



2014-15

Barangaroo Delivery Authority Annual Report



Barangaroo
Delivery
Authority



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Section 1

Project to Place

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Letter to the Premier

30 October 2015

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 2015, for the purpose of submission to the Parliament.

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

Yours sincerely



Terry Moran AC
Chair
Barangaroo Delivery Authority



Craig van der Laan
Chief Executive Officer
Barangaroo Delivery Authority



The work we do is transforming this former container wharf beyond recognition... the precinct we are creating will be transformative for Sydney.

Chair's foreword

As this past financial year drew to a close, the transformation of the Sydney Central Business District's 22-hectare western foreshore was not only well under way – it was beginning to come to life in ways which were impossible for Sydney to ignore.

A stunning aerial photograph taken in June which showed the headland park at Barangaroo Point almost complete was shared on social media across the globe and has since become a symbol of what the interplay of innovation, creativity and dedication to design excellence is achieving across the Barangaroo precinct.

So it is with considerable pride that I report steady progress continued apace at Barangaroo this past financial year as we deliver a globally significant commercial and community hub. A deep commitment to design excellence, world-class art and culture, superb recreational spaces and state-of-the-art sustainability have infused our approach to development.

While the work we do is transforming this former container wharf beyond recognition, at the same time the precinct we are creating will be transformative for Sydney. It will be recognised nationally and globally as a standard for development excellence.

We have achieved some notable milestones this year.

At Barangaroo South the Authority and its development partner, Lendlease, celebrated the Topping Off ceremony of Tower 2 (T2) on 25 March 2015 with the NSW Premier Mike Baird in attendance. Only a few weeks later, a 99-year lease was signed for T2 with the building owners.

When Towers 1 and 3 at Barangaroo South are completed, the three high-rise buildings known as International Towers Sydney are expected to accommodate more than 23,000 workers each day.

Barangaroo South will play a key role in the re-positioning of the western CBD as the economic engine room of NSW. It will confirm Sydney's premier position in the Asia-Pacific region and signal renewed economic confidence and capacity, in line with the NSW Government's *Making It Happen* commitment.

At the northern end of the precinct, Barangaroo Reserve was all but complete by 30 June. The Reserve - a unique six-hectare city sanctuary - features more than 75,000 native plants and 6,500 sandstone blocks carved from stone excavated on site and placed to recreate the 1836 shoreline. An engineering marvel, the Reserve's parkland is planted on a bridge structure which spans the massive internal cultural space, the Cutaway.

While the official opening of Sydney's newest headland park was only weeks away as the financial year drew to a close, the Authority was making final preparations for an important moment in Sydney's history: the return of the foreshore to the public for the first time in more than 100 years.

The achievement of these milestones was not possible without the skill and dedication of the Authority's staff, who share a deep sense of responsibility to the people of NSW that they deliver a precinct of the highest possible standard. I am proud to say the Authority's small team has continued to demonstrate this year, as in past years, public sector excellence.

The team is led by Craig van der Laan, whom I am delighted to write was confirmed as Chief Executive Officer on 26 June 2015. Craig was appointed in an Acting capacity in August 2014, following the resignation of long-time CEO John Tabart.

Barangaroo is indebted to John, who during his six-year tenure, made an outstanding contribution. Craig has picked up seamlessly where John left off to ensure Barangaroo takes its place on the world's stage as a vibrant waterfront mixed-use precinct with an outstanding public domain.

It is important that a project such as Barangaroo, through its custodian organisation, the Barangaroo Delivery Authority, achieves a high level of public engagement. Highlights this past financial year were the production of a documentary 'The Making of Barangaroo', the introduction of open-invitation community meetings and regular e-newsletter distribution. Work began on a new website, Barangaroo.sydney, to enhance the digital and visitor experience.

Looking ahead, my Board colleagues and I have challenges into the future – the Barangaroo Central bid will re-commence to take into account planning for a Sydney Metro station at Barangaroo, and planning referrals for Barangaroo South are expected to be resolved.

We will continue to work collaboratively with stakeholders, in particular our commercial partners and government associates, to realise the vision for Barangaroo as one of Australia's – and the world's - premier destinations.

A handwritten signature in black ink, appearing to read 'Terry Moran', written in a cursive style.

Terry Moran AC
Chair



Significant progress has been made this year – progress which has given people a chance to see this work unfolding for themselves.

Chief Executive Officer's report

At the start of this brilliant project, the Barangaroo Delivery Authority set itself the target of creating one of the world's most sustainable precincts from a disused container wharf on the shores of the world's best harbour. The result would be, a new financial, commercial and cultural hub, outstanding public realm and a vibrant focus for the reinvigoration of Sydney.

I am proud to say that significant progress has been made this year – progress which has given people a chance to see this work unfolding for themselves.

I have now spent more than a year at the helm of this visionary project and am delighted and honoured to deliver my first official Chief Executive Officer's Report for the Authority.*

Last year, the buildings at International Towers Sydney in Barangaroo South were only just beginning to reach up into the city skyline. By March, the "topping off" ceremony for Tower 2 had been celebrated with Lendlease, the Authority's development partner for this precinct. Tower 2 is one of three towers that, when completed, will be the engine-room of financial and professional services in Sydney and the region, making a significant contribution to the economies of NSW and Australia.

The Authority also continued to work closely with Lendlease on preparations for the remediation of contamination associated with the former Millers Point Gasworks.

The greatest delight of this past year has been watching the transformation of the Barangaroo headland from a building site into a breathtaking new green space for all to enjoy. With more than 75,000 plants planted, at 30 June, Barangaroo Reserve was 98 per cent complete, and just weeks away from the public being able to experience first-hand this modern interpretation of the headland which once existed on the site. A beautiful, soaring space for temporary or permanent cultural use sits within this new headland.

The Reserve is just one part of what Barangaroo will give to the local community, to Sydneysiders more broadly, and to visitors from across Australia and around the world. It features a foreshore promenade that will eventually span the entire precinct and link Barangaroo with Darling Harbour in one direction, and Woolloomooloo in the other.

It has been immensely rewarding to work this past year with our many contractors, consultants and partners – local and international – and to consult on our plans with members of our Indigenous community, our local community and the wider public.

I look forward to continuing these collaborations as we prepare to re-launch the development bid for Central Barangaroo. The bid will contemplate the Barangaroo Sydney Metro train station that was announced in June.

It is one of our stated objectives that more than 90 per cent of workers and visitors arrive by public transport. The Government's announcement of the proposed Metro train station along with the planned ferry hub at Barangaroo South and the construction of Wynyard Walk will help to achieve that.

I would like to formally acknowledge our Board and the professional and skilled Authority employees for their tremendous effort during the past year. It is a pleasure to work with these dedicated individuals. I look forward to the next phases in this significant urban renewal project and to the contribution it makes to for Sydney and Australia.

A handwritten signature in black ink, appearing to read 'Craig van der Laan'. The signature is stylized and written in a cursive-like font.

Craig van der Laan
Chief Executive Officer

* Craig van der Laan was appointed Acting CEO on 25 August 2014 and confirmed on 26 June 2015

The Barangaroo vision

A landmark urban renewal project for Sydney, acclaimed internationally for its innovative public spaces, design excellence, natural beauty and iconic cultural attractions

A vibrant and connected CBD precinct, including 50 per cent public space; that will return the waterfront to 50,000 Sydneysiders every day for work, leisure and living

A landmark location that will attract leading global names and reinforce Sydney as a financial and professional services hub and the preferred destination for major organisations in the Asia-Pacific's number one city

A world-first development that is carbon-neutral and water-positive and will generate zero waste, positioning Barangaroo as an international leader in environmental and social sustainability

A long-term contributor to NSW, generating significant economic value and an enduring cultural investment





Highlights in 2014–15

**3,500 people celebrated New Years' Eve
at Barangaroo on 31 December 2014**

**Barangaroo Reserve 98 per cent complete at year
end including: continuous sandstone foreshore with
tidal pools, two coves, 10,000 sandstone blocks and
construction of an internal cultural space**

**Three new architectural awards for the White Bay
Cruise Passenger Terminal, bringing the total to seven**

**Lease signed for Barangaroo South flagship
commercial high-rise Tower 2 of International Towers
Sydney, with sub-tenants occupying within days**

**Sydney Metro train station at Barangaroo announced,
to be integrated into the overall Barangaroo project**



Project to Place



< Watercolour illustration of a group of Aboriginal women fishing in 'nawi'
Credit: attributed to Philip Gidley King, c. 1790s

History of the site

The area now known as Barangaroo is part of the lands of the Gadigal people of the Eora nation, the Traditional Owners of the Sydney Central Business District region. Rock engravings close to the site indicate that the area has been inhabited by Aboriginal people for at least 6,000 years.

The site was gradually developed following the arrival of the First Fleet in 1788, as the early colony's maritime and industrial activities grew. In 1839, the site led one of Australia's first forays as a city of the world, with the establishment of the Millers Point Gasworks. It was here that coal was used to create the gas that supplied the first gas street light network outside Europe.

In 1900, a significant portion of the current site was compulsorily acquired by the NSW Government for expansion of the maritime infrastructure. The natural landscape of sandstone and dense native flora was razed to accommodate a new system of wharves, stores, service roads and hydraulic systems. As part of this project, Hickson Road was created by excavating the sandstone around the foreshore and using the steep topography to service the wharves at two levels.

By the 1960s, containerisation was redefining the international shipping industry. To accommodate the thousands of containers coming through Sydney each day, a large concrete 'apron' was created on reclaimed land adjacent to the headland. The transformation of this area into a 22-hectare financial, residential, retail and parkland precinct, now underway, is one of the world's most significant waterfront renewal projects.

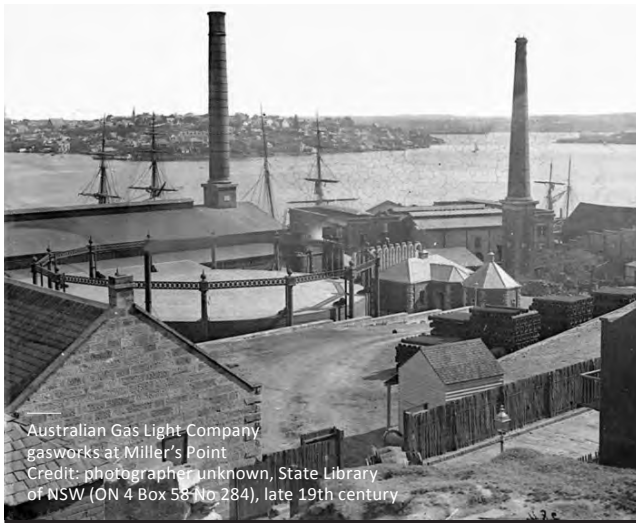
History of the Barangaroo project

In 2004, the East Darling Harbour Taskforce was established to oversee master planning for future use of the site. The Sydney Harbour Foreshore Authority (SHFA), a statutory authority established in 1998 to consolidate the work and functions of the Darling Harbour Authority, the Sydney Cove Authority and the City West Development Corporation, acted as taskforce lead and custodian of the project.

In 2005, the site was listed as a State Significant Site under Schedule 3 of State Environmental Planning Policy (Major Development) 2005. SHFA convened a two-stage international design competition presided over by juries comprised of eminent professionals, including those with design expertise.

Stage One of the competition received 137 competition entries from around the world. From those entries, the jury invited five finalists to develop more detailed proposals for Stage Two.

The jury selected the entry by Hill Thalix Architecture + Urban Projects, Paul Berkemeier Architects and Jane Irwin Landscape Architecture (HTBI) as the winner. The jury's report also made specific recommendations in relation to creating two large coves that would define the site into three distinct precincts, and a northern headland with a 'natural' form and expression.



Australian Gas Light Company gasworks at Miller's Point
Credit: photographer unknown, State Library of NSW (ON 4 Box 58 No 284), late 19th century



Towns' Wharf, Miller's Point
Credit: photographer unknown, c. 1875

Planning developments

Concurrent with the design competition, SHFA undertook extensive preparatory work to obtain planning approvals for the development under Part 3A of the *Environmental Planning and Assessment Act 1979*.

SHFA worked with consultants (including members of the HTBI team) to incorporate the jury's recommendations into the winning scheme. The Concept Plan application was lodged by SHFA with the Department of Planning in October 2006.

A public naming competition for the site was also held. The winning entry, "Barangaroo", honours a Cammeraygal woman who at the time of the European settlement was a key figure in local Aboriginal culture and community. One of Barangaroo's husbands was Bennelong, after whom the site of the Sydney Opera House is named.

In February 2007, the Barangaroo (East Darling Harbour) Concept Plan was approved. This is the statutory master planning instrument for the redevelopment of the site. Key features of the initial planning approval include:

- total gross floor area (GFA) of 399,800 square metres comprising:
 - 388,300 square metres of mixed use zones (commercial, residential, tourist, retail and community)
 - 8,500 square metres for a passenger terminal
 - 3,000 square metres for active uses within a public recreation zone
- approximately 11 hectares of new public open space, including a 1.4 kilometre foreshore promenade
- built form design principles, maximum heights and maximum GFAs for each of the eight development blocks
- public domain concepts, including the locations of development blocks, parks, streets and pedestrian connections
- alterations to the existing seawalls and a partial new shoreline
- retention of the Sydney Ports Corporation Port Safety and Harbour Control Tower operations on the site, including employee parking.

Since 2007, there have been several modifications (referred as 'Mods') to the initial Concept Plan approved by the Department of Planning. At the time of writing this report, a further modification, known as Mod 8, is awaiting planning approval.

The Authority

In November 2008, the NSW Government announced its intention to establish a dedicated delivery agency for the project, with the *Barangaroo Delivery Authority Act 2009* (the Act) enacted in March 2009 establishing the Barangaroo Delivery Authority as a NSW Government agency.

Objects of the Act

The objects of the Act (as detailed in Section 3 of the Act) are:

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

Functions of the Authority

Part 3 of the Act details that the functions of the Authority are:

- (a) to promote, procure, facilitate and manage the orderly and economic development and use of Barangaroo, including the provision and management of infrastructure,
- (b) to promote, procure, organise, manage, undertake, secure, provide and conduct cultural, educational, residential, commercial, transport, tourist and recreational activities and facilities at Barangaroo,
- (c) 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,
- (d) 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,
- (e) 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,
- (f) to liaise with Government agencies with respect to the coordination and provision of infrastructure associated with Barangaroo,
- (g) to undertake the delivery of infrastructure associated with Barangaroo or that relates to the principal functions of the Authority.

The Minister

The responsible Minister for the Authority is the NSW Premier, the Hon. Mike Baird MP.

Barangaroo Delivery Authority Board

The Authority has a Board which, the members of which as at 30 June 2015 were Terry Moran AC (Chair), Craig van der Laan (Chief Executive Officer), John Fitzgerald, Gabrielle Trainor, Peter Young AM and Christine Covington.

Terry Moran AC BA (Hons): Chair

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 focused on building Australia's education and technical skills capacity.

In 2000, Terry was appointed Secretary of the Department of Premier and Cabinet in Victoria. Following this, he became the nation's most senior public official as Secretary of the Department of the Prime Minister and Cabinet from March 2008 to September 2011.

As Secretary, Terry oversaw 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. Terry played a leading role in driving reforms to the Australian Public Service.

Terry is National President of the Institute of Public Administration of Australia.

He was initially appointed Chair in September 2011 for a period of three years, then re-appointed in September 2014 for a further three years.



< Hickson Road 'the Hungary Mile' during the Great Depression
Credit: photographer unknown, City of Sydney Archives, 1929-30

Craig van der Laan BA, LLB (Hons)

Craig van der Laan was appointed as Acting Chief Executive Officer of the Authority on 25 August 2014, with his appointment as Chief Executive Officer confirmed on 26 June 2015.

Craig has extensive experience in the leadership of global public companies involved in the property funds management, logistics and industrial sectors. He has held a variety of senior corporate, commercial and operational roles, including as Group President of the multinational Brambles Group's CHEP pallet pooling and container business across the Asia-Pacific. Craig served as a member of Brambles' Global Executive Leadership Team from 2001 to 2009 in senior executive roles including as Global Head of Mergers and Acquisitions, Group General Counsel and Company Secretary.

Craig was also previously Chief Strategy Officer of the Lend Lease Group; Chief Risk Officer and Group General Counsel of the Leighton Group; senior adviser to Transurban in its bid for Queensland Motorways; General Counsel and Company Secretary of the Westfield Group; and corporate solicitor at Australian National Industries Ltd.

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

John Fitzgerald has extensive experience in infrastructure delivery and is a specialist adviser 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. John also chairs the NSW Government Steering Committee for the Sydney International Convention, Exhibition and Entertainment Precinct Project.

John's previous board positions included Director, National Advisory Board of Infrastructure Partnerships Australia and Executive Director of Victoria's Department of Treasury and Finance Executive Board.

Until September 2011, John was a Deputy Secretary, Commercial Division, at the Department of Treasury and Finance where he was responsible for providing 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 the Council of Australian Governments and chaired its PPP sub-committee.

John was appointed to the Board in July 2011 for a period of five years.



< Shipping infrastructure
at current Barangaroo site
Credit: photographer unknown,
City of Sydney Archives, 1960/70s

Gabrielle Trainor LLB, MA, FAICD

Gabrielle Trainor is a non-executive director and adviser whose experience covers 20 years of board involvement in the public and private sectors ranging across infrastructure, urban development, public transport, tourism, hospitality, sports, arts and Indigenous advancement and welfare.

Gabrielle’s background is as a lawyer, newspaper journalist, public sector executive and consultant in issues management, public policy and corporate affairs. She is a director of Infrastructure Australia, a member of the board of trustees of Western Sydney University, the Central Sydney Planning Committee and the Charlie Perkins Trust, and a director of Business Events Sydney, Cape York Partnership and the GWS Giants Australian Football Club. She also 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.

Gabrielle was appointed to the Board in March 2009 for a period of three years and since re-appointed for two further terms expiring on 30 November 2016.

Peter Young AM BSc, MBA

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

Prior to his appointment at Barclays, Peter was a Senior Adviser 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 chaired the Queensland Investment Corporation, Transfield Services Infrastructure Fund and the Board of the Australian Government’s Export Finance and Insurance Corporation. He has also been a member of the Board of Trustees of both the NSW Art Gallery and Queensland Art Gallery and Chair 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.

Peter was appointed to the Board in March 2014 for a period of five years.

Christine Covington DipLaw, GAICD

Christine Covington is a solicitor of the Supreme Court of NSW with more than 28 years' experience in property, planning and environmental law. She is currently the National Practice Group Leader of the Environment and Planning Group at the law firm Corrs Chambers Westgarth.

Christine has acted on over 30 voluntary planning agreements and has extensive experience in planning appeals and environmental prosecutions in the NSW Land and Environment Court and Supreme Court. She has served as a NSW Government appointee to the Central Sydney Planning Committee and has experience in working with local government and community engagement. Christine is the Chair of City West Housing Pty Ltd and a member of the NSW Environment Protection Authority Board.

Christine was appointed to the Board in July 2014 for a five-year term.

Board meetings in 2014–15

Six Board meetings were held in 2014–15 and details of members' attendance is reported below.

	Meetings held while appointed	Meetings attended
Terry Moran AC	6	6
Kerry Clare*	3	3
Christine Covington	6	6
John Fitzgerald	6	6
John Tabart**	1	1
Gabrielle Trainor	6	5
Craig van der Laan***	4	4
Peter Young AM	6	4

* Term ceased 28 February 2015. Ms Clare was the City of Sydney Board nominee

** Term ceased 6 October 2014

*** Appointed 25 August 2014

Board committees and Arts and Cultural Panel

The Board has two committees, the Audit and Risk Management Committee and the Remuneration Committee, as well as an Arts and Cultural Panel. These bodies are outlined in Section 3: Reporting.

Timeline



2013

Continue construction of commercial towers at Barangaroo South
 Temporary cruise passenger terminal closes and new terminal opens at White Bay
 Barangaroo Reserve construction continues
 Trial of remediation of former Millers Point Gasworks commences
 Central Barangaroo master planning.

2014

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

Barangaroo Reserve opens
 Tower Two at International Towers Sydney complete at Barangaroo South and occupied by sub-tenants, including ground floor food and beverage offerings
 Public domain progressively opens at Barangaroo, including City Walk Bridge
 Waterfront residential buildings complete
 Central Barangaroo development bid to commence
 Pilot trial of Hickson Road in situ remediation commences

2016

Tower One and Tower Three at International Towers Sydney complete at Barangaroo South
 Work scheduled to commence on Phase One development in Central Barangaroo
 South public domain opens
 Proposed opening of Ferry Hub at Barangaroo by Transport for NSW

2019

Barangaroo South first residential tower complete* and Hotel Resort complete*
 Phase One Central Barangaroo complete

2022

Projected completion of precinct

2024

Proposed operation of the Sydney Metro City to commence, including proposed station at Barangaroo

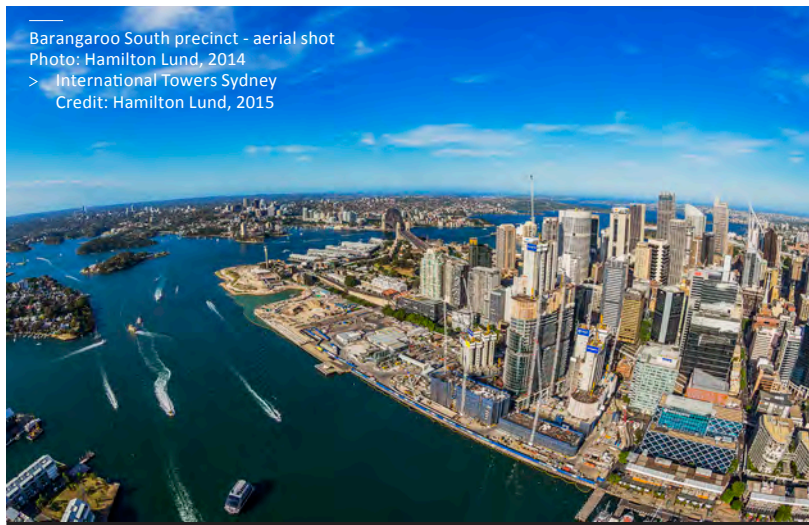
* subject to development approval

Section 2

Year in Review

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Barangaroo South



Background

Barangaroo South is an area of 7.5 hectares at the southern end of Barangaroo, which was the first area of the site to be developed. The vision for Barangaroo South is to create a major new extension of the Sydney CBD, reinforcing the city's position as a key financial centre in the Asia-Pacific through the establishment of a mixed-use precinct of commercial office buildings, residential apartments, an international hotel, shops, cafes and restaurants, and cultural facilities.

The tender for the development of Barangaroo South commenced with an expression of interest (EOI) process in April 2008. From the submissions received, the Sydney Harbour Foreshore Authority invited three bidders to submit detailed proposals by the end of March 2009.

In December 2009, a jury including representatives from the newly established Barangaroo Delivery Authority selected Lendlease as the winning developer for Barangaroo South.

In February 2010, the Authority entered into a Project Delivery Agreement (PDA) with Lendlease, setting out the legal and commercial framework for the development of Barangaroo South. Under the PDA, Lendlease is carrying out all construction and development activities in Barangaroo South. Upon completion of construction, Lendlease is required to deliver public domain areas to the Authority, and to nominate incoming investors for commercial areas.

Preliminary investigation and construction work at Barangaroo South was commenced by Lendlease in late 2010.

2014–15 highlights

Significant progress was made during the year in the delivery of Barangaroo South, with substantial areas nearing completion by year's end.

Public domain

The first portion of the public domain at Barangaroo South neared completion during the year and was opened to the public in early July 2015.

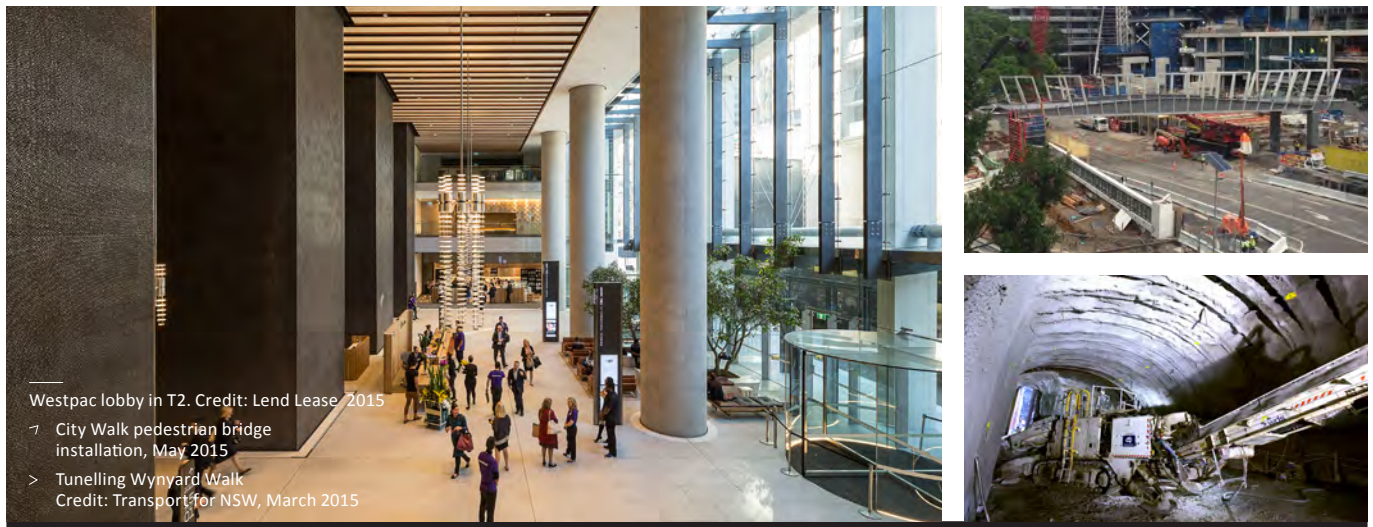
The Authority is the declared 'road authority' for the public roads in Barangaroo South as well as sections of Hickson Road and Sussex and Napoleon streets. Many of the road names within the precinct honour the locale's heritage.

Commercial office buildings: International Towers Sydney

Significant progress was made during the year in the construction by Lendlease of the main commercial towers at Barangaroo South. Known as International Towers Sydney (ITS), they were designed by Lord Rogers and Ivan Harbour of Rogers Stirk Harbour + Partners, London.

ITS comprises three high-rise towers which collectively provide approximately 300,000 square metres of large floor plate, premium-grade, energy-efficient office space, and will house more than 23,000 office workers and 90 retailers.

In late June 2015, a 99-year tenancy agreement for ITS Tower 2 was signed by the Authority with the building owners. Westpac subsequently entered into a sublease for a number of floors in Tower 2, and commenced to progressively occupy those floors as Barangaroo's first commercial sub-tenant.



Foreshore residential buildings: Anadara and Alexander

Lendlease made substantial progress in the construction of the first two residential buildings at Barangaroo South: 'Anadara', designed by Richard Francis-Jones of FJMT, and 'Alexander', designed by Andrew Andersons of PTW Architects. Both buildings include ground floor retail areas.

Anadara and Alexander are scheduled for completion in late 2015.

Opening of City Walk pedestrian bridge

The City Walk pedestrian bridge was completed and opened to the public in May 2015.

Spanning Sussex Street approximately 50 metres south of the Hickson Road and Napoleon Street intersection, the bridge provides a safe alternative for pedestrians to cross Hickson Road. The glass and steel bridge was designed by UK architectural firm, Wilkinson Eyre.

Crown Sydney Hotel Resort

During the year, agreement was reached between the Authority, Crown Resorts and Lendlease regarding the proposed construction of the Crown Sydney Hotel Resort at Barangaroo South.

This development is dependent, among other matters, on the approval of Mod 8.

Residential towers: One Sydney Harbour

During the year, Lendlease continued to develop the proposed design of the next major residential release at Barangaroo South. To be known as 'One Sydney Harbour', it is being designed by the internationally renowned architect and Pritzker Prize winner, Renzo Piano.

Like Crown Sydney Hotel Resort, this development is dependent, among other matters, on the approval of Mod 8.

Modification 8 to the Concept Plan

In March 2015 and with the consent of the Authority, Lendlease lodged Modification 8 to the Concept Plan ('Mod 8') with the Department of Planning and Environment (DPE).

Mod 8 proposes a number of amendments to the current Concept Plan. This includes relocating the previously proposed hotel on a pier to a position on land within Barangaroo South and One Sydney Harbour residential towers. This modification maintains the requirement for 50 per cent public space.

Mod 8 was exhibited to the public from March to May 2015.

The Minister for Planning referred Mod 8 and the submissions received to a Design Review Panel to review the application and provide independent urban design advice as part of the DPE assessment of the application.

Wynyard Walk tunnelling commenced

Tunnelling for the Wynyard Walk pedestrian tunnel commenced in October 2014. The 180-metre tunnel, which is being delivered by Transport for NSW with support and funding from the Authority, will provide quick and safe movement of pedestrians between Wynyard train station and Barangaroo South. The tunnel is scheduled for completion in September 2016.

Sussex Street pedestrian bridge

A second pedestrian bridge over Sussex Street, connecting Barangaroo South to the Wynyard Walk pedestrian tunnel, is anticipated to be open to the public in October 2015.

Remediation

During 2014–15, remediation work was completed on part of Barangaroo South, outside the area where the Millers Point Gasworks was formerly located. A Site Audit Statement was issued under Environment Protection Authority (EPA) guidelines, confirming that the site is suitable for its intended use.

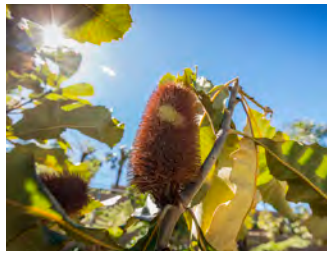
Focus has shifted to the planning of remediation of further areas in the Barangaroo precinct and specifically in the area of the former gasworks. The Authority agreed terms with Lend Lease Millers Point for the delivery of this work. Detailed planning and procurement tasks are now underway to commence works required to remove the EPA Declaration of a contaminated site. It is expected this work will commence in late 2015.

Negotiations continue with the original gasworks polluter, Jemena (formerly the Australian Gas Light Company), regarding contribution to the costs of remediation works.

Barangaroo Point and Barangaroo Reserve



Sandstone blocks at Marinawi Cove, 2015



^ Native plants
Credit: Hamilton Lund, 2015
< Caisson removal
Credit: Baulderstone, 2014

Barangaroo Point and Barangaroo Reserve are spectacular additions to Sydney Harbour: a public six-hectare headland and park located at the northern end of the site.

Barangaroo Reserve includes a continuous sandstone foreshore, two newly formed coves, a 10-metre-wide pedestrian and cycle path, 75,000 native plants, a 300-space car park and a cultural and exhibition space landscaped within the headland, known as the Cutaway.

Background

An Expression of Interest (EOI) process for the design of Barangaroo Reserve commenced in 2009. This led to a design competition which the Authority oversaw in 2009–10, with the winning entry announced as the team of PWP Landscape Architecture and Johnson Pilton Walker.

The vision described in the Barangaroo Concept Plan was that Barangaroo Reserve, together with Balls Head, Goat Island and Ballast Point, would complete the archipelago of green headlands that were characteristic of Sydney Harbour around 1836.

Barangaroo Reserve was to recreate the former naturalistic headland, providing a new connection between people and the harbour, as well as recognising Sydney’s modern and ancient history as a symbol of Country.

Lendlease Engineering (then known as Baulderstone) was contracted by the Authority in May 2012 to undertake the detailed design and construction of Barangaroo Reserve.

The names ‘Barangaroo Point’ and ‘Barangaroo Reserve’ were formally allocated in August 2015 after year’s end.

2014–15 highlights

The construction of Barangaroo Reserve was substantially completed during the year, with the official opening in August 2015, after the financial year’s end.

Sustainable construction

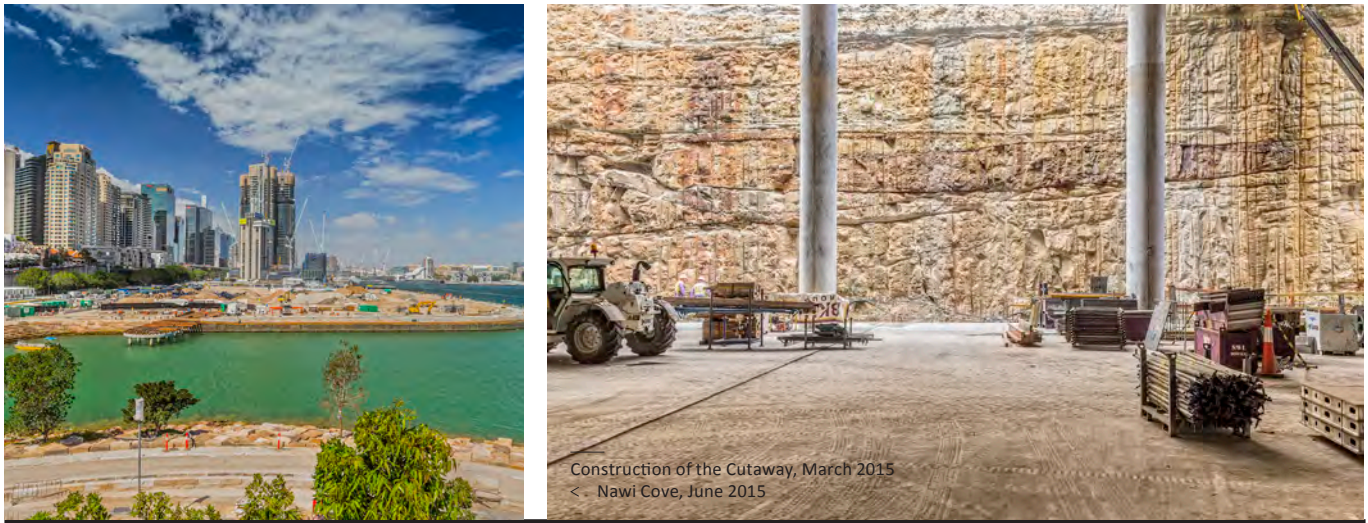
Sustainability was an important objective for the Authority in the delivery of Barangaroo Reserve, with Lendlease Engineering required to reuse all excavated sandstone within the project. In total, approximately 10,000 sandstone blocks were extracted and reused in the construction.

Key to re-creating the natural shape of the headland was cutting down the existing seawall that had defined the rectilinear wharf structure. A wire-cutting process was used to remove concrete blocks, known as ‘caissons’ from three metres below the waterline.

The caissons were lifted by crane onto a large barge and crushed on site. Together with imperfect sandstone excavated from the site, the crushed concrete from the caissons was reused as part of the significant earthworks that formed and filled the new headland at Barangaroo Reserve.

10,000 sandstone blocks

The laying of 10,000 sandstone blocks along the Barangaroo headland was completed during the year. The blocks were crafted from the premium sandstone extracted from the site and are a key feature of the re-created foreshore.



Construction of the Cutaway, March 2015
 < - Nawi Cove, June 2015

Nawi Cove

Nawi Cove was completed during the year. Situated between Barangaroo Point and Central Barangaroo, Nawi Cove is the largest cove on the Barangaroo waterfront and includes a pier and a pontoon. The cove is intended to feature a landmark public artwork to be commissioned by the Authority.

'Nawi' is a Sydney Aboriginal word for the bark canoes that were used by local Aboriginal people in the late 18th century. It is believed that Barangaroo herself would have used a nawi.

75,000 native plants

The planting at Barangaroo Reserve of approximately 75,000 plants, including groundcovers, shrubs, bushes and trees, continued throughout the year and was completed shortly after year end, prior to opening to the public.

The plants were grown at a nursery on the NSW Central Coast, contracted by the Authority in 2011, and then transported to Barangaroo Reserve.

All of the species are native and were selected following a study of unspoilt natural areas along the Hawkesbury River and within Muogamarra Nature Reserve, north of Sydney. The plants are those which are commonly found along the headlands and ridge tops surrounding Sydney.

Cultural space: the Cutaway

Structural works for the cultural space located within the Barangaroo Reserve headland, known as the Cutaway, were completed during the year. The Cutaway is a 14-metre-high space with a footprint of over 6,500 square metres, featuring a sandstone cliff face.

Car park

A 300-space car park below the Cutaway was completed during the year. The car park, which is owned by the Authority, commenced operation with the opening of Barangaroo Reserve in August 2015.

Harbour Control Tower

The Authority acquired the former Harbour Control Tower from the Port Authority of NSW in 2012. The tower was built in 1974 but, with the relocation to Port Botany of the bulk of the Port Authority's maritime services and changes in technology, the Tower was decommissioned in 2011.

After extensive consideration of the options, the Authority lodged an application with the Department of Planning and Environment in 2014 seeking approval to demolish the Tower.

Approval of the Authority's application by the Minister for Planning was received in July 2015 after year's end.

Activation and place management

In late 2014, the Authority commenced work on the development of an activation framework and operational strategy for Barangaroo Reserve, in preparation for the public opening in August 2015.

In early 2015, the Authority also commissioned a Welcome Celebration for the three months from September to November 2015 after the opening of Barangaroo Reserve to include food, music, art, dance, three giant picnics, guided tours and Aboriginal performance ceremonies.

Central Barangaroo



< Central Barangaroo with Casino
onshore artists impression
Credit: Lend Lease, 2014

Central Barangaroo will be the last of the three Barangaroo precincts to be defined and delivered.

Located between Barangaroo Reserve and Barangaroo South, Central Barangaroo will combine civic and cultural attractions with recreational, retail and commercial uses, to deliver an exciting and unique range of public and cultural activities.

Central Barangaroo will assist in achieving Barangaroo's climate-positive goal in content, form and expression, engaging with the harbour, the city and its people.

Background

In May 2013, a revision of the framework for the Central Barangaroo Master Plan proposed the construction of up to 120,000 square metres of gross floor area (GFA) in Central Barangaroo along the Hickson Road boundary and up to 5,000 square metres within the waterfront public domain for a cultural/civic facility and other community uses.

The framework also proposed the construction of the 'Sydney Steps', a grand public staircase connecting Central Barangaroo to upper Millers Point via a bridge over Hickson Road.

2014–15 highlights

Development bid process

During the year, the Authority commenced a development bid process for Central Barangaroo.

In June 2015, the NSW Government announced that a new underground rail station at Central Barangaroo would be included as part of the base case for the Sydney Metro Project, being led by Transport for NSW (TfNSW).

Following this announcement, the Authority terminated the development bid process then underway, and the Government formed a Working Group including the Department of Premier and Cabinet, TfNSW, the Authority and Treasury, to consider issues such as station location, design and configuration, aligning the timing of Sydney Metro and Central Barangaroo construction and the optimal scale of Central Barangaroo in light of the increased transport capacity.

The Authority intends to commence a new tender process for Central Barangaroo as soon as possible.

TfNSW estimates that the new Sydney Metro and train station at Barangaroo will be operational in 2024.

Central Barangaroo waterfront promenade

The Central Barangaroo waterfront promenade was substantially completed during the year and opened to the public in September 2015.

The 25-metre-wide promenade is lined with trees, with dedicated pedestrian and shared pathways and a timber boardwalk.

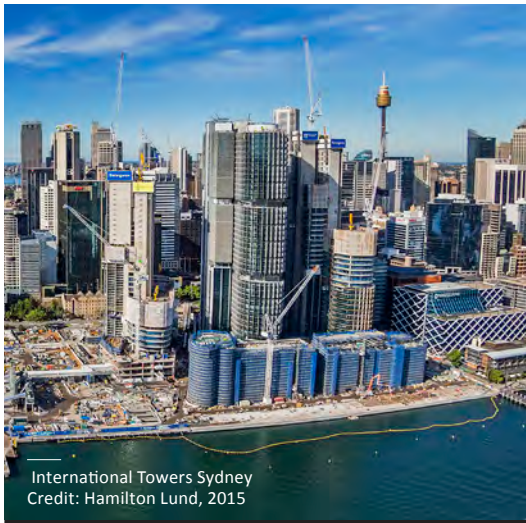
The promenade also includes a pick-up and drop-off pontoon in Nawi Cove for pleasure craft and water taxis and a public pier.

Site at Central Barangaroo, September 2014

✓ Sydney Steps render
Credit: Skidmore, Owings & Merrill,
November 2014



Design Excellence



The Authority's ongoing and active commitment to design excellence continued through the year, as reflected in the design of buildings, the public domain and natural areas across the 22-hectare Barangaroo site.

Design advisers

Bob Nation continued as the Authority's in-house design adviser during the year. Mr Nation works extensively with external advisers, including architects and designers, to provide guidance and advice to ensure design excellence is incorporated and integrated across the Barangaroo development.

The Authority's external design advisers were:

- Keith Cottier (Chairman, Allen Jack + Cottier)
- Karl Fender (Founding Director, Fender Katsalidis)
- Richard Nugent (Associate Director, Conybeare Morrison)

2014–15 highlights

International Towers Sydney

The International Towers Sydney (ITS) in Barangaroo South is an illustration of excellence in design.

Comprising 7.8 hectares of mixed use – commercial, residential and leisure – the three towers of ITS have been designed by renowned architects Lord Rogers, Ivan Harbour and the team of Rogers Stirk Harbour + Partners (RSHP).

ITS exhibits the latest innovations in sustainable design features, with a defining characteristic being the podiums that buttress each of the three towers.

These were designed by prominent Australian architecture firms including Tony Caro Architecture (T1 western podium), PTW Architects (T1 eastern podium), Tzannes Associates (T3 western podium) and Hassell (T3 eastern podium). RSHP designed the podium in Tower 2 (T2).

The unique design features of each podium provide a diversity of expression and facilitate the interface of the towers with the public domain.

Despite being designed by different architects/architectural firms, the podiums are unified by the landscaping vision of Aspect + Oculus, the collaborative design team that has come together to work on the ITS podium rooftops and the ground-level public domain of Stage 1A Barangaroo South.

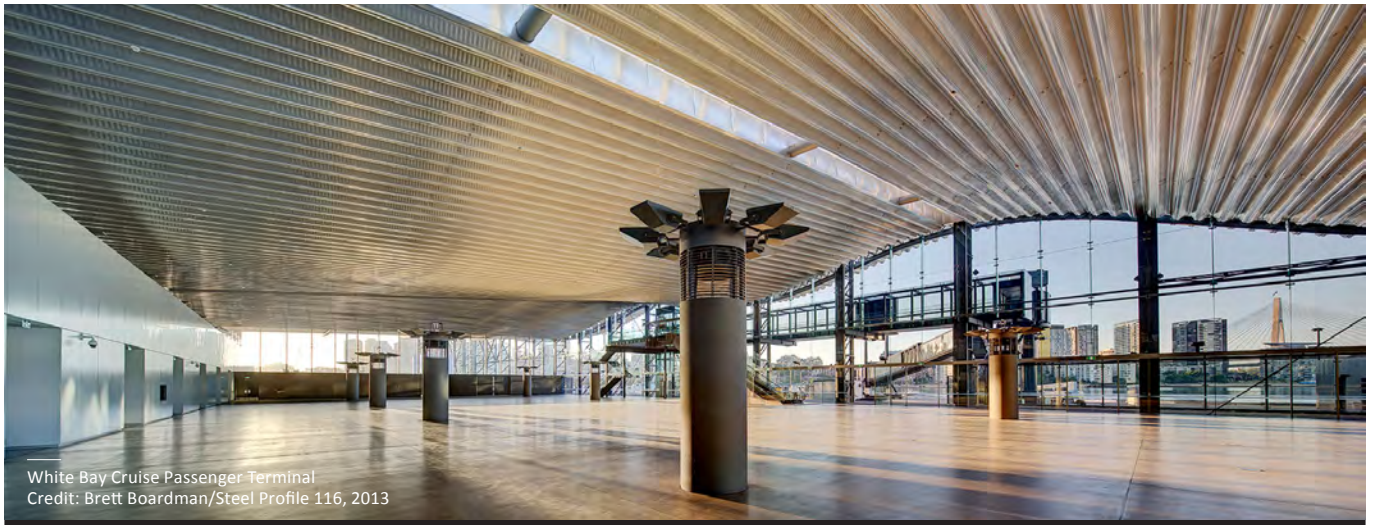
Once completed, Tower 1 (T1) will be the tallest building comprising 49 floors. Work on the structure is expected to be finished during 2016 and the anchor sub-tenant will be PricewaterhouseCoopers.

Tower 2 (T2) is comprised of 43 floors and was completed shortly prior to year's end with the anchor tenant, Westpac, commencing occupation shortly thereafter.

Tower 3 (T3) will rise 39 floors when completed in 2016, with KPMG as the anchor sub-tenant.

City Walk pedestrian bridge, 2015





City Walk pedestrian bridge

The City Walk pedestrian bridge over Hickson Road, located between Napoleon Street and City Walk, was designed by the leading UK architectural firm, Wilkinson Eyre Architects. The bridge is five metres wide and 38-metres long and is partially covered by an overhead glass canopy. The bridge has portal frames which are spaced approximately three metres apart along its entire length.

The City Walk pedestrian bridge demonstrates a high standard of architectural design, materials and detailing commensurate with the design brief and other Wilkinson Eyre structures.

The bridge meets the principles of design excellence and sustainable design and will improve the quality and amenity of the public domain at Barangaroo and its environs.

Wilkinson Eyre has a large portfolio of international projects, including more than 30 high-profile award-winning bridges. Wilkinson Eyre is also the winner of the international design competition for the landmark Crown Sydney Hotel Resort to be constructed in Barangaroo South.

The bridge:

- provides direct, level, safe and accessible pedestrian access between Barangaroo and Napoleon Street
- provides connectivity and capacity sufficient to meet the pedestrian demand generated by Barangaroo.

The bridge opened to the public in May 2015.

White Bay Cruise Passenger Terminal

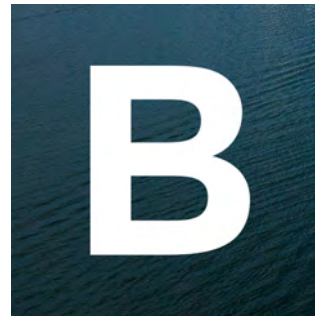
During the year, the White Bay Cruise Passenger Terminal earned three more architectural awards, bringing the total to seven.

The Authority project-managed the permanent relocation of the previous cruise passenger terminal from alongside the Barangaroo site to White Bay on behalf of Sydney Ports.

The new awards were:

- the International Architecture Award conferred by the Chicago Athenaeum & European Centre for Architecture received in September 2014
- the 2014 National Australian Institute of Architects' Harry Seidler Award in Commercial Architecture in November 2014
- the National Australian Institute of Architects –The National Colorbond Award in Steel Architecture also received in November 2014.

Public Engagement



< NYE 2014 Credit: Michael Amendolia, 2014

^ Barangaroo social media favicon
Credit: Soap Creative, 2015

The Authority continued to develop its public engagement strategy throughout the year, with a particular focus on preparation for the opening to the public of areas of the site and Barangaroo's transition from a project to a place which people can come to celebrate and enjoy.

2014–15 highlights

Social media

The Authority's social media presence increased during the year across all platforms:

- Barangaroo's Facebook page received 647 'likes', climbing to a total of 3,093 by 30 June 2015. The Authority's largest post reached 19,514 individuals and organisations
- The Authority's Twitter account grew to 2,964 followers, with the largest tweet reaching 16,098 individuals and organisations
- The Barangaroo YouTube channel received 31,346 video views, equating to an estimated 83,225 minutes watched. The most popular YouTube video was 'A view of Barangaroo that no Sydneysider has seen before' with 3,487 views
- Barangaroo's LinkedIn followers reached 2,742, with the Authority's largest post viewed by 36,137 individuals and organisations.

New Year's Eve

Over 3,400 people saw the new year in at Barangaroo Reserve on 31 December 2014. Visitors enjoyed a relaxed picnic-style atmosphere on the headland and lawns surrounded by native trees, blossoming plants and the dramatic sandstone foreshore.

The location is proving to be one of Sydney's premier sites from which to view the fireworks and other landmark harbour festivities.

Barangaroo community meetings

The Authority held its inaugural Barangaroo community meeting towards the end of 2014. These open-invitation, monthly forums replace the previous Barangaroo Construction and Community Liaison Group meetings.

Each meeting provides general project updates followed by presentations on dedicated issues, such as planning, remediation, transport and arts and culture.

The meetings also give interested members of the public an opportunity to raise and discuss issues with the relevant subject matter experts from the Authority.

Stakeholder presentations and tours

The Authority continued its stakeholder presentations and tours of the Barangaroo development throughout the year.

Barangaroo Point featured as a focal point for stakeholder tours as the precinct reached 98 per cent completion by the end of the reporting period.



< Australian Institute of Landscape Architect's event, April 2015
^ Barangaroo stakeholder boat tour, April 2015

Australian Institute of Landscape Architects event

On 7 April 2015, the Australian Institute of Landscape Architects (AILA), in partnership with Andreasons Green and the Authority, held an exclusive industry event at Barangaroo Reserve.

At the preview, Peter Walker, acclaimed landscape architect and founder of PWP Landscape Architecture, shared his insights into the process behind the re-creation of the historic headland and its transformation into what will become a stunning public asset. The event provided AILA members with an opportunity to learn about initiatives, achievements and challenges of Barangaroo Reserve and also attain Continuing Professional Development points.

Other stakeholder groups who visited the headland included the City of Sydney; Institute of Civil Engineers; Royal Botanic Gardens Foundation; Government Architects Network Australia; Metropolitan & La Perouse Local Aboriginal Lands Council; Sydney Harbour Foreshore Authority; NSW Coastal, Ocean & Port Engineering Panel; Sydney Business Chamber; and Property Council Australia.

Boat tours

The Authority hosted 35 morning and twilight boat tours during the year with 616 participants.

The tours commence at King Street Wharf and run along the project's foreshore, giving a unique perspective to the development.

In addition to Authority employees, the boat tours were hosted by guests, including Avtary Lotay, Managing Director, Rogers Stirk Harbour + Partners.

Participant organisations included the China Construction Bank; the Seoul Metropolitan Government; the Okinawa Ports Association; the Institute of Australian Tour Guides and SCEGGS Darlinghurst.

Barangaroo documentary

During the year, the Authority produced a 27 minute documentary. Featuring archival footage of the Miller's Point area and interviews with key individuals involved in the various stages and processes of the Barangaroo development, the documentary debuted at the Lend Lease Darling Quarter Theatre in May 2015.





< Aboriginal woman with her baby, in a 'nawi' fishing with a line c1805. Collection of the State Library of New South Wales [a1267013 / PXB 513, f.12] (from album 'Natives of New South Wales; drawn from life in Botany Bay')

Honouring the past with place names

A key feature of the Authority's community and public engagement approach during the year was its Naming Architecture and Naming Strategy.

This strategy involved recognising and celebrating the Aboriginal, natural and maritime heritage of the Barangaroo area as well as getting the public involved.

Public voting

In December 2014, members of the public were invited to vote for their preferred names for four locations at Barangaroo.

Over a 10-day period, approximately 1,300 people voted from a choice of three shortlisted names for each location.

The winning names were:

- 'Scotch Row' for a pedestrian walk at Barangaroo South. This name commemorates the area previously known as Scotch Row which was removed to make way for part of Hickson Road. The original Scotch Row was home to Sydney's master stonemasons, who were predominantly from Scotland. Their artistry may be seen in buildings close to Barangaroo, such as the Lord Nelson Hotel.
- 'Rowntrees Dock' for a pontoon in the northern cove. This name commemorates a 19th century wharf, Rowntree's Floating Dock, which was situated at almost the same location.
- 'Barton Street' for a vehicular street at Barangaroo South. This name commemorates Edmund Barton, the first Prime Minister of Australia, who was born nearby in Glebe and educated at Fort Street High School.
- 'Exchange Place' for a place connecting Wynyard Walk, King Street Wharf, International Towers Sydney and the Barangaroo Ferry Hub. This name commemorates the history of the area as a place of exchange for goods, services, ideas and people. With the completion of each phase of the development, Barangaroo will once again become a place of exchange - of 21st century goods, services, ideas and people.

Other names

Other natural and built landmarks, features and locales named under the Authority's Naming Architecture and Naming Strategy include:

- 'Dukes Pier' in Nawi Cove, named for a 19th century wharf in the Barangaroo vicinity
- 'Marrinawi Cove' for a small cove adjacent to Moores Wharf. 'Marrinawi' was a Sydney Aboriginal language word created to describe the vessels of the First Fleet and translated roughly to 'big canoe'.
- 'Girra Girra Steps' for the set of steps in Barangaroo Reserve, named for the Sydney Aboriginal language word 'girra girra' for seagulls, that was recorded by early settlers.
- 'Burrawang Steps' for the large a set of steps within Barangaroo Reserve. 'Burrawang' is the Sydney Aboriginal language word for a local cycad, the seeds of which were an important source of starch for the Gadigal people and early settlers. These plants typically live for more than a century. This name aspires to invoke the Reserve's future longevity.
- 'Wulugul Walk' for the foreshore walk along Barangaroo. 'Wulugul' is the Sydney Aboriginal language word for kingfish, a species commonly found in Sydney Harbour. Kingfish have a golden band along their blue-green skin, similar to the foreshore walk's golden sandstone lining the blue of the harbour.
- 'Waranara Terrace' for a predominantly hard-paved plaza space that provides an access corridor between Argyle Place and the Stargazers Lawn. This area forms an arrival space and access to the bush terrace venue.
- 'Waranara Room' for a mezzanine floor inside the Cutaway which is accessed from Waranara Terrace. Waranara is a Sydney Aboriginal language word meaning "seek".

Examples of chosen names in Barangaroo South include 'Waterman's Quay', 'Waterman's Cove' and 'Shipwright Walk', all of which celebrate the maritime heritage of the area.

Arts and Culture



< Walsh Bay stakeholder event
Credit: Kata Bayer
Photography, 2015

Advisers

Aden Ridgeway of Cox Inall Ridgeway continued as Barangaroo's Indigenous Adviser during the year. Mr Ridgeway provides special counsel and guidance on a range of arts and cultural initiatives.

Richard Evans, Barbara Flynn and Kate Brennan also provide ongoing input and support to the Authority's arts, cultural and special events program.

2014–15 highlights

Nawi Cove public artwork: artists shortlisted

In December 2014, the Nawi Cove Public Artwork Jury chaired by Edmund Capon AM OBE invited selected national and internationally acclaimed artists to propose creative designs for a major public artwork to be commissioned by the Authority and located within Nawi Cove.

Selection of the shortlisted artists was based on their experience, ability to realise large-scale projects and their demonstration of artistic excellence and vision.

The artwork brief was distributed to the artists in April 2015 and project briefings and site visits began the following month. Final designs are due to be submitted in early 2016 with installation expected by mid-2018.

Philanthropy Australia event

On 9 April 2015, the Authority co-hosted an event with Philanthropy Australia. Attendees enjoyed a twilight tour of Barangaroo Reserve followed a panel discussion facilitated by Board member, Gabrielle Trainor. The discussion topic, *When Culture, Government and Commerce Collaborate: Destination Development for Public Benefit or Private Gain*, explored how cities play a role in delivering financial and social outcomes through investment in cultural precincts and commercial hubs. The cities discussed were Sydney and Hong Kong, with Ann Johnson, Vice-President, Philanthropy Australia, acting as emcee for the event.

Walsh Bay stakeholder event

On 16 June 2015, the Authority hosted a briefing event for the arts companies based in and around Walsh Bay, including the Sydney Theatre Company, Australian Chamber Orchestra, Bangarra Dance Theatre, Sydney Dance Company, Bell Shakespeare, Sydney Philharmonia Choirs, Gondwana Choirs, Sydney Festival, Sydney Writers Festival, The Song Company and the Australian Theatre for Young People.

The event recognised the advent of a broader arts and public recreational area with the scheduled opening of the headland park in August 2015 and the potential for future artistic and creative partnerships. The group was briefed on the Barangaroo Public Art and Cultural Plan prior to its public release in July 2015 as well as the ambitions for the Barangaroo precinct more widely.

The briefing was warmly received, with the Walsh Bay arts community appreciative of the opportunity to have an informal forum for questions and discussion.

National Centre for Indigenous Arts and Culture: feasibility study

As reported in last year's annual report, the Authority contracted Boston Consulting Group, in conjunction with AEA Consulting, to conduct a concept feasibility study (including a business case) to potentially locate a National Centre for Indigenous Arts and Culture (NCIAC) in Barangaroo Reserve's cultural space, the Cutaway. The feasibility study includes an integrated business case, concept curatorial plan and economic modelling.

The Authority continued to consult with Indigenous communities and their representatives during the year to explore and test curatorial concepts and potential governance models.

The feasibility study remains under consideration.

Public Art and Cultural Plan

During the year, significant work was undertaken to realise the Barangaroo Public Art and Cultural Plan. The Plan, launched in the early weeks of the new financial year, outlines nine Priority Projects to be delivered at sites across the Barangaroo precinct by 2020.

The Plan is funded by a levy on the development partners, with the value over the term of the project expected to reach more than \$40 million. The Plan represents one of Australia's largest public art and cultural offerings and it will establish Barangaroo as a landmark on the nation's cultural horizon.

Section 3

Reporting

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- 37 Board committees
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- 39 Internal audit and risk management
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Structure and management

Organisation structure

The Barangaroo Delivery Authority sits within the NSW Department of Premier and Cabinet cluster. The agency's organisation structure at 30 June 2015 is shown.

The Authority employs an experienced, multi-disciplinary team of professionals to achieve the agency's objectives and implement its core functions. These professionals are supported by specialised consultants who work together with Authority employees and partners to deliver and manage the Barangaroo precinct.

Senior management

At 30 June 2015, the senior management of the Authority were:

Craig van der Laan (BA, LLB (Hons))

Chief Executive Officer (see Board biography)

Peter Roberts (BFinAdmin, FCA, IACD, Finsia)

Chief Financial and Operating Officer

Sonya Errington (BAppSci, MPP)

Director, Governance*

Amanda Wilson (GAICD)

Director, Community Engagement and Communications

Tony Gulliver (BArch, Grad DipPropDev)

Development Director, Barangaroo South

Nathan Penberthy (BConst(Hons), MPropDev)

Acting Executive Director, Place Activation and Precinct Management

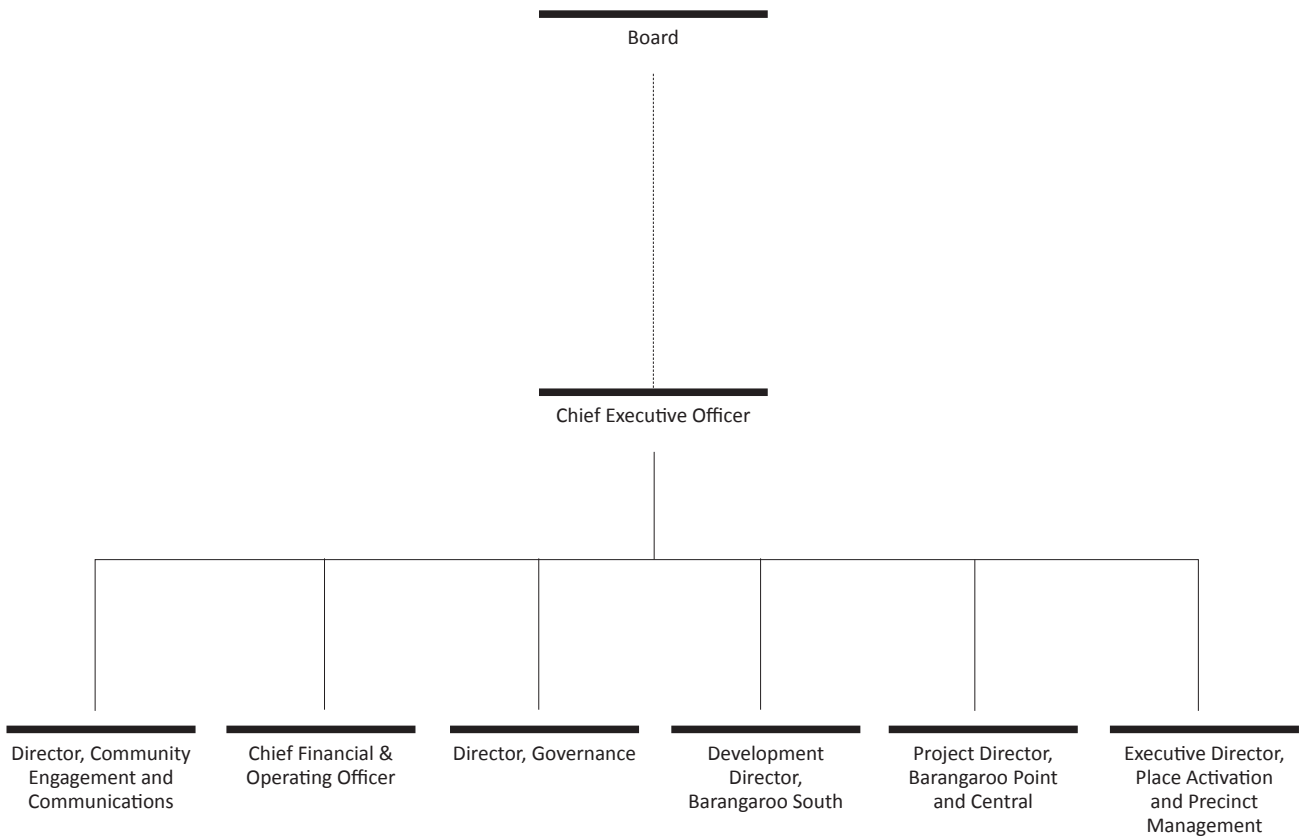
Peter Funder (BPlan&Design, BPropConst)

Director, Central Barangaroo and Barangaroo Reserve

* This role was previously called Executive Director, Planning and Governance.

Structure and management (continued)

Organisation chart (as at 30 June 2015)



Human Resources

At 30 June 2015, the Authority had a total of 34 employees.

Employees by category

Salary scale	30 June 2013		30 June 2014		30 June 2015	
	Total	Women	Total	Women	Total	Women
Grade 1-2 or equivalent	2	1	1	1	0	0
Grade 3-5 or equivalent	3	3	0	0	2	2
Grade 6-9 or equivalent	5	2	6	3	5	3
Grade 10-12 or equivalent	2	2	1	1	7	4
Above grade 12 or equivalent	13	7	19	7	20	7
Total number of employees*	25	15	27	12	34	16

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

Senior Executives

Senior Executive Band	2014		2015	
	Women	Men	Women	Men
Senior Executive Band 3	0	3	0	2
Senior Executive Band 2	0	1	0	2
Senior Executive Band 1	7	8	7	9

In 2014–15, 76.8 per cent of the Authority's employee-related expenditure was for Senior Executive employees.

Senior Executive Band 3 salaries

The following information on the salaries of Band 3 Senior Executives in 2014–15 is provided in line with statutory reporting requirements.

Craig van der Laan, Chief Executive Officer, Senior Executive Band 3: total remuneration package of \$565,000 per annum, effective 26 June 2015.

On 1 June 2015, the Statutory and Other Offices Remuneration Tribunal made a determination pursuant to section 24P of the *Statutory and Other Offices Remuneration Act 1975* providing for the person appointed to the position of Chief Executive Officer of the Authority to receive a discretionary remuneration of up to 12% in addition to the base remuneration of \$565,000 per annum.

Peter Roberts, Chief Financial and Operating Officer, Senior Executive Band 3: total remuneration package of \$311,802 per annum.

Human Resources (continued)

Workforce Diversity

As a small agency, the Authority reports on workforce diversity triennially with the next report due in Annual Report 2016–17.

Multicultural Policies and Services Program

The Authority has dual roles in relation to promoting the principles of *Multicultural NSW* as outlined in the Multicultural NSW Act 2000 and required by *Premier's Memorandum M2012-09*. These roles are:

- as an employer – the Authority must develop and maintain a culture that is supportive of the principles of multiculturalism, diversity and equality for its employees
- as the owner and manager of public domain and websites – the Authority has a responsibility to ensure that all people can both physically and virtually visit and engage with Barangaroo, irrespective of their linguistic, cultural, religious and ancestral background.

In 2014–15, Multicultural Plan initiatives included:

- commencement of a partnership with Eora College at Sydney TAFE to recruit and train six Aboriginal and Torres Strait Islander guides for the Barangaroo Reserve Visitors Services Unit – the Unit will design and deliver visitor information, education activities and services. The partnership includes a three-week intensive pre-employment program and on-the-job training, including a Certificate III in Guiding, and ongoing mentoring
- CEO approval to roll out cultural awareness training for all Authority employees – the aim of the program is to increase mindfulness and understanding of appropriate management and engagement with employees from diverse backgrounds. Training will commence in the next financial year.

Board committees

Remuneration Committee

Remuneration Committee responsibilities include:

- reviewing executive remuneration and contracts relating to employees and contractors within the Authority on an annual basis or more frequently as determined necessary
- advising the CEO in relation to the remuneration and benefits of all executives employed by the Authority including:
 - executives employed under the *Government Sector Employment Act 2013*
 - executives employed by the Authority on a fixed-term contract basis in specialist roles
 - contractors employed on a short-term basis.

The Members of the Committee appointed by the Board are:

John Fitzgerald (see Board biography)
– appointed Chair on 1 July 2014

Craig van der Laan (see Board biography)
– appointed 25 August 2014

Christine Covington (see Board biography)
– appointed 30 July 2014

The Remuneration Committee met twice during the year.

Audit and Risk Management Committee

Responsibilities of the Audit and Risk Management Committee include:

- risk management
- control framework
- external accountability
- compliance with applicable laws and regulations
- internal audit
- external audit.

Members of the Committee and their terms of appointment are:

John Fitzgerald (see Board biography) – term of appointment as a member was three years from 18 November 2011; appointed Chair for a four-year term from 1 July 2014

Peter Young AM (see Board biography) – term of appointment four years from 1 July 2014

Gabrielle Trainor (see Board biography) – terms of appointment totalling six years from 18 May 2010

Carolyn Burlew is the Deputy Chair of the South Western Sydney Local Health District Board and a member of the NSW TAFE Commission Board and the Pharmacy Council of NSW. In addition, Carolyn chairs or is a member of five NSW audit and risk committees. She previously held senior positions in the NSW public sector and is also a Fellow of the Institute of Public Administration Australia NSW – terms of appointment totalling six years from 18 December 2009

Jon Isaacs has held senior positions across the not-for-profit and public sectors, including Chair of the Sydney Harbour Foreshore Authority and CEO of the Royal Blind Society. John has chaired audit and risk committees for over 15 years in the private and public sectors and is also a Fellow of the Australian Institute of Company Directors – term of appointment three years from 11 February 2014.

Arts and culture oversight

Arts and Cultural Panel

Arts and Cultural Panel responsibilities include:

- providing high quality, expert advice to the Board on the development and delivery of the public art and cultural programs at Barangaroo
- ensuring public art and cultural programming at Barangaroo is in line with the aims and objectives articulated by the Authority, the City of Sydney and the NSW Government
- advocating for the integration of high quality art and culture across Barangaroo
- ensuring the principles of curatorial and design excellence are upheld.

The Panel met five times during the year and the record of members' attendance is below.

Member	Meetings held while appointed	Attended
Alison Page	5	4
Lieven Bertels, Knight in the Order of the Crown, Belgium	5	4
Simon Hardy	5	2
Leon Paroissien AM	5	3
Hetti Perkins	5	3
Jess Scully	5	5
Gabrielle Trainor	5	5
Craig van der Laan	5	4
Peter Young AM	5	2

Nawi Cove Public Artwork Jury

The Nawi Cove Public Artwork Jury was established in April 2014 with the following responsibilities:

- developing a process to select an artwork for Nawi Cove which seeks out internationally-regarded artists who are making the best work of their careers
- advocating for the development of concepts which will make a striking and memorable contribution to Sydney
- participating in a selection process which ensures the principle of artistic and design excellence are upheld
- advocating for the integration of high quality art and culture across Barangaroo.

Three meetings were held during the year and the record of members' attendance is below.

Member	Meetings attended
Edmund Capon AM OBE (Chair)	3
Nicholas Baume	3
Elizabeth Ann Macgregor OBE	1
Gabrielle Trainor	3
Lucy Turnbull AO	3
Peter Young AM	1

Internal audit and risk management

Internal Audit and Risk Management Statement

Internal Audit and Risk Management Statement for the 2014-15 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	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.
--	---

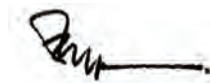
At the time, the Board of the Barangaroo Delivery Authority appointed the initial members of its Audit and Risk Management Committee it set the term of the appointments as two years, expiring December 2011 and it reappointed those members for a further two year term, expiring December 2013.

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.

The former Premier (as the Authority's portfolio minister at that time) approved the exemption on 25 March 2014.

I, Craig van der Laan, am of the opinion that the Audit and Risk Committee for the 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 Committee are:

- John Fitzgerald, independent Member (term of appointment as a member was 3 years from 18 November 2011. Appointed Chair for a four year term from 1 July 2014)
- Carolyn Burlew, independent Member (terms of appointment totalling 6 years from 18 December 2009)
- Gabrielle Trainor, independent Member (terms of appointment totalling 6 years from 18 May 2010)
- Jon Isaacs, independent Member (term of appointment 3 years from 11 February 2014)
- Peter Young AM, independent Member (term of appointment 4 years from 1 July 2014).



Craig van der Laan
Chief Executive Officer
28 August 2015

Internal audit and risk management (continued)

Risk management and insurance

The Authority has in place both appropriate structures and 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 (ARMC) of the Authority's Board which meets four times a year.

Material risks to annual business plans and financial year 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 advisers. Significant control systems and processes are routinely evaluated and tested by PricewaterhouseCoopers.

Reports from PricewaterhouseCoopers are responded to by management and reported to the ARMC to ensure appropriate governance over material risks to the Authority is in place.

The Authority is exposed to risks specific to the commercial arrangements with its appointed commercial development partners, as well as risks associated with developing the public spaces of Central Barangaroo and Barangaroo Point.

The Authority's role as Road Authority for part of Hickson Road and Napoleon Street also involves risks which require management. These risks include managing the obligations 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 is analysed with appropriate management actions undertaken, including documenting and evaluating mitigation plans and assigning responsibilities to ensure risks are well managed to avoid unexpected events.

The Authority carries a comprehensive range of insurance cover through the Treasury Managed Fund.

Other statutory reporting obligations

Personnel policies, including Code of Conduct and Ethics

The Authority has personnel policies in place as required by the NSW Public Service Commission, the Department of Premier and Cabinet and other State and Commonwealth legislative and regulatory regimes.

During the year, the Authority commenced implementation of reforms under the *Government Sector Employment Act 2013*, including drafting a new Code of Conduct and Ethics and ancillary policies, procedures and guidelines. An updated suite of personnel policies will be implemented by the Authority in the coming financial year.

Work health and safety

As a small agency, the Authority reports on work health and safety triennially with the next report due in Annual Report 2016–17.

Disability Inclusion Plan

During the year, the disability sector experienced substantial legislative and regulatory change with promulgation of the *Disability Inclusion Act 2014* and its attendant regulations. The new Act repealed and replaced the *Disability Services Act 1993* and its regulatory regime, including Disability Action Plans.

The new Act demonstrates the NSW Government's commitment to improving inclusion and engagement for people with disability. To achieve this, the Act requires public authorities – such as the Barangaroo Delivery Authority – to develop and implement Disability Inclusion Plans. The new Act captures the sentiment of the international and national reform momentum which commenced in 2008 with the *UN Convention on the Rights of Persons with Disabilities*.

The Authority will have a Disability Inclusion Plan in place by 1 December 2015, in compliance with the central agency direction. Key to the preparation of the plan, the Authority is seeking comment and feedback on the contents of the proposed plan from stakeholders with disabilities.

Industrial relations

No industrial disputes were lodged with the NSW Industrial Relations Commission by the Public Service Association of NSW or other employee bodies in 2014–15. Further, no work time was lost due to industrial disputes.

There were also no exceptional movements in salaries, wages or allowances during the year, apart from sector-wide incremental increases.

Consumer activities

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

- a 24-hour community information line – phone (02) 9255 1700 or 1300 966 480
- a dedicated information email address – info@barangaroo.com
- social media, including Facebook, YouTube, LinkedIn, Instagram and Twitter.

All mechanisms are monitored regularly, with enquiries and complaints responded to promptly and, where appropriate, forwarded on to Lendlease or Baulderstone for resolution.

Approximately 300 emails and 250 calls were received by the Authority during the year. These inquiries related to issues including:

- complaints about noise, dust, traffic and other construction impacts
- requests for information
- notification of technical difficulties with Barangaroo.com
- unsolicited proposals and requests for commercial opportunities
- requests for venue and function hire within the new Barangaroo precinct.

Digital Information Security Policy

Statement on Digital Information Security Policy for the 2014–15 financial year for the Barangaroo Delivery Authority

I, Craig van der Laan, am of the opinion that the 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 the Barangaroo Delivery Authority with a risk profile sufficient to warrant an independent Information Security Management System have developed such a 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 27001:2015: Information Security Technology – Security Techniques – Information Security Management Systems – Requirements* has been maintained by all or part of the Barangaroo Delivery Authority and all or part of any public sector agencies under its control.



Craig van der Laan
Chief Executive Officer
28 August 2015

Other statutory reporting obligations (continued)

Overseas travel and promotion

Name and role	Destination	Period of travel	Purpose
Brian ten Brinke – Project Director, Barangaroo Headland Park	United States	20–26 November 2014	Presentation to the 2014 Annual Meeting of the American Society of Landscape Architects

Waste

The Premier's Memorandum M2014-08: NSW Government Resource Efficiency Policy (GREP) was released in September 2014. The policy aims to reduce the NSW Government's operating costs and have the public sector lead by example in increasing resource efficiency.

The Authority is committed to sustainability, including reducing the generation of waste and minimising its energy use. The Authority provides annual performance information to the Department of Premier and Cabinet to allow ongoing measurement and appraisal of progress towards meeting GREP targets.

Waste minimisation and resource efficiency initiatives undertaken by the Authority in 2014–15 included:

- installation of sensor office lighting, individual climate control units in meeting rooms and waterless urinals
- the use of recycled office furniture, including workstations, meeting room tables and chairs, task chairs and storage units
- the use of recycled paper in office multifunction devices
- provision of recycling facilities in the office for paper, plastic, glass and aluminium.

Other statutory reporting obligations (continued)

Consultants

The Authority engages consultants for specialised work only where there is no in-house expertise or additional resources are required.

During the year, the Authority engaged consultants in such specialist areas as landscape design, urban planning, engineering, financial modelling and risk assessment, design evaluation, delivery, planning and sustainability.

48 consultants whose fees exceeded \$50,000 were engaged during the year as shown in the table below. These fees totalled \$20,021,354 and include consulting expenditure that was capitalised in the construction of Barangaroo Reserve and Central Barangaroo.

A further 167 consultants whose fees were valued at up to \$50,000 were engaged during the year to a value of \$2,150,822.

Consultant	Description	Total (\$)
Advisian Pty Ltd	Superintendent services for construction of Barangaroo Reserve	1,021,163
AECOM Australia Pty Ltd	Procurement advisory services for Central Barangaroo development	442,157
Allcom Consulting Services Pty Ltd	Data management advisory services	109,560
Allcom Networks Pty Ltd	Data management advisory services	276,540
Altus Group Cost Management Pty Ltd	Quantity surveyor	334,408
Andersen Hunter Horne	Urban planning services for Barangaroo development	395,108
APP Corporation Pty Ltd	Remediation services for ground contamination	906,588
AquAsia Pty Ltd	Financial analytics and modelling for Barangaroo South	88,000
Barbara Flynn Pty Ltd	Curatorial services for public domain art works	107,250
Baxco Pty Ltd	Commercial advisory services for property and infrastructure development	100,513
Cannings Advisory Services Pty Ltd	Public relations communication services	145,200
Clayton UTZ	Legal services for property development and commercial advisory	5,500,398
CONSARA Pty Ltd	Remediation advisory services for ground contamination	58,850
Corrs Chambers Westgarth	Legal services for commercial advisory	118,710
Cox Inall Ridgeway	Indigenous consultation services	72,394
Doll Martin Associates Pty Ltd	IT consulting advisory services for procurement and systems audit	63,140
Emery Studio	Wayfinding design services for Barangaroo Reserve	159,226
Ernst & Young	Financial advisory services for analysis and development bid evaluations	1,447,084
Finlay Consulting	Negotiation services for the Development Agreement	692,188
Flux Consultants Pty Ltd	Environmental sustainability advisory services	389,285
Gill Minervini Creative Pty Ltd	Project management services for Barangaroo Reserve activation program	161,867
GTA Consultants	Transport and traffic impact management services	52,030
Holding Redlich	Legal services for commercial advisory	77,625
Kathy Jones & Associates Pty Ltd	Community consultation and communication services	185,922
KMH Environmental Pty Ltd	Environmental advisory services for construction works	71,181
KPMG	Financial advisory services including technical accounting and tax advisory	492,309
Lander & Rogers	Legal services for commercial advisory	176,930
Mary Barlow	Human resource performance management services	75,985
Mecone Pty Ltd	Traffic and transport management services	61,667
Peter Walker Partners	Landscape design services for Barangaroo public domain	1,516,433
Philip Chun Associates	Building compliance advisory services	82,880

Other statutory reporting obligations (continued)

Consultants (continued)

PricewaterhouseCoopers	Internal audit services	201,222
Publicis Mojo Pty Ltd	Strategic community engagement and communication services	133,019
PWP Landcape Architecture	Landscape design services for Barangaroo public domain	183,840
Review Partners Pty Ltd	Community consultation and research services	75,207
Robert Bird Group Pty Ltd	Civil and structural engineering services	153,494
SAP Australia Pty Ltd	Enterprise resource planning software (licensing and support services)	150,801
Skidmore, Owings & Merrill LLP	Urban planning services	561,345
Smalls Recruiting	Recruitment services	98,992
Soap Creative Pty Ltd	Digital management services for Barangaroo websites	178,225
Talent2 Pty Ltd	Recruitment services	133,997
The Boston Consulting Group Pty Ltd	Strategic advisory services for development of Indigenous cultural centre	1,507,188
TSA Management Pty Ltd	Project management services for remediation and infrastructure services	576,296
Value Network Pty Ltd	Heritage consulting services for the Harbour Control Tower	64,064
Warren Smith & Partners	Civil engineering consultancy services	63,415
Wellcom Group Ltd	Film and media production services	147,037
WSP Lincolne Scott Pty Ltd	Infrastructure and environmental sustainability consulting services	343,968
WT Partnership	Quantity surveyor	66,655
Total		20,021,354

Other statutory reporting obligations (continued)

Land disposal

The Authority did not dispose of any land during the year.

Funds granted to non-government organisations

The Authority did not grant any funds to non-government community organisations during the year.

Payment of accounts

The table below summarises the Authority's accounts payable performance during the year. A target of 90 per cent of accounts paid on time was set and this was achieved.

The Authority will continue to drive improvements in this area and monitor its payment processes in the coming financial year to ensure that payment targets are met.

Accounts due or paid within each quarter

Description	Quarter ended 30 Sept 2014 \$'000	Quarter Ended 31 Dec 2014 \$'000	Quarter Ended 31 Mar 2015 \$'000	Quarter Ended 30 Jun 2015 \$'000	Total accounts paid on time \$'000
Percentage of accounts paid on time	93%	95%	95%	98%	97%
Total dollar of accounts paid on time – 0–30 days	39,980	44,650	38,222	107,591	230,441
31–60 days	1,447	1,373	876	1,942	
61–90 days	703	590	433	1,133	
>90 days	702	575	801	303	
Total dollar of accounts paid	42,832	47,188	40,332	110,969	241,321

Penalty interest was paid to a small business creditor for late payment on one occasion during the year due to a delay in reviewing the service and invoice details.

Credit card certification

In accordance with NSW Treasury TPP 05/01: Credit Card Use – Best Practice Guidelines, the Authority certifies that credit card use by Barangaroo Delivery Authority officers has been in accordance with the appropriate policies, Premier's Memorandums and Treasurer's Directions.

The Authority currently has one credit card on issue with a limit of \$5,000.

Annual Report costs

Production costs for this Annual Report were kept to a minimum with editing and design layout services outsourced as they were not available in-house. Costs amounted to \$3000.

Other statutory reporting obligations (continued)

Privacy Management Plan

The *Privacy and Personal Information Protection Act 1998* (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.

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

As required by the PPIP Act, the Authority reviewed its Privacy Management Plan in 2014–15 and will publish an updated plan on its website in the next financial year.

No applications for an internal review of conduct were received by or on behalf of the Authority pursuant to Part 5 of the PPIP Act this year.

Access to Government information

The *Government Information (Public Access) Act 2009* (GIPA Act) establishes a proactive framework in relation to the release of government information.

The guiding principle is public interest and it presumes that NSW government agencies, such as the Authority, will release or disclose information unless there is an overriding public interest against it.

Release of Government information

During the year, the Authority reviewed how it proactively releases information that is in the public interest.

The Authority also directed its employees continuously to review and consider whether information produced or received by the Authority could be released.

As a result, the Authority proactively released the following information during the year:

- 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
- corporate brochures.

Number of access applications received

The Authority received two formal government information access applications during the year, one of which was subsequently withdrawn.

As reported in the 2013–14 Annual Report, the Authority received one formal government information access application. This application was granted in part during the 2014–15 financial year.

Number of refused applications

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

Other statutory reporting obligations (continued)

Statistical information about access applications

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	1	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	1
Private sector business	0	1	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

* Statistics include the access application received in June 2014 but determined in the 2014–15 financial year.

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	2	0	0	0	0	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* Statistics include the access application received in June 2014 but determined in the 2014–15 financial year.

Other statutory reporting obligations (continued)

Invalid applications

Reason for invalidity	
Application does not comply with formal requirements	0
Application is for excluded information of the agency	0
Application contravenes restraint order	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Conclusive presumption of overriding public interest against disclosure

	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

Other public interest considerations against disclosure

	Times 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

Timeliness

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

Applications reviewed (by type of review and outcome)

	Decision upheld	Total
Internal review	0	0
Review by Information Commissioner*	0	0
Internal review following recommendation under section 93 of the Act	0	0
Review by Administrative Decisions Tribunal	0	0
Total	0	0

Applications (for review by type of applicant)

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

Other statutory reporting obligations (continued)

Public Interest Disclosures

The *Public Interest Disclosures Act 1994* (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 who report wrongdoing.

The Authority has made a Public Interest Disclosures Internal Reporting Policy available to its employees on the agency's intranet page which they are required to acknowledge they have read.

Statistical information on public interest disclosures

The statistical information about how the Authority met its obligations under the PID Act is set out in the tables below.

Public interest disclosures in 2014–15

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

Legislative changes and departures

There were no amendments to the *Barangaroo Delivery Authority Act 2009*, other Acts or subordinate legislation that affected the Authority during the year.

During the year, the Authority commenced preparation of the Barangaroo Delivery Authority Regulation, a set of regulations required for the effective and efficient management of those areas of the Barangaroo site to be converted to public domain. Public exhibition of the draft Regulation and the Regulatory Impact Statement commenced on 19 June 2015 and was to conclude on 10 July 2015. Submissions received will be considered and addressed in an updated Regulation and Regulatory Impact Statement.

Value share dispute

In relation to the value share dispute between the Authority and Lendlease reported in the 2014 Annual Report, the Court of Appeal of the Supreme Court of NSW delivered its judgement in August 2014, finding in favour of Lendlease. The dispute and related matters were ultimately included in a comprehensive settlement between the parties in May 2015, the details of which are confidential.

Section 4

Financial Statements

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Statement by Members of the Board of Barangaroo Delivery Authority

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 2015

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 2015 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 2015* 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
Chief Executive Officer
Barangaroo Delivery Authority

18 September 2015
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 2015, 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 2015, 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 *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 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 an 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 that are 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 management, 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 (continued)

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 the 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, that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and 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 role by the possibility of losing clients or income.



Weini Liao
Director, Financial Audit Services

18 September 2015
SYDNEY

Statement of comprehensive income

for the year ended 30 June 2015

Start of Audited Financial Statements

	Notes	Consolidated			Authority	
		Actual June 2015 \$'000	Budget June 2015 \$'000	Actual June 2014 \$'000	Actual June 2015 \$'000	Actual June 2014 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	(8,960)	(9,464)	(8,458)	(2,560)	(2,797)
Personnel services expense	2(a)	-	-	-	(6,400)	(5,661)
Other operating expenses	2(b)	(66,658)	(8,137)	(6,095)	(66,658)	(6,095)
Depreciation	2(c)	(1,602)	(396)	(418)	(1,602)	(418)
Grants and subsidies	2(d)	(40,915)	(40,317)	(21,318)	(40,915)	(21,318)
Finance costs	2(e)	(10,888)	(15,798)	(8,813)	(10,888)	(8,813)
Total expenses excluding losses		(129,023)	(74,112)	(45,102)	(129,023)	(45,102)
Revenue						
Investment revenue	3(a)	10,347	10,969	3,925	10,347	3,925
Other revenue	3(c)	2,696	47,047	1,246	2,696	1,246
Total revenue		13,043	58,016	5,171	13,043	5,171
Gain/(loss) on disposal	3(b)	64,706	7,387	80,015	64,706	80,015
Net result	17	(51,274)	(8,709)	40,084	(51,274)	40,084
Other comprehensive income						
Items that will not be reclassified to Net Result:						
Increase in property, plant and equipment revaluation surplus		57,211	-	33,190	57,211	33,190
Net change in the revaluation surplus arising from a change in the restoration liability		(109,660)	-	-	(109,660)	-
Total items that will not be reclassified to net result in the future		(52,449)	-	33,190	(52,449)	33,190
Total items that may be reclassified subsequently to Net Result		-	-	-	-	-
Total other comprehensive income		(52,449)	-	33,190	(52,449)	33,190
Total comprehensive income		(103,723)	(8,709)	73,274	(103,723)	73,274

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2015

	Notes	Consolidated			Authority	
		Actual June 2015 \$'000	Budget June 2015 \$'000	Actual June 2014 \$'000	Actual June 2015 \$'000	Actual June 2014 \$'000
Assets						
Current assets						
Cash and cash equivalents	4	40,284	85	6,177	40,040	5,923
Receivables	5	71,278	121,255	76,742	71,278	76,742
Non-current assets held for sale	6	23,049	49,805	10,394	23,049	10,394
Total current assets		134,611	171,145	93,313	134,367	93,059
Non-current assets						
Receivables	5	218,620	47,822	124,717	218,620	124,717
Property, plant and equipment						
Land and buildings		228,787	97,730	185,712	228,787	185,712
Plant and equipment		358	367	466	358	466
Work in progress		241,686	257,141	158,735	241,686	158,735
Total property, plant and equipment	7	470,831	355,238	344,913	470,831	344,913
Total non-current assets		689,451	403,060	469,630	689,451	469,630
Total assets		824,062	574,205	562,943	823,818	562,689
Liabilities						
Current liabilities						
Payables	9	51,950	15,843	25,069	52,171	25,262
Borrowings	10	60,669	120,922	86,328	60,669	86,328
Provisions	11	33,250	21,808	8,697	32,750	8,250
Total current liabilities		145,869	158,573	120,094	145,590	119,840
Non-current liabilities						
Payables	9	-	-	-	212	149
Borrowings	10	404,383	233,812	140,101	404,383	140,101
Provisions	11	190,859	41,232	116,074	190,682	115,925
Total non-current liabilities		595,242	275,044	256,175	595,277	256,175
Total liabilities		741,111	433,617	376,269	740,867	376,015
Net assets		82,951	140,588	186,674	82,951	186,674
Equity						
Reserves		-	19,259	52,449	-	52,449
Accumulated funds		82,951	121,329	134,225	82,951	134,225
Total equity		82,951	140,588	186,674	82,951	186,674

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2015

	Consolidated			Authority			
	Notes	Accumulated funds \$'000	Asset revaluation surplus \$'000	Total \$'000	Accumulated funds \$'000	Asset revaluation surplus \$'000	Total \$'000
Balance at 1 July 2014		134,225	52,449	186,674	134,225	52,449	186,674
Net result for the year		(51,274)	-	(51,274)	(51,274)	-	(51,274)
Other comprehensive income							
Net increase in property, plant and equipment asset revaluation surplus		-	57,211	57,211	-	57,211	57,211
Change in restoration liability			(109,660)	(109,660)		(109,660)	(109,660)
Total other comprehensive income		-	(52,449)	(52,449)	-	(52,449)	(52,449)
Total comprehensive income for the year		(51,274)	(52,449)	(103,723)	(51,274)	(52,449)	(103,723)
Balance at 30 June 2015		82,951	(0)	82,951	82,951	(0)	82,951
Balance at 1 July 2013		94,141	19,259	113,400	94,141	19,259	113,400
Net result for the year		40,084	-	40,084	40,084	-	40,084
Other comprehensive income							
Net increase in property, plant and equipment asset revaluation surplus		-	33,190	33,190	-	33,190	33,190
Total other comprehensive income		-	33,190	33,190	-	33,190	33,190
Total comprehensive income for the year		40,084	33,190	73,274	40,084	33,190	73,274
Balance at 30 June 2014		134,225	52,449	186,674	134,225	52,449	186,674

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2015

	Notes	Consolidated			Authority	
		Actual June 2015 \$'000	Budget June 2015 \$'000	Actual June 2014 \$'000	Actual June 2015 \$'000	Actual June 2014 \$'000
Cash flows from operating activities						
Payments						
Employee related		(9,352)	(9,163)	(8,910)	(9,352)	(8,910)
Grants and subsidies		(2,987)	(40,317)	(23,449)	(2,987)	(23,449)
Finance costs		(9,275)	(15,798)	(11,771)	(9,275)	(11,771)
Other		(110,859)	(78,189)	(8,231)	(110,849)	(8,485)
Total payments		(132,473)	(143,467)	(52,361)	(132,463)	(52,615)
Receipts						
Interest received		258	10,969	745	258	745
Other		10,663	57,047	76,160	10,663	76,160
Total receipts		10,921	68,016	76,905	10,921	76,905
Net cash flows from operating activities	15	(121,552)	(75,451)	24,544	(121,542)	24,290
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		-	94,256	-	-	-
Purchases of property, plant and equipment		(82,965)	(80,777)	(83,533)	(82,965)	(83,533)
Advances made		-	(50,789)	-	-	-
Net cash flows from investing activities		(82,965)	(37,310)	(83,533)	(82,965)	(83,533)
Cash flows from financing activities						
Proceeds from borrowings		373,173	183,245	123,225	373,173	123,225
Repayment of borrowings		(134,549)	(84,549)	(42,750)	(134,549)	(42,750)
Dividends paid		-	-	(21,907)	-	(21,907)
Net cash flows from financing activities		238,624	98,696	58,568	238,624	58,568
Net increase/(decrease) in cash		34,107	(14,065)	(421)	34,117	(675)
Opening cash and cash equivalents		6,177	14,150	6,598	5,923	6,598
Closing cash and cash equivalents	4	40,284	85	6,177	40,040	5,923

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 principal 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 2015 have been authorised for issue by the Authority's Board on 18 September 2015.

(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 *Public Finance and Audit Regulation 2015*
- 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 where the Authority is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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.

Notes to the financial statements (continued)

(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.

(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.

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.

(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*.

(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) Operating Expenditure

Expenses are incurred on an accrual basis and are recognised as expenditure for the year to the extent that the Authority has benefited from receiving the goods or services and the expenditure can be reliably measured.

(j) 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 price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

(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.

Notes to the financial statements (continued)

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 three 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 2015 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of their fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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.

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 2014/15:

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

(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.

Notes to the financial statements (continued)

(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 recognised as an expense on a straight line basis over the lease term.

(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) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the 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 derecognised 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. 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 gain/losses. 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 gains/losses in the net result.

(xi) 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.

Notes to the financial statements (continued)

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.

(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 15/09) 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.

(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.

Periodic changes in the restoration provision are accounted for in accordance with the requirements of AASB Interpretation 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities" and the revaluation model requirements of AASB 116 "Property, Plant and Equipment" for not-for-profit entities. Other increases or decreases in the provision resulting from periodic changes to the estimated timing or amount of future remediation costs, or changes to the discount rate used, alter the revaluation increase or decrease previously recognised on the underlying asset. An increase in the provision is recognised in the Net Result except to the extent that it reverses any Asset Revaluation Reserve balance in respect of the underlying class of assets. A decrease in the provision is credited to the Asset Revaluation Reserve except to the extent that it reverses any previous increase recognised in the Net Result in respect of the underlying class of assets. Any changes to the Asset Revaluation Reserve resulting from these provision increases or decreases are separately identified and disclosed within Other Comprehensive Income.

Notes to the financial statements (continued)

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 Authority 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 16 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 (j)(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. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 17.

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 2014-15

The accounting policies applied in 2014-15 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 2014-15:

- AASB 10, 11, 12, 127, 128
- AASB 2013-8
- AASB 1055, 2013-1
- AASB 136, 2013-6, 2013-3

In 2014-15, the Authority has early adopted AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities which provides relief from certain disclosure requirements for assets within the scope of AASB 116 Property, Plant and Equipment that are held mainly for their current service potential. AASB 2015-7 does not have a material impact on the Authority's financial statements. Quantitative information on significant unobservable inputs used, total gains and losses included in profit or loss relating to the change in unrealised gains or losses for assets held and narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs for Level 3 recurring fair value measurements are no longer required.

Notes to the financial statements (continued)

(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 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	Annual reporting periods beginning on or after 1 July 2015.
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	Annual reporting periods beginning on or after 1 January 2016.
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	Annual reporting periods beginning on or after 1 January 2016.
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	Annual reporting periods beginning on or after 1 January 2016.
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	Annual reporting periods beginning on or after 1 January 2016.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	Annual reporting periods beginning on or after 1 July 2016.
AASB 15/2014-5 amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	Annual reporting periods beginning on or after 1 January 2017.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	Annual reporting periods beginning on or after 1 January 2018.

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 (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
2 Expenses				
(a) Employee related expense				
Salaries and wages (including annual leave)	5,500	4,642	-	-
Superannuation: defined contribution plans	368	353	-	-
Long service leave	102	35	-	-
Workers' compensation insurance	20	27	-	-
Payroll tax and fringe benefits	410	604	-	-
Personnel services expenses	-	-	6,400	5,661
Contractors	2,560	2,797	2,560	2,797
	8,960	8,458	8,960	8,458
(b) Other operating expenses				
Administration	2,646	2,671	2,646	2,671
Auditor's remuneration: audit of financial statements	118	119	118	119
Consultants	5,541	4,317	5,541	4,317
Directors' fees	137	173	137	173
Insurance	12	13	12	13
Legal	2,507	2,575	2,507	2,575
Community and consultation	1,086	730	1,086	730
Site expenses	627	739	627	739
Restoration expense	53,984	(5,242)	53,984	(5,242)
	66,658	6,095	66,658	6,095
(c) Depreciation expenses				
Property, plant and equipment	1,602	418	1,602	418
	1,602	418	1,602	418
(d) Grants and subsidies				
Wynyard Walk	38,200	20,000	38,200	20,000
Integration works: local council	2,715	1,318	2,715	1,318
	40,915	21,318	40,915	21,318
(e) Finance costs				
Interest on borrowing not at fair value through profit or loss	10,888	8,813	10,888	8,813
	10,888	8,813	10,888	8,813
3 Revenue				
(a) Investment revenue				
Interest from cash at bank	245	620	245	620
Interest from finance leases	10,089	3,180	10,089	3,180
TCorp Hour-Glass Investment Facilities designated at fair value through profit or loss	13	125	13	125
	10,347	3,925	10,347	3,925

Notes to the financial statements (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
3 Other revenue (cont.)				
(b) Gain/(loss) on disposal				
Proceeds from lease of land	64,706	192,931	64,706	192,931
Written down value of land	-	(112,916)	-	(112,916)
	64,706	80,015	64,706	80,015
(c) Other revenue				
Road permits	805	785	805	785
Sundry revenue	1,891	461	1,891	461
	2,696	1,246	2,696	1,246
4 Current assets: cash and cash equivalents				
Cash at bank and on hand	5,271	6,177	5,027	5,923
TCorp Hour-Glass Cash Facility	35,013	-	35,013	-
	40,284	6,177	40,040	5,923
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 on credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.				
5 Current/non-current assets: receivables				
Current				
Sundry debtors	3,047	294	3,047	294
Goods and services tax recoverable	1,133	2,396	1,133	2,396
Accrued revenue	93	2,118	93	2,118
Prepayments	4,504	129	4,504	129
Finance lease receivables	13	62,501	62,501	71,805
	71,278	76,742	71,278	76,742
Non-current				
Finance lease receivables	13	218,620	218,620	124,717
	218,620	124,717	218,620	124,717
Details on credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.				
6 Non-current assets: held for sale				
Balance at the beginning of the financial year	10,394	113,888	10,394	113,888
Sale of leased land	-	(112,916)	-	(112,916)
Transfer from land and buildings	12,655	9,422	12,655	9,422
Balance at the end of the financial year	23,049	10,394	23,049	10,394
Land in respect of one retail building was transferred to held for sale as it is expected to reach substantial commencement over the next 12 months.				

Notes to the financial statements (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
7 Non-current assets: property, plant and equipment				
Land and buildings at fair value				
Gross carrying amount	230,770	186,214	230,770	186,214
Accumulated depreciation	(1,983)	(502)	(1,983)	(502)
Net carrying amount	228,787	185,712	228,787	185,712
Plant and equipment at fair value				
Gross carrying amount	2,138	2,125	2,138	2,125
Accumulated depreciation	(1,780)	(1,659)	(1,780)	(1,659)
Net carrying amount	358	466	358	466
Work in progress	241,686	158,735	241,686	158,735
Total property, plant and equipment at fair value	470,831	344,913	470,831	344,913
Gross carrying amount	474,594	347,074	474,594	347,074
Accumulated depreciation	(3,763)	(2,161)	(3,763)	(2,161)
Total property, plant and equipment at fair value	470,831	344,913	470,831	344,913

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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Land and buildings at fair value				
Net carrying amount at 1 July	185,712	163,204	185,712	163,204
Additions	-	-	-	-
Reclassification of assets held for sale	(12,655)	(9,422)	(12,655)	(9,422)
Revaluation	57,211	33,190	57,211	33,190
Depreciation expense	(1,481)	(260)	(1,481)	(260)
Transfer to finance lease receivable	-	(1,000)	-	(1,000)
Net carrying amount at 30 June	228,787	185,712	228,787	185,712
Plant and equipment at fair value				
Net carrying amount at 1 July	466	605	466	605
Additions	13	19	13	19
Disposals	-	-	-	-
Depreciation expense	(121)	(158)	(121)	(158)
Net carrying amount at 30 June	358	466	358	466
Work in progress				
Opening balance at 1 July	158,735	75,221	158,735	75,221
Additions	82,951	83,514	82,951	83,514
Capitalised and transferred to fixed assets	-	-	-	-
Closing balance at 30 June	241,686	158,735	241,686	158,735

Notes to the financial statements (continued)

8 Fair value measurement of non-financial assets

(a) Fair value hierarchy

2015

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Property plant and equipment (Note 7)				
Land and buildings	-	221,537	7,250	228,787
Non-current assets held for sale (Note 6)	-	23,049	-	23,049
	-	244,586	7,250	251,836

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

2014

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

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

2015

	Land and Buildings \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2014	7,250	7,250
Additions	-	-
Revaluation increments/decrements recognised in Net Result included in the line item 'Increase in property, plant and equipment revaluation surplus'	-	-
Disposals	-	-
Depreciation expense	-	-
Fair value as at 30 June 2015	7,250	7,250

There were no transfers to or from level 3 in the period.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
9 Current/non-current liabilities: payables				
Current				
Creditors	47	6,506	47	6,506
Accrued expenses	7,645	14,300	7,645	14,300
Refundable security deposits and bonds	1,103	979	1,103	979
Interest payable	4,731	3,118	4,731	3,118
Personnel services payable	-	-	445	359
Payables: accrued salaries, wages and on-costs	224	166	-	-
Wynyard Walk contribution payable	38,200	-	38,200	-
	51,950	25,069	52,171	25,262
Non-current				
Personnel services payable	-	-	212	149
	-	-	212	149
Details on credit risk, liquidity risk and market risk are disclosed in Note 16.				
10 Current/non-current liabilities: borrowings				
Current				
TCorp borrowings	60,669	86,328	60,669	86,328
	60,669	86,328	60,669	86,328
Non-current				
TCorp borrowings	404,383	140,101	404,383	140,101
	404,383	140,101	404,383	140,101

The fair value of these loans as at balance date was \$476 million (2014: \$235 million).

Details on credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 16.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
11 Current/non-current liabilities: provisions				
Current				
Employee benefits and related on-costs				
Annual leave	465	447	-	-
Long service leave	35			
Other provisions				
Provision for restoration	32,750	8,250	32,750	8,250
	33,250	8,697	32,750	8,250
Non-current				
Employee benefits and related on-costs				
Long service leave	177	149	-	-
Other provisions				
Provision for Restoration	190,682	115,925	190,682	115,925
	190,859	116,074	190,682	115,925
Aggregate employee benefits and related on-costs				
Provisions: current	500	447	-	-
Provisions: non-current	177	149	-	-
Accrued salaries, wages and on-costs (Note 9)	224	166	-	-
	901	762	-	-

In accordance with the NSW TC 15/09 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. All annual leave classified as a current liability is expected to be settled within 12 months of balance date.

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:

	Restoration \$'000	Total \$'000
2015		
Carrying amount at the beginning of the financial year	124,175	124,175
Additional provisions recognised	163,644	163,644
Amounts used	(64,387)	(64,387)
Unused amount reversed		-
Carrying amount at the end of the financial year	223,432	223,432

The Environment Protection Authority (EPA) has declared the footprint of the former Millers Point Gasworks, which remains under a portion of Hickson Road and Barangaroo, a remediation site. The restoration provision accounts for all requisite investigation works, documentation, technological studies, regulatory liaison and restoration works. During 2015, the Authority obtained updated independent third party analysis which provided a range of possible cost outcomes reflecting different scenarios and assumptions, including uncertainties and risks. The provision reflects management's judgement and assumptions regarding method, the extent of contamination, costs for remediation works and other conditions. The provision has been increased due to a change in estimated costs as a consequence of this updated analysis. The provision has been calculated using the Commonwealth Government Bond rate at 30 June 2015. Restoration works are expected to be completed by June 2018.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
12 Commitments for expenditure				
(a) Capital commitments				
Aggregate capital expenditure for the construction of Barangaroo Reserve contracted for at balance date and not provided for:				
Not later than one year	15,082	75,914	15,082	75,914
Later than one year and not later than five years	-	8,435	-	8,435
Later than five years	-	-	-	-
Total (including GST)	15,082	84,349	15,082	84,349

The capital commitments above include GST of \$1.4m (2014: \$7.7m) that are expected to be recoverable from the Australian Taxation Office.

13 Leases

(a) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	701	509	701	509
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	701	509	701	509

Operating leases relate to property. These leases have an average life of one year with an option to renew.

The operating lease commitments above include GST of \$0.06 million (2014: \$0.05 million) that are expected to be recoverable from the Australian Taxation Office.

(b) Finance lease receivable

Not later than one year	62,501	71,805	62,501	71,805
Later than one year and not later than five years	34,802	137,574	34,802	137,574
Later than five years	291,311	28,200	291,311	28,200
Minimum lease payments receivable	388,614	237,579	388,614	237,579
Less future interest income	(107,493)	(41,057)	(107,493)	(41,057)
Present value of minimum lease payment receivables	281,121	196,522	281,121	196,522

Included in Financial Statements (refer Note 5)

Current finance lease receivable	62,501	71,805	62,501	71,805
Non-current finance lease receivable	218,620	124,717	218,620	124,717
	281,121	196,522	281,121	196,522

14 Contingent liabilities and contingent assets

There were no known contingent liabilities or assets at balance date.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
15 Reconciliation of cash flows from operating activities to net result				
Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income				
Net cash from/(used on) operating activities	(121,552)	24,544	(121,542)	24,290
Depreciation	(1,602)	(418)	(1,602)	(418)
Gain on sale of property, plant and equipment	64,706	80,015	64,706	80,015
Finance lease interest income	10,089	3,180	10,089	3,180
Decrease/(increase) in receivables	13,647	(71,646)	13,647	(71,646)
Increase/(decrease) in creditors	(26,884)	(5,393)	(26,894)	(5,139)
(Decrease)/increase in provisions	10,322	9,802	10,322	9,802
Increase/(decrease) in unearned income	-	-	-	-
Net result	(51,274)	40,084	(51,274)	40,084

16 Financial instruments

The Barangaroo Delivery Authority's 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 to policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, set risk limits and controls and 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
			2015 \$'000	2014 \$'000
Class:				
Cash and cash equivalents	4	N/A	40,284	6,177
Receivables *	5	Loans and receivables (at amortised cost)	284,261	198,934
			Carrying amount	Carrying amount
			2015 \$'000	2014 \$'000
Financial liabilities				
Class:				
Payables **	9	Financial liabilities measured at amortised cost	50,847	24,090
Borrowings	10	Financial liabilities measured at amortised cost	465,052	226,429

Notes

* Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

Notes to the financial statements (continued)

(b) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the 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 Treasury Corporation (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 TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour-Glass Cash Facility is discussed in paragraph (d) below.

Receivables: trade debtors

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

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

	\$'000		
	Total	Past due but not impaired	Considered impaired
2015			
< 3 months overdue	1,714	1,714	
3 months - 6 months overdue	175	175	
> 6 months overdue	129	129	
2014			
< 3 months overdue	52	52	
3 months - 6 months overdue	32	32	
> 6 months overdue	32	32	

Notes

Each column in the table reports 'gross receivables'.

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the Statement of Financial Position.

Authority deposits

The Authority has placed funds on deposit with TCorp, which has been rated 'AAA' by Standards and 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 earn an average interest rate of 2.2% (2014: 2.5%) while over the year the weighted average interest rate was 2.2% (2014: 2.88%) on a weighted average balance during the year of \$0.57 million (2014: \$0.94 million). None of these assets are past due or impaired.

Notes to the financial statements (continued)

(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 TCorp of \$595 million (2014: \$355 million). The net fair value of these loans at balance date was \$476 million (2014: \$235 million). The weighted average effective interest rate for the year for loans was 3.28% (2014: 3.89%).

During the current and prior year, there were no defaults on loans payable. No assets have been pledged as collateral.

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) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.82% (2014: 10.7%).

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
2015								
Payables	-	50,847	-	-	50,847	50,847	-	-
TCorp borrowings	3.28%	465,052	465,052	-	-	79,520	278,810	165,337
		515,899	465,052	-	50,847	130,367	278,810	165,337
2014								
Payables	-	24,090	-	-	24,090	24,090	-	-
TCorp borrowings	3.89%	226,429	226,429	-	-	95,959	150,341	-
		250,519	226,429	-	24,090	120,049	150,341	-

Notes

* 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.

(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 movement in the unit price of 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 interest rate risk and other price risk is outlined in the information below. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the timeframe 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 2014. The analysis assumes that all other variables remain constant.

Notes to the financial statements (continued)

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 (based on the RBA interest rate volatility over the last five years). 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
2015					
Financial assets					
Cash and cash equivalents	40,284	(403)	(403)	403	403
Receivables	284,261	-	-	-	-
Financial liabilities					
Payables	50,847	-	-	-	-
Borrowings	-	-	-	-	-
2014					
Financial assets					
Cash and cash equivalents	6,177	(62)	(62)	62	62
Receivables	198,934	-	-	-	-
Financial liabilities					
Payables	24,090	-	-	-	-
Borrowings	-	-	-	-	-

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	2015 \$'000	2014 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	35,013	-

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 is required to act in the best interest of the unit holders and 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 TCorp 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).

	Impact on profit/loss \$'000		
	Change in unit price	2015	2014
Hour-Glass Investment Cash Facility	-1%	(350)	-
Hour-Glass Investment Cash Facility	1%	350	-

Notes to the financial statements (continued)

(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. With the exception of borrowings, the amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value because of the short-term nature of many of the financial instruments. The fair value of borrowings at balance date is disclosed in Note 16(c). All of the Hour-Glass facilities are valued using 'redemption pricing'.

(ii) Fair value recognised in the statement of financial position

Financial assets at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2015 Total \$'000
TCorp Hour-Glass Investment Facility	-	35,013	-	35,013
	-	35,013	-	35,013

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

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

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

17 Budget review

Net result

The net result for the 2015 financial year was a \$51.3 million deficit against a budget deficit of \$8.7 million. This \$42.6 million decrease on budget reflects a range of matters resolved during the year, including the impact of the settlement of the court case with Lendlease concerning value share payments and an increase in provisions for the costs of addressing historical contamination on the site.

Assets and liabilities

Overall net assets at 30 June 2015 were \$57.6 million lower than budget due to an increase in provisions which includes restoration works on the site.

Total assets are \$249.9 million higher than budget due to the revaluation of land and an increase in the finance lease receivables.

The Authority's borrowings are higher due to timing of developer payments and funding expenditure and activities as the project progresses.

Cash flows

The actual cash movement was \$48.2 million favourable to budget. This was due to additional borrowings to fund activities as included in the Net Result.

18 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

Barangaroo Delivery Authority Staff Agency

Barangaroo Delivery Authority Staff Agency

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 2015

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 2015 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 2015* 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
Chief Executive Officer
Barangaroo Delivery Authority

18 September 2015
Sydney

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Barangaroo Delivery Authority Staff Agency

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Barangaroo Delivery Authority Staff Agency (the Agency), which comprise the statement of financial position as at 30 June 2015, 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 2015, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 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 an 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 management, 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 (continued)

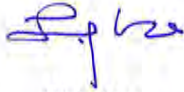
My opinion does *not* provide assurance:

- about the future viability of the Agency
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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.



Weini Liao
Director, Financial Audit Services

18 September 2015
SYDNEY

Statement of comprehensive income

for the year ended 30 June 2015

Start of Audited Financial Statements

	Notes	Actual 2015 \$'000	Actual 2014 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2	6,400	5,661
Total expenses excluding losses		6,400	5,661
Personnel services revenue		(6,400)	(5,661)
Total revenue		(6,400)	(5,661)
Net result		-	-
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income		-	-

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2015

	Notes	Actual 2015 \$'000	Actual 2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	3	245	254
Receivables	4	656	508
Total current assets		901	762
Non-current assets			
Receivables		-	-
Total non-current assets		-	-
Total assets		901	762
Liabilities			
Current liabilities			
Payables	5	224	166
Provisions	6	500	447
Total current liabilities		724	613
Non-current liabilities			
Provisions	6	177	149
Total non-current liabilities		177	149
Total liabilities		901	762
Net assets		-	-
Equity			
Accumulated funds		-	-
Total equity		-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2015

	Notes	Accumulated funds \$'000
Balance at 1 July 2014		-
Net result for the year		-
Total comprehensive income		-
Transactions with owners in their capacity as owners		-
Balance at 30 June 2015		-
Balance at 1 July 2013		-
Net result for the year		-
Total comprehensive income		-
Transactions with owners in their capacity as owners		-
Balance at 30 June 2014		-

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2015

	Notes	Actual 2015 \$'000	Actual 2014 \$'000
Cash flows from operating activities			
Payments			
Employee related		(6,388)	(4,123)
Other		-	-
Total payments		(6,388)	(4,123)
Receipts			
Other		6,379	4,377
Total receipts		6,379	4,377
Net cash flows from operating activities	9	(9)	254
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash held		(9)	254
Opening cash and cash equivalents		254	-
Closing cash and cash equivalents	3	245	254

The accompanying notes form part of these financial statements.

Notes to the financial statements

Barangaroo Delivery Authority Staff Agency

1 Summary of Significant Accounting Policies

(a) Reporting entity

Barangaroo Delivery Authority Staff Agency (the Agency) 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 (the Authority).

These financial statements for the year ended 30 June 2015 have been authorised for issue by the Authority's Board on 18 September 2015.

(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 *Public Finance and Audit Regulation 2015*

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 derecognised 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 Statement of Comprehensive 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 derecognised 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 (continued)

(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*. This is based on the application of certain factors (specified in NSW TC 15/09) 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. A discount rate of 3.5% (2014: 5%) 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 2014-15

The accounting policies applied in 2014-15 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 2014-15:

- AASB 10, 11, 12, 127, 128
- AASB 2013-8
- AASB 1055, 2013-1
- AASB 136, 2013-6, 2013-3

(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 15/2014-5 amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	Annual reporting periods beginning on or after 1 January 2017.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	Annual reporting periods beginning on or after 1 July 2016.
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	Annual reporting periods beginning on or after 1 July 2015.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	Annual reporting periods beginning on or after 1 January 2018.
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	Annual reporting periods beginning on or after 1 January 2016.
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	Annual reporting periods beginning on or after 1 January 2016.
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	Annual reporting periods beginning on or after 1 January 2016.
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	Annual reporting periods beginning on or after 1 January 2016.

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 (continued)

	Actual 2015 \$'000	Actual 2014 \$'000
Expenses		
2 Employee related expenses		
Salaries and wages (including annual leave)	5,500	4,642
Superannuation – defined contribution plans	368	353
Long service leave	102	35
Workers compensation insurance	20	27
Payroll tax and fringe benefits	410	604
	6,400	5,661
3 Current assets – cash and cash equivalents		
Cash at bank and on hand	254	254
	254	254
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short term deposits.		
4 Current receivables		
Receivable from Barangaroo Delivery Authority	656	508
	656	508
5 Current / non-current – payables		
Payable – accrued salaries, wages and on-costs	224	166
	224	166
6 Current / non-current - provisions		
Annual leave (current)	465	447
Long service leave (current)	35	-
Long service leave (non-current)	177	149
	677	626
All annual leave classified as a current liability is expected to be settled within 12 months of balance date.		
Aggregate employee benefits and related on-costs		
Provisions (current)	500	447
Provisions (non-current)	177	149
Accrued salaries, wages and on-costs (note 5)	224	166
	901	762
7 Commitments for expenditure		
The Agency has no capital commitments or lease commitments at 30 June 2015 (2014:nil).		

Notes to the financial statements (continued)

8 Contingent liabilities and contingent assets

There are no known contingent liabilities or assets at balance date (2014:nil).

9 Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income

	Actual 2015 \$'000	Actual 2014 \$'000
Net cash from /(used on) operating activities	(9)	254
Decrease/(increase) in receivables	148	(85)
Increase/(decrease) in creditors	(58)	(31)
Increase/(decrease) in provisions	(81)	(138)
Net result	-	-

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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