricewaterhouseCoopers	Internal consultancy services	99,489
Robert Bird Group Pty Ltd	Civil and structural engineering services	210,821
Ryall Environment Pty Ltd	Remediation	47,721
Savills valuations Pty Ltd	Valuation services	37,000
SJB Architecture NSW Pty Ltd	Architectural services	33,000
Skidmore, Owings & Merrill LLP	Urban planning	1,130,654
Thomas Wilkinson	Strategic advisory	55,472
Tony Caro Architecture Pty Ltd	Architectural services	87,655
Tracey Brunstrom & Hammond	Review of project programming and scheduling	39,650
TSA Management Pty Ltd	Project management	258,720
Value Network Pty Ltd	Business planning advisory	105,360
Warren Smith & Partners	Civil engineering consultancy	39,270
WSP Lincolne Scott Pty Ltd	Infrastructure and environmental sustainability	175,970
WT Partnership	Quantity surveyor	93,130

#### **Privacy and Personal Information Protection Act 1998 (PPIP Act)**

The PPIP Act aims to protect the privacy of individuals by prohibiting the inappropriate collection, storage, use and disclosure of personal information by NSW public sector agencies.

The Authority is required to provide in its annual report a statement of the actions taken by the Authority to comply with the requirements of the PPIP Act.

The action taken by the Authority to comply with the requirements of the PPIP Act is that it has undertaken to revise and update its Privacy Management Plan. This plan is available on the Authority's website.

The Privacy Management Plan is based on the 12 information protection principles set out in the PPIP Act that establish standards for using personal information in an appropriate and accountable manner. The information protection principles apply to all employees, consultants and contractors engaged by the Authority.

The Authority is also required to supply statistical details of any review conducted by or on behalf of the Authority under Part 5 of the PPIP Act. No applications for an internal review of conduct under Part 5 of the PPIP Act were received by or on behalf of the Authority during the 2013/2014 financial year.

#### **Government Information (Public Access) Act 2009 (GIPA)**

##### **Review of proactive release program – Section 7(3)**

Under section 7 of the GIPA Act, the Authority must review its program for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken every 12 months.

The Authority's program for the proactive release of information involves consistently reviewing information held or produced by the Authority to identify initiatives, projects and developments that can be proactively disclosed.

During the reporting period, the Authority reviewed this program by directing staff to continuously review and consider whether information produced or received by the Authority could be proactively disclosed.

As a result of this review, the Authority released the following information proactively:

- contracts entered into by the Authority;
- consultation reports and online surveys;
- information about the progress of environmental planning applications;
- details of events and activities at the Barangaroo site;
- construction and eNews updates;
- sustainability information;
- newsletters, fact sheets and community notifications;
- timelines;
- images and videos;
- maps;
- Board minutes; and
- corporate brochures.

##### **Number of access applications received – Clause 9(1)**

During the reporting period, the Authority received one formal access application.

Note: The outcome of this application will be recorded in the 2014-15 Annual Report.

##### **Number of refused applications for Schedule 1 information – Section 61**

During the reporting period, the Authority did not refuse any formal access applications.



## Statistical Information about Access Applications — Regulation 7(d) and Schedule 2

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

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

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

The total number of decisions in Table B should be the same as Table A.

**Table C: Invalid applications**

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

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act**

	Number of times consideration used**
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0



## Legislative Changes and Departures

There have been no amendments to the Barangaroo Delivery Authority Act 2009, other Acts or subordinate legislation that affected the Authority during 2013-14. During the period, the Supreme Court of NSW delivered its judgment in relation to the value share dispute between the Authority and Lend Lease. Details of that judgment, and the subsequent appeal, are set out in Section 2 (page 18).

## Value Share Dispute

In December 2012, Lend Lease commenced proceedings in the Supreme Court of NSW to clarify certain aspects of the land valuation methodology contained in the Barangaroo South Project Development Agreement.

The dispute related to the instruction to be given to valuers to determine part of the payments to be made by Lend Lease to the Authority from the first two commercial buildings at Barangaroo South.

In December 2013, Justice Lindsay of the Supreme Court agreed with Lend Lease's interpretation of the Agreement in the first instance. The Authority appealed the decision and, at the end of 2013-14, was awaiting the outcome of this appeal.

Note: The Court of Appeal heard the matter on 30 July 2014 and on 21 August 2014 confirmed Justice Lindsay's original decision. The Authority decided not to seek leave to appeal that decision. The formal valuation process has not yet commenced.

## Public Interest Disclosures Act 1994 (PID Act)

The PID Act is designed to deal with voluntary disclosures by public officials about serious matters involving public administration. The Authority does not tolerate corrupt conduct, maladministration or waste of public money and is committed to the objectives of the PID Act and the support and protection of staff and contractors if they report wrongdoing.

The Authority has in place a Public Interest Disclosures Internal Reporting Policy which is available to staff on the Authority's intranet page. Authority staff are required to undertake that they have read the Public Interest Disclosures Internal Reporting Policy.

The statistical information about the Authority's obligations under the PID Act which is required by clause 4 of the Public Interest Disclosures Regulation 2011 to be included in the Authority's Annual Report is set out in the table below.

	1 July 2013 to 30 June 2014
Number of public officials who made public interest disclosures	0*
Number of public interest disclosures received	0
Of the public interest disclosures received, number primarily about:	0
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of public interest disclosures that have been finalised	0

\* Note: The information in the table relates only to public interest disclosures received by the Authority since 1 July 2013 and 30 June 2014 in accordance with the PID Act.

# Section 4

## Financial Statements

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## Statement by Members of the Board of Barangaroo Delivery Authority

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### Barangaroo Delivery Authority

#### Barangaroo Delivery Authority

#### Statement by Members of the Board of the Barangaroo Delivery Authority on the adoption of the financial statements for the year ended 30 June 2014

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the members of the Board of the Barangaroo Delivery Authority, we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Barangaroo Delivery Authority as at 30 June 2014 and the financial performance for the year then ended; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



**Terry Moran**  
Chairman  
Barangaroo Delivery Authority



**Craig van der Laan**  
Acting Chief Executive Officer  
Barangaroo Delivery Authority

19 September 2014  
Sydney



## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

#### Barangaroo Delivery Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Barangaroo Delivery Authority (the Authority), which comprise the statements of financial position as at 30 June 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

## Independent Auditor's Report

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

My opinion does *not* provide assurance:

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

### Independence

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

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



M T Spriggins  
Director, Financial Audit Services

19 September 2014  
SYDNEY

**Statement of comprehensive income**  
for the year ended 30 June 2014  
Start of Audited Financial Statements

	Notes	Consolidated			Authority	
		Actual June 2014 \$'000	Budget June 2014 \$'000	Actual June 2013 \$'000	Actual June 2014 \$'000	Actual June 2013 \$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2(a)	(8,458)	(7,354)	(7,480)	(2,797)	(2,966)
Personnel services expense	2(a)	-	-	-	(5,661)	(4,514)
Other operating expenses	2(b)	(6,095)	(8,775)	(10,656)	(6,095)	(10,656)
Depreciation and amortisation expense	2(c)	(418)	(100)	(798)	(418)	(798)
Grants and subsidies	2(d)	(21,318)	(20,000)	(20,000)	(21,318)	(20,000)
Finance costs	2(e)	(8,813)	(12,195)	(6,178)	(8,813)	(6,178)
<b>Total expenses excluding losses</b>		<b>(45,102)</b>	<b>(48,424)</b>	<b>(45,112)</b>	<b>(45,102)</b>	<b>(45,112)</b>
<b>Revenue</b>						
Investment revenue	3(a)	3,925	-	656	3,925	656
Other revenue	3(c)	1,246	39,928	756	1,246	756
<b>Total Revenue</b>		<b>5,171</b>	<b>39,928</b>	<b>1,412</b>	<b>5,171</b>	<b>1,412</b>
Gain/(loss) on disposal	3(b)	80,015	55,333	125,040	80,015	125,040
<b>Net result</b>	16	<b>40,084</b>	<b>46,837</b>	<b>81,340</b>	<b>40,084</b>	<b>81,340</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to Net Result:</b>						
Increase in property, plant and equipment revaluation surplus		33,190	-	-	33,190	-
Net change in the revaluation surplus arising from a change in the restoration liability		-	-	-	-	-
<b>Total items that will not be reclassified to net result in the future</b>		<b>33,190</b>	<b>-</b>	<b>-</b>	<b>33,190</b>	<b>-</b>
<b>Total items that may be reclassified subsequently to Net Result</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total other comprehensive income		33,190	-	-	33,190	-
<b>Total comprehensive income</b>		<b>73,274</b>	<b>46,837</b>	<b>81,340</b>	<b>73,274</b>	<b>81,340</b>

The accompanying notes form part of these financial statements.



**Statement of financial position**

as at 30 June 2014

	Notes	Consolidated			Authority	
		Actual June 2014 \$'000	Budget June 2014 \$'000	Actual June 2013 \$'000	Actual June 2014 \$'000	Actual June 2013 \$'000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	4	6,177	336	6,598	5,923	6,598
Receivables	5	76,742	201,939	28,170	76,742	28,170
Non-current assets held for sale	6	10,394	15,667	113,888	10,394	113,888
<b>Total Current Assets</b>		<b>93,313</b>	<b>217,942</b>	<b>148,656</b>	<b>93,059</b>	<b>148,656</b>
<b>Non-current Assets</b>						
Receivables	5	124,717	-	47,822	124,717	47,822
Property, plant and equipment						
Land and buildings		185,712	151,188	163,204	185,712	163,204
Plant and equipment		466	224	605	466	605
Work in progress		158,735	184,026	75,221	158,735	75,221
<b>Total property, plant and equipment</b>	7	<b>344,913</b>	<b>335,438</b>	<b>239,030</b>	<b>344,913</b>	<b>239,030</b>
<b>Total Non-current Assets</b>		<b>469,630</b>	<b>335,438</b>	<b>286,852</b>	<b>469,630</b>	<b>286,852</b>
<b>Total Assets</b>		<b>562,943</b>	<b>553,380</b>	<b>435,508</b>	<b>562,689</b>	<b>435,508</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables	9	25,069	16,754	37,750	25,262	38,094
Borrowings	10	86,328	-	25,000	86,328	25,000
Provisions	11	8,697	247	24,799	8,250	24,455
<b>Total Current Liabilities</b>		<b>120,094</b>	<b>17,001</b>	<b>87,549</b>	<b>119,840</b>	<b>87,549</b>
<b>Non-current Liabilities</b>						
Payables	9	-	-	-	149	114
Borrowings	10	140,101	289,792	124,784	140,101	124,784
Provisions	11	116,074	90,235	109,775	115,925	109,661
<b>Total Non-current Liabilities</b>		<b>256,175</b>	<b>380,027</b>	<b>234,559</b>	<b>256,175</b>	<b>234,559</b>
<b>Total Liabilities</b>		<b>376,269</b>	<b>397,028</b>	<b>322,108</b>	<b>376,015</b>	<b>322,108</b>
<b>Net Assets</b>		<b>186,674</b>	<b>156,352</b>	<b>113,400</b>	<b>186,674</b>	<b>113,400</b>
<b>Equity</b>						
Reserves		52,449	19,259	19,259	52,449	19,259
Accumulated funds		134,225	137,093	94,141	134,225	94,141
<b>Total Equity</b>		<b>186,674</b>	<b>156,352</b>	<b>113,400</b>	<b>186,674</b>	<b>113,400</b>

The accompanying notes form part of these financial statements

## Statement of changes in equity

for the year ended 30 June 2014

	Notes	Consolidated			Authority		
		Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance at 1 July 2013</b>		<b>94,141</b>	<b>19,259</b>	<b>113,400</b>	<b>94,141</b>	<b>19,259</b>	<b>113,400</b>
<b>Net result for the year</b>		<b>40,084</b>	<b>-</b>	<b>40,084</b>	<b>40,084</b>	<b>-</b>	<b>40,084</b>
Other comprehensive income							
Net increase in property, plant and equipment revaluation surplus		-	33,190	33,190	-	33,190	33,190
<b>Total other comprehensive income</b>		<b>-</b>	<b>33,190</b>	<b>33,190</b>	<b>-</b>	<b>33,190</b>	<b>33,190</b>
<b>Total comprehensive income for the year</b>		<b>40,084</b>	<b>33,190</b>	<b>73,274</b>	<b>40,084</b>	<b>33,190</b>	<b>73,274</b>
Transactions with owners in their capacity as owners		-	-	-	-	-	-
Distribution to owners – special dividend		-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2014</b>		<b>134,225</b>	<b>52,449</b>	<b>186,674</b>	<b>134,225</b>	<b>52,449</b>	<b>186,674</b>
<b>Balance at 1 July 2012</b>		<b>34,708</b>	<b>19,259</b>	<b>53,967</b>	<b>34,708</b>	<b>19,259</b>	<b>53,967</b>
<b>Net result for the year</b>		<b>81,340</b>	<b>-</b>	<b>81,340</b>	<b>81,340</b>	<b>-</b>	<b>81,340</b>
Other comprehensive income							
Net increase in property, plant and equipment revaluation surplus		-	-	-	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>81,340</b>	<b>-</b>	<b>81,340</b>	<b>81,340</b>	<b>-</b>	<b>81,340</b>
Transactions with owners in their capacity as owners		-	-	-	-	-	-
Distribution to owners - special dividend		(21,907)	-	(21,907)	(21,907)	-	(21,907)
<b>Total transactions with owners in their capacity as owners</b>		<b>(21,907)</b>	<b>-</b>	<b>(21,907)</b>	<b>(21,907)</b>	<b>-</b>	<b>(21,907)</b>
<b>Balance at 30 June 2013</b>		<b>94,141</b>	<b>19,259</b>	<b>113,400</b>	<b>94,141</b>	<b>19,259</b>	<b>113,400</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows

### for the year ended 30 June 2014

	Notes	Consolidated			Authority	
		Actual June 2014 \$'000	Budget June 2014 \$'000	Actual June 2013 \$'000	Actual June 2014 \$'000	Actual June 2013 \$'000
<b>Cash flows from operating activities</b>						
<b>Payments</b>						
Employee related		(8,910)	(7,426)	(8,011)	(8,910)	(8,011)
Grants and subsidies		(23,449)	(22,000)	(22,000)	(23,449)	(22,000)
Finance costs		(11,771)	(6,279)	(6,102)	(11,771)	(6,102)
Other		(8,231)	(63,120)	(48,097)	(8,485)	(48,097)
<b>Total Payments</b>		<b>(52,361)</b>	<b>(98,825)</b>	<b>(84,210)</b>	<b>(52,615)</b>	<b>(84,210)</b>
<b>Receipts</b>						
Sale of goods and services		1,327	-	831	1,327	831
Interest received		745	-	656	745	656
Other		74,833	49,928	56,838	74,833	56,838
<b>Total Receipts</b>		<b>76,905</b>	<b>49,928</b>	<b>58,325</b>	<b>76,905</b>	<b>58,325</b>
<b>Net cash flows from operating activities</b>	14	<b>24,544</b>	<b>(48,897)</b>	<b>(25,885)</b>	<b>24,290</b>	<b>(25,885)</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment		-	166,567	-	-	-
Purchases of property, plant and equipment		(83,533)	(96,434)	(46,760)	(83,533)	(46,760)
Advances made		-	(129,714)	-	-	-
<b>Net cash flows from investing activities</b>		<b>(83,533)</b>	<b>(59,581)</b>	<b>(46,760)</b>	<b>(83,533)</b>	<b>(46,760)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		123,225	106,185	55,043	123,225	55,043
Repayment of borrowings		(42,750)	-	-	(42,750)	-
Dividends paid		(21,907)	-	-	(21,907)	-
<b>Net cash flows from financing activities</b>		<b>58,568</b>	<b>106,185</b>	<b>55,043</b>	<b>58,568</b>	<b>55,043</b>
<b>Net increase/(decrease) in cash</b>		<b>(421)</b>	<b>(2,293)</b>	<b>(17,602)</b>	<b>(675)</b>	<b>(17,602)</b>
Opening cash and cash equivalents		6,598	2,629	24,200	6,598	24,000
<b>Closing cash and cash equivalents</b>	4	<b>6,177</b>	<b>336</b>	<b>6,598</b>	<b>5,923</b>	<b>6,598</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

### 1. Summary of Significant Accounting Policies

#### a) Reporting entity

The Barangaroo Delivery Authority (the Authority) is a NSW government entity. The Authority is a not-for-profit entity (as profit is not its principle objective) and has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. The Authority was created on 1 April 2009 under the Barangaroo Delivery Authority Act 2009. The Authority as a reporting entity comprises the entity under its control: the Barangaroo Delivery Authority Staff Agency (formerly named Office of the Barangaroo Delivery Authority). These financial statements for the year ended 30 June 2014 have been authorised for issue by the Authority's Board on 19 September 2014.

#### b) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with:

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

The financial statements have been prepared on a going concern basis which assumes that repayment of debt will be met, as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind up operations.

Management has determined that the going concern basis is appropriate. This determination has taken into consideration the following factors:

- Barangaroo Delivery Authority is NSW Government owned; and
- Barangaroo Delivery Authority borrowing is guaranteed by the NSW Government

Set out below is a summary of the significant accounting policies adopted by the Authority.

##### *Non-taxable entity*

The Authority is exempt from the National Tax Equivalent Regime and the Tax Equivalent Regime and as such is not required to pay income tax.

##### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment.

##### *Critical accounting judgements and key sources of estimation uncertainty*

In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

All amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

#### c) Statement of compliance

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

#### d) Principles of consolidation

Controlled entities are all those entities over which the Authority has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Intercompany transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

#### e) Borrowing costs

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

#### f) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manger based on past claim experience. The Authority holds insurance policies covering property, public liability, workers compensation, directors' liability and other contingencies.

#### g) Accounting for the Goods and services tax (GST)

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

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

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



## Notes to the financial statements

### h) Income recognition

The Authority recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Authority's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and services

Revenue is recognised when the Authority transfers the significant risks and rewards of ownership of the assets and obtains control of the assets that result from sales.

(ii) Grants and contributions

Contributions and grants are recognised as revenue when the Authority obtains control over the asset comprising the contributions.

(iii) Investment revenue

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue from the rendering of services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(iv) Lease revenue and finance leases

On 5 March 2010 the Authority entered into the Stage 1 Project Development Agreement (Agreement) with Lend Lease (Millers Point) and Lend Lease Corporation for the development of Barangaroo South.

Revenues from the Agreement relate to development access, development rights and 99 year leases for individual parcels of land. The Authority has determined that the Agreement should be accounted for as a series of finance leases. These are entered into progressively throughout the development rather than a single contract that commences on the execution of the Agreement. At the commencement of the finance lease the land is de-recognised and the associated gain / loss on disposal recognised.

### i) Assets

(i) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation thresholds

Property development that gives rise to an effective and material increase in the future economic benefit of the property are costs capitalised.

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

(iii) Revaluation of property plant and equipment

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

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

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

The Authority revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed in June 2014 and was based on an independent assessment.

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

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

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

## Notes to the financial statements

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

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

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

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

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

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

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

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Land is not a depreciable asset.

The following depreciation rates were applied in 2013/14:

Furniture and fittings	10% - 20% (10% - 20% 2013)
IT equipment	33% (33% 2013)
Plant and equipment	10% - 50% (10% - 50% 2013)
Buildings	2.5% - 10% (2.5% - 10% 2013)

### (vi) Restoration costs

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

### (vii) Maintenance

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

### (viii) Leased assets

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

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

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

### (ix) Investments

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

The Hour-Glass Investment Facility are designated at fair value through profit or loss. The movement in the fair value of the Hour-Glass Investment Facility incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'

### (x) De-recognition of financial assets and financial liabilities

A financial asset is de-recognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset:

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

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

A financial liability is de-recognised when the obligation specified in the contract is discharged cancelled or expires.

### (xi) Non-current assets held for sale

The Authority has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction not through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale of the asset is expected to be completed within one year from the date of classification.

## Notes to the financial statements

Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

### (xii) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for any impairment of receivables. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the net result within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

### j) Leases

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

#### (i) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Authority as lessee are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

#### (ii) Lease incentives

Lease incentives include upfront cash payments to the lessee or the reimbursement or assumption by the Authority, as the lessor, of costs of the lessee (such as relocation costs, leasehold improvements, fit-out contributions and costs associated with a pre-existing lease commitment). Alternatively, the initial period of the lease term may be agreed to be rent-free or at a reduced rent, and shall be recognised, in accordance with the Australian Accounting Interpretations.

### k) Liabilities

#### (i) Payables

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

#### (ii) Borrowings

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

Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### (iii) Employee benefits and other provisions

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

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the period in which the employees render the services are measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

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

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

##### (b) Long service leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified NSWTC 14/04) to employees with five or more years of service, using current rates of pay. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

## Notes to the financial statements

### (c) Superannuation

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### (d) Consequential on-costs

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

### (iv) Other Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### l) Fair value hierarchy

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

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

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 8 and Note 15 for further disclosures regarding the fair value measurements of financial and non-financial assets.

### m) Equity and reserves

#### (i) Revaluation surplus

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

#### (ii) Accumulated funds

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

### n) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to the Parliament in respect of the reporting period.

### o) Comparative information

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

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

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

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

#### (ii) Issued but not effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective:

Standard	Effective date
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	Annual reporting periods beginning on or after 1 January 2014
AASB 1055 Budgetary Reporting	Annual reporting periods beginning on or after 1 July 2014
AASB9 Financial Instruments	1 January 2018
AASB 2013 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	Annual reporting periods beginning on or after 1 July 2014

The impact of these new Standards in future periods on the financial statements has been assessed, and is considered that it will be minimal.



## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>2 Expenses</b>				
<b>a. Employee related expense</b>				
Salaries and wages (including recreation leave)	4,642	3,950	-	-
Superannuation – defined contribution plans	353	307	-	-
Long service leave	35	12	-	-
Workers compensation insurance	27	27	-	-
Payroll tax and fringe benefits	604	218	-	-
Personnel services expenses	-	-	5,661	4,514
Contractors	2,797	2,966	2,797	2,966
	<b>8,458</b>	<b>7,480</b>	<b>8,458</b>	<b>7,480</b>
<b>b. Other operating expenses</b>				
Administration	2,671	1,575	2,671	1,575
Auditor's remuneration – audit of financial statements	119	114	119	114
Consultants	4,317	4,264	4,317	4,264
Directors' fees	173	173	173	173
Insurance	13	16	13	16
Legal	2,575	2,761	2,575	2,761
Marketing and communication	730	1,134	730	1,134
Site expenses	739	619	739	619
Property Development expense	11 (5,242)	-	(5,242)	-
	<b>6,095</b>	<b>10,656</b>	<b>6,095</b>	<b>10,656</b>
<b>c. Depreciation and amortisation expenses</b>				
Property, plant and equipment	418	798	418	798
	<b>418</b>	<b>798</b>	<b>418</b>	<b>798</b>
<b>d. Grants and subsidies</b>				
Wynyard Walk	20,000	20,000	20,000	20,000
Integration Works - local council	1,318	-	1,318	-
	<b>21,318</b>	<b>20,000</b>	<b>21,318</b>	<b>20,000</b>
<b>e. Finance costs</b>				
Interest on borrowing not at fair value through profit or loss	8,813	6,178	8,813	6,178
	<b>8,813</b>	<b>6,178</b>	<b>8,813</b>	<b>6,178</b>
<b>3 Other Revenue</b>				
<b>a. Investment revenue</b>				
Interest from cash at bank	620	282	620	282
Interest from finance leases	3,180	-	3,180	-
TCorp Hour-Glass Investment Facilities designated at fair value through profit or loss	125	374	125	374
	<b>3,925</b>	<b>656</b>	<b>3,925</b>	<b>656</b>

## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>3 Other Revenue (cont.)</b>				
<b>b. Gain/(Loss) on disposal</b>				
Proceeds from lease of land	192,931	277,626	192,931	277,626
Written down value of land	(112,916)	(152,586)	(112,916)	(152,586)
	<b>80,015</b>	<b>125,040</b>	<b>80,015</b>	<b>125,040</b>
<b>c. Other revenue</b>				
Road permits	785	563	785	563
Site revenue	461	193	461	193
	<b>1,246</b>	<b>756</b>	<b>1,246</b>	<b>756</b>
<b>4 Current Assets – Cash and Cash Equivalents</b>				
Cash at bank and on hand	6,177	467	5,923	467
TCorp Hour-Glass Cash Facility	-	6,131	-	6,131
	<b>6,177</b>	<b>6,598</b>	<b>5,923</b>	<b>6,598</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

### 5 Current/Non-current – Receivables

#### Current

Sundry debtors	294	251	294	251
Goods and services tax recoverable	2,396	2,303	2,396	2,303
Accrued revenue	2,118	2,118	2,118	2,118
Prepayments	129	104	129	104
Finance lease receivable	71,805	23,394	71,805	23,394
	<b>76,742</b>	<b>28,170</b>	<b>76,742</b>	<b>28,170</b>

#### Non-current

Finance lease receivable	124,717	47,822	124,717	47,822
	<b>124,717</b>	<b>47,822</b>	<b>124,717</b>	<b>47,822</b>

No receivables are past due.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 15.

### 6 Non-current Assets – Held for Sale

Balance at the beginning of the financial year	113,888	244,916	113,888	244,916
Sale of leased land	(112,916)	(152,586)	(112,916)	(152,586)
Transfer from land and buildings	9,422	21,558	9,422	21,558
Balance at the end of the financial year	<b>10,394</b>	<b>113,888</b>	<b>10,394</b>	<b>113,888</b>

During 2014, three buildings were deemed to have reached substantial commencement, and as a result the Authority has recognised sale of leased land. In addition, the land in respect of one commercial building and one residential building was transferred to be held for sale as they are expected to reach substantial commencement over the next 12 months.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>7 Non-current Assets – Property, Plant and Equipment</b>				
<b>Land and buildings</b>				
At gross value	186,214	163,446	186,214	163,446
Accumulated depreciation	(502)	(242)	(502)	(242)
Carrying amount at fair value	<b>(185,712)</b>	<b>163,204</b>	<b>185,712</b>	<b>163,204</b>
<b>Plant and equipment</b>				
At gross value	2,125	2,107	2,125	2,107
Accumulated depreciation	(1,659)	(1,502)	(1,659)	(1,502)
Carrying amount at fair value	<b>466</b>	<b>605</b>	<b>466</b>	<b>605</b>
<b>Work in progress</b>	<b>158,735</b>	<b>75,221</b>	<b>158,735</b>	<b>75,221</b>
<b>Total property, plant and equipment</b>	<b>344,913</b>	<b>239,030</b>	<b>344,913</b>	<b>239,030</b>
At gross value	347,074	240,774	347,074	240,774
Accumulated depreciation and amortisation	(2,161)	(1,744)	(2,161)	(1,744)
<b>Total property, plant and equipment</b>	<b>344,913</b>	<b>239,030</b>	<b>344,913</b>	<b>239,030</b>

### Reconciliation

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the year are set out below.

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Land and buildings</b>				
Net carrying amount at 1 July	163,204	181,404	163,204	181,404
Additions	-	3,600	-	3,600
Reclassification of assets held for sale	(9,422)	(21,558)	(9,422)	(21,558)
Revaluation	33,190	-	33,190	-
Depreciation expense	(260)	(242)	(260)	(242)
Transfer to finance lease receivable	(1,000)	-	(1,000)	-
<b>Net carrying amount at 30 June</b>	<b>185,712</b>	<b>163,204</b>	<b>185,712</b>	<b>163,204</b>
<b>Plant and equipment</b>				
Net carrying amount at 1 July	605	1,080	605	1,080
Additions	19	81	19	81
Disposals	-	-	-	-
Depreciation expense	(158)	(556)	(158)	(556)
<b>Net carrying amount at 30 June</b>	<b>466</b>	<b>605</b>	<b>466</b>	<b>605</b>
<b>Work in progress</b>				
Opening balance at 1 July	75,221	32,142	75,221	32,142
Additions	83,514	43,079	83,514	43,079
Capitalised and transferred to fixed assets	-	-	-	-
Expensed	-	-	-	-
<b>Closing balance at 30 June</b>	<b>158,735</b>	<b>75,221</b>	<b>158,735</b>	<b>75,221</b>

## Notes to the financial statements

### 8 Fair value measurement of non-financial assets

#### (a) Fair value hierarchy – 2014

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
<b>Property Plant and Equipment (Note 7)</b>				
Land and buildings	-	178,462	7,250	185,712
<b>Non-current assets held for sale (Note 6)</b>	-	10,394	-	10,394
	-	<b>188,856</b>	<b>7,250</b>	<b>196,106</b>

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

#### (b) Valuation techniques, inputs and processes

The Authority engages an external, independent and qualified valuer to determine the value of the Barangaroo site.

Class	Valuation Technique	Key Inputs
Land and buildings	Market approach - land is valued on comparable property sales transactions.	Comparable property sales values Adjustments for scale of site and infrastructure costs
Assets held for sale	Market approach - land is valued on comparable property sales transactions.	Comparable property sales values Adjustments for scale of site and infrastructure costs

#### (c) Reconciliation of Level 3 fair value measurements – 2014

	Land and Buildings \$'000	Total Recurring Level 3 Fair Value \$'000
<b>Fair value as at 1 July 2013</b>	<b>7,250</b>	<b>7,250</b>
Additions	-	-
Revaluation increments/decrements recognised in Net result - included in the line item 'Increase in property, plant and equipment revaluation surplus'	-	-
Disposals	-	-
Depreciation expense	-	-
<b>Fair value as at 30 June 2014</b>	<b>7,250</b>	<b>7,250</b>

There were no transfers between Level 3 in the period.

A description of sensitivity of fair value measurement to changes in unobservable inputs is disclosed in the table below.

Class	Unobservable Inputs	Sensitivity of fair value measurement of changes in unobservable inputs
Land and buildings	Adjustments for restrictions where there are socio-political restrictions such as that the asset has no feasible alternative use in the near future. Land associated with Headland Park and Barangaroo North Public Domain have been designated by the NSW Government to be used for public recreational and cultural purposes only, these areas have been assessed on the basis of the proposed use only.	Significant increases/(decreases) in the positive adjustments or decreases/(increases) in the negative adjustments would result in a significantly higher/(lower) fair value of the asset.



## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>9 Current/Non-Current Liabilities – Payables</b>				
<b>Current</b>				
Creditors	6,506	-	6,506	-
Accrued expenses	14,300	13,272	14,300	13,272
Refundable security deposits and bonds	979	500	979	500
Interest payable	3,118	1,937	3,118	1,937
Personnel services payable	-	-	359	478
Payable – accrued salaries, wages and on-costs	166	135	-	-
Treasury dividend payable	-	21,907	-	21,907
	<b>25,069</b>	<b>37,750</b>	<b>25,252</b>	<b>38,094</b>
<b>Non-current</b>				
Personnel services payable	-	-	149	114
	<b>-</b>	<b>-</b>	<b>149</b>	<b>114</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

### 10 Current/Non-Current Liabilities – Borrowings

<b>Current</b>				
TCorp Borrowings	86,328	25,000	86,328	25,000
	<b>86,328</b>	<b>25,000</b>	<b>86,328</b>	<b>25,000</b>
<b>Non-current</b>				
TCorp Borrowings	140,101	124,784	140,101	124,784
	<b>140,101</b>	<b>124,784</b>	<b>140,101</b>	<b>124,784</b>

The fair value of these loans as at balance date was \$235 million (2013: \$157 million).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 15.

## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>11 Current/Non-Current – Provisions</b>				
Current				
<b>Employee benefits and related on-costs</b>				
Recreation leave	447	344	-	-
<b>Other provisions</b>				
Provision for Passenger Terminal	-	9,455	-	9,455
Provision for Remediation	8,250	15,000	8,250	15,000
	<b>8,697</b>	<b>24,799</b>	<b>8,250</b>	<b>24,455</b>
Non-current				
<b>Employee benefits and related on-costs</b>				
Long service leave	149	114	-	-
<b>Other provisions</b>				
Provision for Remediation	115,925	109,661	115,925	109,661
	<b>116,074</b>	<b>109,775</b>	<b>115,925</b>	<b>109,661</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions – current	447	344	-	-
Provisions – non-current	149	114	-	-
Accrued salaries, wages and on-costs (note 9)	166	135	-	-
	<b>762</b>	<b>593</b>	<b>-</b>	<b>-</b>

*In accordance with the NSW Treasury Circular TC14/04 Accounting for Long Service Leave and Annual Leave and AASB 101 Presentation of Financial Statements, all annual leave and unconditional long service leave is presented as a current liability in the statement of financial position.*

### Movements in provisions (other than employee benefits)

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

	Remediation \$'000	Passenger Terminal \$'000	Total \$'000
<b>2014</b>			
Carrying amount at the beginning of the financial year	124,661	9,455	134,116
Additional provisions recognised	-	-	-
Amounts used	(486)	(4,213)	(4,699)
Unused amount reversed	-	(5,242)	(5,242)
<b>Carrying amount at the end of the financial year</b>	<b>124,175</b>	<b>-</b>	<b>124,175</b>

The Environmental Protection Authority (EPA) has declared the footprint of the former Millers Point Gasworks, which remains under a portion of Hickson Road and Barangaroo, as a remediation site. The remediation provision accounts for all requisite investigation works, documentation, technological studies, regulatory liaison and remediation works, in addition to legal preparatory work associated with recovery of costs from the party responsible for the gasworks contamination.

## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>12 Commitments for Expenditure</b>				
<b>a Capital commitments</b>				
Aggregate capital expenditure for the construction of the Headland Park and Barangaroo North Public Domain contracted for at balance date and not provided for:				
Not later than one year	75,914	114,261	75,914	114,261
Later than one year and not later than five years	8,435	11,841	8,435	11,841
Later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>84,349</b>	<b>126,103</b>	<b>84,349</b>	<b>126,103</b>
The capital commitments above include GST of \$7.7m (2013: \$11.5m) that are expected to be recoverable from the Australian Taxation Office.				
<b>b Operating lease commitments</b>				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	509	590	509	590
Later than one year and not later than five years	-	556	-	556
Later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>509</b>	<b>1,146</b>	<b>509</b>	<b>1,146</b>
Operating leases relate to property and motor vehicles. These leases have an average life of one year with an option to renew. The operating lease commitments above include GST of \$0.05m (2013: \$0.1m) that are expected to be recoverable from the Australian Taxation Office.				
<b>c Finance lease receivable</b>				
Not later than one year	71,805	21,117	71,805	21,117
Later than one year and not later than five years	137,574	56,548	137,574	56,548
Later than five years	28,200		28,200	-
Minimum lease payments receivable	<b>237,579</b>	<b>77,665</b>	<b>237,579</b>	<b>77,665</b>
Less future interest income	(41,057)	(6,449)	(41,057)	(6,449)
<b>Present value of minimum lease payment receivable</b>	<b>196,522</b>	<b>71,216</b>	<b>196,522</b>	<b>71,216</b>
Included in Financial Statements (refer Note 5)				
Current finance lease receivable	71,805	23,394	71,805	23,394
Non-current finance lease receivable	124,717	47,822	124,717	47,822
	<b>196,522</b>	<b>71,216</b>	<b>196,522</b>	<b>71,216</b>

## 13 Contingent Liabilities and Contingent Assets

The Authority has a number of claims emerging from its normal course of business. The Board believes there is significant uncertainty as to whether any future liability will emerge in respect of these claims. The amount of liability, if any that may arise from these claims cannot be reliably measured at this time.

## Notes to the financial statements

	Consolidated		Authority	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>14 Reconciliation of Cash Flows from Operating Activities to Net Result</b>				
Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income				
Net Result	40,084	81,340	40,084	81,340
Depreciation	418	798	418	798
Gain on sale of property, plant and equipment	(80,015)	(125,040)	(80,015)	(125,040)
Finance lease interest income	(3,180)	-	(3,180)	-
Decrease/(increase) in receivables	71,646	(763)	71,646	(763)
Increase/(decrease) in creditors	5,393	5,311	5,193	5,311
(Decrease)/increase in provisions	(9,802)	(39,236)	(9,802)	(39,236)
Increase/(decrease) in unearned income	-	51,705	-	51,705
<b>Net cash (used)/from operating activities</b>	<b>24,544</b>	<b>(25,885)</b>	<b>24,290</b>	<b>(25,885)</b>

## 15 Financial Instruments

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

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

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

### a Financial instrument categories

Financial assets	Note	Category	Carrying amount	Carrying amount
			2014 \$'000	2013 \$'000
<b>Class:</b>				
Cash and cash equivalents	4	N/A	6,177	6,598
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	198,934	73,586
			Carrying amount	Carrying amount
			2014 \$'000	2013 \$'000
<b>Financial liabilities</b>				
<b>Class:</b>				
Payables <sup>2</sup>	9	Financial liabilities measured at amortised cost	24,090	37,250
Borrowings	10	Financial liabilities measured at amortised cost	226,429	149,784

### Notes

<sup>1</sup> Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

<sup>2</sup> Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

## Notes to the financial statements

### b Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risks associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and the establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

### Cash

Cash comprises cash on hand and back balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am official cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

### Authority deposits

The Authority has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard & Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. The deposits at balance date were earning an average interest rate of 2.5% (2013: 2.5%) while over the year the weighted average interest rate was 2.88% (2013: 3.69%) on a weighted average balance during the year of \$0.94 million (2013: \$10.54 million). None of these assets are past due or impaired.

### c Liquidity risk

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

The Authority has approved funding facilities at balance date with NSW Treasury Corporation of \$355 million (2013: \$289 million). The net fair value of these loans at balance date was \$235 million (2013: \$157 million). The weighted average effective interest rate for the year was 3.89% (2013: 4.73%) for loans.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is to be made not later than 30 days from the date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.7% (2013: 11.6%).

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

Maturity analysis and interest rate exposure of financial liabilities:

	Weighted Average Effective Interest Rate	Nominal Amount \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest Bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
<b>2014</b>								
Payables	-	24,090	-	-	24,090	24,090	-	-
TCorp Borrowings	3.89%	226,429	226,429	-	-	95,959	150,341	-
		<b>250,519</b>	<b>226,429</b>	<b>-</b>	<b>24,090</b>	<b>120,049</b>	<b>150,341</b>	<b>-</b>
<b>2013</b>								
Payables	-	37,250	-	-	37,250	37,250	-	-
TCorp Borrowings	4.73%	149,784	129,784	20,000	-	50,999	116,361	-
		<b>187,034</b>	<b>129,784</b>	<b>20,000</b>	<b>37,250</b>	<b>88,248</b>	<b>116,361</b>	<b>-</b>

### Notes

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.



## Notes to the financial statements

### d Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Authority's exposures to market risk are primarily through interest rate risk on the Authority's borrowings and other price risks associated with the Hour-Glass Investment Facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period).

The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2013. The analysis assumes that all other variables remain constant.

#### Interest rate risk

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

	Carrying amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2014</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,177	62	62	(62)	(62)
Receivables	198,934	0	0	0	0
<b>Financial liabilities</b>					
Payables	24,090	-	-	-	-
Borrowings	-	-	-	-	-
<b>2013</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,598	66	66	(66)	(66)
Receivables	73,586	-	-	-	-
<b>Financial liabilities</b>					
Payables	37,250	-	-	-	-
Borrowings	20,000	200	200	(200)	(200)

#### Other price risk – TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2014 \$'000	2013 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	-	6,131

## Notes to the financial statements

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for the above facility and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deed. As trustee, TCorp has appointed external managers to manage the performance and risks of the facility in accordance with a mandate agreed by the parties. TCorp has also leveraged of internal expertise to manage certain fixed income assets for the Hour-Glass facility a significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information over a 10-year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment Facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in the unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for the facility (balance from the Hour-Glass statement).

### e Fair value measurement

#### i. Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. The value of the Hour-Glass Investments is based on the Authority's share of the value of the underlying assets of the facility based on the market value. All of the Hour-Glass facilities are valued using 'redemption pricing'.

#### ii. Fair value recognised in the statement of financial position

	Level 1	Level 2	Level 3	2014 Total
Financial assets at fair value	\$'000	\$'000	\$'000	\$'000
TCorp Hour-Glass Invt. Facility	-	-	--	-
	-	-	-	-

	Level 1	Level 2	Level 3	2013 Total
Financial assets at fair value	\$'000	\$'000	\$'000	\$'000
TCorp Hour-Glass Invt. Facility	-	6,131	-	6,131
	-	<b>6,131</b>	-	<b>6,131</b>

The tables above include only financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

## 16 Budget Review

### Net result

The net result for the 2014 financial year was \$40.1m surplus against a budget surplus of \$46.8m. The variance of \$6.7m to budget is predominantly due to the discounting of finance lease receivables recognised on the sale of leased land. This is a revised application of an existing accounting policy with no change to underlying cash flows and therefore the overall operating results for the Authority over the life of the development.

Expenses for the 2014 financial year were \$45.1m against a budget of \$48.4m. This is due to lower interest expense as a consequence of lower borrowings. Refer to balance sheet and cash flow commentary below.

Expenses also included a contribution of \$20m as progress payment for Wynyard Walk as forecast in the budget.

As a consequence of Commercial Tower 1 (Tower 1) and Residential Buildings (R8, R9) having reached substantial commencement, the Authority has recognised:

- Gain on sale of leased land (finance lease) of \$43.0m against a \$55.3m balance in the 2014 budget. As noted above, the budget assumed undiscounted fixed payments and levies from two commercial and three residential buildings compared to the discounted fixed payments for one commercial and two residential buildings recognised; and
- Developer contributions (Works in Kind & Levies) of \$37.0m against \$34.9m balance in the 2014 budget.

It is noted that for statutory accounting purposes the gain on sale for leased land and developer contributions are presented together in the Statement of Comprehensive Income. For budget purposes, these items are presented separately.

Other Comprehensive Income includes the revaluation of land for \$33.2m which was not included in the budget.

## Notes to the financial statements

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### Assets and liabilities

Overall the total assets of \$562.9m are \$9.5m higher than budget of \$553.4m. This is driven by the revaluation of land of \$33.2m offset by delayed expenditure claimed for work in progress (25.3m) due to timing of project payments.

The Authority's borrowings were lower than budget due to the timing of capital expenditure relating to Headland Park and Barangaroo North Public Domain and remediation costs deferred from the current year.

### Cash flows

The Authority's borrowings are lower than budget due to the timing of capital expenditure as detailed above and the deferral of expenditure for remediation work from the current year to future years.

### 17 Events after the Reporting Period

The Authority has not identified any events or transactions that are material to require adjustments or disclosures in the financial statements.

### End of Audited Financial Statements

## Statement by Members of the Board of Barangaroo Delivery Authority Staff Agency

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### Barangaroo Delivery Authority Staff Agency

**Barangaroo Delivery Authority Staff Agency (formerly Office of the Barangaroo Delivery Authority)**

**Statement by Members of the Board of Barangaroo Delivery Authority Staff Agency on the adoption of the financial statements for the year ended 30 June 2014**

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the members of the Board of Barangaroo Delivery Authority Staff Agency, we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Barangaroo Delivery Authority Staff Agency as at 30 June 2014 and the financial performance for the year then ended; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



**Terry Moran**  
Chairman  
Barangaroo Delivery Authority



**Craig van der Laan**  
Acting Chief Executive Officer  
Barangaroo Delivery Authority

19 September 2014  
Sydney

## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

**Barangaroo Delivery Authority Staff Agency  
(formerly Office of Barangaroo Delivery Authority)**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Barangaroo Delivery Authority Staff Agency (formerly Office of Barangaroo Delivery Authority) (the Agency), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Agency as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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



## Independent Auditor's Report

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My opinion does *not* provide assurance:

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

### Independence

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

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



M T Spriggins  
Director, Financial Audit Services

19 September 2014  
SYDNEY

## Statement of comprehensive income

for the year ended 30 June 2014

Start of Audited Financial Statements

	Notes	2014 \$'000	2013 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2	5,661	4,514
<b>Total expenses excluding losses</b>		<b>5,661</b>	<b>4,514</b>
Revenue			
Personnel services revenue		(5,661)	(4,514)
<b>Total revenue</b>		<b>(5,661)</b>	<b>(4,514)</b>
<b>Net result</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>

*The accompanying notes form part of these financial statements.*

**Statement of financial position**

as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	254	-
Receivables	4	508	593
<b>Total Current Assets</b>		<b>762</b>	<b>593</b>
<b>Non-current Assets</b>			
Receivables		-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>762</b>	<b>593</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5	166	135
Provisions	6	447	344
<b>Total Current Liabilities</b>		<b>613</b>	<b>479</b>
<b>Non-current Liabilities</b>			
Provisions	6	149	114
<b>Total Non-current Liabilities</b>		<b>149</b>	<b>114</b>
<b>Total Liabilities</b>		<b>762</b>	<b>593</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Accumulated funds		-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

for the year ended 30 June 2014

	Notes	Accumulated Funds \$'000
Balance at 1 July 2013		-
Net result for the year		-
Total comprehensive income		-
Transactions with owners in their capacity as owners		-
<b>Balance at 30 June 2014</b>		<b>-</b>
Balance at 1 July 2012		-
Net result for the year		-
Total comprehensive income		-
Transactions with owners in their capacity as owners		-
<b>Balance at 30 June 2013</b>		<b>-</b>

*The accompanying notes form part of these financial statements.*

## Statement of cash flows

for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
<b>Cash flows from operating activities</b>			
Payments			
Employee related		(4,123)	-
Other		-	-
<b>Total Payments</b>		<b>(4,123)</b>	<b>-</b>
Receipts			
Other		4,377	-
<b>Total Receipts</b>		<b>4,377</b>	<b>-</b>
<b>Net cash flows from operating activities</b>	<b>9</b>	<b>254</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>254</b>	<b>-</b>
Opening cash and cash equivalents		-	-
<b>Closing cash and cash equivalents</b>	<b>3</b>	<b>254</b>	<b>-</b>

The accompanying notes form part of these financial statements.



## Notes to the financial statements

### 1. Summary of Significant Accounting Policies

#### (a) Reporting entity

The Barangaroo Delivery Authority Staff Agency (the Agency), formerly the Office of the Barangaroo Delivery Authority, is a Division of the Government Service, established pursuant to Part 2 of Schedule 1 to the *Government Sector Employment Act 2013*. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at 201 Kent Street, Sydney, New South Wales 2000.

The Agency's only function is to provide personnel services to Barangaroo Delivery Authority (Barangaroo Authority).

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Barangaroo Delivery Authority's Board on 19 September 2014.

#### (b) Basis of preparation

The Agency's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and regulation.

Set out below is a summary of the significant accounting policies.

##### *Non-taxable entity*

The Agency is exempt from the National Tax Equivalent Regime (NTER) and the Tax Equivalent Regime (TER) and as such is not required to pay income tax.

##### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value.

##### *Critical accounting judgements and key sources of estimation uncertainty*

In the application of the Agency's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

All amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

#### (c) Statement of compliance

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

#### (d) Income recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

#### (e) Assets

##### (i) Receivables

Receivables are recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is de-recognised when the contractual or other rights to future cash flows from it expire or are transferred.

Receivables are recognised initially at original invoice amount, usually based on transaction cost or face value.

Receivables are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the Agency will not be able to collect all amounts due. The amount of the impairment loss is recognised in the Comprehensive Statement of Income.

#### (f) Liabilities

##### (i) Payables

Payables represent liabilities for goods and services provided to the Agency. Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

Payables are recognised at fair value, when a present obligation arises under a contract or otherwise. It is de-recognised when the obligation expires or is discharged, cancelled or substituted.

##### (ii) Employee benefits

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

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the period in which the employees render the services are measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

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

## Notes to the financial statements

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

(b) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date in accordance with AASB 119 Employee Benefits. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. A discount rate of 5% (2013: 5.4%) was applied for discounting purposes.

(c) Superannuation

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other provisions

Provisions are recognised when the Agency has a present obligation as a result of a past event, it is probable that the Agency will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

(ii) Issued but not effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective:

Standard	Effective date
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	Annual reporting periods beginning on or after 1 January 2014
AASB 1055 Budgetary Reporting	Annual reporting periods beginning on or after 1 July 2014
AASB 9 Financial Instruments	1 January 2018
AASB 2013 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets	Annual reporting periods beginning on or after 1 July 2014

The impact of these new Standards in future periods on the financial statements has been assessed, and is considered that it will be minimal.

## Notes to the financial statements

	2014 \$'000	2013 \$'000
<b>2 Expenses</b>		
Employee related expenses		
Salaries and wages (including recreation leave)	4,642	3,950
Superannuation – defined contribution plans	353	307
Long service leave	35	12
Payroll tax and fringe benefits	604	218
Workers Compensation	27	27
	<b>5,661</b>	<b>4,514</b>
<b>3 Current Assets – Cash and Cash Equivalents</b>		
Cash at bank and on hand	254	-
	<b>254</b>	<b>-</b>
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.		
<b>4 Current Receivables</b>		
Receivable from Barangaroo Delivery Authority	508	593
	<b>508</b>	<b>593</b>
<b>5 Current / Non-current – Payables</b>		
Payable – accrued salaries, wages and on-costs	166	135
	<b>166</b>	<b>135</b>
<b>6 Current / Non-current Provisions</b>		
Recreation leave (current)	447	344
Long service leave (non-current)	149	114
	<b>596</b>	<b>458</b>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions - current	447	344
Provisions - non-current	149	114
Accrued salaries, wages and on-costs (note 4)	166	135
	<b>762</b>	<b>593</b>
<b>7 Commitments for Expenditure</b>		
The Agency has no capital commitments or operating lease commitments at 30 June 2014 (2013:nil).		
<b>8 Contingent Liabilities and Contingent Assets</b>		
There are no known contingent liabilities or assets at balance date (2013:nil).		

## Notes to the financial statements

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	2014 \$'000	2013 \$'000
<b>9 Reconciliation of Cash Flows from Operating Activities to Net Result</b>		
Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income		
Net Result	-	-
Decrease/(increase) in receivables	85	-
Increase/(decrease) in creditors	31	-
Increase/(decrease) in provisions	138	-
Net cash from /(used on) operating activities	254	-

### 10 Events after reporting date

The Agency has not identified any events or transactions that are material to require adjustments or disclosures in the financial statements.

### End of Audited Financial Statements



**Barangaroo  
Delivery  
Authority**

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8.30am to 5.30pm, Monday to Friday

