

Infrastructure NSW

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# Annual report 2021-22

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Infrastructure NSW Annual Report



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## Letter to the Minister

The Hon. Rob Stokes  
Minister for Infrastructure  
Parliament House  
Macquarie Street Sydney NSW 2000

Dear Minister

I am pleased to submit for presentation to Parliament the Infrastructure NSW Annual Report for the financial year ended 30 June 2022.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Government Sector Audit Act 1983* and the regulations under those Acts.

The financial statements for 2021–22, which form part of the report, have been submitted to and certified by the Auditor-General of New South Wales.

Yours sincerely

A handwritten signature in black ink, appearing to be 'SD', with a horizontal line extending to the right from the end of the signature.

Simon Draper  
Chief Executive

## Acknowledgement of Country

**Infrastructure NSW acknowledges the Traditional Custodians of the lands where we walk, work and live, and pays respect to their Elders past and present.**

**We acknowledge and respect their continuing connection to the land, seas and waterways of NSW, and the continuation of their cultural, spiritual and educational practices.**

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# About us

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Infrastructure NSW provides independent, evidence-based advice to the NSW Government on infrastructure investment and prioritisation. We were established under the *Infrastructure NSW Act 2011*.

Infrastructure NSW's core functions include providing independent and strategic advice to ensure infrastructure investment decisions are underpinned by robust assessment and long-term planning; monitoring NSW's infrastructure program through independent reviews and expert analysis; recommending infrastructure projects to the NSW Treasurer for funding from the Restart NSW Fund; and managing the procurement and delivery of nominated priority projects. Infrastructure NSW is also responsible for the development of the Barangaroo and Blackwattle Bay precincts.

## The Act

Infrastructure NSW was established in July 2011 under the *Infrastructure NSW Act 2011*. The Act tasks Infrastructure NSW with the following functions:

- a) to prepare and submit to the Minister a 20-year State infrastructure strategy
- b) to prepare and submit to the Minister 5-year infrastructure plans and other plans requested by the Minister
- c) to prepare and submit to the Minister sectoral state infrastructure strategy statements
- d) to prepare project implementation plans for major infrastructure projects
- e) to review and evaluate proposed major infrastructure projects by government agencies or the private sector and other proposed infrastructure projects (including recommendations for the role of Infrastructure NSW in the delivery of those projects)
- f) to oversee and monitor the delivery of major infrastructure projects and other infrastructure projects identified in plans adopted by the Minister
- g) to carry out or be responsible for the delivery of a specified major infrastructure project in accordance with an order of the Minister under Part 5 of the Act
- h) to assess the risks involved in planning, funding, delivering and maintaining infrastructure, and the management of those risks
- i) to provide advice to the Minister on economic or regulatory impediments to the efficient delivery of specific infrastructure projects or infrastructure projects in specific sectors
- j) to provide advice to the Minister on appropriate funding models for infrastructure
- k) to co-ordinate the infrastructure funding submissions of the State and its agencies to the Commonwealth Government and to other bodies
- l) to carry out reviews of completed infrastructure projects at the request of the Minister

m) to provide advice on any matter relating to infrastructure that the Minister requests.

Infrastructure NSW also has functions under the *Barangaroo Act 2009* including:

- 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 Reserve 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 Reserve and public domain that are consistent with their use for 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 co-ordination and provision of infrastructure associated with Barangaroo
- g) to undertake the delivery of infrastructure associated with Barangaroo or that relates to the principal functions under that Act of Infrastructure NSW.

Under an agreement between Infrastructure NSW and Place Management NSW, from 4 March 2022 Place Management NSW has performed the Barangaroo activation and precinct management functions for Infrastructure NSW.

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# Chairman and CEO overview

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Throughout 2021-22, Infrastructure NSW continued to provide independent, expert advice to support the NSW Government's infrastructure investment program, culminating in the delivery of *Staying Ahead: State Infrastructure Strategy 2022-2042*. The strategy reports on the scale and transformational impact of NSW's infrastructure investment program over the past decade, and signals that the pace of investment is likely to continue over the next 20 years. It recommends the government be prepared to sustain high levels of infrastructure funding to support robust economic growth, allowing NSW to continue to stay ahead. While selected megaprojects will continue to be the backbone of transformational investments, a more phased approach to delivery is recommended and a more diverse set of smaller projects will provide high paybacks over the period ahead.

The 2022 State Infrastructure Strategy informed the development of the 2022-23 State Infrastructure Plan which outlines the demand drivers and market context for the government's infrastructure program over the next 5 years. The plan includes the NSW Major Projects Pipeline which provides a forward view of infrastructure under development by the NSW Government.

Following the devastating floods in 2022, Infrastructure NSW supported the State Recovery Committee by coordinating infrastructure recovery efforts. The team collated vital data on impacted assets to enable whole-of-state estimation of physical and financial impacts to support decision making and inform funding for reconstruction. Coordination duties have now transferred to the Northern Rivers Reconstruction Corporation, established on 1 July 2022, and Infrastructure NSW has taken on an advisory role.

The Hawkesbury Nepean Valley Flood Mitigation Team achieved significant progress across the 9 outcome areas under the Flood Strategy, including delivery of public awareness campaigns to encourage the local community to be prepared for flood. In partnership with Water NSW, the Environmental Impact Statement for the proposal to raise the Warragamba Dam wall was exhibited in the latter part of 2021, and work continues on preparing a response to submissions.

In response to COVID-19, Infrastructure NSW played a key leadership role in working with industry and delivery agencies to ensure a safe re-opening of the construction sector following the construction pause and staged reopening in 2021. A reopening roadmap that balanced the needs of economic recovery with safe workplace practices to reduce the spread of COVID-19 enabled construction to resume quickly, and the industry became an early leader in COVID-safe work practices and vaccination. Commercial guidelines supported early settlement of claims by encouraging parties to mitigate long term impacts on project delivery.

Projects NSW completed construction of Wharf 2/3 at Walsh Bay in December 2021 marking the completion of all major construction of the \$371.3 million Walsh Bay Arts Precinct project. The project received numerous accolades and awards, including the prestigious NSW Architecture Medallion at the 2022 NSW Architecture Awards. Significant progress was made on the delivery of 4 other projects. Construction of the new \$828 million Sydney Football Stadium was scheduled for completion on 1 August 2022, with Indigenous artist Tony Albert's spectacular seating design attracting positive attention. Construction of the \$344 million extension of the Art Gallery of NSW, known as Sydney Modern, was on track to be completed in September 2022. Major work commenced on the Powerhouse Parramatta site in February 2022, and the new \$750 million Sydney Fish Market remains on track to open in late 2024. Relocating the Sydney Fish Market to the head of Blackwattle Bay unlocks approximately 10.4 hectares of harbourside land, a rare opportunity for urban renewal. A state significant planning process to rezone the land and establish planning



frameworks is progressing, with a response to submissions and revised precinct plan due to be provided to the Department of Planning and Environment in July 2022.

In Barangaroo South, construction on the third and final residential building in Lendlease's One Sydney Harbour development began. The plaza between Shelley Street and Exchange Place was completed, as was the Hickson Park amenities building. In Central Barangaroo, a significant milestone was achieved with the lodgement of modification 9 to the concept plan which seeks amendments to the building heights, envelopes and footprints for Central Barangaroo. Barangaroo maintained its carbon neutral certification in 2021-22 under the Australian Climate Active Carbon Neutral Certification Scheme.

Infrastructure NSW published the *Cost Control Framework for the Infrastructure Program* to provide a consistent approach to cost control and risk management across the capital works program. The framework provides delivery agencies with the flexibility to manage the delivery of their capital works portfolios within the overall funding approval, giving central agencies transparency on those activities. It supports and is strengthened by other policies developed in 2020-21 by Infrastructure NSW, including the *Timely Information on Infrastructure Projects Guide* (updated and released as a Premier's Memorandum for *Information on Infrastructure Projects Guide*), the *Oversight Framework*, and the *Premier's Memorandum on Procurement of Large, Complex Infrastructure Projects*.

Infrastructure NSW continued to provide major project assurance during the financial year, with new project registrations increasing the size of the portfolio to 983 projects, up 8.6% on last year, and completion of 148 gateway reviews. The Asset Management Assurance function was merged with the Infrastructure Investor Assurance function, providing a whole of lifecycle performance view of upcoming and existing infrastructure assets.

The Strategic Programs Office established by Infrastructure NSW successfully delivered the infrastructure stimulus program. Operating between January 2021 and July 2022, the team directly assisted more than 100 projects and oversaw over \$4.6 billion of additional infrastructure expenditure to support the NSW Government's \$29 billion COVID-19 economic recovery strategy.

Restart NSW made significant progress in administering funding deeds for key local and community infrastructure projects in 2021-2022. Four new projects were funded this year, taking the total funding for local and community projects to \$2.4 billion. More than 80 projects were completed during the year.

## The year ahead

In 2022-23, Infrastructure NSW will play an active advisory role on selected major government projects to pursue best practice and improve infrastructure investment decisions, delivery and outcomes. We will continue to lead efforts to allow government and industry to work more effectively together with a focus on durable delivery of the large program, construction industry culture and diversity (including women in construction initiatives), environmental sustainability and net zero initiatives, and commercial reform.



Graham Bradley AM  
Chairman



Simon Draper  
Chief Executive

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# The year in review

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Infrastructure NSW had a successful year in 2021-22. Major achievements are outlined below.

## Strategy, Planning and Innovation

### 2022 State Infrastructure Strategy

Under its Act, Infrastructure NSW is required to review and submit a revised 20-year State Infrastructure Strategy to the responsible minister every 5 years, or at such times as requested by the Minister.

The inaugural NSW State Infrastructure Strategy was submitted in 2012, and revised State Infrastructure Strategies were prepared and submitted to the responsible Minister in 2014 and 2018.

In response to the Premier's request for an updated State Infrastructure Strategy to be prepared by early 2022, the Strategy, Planning and Innovation team led the preparation of the 20-year strategy throughout 2020-21 and 2021-22.

The formal submission of *Staying Ahead: State Infrastructure Strategy 2022-2042* to the Minister for Infrastructure on 13 April 2022 was a major milestone for the team. The 2022 State Infrastructure Strategy was subsequently published on Infrastructure NSW's website on 31 May 2022.

The strategy identifies 9 long-term objectives for the NSW Government and makes 57 recommendations for the NSW Government's consideration (102 in total including sub-recommendations).

In preparing the 2022 State Infrastructure Strategy, Infrastructure NSW extensively consulted and collaborated with government agencies, undertook targeted industry consultations, and sought advice through an independent Expert Advisory Panel.

According to the Act, the Minister has the discretion to accept the strategy as a whole, or make amendments, or refer it back to Infrastructure NSW for further consideration. The Act requires the NSW Government's 'adopted' State Infrastructure Strategy to be made publicly available.

The team is working with the Department of Premier and Cabinet on different options for overseeing implementation of the 2022 State Infrastructure Strategy recommendations by government, subject to formal adoption of the strategy by the NSW Government.

### Flood recovery

Following the devastating floods in March 2022, Infrastructure NSW supported the State Recovery Committee by coordinating infrastructure recovery efforts. Infrastructure NSW chairs the Infrastructure Recovery Sub-Committee, which is part of the broader State Recovery Committee. Key actions included collecting and maintaining the register of impacted NSW Government infrastructure assets and establishing priorities for infrastructure investment (for recovery and economic stimulus).

The team supported the State Recovery Committee by providing cost estimates from impacted infrastructure assets and worked closely with a range of agencies including Resilience NSW,

Regional NSW and the infrastructure delivery agencies on a funding request to address immediate needs for critically damaged infrastructure. The team also coordinated with industry on skills and capacity to undertake recovery efforts.

The task also involved providing support for various program delivery working groups, assistance with establishing a project prioritisation approach, coordination with the Hawkesbury Nepean Flood Management Directorate, as well as management of the NSW Government Impacted Assets Register.

The team met with Mary O’Kane and her team as part of the independent flood inquiry and had a productive conversation about recommendations for resilience policy and infrastructure planning.

The Northern Rivers Reconstruction Corporation was established on 1 July 2022. Infrastructure NSW transitioned coordination duties to the new entity and has taken on an advisory role.

## State Infrastructure Plan and Major Projects Pipeline

In June 2022, Infrastructure NSW released the *2022-23 State Infrastructure Plan*. The plan outlines the demand drivers and market context for the NSW Government’s infrastructure program over the next 5 years. It also provides project specific information to support transparency to industry via the NSW Major Infrastructure Projects Pipeline.

The *2022-23 State Infrastructure Plan* delivers on a requirement of the *Infrastructure NSW Act 2011* for Infrastructure NSW to produce an annual infrastructure plan for NSW. It provides a 5-year plan of major infrastructure projects and has regard to the newly released 20-year State Infrastructure Strategy.

The NSW Major Infrastructure Pipeline provides a forward view of the NSW Government infrastructure projects expected to come to market valued over \$50 million. It consists of 2 lists: projects funded for delivery and projects with funds committed for planning.

The purpose of the NSW Major Infrastructure Project Pipeline is twofold – as well as providing the project list for the State Infrastructure Plan, it fulfils *The NSW Government Action Plan: a 10 point commitment to the construction sector* (commitment 4): regular publication of a ‘whole-of-government’ pipeline detailing projects which are planned or likely to come to market over the following 3 to 5 years.

The release of the plan and pipeline follows another record infrastructure spend of \$112.7 billion over the next 4 years, as announced in the 2022-23 Budget. This builds on the \$178 billion spent on infrastructure projects over the past decade, which included some of the biggest and most complex infrastructure projects in the nation’s history.

## Construction Leadership Group

The *NSW Government Action Plan: A 10 point commitment to the construction sector* recognises that the NSW Government can only achieve its ambitious infrastructure objectives in partnership with the construction industry. The 10 Point Commitment is implemented through the Construction Leadership Group, a forum coordinated by Infrastructure NSW. It sees government agencies work closely with industry to align the infrastructure pipeline with what the market can deliver in a timely and cost-effective way, and share learnings and best practice across industry and agencies.

Key achievements of the NSW Government via the Construction Leadership Group over 2021-22 are outlined below:

- Reforming procurement processes for large, complex infrastructure projects through publication of the *Premier's Memorandum on Procurement for Large, Complex Infrastructure Projects* and its guiding framework. Example practices include dividing large, complex infrastructure projects into smaller packages to diversify market participants, incorporating early contractor involvement into procurement processes to solicit market views, and implementing feedback received to address market capacity issues on specific projects and programs.
- Working in partnership with industry to ensure a safe reopening of the construction sector following the construction pause and staged reopening in 2021 because of the public restrictions due to COVID19 and supporting settlement of claims through consistent commercial guidelines that encourage parties to mitigate long-term impacts on project delivery.
- Developing a consistent NSW Government position on a range of commercial contractual issues for infrastructure projects including reliance on pre-contract information, liability arrangements, interface risk management, timely resolution of issues and professional indemnity insurance.
- Release of the *2021 Progress Report* in December 2021 to provide transparency and document progress against the 10 Point Commitment. Collaboration with peak construction industry bodies including the Australian Constructors Association, Civil Contractors Federation, Consult Australia, Master Builders Association and Roads Australia provided the opportunity to obtain feedback and input into the content of this report prior to publication. The Australian Constructors Association released their *Construction Industry Scorecard* in December 2021, which included recognition of great work the NSW Government has achieved against the 10 Point Commitment.
- Collaboration with the Australian Constructors Association and the Victorian and Queensland Governments via the Construction Industry Leadership Forum.
- Bringing together a diverse cross-section of industry bodies and trade unions to progress construction industry culture, diversity and well-being initiatives, including partnering with industry to meet Infrastructure Skills and Legacy Program targets to increase industry skills, capability and diversity and piloting aspects of the draft *Construction Industry Culture Standard* on NSW Government infrastructure projects, such as the recently piloted 5-day work week on the Concord Hospital project.
- Promoting transparency and visibility of upcoming procurements via publication of the *NSW Major Infrastructure Project Pipeline*.

## Construction Reopening Team

In July 2021, the NSW Government announced that all construction in Greater Sydney, including the Blue Mountains, Central Coast, Wollongong and Shellharbour, would pause for 2 weeks in response to the COVID-19 Delta outbreak.

With a record NSW Government infrastructure program in delivery, as well as numerous non-government projects underway, the potential impacts on the industry, project timelines and the economy would be significant. However, this needed to be balanced against protecting the health and safety of workers, their families and the general community.

Infrastructure NSW established a Construction Reopening Team incorporating 2 working groups to identify the key issues and develop strategies to address them.

Infrastructure NSW's Investor Assurance team focused on mitigating risks associated with the construction pause. The team chaired a commercial working group to lead discussions on commercial impacts to the government's delivery program. COVID-19 secondary impacts, such as supply chain and staff shortages due to border closures, continued to impact project performance and productivity with cost escalation and procurement delays for some materials and equipment.

Within 3 days of the pause being announced, the team released government-endorsed commercial principles to mitigate long-term impacts, assessed claims, and ensured payment flowed through to suppliers and subcontractors. This was supported by work undertaken to track the cost and program effects of the pause and subsequent events.

Meanwhile, an industry working group led by team members across Infrastructure NSW and assisted by Health Infrastructure enabled dialogue between government, industry and unions on the NSW Government's response to COVID.

The group sought industry input on measures to help construction reopen safely, and gathered vaccination and testing data, which provided an evidence base to inform Government decision-making. It also provided a platform where relevant Ministers and Secretaries could provide information directly to – and hear feedback from – key industry representatives in real time.

The Reopening Team achieved the following results which were critical to the partial reopening of construction in July 2021 and full resumption in October 2021:

- Avoided protracted contractual disputes and provided clear and consistent guidance to agencies through 'Guidelines to Support Parties with Closure of Construction Site Negotiations', issued just 1 day after the construction pause commenced, with 2 further updates.
- Aligned on an industry COVID-safe reopening plan, including development of the mandatory COVID-19 Safety Plan by Government, which provided confidence that construction could safely resume.
- Assisted workers to get vaccinated, working with NSW Health to organise a 'Super Sunday' vaccination day, as well as other targeted vaccination opportunities. Construction in Sydney was the first industry nationally to make vaccination a condition of work and entry to site, and this was achieved with the support of industry and unions.
- Worked with NSW Health, Health Infrastructure and industry to develop a rapid antigen testing trial as an alternative to PCR testing.
- Developed an online construction industry portal within 3 days to gather data on vaccination rates and rapid antigen testing, which helped inform Government decision-making.
- Developed 'Guidance for construction sites managing a COVID positive case'.
- Kept industry, government and others informed and engaged.

# Investor Assurance

In 2021-22, Infrastructure NSW merged its Asset Management Assurance function with its Infrastructure Investor Assurance function under the Investor Assurance team. This integration provides the NSW Government with a whole-of-lifecycle performance view of upcoming and existing infrastructure assets while realising efficiencies in the delivery of the assurance function.

## Infrastructure Investor Assurance

### Background

The NSW Government established the Infrastructure Investor Assurance Framework<sup>1</sup> (IIAF) within Infrastructure NSW to apply independent assurance on the state's portfolio of capital infrastructure programs and projects through the NSW Gateway Review System<sup>2</sup>.

The IIAF's primary objectives are to ensure that government's key infrastructure programs and projects are delivered on time and on budget and provide early warning of any emerging issues.

The IIAF applies a tiered risk-based approach to assurance. Most scrutiny is applied to High-Profile High-Risk (HPHR or Tier 1) projects and the lowest level of assurance is applied to Tier 5 projects. The IIAF was modified in 2021-22 to include a fifth tier of projects accounting for projects falling below \$10 million in value. These projects are not risk tiered and no assurance activity is mandated.

### Performance summary

The number of projects and programs in the state's infrastructure program continued to increase in 2021-22 with new registrations increasing the size of the portfolio by 8.6% year-on-year to reach 983 registered projects and programs. This excludes projects placed on hold or cancelled. The number of HPHR programs and projects fluctuated throughout the year between 43 and 50.

The portfolio of new capital projects and programs showed significant growth in investments above \$1 billion in value. Further growth was seen in projects in planning and procurement phases and several packages of work will commence delivery in the next fiscal year.

This fiscal year, Investor Assurance focused on mitigating new and emerging risks across the program, including the commercial impact of COVID-19 on government projects and flood events.

Figure 1 provides a score card of the IIAF performance in 2021-22. Overall, the performance of the state's infrastructure program reduced marginally year-on-year.

Investor Assurance conducted 159 gateway reviews which is up by 7.4% from 2020-21. Of these reviews, 72 were for HPHR projects, 73 for Tier 2 projects and 14 for Tier 3 projects.

The team produced 146 close-out plans with 1862 recommendations. They also coordinated 1904 periodic (monthly and quarterly) reports with 100% compliance for HPHR and 97% compliance for Tier 2 and 3 projects against the IIAF requirements.

The performance of expert reviewers was assessed through 360 feedback surveys for each review. The resulting expert panel performance score remains consistent with last year's result with an average score of 4.6 out of 5.

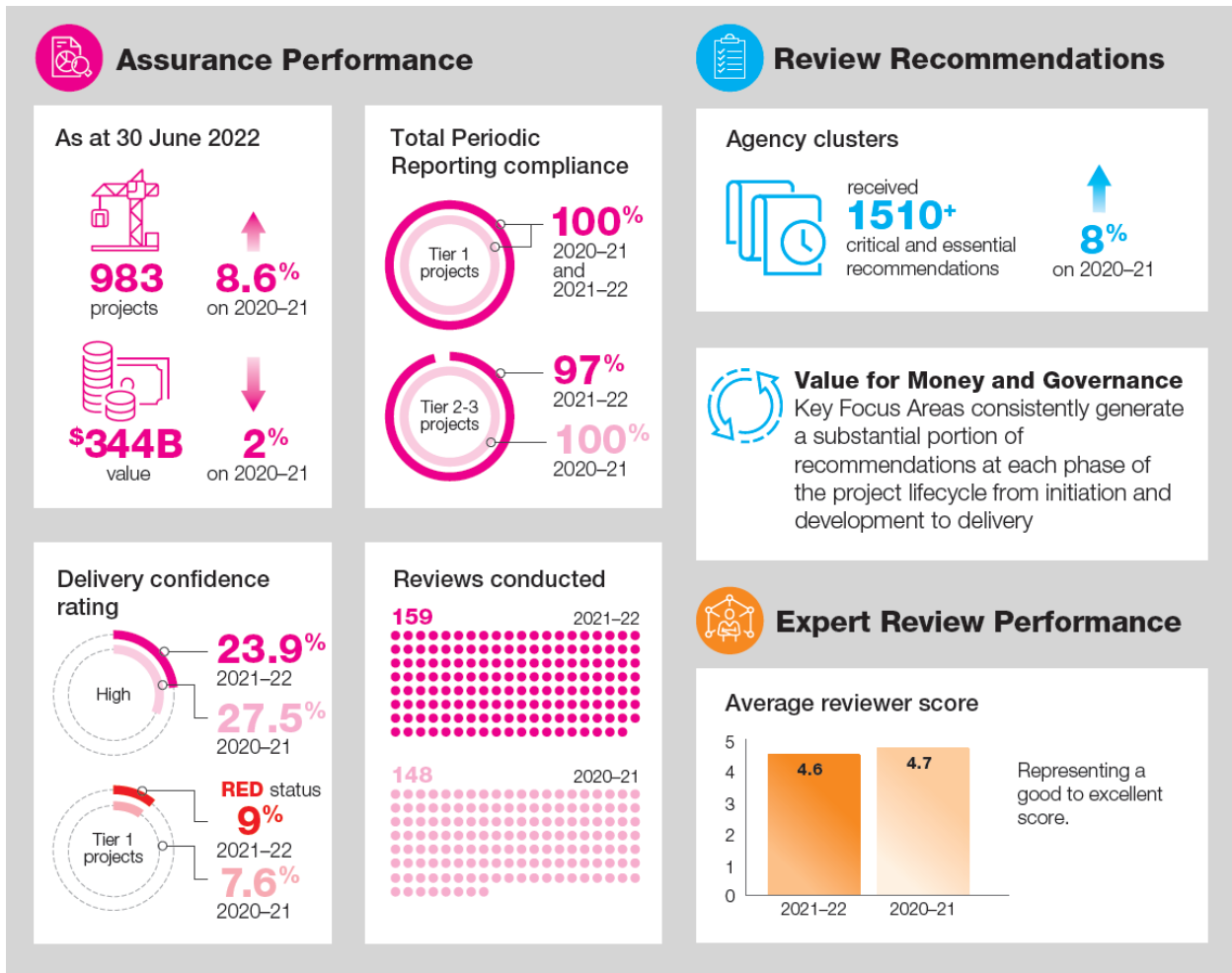
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<sup>1</sup> Infrastructure Investor Assurance Framework, March 21

<https://infrastructure.nsw.gov.au/media/3678/update-to-the-infrastructure-investor-assurance-framework-iiaf-september-2022.pdf>

<sup>2</sup> NSW Gateway Policy (TPP 17-01)

Figure 1, IIAF FY2021-22 Performance Score Card



## Reforms and improvements

In 2021-22, Investor Assurance contributed to the following strategic policy reform and improvement initiatives in collaboration with delivery agencies which were endorsed by the NSW Government:

- Commercial principles to resolve the impacts of the construction pause and staged reopening of construction sites in late 2021.
- Commercial principles for infrastructure projects aimed at providing a consistent, reasonable and equitable approach to developing contractual terms, including managing escalation risk for capital projects.
- The *Cost Control Framework* replaced the *Contingency Management Guidebook* and provides a consistent approach to cost control and risk management, while allowing agencies flexibility to manage delivery of their capital works portfolios and transparency on those activities to central agencies.
- Reports and processes to monitor the procurement program for large, complex projects.
- The *Timely Information on Infrastructure Projects* guide was updated, renamed and released as a *Premier’s Memorandum for Information on Infrastructure Projects Guide*<sup>3</sup>. It supports the

<sup>3</sup> Information on Infrastructure Projects Guide, May 2022

provision of reliable project information to the community, at each stage of the project lifecycle.

- Facilitated infrastructure Co:Labs which supported the sharing of lessons learnt across agencies and reviewers.
- Piloted a new review called the Capital Portfolio Health Check Review at the portfolio level to provide insight into portfolio level issues and risks that impact the successful development, procurement and delivery of projects within an agency's capital portfolio.

In addition to the above strategic initiatives, the team completed major enhancements to the NSW Assurance Portal, including:

- the ability for program level periodic reporting, encompassing component projects which provided more detailed program oversight
- the introduction of spatial analytics
- developing application programming interfaces to enable agencies to integrate their systems and share project data automatically without manual entry
- reporting on projects impacted by COVID-19 public health orders and developing an industry portal to collect construction industry data
- developing a new portal for Asset Management Assurance, including the ability to submit asset planning submissions, generate Cabinet reports, capture review outcomes and report on asset performance metrics.

This work realised efficiencies and improved the depth of insights available to the government to identify and mitigate risks.

## Asset Management Assurance

The Asset Management Assurance function is led by Infrastructure NSW to monitor the implementation of the *Asset Management Policy for the NSW Public Sector*<sup>4</sup> (*NSW AM Policy*) and to support the achievement of policy outcomes for government targeted at capability, asset use and resilience, financial sustainability and targeted investment in existing assets.

Major achievements over the past year include:

- **Attestation submissions and capability analysis 2021-22:** attestation submissions for all agencies within scope of the AM policy were reviewed to understand capability strengths and weaknesses and agencies' progress towards compliance with the policy.
- **Asset Management Assurance reviews 2021-22:** Stage 1 reviews are high-level, risk-based assessments conducted on all agencies and completed by Infrastructure NSW. Stage 2 reviews are in-depth independent assessments performed on selected agencies by independent asset management subject matter experts. A total of 54 stage 1 reviews were completed in 2021-22, up from 26 in 2020-21. Two stage 2 reviews were completed. These reviews provide agencies with feedback to improve their asset management practices and form an integral part of their continuous improvement initiatives. This enabled Infrastructure NSW to provide government with insights into the key risks, issues and opportunities from the existing and planned asset base.
- **Continuous improvement of the Asset Management Assurance process:** in 2021-22, the Asset Management Assurance team reviewed and updated its *AMA Standard*, *AMA Guidelines*, and

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<sup>4</sup> Policy and Guidelines Paper TPP 19-07 ([nsw.gov.au](http://nsw.gov.au))



stage 1 and 2 review workbooks and processes to better support agencies and its own asset management analysis.

- **Flood recovery support:** Asset Management Assurance played a key role as part of the Infrastructure Subcommittee to support the State Recovery Committee's flood recovery effort. The team worked with stakeholders across government to collate vital data on impacted assets to enable whole-of-state estimation of physical and financial impacts to support strategic decision making for betterment and inform funding for reconstruction.

# Strategic Programs Office

In late 2020, the NSW Government requested Infrastructure NSW to establish the Strategic Programs Office to oversee and drive more than \$5 billion in additional infrastructure expenditure to support the NSW Government's \$29 billion COVID-19 economic recovery strategy.

The Strategic Programs Office operated between January 2021 and July 2022, coordinating across government to monitor, assist, and report each cluster's contribution and progress in delivering the Stimulus Infrastructure Program.

The objectives of the Strategic Programs Office were to:

- provide coordinated oversight and assist in the timely delivery of the infrastructure works
- report to Cabinet on the progress of the projects and recommend policy initiatives for improved delivery of the program
- directly assist clusters and project teams to improve stimulus infrastructure outcomes and ensure stimulus funds move out into the economy.

The Strategic Programs Office's direct assistance to clusters was offered through proactive collaboration. This assistance was broadly targeted at:

- improving efficiencies in pre-procurement approvals and timeframes
- improving procurement and grant evaluation processes
- identifying opportunities to improve delivery mobilisation and mitigate delivery issues.

The types of assistance provided to clusters included:

- advice, mentoring and coaching to project teams
- review and assistance with project program documentation and cashflows
- provision and guidance on model procurement and project documentation
- embedding personnel in project teams to directly oversee programs of works
- short-term assignments (such as drafting management plans, optimising programs and schedules)
- facilitating inter-government coordination
- advising and guidance on commercial arrangements with contractors and third parties.

Through the coordinated oversight and proactive assistance of the Strategic Programs Office to clusters, the following benefits were achieved for the government and the community:

- successful delivery of the Infrastructure Stimulus Program
- jobs growth and state productivity through the delivery of infrastructure
- targeted funding to both regional and metropolitan areas to support communities impacted by COVID-19
- promoting transparency of progress and development and delivery risks on projects
- identifying, escalating and resolving inter and intra-government issues quickly and effectively
- improving overall confidence to government in the efficient and timely development, procurement and delivery of projects.

## Program milestones

- High level collaboration with embedded staff from NSW Treasury and the Department of Planning and Environment.
- Over \$4.6 billion of expenditure to the end of June 2022.
- Innovative approach that saw more than 100 projects and more than 30 agencies directly assisted across the program.
- Regular reporting and monitoring on more than 200 projects and programs across 7 clusters.

## Projects NSW

Projects NSW is a division within Infrastructure NSW established in 2015 to manage the procurement and delivery of nominated priority projects on behalf of the NSW Government.

### Work, health and safety, and environment management

Projects NSW works with delivery partners to ensure the health and safety of workers and others affected by project activities. Work, health and safety (WHS) performance is outlined below.

#### Major project delivery: WHS performance

Projects NSW directly engages delivery partners to deliver priority projects as the principal contractor. Table 1 shows WHS performance against key performance indicators.

Table 1, Major projects' WHS performance against key performance indicators

HSE Statistics <sup>[1]</sup>	Sydney Modern <sup>[2]</sup>	Walsh Bay Arts Precinct <sup>[3]</sup>	Sydney Football Stadium Redevelopment	New Sydney Fish Market	Powerhouse Parramatta
Total number of hours worked	477,050	187,978	2,101,836	121,812.10	47,953.90
Total number of first aid injuries	15	7	67	4	0
Total number of confirmed COVID-19 cases	4	1	18	29	0
Lost time injuries	0	0	1	1	0
Number of SafeWork/Comcare inspections	2	0	3	6	0
Number of notifications (incl. Improvement notices or fines from SafeWork/Comcare)	2	0	1	0	0
Lost time injury frequency rates	0	0	0.48	8.21	0

[1] All statistics exclude the November 2021 reporting period.

[2] These statistics exclude the July 2021 reporting period due to COVID-19 shutdown impacts.

[3] These statistics cover the period 1 July 2021 to 23 December 2021, after which time the project was under the control of Create NSW.

#### Barangaroo Precinct: WHS performance

During the reporting period, a range of activities occurred within the Barangaroo precinct. Table 2 shows the number of WHS Notifiable Incidents that occurred during the reporting period.

Table 2, WHS notifiable incidents at the Barangaroo precinct in 2021-22

Entity	No. of WHS Notifiable Incidents
The Sydney Festival Ltd	1

## Managing the risks of COVID-19

Projects NSW worked with our delivery partners to manage the risks associated with COVID-19.

## Major project delivery

Projects NSW is responsible for overseeing the design, planning, procurement and delivery of selected major projects on behalf of the NSW Government.

Throughout 2021-22, Projects NSW was responsible for the planning and delivery of 5 major projects, with a combined capital investment value at over \$2.7 billion, as well as the ongoing urban renewal of the Blackwattle Bay precinct. Achievements are outlined below.

### Walsh Bay Arts Precinct

Projects NSW, in partnership with Create NSW, led delivery of the Walsh Bay Arts Precinct, a redevelopment of the heritage wharves at Pier 2/3 and Wharf 4/5 to create a public arts and cultural hub.

Construction for Pier 2/3 was completed in December 2021 marking the completion of all major construction on the project.

The Walsh Bay Arts Precinct project has received numerous accolades and awards including:

- the prestigious NSW Architecture Medallion, Public Architecture Award, Greenway Award for Heritage and a commendation for Interior Architecture at the 2022 NSW Architecture Awards
- 2022 Industry Choice Award at the 2021-22 Annual Infrastructure Oration and National Infrastructure Awards
- 2022 National Trust Heritage Awards for Conservation-Built Heritage.

### Sydney Football Stadium Redevelopment

Construction of the new Sydney Football Stadium, known as 'Allianz Stadium', continued throughout the reporting period to be on schedule for completion on 1 August 2022. Projects NSW, in partnership with John Holland, has led the delivery of the project.

The Sydney Football Stadium redevelopment supported around 1100 jobs on site during peak construction. The project made it a priority to award contracts to local suppliers with over \$500 million worth of contracts awarded to NSW-based businesses.

The final stages of construction consisted of the installation of the seats, laying turf and undertaking the finishing touches of the internal fit-out.

### Sydney Modern

Construction of the Sydney Modern project has continued with significant progress to the building and the start of landscaping works outside the existing Art Gallery of NSW building. The project remains on track for completion in September 2022 and opening on December 3, 2022.

Featuring a new stand-alone building located to the north of the existing gallery, a public art garden, and the adaptive reuse of a decommissioned World War II oil tank, the Sydney Modern project is being delivered by Projects NSW in partnership with Richard Crookes Constructions, the Art Gallery of NSW and Create NSW.

## Powerhouse Parramatta

Projects NSW is working closely with its delivery partners, Lendlease Building and the Powerhouse, on the planning and delivery of the largest investment in cultural infrastructure by the NSW Government since the Sydney Opera House, Powerhouse Parramatta. With 18,000sqm of exhibition and public space, it will provide increased access to the museum's extraordinary collection and education programs.

Following the early works of site clearing, Willow Grove dismantling and storage and substation decommissioning, Lendlease Building were appointed as the main works builder in September 2021. Major work commenced in February 2022 with 70% of earthworks and civil works complete, and 30% cent of piles drilled and installed by the end of the reporting period.

## New Sydney Fish Market

The new Sydney Fish Market will be a world-class building and destination providing an authentic market experience. It will also return inaccessible harbourfront land to the community, delivering a variety of new public spaces.

Construction started in June 2021, and marine piling is now close to complete, with most of the 235 main building piles that will support the new structure in place. Dewatering of the cofferdam, which will see the site drained to allow construction of the structure to begin, is expected in the second half of 2022.

Projects NSW will continue to work closely with Multiplex and Sydney Fish Market Pty Ltd to deliver this iconic new Sydney landmark which remains on track to be open in late 2024.

## Blackwattle Bay State Significant Precinct

Relocating the Sydney Fish Market to the head of Blackwattle Bay enables this part of the harbour foreshore to be returned to the public. The relocation of the Fish Markets also provides the catalyst for a major urban renewal of the area.

The state significant precinct study and precinct plan were on exhibition in July and August 2021, with a large number of community submissions received and analysed. A response to submissions report and revised precinct plan were prepared to respond to feedback, to be provided to the Department of Planning and Environment for consideration in July 2022.

A new 1-hectare park will be delivered by Projects NSW and planning for this program of work has started. Community engagement and procurement of a design consultant was set to begin in August 2022.

## The Barangaroo Precinct

Barangaroo is a globally renowned urban renewal project on the western waterfront of Sydney's CBD. Once a disused container terminal, it is now a dynamic cultural, residential, business and civic hub. Projects NSW is responsible for the development of the precinct in accordance with the *Barangaroo Act 2009* (NSW). Projects NSW partners with the private sector to deliver the vision for Barangaroo with respect to history, community identity and place.

## Barangaroo South

Barangaroo South is a commercial and residential precinct featuring world class dining, retail, and premium waterfront office space.

In March 2022 the plaza between Shelley Street and Exchange Place upgrade was completed, followed by completion of the Hickson Park amenities building in May 2022. The amenities building is the first in Barangaroo to be constructed by a majority-owned Indigenous business. Construction on the third and final residential building in Lendlease's One Sydney Harbour development started in May 2022.

Infrastructure NSW obtained development consent for the Pier Pavilion to be delivered on the pier in Watermans Cove.

## Central Barangaroo

Central Barangaroo will be the civic heart of Barangaroo, linking Barangaroo Reserve with Barangaroo South. It will be a place of recreation, lifestyle and culture, integrated around the Sydney Metro Barangaroo Station.

In December 2021, hoarding was installed along the Barangaroo foreshore in front of Central Barangaroo featuring an artwork created by Australian artist Danie Mellor. *Remembering* shows a landscape of Gadigal Country as it may have appeared prior to the colonisation.

Projects NSW is working in partnership with Aqualand and Scentre Group to finalise plans for Central Barangaroo. Infrastructure NSW undertook pre-lodgement consultation for modification 9 in 2021 and subsequently lodged modification 9 to the concept plan in April 2022 seeking amendments to the building heights, envelopes and footprints for Central Barangaroo.

## Sustainability

For the third year in a row, Barangaroo was independently certified as Carbon Neutral. Awarded by the Commonwealth Government through their Climate Active program, Barangaroo remains the only certified Carbon Neutral urban precinct in Australia.

Barangaroo continues to advance its status as a world-class sustainable precinct through fulfilling many climate positive commitments focussed on minimising waste, enhancing community wellbeing and delivering water positive and carbon neutral outcomes.

This includes Barangaroo's underwater garden located in Watermans Cove which mimics oyster reefs, sponges and rock pools to create a natural underwater habitat.

## Activation and Precinct Management

Barangaroo precinct hosts thousands of visitors each year for cultural, art and educational programs, and recreation and leisure activities.

The public domain was managed by Projects NSW in accordance with the statutory provisions of the *Barangaroo Delivery Authority Regulation 2015* (NSW). On 4 March 2022 the Activation and Precinct Management team and its responsibilities transitioned to Place Management NSW within Transport for NSW.

There were 426 works permits issued for construction and maintenance works within the public domain in the reporting period.

## Events and activations

The first quarter of the financial year was impacted by COVID-19 restrictions.

In collaboration with Barangaroo precinct partners, several initiatives were delivered to bring visitation back to the precinct. This included extension of retailers' dining licence footprint, and Christmas and New Year's Eve activations.

Other key events delivered while the precinct was managed by Infrastructure NSW included:

- The Other Art Fair: December 2021
- Real Insurance Sydney Harbour, 10k and 5k: December 2021
- Australian Sail Grand Prix: December 2021
- Night of the Soul: January 2022
- WugulOra Morning Ceremony: January 2022

## **Education and Visitor Services**

From July to November 2021 the Barangaroo Visitor Services team were unable to deliver any tours, programs or workshops due to COVID-19 restrictions.

From December 2021 to 4 March 2022 there were 44 tours with 241 guests.

For 2 weeks in January 2022, the team ran their popular ghost tours and 110 people attended across 8 nights.



## Restart NSW

Under the *Restart NSW Fund Act 2011*, Infrastructure NSW is responsible for assessing projects for funding from the Restart NSW Fund and making recommendations to the NSW Treasurer.

Restart NSW funds are used to deliver infrastructure that will improve the state's economic growth and productivity. They include NSW Government agency-led infrastructure projects and local and community infrastructure projects delivered by local government, non-government organisations and other entities, most of whom have participated in a submission-based application process through targeted funding programs. Thirty per cent of Restart NSW funding is targeted at regional and rural areas (outside the metropolitan areas of Sydney, Newcastle and Wollongong) over the lifetime of the fund.

New infrastructure projects considered for funding are subject to a rigorous selection process. Projects must be supported by a sound business case showing the project is economically justified. The key components of the project assessment framework are:

- a strategic assessment to ensure the project aligns with the Restart NSW Fund Act 2011 criteria and NSW Government priorities
- an economic assessment to ensure the project will improve economic growth and productivity (demonstrated by a benefit-cost ratio greater than 1)
- confirmation that the project has successfully completed the appropriate business case development processes, including, where appropriate, relevant assurance review processes.

### Milestones in 2021-22

Infrastructure NSW administers funding deeds for local and community infrastructure projects on behalf of the NSW Treasurer to ensure that projects are delivered on time and on budget. During 2021-22, 4 further projects were funded from the Restart NSW Fund, taking total funding for local and community projects to \$2.4 billion. There were 83 projects completed.

Further details of Restart NSW funding approved in 2021-22, including funding for NSW Government projects, is outlined in the 2022-23 NSW Budget Papers.

# Hawkesbury-Nepean Valley Flood Risk Management Strategy

The Hawkesbury-Nepean Valley has the highest unmitigated flood risk in Australia, with floods posing a significant risk to people's lives, livelihoods and homes.

The NSW Government's *Resilient Valley, Resilient Communities - Hawkesbury-Nepean Valley Flood Risk Management Strategy* aims to reduce the flood risk to life, property and communities, now and in the future. It is working to improve community resilience and prepare for the impacts of climate change on flood risk. The flood strategy is a comprehensive long-term plan for NSW Government agencies, local councils, businesses and the community to work together to manage the risk posed by regional flooding. It includes 9 integrated outcomes across the prevent-prepare-respond-recover disaster resilience management framework.

A Climate Change Fund grant of \$58 million has provided the primary funding for implementation of phase 1 of the flood strategy, with Infrastructure NSW overseeing delivery that began in 2016 through to 2022. All funding received from the Climate Change Fund has now been spent.

Significant progress was achieved across the 9 outcomes with the following key achievements during the year:

## Outcome 2 – Reduced flood risk in the Valley by raising Warragamba Dam Wall

- WaterNSW prepared the Environmental Impact Statement (EIS) on the proposal to raise the Warragamba Dam wall for flood mitigation. The EIS was on public exhibition from 29 September to 19 December 2021. WaterNSW is in the process of preparing both a submissions report and preferred infrastructure report to be provided to the Department of Planning and Environment.

## Outcome 3 - Strategic and integrated land use and road planning

- A flood evacuation model for the Hawkesbury-Nepean Valley including the North West Growth Area has been developed to inform land-use, emergency and road infrastructure planning. This will be used to support decisions on flood risk in the Hawkesbury-Nepean Valley and will be an input into the *Regional Land Use Planning Framework* to manage growth across the floodplain.

## Outcome 4 – Accessible contemporary flood risk information

- The *Hawkesbury-Nepean River Flood Study* has been significantly progressed incorporating analysis of the 2022 floods. The new study builds on the outcomes of the *2019 Regional Flood Study*. It focuses on areas that require more detailed investigations, hydraulic modelling and analysis to better inform land use planning. The study has involved development of a higher resolution, 2-dimensional model of the floodplain from Bents Basin near Wallacia downstream of Brooklyn. Public exhibition is planned for February 2023.
- Agencies used the flood strategy's contemporary information, data and tools to support operational response and recovery in responding to the 2022 flood events. This demonstrated the value of the tools and the criticality of the relationships developed through the ongoing implementation of the flood strategy's program.
- Infrastructure NSW finalised and published a review and report on the March 2021 flood, the outcomes of which will inform ongoing flood risk management.

## **Outcome 5 - An aware, prepared, and responsive community**

- Continued to deliver the Community Resilience Program, designed to raise flood awareness and preparedness in the Hawkesbury-Nepean Valley and to reduce flood risk to the most vulnerable floodplain communities. This program is delivered in partnership with the NSW State Emergency Service, other government agencies, local councils and local community organisations. Key achievements are listed below:
  - The ‘Floods. What’s your plan?’ public awareness campaign was delivered from October to December 2021. It encouraged the local community to be prepared by making sure they know how to receive flood warnings and be weather aware and prepare an emergency kit. The campaign used social media, radio and print advertising and won the national 2022 Emergency Media and Public Affairs award for ‘Excellence in Readiness and Resilience’.
  - The ‘get ready animals’ public awareness campaign to target animal owners in the Hawkesbury-Nepean Valley was delivered from February to April 2022. This campaign involved short videos and a targeted website to encourage animal owners to prepare for natural emergencies, including fire and flood. Hits on the ‘get ready animals’ website increased from 837 views in the previous quarter to 43,233 views during the campaign.
  - Extensive community outreach was delivered, which targeted caravan park managers, social housing providers and tenants, community services working with at-risk young people in high flood risk areas, aged care providers and the business community.
  - Flood warnings research with residents to understand gaps in current warning products and ways to improve flood warnings in future events was delivered.
  - An animation to promote the importance of road evacuation routes was delivered to the community in March to April 2022 and has had over 30,000 views.

## **Outcome 9 - Ongoing monitoring and evaluation, reporting and improvement of the Flood Strategy**

- Finalised the major evaluation of the Flood Strategy on phase one of the Strategy.

## Corporate support functions

The Corporate Support functions are provided by the Corporate Services Division and Finance and Operations Division.

On 1 April 2022, as part of machinery of government changes, Infrastructure NSW moved from the Premier and Cabinet cluster to the Transport and Infrastructure cluster. The role and functions of Infrastructure NSW continued unchanged. The new cluster arrangements see Infrastructure NSW work closely with Transport for NSW, however, Infrastructure NSW continues to operate as a separate agency with the function of providing independent advice and assurance on infrastructure matters to the NSW Government, including to Transport for NSW.

The Corporate Services Division brings together legal, people and culture, communications and public affairs, industry engagement, community and stakeholder engagement for projects, and audit, risk and safety. The division provides the secretariat support for the Infrastructure NSW Board.

The Finance and Operations Division brings together finance, procurement and business support, information and communications technology and business systems, and the Restart NSW function.

### Milestones in 2021-22

- Leading an industry working group to develop a reopening roadmap that balanced the needs of economic recovery with safe workplace practices to reduce the spread of COVID-19 on construction sites.
- Transitioning the Barangaroo Activation and Precinct Management Team and its responsibilities to Place Management NSW.
- Improving policies, systems, processes and training across corporate functions including work health and safety, information management, and cyber security.
- Leading communication strategies for the *2022 State Infrastructure Strategy* and *State Infrastructure Plan*.
- Resolving the Powerhouse Parramatta planning dispute.
- Ongoing management of COVID-19 impacts on Infrastructure NSW's workforce and projects.
- Progressively refinancing the Barangaroo debt portfolio to secure lower interest rates and borrowing costs.
- Establishing new project communications and engagement practices in response to COVID-19 restrictions.
- Moving community notifications for the new Sydney Fish Market from paper to digital, reducing costs and waste.

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# Governance

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## Management and structure

Infrastructure NSW's governance model was established by the *Infrastructure NSW Act 2011* and comprises a Board and Chief Executive Officer.

### The Board

The Board provides general policies and strategic direction for Infrastructure NSW as well as advice to the Minister and CEO of Infrastructure NSW on infrastructure matters. It comprises an independent Chairman and 5 private sector members with relevant infrastructure sector experience, all appointed by the Minister, and the heads of the departments of Premier and Cabinet, Planning and Environment, and the NSW Treasury.

#### **Graham Bradley, AM** Chairman

Appointed July 2013.

Graham Bradley is the Chairman of Infrastructure NSW, appointed in 2013. As a professional company director, Graham is chairman of United Malt Group Limited, Shine Justice Limited, Virgin Australia International Holdings and Ensemble Limited.

In March 2020 Graham retired as chairman from GrainCorp Limited. In October 2020 Graham retired after 16 years as Chairman and director of HSBC Bank Australia Limited. In April 2022 Graham retired from EnergyAustralia Holdings Limited and in June 2022 he retired from The Hongkong and Shanghai Banking Corporation Limited. Graham was managing director of Perpetual Limited from 1995-2003. Prior to joining Perpetual, Graham was national managing partner of leading national law firm, Blake Dawson (now Ashurst). Before this, Graham was a partner of McKinsey & Company, a leading international firm of management consultants.

Graham was President of the Business Council of Australia from 2009-2011 and Vice President from 2011-2012. He was Deputy President of the Takeovers Panel from 2006-2013. He is a member of the Advisory Council of the Australian School of Business at UNSW and a director of the European Australian Business Council.

Graham also devotes time to a range of non-profit organisations, including the State Library of NSW. Graham was made a member of the Order of Australia in 2009 in recognition of his contribution to business, medical research and the arts.

#### **Simon Draper** Chief Executive Officer, Infrastructure NSW

Appointed 17 March 2018 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011*; re-appointed April 2019.

Simon joined Infrastructure NSW in April 2019. Within government, Simon has previously served as Secretary of the Department of Industry, Deputy Secretary, Economic Policy Group at the Department of Premier and Cabinet and as a tribunal member at the Independent Pricing and Regulatory Tribunal.

Prior to joining government, Simon has extensive senior executive management experience in infrastructure and utility companies. He is a former Chief Executive Officer of Lumo Energy, Chief

Executive Officer of Wellington Airport in New Zealand, General Manager Commercial at Integral Energy and Chief Executive Officer of Northern Territory Airports.

Simon has a Bachelor of Economics (Hons) from Sydney University, a Master of Business (Finance) from UTS and has completed the Company Directors Course of the Australian Institute of Company Directors.

**Michael Coutts-Trotter**  
**Secretary, NSW Department of Premier and Cabinet**

Appointed 11 October 2021 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011*

Michael Coutts-Trotter was first appointed to head a NSW Government department in 2004 and has since led 6 agencies. He is now the Secretary of the NSW Department of Premier and Cabinet.

Before joining the public service, Michael was chief of staff to a NSW Treasurer for 7 years.

Michael is a fellow of the Institute of Public Administration of Australia.

**Dr Paul Grimes**  
**Secretary, NSW Treasury**

Appointed 31 January 2022 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011*.

Dr Paul Grimes PSM was appointed as the 28th Secretary of NSW Treasury and NSW Industrial Relations on 29 January 2022. The Treasury Cluster includes NSW Treasury, NSW Procurement, NSW Productivity Commission, NSW Treasury Corporation, iCare (Insurance & Care NSW) SAS Trustee Corporation and Office of Energy and Climate Change (OECC). As Secretary, Dr Grimes is responsible for strategic management of the entirety of the State's finances, budget, assets, liabilities and financial risk management framework and transformation. He previously served as Coordinator General - Environment, Energy and Science with the NSW Department of Planning, Industry and Environment.

Dr Grimes has held a number of senior roles at the federal, state and territory levels, including serving as Secretary of the Commonwealth Department of Agriculture; Secretary of the Department of Sustainability, Environment, Water, Population and Communities; and as the Victorian Public Sector Commissioner.

Before being appointed as a Secretary in the Australian Government, Paul was Associate Secretary (Domestic Policy) in the Department of the Prime Minister and Cabinet and Deputy Secretary in the Commonwealth Department of Finance. He also served as Chief Executive of the ACT Department of Treasury and as Deputy Secretary in the South Australian Department of Treasury and Finance.

In 2010, he was awarded the Public Service Medal (PSM) for his role in the development of the Australian Government's response to the global financial crisis.

**Michael (Mick) Cassel, MProDev, GradCertAppFin, BConMgt(Build)(Hons), GICD**  
**Secretary, NSW Department of Planning and Environment**

Appointed 21 December 2021 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011*.

Mick was appointed Secretary of the Department of Planning and Environment (DPE) in December 2021. The department brings together specialists in urban and regional planning, natural resources, environment, heritage, Aboriginal and social housing.

Prior to his appointment, Mick led the NSW Government's social housing agenda for over 2 years as the head of the Land and Housing Corporation. Here he delivered greater access and choice of housing to the people of NSW and worked to address social housing shortages across the state.

Before joining the Land and Housing Corporation, Mick spent almost 3 years as the Chief Executive of the Hunter and Central Coast Development Corporation and 5 years as Program Director of the Revitalising Newcastle program. In these positions, Mick worked closely with the City of Newcastle and helped to shape the face of the city, effectively leading the delivery of the light rail as well as significant and sustained urban transformation and economic revitalisation programs.

Mick is a graduate of the renowned Harvard Business School's Advanced Management Program and has 30 years' experience in the construction and real estate industries. He has extensive expertise in managing complex stakeholders and delivering city-changing outcomes and is passionate about creating opportunities that see communities thrive.

**Marika Calfas**  
**Private Sector Member**

Appointed November 2018.

Marika Calfas is the Chief Executive Officer of NSW Ports, the private sector organisation responsible for managing Port Botany, Port Kembla and the intermodal terminals at Cooks River and Enfield in NSW, Australia.

Marika has more than 20 years' experience in the port sector including in port planning and development.

Marika serves as a representative on government advisory committees relating to freight and logistics.

Marika is also Deputy Chair of Ports Australia, Board member of Australian Logistics Council and Infrastructure Partnerships Australia, member of University of Wollongong's SMART Advisory Board, and Australia's representative to PIANC's (International Waterborne Transport Association's) Environmental Commission.

Marika holds an Engineering Degree (Environmental), Masters of Engineering Management and Masters of Environmental Law.

**Roger Fletcher**  
**Private Sector Member**

Appointed 15 July 2011.

Roger Fletcher is Managing Director of Fletcher International Exports, a company that exports sheep meats, wool and grain to more than 90 countries worldwide and farms sheep, wheat and cotton and operates an intermodal freight facility in regional NSW. Roger is also a board member of the Australian Meat Industry Council.

**Kerrie Mather**  
**Chief Executive Officer, Venues NSW**

Appointed 15 August 2019.

Kerrie is responsible for the world-famous Sydney Cricket Ground, Allianz Stadium, Accor Stadium, CommBank Stadium, McDonald Jones Stadium, WIN Stadium, Newcastle Entertainment Centre and WIN Entertainment Centre.

Kerrie is a well respected leader with significant experience in developing and running major infrastructure assets with complex operations and consumer facing businesses, in Australia and internationally.

She was Managing Director and Chief Executive Officer of Sydney Airport from 2011, one of the top 25 airports in the world serving 45 million passengers a year.

Previously, she was Chief Executive Officer of Macquarie Airports, the largest global airport owner and operator and ASX Top 20 company since 2002. Prior to that, she was an Executive Director of Macquarie Group in their infrastructure business, working with both Government and private sector clients. She has extensive experience in infrastructure and privatisations having worked across a range of sectors including regulated assets, transport, utilities, and social infrastructure.

Kerrie has been recognised with several honours and awards for her achievements and industry contributions. She is a member of the UNSW Australian School of Business Advisory Board, Tourism and Transport Forum Advisory Board, Chief Executive Women, Australian Institute of Company Directors, and a Fellow of FINSIA.

**Rod Pearse OAM**  
**Private Sector Member**

Appointed 15 July 2011.

Rod is a Board member of O'Connell Street Associates.

Rod was CEO of Boral Limited (2000 to 2009), a Board Member of the Business Council of Australia (2003 to 2009), a member of the WestConnex Delivery Authority and Sydney Motorway Corporation Board (2013 to 2018) and a member of the COAG Reform Council Expert Panel on Cities (2010 to 2012).

Rod was awarded an Order of Australia (OAM) medal for services to Youth in 2009.

**Board members who retired in 2021-22**

**Arlene Tansey**  
**Private Sector Member**

Appointed June 2014 and retired June 2022.

**Michael Pratt, AM**  
**Secretary, NSW Treasury**

Appointed July 2017 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011* and retired January 2022.

**Kiersten Fishburn**  
**Secretary of Planning, Industry and Environment**

Appointed October 2021 by virtue of her position within the NSW public service and consistent with the *Infrastructure NSW Act 2011* and retired December 2021.

**Tim Reardon**  
**Secretary, NSW Department of Premier and Cabinet**

Appointed April 2019 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011* and retired October 2021.

**Jim Betts**  
**Secretary, Department of Planning, Industry and Environment**

Appointed April 2019 by virtue of his position within the NSW public service and consistent with the *Infrastructure NSW Act 2011* and retired October 2021.



## Board meetings

There were 11 board meetings in 2021-22 and meeting attendance is shown in table 3.

Table 3, Infrastructure NSW 2021-22 meetings

Board Member	Meetings Attended
Graham Bradley, AM (Chair)	11
Marika Calfas	11
Roger Fletcher	11
Rod Pearse, OAM	10
Arlene Tansey	11
Simon Draper	11
Tim Reardon*	3
Jim Betts*	3
Michael Pratt, AM*	5
Kerrie Mather	9
Kirsten Fishburn	2
Michael Coutts-Trotter	3
Dr Paul Grimes PSM	4
Michael Cassel	5

\*includes delegate attendance

## Audit and Risk Committee

There were 5 Audit and Risk committee meetings in 2021-22 and meeting attendance is shown in table 4.

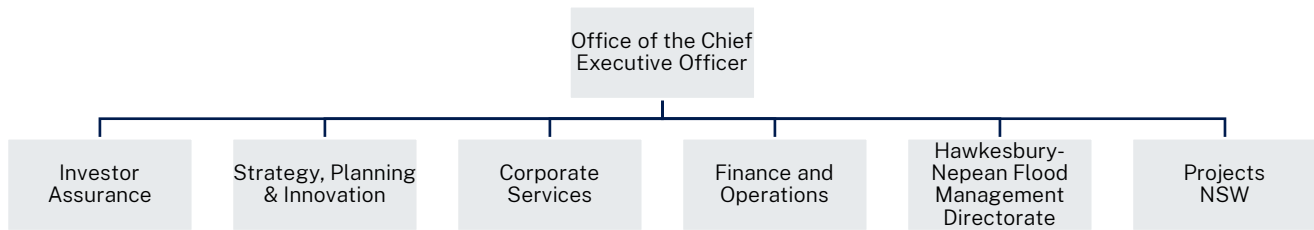
Table 4, Audit and Risk Committee 2021-22 meetings

Audit and Risk Committee Member	Meetings Attended
Arlene Tansey (Chair)	5
Kerrie Mather	5
Akiko Jackson	5
Marika Calfas	4
Glenn Turner	5

### Audit and Risk Committee members that retired during 2021-22

Arlene Tansy retired at the end of 2021-22.

# Organisational structure



## Senior management team

Infrastructure NSW has a small team of talented and experienced staff who are working to deliver the functions of the organisation. The senior management team is detailed below.

### **Simon Draper** Chief Executive Officer

Experience as outlined in the Board section.

### **Marina Van Der Walt** Head of Assurance

Marina joined Infrastructure NSW in 2017.

With \$112.7 billion in infrastructure to deliver in NSW over the next 4 years, Marina leads the Investor Assurance team to ensure major capital projects are delivered in a timely and cost-efficient way through the implementation of the NSW Infrastructure Investor Assurance Framework. Her team is also responsible for ensuring the NSW Government's ~\$400 billion asset portfolio remains adaptable to changing service needs and is resilient to shocks and stresses, through implementation of Asset Management Assurance.

As an executive leader who has worked in the finance and public administration sectors for more than 20 years, Marina has expertise in the strategic management of mega infrastructure portfolios, including the planning, commissioning, procurement and execution of tailored commercial arrangements for large infrastructure and service projects across sectors, in Australia and Africa.

Marina has previously held senior roles at NSW Treasury, PricewaterhouseCoopers and HSBC.

### **Tom Gellibrand** Head of Projects NSW

Tom is responsible for the delivery of High Profile High Risk NSW Government infrastructure projects.

Prior to joining Infrastructure NSW, Tom was the Acting CEO of Sydney Metro and oversaw the successful delivery of all aspects of the Metro program, including projects under construction and in planning.

During a career spanning 30 years, Tom has held senior executive positions in the areas of strategic urban, transport and infrastructure planning. He has also led infrastructure delivery at both the state and local government level. This work has involved the coordination of the private and public sectors in the planning and development of land, the provision of urban services, and the successful delivery of major utility, transport and social infrastructure.

## **Said Hirsh**

### **Head of Strategy, Planning and Innovation**

Said is responsible for the 20-year State Infrastructure Strategy, development of 5-year infrastructure plans, and providing independent advice to government on strategic infrastructure issues, policies and opportunities.

Said has extensive experience advising on government infrastructure strategy, policy and projects in Australia, the UK and globally. He has provided economic, financial and commercial advice on many major infrastructure projects, land use, and smart cities proposals, and has also worked extensively on developing broad sector and cross-sector plans.

Prior to Infrastructure NSW, Said had leadership roles with Deloitte and KPMG across engagements with several government departments on infrastructure program development and delivery.

## **Maree Abood**

### **Head of Hawkesbury-Nepean Valley Flood Risk Management Directorate**

Maree has extensive experience in public sector water and natural disaster policy, and infrastructure planning and delivery of state significant programs and policies in both the Sydney metropolitan and NSW regional areas.

Maree joined Infrastructure NSW in 2014 to head up the Hawkesbury-Nepean Valley Flood Management Taskforce. In 2016 she was awarded the Premier's Award for Excellence in Public Service for Building Infrastructure for leading the delivery of the Hawkesbury-Nepean Flood Risk Management Strategy.

Maree is responsible for the oversight and implementation of the whole-of-government Resilient Valley, Resilient Communities – Hawkesbury-Nepean Valley Flood Risk Management Strategy. She represents Infrastructure NSW on several water and state emergency management committees.

## **Matt Conrow**

### **Chief Financial and Operating Officer**

Matt joined Infrastructure NSW in March 2020. He is responsible for key internal business activities, including financial and commercial performance, business systems and process improvement, procurement, information technology and administration of the Restart NSW Fund.

Matt is passionate about transforming support and governance functions to unlock additional value for the people of NSW. Prior to joining Infrastructure NSW, Matt spent over a decade in key financial management roles across the private and public sectors, most recently as Chief Financial Officer at Service NSW and NSW Treasury. In these roles he has been heavily involved in the innovation and reform of State financial management, as well as promoting a customer-centric approach to the provision of corporate and shared services.

## **Janine Lonergan**

### **Executive Director, Corporate Services**

Janine is responsible for the functional areas of legal, human resources, communications and public affairs, stakeholder engagement, safety, and governance, including the roles of Chief Audit Executive and Board Secretary.

During her career as a government lawyer, Janine held senior executive roles providing legal advice and legislative reform services in areas including natural resources management and primary industries. Prior to Infrastructure NSW, Janine led the Office of the Secretary at the Department of Industry, working closely with the executive leadership team and overseeing the Cabinet function.

Janine is passionate about organisational culture and building high performing teams.

## Risk management and insurance

Infrastructure NSW has appropriate structures, processes and controls in place to identify, assess and manage material risks that may impact its organisational objectives.

Under the Model Charter adopted by Infrastructure NSW's Audit and Risk Committee, the Committee ensures Infrastructure NSW operates within a risk management framework to ensure its risk management approach is aligned to international standards and adapted to organisational specific risks and objectives.

The internal audit function of Infrastructure NSW is outsourced to external advisors KPMG.

Infrastructure NSW uses the NSW Treasury Managed Fund for its insurance requirements including workers' compensation, public liability, property and miscellaneous items.

During 2020-21, 1 claim was initiated, being for potential liability arising from *Grocon Group Holdings & Ors v Infrastructure NSW (20/37937)*. As at 30 June 2022, this litigation was still in progress. No claim was initiated during 2021-22.

# Internal audit and risk management attestation

## Internal Audit and Risk Management Attestation Statement for the 2021-2022 Financial Year for Infrastructure NSW

I, Simon Draper, am of the opinion that Infrastructure NSW has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

### Core Requirements

#### Risk Management Framework

1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant

#### Internal Audit Function

2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant

#### Audit and Risk Committee

3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

### Membership

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

- Independent Chair, Peter Duncan, appointed to the position on 9 September 2022 for an initial three-year term.
- Independent Member 1, Kerrie Mather, appointed to the position on 18 December 2019 for an initial three-year term.
- Independent Member 2, Akiko Jackson, appointed to the position on 19 May 2021 for an initial three-year term.
- Independent Member 3, Marika Calfas, appointed to the position on 21 June 2021 for an initial three-year term.
- Independent Member 4, Glenn Turner, appointed to the position on 16 July 2021 for an initial three-year term.
- Former Independent Chair, Arlene Tansey, retired on 10 June 2022.



Simon Draper  
Chief Executive  
Infrastructure NSW  
Signed on 27 September 2022

Janine Lonergan  
Executive Director Corporate Services  
Infrastructure NSW  
Agency Contact Officer

# Digital Information Security Policy Attestation

## Cyber Security Annual Attestation Statement for the 2021/2022 Financial Year for Infrastructure NSW

I, Simon Draper of Infrastructure New South Wales, am of the opinion that:

- Infrastructure NSW has assessed its cyber security risks and is putting in place systems and processes to further strengthen the cyber security environment in a manner consistent with the mandatory requirements as set out in the NSW Government Cyber Security Policy.
- Risks to Infrastructure NSW information and systems have been assessed and are being managed.
- Governance is in place to manage the Infrastructure NSW cyber security initiatives.
- Cyber security incidents, should they occur, are escalated to NSW GCISO governance forums as required.
- Infrastructure NSW has a cyber incident response plan that has been tested over the previous 12 months.

An independent audit of the Infrastructure NSW Information Security Management System was undertaken by Centium.

An independent assessment of controls against the mandatory requirements of the NSW Cyber Security Policy, including Essential Eight controls, was also undertaken by Centium.



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Simon Draper, Chief Executive

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# Financial statements

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## Statement by the CEO

### Statement by the Accountable Authority

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

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- present fairly Infrastructure New South Wales's financial position, financial performance and cash flows.



Simon Draper  
Chief Executive

Date 7 October 2022



# Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

### Infrastructure NSW

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Infrastructure NSW, which comprise the Statement by the Chief Executive Officer, the Statements of Comprehensive Income for the year ended 30 June 2022, the Statements of Financial Position as at 30 June 2022, the Statements of Changes in Equity and the Statements of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of Infrastructure NSW and the consolidated entity. The consolidated entity comprises Infrastructure NSW and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

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

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

#### Basis for Opinion

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

I am independent of Infrastructure NSW and the consolidated entity in accordance with the requirements of the:

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

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

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

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

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

## Chief Executive Officer's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of Infrastructure NSW and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

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

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



Weini Liao  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

7 October 2022  
SYDNEY

# Financial statements

## **Financial Statements**

**of**

**Infrastructure New South Wales**

**for the year ended 30 June 2022**

**Infrastructure New South Wales  
Consolidated Financial Statements  
Index**

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Infrastructure New South Wales

Statements of Comprehensive Income for the year ended 30 June 2022

	Notes	Consolidated			INSW		
		Actual	Budget	Actual	Actual	Budget	Actual
		2022	2022	2021	2022	2022	2021
		\$000	\$000	\$000	\$000	\$000	\$000
<b>Continuing Operations</b>							
<b>Expenses excluding losses</b>							
Employee related expenses	2(a)	27,848	37,791	27,002	-	-	-
Operating expenses	2(b)	71,816	81,638	40,894	71,816	81,638	40,894
Depreciation and amortisation	2(c)	9,653	13,002	9,934	9,653	13,002	9,934
Finance costs	2(d)	6,786	12,365	12,313	6,786	12,365	12,313
Project delivery expenses	2(e)	217,383	332,643	219,929	217,383	332,643	219,929
Grants and subsidies	2(f)	60,856	24,128	16,446	60,856	24,128	16,446
Personnel services expenses	2(a)	-	-	-	27,621	37,698	26,390
<b>Total expenses excluding losses</b>		<b>394,342</b>	<b>501,567</b>	<b>326,518</b>	<b>394,115</b>	<b>501,474</b>	<b>325,906</b>
<b>Revenue</b>							
Rendering of services	3(a)	238,507	337,308	236,202	238,507	337,308	236,202
Investment revenue	3(b)	3,690	12,939	13,613	3,690	12,939	13,613
Grants and contributions	3(c)	580,182	643,465	480,316	580,182	643,465	480,316
Acceptance by the Crown of employee benefits and other liabilities	3(e)	227	93	612	-	-	-
Other Income	3(f)	224	3,664	1,464	224	3,664	1,464
<b>Total revenue</b>		<b>822,830</b>	<b>997,469</b>	<b>732,207</b>	<b>822,603</b>	<b>997,376</b>	<b>731,595</b>
<b>Operating result</b>		<b>428,488</b>	<b>495,902</b>	<b>405,689</b>	<b>428,488</b>	<b>495,902</b>	<b>405,689</b>
Gain / (loss) on disposal	4	16,102	-	23,313	16,102	-	23,313
Other gains / (losses)	5	1,340	-	1,369	1,340	-	1,369
<b>Total gains/(losses)</b>		<b>17,442</b>	<b>-</b>	<b>24,682</b>	<b>17,442</b>	<b>-</b>	<b>24,682</b>
<b>Net result from continuing operations</b>		<b>445,930</b>	<b>495,902</b>	<b>430,371</b>	<b>445,930</b>	<b>495,902</b>	<b>430,371</b>
<b>NET RESULT</b>		<b>445,930</b>	<b>495,902</b>	<b>430,371</b>	<b>445,930</b>	<b>495,902</b>	<b>430,371</b>
<b>Other comprehensive income</b>							
Items that will not be reclassified to net result into subsequent periods:							
Net changes in revaluation surplus of property, plant and equipment		72,861	-	25	72,861	-	25
Net changes in revaluation surplus arising from changes in restoration liability		-	-	688	-	-	688
<b>Total other comprehensive income</b>		<b>72,861</b>	<b>-</b>	<b>713</b>	<b>72,861</b>	<b>-</b>	<b>713</b>
<b>Total comprehensive income</b>		<b>518,791</b>	<b>495,902</b>	<b>431,084</b>	<b>518,791</b>	<b>495,902</b>	<b>431,084</b>

The "Consolidated" results include the results of the INSW Staff Agency. The accompanying notes form part of these financial statements.

Infrastructure New South Wales  
Statements of Financial Position as at 30 June 2022

	Notes	Consolidated			INSW		
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	7	221,888	111,109	254,731	221,888	111,109	254,731
Receivables and prepayments	8	33,215	279,792	218,743	33,215	279,792	218,743
Contract Assets	20	2,164	-	1,380	2,164	-	1,380
Assets held for sale	13	-	-	28,484	-	-	28,484
<b>Total Current Assets</b>		<b>257,267</b>	<b>390,901</b>	<b>503,338</b>	<b>257,267</b>	<b>390,901</b>	<b>503,338</b>
<b>Non-Current Assets</b>							
Receivables	8	382,094	324,194	370,852	382,094	324,194	370,852
Inventory	9	203,790	552,924	547,482	203,790	552,924	547,482
Right-of-use Assets	11	22	4,130	3,078	22	4,130	3,078
Property, Plant and Equipment	10						
- Land and Buildings		245,909	242,367	208,744	245,909	242,367	208,744
- Infrastructure		440,987	680,702	475,975	440,987	680,702	475,975
- Plant and Equipment		2,783	340,092	3,629	2,783	340,092	3,629
- Leasehold Improvements		201	-	218	201	-	218
Total Property, Plant and Equipment		689,880	1,263,161	688,566	689,880	1,263,161	688,566
Intangibles assets	12	-	137	-	-	137	-
<b>Total Non-Current Assets</b>		<b>1,275,786</b>	<b>2,144,546</b>	<b>1,609,978</b>	<b>1,275,786</b>	<b>2,144,546</b>	<b>1,609,978</b>
<b>Total assets</b>		<b>1,533,053</b>	<b>2,535,447</b>	<b>2,113,316</b>	<b>1,533,053</b>	<b>2,535,447</b>	<b>2,113,316</b>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Payables	16	87,730	86,368	146,283	90,721	86,368	149,090
Borrowings	17	61,420	401,246	297,222	61,420	401,246	297,222
Provisions	18	5,141	11,219	2,758	2,200	11,219	-
Other current liabilities	19	2,569	165,446	13,723	2,569	165,446	13,723
Contract liabilities	20	8,279	-	18,059	8,279	-	18,059
<b>Total Current Liabilities</b>		<b>165,139</b>	<b>664,279</b>	<b>478,045</b>	<b>165,189</b>	<b>664,279</b>	<b>478,094</b>
<b>Non-Current Liabilities</b>							
Borrowings	17	429,829	388,686	400,266	429,829	388,686	400,266
Provisions	18	2,342	308	4,011	2,292	308	3,962
Other non-current liabilities	19	373,965	219,267	361,455	373,965	219,267	361,455
<b>Total Non-Current Liabilities</b>		<b>806,136</b>	<b>608,261</b>	<b>765,732</b>	<b>806,086</b>	<b>608,261</b>	<b>765,683</b>
<b>Total Liabilities</b>		<b>971,275</b>	<b>1,272,540</b>	<b>1,243,777</b>	<b>971,275</b>	<b>1,272,540</b>	<b>1,243,777</b>
<b>Net Assets</b>		<b>561,778</b>	<b>1,262,907</b>	<b>869,539</b>	<b>561,778</b>	<b>1,262,907</b>	<b>869,539</b>
<b>Equity</b>							
Accumulated funds		463,297	1,225,187	843,919	463,297	1,225,187	843,919
Reserves	23	98,481	37,719	25,620	98,481	37,719	25,620
<b>Total Equity</b>		<b>561,778</b>	<b>1,262,906</b>	<b>869,539</b>	<b>561,778</b>	<b>1,262,906</b>	<b>869,539</b>

The "Consolidated" results include the results of the INSW Staff Agency. The accompanying notes form part of these financial statements.

Infrastructure New South Wales  
Statements of Changes in Equity for the year ended 30 June 2022

	Notes	Consolidated/INSW		Total \$000
		Accumulated Funds \$000	Asset Revaluation Surplus \$000	
Balance at 1 July 2021		843,919	25,620	869,539
Net result for the year		445,930	-	445,930
<b>Other comprehensive income:</b>				
Net changes in revaluation surplus of property, plant and equipment		-	72,861	72,861
<b>Total comprehensive income for the year</b>		<b>445,930</b>	<b>72,861</b>	<b>518,790</b>
<b>Transactions with owners in their capacity as owners</b>				
Net change in net assets from equity transfer	28	(826,551)	-	(826,551)
<b>Balance at 30 June 2022</b>		<b>463,297</b>	<b>98,481</b>	<b>561,778</b>
Balance at 1 July 2020		431,439	41,156	472,595
Net result for the year		430,371	-	430,371
<b>Other comprehensive income:</b>				
Restated net changes in revaluation surplus of property, plant and equipment		-	25	25
Net changes in revaluation surplus arising from changes in restoration liability		16,249	(15,561)	688
Net changes in superannuation actuarial gain/(loss) on defined benefit plans		-	-	-
<b>Total comprehensive income for the year</b>		<b>446,620</b>	<b>(15,536)</b>	<b>431,084</b>
<b>Transactions with owners in their capacity as owners</b>				
Net change in net assets from administrative restructure		(34,140)	-	(34,140)
Adjustment to net assets from administrative restructure		-	-	-
<b>Balance at 30 June 2021</b>		<b>843,919</b>	<b>25,620</b>	<b>869,539</b>

The "Consolidated" results include the results of the INSW Staff Agency. The accompanying notes form part of these financial statements.

Infrastructure New South Wales  
Statements of Cash Flows for the year ended 30 June 2022

	Notes	Consolidated			INSW		
		Actual	Budget	Actual	Actual	Budget	Actual
		2022	2022	2021	2022	2022	2021
		\$000	\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>							
<b>Payments</b>							
Employee related		(27,621)	(37,698)	(26,390)	-	-	-
Other operating expenses		(651,902)	(463,922)	(667,836)	(652,062)	(463,922)	(667,836)
Finance costs		(6,866)	(12,365)	(12,313)	(6,786)	(12,365)	(12,313)
Grants and Subsidies		(27,444)	(24,128)	(16,446)	(27,444)	(24,128)	(16,446)
Personnel services Expenses		-	-	-	(27,621)	(37,698)	(26,390)
<b>Total payments</b>		<b>(713,833)</b>	<b>(538,113)</b>	<b>(722,985)</b>	<b>(713,913)</b>	<b>(538,113)</b>	<b>(722,985)</b>
<b>Receipts</b>							
Sales of goods and services		440,257	337,308	287,140	440,257	337,308	287,140
Grants and Contributions		580,182	643,465	480,316	580,182	643,465	480,316
Interest received		47	49	51	47	49	51
Other income		224	6,529	1,464	224	6,529	1,464
<b>Total receipts</b>		<b>1,020,710</b>	<b>987,351</b>	<b>768,971</b>	<b>1,020,710</b>	<b>987,351</b>	<b>768,971</b>
<b>Net cash flows from operating activities</b>	24	<b>306,877</b>	<b>449,238</b>	<b>45,986</b>	<b>306,797</b>	<b>449,238</b>	<b>45,986</b>
<b>Investing activities</b>							
Purchases of property, plant and equipment		(136,781)	(587,299)	(103,660)	(136,781)	(587,299)	(103,660)
Purchases of Investments		-	(6,580)	-	-	(6,580)	-
<b>Net cash flow from investing activities</b>		<b>(136,781)</b>	<b>(593,879)</b>	<b>(103,660)</b>	<b>(136,781)</b>	<b>(593,879)</b>	<b>(103,660)</b>
<b>Financing activities</b>							
Proceeds from borrowings		-	79,393	-	-	79,393	-
Repayment of borrowings		(201,515)	(9,527)	477	(201,435)	(9,527)	477
Payment of lease liabilities		(1,424)	-	(1,739)	(1,424)	-	(1,739)
<b>Net cash flows from financing activities</b>		<b>(202,939)</b>	<b>69,866</b>	<b>(1,262)</b>	<b>(202,859)</b>	<b>69,866</b>	<b>(1,262)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(32,843)</b>	<b>(74,775)</b>	<b>(58,936)</b>	<b>(32,843)</b>	<b>(74,775)</b>	<b>(58,936)</b>
Opening cash and cash equivalents		254,731	185,884	313,667	254,731	185,884	313,667
<b>Closing cash and cash equivalents</b>	7	<b>221,888</b>	<b>111,109</b>	<b>254,731</b>	<b>221,888</b>	<b>111,109</b>	<b>254,731</b>

The "Consolidated" results include the results of the INSW Staff Agency. The accompanying notes form part of these financial statements.



## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the period ended 30 June 2022

### 1 Statement of Significant Accounting Policies

#### (a) Reporting entity

Infrastructure New South Wales (hereafter referred to as INSW), is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. INSW is a reporting entity, comprising all the entities under its control, namely INSW Staff Agency (Staff Agency).

The Staff Agency is a public service agency established under the Administrative Arrangements Order 2014 and is pursuant to Part 2 of Schedule 1 of the Government Sector Employment Act 2013 (formerly the Infrastructure Special Officers Group (INSW Division) established under the former Public Sector Employment Management Act. The Staff Agency comprises persons who are employed under the Government Sector Employment Act 2013 to enable INSW to exercise its functions. In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

These consolidated financial statements for the year ended 30 June 2022 have been authorised for issue by the Chief Executive Officer on 7 October 2022.

#### (b) Basis of preparation

The INSW's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

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

Property, plant and equipment and certain financial assets and liabilities are measured at fair value. Assets held for sale are measured at lower of carrying value and fair value less cost to sell. Other financial statements items are prepared in accordance with the historical cost convention except where specified otherwise. Assets held for distribution are non-current asset (or disposal group) classified as held for distribution to owners and are measured at the lower of its carrying amount and fair value less costs to distribute. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the Financial Statements.

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

#### (c) Statement of compliance

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

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the period ended 30 June 2022

### 1 Statement of Significant Accounting Policies (continued)

#### (d) 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 INSW 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### (e) Superannuation on leave loading

INSW has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia* [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

#### (f) Comparative information

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

#### (g) Changes in Accounting Policy, Including new or revised Australian Accounting Standards

##### (i) Effective for the first time in FY21-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year. There are no new or amended standards adopted by INSW for the first time for their annual reporting period commencing 1 July 2021.

##### (ii) Issued but not yet effective

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

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

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates

##### (iii) Impact of COVID-19 on Financial Reporting for 2021-22

The NSW Government announced tighter restrictions for the Greater Sydney Metropolitan area on 17 July 2021 to eliminate community transmission. The new restrictions made provision for closing construction sites from 18 July 2021 to 30 July 2021. As a result of this disruptions, construction projects were put on hold and additional cost were incurred related to idle staff and equipment hires. A total of \$8.95 million was incurred and expensed during the financial period relating to \$6.35 million for Sydney Football Stadium and \$2.6 million for Blackwattle Bay projects (Note 2b).

Aside from the above, INSW experienced no other significant impact and was not required to change existing accounting policies and management estimates during the financial year as a result of COVID-19. INSW finances, liquidity position, control environment and general operations carried on without any major impediment. Further, there were no material valuation impacts identified on INSW's infrastructure projects.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 2 Expenses Excluding Losses

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(a) Employee related expenses</b>				
Salaries and wages (Including annual leave)	23,653	22,613	-	-
Superannuation - defined contributions plans	2,175	1,900	-	-
Long Service Leave	-	286	-	-
Workers' Compensation Insurance	130	17	-	-
Payroll tax and fringe benefits tax	1,265	1,316	-	-
Redundancies	618	692	-	-
On-Costs - annual leave and long service leave	7	178	-	-
Personnel services expenses	-	-	27,621	26,390
	<b>27,848</b>	<b>27,002</b>	<b>27,621</b>	<b>26,390</b>

Employee related costs that have been capitalised to property, plant and equipment and inventories, therefore excluded from the above are \$2.6 million and \$1.1 million respectively (2021: \$2.5million, \$1.2million respectively)

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(b) Operating expenses</b>				
Auditors remuneration - audit of the financial statements	306	342	306	342
IT fees for services rendered	3,141	3,302	3,141	3,302
Legal fees	533	970	533	970
Insurance - public liability	695	695	695	695
Expense relating to short-term leases	301	22	301	22
Expense relating to leases of low-value assets	6	-	6	-
Other expenses	1,140	1,535	1,140	1,535
Consultants	3,851	2,942	3,851	2,942
Other contractors	14,343	8,191	14,343	8,191
Contracted services - Hawkesbury Nepean Valley Flood Risk Management Strategy	3,483	14,878	3,483	14,878
Contracted services - South Creek Corridor Review	8	296	8	296
Precinct management***	11,911	7,722	11,911	7,722
Blackwattle Bay development *	25,748	-	25,748	-
Sydney Football Stadium (SFS) Redevelopment **	6,350	-	6,350	-
	<b>71,816</b>	<b>40,894</b>	<b>71,816</b>	<b>40,894</b>

\* On 4 April 2022, INSW entered a Settlement Deed with Multiplex Constructions Pty Ltd in relation to the new Sydney Fish Market project. The settlement included the impact of the COVID-19 construction pause. INSW is not expected to incur additional financial commitments in future periods in relation to this settlement deed (Note 1).

\*\* Sydney Football Stadium expenses relates to additional cost incurred due to COVID-19 construction pause (Note 1).

\*\*\* Precinct Management expenses include facilities management, security, utilities and activation costs for public domain infrastructure assets

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(c) Depreciation and amortisation expense</b>				
<b>Depreciation</b>				
Plant and equipment	1,033	1,309	1,033	1,309
Building	904	1,278	904	1,278
Leasehold Improvements	37	111	37	111
Infrastructure systems	7,679	7,230	7,679	7,230
	<b>9,653</b>	<b>9,928</b>	<b>9,653</b>	<b>9,928</b>
<b>Amortisation</b>				
Intangible	-	6	-	6
	-	6	-	6
<b>Total Depreciation and amortisation</b>	<b>9,653</b>	<b>9,934</b>	<b>9,653</b>	<b>9,934</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 2 Expenses Excluding Losses (continued)

	Consolidated		INSW	
	2022	2020	2022	2021
	\$000	\$000	\$000	\$000
<b>(d) Finance costs</b>				
Interest on borrowing measured at amortised cost	6,786	12,313	6,786	12,313
	<b>6,786</b>	<b>12,313</b>	<b>6,786</b>	<b>12,313</b>

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(e) Project delivery expenses</b>				
Projects NSW	215,356	215,112	215,356	215,112
Other Project Expenses	2,027	4,817	2,027	4,817
	<b>217,383</b>	<b>219,929</b>	<b>217,383</b>	<b>219,929</b>

#### Projects NSW detail by project

Walsh Bay Arts Precinct			49,209	121,962
Sydney Modern Art Gallery			121,800	74,353
New Grafton Correction Centre			85	1,015
Powerhouse Paramatta Museum			43,989	17,782
Penrith Football Stadium			230	-
Powerhouse Ultimo			43	-
<b>Total</b>			<b>215,356</b>	<b>215,112</b>

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(f) Grants and subsidies</b>				
Grant to cluster department	-	16,446	-	16,446
Grant expense - Affordable Housing and Developers Contribution Fund*	60,856	-	60,856	-
	<b>60,856</b>	<b>16,446</b>	<b>60,856</b>	<b>16,446</b>

\* As at 30 June 2022, the responsibility for the contributions in connection with the Redfern-Waterloo Authority Contributions Plan and Affordable Housing Contributions Plan were vested to Department of Planning and Environment. As part of the vesting process, an amount relating to \$13.4 million in cash (Note 14) and \$47.5 million in prepayments were expensed by INSW.

#### Recognition and Measurement

##### (i) 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 a component of an asset, in which case the costs are capitalised and depreciated.

##### (ii) Insurance

INSW'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 Manager based on past claims experience.

##### (iii) Precinct Management

Precinct Management expenses consist of facilities management, security, utilities and activation costs for public domain infrastructure assets. Precinct Management expenses are recognised as expenses in the period in which they are incurred.

##### (iv) Contracted Services

Contracted Services expenses consist of all the expenditure related to the projects (Hawkesbury Nepean Valley Flood Risk Management Strategy and South Creek Corridor Review). All expenses are recognised as expenses in the period in which they are incurred.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 2 Expenses Excluding Losses (continued)

#### Recognition and Measurement (continued)

(v) **Consultants and Other Contractors**

Consultant expenses consist of all expenditure provided by a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management. Generally it is advisory nature of the work that differentiates a consultant from other contractors.

All other expenditure provided by a person or organisation on a temporary basis that does not meet the definition of a consultant is classified as other contractors.

(vi) **Lease expenses**

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

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

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

(vii) **Finance Cost**

Finance Cost consist of interest and other costs incurred in connection with the borrowing of funds. It also includes finance costs related to leases liability. Borrowing costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's Mandate to not-for-profit NSW general government sector entities.

(viii) **Grants and subsidies**

Grants and subsidies expenses consist of all the expenditure related grants paid to the other government agencies. All expenses are recognised as expenses in the period in which they are incurred.

(ix) **Projects**

Projects expenses are related to the costs incurred on the projects carried out by INSW on behalf of other agencies These are recognised as expenses in the period they are incurred.

Projects revenue (Note 3) are the reimbursement received by other agencies to INSW for carrying out projects on their behalf. As these project contracts are enforceable contracts with a customer, and there are sufficiently specific performance obligations, the project revenue arrangements are within the scope of AASB 15. There is a single performance obligation for these projects for INSW to manage and deliver the infrastructure project as specified in the Memorandum of Understanding (MoU). Revenue is recognised when expenditure on the project has incurred, i.e. revenue is recognised over time as the asset is being constructed.

### 3 Revenue

	Consolidated		INSW	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>(a) Rendering of services</b>				
Projects NSW	215,356	215,112	215,356	215,112
Investor Assurance	10,658	9,367	10,658	9,367
Other services	12,493	11,723	12,493	11,723
	<b>238,507</b>	<b>236,202</b>	<b>238,507</b>	<b>236,202</b>

**Projects NSW detail by project**

Walsh Bay Arts Precinct			49,209	121,962
Sydney Modern Art Gallery			121,800	74,353
New Grafton Correction Centre			85	1,015
Powerhouse Paramatta Museum			43,989	17,782
Penrith Football Stadium			230	-
Powerhouse Ultimo			43	-
			<b>215,356</b>	<b>215,112</b>

	Consolidated		INSW	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>(b) Investment Revenue</b>				
Interest from cash at bank	47	51	47	51
Interest from finance leases	3,643	13,562	3,643	13,562
	<b>3,690</b>	<b>13,613</b>	<b>3,690</b>	<b>13,613</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 3 Revenue (continued)

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(c) Grants and contributions</b>				
Cluster Grant	577,890	476,526	577,890	476,526
Developer and affordable housing contributions	21	710	21	710
Grants from the climate change fund	2,271	3,080	2,271	3,080
	<b>580,182</b>	<b>480,316</b>	<b>580,182</b>	<b>480,316</b>

	2022	2021
	\$000	\$000
Grants without sufficiently specific performance obligations	580,182	480,316
	<b>580,182</b>	<b>480,316</b>

The Redfern-Waterloo Authority Contributions Plan and Affordable Housing Contributions Plan set out development contributions levied on development within the former Redfern Waterloo Authority's Operational Area. The contributions are to specifically fund the provision of public domain and affordable housing infrastructure in the area. As at 30 June 2022, the responsibility for the contributions in connection with the Redfern-Waterloo Authority Contributions Plan and Affordable Housing Contributions Plan were vested to Department of Planning and Environment (Note 14).

#### (d) Deemed Appropriations

Department of Premier and Cabinet was administratively responsible for Infrastructure NSW up to 31 March 2022. From 1 April 2022, Department of Transport is administratively responsible for Infrastructure NSW as a result of a Machinery of Government (MoG) change.

The Appropriation Act 2021 (Appropriations Act) and the subsequent variations appropriates the sum of \$2,966,415,000 to the Premier out of the Consolidated Fund for the services of Department of Premier and Cabinet, and \$nil to the Minister for Infrastructure, Cities and Active Transport out of the Consolidated Fund for the services of Department of Transport, for the year 2021–22. The spending authority of the Minister from the Appropriations Act has been delegated or sub-delegated to officers of Department of Premier and Cabinet, Department of Transport and entities that they are administratively responsible for, including Infrastructure NSW.

The responsible Premier for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the Government Sector Finance Act, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of Infrastructure NSW for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of Department of Premier and Cabinet and Department of Transport. It has been prepared on the basis of calculating the separate spending authorities of the Premier for Infrastructure NSW and the responsible Ministers for the services of the entities the respective principal department is administratively responsible for that receive or recover deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The Infrastructure NSW's spending authority and expenditure prior to the MoG change is included in the summary of compliance of Department of Premier and Cabinet, and after the MoG change in the summary of compliance of Department of Transport.

The delegation/sub-delegations for FY21/22 and FY20/21, authorising officers of the Infrastructure NSW to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Infrastructure NSW. However, as it relates to expenditure in reliance on a sum appropriated through an annual Appropriations Act, the delegation/sub-delegations are referable to the overall authority to spend set out in the relevant Appropriations Act. The individual transaction limits have been properly observed. The information in relation to the limit from the Appropriations Act is disclosed in the summary of compliance tables included in the financial statements of the Annual Report of Department of Premier and Cabinet and Department of Transport.

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(e) Acceptance by the Crown of employee benefits and other liabilities</b>				
The following liabilities and/or expenses have been assumed by the Crown or other government entities:				
Long service leave	227	612	-	-
	<b>227</b>	<b>612</b>	<b>-</b>	<b>-</b>

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>(f) Other income</b>				
Development Contribution Income	39	1,330	39	1,330
Other Income	185	134	185	134
	<b>224</b>	<b>1,464</b>	<b>224</b>	<b>1,464</b>

#### Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers. Comments regarding the accounting policies for the recognition of income are discussed below.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 3 Revenue (continued)

#### Recognition and measurement (continued)

##### (i) Rendering of services

Revenue from rendering of services is recognised when INSW satisfied the performance obligation by transferring the promised services.

Type of Service	Nature of Timing of Satisfaction of Performance Obligation, including Significant Payment Terms	Revenue Recognition Policies
Project delivery services provided to other NSW government agencies	<p>INSW typically satisfies its performance obligations when the services are performed.</p> <p>The revenue is measured at the transaction price agreed under the contract. The payments are due when service is provided but typically advance payments are made by agencies and this is disclosed in Note 20.</p>	Revenue is recognised when INSW satisfies the performance obligation by transferring the promised services, generally construction management services. The input method is used to recognise the revenue based on the percentage of costs incurred.
Infrastructure investor assurance review	<p>INSW satisfies its performance obligations when the service is performed.</p> <p>Revenue is measured at the transaction price agreed under contract. Payments are due either at the service provision date, within agreed billing terms.</p>	Revenue is recognised when the service is provided by reference to the type and stage of services provided to date.

##### (ii) Grants and contributions

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by INSW is recognised when INSW satisfies its obligations under the transfer. INSW satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. Revenue from grants with sufficiently specific performance obligations is recognised as and when INSW satisfies a performance obligation by transferring the promised goods. Revenue from grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. INSW receives its funding as cluster grant funding received from Department of Premier and Cabinet which receives appropriations from the Consolidated Fund.

On 1 April 2022 there was the Machinery of Government and INSW was moved into the cluster of Department of Transport. Subsequent financial periods, INSW will receive its funding as cluster grant funding from the Department of Transport.

##### (iii) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

##### (iv) Lease revenue and finance leases

Finance lease revenue is recognised over the lease period to allocate finance income over the lease term on a systematic and rational basis.

### 4 Gain / (loss) on disposal

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Net loss from disposal of property, plant and equipment and intangibles	(34)	(1,357)	(34)	(1,357)
Net proceeds from lease of land	8,900	50,327	8,900	50,327
Net gain/(loss) from remeasurement of finance lease model	7,221	(59,246)	7,221	(59,246)
Other developer contributions	15	33,590	15	33,590
	<b>16,102</b>	<b>23,313</b>	<b>16,102</b>	<b>23,313</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2022

### 5 Other gains / (losses)

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Gain/(loss) on fair value movement of assets held for sale	76	1,547	76	1,547
Impairment losses on right of use assets <sup>1</sup>	-	(178)	-	(178)
Derecognition of right-of-use assets and lease liabilities with Property NSW <sup>*</sup>	1,264	-	1,264	-
	<b>1,340</b>	<b>1,369</b>	<b>1,340</b>	<b>1,369</b>

<sup>1</sup> The impairment loss on right of use assets was due to an assessment that rental market values had declined. Property NSW, as INSW's property agent, obtained independent advice on the impact to tenancy leases that are held as right of use assets. This decline represents the impact upon leased accommodation in the Sydney CBD and Sydney metropolitan area.

<sup>\*</sup> The net gains/(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022 (Note 11)

The net gain/(loss) from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Right-of-use asset</b>				
Gross carrying value	(5,117)	-	(5,117)	-
Less: accumulated depreciation and accumulated impairment provision	3,001	-	3,001	-
Net book value	<b>(2,116)</b>	<b>-</b>	<b>(2,116)</b>	<b>-</b>
<b>Lease liability derecognised</b>	<b>3,380</b>	<b>-</b>	<b>3,380</b>	<b>-</b>
Net gains / (losses)	<b>1,264</b>	<b>-</b>	<b>1,264</b>	<b>-</b>

### 6 Program statements for the year ended 30 June 2022

INSW has four program groups being:

- Strategy, Planning & Assurance which comprises the following:
  - INSW Core operations, Strategy & Planning, Investor Assurance and management of the Restart NSW Fund
  - Special projects including the implementation of the Hawkesbury Nepean Flood Management Strategy and the South Creek Corridor Review
- Project Delivery which incorporates those infrastructure projects being delivered on request from the Premier under INSW's Act including through a Project Authorisation Order or Delegation
- Barangaroo Precincts
- Growth Centres incorporates infrastructure project relating to Blackwattle Bay project



**Infrastructure New South Wales**

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

**6 Program statements for the year ended 30 June 2022 (continued)**

Expenses & Income	Project Delivery	Strategy & Planning and Assurance	Barangaroo Precincts	Growth Centres	Total Program Groups
	2022	2022	2022	2022	2022
	\$000	\$000	\$000	\$000	\$000
<b>Expenses excluding losses</b>					
Operating expenses					
Employee related	-	24,538	3,310	-	27,848
Other operating expenses	6,350	22,252	24,252	25,748	78,602
Grants and subsidies	-	13,412	-	47,444	60,856
Depreciation and amortisation	-	1,562	8,091	-	9,653
Other expenses - Projects NSW	217,383	-	-	-	217,383
<b>Total expenses excluding losses</b>	<b>223,733</b>	<b>61,764</b>	<b>35,653</b>	<b>73,192</b>	<b>394,342</b>
<b>Sale of goods and services</b>					
Sale of goods and services	215,356	12,638	10,513	-	238,507
Other income	-	271	3,643	-	3,914
Grants & contributions	286,886	62,958	-	230,565	580,409
<b>Total revenue</b>	<b>502,242</b>	<b>75,867</b>	<b>14,156</b>	<b>230,565</b>	<b>822,830</b>
Gain / (loss) on disposal	-	-	16,102	-	16,102
Other gains / (losses)	-	1,268	72	-	1,340
<b>Net result from continuing operations</b>	<b>278,509</b>	<b>15,371</b>	<b>(5,323)</b>	<b>157,373</b>	<b>445,930</b>
<b>NET RESULT</b>	<b>278,509</b>	<b>15,371</b>	<b>(5,323)</b>	<b>157,373</b>	<b>445,930</b>
<b>Other comprehensive Income</b>					
Increase/(decrease) in asset revaluation surplus	-	-	72,861	-	72,861
<b>Total other comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>72,861</b>	<b>-</b>	<b>72,861</b>
<b>Total comprehensive Income</b>	<b>278,509</b>	<b>15,371</b>	<b>67,538</b>	<b>157,373</b>	<b>518,791</b>

**Infrastructure New South Wales**

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

**6 Program statements for the year ended 30 June 2022 (continued)**

Expenses & Income	Project Delivery	Strategy & Planning and Assurance	Barangaroo Precincts	Growth Centres	Total Program Groups
	2021	2021	2021	2021	2021
	\$000	\$000	\$000	\$000	\$000
<b>Expenses excluding losses</b>					
Operating expenses					
Employee related	-	21,868	3,883	1,251	27,002
Other operating expenses	-	28,089	24,790	328	53,207
Grants and subsidies	-	16,446	-	-	16,446
Depreciation and amortisation	-	2,055	7,879	-	9,934
Other expenses - Projects NSW	215,112	3,424	1,393	-	219,929
<b>Total expenses excluding losses</b>	<b>215,112</b>	<b>71,883</b>	<b>37,945</b>	<b>1,579</b>	<b>326,518</b>
<b>Revenue</b>					
Sale of goods and services	215,112	10,233	10,857	-	236,202
Other revenue	-	35	13,712	1,330	15,077
Grants & contributions	405,765	2,868	2	72,293	480,928
<b>Total revenue</b>	<b>620,877</b>	<b>13,136</b>	<b>24,571</b>	<b>73,623</b>	<b>732,207</b>
Gain / (loss) on disposal	137	(168)	23,344	-	23,313
Other gains / (losses)	-	-	1,369	-	1,369
<b>Net result from continuing operations</b>	<b>405,902</b>	<b>(58,914)</b>	<b>11,339</b>	<b>72,044</b>	<b>430,371</b>
<b>Net result from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET RESULT</b>	<b>405,902</b>	<b>(58,914)</b>	<b>11,339</b>	<b>72,044</b>	<b>430,371</b>
<b>Other comprehensive Income</b>					
Increase/(decrease) in asset revaluation surplus	-	-	25	-	25
Increase/(decrease) in revaluation surplus arising from changes in restoration liability	-	-	688	-	688
<b>Total other comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>713</b>	<b>-</b>	<b>713</b>
<b>Total comprehensive Income</b>	<b>405,902</b>	<b>(58,914)</b>	<b>12,052</b>	<b>72,044</b>	<b>431,084</b>

6 Program statements for the year ended 30 June 2022 (continued)

	Project Delivery	Strategy & Planning and Assurance	Barangaroo Precincts	Growth Centres	Total Program Groups
	2022	2022	2022	2022	2022
	\$000	\$000	\$000	\$000	\$000
<b>Assets &amp; Liabilities</b>					
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	8,279	186,157	14,040	13,412	221,888
Receivables	23,947	5,834	2,584	3,014	35,379
Assets held for Sale	-	-	-	-	-
<b>Total Current Assets</b>	<b>32,226</b>	<b>191,991</b>	<b>16,624</b>	<b>16,426</b>	<b>257,267</b>
<b>Non-Current Assets</b>					
Receivables	20	-	382,074	-	382,094
Inventory	-	-	-	203,790	203,790
Right-of-use Assets	-	20	2	-	22
Property, Plant and Equipment	-	2,133	687,747	-	689,880
Intangibles assets	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>20</b>	<b>2,153</b>	<b>1,069,823</b>	<b>203,790</b>	<b>1,275,786</b>
<b>Total Assets</b>	<b>32,246</b>	<b>194,144</b>	<b>1,086,447</b>	<b>220,216</b>	<b>1,533,053</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	41,568	2,881	10,198	33,083	87,730
Borrowings	-	24	61,396	-	61,420
Provisions	8,381	2,493	4,973	142	15,989
<b>Total Current Liabilities</b>	<b>49,949</b>	<b>5,398</b>	<b>76,567</b>	<b>33,225</b>	<b>165,139</b>
<b>Non Current Liabilities</b>					
Payables	-	-	-	-	-
Borrowings	-	-	429,829	-	429,829
Provisions	-	467	375,839	1	376,307
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>467</b>	<b>805,668</b>	<b>1</b>	<b>806,136</b>
<b>Total Liabilities</b>	<b>49,949</b>	<b>5,865</b>	<b>882,235</b>	<b>33,226</b>	<b>971,275</b>
<b>Net Assets</b>	<b>(17,703)</b>	<b>188,279</b>	<b>204,212</b>	<b>186,990</b>	<b>561,778</b>

**Infrastructure New South Wales**

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

**6 Program statements for the year ended 30 June 2022 (continued)**

Assets & Liabilities	Project Delivery	Strategy & Planning and Assurance	Barangaroo Precincts	Growth Centres	Total Program Groups
	2021	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	37,218	152,377	24,340	40,796	254,731
Receivables	507	1,630	216,606	-	218,743
Assets held for Sale	-	-	28,484	-	28,484
<b>Total Current Assets</b>	<b>37,725</b>	<b>154,007</b>	<b>269,430</b>	<b>40,796</b>	<b>501,958</b>
<b>Non-Current Assets</b>					
Receivables	-	-	350,852	20,000	370,852
Right-of-use Assets	547,482	-	-	-	547,482
Property, Plant and equipment	-	3,078	-	-	3,078
Intangibles	-	2,881	615,716	69,969	688,566
Inventories	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>547,482</b>	<b>5,959</b>	<b>966,568</b>	<b>89,969</b>	<b>1,609,978</b>
<b>Total Assets</b>	<b>585,207</b>	<b>159,966</b>	<b>1,235,998</b>	<b>130,765</b>	<b>2,111,936</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	58,854	5,427	23,924	58,078	146,283
Provisions	-	1,342	295,880	-	297,222
Provisions held for distribution	18,059	2,627	13,723	131	34,540
<b>Total Current Liabilities</b>	<b>76,913</b>	<b>9,396</b>	<b>333,527</b>	<b>58,209</b>	<b>478,045</b>
<b>Non Current Liabilities</b>					
Payables	-	-	-	-	-
Borrowings	-	3,406	396,860	-	400,266
Provisions	-	447	365,019	-	365,466
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>3,853</b>	<b>761,879</b>	<b>-</b>	<b>765,732</b>
<b>Total Liabilities</b>	<b>76,913</b>	<b>13,249</b>	<b>1,095,406</b>	<b>58,209</b>	<b>1,243,777</b>
<b>Net Assets</b>	<b>508,294</b>	<b>146,717</b>	<b>140,592</b>	<b>72,556</b>	<b>868,159</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 7 Current Assets - Cash and Cash Equivalents

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash at bank and on hand	221,888	254,731	221,888	254,731
	221,888	254,731	221,888	254,731

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand. A component of cash at bank and on hand has a restricted purpose. Refer to Note 14 for details.

Cash and cash equivalents assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash and cash equivalents (per statement of financial position)	221,888	254,731	221,888	254,731
	221,888	254,731	221,888	254,731

Refer Note 26 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

### 8 Current/Non-Current Assets - Receivables and Prepayments

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Current Receivables</b>				
Trade receivables from contracts with customers	27,029	217,384	27,029	217,384
less: Allowance for expected credit loss *	-	-	-	-
Goods and services tax recoverable from ATO	5,421	-	5,421	-
Other receivables	104	8	104	8
Prepayment	661	1,351	661	1,351
	33,215	218,743	33,215	218,743
<b>Non-Current Receivables</b>				
Prepayment	20	20,000	20	20,000
Finance lease receivable	382,074	350,852	382,074	350,852
	382,094	370,852	382,094	370,852

	2022	2021
	\$000	\$000
* Movement in the allowance for credit loss		
Balance at 1 July	-	(859)
Amounts written off during the year	-	859
Balance at 30 June	-	-

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 26.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 8 Current/Non-Current Assets - Receivables and Prepayments (continued)

#### Recognition and measurement

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

Contract receivables relate to INSW's right to consideration in exchange for goods transferred to customers/works completed, but not collected at the reporting date. Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

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

#### Impairment under AASB 9

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand. A component of cash at bank and on hand has a restricted purpose. Refer to Note 14 for details.

For Receivables (including contract receivables), INSW applies a simplified approach in calculating ECLs. INSW recognises a loss allowance based on lifetime ECLs at each reporting date. INSW has determined that as there is minimal historical credit loss experience and the majority of its receivables are inter-government, it has not recognised any ECLs.

### 9 Non-Current Assets - Inventory

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Sydney Football Stadium - Work In Progress	-	542,716	-	542,716
Blackwattle Bay - Work In progress	203,790	4,766	203,790	4,766
	203,790	547,482	203,790	547,482

On 30 June 2022, the ownership of Sydney Football Stadium was transferred from INSW to Venues NSW as an equity transfer. Cost relating to Blackwattle Bay redevelopment projects was transferred from property, plant and equipment (Note 28).

#### Recognition and measurement

Inventory comprise undeveloped land, work in progress and developed land. Infrastructure and land that will be transferred to another agency upon completion for management is classified as work in progress while it is under development.

Inventories are stated at cost (cost includes acquisition and development costs), adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost includes acquisition and development costs. Where there is a likelihood that the project will not progress then the net realisable value of the project is considered to be nil and capitalised costs are written off and recognised as an expense in the Statement of Comprehensive Income during the financial year.

INSW reviews its inventory balances periodically and writes off inventory where the net realisable value is less than the carrying amount in the accounts based on the latest forecast. When the circumstances that previously caused inventories to be written down below cost no longer exist due to change in economic circumstances, the amount of the write back is credited in the Statement of Comprehensive Income limited to the amount of the original write-down so that the new carrying amount is the lower of cost and the revised net realisable value.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost INSW would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 10 Non-Current Assets - Property, Plant and Equipment

	Work In Progress	Land	Infrastructure	Plant & Equipment	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>At 1 July 2021 - fair value</b>						
Gross carrying amount	133,490	208,744	387,947	6,744	398	737,323
Accumulated depreciation and impairment	-	-	(45,462)	(3,115)	(180)	(48,757)
<b>Net carrying amount</b>	<b>133,490</b>	<b>208,744</b>	<b>342,485</b>	<b>3,629</b>	<b>218</b>	<b>688,566</b>

<b>At 30 June 2022 - fair value</b>						
Gross carrying amount	69,802	245,909	424,326	6,599	418	747,054
Accumulated depreciation and impairment	-	-	(53,141)	(3,816)	(217)	(57,174)
<b>Net carrying amount</b>	<b>69,802</b>	<b>245,909</b>	<b>371,185</b>	<b>2,783</b>	<b>201</b>	<b>689,880</b>

#### Reconciliation

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

	Work In Progress	Land	Infrastructure	Plant & Equipment	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Year ended 30 June 2022</b>						
Net carrying amount at beginning of year	133,490	208,744	342,485	3,629	218	688,566
Addition of assets	136,781	-	-	-	-	136,781
Disposals	(825)	-	-	(34)	-	(859)
Remeasurement of assets	3,802	37,165	31,338	-	20	72,325
Transfer between property, plant and equipment asset classes	(5,226)	-	5,041	185	-	-
Transfer to inventory	(198,220)	-	-	-	-	(198,220)
Depreciation expense	-	-	(7,679)	(997)	(37)	(8,713)
<b>Net carrying amount at end of year</b>	<b>69,802</b>	<b>245,909</b>	<b>371,185</b>	<b>2,783</b>	<b>201</b>	<b>689,880</b>

	Work In Progress	Land	Infrastructure	Plant & Equipment	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Year ended 30 June 2021</b>						
Net carrying amount at beginning of year	32,636	243,302	315,621	3,883	137	595,579
Addition of assets	104,623	-	29,737	2,329	-	136,689
Disposals	-	-	-	(1,357)	-	(1,357)
Transfer In/(out) with other Government Agencies (Note 28)	-	(34,458)	563	-	-	(33,895)
Remeasurement of assets	-	-	25	-	196	221
Transfer between asset classes	(3,769)	(100)	3,769	41	(4)	(63)
Depreciation expense	-	(0)	(7,230)	(1,267)	(111)	(8,608)
<b>Net carrying amount at end of year</b>	<b>133,490</b>	<b>208,744</b>	<b>342,485</b>	<b>3,629</b>	<b>218</b>	<b>688,566</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 10 Non-Current Assets - Property, Plant and Equipment (continued)

#### Recognition and measurement

##### (i) Acquisitions of property, plant and equipment

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

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

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

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

##### (ii) Capitalisation thresholds

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

All costs incurred in property development are capitalised when assets are completed and ready for service. The costs are capitalised either directly or from capital work in progress when relevant. All assets of an individual value or a network of a value more than \$5,000 are capitalised.

##### (iii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site to the original condition is included in the cost of an asset, to the extent it is recognised as a liability. The liability is carried at present value of future estimated costs discounted using the government bond rate. The unwinding of the discount is recognised as finance costs in the statement of comprehensive income.

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

INSW adopts a straight-line depreciation except for land which is not a depreciable asset. All material separately identifiable components of assets are depreciated separately over their useful lives. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The following depreciation rates have been adopted:

Category of Assets	Asset Class	2022	2021
Plant and Equipment	Plant and equipment	10% - 50%	10% - 50%
	Furniture and fittings	10% - 25%	10% - 25%
	IT Equipment	33%	33%
Leasehold Improvement		20% - 33%	20% - 33%
Buildings		2% - 2.5%	2% - 2.5%
Infrastructure		1% - 20%	1% - 20%

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

Physical non current assets are valued in accordance with the 'Valuation of Physical Non Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09) and Treasurer's Direction 'Valuation of Physical Non-Current Assets at Fair Value' (TD 21-05). These policies adopt fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 15 for further information regarding fair value.



## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 10 Non-Current Assets - Property, Plant and Equipment (continued)

#### Recognition and measurement (continued)

##### (v) Revaluation of property, plant and equipment(continued)

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. INSW conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluation for infrastructure assets was completed 30 June 2020 and was based on an independent assessment. Comprehensive valuation was performed for land in the current financial year. Interim revaluations are conducted between comprehensive revaluations where cumulative changes to assets indicators suggest fair value may differ materially from carrying value. An interim revaluation was completed in current period for infrastructure class of assets as a result of cumulative increase in indicators of 10%. INSW adopted the movements in building price index and consumer index for the interim revaluation assessment. Inputs received from external professionally qualified valuer were also used for the interim revaluation.

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

For other assets valued using other valuation techniques, 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 recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

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

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise. When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

##### (vi) 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 or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs 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.

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

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

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

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
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### 11 Leases

The following table presents right-of-use assets and lease liabilities as at 30 June 2022:

#### a. INSW as a lessee

##### Right-of-use assets under leases

Consolidated/INSW	Notes	Plant & Equipment	Land and Buildings	Total
		\$000	\$000	\$000
Balance at 1 July 2021		58	3,020	3,078
Depreciation expense	2(c)	(36)	(904)	(940)
Derecognition of right-of-use-asset		-	(2,116)	(2,116)
<b>Balance at 30 June 2022</b>		<b>22</b>	<b>0</b>	<b>22</b>

Consolidated/INSW	Notes	Plant & Equipment	Land and Buildings	Total
		\$000	\$000	\$000
Balance at 1 July 2020		100	4,099	4,199
Remeasurement		-	377	377
Impairment loss		-	(178)	(178)
Depreciation expense	2(c)	(42)	(1,278)	(1,320)
<b>Balance at 30 June 2021</b>		<b>58</b>	<b>3,020</b>	<b>3,078</b>

##### Lease liabilities

Consolidated/INSW	2022	2021
	\$000	\$000
Balance at 1 July 2021	(4,748)	(5,997)
Remeasurement	-	(376)
Interest expenses	(80)	(114)
Payments	1,424	1,739
Derecognition of right-of-use-asset	3,380	-
<b>Balance at 30 June 2022</b>	<b>(24)</b>	<b>(4,748)</b>

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where INSW is the lessee:

Consolidated/INSW	2022	2021
	\$000	\$000
Depreciation expense of right-of-use assets	940	1,320
Impairment expense of right-of-use assets	-	178
Interest expense on lease liabilities	80	114
Expense relating to short-term leases	301	22
Expense relating to leases of low-value assets	6	-
Gains or losses arising from derecognising the right-of-use assets and lease liabilities with Property NSW	(1,264)	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>63</b>	<b>1,634</b>

INSW had total cash outflows for leases of \$1.4 million in FY2021-22 (FY2020-21 \$1.7 million). INSW has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly of motor vehicle, IT equipment's etc.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
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### 11 Leases (continued)

#### INSW as a lessor

	2022	2021
	\$000	\$000
<b>Lessor for finance leases</b>		
Future minimum rentals receivable (undiscounted) under non-cancellable lease are as follows:		
Within one year	-	-
One to five years	393,734	365,339
Later than five years	27,865	28,200
<b>Total (excluding GST)</b>	<b>421,599</b>	<b>393,539</b>
<b>Reconciliation of net investment in leases</b>		
Future undiscounted rentals receivable	421,599	393,539
Less: unearned finance income	(39,526)	(42,687)
<b>Net investment in finance leases</b>	<b>382,073</b>	<b>350,852</b>

	Notes	2022	2021
		\$000	\$000
Included in Financial Statements (Note 8)			
Non-current finance lease receivables	8	382,074	350,852
		<b>382,074</b>	<b>350,852</b>
Included in Financial Statements (Note 17)			
Current lease liability	17	24	1,342
Non-current lease liability	17	-	3,406
		<b>24</b>	<b>4,748</b>

#### Recognition and measurement

##### (i) Leased Assets

###### Right-of-Use Assets acquired by lessees

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The entity has elected to present right-of-use asset separately in the Statement of Financial Position.

###### INSW as Lessee

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases, except for short-term leases and leases of low-value assets.

INSW has elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

The entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where INSW obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that INSW will exercise a purchase option, INSW depreciates the right-of-use asset over its useful life.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 11 Leases (continued)

During financial year ended 30 June 2022, the entity has accepted the changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the "substitution right" clause for PNSW to relocate the entity during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16 (Note: if material, the entity should disclose the judgments made in the process of applying the accounting policy for the new office accommodation arrangements, e.g. The office accommodation agreement with PNSW is no longer accounted for as a lease from 30 June 2022. This involves judgment that the "substitution right" clause in the agreement provides PNSW with a substantive substitution right. Management has made judgment that PNSW can obtain benefits from exercising the substitution right when it achieves office accommodation efficiency at the whole-of-government level and/or its other service objectives. It is also considered practical for PNSW to exercise the substitution right due to the general nature of the relevant office accommodation). The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in "Other Gains/(Losses)" (refer to Note 5). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

The entity continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as the entity receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation). The incentives received prior to the 30 June 2022 apply to the remaining occupancy period. Therefore, the entity's accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation remains unchanged. A liability in relation to the amortised balance of incentives received has been recognised as a liability as at 30 June 2022 and will be amortised during the remaining occupancy period.

#### INSW as Lessor

Lessor accounting under AASB 16 will continue to classify leases as either operating or finance leases. Leases that the entity transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

At the lease commencement date, the entity recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease initial direct costs. Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

Land in Barangaroo is accounted for as a finance lease as development rights and leases of land are entered into progressively throughout the development.

#### (ii) Lease liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The entity's lease liabilities are included in borrowings.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
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### 12 Intangible Assets

	<b>Consolidated / INSW 2022 \$000</b>
<b>Software (Including IT Network design)</b>	
<b>At 30 June 2021</b>	
Net carrying amount	6
Amortisation (recognised in 'depreciation and amortisation')	(6)
<b>Net carrying amount</b>	<b>-</b>
<b>At 30 June 2022</b>	
Gross carrying amount	-
Accumulated amortisation and Impairment	-
<b>Net carrying amount</b>	<b>-</b>
<b>Year ended 30 June 2022</b>	
Net carrying amount at start of year	-
Amortisation (recognised in 'depreciation and amortisation')	-
<b>Net carrying amount at end of year</b>	<b>-</b>

#### Recognition and measurement

INSW recognises intangible assets only if it is probable that future economic benefits will flow to INSW and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for INSW's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

INSW's intangible assets are amortised using the straight-line method over a period of four years. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

### 13 Current Assets Held for Sale

	<b>Consolidated</b>		<b>INSW</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Asset Held for sale	-	28,484	-	28,484
	-	28,484	-	28,484

The assets held for sale relate to land for South Barangaroo development, which is accounted for as a finance lease of development rights and use of land.

#### Recognition and measurement

Assets held for sale and distribution are measured 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 and distribution. INSW 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.

### 14 Restricted Assets

		<b>Consolidated</b>		<b>INSW</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash and Cash Equivalents	7	13,412	40,796	13,412	40,796
		13,412	40,796	13,412	40,796

Restricted assets related to contribution for all major development within the Redfern Waterloo area received by INSW under the Waterloo Affordable Housing and Developers Contribution Plans. These contributions are held in separate deposits facilities and can be expensed on projects directly related to the specific purposes for which the funds were granted. All interest earned is reinvested in these accounts. As at 30 June 2022, the responsibility for contributions made under sections 30-32 of the Redfern Waterloo Authority Act was vested to Department of Environment and Planning. Funds held by INSW were transferred out subsequent to 30 June 2022 (Note 16).

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
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### 15 Fair value measurement of non-financial assets

#### (a) Fair value hierarchy

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

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

The INSW recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

PPE valued using level 2 and 3. INSW have some assets that are non-specialised short-life assets and measured at depreciated historical cost as a surrogate for fair value.

	Notes	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total fair Value \$000
<b>2022</b>					
<b>Property, plant and equipment</b>					
Land	10	-	245,909	-	245,909
Infrastructure	10	-	-	371,185	371,185
		-	245,909	371,185	617,094

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total fair Value \$000
<b>2021</b>				
<b>Property, plant and equipment (Restated)</b>				
Land and buildings	-	208,744	-	208,744
Infrastructure	-	-	342,485	342,485
	-	208,744	342,485	651,229

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

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

INSW engages an external, independent and qualified valuer to determine the value of the INSW asset portfolio.

Class	Valuation technique	Key Inputs
Land	Market approach - comparable value of similar land is considered	<ul style="list-style-type: none"> <li>* Comparable property sales values</li> <li>* Adjustments for scale of site, infrastructure costs and discounted due to restriction of use.</li> </ul>
Infrastructure	Current replacement cost approach	Due to the unique, specialised nature of these assets, a cost approach using current replacement cost has been applied.
Building	Current replacement cost approach	Due to the unique, specialised nature of these assets, a cost approach using current replacement cost has been applied.

#### (c) Reconciliation of recurring level 3 fair value measurements

	Work in Progress \$000	Infrastructure \$000	Total \$000
Fair Value as at 1 July 2021	133,490	342,485	475,975
Purchases of assets	136,781	-	136,781
Disposal	(825)	-	(825)
Revaluation increments/(decrements) recognised in other comprehensive income	3,802	31,338	35,140
Transfer between asset classes	(5,226)	5,041	(185)
Transfer to inventory	(198,220)	-	(198,220)
Transfer from other Government Agencies	-	-	-
Depreciation expense	-	(7,679)	(7,679)
<b>Fair value as at 30 June 2022</b>	<b>68,802</b>	<b>371,185</b>	<b>440,987</b>

	Work in Progress \$000	Infrastructure \$000	Total \$000
Fair Value as at 1 July 2020	32,636	315,621	348,257
Purchases of assets	104,623	29,737	134,360
Revaluation increments/(decrements) recognised in other comprehensive income	-	25	25
Transfer between asset classes	(3,769)	3,769	0
Transfer from other Government Agents	-	563	563
Depreciation expense	-	(7,230)	(7,230)
<b>Fair value as at 30 June 2021</b>	<b>133,490</b>	<b>342,485</b>	<b>475,975</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
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### 16 Current/ Non Current Liabilities - Payables

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Current</b>				
Creditors	1,636	799	1,636	799
Deferred Liability	-	50,005	-	50,005
Accrued Expense	70,023	81,663	70,023	81,663
Interest Payable	2,060	3,335	2,060	3,335
Other Payables*	13,598	26	13,598	26
Accrued salaries, wages and on costs	402	346	-	-
Goods and services tax payable to ATO	-	10,077	-	10,077
Security deposits and bonds	11	32	11	32
Personal Services	-	-	3,393	3,153
	<b>87,730</b>	<b>146,283</b>	<b>90,721</b>	<b>149,090</b>

\* Other payables includes payable of Waterloo Affordable Housing and Developers Contribution Plans funds to Department of Environment and Planning (Note 14).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 26.

#### Recognition and measurement

Payables represent liabilities for goods and services provided to the agency and other amounts. Payables are initially recognised at fair 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. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

### 17 Current / Non-Current Liabilities - Borrowings

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Current</b>				
Lease liability	24	1,342	24	1,342
T-Corp borrowings	61,396	295,880	61,396	295,880
	<b>61,420</b>	<b>297,222</b>	<b>61,420</b>	<b>297,222</b>
<b>Non-Current</b>				
Lease liability	-	3,406	-	3,406
T-Corp borrowings	429,829	396,860	429,829	396,860
	<b>429,829</b>	<b>400,266</b>	<b>429,829</b>	<b>400,266</b>

#### Changes in liabilities arising from financing activities

	T-Corp borrowings	Lease Liability	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2021	692,740	4,748	697,488
Payments	(201,515)	(1,424)	(202,939)
Interest charged		80	80
Derecognition of leases	-	(3,380)	(3,380)
<b>Balance as at 30 June 2022</b>	<b>491,225</b>	<b>24</b>	<b>491,249</b>

The fair value of these unsecured loans as at balance date was \$491 million (2021: \$693 million)

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowing are disclosed in Note 26.

#### Recognition and measurement

Borrowings represents interest bearing liabilities mainly raised through NSW Treasury Corporation and lease liabilities.

Financial liabilities at amortised cost (including borrowings and trade payables) are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings are classified as current liabilities unless the INSW has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date result for the year of de-recognition. Borrowings are classified as current liabilities unless INSW has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
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### 18 Current / Non-Current Liabilities - Provisions

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Current Provisions</b>				
<b>Employee benefits and related on-costs</b>				
Annual leave including on-costs	2,324	2,262	-	-
Long service leave on-costs	503	496	-	-
Payroll tax	114	-	-	-
<b>Current employee benefits and related on-cost provisions</b>	<b>2,941</b>	<b>2,758</b>	<b>-</b>	<b>-</b>
<b>Other Provisions</b>				
Restoration Costs	-	-	-	-
Climate Positive Fund	2,200	-	2,200	-
Make good provision	-	-	-	-
<b>Other Current Provisions</b>	<b>2,200</b>	<b>-</b>	<b>2,200</b>	<b>-</b>
<b>Total Current Provisions</b>	<b>5,141</b>	<b>2,758</b>	<b>2,200</b>	<b>-</b>
<b>Non-Current Provisions</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave on-costs	50	49	-	-
<b>Non-Current employee benefits and related on-cost provisions</b>	<b>50</b>	<b>49</b>	<b>-</b>	<b>-</b>
<b>Other Provisions</b>				
Restoration Costs	731	731	731	731
Climate Positive Fund	1,143	2,833	1,143	2,833
Make good provision	418	398	418	398
<b>Non-Current Other Provisions</b>	<b>2,292</b>	<b>3,962</b>	<b>2,292</b>	<b>3,962</b>
<b>Total Non-Current Provisions</b>	<b>2,342</b>	<b>4,011</b>	<b>2,292</b>	<b>3,962</b>
<b>Total Current / Non-Current Liabilities - Provision</b>	<b>7,483</b>	<b>6,769</b>	<b>4,492</b>	<b>3,962</b>

	Notes	Consolidated		INSW	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>Aggregate employee benefits and related on-costs</b>					
Provisions - current		2,941	2,758	-	-
Provisions - non-current		50	49	-	-
Accrued salaries, wages and on-costs	16	402	346	-	-
		<b>3,393</b>	<b>3,153</b>	<b>-</b>	<b>-</b>

#### 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 Costs	Climate Positive Fund	Make Good Provision	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of financial year	731	2,833	398	3,962
Additional provisions recognised	-	2,248	20	2,268
Amounts used	-	(1,738)	-	(1,738)
<b>Carrying amount at the end of financial year</b>	<b>731</b>	<b>3,343</b>	<b>418</b>	<b>4,492</b>

INSW has committed to Barangaroo operating as a Carbon Neutral precinct that will be delivered through a carbon reconciliation and offsetting process. This process uses a proportion of the funds generated by the Estate Levy to purchase Renewable Energy Certificates (RECs) and offsets where appropriate. INSW allocates an amount no greater than \$4.90 of the Estate Levy per annum, per m2 of GFA to a Climate Positive Fund provision account for each building which has achieved Practical Completion. INSW intends to utilise the nationally recognised National Carbon Offset Standard (NCOS) certification process to validate carbon neutrality.



## Infrastructure New South Wales

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### 18 Current / Non-Current Liabilities - Provisions (continued)

#### Recognition and measurement

Employee benefits are provided to INSW by INSW Staff Agency. INSW recognises personnel service expenses and provisions for these benefits.

#### (i) Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

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

Annual leave is recognised and measured at undiscounted amounts if expected to be settled within 12 months after the end of the period in which the employees services were rendered. Annual leave is required to be measured at fair value (although short-cut methods are permitted). Annual leave liability recognised at undiscounted amounts as an assessment has been made that effect of discounting is immaterial. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

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.

#### (ii) Long service leave and superannuation

INSW's liabilities for long service leave and defined benefit superannuation are assumed by the Crown in right of the State of New South Wales (Crown). INSW accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actual review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

#### (iii) 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

Provisions are recognised when INSW has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of 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.

#### (v) Make good costs

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

#### (vi) Restoration Provision

The restoration provision accounts for construction works, documentation and restoration works damages to existing roads in Barangaroo due to the existing constructions. The provision reflects management's judgement and assumptions regarding method, costs for remediation works and other conditions. The provision is released/reversed if it is certain that the provision is not required any more and there is no corresponding obligation to restore the roads to working condition.

### 19 Current / Non-Current Liabilities - Other

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Current</b>				
Lease receipt in advance	2,569	13,568	2,569	13,568
Other	-	155	-	155
	<b>2,569</b>	<b>13,723</b>	<b>2,569</b>	<b>13,723</b>
<b>Non Current</b>				
Lease receipt in advance	373,965	361,455	373,965	361,455
	<b>373,965</b>	<b>361,455</b>	<b>373,965</b>	<b>361,455</b>

Lease receipts in advance include lease payment received in relation to Central Barangaroo development that is yet to commence.

## Infrastructure New South Wales

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### 20 Contract Assets / Liabilities

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Current</b>				
Contract assets	2,164	1,380	2,164	1,380
Contract liabilities	8,279	18,059	8,279	18,059
Contract receivables (Note 8)	27,029	217,384	27,029	217,384

#### Recognition and measurement

Contract assets relate to INSW's right to consideration in exchange for goods transferred to customers/ works completed, but not billed at the reporting date in respect of

Contract Liabilities represents the balance remaining at the year end for which the performance obligations are not yet satisfied for projects being delivered on behalf of other NSW government agencies by the project delivery unit of INSW. INSW issues quarterly claims in advance based on forecast expenditure to these agencies for which the projects are being delivered. INSW draws down against this claim as expenditure is incurred.

	Consolidated		INSW	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Revenue recognised that was included in the contract liability balance at the beginning of the year	13,020	17,648	13,020	17,648
Revenue recognised from performance obligations satisfied in previous periods	1,380	821	1,380	821
Transaction price allocated to the remaining performance obligations from contracts with customers	54,170	765,832	54,170	765,832

The Transaction price allocated to the remaining performance obligation relates to Rendering of Services. 100% is expected to be recognised as revenue in the next financial year ending 30 June 2023.

### 21 Contingent Liabilities and Contingent Assets

On the 5 February 2020, Grocon (CB) Developments Pty Limited and two related entities commenced proceedings in the NSW Supreme Court against INSW in relation to events occurring during and subsequent to the tender for the Central Barangaroo development. INSW continues to defend claims brought by Grocon entities in relation to this project. The claims are currently in the NSW Supreme Court. Grocon alleges that it suffered loss on account of certain behaviour by INSW, particularly in relation to the timing of a contractual notice specifying the extent of development permitted at Central Barangaroo. The claims are proceeding in accordance with a timetable set by the court. A hearing date has not been decided. The claims are the subject of an indemnity by the NSW Government Insurer ICare.

### 22 Commitments

	2022	2021
	\$000	\$000
<b>Capital Commitments</b>		
Aggregate capital expenditure at balance sheet date and not provided for:		
Within one year	212,208	511,705
Later than one year and not later than five years	252,831	334,575
<b>Total (including GST)</b>	<b>465,039</b>	<b>846,280</b>

### 23 Equity

#### (i) Revaluation surplus

The asset revaluation reserve is used to record increments and decrements on the revaluation of non current assets. This accords with the INSW's policy on the revaluation of property, plant and equipment as discussed in Note 10.

#### (ii) Accumulated Funds

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

#### (iii) Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation of AAS (e.g. revaluation surplus).

#### (iv) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to

Transfers arising from an administrative restructure involving not for profit entities and for profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, INSW recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, INSW does not recognise that asset. Refer to Notes 26 for details on equity transfers.

## Infrastructure New South Wales

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### 24 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 as follows

	Consolidated		INSW	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Net cash used on operating activities	306,877	45,986	306,877	45,986
Depreciation and amortisation	(9,653)	(9,934)	(9,653)	(9,934)
Finance Lease Interest Income	3,643	13,562	3,643	13,562
Contribution Revenue	-	-	-	-
Other non cash items	(19,953)	(5,197)	(19,953)	(5,197)
Decrease / (increase) in provisions	(714)	682	(714)	682
Increase / (decrease) in receivables	(173,502)	89,778	(173,502)	89,778
Decrease / (increase) in payables	68,333	31,588	68,333	31,588
Decrease / (increase) in other liabilities	(1,356)	(28,843)	(1,356)	(28,843)
Increase / (decrease) in inventory	284,638	405,670	284,638	405,670
Increase / (decrease) in Assets Held for sale	(28,484)	(136,234)	(28,484)	(136,234)
Net gain / (loss) on sale of property, plant and equipment and intangible assets	16,102	23,313	16,102	23,313
<b>Net result</b>	<b>445,931</b>	<b>430,371</b>	<b>445,931</b>	<b>430,371</b>

### 25 Budget Review

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

#### Net Result

The net result was a \$459,897k surplus compared to a budgeted surplus of \$495,902k. This is a unfavourable variance of \$36,005k arising primarily from a higher grant expenses for Affordable Housing Developer Contributions by \$23,316k and the reduction in finance lease interest revenue as a result of last year's lease modification on the Barangaroo precinct.

#### Expenses

Total expenses excluding losses were \$380,930k compared to a budget of \$501,567k. This was a \$120,637k favourable variance compared to budget. The main drivers of the variance in expenditure are summarised below:

- Project delivery expenses are below budget by \$115,260k due to delays in major projects delivered on behalf of other agencies. Delays have results from the July COVID-19 site closures and density limits on construction sites, as well as slower construction progress due to inclement weather.
- Grants and subsidies are above budget by \$23,316k due to timing of payments and vesting of the affordable housing and developer contribution scheme to the Department of Planning and Environment.
- Employee related expenses are below budget by \$9,943k due to the transfer of the Barangaroo Activation and Precinct Management team to Place Management NSW, use of contractors and contingent labour which are reported as other operating expenses, and vacancies across the organisation.
- Other operating expenses are below budget by \$9,823 mainly due to COVID-19 delays and project timing. Unspent project budgets will be carried forward to future years.
- Depreciation and amortisation expenses are below budget by \$3,348k mainly due to delays in construction of assets and associated depreciation on Barangaroo infrastructure.
- Finance costs are below budget by \$5,579k due to lower interest rates and lower capital expenditure.

#### Revenue

Total revenue was \$822,830k compared to budget of \$997,468k. This was \$174,639k less than budget. The major reasons for this were:

- Delayed major projects delivered on behalf of other agencies reduced revenue by \$115,260k which was offset by lower expenses incurred.
- Delays in planning approvals for major capital projects delayed the receipt of \$67,350k in capital grants.

#### Other Gains

The gain in Other gains / (losses) is a result of increased developer contributions on remaining residential buildings in Barangaroo valued at \$7,221k, and the substantial commencement of the final residential building in Barangaroo South.

#### Assets and Liabilities

Net assets were \$561,778k compared to a budget of \$1,262,907k. The major variances arising in the Statement of Financial Position are noted below:

#### Assets

Total assets were \$1,533,105k compared to a budget of \$2,535,447k. This is \$1,002,394k under budget which is due to:

- Cash and cash equivalents has a \$110,779k favourable variance due to lower operating and project expenditure as a result of Covid-19 and delays in major project delivery.
- Inventory is \$349,134k under budget primarily due to the vesting of Sydney Football Stadium to Venue NSW as an equity transfer. This is partially offset by the reclassification of NSW Sydney Fish Market from Property, Plant and Equipment to Inventory.
- Property, plant and equipment is \$573,281k under budget due to the slower than expected progress on major capital projects as a result of Covid-19 restrictions placed on construction sites, and the reclassification of the New Sydney Fish Market to Inventory.
- Receivables and prepayments is \$186,513k under budget mainly due to outstanding developer contribution and movements in finance lease receivables associated with Barangaroo Project.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 25 Budget Review (continued)

#### Assets and Liabilities (continued)

##### Liabilities

Total Liabilities were \$971,275k compared to a budget of \$1,272,540k. This is \$301,265k under budget which is primarily borrowings being repaid in current financial year after receiving a one off payment of \$214m from Lendlease as part of the Barangaroo Developer Right Fees.

##### Cash Flows

The closing cash position was \$221,888k compared to a budget of \$111,109k. This is higher than budget by \$110,779k mainly due to delays in major project delivery.

### 26 Financial Instruments

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

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

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing risk. Risk management policies are established to identify and analyse the risks faced by the INSW, to set risk limits and controls and to monitor risks and compliance with policies is reviewed by management on a periodic basis.

#### (a) Financial instrument categories

Class	Note	Category	Consolidated Carrying Amount	
			2022	2021
Financial Assets			\$000	\$000
Cash and cash equivalents	7	Amortised cost	221,888	254,731
Receivables <sup>1</sup>	8	Amortised cost	409,207	568,238
			2022	2021
Financial Liabilities			\$000	\$000
Payables <sup>2</sup>	16	Financial liabilities measured at amortised cost	87,730	96,278
Borrowings	17	Financial liabilities measured at amortised cost	491,249	697,488

Class	Note	Category	INSW Carrying Amount	
			2022	2021
Financial Assets			\$000	\$000
Cash and cash equivalents	7	Amortised cost	221,888	254,731
Receivables <sup>1</sup>	8	Amortised cost	409,207	568,238
			2022	2021
Financial Liabilities			\$000	\$000
Payables <sup>2</sup>	16	Financial liabilities measured at amortised cost	90,721	99,085
Borrowings	17	Financial liabilities measured at amortised cost	491,249	697,488

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

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

The entity determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

#### (b) De-recognition 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 INSW transfers its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

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

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 26 Financial Instruments (continued)

#### (b) De-recognition of financial assets and financial liabilities (continued)

When INSW has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where INSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the INSW's continuing involvement in the asset. In that case, the agency also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the agency has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that INSW could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

#### (c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (d) Financial Risks

##### (i) Credit risk

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

Credit risk associated with INSW's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Credit risk arises when there is the possibility of INSW's debtors defaulting on their contractual obligations, resulting in a financial loss to INSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

INSW considers a financial asset in default when contractual payments for other than inter-government agreements are 90 days past due. However, in certain cases, INSW may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

##### Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorpIM Funds cash facility is discussed in market risk below.

##### Receivables

The loss allowance for trade receivables as at 30 June 2022 and 30 June 2021 was determined as follows:

	30 June 2022					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	0
Estimated total gross carrying amount at default	8,274	880	0	336	2,203	11,693
Expected credit loss	0	0	0	0	0	0

	30 June 2021					
	\$'000					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0%	0%
Estimated total gross carrying amount at default	214,848	391	103	679	1,365	217,386
Expected credit loss	0	0	0	0	0	0

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' would not reconcile to the sum of the receivables total in Note 8.

INSW is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2022.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 26 Financial Instruments (continued)

#### (ii) Liquidity risk

Liquidity risk is the risk that INSW will be unable to meet its payment obligations when they fall due. INSW continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. INSW's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically, unless an existing contract specifies otherwise. For payments to other suppliers, the CEO (or a person appointed by the CEO) may automatically pay the supplier simple interest. No interest was paid during the year (2021 : Nil).

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

#### Maturity Analysis and Interest rate exposure of financial liabilities

		\$000							
		Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 years	> 5 yrs
<b>Consolidated</b>									
<b>2022</b>									
Payables <sup>1</sup>									
Accrued salaries, wages and on-costs		Nil	402	-	-	402	402	-	-
Creditors		Nil	1,636	-	-	1,636	1,636	-	-
T-Corp Borrowings		1.37%	491,225	491,225	-	-	61,396	429,829	-
<b>Total</b>			<b>493,263</b>	<b>491,225</b>	<b>-</b>	<b>2,038</b>	<b>63,434</b>	<b>429,829</b>	<b>-</b>
<b>2021</b>									
Payables <sup>1</sup>									
Accrued salaries, wages and on-costs		Nil	346	-	-	346	346	-	-
Creditors		Nil	799	-	-	799	799	-	-
T-Corp Borrowings		1.04%	692,740	692,740	-	-	295,880	370,070	26,790
<b>Total</b>			<b>693,885</b>	<b>692,740</b>	<b>-</b>	<b>1,145</b>	<b>297,025</b>	<b>370,070</b>	<b>26,790</b>
		\$000							
		Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 years	> 5 yrs
<b>INSW</b>									
<b>2022</b>									
Payables <sup>1</sup>									
Accrued salaries, wages and on-costs		-	-	-	-	-	-	-	-
Creditors			1,636	-	-	1,636	1,636	-	-
T-Corp Borrowings		1.37%	493,285	491,225	-	-	61,747	431,538	-
<b>Total</b>			<b>494,921</b>	<b>491,225</b>	<b>-</b>	<b>1,636</b>	<b>63,383</b>	<b>431,538</b>	<b>-</b>

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 26 Financial Instruments (continued)

2021

Payables<sup>1</sup>

Accrued salaries, wages and on-costs		-	-	-	-	-	-	-
Creditors		799	-	-	799	799	-	-
T-Corp Borrowings	1.04%	696,075	692,740	-	-	297,517	371,564	26,994
<b>Total</b>		<b>696,874</b>	<b>692,740</b>	<b>-</b>	<b>799</b>	<b>298,316</b>	<b>371,564</b>	<b>26,994</b>

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cashflows and excludes statutory payables and unearned revenue (not within the scope of AASB 7), therefore will not reconcile to the statement of financial position.

#### (III) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. INSW's exposure to market risk is primarily through interest rates on cash and cash equivalents. INSW has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is structural change in the level of interest rate volatility. INSW's exposure to interest rate risk is set out below.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk arises primarily through INSW's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. INSW 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. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. INSW's exposure to interest rate risk is set out below.

INSW's exposure to interest rate risk is set out below.

Consolidated/INSW	Carrying Amount	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2022</b>					
<i>Financial assets</i>					
Cash and cash equivalents	221,888	(2,219)	(2,219)	2,219	2,219
Receivables	33,215	-	-	-	-
<i>Financial liabilities</i>					
Payables	87,730	-	-	-	-
Borrowings	491,225	-	-	-	-
<b>2021</b>					
<i>Financial assets</i>					
Cash and cash equivalents	254,731	(2,547)	(2,547)	2,547	2,547
Receivables	218,743	-	-	-	-
<i>Financial liabilities</i>					
Payables	146,263	-	-	-	-
Borrowings	692,740	-	-	-	-

#### (e) Fair value measurement

##### (i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 27 Related Party Disclosures

#### Related party disclosures – key management personnel

In accordance with AASB 124 Related Party Disclosures, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

##### (a) Compensation of key management personnel

INSW's key management personnel compensation details for the year ended June 2022 are as follows:

	2022	2021
	\$'000	\$'000
Short-term employee benefits:		
Salaries	3,261	3,099
Post-employment benefits	166	89
<b>Total remuneration</b>	<b>3,427</b>	<b>3,188</b>

##### (b) Transactions with related parties

There were no material transactions or outstanding balances with key management personnel INSW during the financial year

##### (c) Transactions and outstanding balances with other related parties during the financial year

There were no material transactions or outstanding balances with key management personnel INSW during the financial year

##### (d) Transactions with government related entities during the financial year

During the 2022 financial year, INSW entered into the following transactions with other entities consolidated as part of the NSW Total State Sector (the ultimate parent) within the normal course of business:

- Received \$60.4 million of recurrent grants and contributions from the Department of Premier and Cabinet to fund INSW's operations
- Received \$517.5 million in capital grants and contributions including \$286.9 million from Department of Premier and Cabinet for development of the Sydney Football Stadium and \$230.6 million the Blackwattle Bay precinct redevelopment (incorporating the new Sydney Fish Markets)
- Received the following funding for projects under development disclosed as Rendering of Services:
  - \$49.2 million for the Walsh Bay Arts Precinct Project via the Department of Premier and Cabinet
  - \$121.8 million for the Sydney Modern Art Gallery Project from the Art Gallery of NSW via the Department of Premier and Cabinet
  - \$43.9 million for the Powerhouse Museum at Parramatta via the Department of Premier and Cabinet
- Repayment of TCorp borrowings for Barangaroo Development of \$201.4 million
- Transferred the Sydney Football Stadium, \$825.6 million in inventory assets via equity to Venue NSW.
- There were also other transactions with various entities which were not individually significant and include the following:
  - Rendering of Services income to fund key strategic initiatives and coordination across NSW Government as well as administering the Investor Assurance role
  - Expenditure incurred where INSW is acting in a strategic advisory and coordinating capacity
  - Assumption by the Crown Finance of Long Service Leave entitlements
  - On 4 March 2022, INSW entered into an agreement with Place Management NSW to outsource its responsibilities for Activation and Precinct Management at Barangaroo. Place Management NSW will invoice INSW for the net costs of performing this service. As part of the agreement, INSW Activation and Precinct Management staff were also transferred to Place Management NSW.



## Infrastructure New South Wales

Notes to and forming part of the Consolidated Financial Statements  
for the year ended 30 June 2022

### 28 Equity transfers

There are no discontinued operations for the year ended 30 June 2021.

#### A. Asset of disposal group held for distribution

	2022	2021
	\$'000	\$'000
<b>Assets held for distribution</b>		
Property, Plant and Equipment held for distribution	-	34,458
Inventories held for distribution	-	245
<b>Liabilities held for distribution</b>		
Employee benefits liabilities	-	298
<b>Total Assets and Liabilities for distribution</b>	<b>-</b>	<b>34,405</b>

#### B. Equity transfer

Following the NSW Government acting in its capacity as owners, INSW transferred out inventory assets relating to the Sydney Football Stadium to Venues NSW on 30 June 2022. In 2021, INSW transferred out property, plant and equipment and inventories related to Parramatta North and Redfern Eveleigh projects and transferred in infrastructure assets related to Barangaroo project.

These transfers are in accordance with TPP21-08 'Contributions by owners made to wholly owned public sector entities' and recorded at book value as an equity transfer.

	2022	2021
	\$'000	\$'000
Property, plant and equipment	-	34,458
Inventories	826,551	245
Infrastructure	-	(563)
<b>Total Assets</b>	<b>826,551</b>	<b>34,140</b>

### 29 Subsequent Events

On 24 August 2022, the Deed of Transfer for the Sydney Fish Market site was signed by Property NSW to transfer the land to Infrastructure NSW. The parties have agreed that the transfer will be recognised at fair value as an equity transfer between the parties.

#### End of audited financial statements

# Statutory reporting

## Human resources

Our people have continued to work tirelessly and with great resilience throughout the past year with the challenging backdrop of the global pandemic and natural disasters. Infrastructure NSW's organisational culture remains strong thanks to our highly dedicated and skilled workforce and leadership team. We have continued to attract a diverse mix of skills and experience to our multi-disciplinary team of professionals.

The workforce has been highly adaptive to stay-at-home orders and return-to-workplace policies and we have looked for opportunities to bring employees together and maintain strong connections. We encouraged team office days to allow for collaboration and team building, and held several engagement activities including our staff awards and celebrations of our diverse culture to encourage office attendance.

The Activation and Precinct Management business unit responsible for the delivery of place activation and precinct management for the Barangaroo public domain transitioned to Place Management NSW in March 2022. Place Management NSW performs comparable public domain management functions and is responsible for the management of the Darling Harbour and Rocks precincts which are immediately adjacent to the Barangaroo precinct.

In March 2022 the Safety Improvement Team within the Corporate Services Division completed delivery of the development and implementation of a contemporary work, health and safety management system for the scope and diversity of Infrastructure NSW's operational context.

As at 30 June 2022, there were 134 employees working for Infrastructure NSW, including a total of 43 senior executives. The table below provides additional information on staff headcount.

Table 6, number of employees by category excluding senior executives – classification level over 3 years

Employees by Category	30 June 2020		30 June 2021		30 June 2022	
	Male	Female	Male	Female	Male	Female
Grade 1-2 or equivalent	0	0	0	0	0	0
Grade 3-4 or equivalent	2	5	1	0	0	0
Grade 5-6 or equivalent	3	10	4	11	0	10
Grade 7-8 or equivalent	3	11	4	17	4	6
Grade 9-10 or equivalent	8	13	3	27	3	10
Grade 11-12 or equivalent	12	19	23	19	22	23
Total number of employees	<b>28</b>	<b>58</b>	<b>35</b>	<b>74</b>	<b>29</b>	<b>62</b>

## Executive levels and remuneration

Table 7 details the number of executives employed by Infrastructure NSW by band and gender, while table 8 details the average remuneration. The tables capture all senior executives who were employed as at 30 June 2022.

In 2021-22, a total of 48.9% of Infrastructure NSW's employee related expenditure was related to senior executive employees. This further decrease from 53% in the previous year is as a result of Infrastructure NSW stabilising its structure to deliver on the government agenda.

Infrastructure NSW continues to strive towards achieving the Premier's Priority of 50% of senior executives being female. This will continue through recruitment and learning and development opportunities with the objective of achieving this priority in the near future.

In 2021-22, 48.9% of Infrastructure NSW's employee related expenditure related to senior executive employees. This decrease is as a result of Infrastructure NSW stabilising its organisational structure to deliver on the government agenda and delivering key operational improvement projects.

Table 7, number of senior executives employed at the end of the reporting year, by band and gender within each band

Band	2019-20		2020-21		2021-22	
	Male	Female	Male	Female	Male	Female
Band 3	2	3	2	2	3	1
Band 2	11	3	13	3	9	2
Band 1	10	16	14	15	11	17
<b>Totals</b>	<b>23</b>	<b>22</b>	<b>29</b>	<b>20</b>	<b>23</b>	<b>20</b>
	<b>45</b>		<b>49</b>		<b>43</b>	

Table 8, average remuneration level of senior executives in each band at the end of the reporting year

Band	Range (\$)	Average Remuneration		
		2019-20 (\$)	2020-21 (\$)	2021-22 (\$)
Band 3	\$354,201 - \$499,250	\$502,775*	\$514,684*	\$508,670*
Band 2	\$281,551 - \$354,200	\$322,072	\$321,928	\$329,083
Band 1	\$197,400 - \$281,550	\$236,417	\$235,048	\$242,180

\*includes 1 position determined by the Statutory and Other Offices Remuneration Tribunal

## Personnel policies and practices

In 2021-22, People and Culture launched a human capital management system to digitise back-office processes and support our people in every stage of the employee lifecycle. The myCareer platform manages employees' learning and development, recognition, performance and career development. Through myCareer, mandatory compliance training was assigned to employees to build capability and reinforce understanding of key policies. These included:

- Code of Ethics and Conduct
- Respectful Workplace
- Gifts and Benefits
- Conflicts of Interest
- Privacy and Personal Information
- Safety Essentials

- Safety Leadership Essentials
- Handling Sensitive Information

As part of the onboarding experience for new employees, a compliance training package was developed to ensure staff understand key policies applicable to their employment at Infrastructure NSW. First day and corporate induction programs ensure new employees are integrated into the organisation and reach productivity quickly. Inductions are interactive and engaging and continue to receive positive feedback.

Two key policies were developed and published: the Learning and Development Policy and Respect in the Workplace Policy. The Learning and Development Policy affirms Infrastructure NSW's commitment to developing the capabilities of our employees to deliver on our business outcomes and to meet our needs and those of the NSW public sector.

Our Respect in the Workplace Policy is an important policy refreshed to acknowledge our role as an employer in achieving change in terms of acceptable workplace behaviour. The policy supports our commitment to a workplace free of any form of inappropriate behaviour and where all people are treated with respect. Infrastructure NSW has a strong focus on supporting complainants through a range of referral options, confidentiality, and options for raising a complaint.

### **Performance development plans and enhancements**

In 2021-22, Infrastructure NSW further enhanced performance development practices to incorporate common Infrastructure NSW objectives linked to our values. Employees continue to set performance and development objectives connecting to our strategy. Additional common objectives were developed for our people managers setting consistent expectations and responsibilities of leaders.

The 2022-23 performance cycle will be further improved with a simple user-friendly online process hosted in the myCareer platform.

### **People Matter Employee Survey and action planning**

It is essential we seek, consider and respond to feedback from our people. Infrastructure NSW gathers feedback through the annual People Matter Employee Survey.

We had a strong positive response to the 2021 survey, with an engagement score of 74%. Our focus on health and safety also yielded positive results with a 92% favourable score.

Our employees have a strong sense of job satisfaction evidenced by high levels of role clarity and support and our commitment to an inclusive and culturally safe workplace is positively reflected in the results.

### **Diversity**

Inclusion and diversity are central to our culture and how we live our organisational values. Infrastructure NSW published the Inclusive Workplace Policy that sets a framework for a culture of inclusion and reinforces our commitment to equal employment opportunity, recognising people from all backgrounds and cultures, and ensuring we offer an equitable and culturally safe workplace. Our policy supports the NSW Government's commitment to a diverse and inclusive public sector workforce. Our forward action plan is aligned to the Premier's Priorities with a focus on women in leadership, a culture that is inclusive and disability confident, and supports Aboriginal employees and employment opportunities.

The recruitment approach of Infrastructure NSW is based on the principles of equal employment opportunity and a workforce that is reflective of the residents of NSW.

Table 9 shows trends in the representation of workforce diversity groups.

Table 9: workforce diversity groups

Workforce Diversity Group	Benchmark	2020	2021	2022
Women	50%	61.1%	58.3%	61.1%
Aboriginal and/ or Torres Strait Islander people	3.3%	4.9%	2%	1%
People whose first language spoken as a child was not English	23.2%	17.4%	15%	22%
People with disability	5.6%	2.2%	1.3%	1%
People with disability requiring work-related adjustment	N/A	1.1%	1%	1%

Our commitment to increasing women in senior leadership has continued with a target of 50% of women in senior leadership roles. We are focussed on ensuring there is one woman on every senior executive recruitment shortlist, we have embedded our flexible work policy and continue to provide targeted development opportunities for our female talent pipeline.

### Flexible working

Infrastructure NSW has embedded our Flexible Workplace Policy and culture. During the year we had a gradual return to office and have embraced a hybrid way of work where everyone has the opportunity to embrace flexibility. Infrastructure NSW remains committed to an approach that balances the needs of the organisation with our employees' desires. A flexible work conversation was included as part of performance development plans in 2021-22.

### Workplace culture that is inclusive and disability confident

Infrastructure NSW is committed to an inclusive culture as demonstrated in the Inclusive Workplace Policy. We continued to develop a culture that is both inclusive and disability confident. During the year we supported an employee with a significant disability ensuring workplace adjustments were made and appropriate technology provided. We will continue to build awareness with hiring managers of disability recruitment and workplace adjustments.

Our senior leaders play a vital role in creating an inclusive workplace by role-modelling inclusive behaviour. Following the launch of our Inclusive Workplace Policy, executive leaders were asked about inclusive leadership. Through this program they demonstrated the key traits needed to be an inclusive leader and how these traits influence the way they lead.

A diverse calendar of programs, events and initiatives was delivered, all aimed at building our inclusive and culturally safe workplace. Our 2021-22 performance development plans included a diversity and inclusion objective for all employees to ensure we model inclusive behaviour and show respect for diverse backgrounds, experiences and perspectives.

### Aboriginal employees and cultural awareness

Infrastructure NSW continued its relationship with the Career Trackers internship program, hosting an Indigenous university student for the summer intern period. Developing our Indigenous employees is a key priority and we have supported our employees in this area through mentoring programs, conferences, seminars and leadership summits.

### Employee wellbeing

Employee wellbeing and engagement is critical to our success and equally as important as our achievements. As the COVID-19 pandemic continued, our focus on wellbeing has remained strong. Our annual calendar of programs and events provided numerous opportunities for our employees to focus on their health and wellbeing. Some of the highlights included the STEPtember challenge, raising awareness of cerebral palsy while motivating our staff to take 10,000 steps a day. Our flu vaccination program was available for employees and we recognised world health day with a guest

speaker who explored techniques to remain focused and motivated. On R U OK? Day we engaged our people on the importance of every day being the day to ask your friends, family and colleagues if they are ok and we provided resources on how to start a conversation. We recognised the importance of cancer prevention through the Biggest Afternoon Tea.

At Infrastructure NSW we have a strong network of accredited mental health first aiders who are available to support employees, discuss concerns and encourage professional help or pathways for employees in need. Access to confidential counselling is available through our Employee Assistance Program.

## **Employee recognition**

Recognising our top performers and employees who epitomise our values happens in both structured and unstructured ways at Infrastructure NSW. During the year we held our inaugural employee awards with 8 categories. These categories included a grouping based on individuals or teams epitomising our values, a group of people's choice awards and finally the CEO award given to an individual for outstanding contribution. Our winners were celebrated at the end of year celebrations.

## **Industrial relations**

Following on from consultation with staff in the previous financial year, the industrial relations harmonisation program was implemented on 9 July 2021 to ensure that all non-executive staff were employed under a single industrial agreement.

By having one set of conditions for all non-executive employees, Infrastructure NSW has ensured equity, avoided wage disparity and provided transparent, fair working conditions. It has also ensured consistency with the broader public sector allowing for greater mobility.

Under the Crown Award staff have been able to benefit from increased entitlements such as the addition of flex time, study leave and a higher sick leave entitlement.

During the year, Infrastructure NSW had to assess the risks associated with the COVID-19 pandemic to ensure the safety of staff and others in our workplace. Following an evaluation of the risks, the reasonably practicable risk control measures available, and consultation with staff, a COVID-19 Vaccination Policy was adopted requiring all staff, contractors and consultants to be fully vaccinated as a condition of employment.

There were no industrial disputes lodged and no working time was lost to industrial disputes during the year. Infrastructure NSW has continued a consultative partnership with the Public Service Association regarding change programs, employee entitlements and individual staffing matters.

## Annual report production

The production and printing cost for the 2021–22 Annual Report was nil. A PDF version of the report can be downloaded at [www.infrastructure.nsw.gov.au](http://www.infrastructure.nsw.gov.au)

## Privacy

Infrastructure NSW's privacy policy, and information about collection and use of personal information, is published on the organisation's website.

Infrastructure NSW's privacy contact officer can be contacted at:

The Privacy Officer  
Infrastructure NSW  
PO Box R220  
Royal Exchange NSW 1225

Or via email at [mail@infrastructure.nsw.gov.au](mailto:mail@infrastructure.nsw.gov.au)

No internal reviews were conducted by or on behalf of Infrastructure NSW under the *Privacy and Personal Information Protection Act 1998* or the *Health Records and Information Privacy Act 2002* during the 2021-22 reporting period.

## Responding to consumers

Infrastructure NSW provides independent advice to Government and, in that capacity, does not deliver direct services to the public. In relation to Barangaroo, Infrastructure NSW managed the Barangaroo precinct including the public domain until 4 March 2022, and in that capacity, delivered visitor services directly to the public.

## Promotions

There were no promotions undertaken by Infrastructure NSW staff in 2021-22.

## Workplace health and safety

Infrastructure NSW is committed to the health, safety and wellbeing of its staff, contractors and the community members we work with. Throughout 2021-22, Infrastructure NSW implemented a comprehensive work, health and safety management system called 'Infrasafe' which sets out principles and guidance on how WHS is managed across the organisation. Infrasafe reflects Infrastructure NSW's unique operating context.

Infrastructure NSW has a number of corporate health, safety and wellbeing initiatives including:

- an internal Work, Health and Safety (WHS) Committee that reviews and consults on all work, health and safety issues
- employee engagement activities incorporating wellbeing, diversity and inclusion and recognition
- an Employee Assistance Program
- a corporate fitness program
- a COVID-19 Response Team to assess the impacts of the pandemic on Infrastructure NSW and its staff and determine appropriate responses to the changing circumstances
- access to influenza vaccinations for staff.

### Work Health and Safety prosecutions

Infrastructure NSW was not a defendant to any prosecutions, either commencing or continuing, under the Work Health and Safety Act 2011 during 2021-22, either on construction projects or otherwise.

## Disclosure required by the *Modern Slavery Act 2018*

1. During the 2021-22 financial year no issue was raised by the Anti-slavery Commissioner concerning the operations of Infrastructure NSW.
2. During the financial year Infrastructure NSW took steps to:
  - review its procurement policies and procedures to determine the extent of alignment of those policies and procedures with relevant NSW Government guidelines, including the *Modern Slavery Act*; some areas of non-alignment were noted, however, none of these areas are considered to be material
  - fully align Infrastructure NSW's procurement policies and procedures with all requirements, including ensuring that it meets its obligations under the *Modern Slavery Act*.
3. Infrastructure NSW is not aware that any goods or services procured during the financial year were the product of Modern Slavery within the meaning of the *Modern Slavery Act 2018*.



## Payments of accounts

Table 10 summarises Infrastructure NSW's account payment performance during 2021-22.

During the year, there were no instances where penalty interest was paid and there were no significant events that affected payment performance.

Infrastructure NSW has continued to drive improvements and closely monitor performance in this area to ensure payments are made in line with whole-of-government targets.

Table 10, accounts due and paid within each quarter

All suppliers	Sep	Dec	Mar	Jun	Total
Number of accounts due for payment	1048	1004	815	800	3667
Number of accounts paid on time	1046	1004	815	800	3665
Actual percentage of accounts paid on time (based on number of accounts)	99.8%	100.0%	100.0%	100.0%	99.9%
Dollar amount of accounts due for payment	280,766,123	273,006,163	139,899,558	174,020,332	867,692,176
Dollar amount of accounts paid on time	280,764,880	273,006,163	139,899,558	174,020,332	867,690,933
Actual percentage of accounts paid on time (based on dollar amount)	100.0%*	100.0%	100.0%	100.0%	100.0%*
Small business suppliers	Sep	Dec	Mar	Jun	Total
Number of accounts due for payment	36	36	46	92	210
Number of accounts paid on time	36	36	46	92	210
Actual percentage of accounts paid on time (based on number of accounts)	100%	100%	100%	100%	100%
Dollar amount of accounts due for payment	470,743	689,610	2,112,683	1,492,239	4,765,275
Dollar amount of accounts paid on time	470,743	689,610	2,112,683	1,492,239	4,765,275
Actual percentage of accounts paid on time (based on dollar amount)	100%	100%	100%	100%	100%

\*rounded to 1 decimal point

## Consultants

Infrastructure NSW was created as a specialist small agency drawing on the best of public and private sector expertise to provide independent advice to government. We engage external support during peaks in workloads as necessary. This enables specialist subject matter experts to be used economically and efficiently as required. In 2021-22, a number of consultants were engaged to assist on key work streams valued at more than \$50,000. The NSW Procurement Board defines a consultant as “a person or organisation engaged under contract on a temporary basis to provide recommendations or professional advice to assist decision-making by management” (PBD-2021-03). Generally, it is the advisory nature of the work that differentiates a consultant from other contractors. Consultants valued at more than \$50,000 are presented in table 11.

Table 11, consultancy detail, 2021-22

Strategy, planning and assurance		
Infrastructure NSW operations (including Investor Assurance)		
Name	Amount (\$)	Description
PricewaterhouseCoopers Consulting	131,250	State Infrastructure Strategy support for economics and demographics
KPMG	89,531	State Infrastructure Strategy support for technology and innovation
WSP Australia Pty Ltd	64,864	State Infrastructure Strategy advisory
Hadron Group Pty Ltd	50,000	Investor Assurance support for business case summaries
Structured Change Pty Ltd	150,400	Investor Assurance support for State of Infrastructure Report
Techforce Services Pty Ltd	66,000	Investor Assurance build and expose periodic report file and additional program write up
Tquila ANZ Pty Ltd	63,063	Assistance during Project Connect implementation
<b>TOTAL:</b>	<b>615,107</b>	
Hawkesbury Nepean Valley Flood Risk Management Strategy		
Name	Amount (\$)	Description
Rhelm	298,838	River flood study and review (flood damage assessment)
Centre for International Economics	144,813	Provide advice on beneficiaries and contribution models for Warragamba Dam Wall Raising and update flood damage assessment
WMA Water P/L	144,292	Technical advice and modelling to support the strategy

Newgate Australia	143,784	Provision of social and stakeholder research
<b>TOTAL:</b>		<b>731,727</b>
<b>South Creek Sector Review</b>		
<b>Name</b>	<b>Amount (\$)</b>	<b>Description</b>
Advisian Pty Ltd	184,130	Flood study: consulting engineering services
<b>TOTAL:</b>		<b>184,130</b>
<b>Project delivery</b>		
<b>Sydney Football Stadium Redevelopment</b>		
<b>Name</b>	<b>Amount (\$)</b>	<b>Description</b>
Cultural Capital Studio Pty Ltd	173,252	Public art advisor
<b>TOTAL:</b>		<b>173,252</b>
<b>Barangaroo Precinct Development</b>		
<b>Name</b>	<b>Amount (\$)</b>	<b>Description</b>
Ernst & Young	147,252	Project management services for long-term offset strategy procurement
TTF Julian Frecklington Family Trust	104,850	Strategic advisory services
<b>TOTAL:</b>		<b>252,102</b>
<b>GRAND TOTAL:</b>		<b>\$ 1,956,318</b>

## Public interest disclosures

During the year, Infrastructure NSW received no public interest disclosures.

## Government Information (Public Access) (GIPA) – formal access applications

The intention of the *Government Information (Public Access) Act 2009* is to make government information more open and readily available to members of the public. Infrastructure NSW complies with this Act.

In 2021-22, Infrastructure NSW received 15 GIPA Act access applications.

Infrastructure NSW provides the following statistical information about the access applications received which is required by Schedule 2 of the *Government Information (Public Access) Regulation 2018*.

Table 12, number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	0	1	1	1	0	0
Members of Parliament	1	1	0	0	0	1	0	0
Private sector business	0	1	0	1	0	0	0	1
Not for profit organisations or community groups	0	0	0	0	0	1	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	1	1	1	2	0	1

Table 13, number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	2	0	0	0	2	0	0
Access applications (other than personal information applications)	1	3	1	3	2	2	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

Table 14, invalid applications

Reason for invalidity:	Number of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	4
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	4
Invalid applications that subsequently became valid applications	0

Table 15, conclusive presumption of overriding public interest against disclosure: Matters listed Schedule 1 of the GIPA Act

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	4
Executive Council information	0
Contempt	1
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
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i> (NSW)	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i> (NSW)	0

Table 16, other public interest considerations against disclosure: matters listed to section 14 of the GIPA Act

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table 17, timelines

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	15
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>15</b>

Table 18, number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

	Decision varied	Decision upheld
Internal review	0	0
Review by Information Commissioner	0	0
Internal review following recommendation under section 93 of GIPA Act	0	0
Review by NSW Civil and Administrative Tribunal	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Table 19, application for review under Part 5 of the GIPA Act (by type of applicant)

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

Table 20, applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	2
Applicant-initiated transfers	0

## Authorised Proactive Release of Information Under S.7 (3) of GIPA Act 2009

Under section 7 of the GIPA Act, agencies must identify the kind of government information that can be made publicly available at least every 12 months.

Infrastructure NSW's program for the proactive release of information involves regularly updating the Infrastructure NSW website and individual project websites to provide information regarding policies, projects and initiatives. We also consider publishing information about the community consultations we undertake and other commonly requested categories of information and the impact, if any, of proactively releasing this information.

During the year, Infrastructure NSW:

- considered the formal access application received
- considered the informal applications received
- determined that there were no particular additional categories of information that were being regularly or repeatedly requested in the formal applications
- undertook further consultation through team meetings, GIPA briefings and updates.

Below are the details of a review carried out during the reporting year and the details of any information made publicly available by Infrastructure NSW as a result.

Table 21, details of the annual public information review

Review Carried out	Information made publicly available by the agency
Yes	<p>Having conducted this review, it was determined:</p> <ul style="list-style-type: none"> <li>• the existing type of information subject to proactive disclosure remain appropriate</li> <li>• there are no other types of information that should be proactively released</li> <li>• the methods currently used for proactive release disclosure remain the most efficient and effective methods available.</li> </ul>



Where we can, we share our knowledge freely within government, throughout the development industry and among interested members of the public. We have adopted this practice as an effective way to build and maintain credibility. Our decision to share our intellectual property is also an effective way for us to demonstrate and influence change.

We will review this requirement for proactive release of information within the next 12 months.

## Legal change

Pursuant to the *Statute Law (Miscellaneous Provisions) Act 2022*, references in the *Infrastructure NSW Act 2011* to “Premier” were changed to “Minister” (being the Minister for Infrastructure, Cities and Active Transport) from 16 June 2022. Otherwise, there were no material changes to legislation for which Infrastructure NSW is the responsible agency.

## Judicial decisions

### **Grocon Group Holdings Limited and others v Infrastructure NSW (2020)**

In the 2020-21 Infrastructure NSW Annual Report we reported a decision in this matter in relation to security for costs (*Grocon Group Holdings Limited and others v Infrastructure NSW (2020) NSWSC 1194*). While the underlying Supreme Court action by Grocon Group Holdings Limited and others is ongoing, no judgements were handed down in the reporting period.

## Contact us

For more information or to comment on the Infrastructure NSW Annual Report 2021-22, please contact:

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