

# Barangaroo Delivery Authority

2009 Annual Report



BARANGAROO  
SYDNEY  
AUSTRALIA



Barangaroo view from the Harbour Control Tower, June 2009

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# Barangaroo

## THE SITE

Barangaroo covers 22 hectares, including 1.4 kilometres of Sydney city waterfront.

## THE ACT

The Barangaroo Delivery Authority was established on 30 March 2009 under the *Barangaroo Delivery Authority Act 2009*. The Authority is subject to the control and direction of the NSW Minister for Planning.

The objects of the Act are:

- to encourage the development of Barangaroo as an active, vibrant and sustainable community and as a location for national and global business;
- to create a high quality commercial and mixed use precinct connected to and supporting the economic development of Sydney;

- to facilitate the establishment of Barangaroo Headland Park and public domain land;
- to promote the orderly and sustainable development of Barangaroo balancing social, economic and environmental outcomes; and
- to create in Barangaroo an opportunity for design excellence outcomes in architecture and public domain design.

The Authority has the following functions:

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

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

# 22 Hectares 1.4 Kilometres

## A VISION



Chairman of Barangaroo Board Mike Collins, Minister for Planning Kristina Keneally and Chair of Design Excellence Review Panel, the Hon Paul Keating

The Board and management of Barangaroo with input from diverse stakeholders have articulated five visionary objectives for developing Barangaroo:

1. A bold and inspiring place defined by its waterfront and CBD location and the excellence of its urban design, architecture and public domain. Barangaroo sets a world benchmark for its authenticity, integration and diversity;
2. Creating a new, more active model for Australia's financial capital – integrating mixed use commercial, residential, retail, educational, cultural and entertainment activities into a single environment which adds a new dimension to the surrounding context;
3. Establishing a dynamic place for all people to create an environment which is connected, supportive, secure, collaborative and diverse. Barangaroo provides places for meeting, gathering and interaction while respecting the social and architectural heritage of the precinct and its city;
4. A next generation exemplar in sustainable development by using and exporting renewable energy, potable water and treating existing city waste. Barangaroo is a Climate Positive precinct that values the wellbeing of people and the planet. It will meet targets set by the Copenhagen Treaty and the City of Sydney's Sustainable Sydney 2030 initiatives; and
5. A financially viable Public and Private development with continuing profitability which maximises public return and value to the people of Sydney.

# Barangaroo Delivery Authority



Chairman of Barangaroo Board Mike Collins

I am delighted to be able to present the inaugural annual report of the Barangaroo Delivery Authority.

Created by passage of the *Barangaroo Delivery Authority Act 2009*, the Authority will oversee delivery of the most important addition to Sydney's urban form in a generation.

The decision to create a dedicated Authority reflects the significance of Barangaroo for Sydney's economic future, and its unique location at the nexus of our harbour and CBD. This important urban renewal requires significant expertise and a dedicated team focused on its delivery.

In December 2008, the Barangaroo Board was announced by the NSW Minister for Planning. The Board comprises experienced, talented business and community figures who will play a key role in overseeing Barangaroo and managing the significant challenges which come with a project of this stature.

The participation of The Lord Mayor ensures board representation of local stakeholder issues, whilst representatives from the private sector and NSW Government ensure coordination with business, community and public sectors.

In March 2009, we welcomed John Tabart to the role of Chief Executive Officer. John brings an extensive international urban renewal background, demonstrated leadership in delivering large public projects, and a proven commitment to working with the community to deliver outstanding regenerations.

On the Board's behalf, I express our thanks to Sydney Harbour Foreshore Authority – which successfully steered the planning of Barangaroo from 2005 to 2009 – for providing the Barangaroo Delivery Authority, and Sydney, with a benchmark concept plan to underpin the future of this new precinct of Sydney.

We look forward to upholding and delivering the vision for Barangaroo – Sydney's first great new space of the 21st century – for the people of Sydney to enjoy and take pride in for generations to come.

A handwritten signature in blue ink, appearing to read 'Michael Collins', with a stylized flourish at the end.

**Michael Collins**  
Chairman of the Board  
Barangaroo Delivery Authority

## Letter to the Minister

The Hon. Kristina Keneally MP  
Minister for Planning, Minister for Redfern Waterloo  
Level 35  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

### Dear Minister

I have pleasure in submitting the Barangaroo Delivery Authority's Annual Report for the year ended 30 June 2009.

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

Yours sincerely



**Michael Collins**  
Chairman of the Board  
Barangaroo Delivery Authority



**John Tabart**  
Chief Executive Officer  
Barangaroo Delivery Authority

## Responsibilities for Sydney



Barangaroo Delivery Authority CEO John Tabart

In the first year of the Barangaroo Delivery Authority it is clear that the significance of this wonderful place extends far beyond its physical reach.

The success of World Youth Day gave the world a first taste of Barangaroo's scale and spectacular location. This new Sydney CBD waterfront mixed use precinct aims to attract new regional and global business headquarters, contribute to the next long term phase of Sydney's economic growth, and offer vibrant new recreation and leisure opportunities for the city.

At the heart of Barangaroo is a commitment to environmental and social sustainability. Barangaroo will exemplify the next generation of climate positive urban renewal. Its development will be a catalyst for the rejuvenation of Sydney's central business district and set the standard for precinct redevelopment across Australia. We envisage a development that resonates with the Australian public, as well as the global community, inspiring creativity and innovation in the sustainable development of our cities.

A vital ingredient in shaping the future of Barangaroo is respecting the relationship between the city and the harbour, as well as the heritage of neighbouring Millers Point and Walsh Bay.

Importantly, we are committed to working closely with stakeholders to realise Barangaroo's potential. Collaboration with the City of Sydney, the NSW and Federal Governments, key stakeholders in the private sector as well as local and other interested communities, will help us to successfully transform Barangaroo.

It is my pleasure to be appointed to manage the development of such a unique place, and amazing opportunity for Sydney and Australia.



**John Tabart**  
Chief Executive Officer  
Barangaroo Delivery Authority

# Board Members



Barangaroo Board Members CEO John Tabart, Chairman Mike Collins, Clover Moore MP and Peter Holmes a Court

## Michael Collins, Chairman – FRICS

Michael Collins has been involved in property economics, real estate valuation, property consultancy and asset management for over 35 years, and is professionally qualified in property economics and valuation. He runs his own property advisory company based in the Sydney CBD. Michael is the Chairman of the Sydney Harbour Foreshore Authority, a board member of the Redfern Waterloo Authority and Australian Technology Park Precinct Management Ltd and a former Chairman of the Heritage Council of NSW and a former National and NSW President of the Australian Property Institute.

*Appointed in March 2009 for a period of three years.*

## John Tabart, CEO

John Tabart is the Chief Executive Officer of the Barangaroo Delivery Authority. He has an extensive international commercial and residential property background including ten years at the helm of VicUrban which delivered the \$16 billion Melbourne Docklands

development. John is a Fellow of the Australian Institute of Company Directors, Australian Institution of Engineers, Australian Institute of Public Administration, and a past member of the RMIT Global Sustainability Advisory Board.

*Appointed in March 2009.*

## Richard Timbs

Richard Timbs is NSW Treasury's representative on the Board. Prior to joining NSW Treasury, Richard worked at Macquarie Bank for 15 years where he was a Division Director. During the period from 1997 – 2008 he was a member of Macquarie's Global Infrastructure Division, where he gained broad transactional and major project and asset experience through leading acquisitions as well as managing investment positions and leading investment funds.

*Richard Timbs is the appointed representative of the Secretary of the Treasury, Michael Schur.*

*Richard Timbs replaced Philip Mussared as appointed representative of the Treasury in mid 2009.*

## Clover Moore MP

Clover Moore MP is the Lord Mayor of Sydney since 2004 and Member for the state electorate of Sydney since 1988. The appointment of the Lord Mayor to the Board reflects the key location of Barangaroo within the Sydney CBD and strengthens the relationship between the State Government and City of Sydney.

*Appointed in March 2009 for a period of three years.*

## Peter Holmes a Court

Peter Holmes a Court is a businessman and joint owner of the South Sydney Rabbitohs. He is also Chairman of White Bull Holdings, a private investment company, a Director of Queensland Rail and a Member of the Lord Mayor's City of Sydney Business Forum. He was previously the Chief Executive Officer of the Australian Agricultural Company.

*Appointed in March 2009 for a period of three years.*





Chairman of Barangaroo Board Mike Collins and members Peter Holmes a Court, Gabrielle Trainor and Richard Timbs

#### **Brendan Crotty**

Brendan Crotty is a former Managing Director of Australand Property Group and current Chairman of the Western Sydney Parklands Trust. He has formal qualifications in surveying, town planning and business administration. He is a fellow of the Australian Property Institute and the Australian Institute of Company Directors. He is also a member of the Planning Institute of Australia and the Institute of Surveyors.

*Appointed in March 2009 for a period of three years.*

#### **Gabrielle Trainor**

Gabrielle Trainor is Partner, John Connolly and Partners and a board member of the Sydney Harbour Foreshore Authority, the Victorian Urban Development Authority (VicUrban), the Sydney Symphony Orchestra and Chair of the Docklands Place Management and Municipal Committee. She is also a Commissioner of the Australian Football League (NSW – ACT) and an Hon. Associate of the Graduate School of Government, Sydney University.

*Appointed in March 2009 for a period of three years.*

# About Barangaroo



Stylised view of Goat Island pre 1850

## THE NAME

The name ‘Barangaroo’ was selected from over 1,600 entries submitted to the NSW Government’s naming competition in 2006.

Barangaroo was a colourful and powerful indigenous woman who played an important role in the early days of colonial Sydney.

Barangaroo was also the wife of Bennelong, after whom Bennelong Point – the site of the Sydney Opera House – is named. The name therefore completes an historical bookending between the eastern and western points of Sydney’s CBD.

The name Barangaroo was gazetted in 2007.

## INVESTMENT

- Investment in Barangaroo is expected to exceed \$AUD3 billion.
- Barangaroo will employ 4,000 construction workers over 10 years.
- Barangaroo is planned to become a key commercial, residential and recreation precinct with over 22,000 workers and residents, and 33,000 daily visitors – a total of 12 million visitors a year.
- Employment and training, through a green skilling and labour program, includes programs that exceed government targets for indigenous, long-term unemployed and youth.

“ Barangaroo will encourage commuters from across the metropolitan region to discover new ways to access Sydney.”



Northern end of Barangaroo view from cruise passenger liner

## SUSTAINABILITY

As a Climate Positive precinct, Barangaroo will exemplify the next generation in environmental, economic and social sustainability. Barangaroo will be:

- a water positive community, recycling and exporting more water than Barangaroo uses;
- a zero waste community, potentially reusing, reducing and recycling more waste (from the surrounding area) than Barangaroo generates;
- a carbon neutral community, generating more renewable energy than total net greenhouse gas emissions from Barangaroo; and
- a community that values the wellbeing of people and the planet.

## INFRASTRUCTURE

Barangaroo has the potential to set the benchmark for connectivity within Australian cities in terms of transport, district, technology and community and cultural infrastructure. Barangaroo will include:

- transport infrastructure such as a possible light rail, metro, a new ferry terminal and pedestrian links to connect Barangaroo to existing public transport networks. Barangaroo will encourage commuters to discover new ways to access Sydney from all parts of the greater metropolitan region;
- district infrastructure such as decentralised water recycling, district harbour cooling and renewable energy generation, providing locally generated services precinct-wide and beyond;
- technology infrastructure, including public space for the people of Sydney to connect with the latest wireless technologies; and
- community and cultural infrastructure to inspire Sydney and community wellbeing.

**Mixed use** – a new precinct with diverse activity, including commercial, tourism, retail and residential, to create a vibrant living and working environment for all. State of the art educational, cultural and research facilities will entice a broad cross-section of visitors, including the young.

**Public Domain** – Barangaroo will include:

- a Headland Park and open space to complement the green headlands of Balmain, Ballast Point and Goat Island with a natural headland and Northern Cove; and
- 1.4km of waterfront returned to the people of Sydney to complete the 14km Foreshore Walk from Rozelle to Woolloomooloo.

**Partnerships** – Barangaroo will promote partnerships with:

- the community, government and industry, to ensure the integrated delivery of a vibrant and thriving precinct that benefits Barangaroo, Sydney and Australia.

# Recent Events

In 2003, the NSW Government announced the stevedoring wharves at East Darling Harbour would be transformed into a new urban precinct which would later be the subject of an international urban design competition.

The competition attracted 137 entries from around the world. The winning design by Hill Thalys Architecture + Urban Projects, Paul Berkemeier Architects and Jane Irwin Landscape Architecture was announced in March 2006, together with a naming competition for the new headland precinct.

The Barangaroo Concept Plan was approved in February 2007. The Concept Plan covers urban design and policy initiatives and is the statutory master planning instrument which will guide the urban renewal of Barangaroo.

A Consolidated Concept Plan was produced following the approval of the Concept Plan in February 2007 and addresses issues raised in the Conditions of Consent imposed with that approval. Any work on the site is subject to future project applications and determination by the Minister for Planning.

In October 2007, stevedoring use concluded and demolition works commenced.

In July 2008, World Youth Day celebrations were held at Barangaroo, showcasing this important asset on the world stage.

In April 2008, the NSW Government began a global search, inviting Expressions of Interest to design and develop the first stage of Barangaroo. The Headland Park is funded by project revenue from the sale of development rights at Barangaroo. The NSW Government also announced it would consider a new ferry terminal hub for the site. In November 2008, the NSW Government announced the creation of the Barangaroo Delivery Authority (see A Coordinated Approach on page 16).



International urban design competition 2006

**“ In July 2008, World Youth Day celebrations were held at Barangaroo, showcasing this important asset on the world stage.”**



# A New Waterfront Precinct for Sydney

Barangaroo is one of the most ambitious and significant waterfront greening projects anywhere in the world. It will transform a vacant 22 hectare site into a new precinct for Sydney, with a thriving residential and commercial heart, foreshore access and a new Headland Park on the harbour.

To deliver this outcome, we are aiming to set new global benchmarks in urban waterfront renewal in terms of environmental protection, design excellence and community building.

The NSW Government has a clear vision guiding the renewal of Barangaroo:

- to unlock a large section of city foreshore that has been isolated from public use for over a century and transform it into a new working CBD precinct, set in a generous and vibrant public domain;

- to secure Sydney's growing financial role in the highly-competitive Asia-Pacific region, attracting new global players, investment, knowledge and jobs growth;
- to create a new western face of the city, transforming an isolated part of the city into a precinct of buildings and parkland which complements Sydney's much-celebrated eastern face;
- to build 11 hectares of new park, community and cultural facilities and complete the NSW Government's 14-kilometre Sydney Foreshore Walk – a public walkway unprecedented among harbour cities; and
- to leverage development of transport infrastructure in this part of the city. Barangaroo will tap into the Sydney Metro with pedestrian links to Wynyard and a new metro station to service the site. A new ferry terminal is being explored to open access from the harbour.

## The First Stage of Barangaroo

Barangaroo will be developed in stages. The Stage 1 development covers a major portion of the southern development zone, including:

- development blocks 1, 2, 3 and 4;
- design and development of the public domain adjoining development blocks 1 to 4, including the southern cove;
- delivery of infrastructure to support development blocks 1 to 4 and adjoining the public domain; and
- remediation of land comprising development blocks 1 to 4 and adjoining the public domain, southern cove, development block 5 (and adjoining the public domain) and potentially parts of Hickson Road.

After inviting Expressions of Interest from around the world to design and develop the first stage of Barangaroo, the Government released a shortlist of proponents invited to submit detailed proposals. The three proponents were given until 31 March 2009 to submit their plans for the site.



Barangaroo approved Concept Plan 2007 – indicative envelopes for the development blocks

“An international search for companies to submit a bid to design, develop and build Barangaroo was launched in April 2008, when the NSW Government called for Expressions of Interest for the first stage of the project.”

## STAGE 1 REQUEST FOR DETAILED PROPOSALS

The goal was to find innovative companies to help create one of the world's most environmentally sustainable precincts on prime waterfront land.

An international advertising campaign covered the New York Times, the Financial Times of London, the South China Morning Post and the Gulf News.

Stage 1 includes four city blocks at the southern end of the site and associated public domain. These blocks account for more than 80 per cent of Barangaroo's commercial space. Floor plates of up to 4,000 square metres in podia and 3,000 square metres in towers can be accommodated.

The Expressions of Interest required the companies to demonstrate the expertise, resources and capability to deliver:

- at least 220,000 square metres of commercial space at the southern end of the site;
- a new harbour cove and public open space at the southern end of the site; and
- a benchmark sustainable precinct that achieves significant reductions in water and energy use by 2020.

In September 2008, the NSW Government announced the shortlist of companies to be considered to develop and build Barangaroo. The three companies or consortia were:

- Lend Lease and Westpac Corporation
- Brookfield Multiplex
- Mirvac Projects; Leighton Projects; Nakheel PJSC; and Macquarie Property Development and Finance

The three consortia submitted detailed proposals on 31 March 2009. On 11 August 2009, the Barangaroo Delivery Authority announced that Brookfield Multiplex and Lend Lease had been asked to further refine and enhance their proposals. Final submissions are due on 9 November 2009.

The six selection criteria and the weightings are:

- Design (35%)
- Financial return and risk (35%)
- Sustainability (10%)
- Delivery and planning (10%)
- Marketing and promotions (5%)
- Capability (5%)

The four-step evaluation process is structured as follows.

- Step 1:** An Evaluation Panel will score each proposal against the evaluation criteria and recommend a successful proponent. The Evaluation Panel will be assisted by expert advisors and consultants, including the Design Excellence Review Panel (DERP).
- Step 2:** The Evaluation Panel's assessment and recommendations will be reviewed by the Executive Review Panel.
- Step 3:** The Board of the Barangaroo Delivery Authority will decide which scheme to nominate as the successful proponent to the NSW Government.
- Step 4:** The final decision will be made by the Budget Committee of Cabinet, NSW Government.





## WORLD YOUTH DAY

World Youth Day marked Barangaroo's premiere on the world stage. World Youth Day is the largest youth event in the world and was held in Sydney from Tuesday 15 to Sunday 20 July 2008. It began with the Opening Mass, celebrated by Cardinal George Pell, the Archbishop of Sydney, at Barangaroo and was followed by a concert. On Thursday 17 July, some 130,000 attendees from around the world were present at Barangaroo to welcome Pope Benedict XVI. The event involved the Pope travelling across the city by limousine, motor launch and Popemobile.

# Year in Review

## A COORDINATED APPROACH

The Barangaroo Delivery Authority was announced by the NSW Government in November 2008 to oversee and manage the redevelopment of Barangaroo.

The decision to create the Barangaroo Delivery Authority reflects the significance of Barangaroo for Sydney's economic future. This unique and important harbour precinct in the heart of the CBD requires significant expertise and a dedicated team focused on its delivery.

The main function of the Authority, as identified by the *Barangaroo Delivery Authority Act 2009*, is to "promote, procure, facilitate and manage the orderly economic development and use of Barangaroo, including the provision and management of infrastructure".

The creation of a specialised delivery vehicle is a governance model common to successful renewal programs internationally.

The creation of the new authority reinforces the NSW Government's commitment to the delivery of Barangaroo in a coordinated and financially responsible manner.

The Headland Park is funded by the project revenue from the sale of development rights at Barangaroo.



Barangaroo open for Seven Bridge Walk 25 October 2009

## APPOINTMENT OF THE BOARD

In December 2008, the Board members of the Authority were announced by the NSW Minister for Planning.

The Board is chaired by Michael Collins, who is also chairman of the Sydney Harbour Foreshore Authority (SHFA), which managed Barangaroo prior to the establishment of the Barangaroo Delivery Authority. Other members of the Board are:

- John Tabart – CEO, Barangaroo Delivery Authority;
- The Secretary of the Treasury;
- Clover Moore MP – Lord Mayor of Sydney;
- Peter Holmes á Court – Chairman of White Bull Holdings;
- Brendan Crotty – Chairman of the Western Sydney Parklands Trust; and
- Gabrielle Trainor – Partner, John Connolly and Partners and SHFA board member

The Minister noted that the Board members had proven they had the necessary skills and ability to work across both government and the private sector to deliver this important project.

The participation of the Lord Mayor of Sydney ensures the NSW Government and City of Sydney will work together in the best interests of delivering Barangaroo. Representatives from the private sector and NSW Treasury ensure a coordinated approach and interface with the business and development communities and the State Government.

The Minister also announced the permanent removal of the Wharf 8 Cruise Passenger Terminal from Darling Harbour, as the physical construction of the financial precinct and public domain would severely interrupt cruise ship operations if they were to remain on site at Barangaroo.

The customs and migration exclusion zones associated with the facility also meant it would have been incompatible with the financial and commercial role the area will play in the future.

**“ The park proposal provides the opportunity to recreate some of the key natural features of the harbour.”**

## NEW HARBOUR PARK

Leading landscape architecture, architecture and urban design companies will be invited to submit expressions of interest to design a world class Barangaroo public domain.

This includes:

- a large Headland Park at the northern end of Barangaroo;
- new southern and northern coves;
- a continuous foreshore promenade from King Street to Walsh Bay, completing the 14km long foreshore walk from Woolloomooloo to the Anzac Bridge;
- a concealed car park under the Headland Park; and
- a promenade and parklands included in the southern commercial precinct.

This will create a large natural harbour park for Sydney and return this part of the harbour and its foreshore to the community after more than 100 years of industrial use.

The recreation of the natural headland, the former Millers Point, required amendments to the Barangaroo Concept Plan to provide the headland with a more natural shape and height at the northern end of the site, facilitating the development of the Northern Cove.

In February 2009, the amended proposal to create a more natural headland and larger Northern Cove for Barangaroo was released for public comment.

The proposed amendments were exhibited by the NSW Department of Planning from 4 February to 6 March 2009.

The Preferred Project Report was prepared in response to the public exhibition submissions and was lodged with the NSW Department of Planning on 7 September 2009 and is currently being determined by the Department.

The park proposal provides the opportunity to recreate some of the key natural features of the harbour immediately west of the Harbour Bridge. The more natural headland and Northern Cove would also restore the ‘archipelago’ of headlands – including Ballast Point and Balls Head along with Goat Island – which existed at the time of European settlement.

The resulting headland and Northern Cove would, in effect, bookend Dawes Point with green to the east at the Botanic Gardens and green to the west at Barangaroo.

The Authority intends to launch a process to select a team to design the Headland Park and public domain in late 2009.

The Headland Park is planned to open in late 2014.



# Year in Review

## INCREASE IN COMMERCIAL FLOOR SPACE

Additional commercial floor space was approved for Barangaroo in February 2009, to attract leading businesses to the precinct.

The amount of office space at Barangaroo was increased by 120,000 square metres. This takes the total floor space to more than 500,000 square metres.

The additional 120,000 square metres of floor space will provide a boost to the economy, with construction costs expected to increase from \$2.5 to \$3 billion, generating more than 4,000 construction jobs.

The NSW Government also announced a new ferry hub is planned to provide public transport to the more than 22,000 people who will live and work in the Barangaroo precinct.

Public transport will be a key feature of Barangaroo as it will be a significant commercial, residential and recreational precinct for Sydney.

The increase in floor space will take advantage of the transport improvements provided by the CBD Metro, announced by the Government in early 2009, including a new station with direct access at Barangaroo.

The increase in commercial floor space is possible without impacting either the already-approved maximum building heights and widths, or the ratio of retail, tourist, residential or public open space planned for the site.

# 22,000

People will live and work in the precinct

# 4,000

Construction jobs



Southern end of Barangaroo view from Pyrmont

## NEW ACT AND CEO APPOINTMENT

March 2009 saw two important milestones in the development of Barangaroo, with the adoption of the *Barangaroo Delivery Authority Act 2009* in the NSW Parliament to establish the Barangaroo Delivery Authority and the appointment of John Tabart as Chief Executive Officer.

# Year in Review

## EXPERTS ADVISING ON DESIGN

In June 2009, a panel of experts in the fields of architecture, landscape and culture were appointed by the Minister for Planning to advise on the design of Barangaroo.

The Design Excellence Review Panel provides informed urban design and public domain advice as the Barangaroo development moves into the planning design and delivery phase. The Panel will review the public domain, urban design and major built form for each stage of the development.

The Design Excellence Review Panel replaced the previous Design Review and Public Domain Review Panels, both chaired by former Prime Minister, Paul Keating.

Integrating the design excellence review of the public domain and built form as they evolve means there will be clarity and a clear focus to ensure world benchmarks are achieved.

The Design Excellence Review Panel members include:



Design Excellence Review Panel Deputy Chair Chris Johnson, Chair Paul Keating, Angelo Candalepas, James Weirick, Oi Choong



### **The Hon Paul Keating (Chair)**

Elected to the Australian Parliament in 1969 as Member for Blaxland, Mr Keating became the youngest Federal Minister in the Whitlam Cabinet of 1975. In 1983, Mr Keating became Treasurer. From 1991 until 1996, Mr Keating served as Prime Minister of Australia. Mr Keating has had a lifelong academic interest in architecture and urban design and was associated with the Barangaroo site and its prospects ahead of the Carr Government's announcement of the conversion of the former wharf area into an open public domain and commercial precinct.

### **Chris Johnson (Deputy Chair)**

Chris Johnson is a former NSW Government Architect and held senior positions at the Department of Planning from 2005 to 2009. His work for the Department delivered long-term visions and plans for six regional cities: Wollongong, Gosford, Parramatta, Liverpool, Penrith and Newcastle. Mr Johnson's responsibilities have included Chair of the Sydney Olympic Park Design Review Panel and the Sydney Harbour Design Review Panel. He is past President of the Royal Australian Institute of Architects (NSW Chapter), and has been a member of the Central Sydney Planning Committee, Heritage Council of NSW, and the NSW Architects Registration Board.

### **Bridget Smyth**

Ms. Smyth is currently Director Design at the City Of Sydney and leads the City's urban design team and its implementation of the Sustainable Sydney 2030 vision. Previously the Director of Urban Design at the Olympic Coordination Authority, Ms Smyth has been on the Board of Object (Australian Centre for Craft and Design), the 2006 and 2007 Capital Infrastructure Committee of Arts NSW and the Australian Institute of Architects Venice Biennale Committee (2005 - 2009). She holds a Masters Degree in Design (Urban Design) from the Graduate School of Design, Harvard University and degrees in Architecture, Planning and Design from the University of Melbourne. Ms Smyth was the recipient of the 2001 Max Kelly Scholarship awarded by the NSW Ministry for the Arts.





Design Excellence Review Panel member Angelo Candalepas and Barangaroo Delivery Authority Public Domain Design Manager Fleur Mellor

“ The Panel will review the public domain, urban design and major built form for each stage of the development.”

#### Oi Choong

Oi has over 30 years experience as a landscape architect in the public and private sectors.

She has extensive experience in the design of major landscape and public domain projects and is the recipient of numerous national and international landscape project awards. As Director of CONTEXT, a leading Sydney based landscape architectural practice, Oi has been actively involved in the landscape transformation of Sydney's major public spaces, parklands, streetscapes and cultural institutions, including Centennial Parklands, Sydney Olympic Park, The Rocks and Walsh Bay. She has also contributed to major projects throughout Australia and overseas including improvements to the Singapore River (Singapore Tourism Board), Kuching Waterfront (East Malaysia) Nanjing Riverfront (China) and Dubai Waterfront (UAE).

#### Professor James Weirick

Prior to his appointment as Professor of Landscape Architecture at the University of NSW in 1991, James Weirick held the position of Head of Landscape Architecture at RMIT University. A graduate of the MLA Program at Harvard University, Professor Weirick now teaches urban landscape design, the history of landscape architecture and the theory and practice of landscape design. Professor Weirick has been a member of the Premier's Urban Design Advisory Committee and his work with the City of Sydney has included membership of the Design Jury for the Carlton United Brewery site on Broadway and the Ultimo Aquatic Centre.

#### Angelo Candalepas

Angelo Candalepas runs a practice of 20 people in Sydney and has been Adjunct Professor of Architecture at the University of New South Wales since 2004. Since Candalepas Associates was founded in 1999, the practice has won many architecture awards and competitions. His practice has been the subject of numerous exhibitions and publications in Australia and abroad.

#### Leo Schofield

Leo Schofield's prominent role in Australian public life began in 1993 when he was appointed Artistic Director of the Melbourne International Festival of the Arts. He was later appointed Director of the Sydney Festival, organising four highly successful annual festivals between 1998 and 2001. He was also the Artistic Director of the Sydney 2000 Olympic Arts Festival and the Sydney 2000 Paralympics Arts Festival. Mr. Schofield also served as Artistic Director of Sydney's renowned New Year's Eve celebrations for 2002, 2003 and in 2004. Prior to organising and directing these landmark cultural events, Mr Schofield spent 25 years in the advertising and communications industry. In 2000, he was made a Member of the Order of Australia for services to the Sydney and Melbourne Festivals, to conservation and heritage and for fundraising for the arts.



World Youth Day July 2008

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# Barangaroo Delivery Authority Financial Statements

## Board Statement and Independent Auditor's Report

FOR THE PERIOD ENDED 30 JUNE 2009

### Statement by Members of the Board of the Barangaroo Delivery Authority on the adoption of the financial statements for the period ended 30 June 2009

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

1. The accompanying financial statements exhibit a true and fair view of the financial position of Barangaroo Delivery Authority as at 30 June 2009 and transactions for the period ended on that date; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions.

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



**Michael Collins**  
Chairman  
Barangaroo Delivery Authority



**John Tabart**  
Chief Executive Officer  
Barangaroo Delivery Authority

20 October 2009  
Sydney



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Barangaroo Delivery Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Barangaroo Delivery Authority (the Authority), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the period then ended, a summary of significant accounting policies and other explanatory notes for both the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the period's end or from time to time during the financial period.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2009, and of their financial performance for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

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

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

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

James Sugumar  
Director, Financial Services Audit

21 October 2009  
SYDNEY

## Income Statement

FOR THE PERIOD ENDED 30 JUNE 2009

START OF AUDITED FINANCIAL STATEMENTS

	Notes	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>REVENUE</b>			
Other income	3	12	12
<b>TOTAL REVENUE</b>		<b>12</b>	<b>12</b>
<b>EXPENSES</b>			
Employee related expense	4	(324)	(324)
Depreciation and amortisation expense	4	(3)	(3)
Finance costs	4	(1,821)	(1,821)
Other expenses	4	(2,331)	(2,331)
<b>TOTAL EXPENSES</b>		<b>(4,479)</b>	<b>(4,479)</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(4,467)</b>	<b>(4,467)</b>

The above Income Statement is to be read in conjunction with the attached notes.

## Balance Sheet

AS AT 30 JUNE 2009

	Notes	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,666	2,666
Other receivables	6	187	187
<b>TOTAL CURRENT ASSETS</b>		<b>2,853</b>	<b>2,853</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	410,028	410,028
<b>TOTAL NON CURRENT ASSETS</b>		<b>410,028</b>	<b>410,028</b>
<b>TOTAL ASSETS</b>		<b>412,881</b>	<b>412,881</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	3,596	3,659
Provisions	9	649	586
Other liabilities	10	245	245
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,490</b>	<b>4,490</b>
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	8	-	24
Borrowings	11	3,500	3,500
Provisions	9	174,032	174,008
Other liabilities	10	96,663	96,663
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>274,195</b>	<b>274,195</b>
<b>TOTAL LIABILITIES</b>		<b>278,685</b>	<b>278,685</b>
<b>NET ASSETS</b>		<b>134,196</b>	<b>134,196</b>
<b>EQUITY</b>			
Accumulated funds	12	134,196	134,196
<b>TOTAL EQUITY</b>		<b>134,196</b>	<b>134,196</b>

The above Balance Sheet is to be read in conjunction with the attached notes.

## Statement of Recognised Income and Expense

FOR THE PERIOD ENDED 30 JUNE 2009

Notes	Consolidated 2009 \$'000	Authority 2009 \$'000
Deficit for the period	(4,467)	(4,467)
<b>Net income/(expense) recognised directly in equity</b>	<b>(4,467)</b>	<b>(4,467)</b>
<b>Total recognised income and expense for the period</b>	<b>(4,467)</b>	<b>(4,467)</b>

The above Statement of Recognised Income and Expense is to be read in conjunction with the attached notes.



## Cash Flow Statement

FOR THE PERIOD ENDED 30 JUNE 2009

	Notes	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		719	719
Payments to suppliers and employees		(1,685)	(1,685)
Interest received		7	7
<b>Net cash flows from operating activities</b>	15 b)	<b>(959)</b>	<b>(959)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(6)	(6)
<b>Net cash flows from investing activities</b>		<b>(6)</b>	<b>(6)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,613	4,613
Repayment of borrowings		(1,000)	( 1,000)
Security deposits and bonds		18	18
<b>Net cash flows from financing activities</b>		<b>3,631</b>	<b>3,631</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,666</b>	<b>2,666</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	15 a)	<b>2,666</b>	<b>2,666</b>

The above Cash Flow Statement is to be read in conjunction with the attached notes.

# Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

## 1. REPORTING ENTITY

Barangaroo Delivery Authority (the Authority), as a reporting entity, comprise the Authority and its controlled entity:

- Office of the Barangaroo Delivery Authority (the Office)

This consolidated financial report for the period ended 30 June 2009 was authorised for issue by the Authority's Board on 20 October 2009.

*Barangaroo Delivery Authority Act 2009* established the Authority on 1 April 2009. This is the first financial report prepared for the Authority for the activities for three months from 1 April to 30 June 2009. Because this is an Authority created in 2009, there are no comparatives

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The Authority's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards and Australian Accounting Interpretations; and
- the requirement of the Public Finance and Audit Act 1983.

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

The Board has determined that the going concern basis is appropriate. This determination has taken into account the following factors:

- Barangaroo Delivery Authority is NSW Government owned;
- Barangaroo Delivery Authority borrowing is guaranteed by the NSW Government;
- NSW Treasury, on behalf of the NSW Government, has issued a letter of financial support to Barangaroo Delivery Authority to ensure the on-going financial viability of the Authority.

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

### *Historical cost convention*

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

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

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

The Authority has assessed its profit status for the period ended 30 June 2009 and determined its status as not-for-profit for financial reporting purposes.

The financial report is presented in Australian Dollars rounded to the nearest thousand.

### b) Principles of consolidation

Controlled entities are all those entities over which the Authority has the power to govern the financial and operating policies so as to obtain benefits from its activities. Intercompany transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

### c) Revenue recognition

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

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

### d) Employee benefits and other provisions

#### *(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### *(ii) Long service leave*

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

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

# Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

services provided by employees up to reporting date. The government bond rate of 5.50% was applied for discounting purposes.

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 when the employee benefits to which they relate have been recognised.

## e) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

## f) Insurance

The Authority's insurance policies are held covering property, public liability, workers compensation, directors' liability and other contingencies. These insurance covers are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The premium is determined by the Fund Manager based on past claim experience and the insurance coverage is reviewed periodically to ensure that it is adequate.

## g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement 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.

## h) Acquisitions of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Where settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

## i) Capitalisation thresholds

Barangaroo's policy is to capitalise all costs incurred in property development.

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

## j) Revaluation of physical non current assets

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment. Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets.

Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Land and buildings, including open spaces and roads, are revalued at least every three years or with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The latest revaluation was completed on 31 March 2009 and was based on an independent assessment.

## k) Property, plant and equipment

Land and buildings are measured at fair value less depreciation recognised after the date of revaluation. Plant and Equipment is stated at historical cost less accumulated depreciation.

## l) Depreciation of property, plant and equipment

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

Land is not a depreciable asset.

The following depreciation rates were applied in 2008/09:

Furniture and fittings	10%
IT equipment	33%

## m) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, short term deposit with original maturities of three months or less and investment in NSW Treasury Corporation's (T-Corp) Hourglass Facility Trust.

For cash flow statement presentation, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

### n) Receivables

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

Receivables are recognised initially at fair value, usually based on transaction cost or face value.

Receivables are subject to annual review for impairment.

An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due. The amount of the impairment loss is recognised in the Income Statement.

### o) Trade and other payables

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

### p) Borrowings

Borrowings are initially recognised at fair value, net of transactions costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement, over the period of the borrowings, using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

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

date. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale (subject to Treasury Mandates). Other borrowing costs are expensed.

### q) New Australian Accounting Standards Issues

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting period. The Authority did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 3 *Business Combinations* (1 July 2009);
- AASB 127 *Consolidated and Separate Financial Statements* (1 July 2009);
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (1 July 2009);
- AASB 8 *Operating Segments* (1 January 2009);
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (1 January 2009);
- AASB 101 *Presentation of Financial Statements* (1 January 2009);
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (1 January 2009);
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* (1 January 2009);
- AASB 123 *Borrowing Costs* (1 January 2009);
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (1 January 2009);
- AASB 1039 *Concise Financial Reports* (1 January 2009);
- AASB 2008-1 *Amendments to Australian Accounting Standard - Share Based Payments: Vesting Conditions and Cancellations* [AASB 2] (1 January 2009);
- AASB 2008-2 *Amendments to Australian Accounting*

*Standard - Puttable Financial Instruments and Obligations arising on Liquidation* [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2] (1 January 2009);

- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038] (1 January 2009);
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1 & AASB 5] (1 July 2009);
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (1 January 2009);
- AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items* [AASB 139] (1 July 2009);
- AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101* (1 January 2009);
- AASB 2008-11 *Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities* [AASB 3] (1 July 2009);
- AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities* [AASB 1, AASB 111 & AASB 123] (Ending 30 April 2009);
- AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments* [AASB 4, AASB 7, AASB 1023 & AASB 1038] (Ending 30 April 2009);
- Interpretation 15 *Agreements for the Construction of Real Estate* (1 January 2009);
- Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (1 October 2008);
- Interpretation 17 *Distributions of Non-cash Assets to Owners* (1 July 2009);
- Interpretation 18 *Transfers of Assets from Customers* (Ending 1 July 2009).

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Authority.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>3 Other income</b>		
Interest revenue from cash at bank	7	7
Other	5	5
	<b>12</b>	<b>12</b>
<b>4 Expenses</b>		
<b>Employee related expense:</b>		
Directors' fees	45	45
Employee related expenses	279	–
Personnel services expenses	–	279
	<b>324</b>	<b>324</b>
<b>Depreciation and amortisation expense:</b>		
Depreciation of property, plant and equipment	3	3
	<b>3</b>	<b>3</b>
<b>Finance costs:</b>		
Interest on borrowing not at fair value through profit or loss	1,821	1,821
	<b>1,821</b>	<b>1,821</b>
<b>Other expenses:</b>		
Administration	1,205	1,205
Consultants	995	995
Auditor's remuneration	50	50
Repairs and maintenance	81	81
	<b>2,331</b>	<b>2,331</b>
<b>5 Cash and cash equivalents</b>		
Cash at bank and on hand	2,666	2,666
	<b>2,666</b>	<b>2,666</b>
<b>6 Other receivables</b>		
<b>Current</b>		
Debtors	1	1
Goods and services tax recoverable	186	186
	<b>187</b>	<b>187</b>

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>7 Property, plant and equipment</b>		
<b>a)</b>		
<b>Land and buildings</b>		
At gross value	410,000	410,000
Accumulated depreciation	–	–
Carrying amount at fair value	<b>410,000</b>	<b>410,000</b>
<b>Plant and equipment</b>		
At gross value	31	31
Accumulated depreciation	(3)	(3)
Carrying amount at fair value	<b>28</b>	<b>28</b>
<b>Total property, plant and equipment</b>	<b>410,028</b>	<b>410,028</b>
At gross value	410,031	410,031
Accumulated depreciation and amortisation	(3)	(3)
<b>Total property, plant and equipment</b>	<b>410,028</b>	<b>410,028</b>

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>b) Reconciliations</b>		
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the period are set out below.		
<b>Land and buildings</b>		
Carrying amount as at 1 April	-	-
Additions	-	-
Transfer (refer note 17)	410,000	410,000
Depreciation expense	-	-
Carrying amount as at 30 June	<b>410,000</b>	<b>410,000</b>
<b>Plant and equipment</b>		
Carrying amount as at 1 April	-	-
Additions	6	6
Transfer (refer note 17)	25	25
Depreciation expense	(3)	(3)
Carrying amount as at 30 June	<b>28</b>	<b>28</b>
<b>Property, plant and equipment</b>	<b>410,028</b>	<b>410,028</b>

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>8 Trade and other payables</b>		
<i>Current</i>		
Trade creditors	2,354	2,354
Accruals	551	551
Refundable security deposits and bonds	618	618
Payable – annual leave	–	63
Payable – accrued salaries, wages and on-costs	73	73
	<b>3,596</b>	<b>3,659</b>
<i>Non current</i>		
Payable – long service leave	–	24
	<b>–</b>	<b>24</b>
<b>9 Provisions</b>		
<i>Current</i>		
Annual leave	63	–
Site relocation costs	586	586
	<b>649</b>	<b>586</b>
<i>Non current</i>		
Long service leave	24	–
Provision for property development expenses	174,008	174,008
	<b>174,032</b>	<b>174,008</b>



## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated \$'000	Authority \$'000
<b>Movements in provisions (other than employee benefits)</b>		
Movements in each class of provision during the period, other than employee benefits, are set out below:		
<b>2009</b>		
Carrying amount at the beginning of period	-	-
Transfer from other Government agency	174,674	174,674
Additional provisions recognised	-	-
Amount used	(80)	(80)
Unused amount reversed	-	-
Carrying amount at the end of the period	<b>174,594</b>	<b>174,594</b>
<b>Aggregate employee benefits and related on-costs</b>		
<b>Short-term</b>		
Annual leave	63	-
	<b>63</b>	<b>-</b>
<b>Long-term</b>		
Long service leave	24	-
	<b>24</b>	<b>-</b>
<b>Total</b>	<b>87</b>	<b>-</b>

In accordance with the *NSW Treasury circular TC09/04 Accounting for Long Service Leave and Annual Leave* and *AASB 101 Presentation of Financial Statements*, all annual leave and unconditional long service leave is presented as a current liability in the balance sheet.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>10 Other liabilities</b>		
<i>Current</i>		
Interest payable to other NSW agency	245	245
	<b>245</b>	<b>245</b>
<i>Non current</i>		
Payable to other NSW agency (unsecured)	96,663	96,663
	<b>96,663</b>	<b>96,663</b>
<b>11 Borrowings</b>		
<i>Non current</i>		
Loans from NSW Treasury Corporation (unsecured)	3,500	3,500
	<b>3,500</b>	<b>3,500</b>
As at 30 June 2009 the maturity profile of borrowings was:		
Not later than one year (current liabilities)	-	-
Later than 1 year but not later than 5 years	3,500	3,500
Later than 5 years	-	-
	<b>3,500</b>	<b>3,500</b>

The Authority as at 30 June 2009 has a total \$25m debt facility. The net fair value of these loans at balance date was \$3.5m. The weighted average effective interest rate for the period was 3.15%.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>12 Equity reconciliation</b>		
<b>Accumulated funds</b>		
Balance at the beginning of the period	–	–
Deficit for the period	(4,467)	(4,467)
Increase in net assets from equity transfers (refer note 17)	138,663	138,663
Balance at the end of the period	<b>134,196</b>	<b>134,196</b>
<b>13 Commitments</b>		
<b>a) Expense commitments</b>		
Contracted as at balance date	1,718	1,718
	<b>1,718</b>	<b>1,718</b>

The expense commitments above include GST of \$156,187 (contingent asset), expected to be recoverable from the Australian Tax Office.

The Authority has no capital or lease commitments at 30 June 2009.

### 14 Contingencies

#### a) Contingent assets

There are no known contingent assets at balance date.

#### b) Contingent liabilities

There are no known contingent liabilities at balance date.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>15 Notes to the statement of cash flows</b>		
<i>a) Reconciliation of cash</i>		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash at bank and on hand	2,666	2,666
	<b>2,666</b>	<b>2,666</b>
<i>b) Reconciliation of deficit to net cash flows from operating activities</i>		
Deficit for the period	(4,467)	(4,467)
Non-cash flows in operating deficit:		
Depreciation and amortisation	3	3
Change in operating assets and liabilities		
Decrease/(increase) in receivables	714	714
Increase/(decrease) in creditors	2,785	2,785
Increase/(decrease) in provisions	6	6
Net cash flows from operating activities	<b>(959)</b>	<b>(959)</b>

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

### 16 Financial instruments

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

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

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

#### a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2009 \$'000
<b>Class:</b>			
Cash and cash equivalents	5	N/A	2,666
Other receivables	6	Loans and receivables at amortised cost	187

Financial Liabilities	Note	Category	Carrying Amount 2009 \$'000
<b>Class:</b>			
Trade and other payables	8	Financial liabilities measured at amortised cost	3,596
Other liabilities	10	Financial liabilities measured at amortised cost	96,908
Borrowings	11	Financial liabilities measured at amortised cost	3,500

#### b) Credit risk

Credit risk arises from the financial assets of the Authority, including cash, receivables and deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees. Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties.

#### Cash

Cash comprises cash on hand and bank balances with major banks.

#### c) Liquidity risk

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

The Authority has a total debt facility of \$25m as at 30 June 2009. The net fair value of these loans at balance date was \$3.5m. The weighted average effective interest rate for the period was 3.15% for loans.

During the period, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on 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 Treasurer's Direction 219.01. 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.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

	Weighted Average Effective Interest Rate	Carrying Amount	Nominal Amount	Interest Rates Exposure			Maturity Dates		
				Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing	< 1 yr	1-5 yrs	> 5 yrs
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2009</b>									
<i>Payables:</i>									
Trade and sundry creditors	–	2,978	2,978	–	–	2,978	2,978	–	
Security deposits and bonds	3.15%	618	618	–	618	–	618	–	
<i>Other:</i>									
Loan payable to other NSW agency	7.53%	96,908	115,049	–	96,908	–	7,933	107,116	
<i>Borrowings:</i>									
TCorp borrowings	3.15%	3,500	3,941	3,500	–	–	110	3,831	
			<b>122,586</b>	<b>3,500</b>	<b>97,526</b>	<b>2,978</b>	<b>11,639</b>	<b>110,947</b>	

**d) Market risk**

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

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

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

### Interest rate risk

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

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

	Carrying \$'000	- 1%		+ 1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2009</b>					
<i>Financial assets</i>					
Cash and cash equivalents	2,666	(9)	(9)	9	9
Receivables	187	-	-	-	-
<i>Financial liabilities</i>					
Payables	3,596	-	-	-	-
Other - loan payable to other NSW agency	96,908	969	969	(969)	(969)
Borrowings	3,500	-	-	-	-

### e) Fair Value

The Authority's financial instruments are recognised at cost. The Authority has not identified any financial instruments whose fair value differs materially from the carrying amount.

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

### 17 Assets and liabilities vested from Sydney Harbour Foreshore Authority

The *Barangaroo Delivery Authority Act 2009* required that the Sydney Harbour Foreshore Authority transfer the Barangaroo site, the rights or liabilities in relation to the landsite including all the entitlements and obligations at 31 March 2009.

Sydney Harbour Foreshore Authority obtained an independent valuation for this property at 31 March 2009 for the purpose of this transfer. The Authority has accounted for this transfer in accordance with the Treasury Policy Paper TPP 09-3 Contributions by owners made to wholly-owned Public Sector Entities.

Details of the transfer are:

	Consolidated 2009 \$'000	Authority 2009 \$'000
<b>ASSETS</b>		
Other receivables	900	900
Property, plant and equipment	410,025	410,025
<b>TOTAL ASSETS</b>	<b>410,925</b>	<b>410,925</b>
<b>LIABILITIES</b>		
Trade and other payables	793	793
Payable to other NSW agency	96,795	96,795
Other provisions	174,674	174,674
<b>TOTAL LIABILITIES</b>	<b>272,262</b>	<b>272,262</b>
<b>NET ASSETS</b>	<b>138,663</b>	<b>138,663</b>

### 18 Events after balance sheet date

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

END OF AUDITED FINANCIAL STATEMENTS



# Office of the Barangaroo Delivery Authority Financial Statements

Office of the Barangaroo Delivery Authority

## Board Statement and Independent Auditor's Report

FOR THE PERIOD ENDED 30 JUNE 2009

### Statement by Members of the Board of the Office of the Barangaroo Delivery Authority on the adoption of the financial statements for the period ended 30 June 2009

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

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Office of the Barangaroo Delivery Authority as at 30 June 2009 and transactions for the period ended on that date; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions.

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



**Michael Collins**  
Chairman  
Barangaroo Delivery Authority



**John Tabart**  
Chief Executive Officer  
Barangaroo Delivery Authority

20 October 2009  
Sydney



GPO BOX 12  
Sydney NSW 2001

**INDEPENDENT AUDITOR'S REPORT**  
**Office of Barangaroo Delivery Authority**

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Office of Barangaroo Delivery Authority (the Office), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the period then ended, a summary of significant accounting policies and other explanatory notes.

**Auditor's Opinion**

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Office as at 30 June 2009, and its financial performance for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

**The Board's Responsibility for the Financial Report**

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Office,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

**Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

James Sugumar  
Director, Financial Services Audit

21 October 2009  
SYDNEY

## Income Statement

FOR THE PERIOD ENDED 30 JUNE 2009

START OF AUDITED FINANCIAL STATEMENTS

	Notes	2009 \$'000
Personnel services revenue		324
Employee related expenses	3	(324)
<b>SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS</b>		<b>-</b>

The above Income Statement is to be read in conjunction with the attached notes.

## Balance Sheet

AS AT 30 JUNE 2009

	Notes	2009 \$'000
<b>CURRENT ASSETS</b>		
Receivables	4	136
<b>TOTAL CURRENT ASSETS</b>		<b>136</b>
<b>NON CURRENT ASSETS</b>		
Receivables	4	24
<b>TOTAL NON CURRENT ASSETS</b>		<b>24</b>
<b>TOTAL ASSETS</b>		<b>160</b>
<b>CURRENT LIABILITIES</b>		
Payables	5	73
Provisions	6	63
<b>TOTAL CURRENT LIABILITIES</b>		<b>136</b>
<b>NON CURRENT LIABILITIES</b>		
Provisions	6	24
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>24</b>
<b>TOTAL LIABILITIES</b>		<b>160</b>
<b>NET ASSETS</b>		<b>-</b>
<b>EQUITY</b>		
Accumulated funds	7	-
<b>TOTAL EQUITY</b>		<b>-</b>

The above Balance Sheet is to be read in conjunction with the attached notes.

## Statement of Recognised Income and Expense

FOR THE PERIOD ENDED 30 JUNE 2009

	Notes	2009 \$'000
Surplus/(deficit) for the period		-
<b>Net income/(expense) recognised directly in equity</b>		-
<b>Total recognised income and expense for the period</b>		-

The above Statement of Recognised Income and Expense is to be read in conjunction with the attached notes.

## Cash Flow Statement

FOR THE PERIOD ENDED 30 JUNE 2009

	Notes	2009 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers		-
Payment to suppliers and employees		-
<b>Net cash flows from operating activities</b>		-
<b>Cash flows from investing activities</b>		
<b>Net cash flows from investing activities</b>		-
<b>Cash flows from financing activities</b>		
<b>Net cash flows from financing activities</b>		-
<b>Net increase/(decrease) in cash held</b>		-
<b>Cash at the start of the period</b>		-
<b>Cash at the end of the period</b>		-

The above Cash Flow Statement is to be read in conjunction with the attached notes.

# Office of the Barangaroo Delivery Authority

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

### 1. REPORTING ENTITY

Office of the Barangaroo Delivery Authority (the Office) is a Division of the Government Service, established pursuant to Part 1 of Schedule 1 to the *Public Sector Employment Legislation Amendment Act 2006*. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at 66 Harrington Street, The Rocks, New South Wales.

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

This financial report for the period ended 30 June 2009 was authorised for issue by the Barangaroo Authority's Board on 20 October 2009.

*Barangaroo Delivery Authority Act 2009* established the Authority on 1 April 2009. This is the first financial report prepared for the Authority for the activities for the three months from 1 April to 30 June 2009. Because this is an Authority created in 2009, there are no comparatives.

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The Office's financial report is a general purpose financial report which has been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations; and
- the requirement of the Public Finance and Audit Act 1983.

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

#### *Historical cost convention*

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

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

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

The Office has determined its status as not-for-profit for financial reporting purposes.

The financial report is presented in Australian Dollars rounded to the nearest thousand.

#### b) Revenue recognition

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

#### c) Receivables

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

Receivables are recognised initially at fair value, usually based on transaction cost or face value.

Receivables are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the Office will not be able to collect

all amounts due. The amount of the impairment loss is recognised in the Income Statement.

#### d) Payables

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

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

#### e) Employee benefits and other provisions

##### *(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *(ii) Long service leave*

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

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



# Office of the Barangaroo Delivery Authority

## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2009

services provided by employees up to reporting date. The government bond rate of 5.50% was applied for discounting purposes.

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 when the employee benefits to which they relate have been recognised.

### f) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date

### g) New Australian Accounting Standards Issues

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting period. The Authority did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 3 *Business Combinations* (1 July 2009);
- AASB 127 *Consolidated and Separate Financial Statements* (1 July 2009);
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (1 July 2009);
- AASB 8 *Operating Segments* (1 January 2009);
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (1 January 2009);
- AASB 101 *Presentation of Financial Statements* (1 January 2009);
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (1 January 2009);
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101* (1 January 2009);
- AASB 123 *Borrowing Costs* (1 January 2009);
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (1 January 2009);
- AASB 1039 *Concise Financial Reports* (1 January 2009);
- AASB 2008-1 *Amendments to Australian Accounting Standard - Share Based Payments: Vesting Conditions and Cancellations* [AASB 2] (1 January 2009);
- AASB 2008-2 *Amendments to Australian Accounting Standard - Puttable Financial Instruments and Obligations arising on Liquidation* [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2] (1 January 2009);
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038] (1 January 2009);
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1 & AASB 5] (1 July 2009);
- AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (1 January 2009);
- AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items* [AASB 139] (1 July 2009);
- AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101* (1 January 2009);
- AASB 2008-11 *Amendments to Australian Accounting Standard - Business Combinations Among Not-for-Profit Entities* [AASB 3] (1 July 2009);
- AASB 2009-1 *Amendments to Australian Accounting Standards - Borrowing Costs of Not-for-Profit Public Sector Entities* [AASB 1, AASB 111 & AASB 123] (Ending 30 April 2009);
- AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments* [AASB 4, AASB 7, AASB 1023 & AASB 1038] (Ending 30 April 2009);
- Interpretation 15 *Agreements for the Construction of Real Estate* (1 January 2009);
- Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* (1 October 2008);
- Interpretation 17 *Distributions of Non-cash Assets to Owners* (1 July 2009); and
- Interpretation 18 *Transfers of Assets from Customers* (Ending 1 July 2009).

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of the Authority.

Office of the Barangaroo Delivery Authority  
**Notes to the Financial Statements**

FOR THE PERIOD ENDED 30 JUNE 2009

	2009 \$'000
<b>3 Expenses</b>	
Employee related expenses	279
Directors' fees	45
<b>Total employee related expenses</b>	<b>324</b>
<b>4 Receivables</b>	
<b>Current</b>	
Receivable from parent entity - annual leave	63
Receivable from parent entity - accrued salaries, wages and on-costs	73
	<b>136</b>
<b>Non Current</b>	
Receivable from parent entity - long service leave	24
	<b>24</b>
<b>5 Payables</b>	
Accrued salaries, wages and on-costs	73
	<b>73</b>
<b>6 Provisions</b>	
<b>Current</b>	
Annual leave	63
	<b>63</b>
<b>Non Current</b>	
Long service leave	24
	<b>24</b>
<b>Aggregate employee benefits and related on-costs</b>	
<b>Short-term</b>	
Annual leave	63
	<b>63</b>
<b>Long-term</b>	
Long service leave	24
	<b>24</b>
<b>Total</b>	<b>87</b>

Office of the Barangaroo Delivery Authority  
**Notes to the Financial Statements**

FOR THE PERIOD ENDED 30 JUNE 2009

2009  
\$'000

**7 Accumulated funds**

Balance at the beginning of the period	-
Surplus for the period	-
Balance at the end of the period	-

**8 Commitments**

The entity has no capital or lease commitments at 30 June 2009.

**9 Contingencies**

The entity is not aware of any contingent assets or liabilities at 30 June 2009.

**10 Events after balance sheet date**

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

**END OF AUDITED FINANCIAL STATEMENTS**

# Appendix

## CONSULTANTS

The Authority engages consultants for specialised work only where there is no in-house expertise.

The Authority used consultants in specialist areas such as financial modelling and risk assessment, design evaluation, delivery, planning and sustainability.

Nine consultants whose fees were more than \$30,000 were engaged during the year as shown in the table. These fees totalled \$799,284.

Twelve consultants whose fees were up to \$30,000 were also engaged, with fees totalling \$195,423.

Consultant Name	Description	Total
Cundall Johnston & Partners	Sustainability advice	\$60,370
Fender Katsalidis	Design evaluation	\$35,425
Fife Capital Pty Ltd	Financial and risk advice	\$47,547
KPMG	Financial and risk advice	\$472,431
MBMpl Pty Ltd	Quantity surveying services	\$44,140
MG Planning Pty Ltd	Planning	\$36,090
Ryall Environmental Pty Ltd	Remediation advice	\$33,891
University of Technology Sydney	Sustainability advice	\$37,390
Voda Management	Project delivery advice	\$32,000
<b>Total</b>		<b>\$799,284</b>

## NUMBER OF SENIOR EXECUTIVE SERVICES (SES) POSITIONS

### 30 June 2009

Number of SES positions 1

Positions at SES Level 7 1

This position was held by Mr John Tabart CEO of Barangaroo Delivery Authority from 30 March 2009. His total remuneration package is \$375,000 per annum. No performance bonus was paid.

## SUSTAINABLE ANNUAL REPORTING

To enhance the sustainability of the 2009 Annual Report, the Barangaroo Delivery Authority has produced it in an electronic format, available at [www.barangaroo.com](http://www.barangaroo.com)

This report was written in house and designed by WiteKite Pty Ltd. The total cost of external production and printing was \$34,720.



55% RECYCLED  
CONTENT



FOREST STEWARDSHIP  
COUNCIL



RENEWABLE ENERGY



Lighting the Sails, Vivid Sydney 2009  
Credit: First Light Photography

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