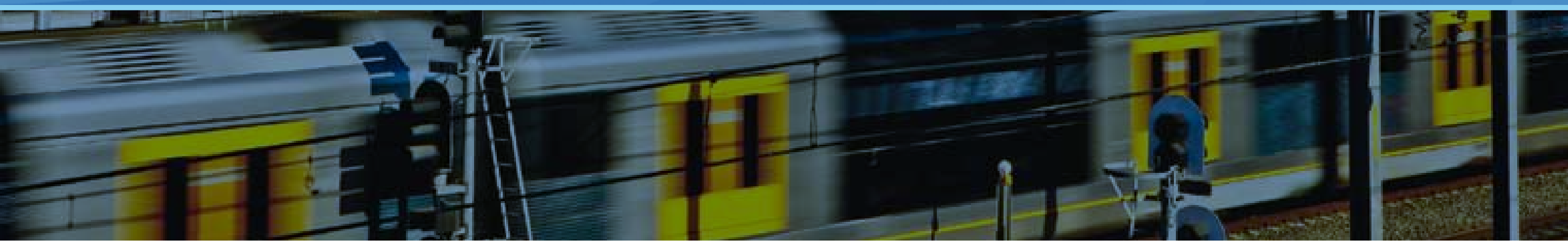
2010-2011 Annual Report

SYDNEY METROPOLITAN DEVELOPMENT AUTHORITY



NSW GOVERNMENT

Sydney Metropolitan Development Authority

CHARTER

The Sydney Metropolitan Development Authority (SMDA) was established on 15 December 2010 to pursue the NSW Government's commitment to urban renewal in the Sydney Metropolitan area and to ensure delivery of the objectives of the State Environmental Planning Policy (Urban Renewal) 2010 (SEPP).

The purpose of the SMDA is to drive housing and employment opportunities in specific areas serviced by public transport and infrastructure while ensuring community development and positive social outcomes.

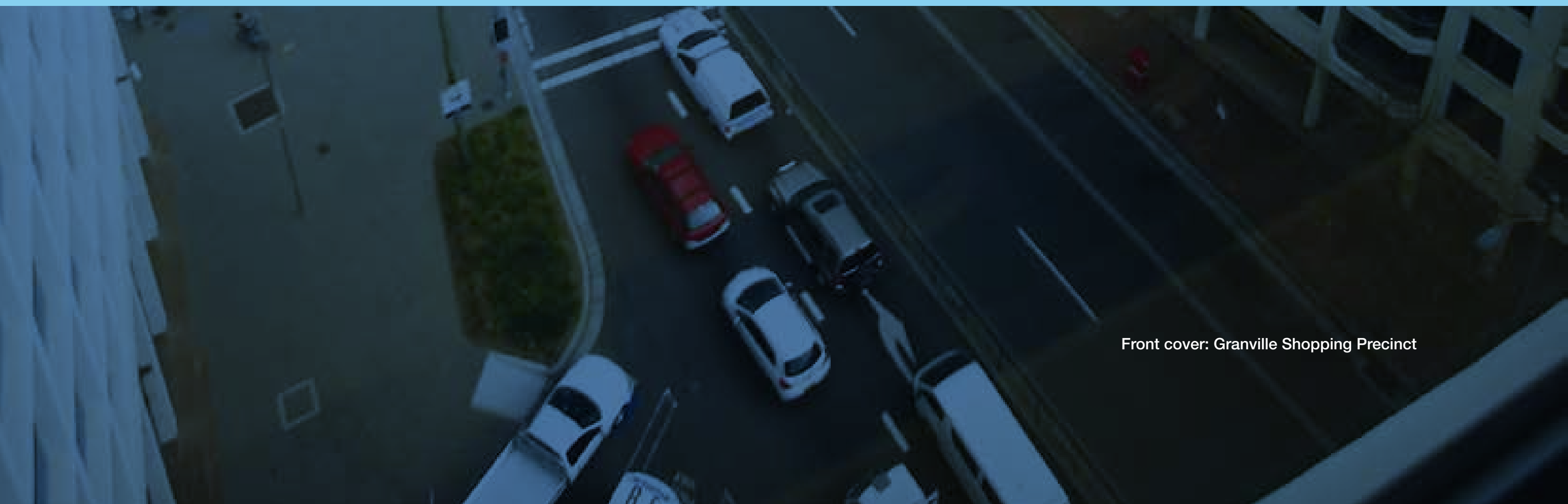
The SMDA is constituted under the *Growth Centres (Development Corporations) Act* 1974 and reports to the Minister for Planning through the SMDA Board.

The *Growth Centres (Development Corporations) Act* 1974 defines the extent of the SMDA's growth centre areas and also sets out the SMDA's functions within these areas, including the responsibility of dealing and acquiring land.

The Minister for Planning is responsible for the GC Act and for preparing an order for approval by the Governor to amend Schedule 1 of the GC Act to include the description of land that constitutes each of the SMDA growth centres.

Schedule 1 of the Growth Centres Act identifies the growth centres for which the SMDA is constituted, with the initial SMDA growth centres being Redfern-Waterloo and Granville, including the 'Auto Alley' precinct.

CONTENTS



Front cover: Granville Shopping Precinct

TO THE MINISTER

The Hon. Brad Hazzard MP
Minister for Planning and Infrastructure,
Minister assisting the Premier on Infrastructure NSW
Governor Macquarie Tower
Farrer Place
Sydney

Dear Minister Hazzard

It is with pleasure that I forward you the first Annual Report of the Sydney Metropolitan Development Authority for the year ending 30 June 2011.

This report has been prepared in accordance with the *NSW Annual Report (Statutory Bodies) Act 1984 No 87*, the *Annual Report (Statutory Bodies) Regulation 2000* and the *Growth Centres (Development Corporations) Act 1974*.

Yours Sincerely

Roy Wakelin-King AM
Chief Executive Officer
Sydney Metropolitan Development Authority

NSW GOVERNMENT | Sydney Metropolitan Development Authority

STATEMENT FROM THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

WE HAVE GREAT PLEASURE IN WELCOMING YOU TO THE FIRST ANNUAL REPORT FOR THE SYDNEY METROPOLITAN DEVELOPMENT AUTHORITY (SMDA) 2010/2011.

The SMDA commenced operations in December 2010 and has been formed to drive housing and employment opportunities in specific areas serviced by public transport and infrastructure and to build economies of urban centres.

A nine member Board was appointed on 17 December 2010 to establish the policies and directions for the SMDA.

The initial SMDA growth centres will be the Redfern-Waterloo area and Granville, including the 'Auto Alley" precinct.

The establishment of the SMDA demonstrates the strong commitment of the NSW Government to the future of these areas.

The SMDA acknowledges the importance of creating and maintaining good and effective relationships with the local governments and the communities in these areas. We see this as central to the success of the urban renewal of these precincts.

The work of the Authority since December 2010 has been focussed on continuing the renewal of the Redfern-Waterloo precinct as well as undertaking early studies in the Granville area. Naturally the SMDA has also put considerable effort in these early months into the essential governance, policy and procedural aspects of establishing and operating a NSW Government statutory Authority.

The work of the Redfern-Waterloo Authority (RWA) will continue in this important area of Sydney and the SMDA will look to build on the great work done by the RWA accordingly.

We would like to take the opportunity to thank the communities of Redfern-Waterloo and Granville for their support to the SMDA and to express our appreciation to the members of the Board, staff and consultants for their support, professionalism and commitment to the Authority and its future operations.

Col Gellatly

Dr Col Gellatly AO
Chairman

Roy Wakelin-King AM
Chief Executive Officer

AIMS & OBJECTIVES

Specifically, the role of the Sydney Metropolitan Development Authority includes:

- Working with transport and planning departments to identify precincts for renewal;
- Undertaking land use planning investigations and feasibility analyses;
- Delivering an overarching precinct plan;
- Coordinating transport and infrastructure planning;
- Planning for open space in identified precincts;
- Levying infrastructure contributions and entering into planning agreements;
- Dealing with land;
- Borrowing and managing funds; and
- Partnering with public agencies and private entities when necessary.

The SMDA assumes many of the functions of the Redfern-Waterloo Authority (RWA) and, therefore, Redfern-Waterloo has been identified as one of two priority areas, along with Granville (including the 'Auto Alley' precinct), for urban renewal. This will be achieved through the strategic delivery of the objectives of the State Environmental Planning Policy (Urban Renewal) 2010 (SEPP).

The intent of the new SEPP is to provide the opportunity for the State Government to plan for high quality urban renewal to create revitalised and more vibrant centres with a broader range of housing and employment options, and to encourage investment.

This principal objective of the SMDA builds on the Metropolitan Transport Plan "Connecting the City of CIties" and updated Metropolitan Plan for Sydney 2036.

CORPORATE GOVERNANCE

The Minister for Planning and Infrastructure, Minister assisting the Premier for Infrastructure NSW, the Hon. Brad Hazzard, is responsible for the control and direction of the SMDA. The Minister has established a Board of Governance and, while the Board establish the policies and directions for the SMDA, its day to day management is the responsibility of the Chief Executive Officer.

There is one Board Committee

Audit and Risk Management Committee

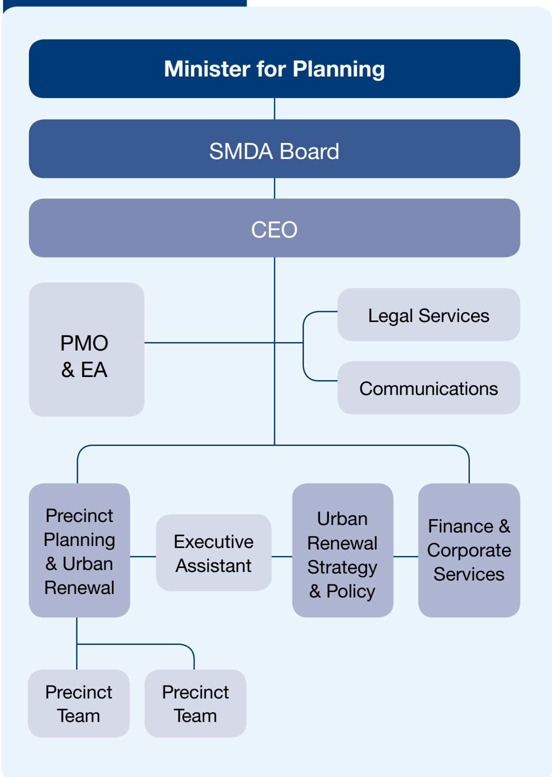
The Audit and Risk Management Committee is the focal point for communication between the Board, the external auditors, the internal auditors and management, as their duties relate to financial accounting, reporting and internal controls and compliance.

The Audit and Risk Management Committee assists the Board in fulfilling its responsibilities as to accounting policies and reporting practices of the SMDA. It is to be the Board's principal agent in assuring the independence of SMDA auditors, the integrity of management and the adequacy of the disclosures to the public.

Membership

Bonnie Boezman AO and Victoria Weekes

SMDA Structure



BOARD MEMBERS

Board members are appointed in accordance with Section 9 Schedule 2 of the Redfern-Waterloo Authority Act 2004.

Dr Col Gellatly
AO B Ag Ec (Hons) UNE, M Comm (Hons) UNSW, Ph D NC State, FIPAA

Dr Col Gellatly AO is current Chairperson of the Sydney Metropolitan Development Authority. Dr Gellatly is the former Director-General of the Premier's Department, a role which he held since being appointed in 1994. He has held a number of senior management positions within the NSW public service, including as Director General of the Department of Land and Water Conservation. He was Chair of the Redfern-Waterloo Authority; is current Chair of Australian Technology Park and Pillar Corporation, a member of the Board of State Water Corporation, a member of the UNE Council, member of the Board of the NSW Rugby League and an Administrator of Wollongong City Council.

Les Wielinga
Eng (Civil) GradDipMgt

Les Wielinga is the Director General, Transport NSW and is currently leading the implementation of the new Transport Department. He was Chief Executive of the NSW Roads and Traffic Authority (2006-2009) and the Chief Executive of the Sydney Metro in 2009. Les has more than 30 years' experience in transport issues and management, strategic planning, infrastructure development, delivery of infrastructure, program and project management, as well as administration. He has significant experience in managing large teams across many disciplines including legal, financial, economic and engineering.

Lucy Turnbull AO
LLB (Sydney), MBA (UNSW)

Lucy is a businesswoman, company director and independent member of the Sydney Metropolitan Development Authority. For many years she worked as a solicitor and as an investment banker. Lucy has had a long standing interest in the role cities play, and in architecture and design. She is Deputy Chair of the Committee for Sydney, was a Board member of the Redfern-Waterloo Authority and is currently on the Board of the Australian Technology Park. In June 2010 she was appointed to the Cities Expert Panel which reports to the COAG Reform Council on metropolitan strategic planning issues. From 1999 to 2004 Lucy was Sydney's first female Lord Mayor (2003-2004) and Deputy Lord Mayor (1999-2003). She served on the Council of the City of Sydney from 1999-2004 and chaired many council committees, including the Central Sydney Planning Committee, the Planning, Transport and Development Committee, the Traffic Committee and the Finance and Audit Committees. Lucy has also been active in the not for profit sector. She is a member of the boards of the Centre for Independent Studies and the United States Studies Centre and the Redfern Foundation.

Matt Roberts
M.Econ BA (Econ) (Macq)

Matt is currently Deputy Secretary of the Economic, Environment and Communities Directorate and a member of the Treasury Executive team. This role is responsible for policy development, budget management and agency stakeholder relations in the transport, planning, environment, government services and communities portfolios.

In his previous role as Director, National Reform Branch, he was responsible for developing Treasury's policy advice for the Council of Australian Governments' (COAG) National Reform Agenda (NRA) as well as representing Treasury at numerous Commonwealth-State inter-governmental meetings. The NRA comprised a comprehensive package of competition, regulatory and human capital reforms in: health and ageing; education, skills, training and early childhood; climate change and water; infrastructure; business regulation and competition; housing; and Indigenous reform. Prior to this appointment, Matt was Principal Economic Analyst in the Economic Strategy Branch and advised on economic reform matters. including: National Competition Policy, competitive neutrality policy, third party access to infrastructure, pricing and cost recovery policies, economic appraisals, economic development and industry advice, natural resource policy, and regulatory reforms. Matt started his career as a graduate economist in Sydney Water in 1996 and eventually moved to the position of Senior Economist, dealing with competition, pricing and regulatory matters.

Mr Roy Wakelin-King AM
BPS (UNE) GDP Bus (UTS)
Chief Executive Officer

Roy Wakelin-King was appointed the Chief Executive Officer of the Sydney Metropolitan Development Authority in December 2010. Roy is also Chief Executive Officer of the Redfern-Waterloo Authority and Managing Director of Australian Technology Park, a position he has held since 16 February 2009. Prior to his appointment with the RWA, Roy was the Deputy Director General of the Office of Public Works & Services with the NSW Department of Commerce. Roy was also CEO of the World Youth Day Coordination Authority which coordinated the delivery of Government services for the highly successful World Youth Day 2008. Roy has been an Executive Director within the NSW Ministry of Transport in the position of Director Transport Operations Division.

Roy has extensive experience in both operations and project leadership, particularly in the fields of transport and logistics. His experience includes a short Army career as a commissioned officer followed by a series of senior project and operational appointments within the NSW Government.

Shane Phillips

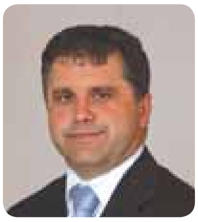
Shane Phillips is a prominent community leader and respected spokesperson for Aboriginal Australians, with cultural connections to the Bundjalung, Wonnarua, and Eora peoples. Prior to his appointment as CEO of the Tribal Warrior Association, Shane's career included roles working in child protection, juvenile justice and the law. He has also worked as a community liaison officer with the Royal Commission into Aboriginal Deaths in Custody and established the Redfern Aboriginal Corporation (RAC). Shane's community service achievements were recognised in 2008 when he was an invited participant in Prime Minister Rudd's 2020 Summit and shared his vision in the "Options for the Future of Indigenous Australia" stream. He has been a spokesperson for the Aboriginal Rights Coalition, a Life Member and Coach of the Redfern All Blacks Under 19's rugby league team, a Member of the National Indigenous Chamber of Commerce, the Gilbert & Tobin Reconciliation Planning Team, the National Aboriginal Alliance, and the Quarantine Station Community Committee, and is a founding Director of the Australian Indigenous Chamber of Commerce.

Sam Haddad
Chem Eng, MBA

Sam Haddad was appointed Director General of the NSW Department of Planning in 2005. He has had more than 38 years of professional experience including two decades at senior executive level. He has worked in the private sector in project management and infrastructure development, and has held several senior and executive positions with the NSW Department of Planning and its predecessors. Sam has extensive experience in shaping and leading the State's planning system; leading and implementing significant policy, legislative, organisational and operational reforms.

Peter Duncan
Appointed 23 May 2011
Cert L&ESD, Grad, Cert Traffic Eng, A.Dip Land. Studies, G.Dip.Mgt

Peter Duncan is Deputy Director General of the Department of Premier and Cabinet. Formerly, he was Director General of the Department of Services, Technology and Administration. Previous roles include Chief Executive Officer of Forests NSW, Director and Chief Executive of the Centennial Park and Moore Park Trust, and Director Estate Management at Olympic Coordination Authority. Peter has served on a number of Boards and Committees including as Chair of the NSW Marine Parks Authority, Administrator of Jenolan Caves Reserve Trust and is currently a Governor of the Centennial Parklands Foundation.



Mark Mrdak

BA (Hon.) (UNE), GradDipEd, GradDipAppEcon (UC)

Mark was appointed Secretary of the Department of Infrastructure and Transport in June 2009. The Department provides policy advice, programs and regulation across a wide range of activities including major infrastructure projects, road and rail, aviation and airports, transport security, maritime, vehicle safety standards and road safety. Mark began his public service career in 1988 with the Department of Transport and Communications and has since held a number of senior positions across the portfolio. His work includes management of international and domestic aviation policy and regulation, the airport sales and regulation program, infrastructure investment, the COAG competition policy reform agenda, rail investment and regulatory reform, maritime policy, emissions, energy and natural resources policy.

Between March 2008 and June 2009, Mark was Deputy Secretary (Governance) with the Department of Prime Minister and Cabinet with responsibility for government, governance, cabinet secretariat and corporate functions within PM&C.

In 2009 he was the inaugural Commonwealth Coordinator General charged with ensuring the effective implementation of key Commonwealth economic stimulus infrastructure investments. Mark is also a member of several key Government Boards and Committees.

Brendan O'Reilly

Term of Appointment 17/12/10 to 18/04/11

Brendan O'Reilly was the Director General with the NSW Department of Premier and Cabinet, a role in which he leads the NSW Public Sector and ensures its delivery on NSW Government policy direction and agenda. Brendan was previously Director General, Department of Ageing, Disability and Home Care, Deputy Director General, Premier's Department; Director General, Department of Sport and Recreation; Deputy Director General, Department of Community Services. Prior to these significant Government roles, Brendan was involved in the education sector as Director, Southern Sydney Institute of TAFE and was also responsible for the Manufacturing and Engineering Consortium. He was also Network Manager, TAFE, NSW Illawarra Institute of Technology, providing leadership and management of a network of ten TAFE colleges in the Orana and Far West regions of NSW.

Disclosures

The SMDA has no related party disclosures to declare.

SMDA Board Attendance FYR 10/11

January - June 2011

Directors	Board Meetings	
	A[1]	B[2]
Colin Gellatly AO	6	6
Roy Wakelin-King AM	6	6
Mike Mrdak	5	6
Lucy Turnbull AO	6	6
Les Wielinga	4	6
Matt Roberts	6	6
Sam Haddad	5	6
Shane Phillips	4	6
Brendan O'Reilly	5	5
Peter Duncan	1	1

1 Number of meetings attended
2 Number of meetings held

DEVELOPMENT

State Environmental Planning Policy (SEPP)

On 15 December 2010, the NSW Government announced a new *State Environmental Planning Policy (Urban Renewal) 2010* (Urban Renewal SEPP) to facilitate urban renewal planning across the State.

The SEPP is an environmental planning instrument which is made and amended by the Minister for Planning and Infrastructure. It will only apply to the nominated potential urban renewal precincts within it and will facilitate land use rezoning.

The Urban Renewal SEPP responds to the *Metropolitan Plan for Sydney 2036* to accommodate 70% of the State's population growth within existing areas, and to provide adequate housing and jobs in accessible locations.

The Urban Renewal SEPP aims to integrate land use planning with existing or planned infrastructure to create revitalised centres, greater access to public transport, and a range of housing and employment opportunities.

All precincts approved by the Minister for Planning and Infrastructure for inclusion under the Urban Renewal SEPP will also be declared as precincts under the *Growth Centres (Development Corporations) Act 1974*.

A precinct is an area that may be identified as offering the opportunity for urban renewal across a particular geographic or socio-economic area. This includes identifying the potential for improved and more sustainable options for transport, jobs and housing.

A precinct can be defined as a particular site, as a centre-based precinct such as a particular suburb, or a larger corridor or cluster of centres or suburbs.

The precinct boundary, on whatever scale, will require approval by the Department of Planning and Infrastructure under the Urban Renewal SEPP to be considered a potential precinct, which will allow further assessment to be undertaken by the SMDA under the *Growth Centres Act*.

The flowchart on the right outlines the process.

Future Precincts

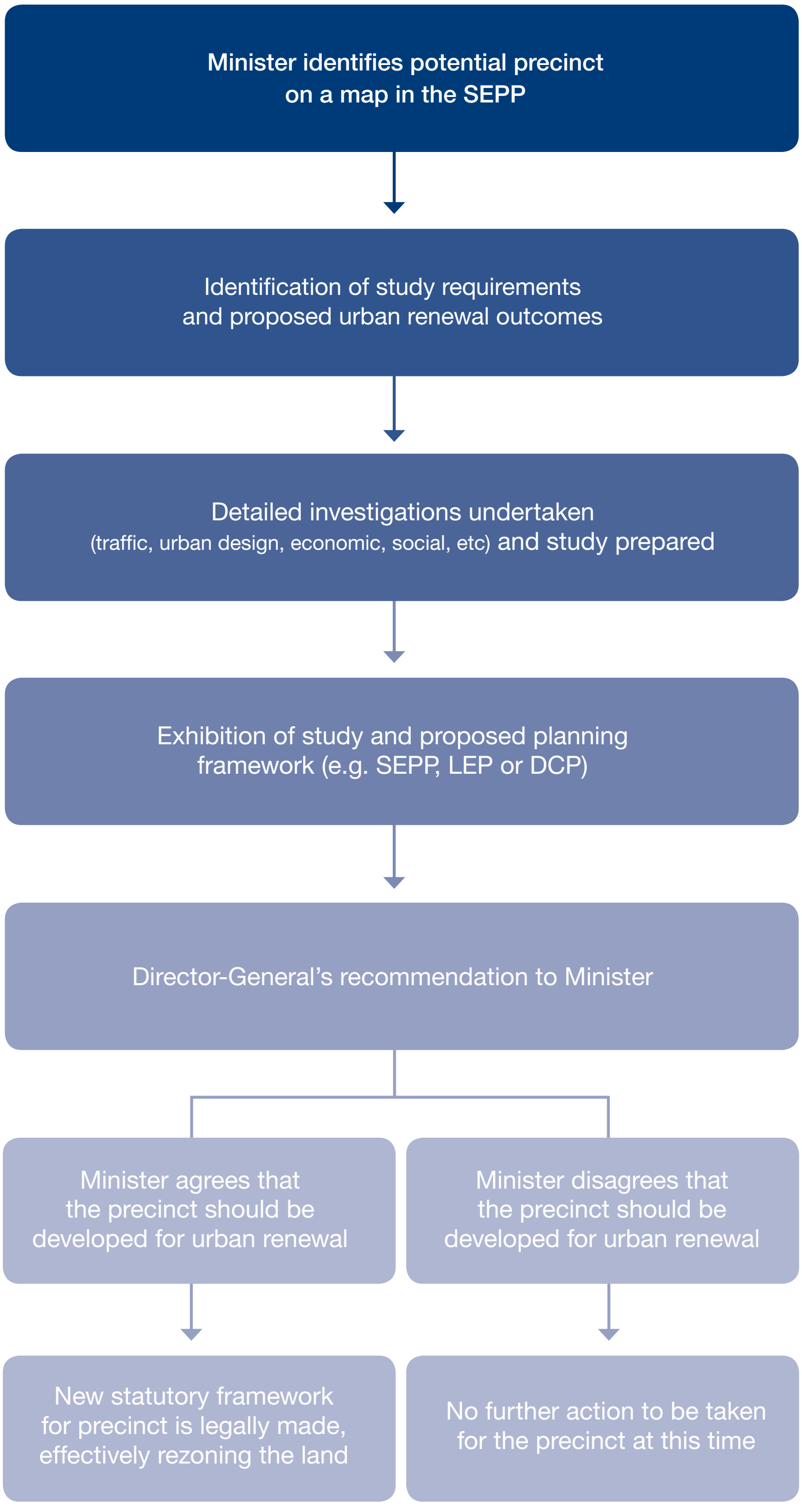
The government has initially identified two precincts for urban renewal under the SMDA and Urban Renewal SEPP. These are:

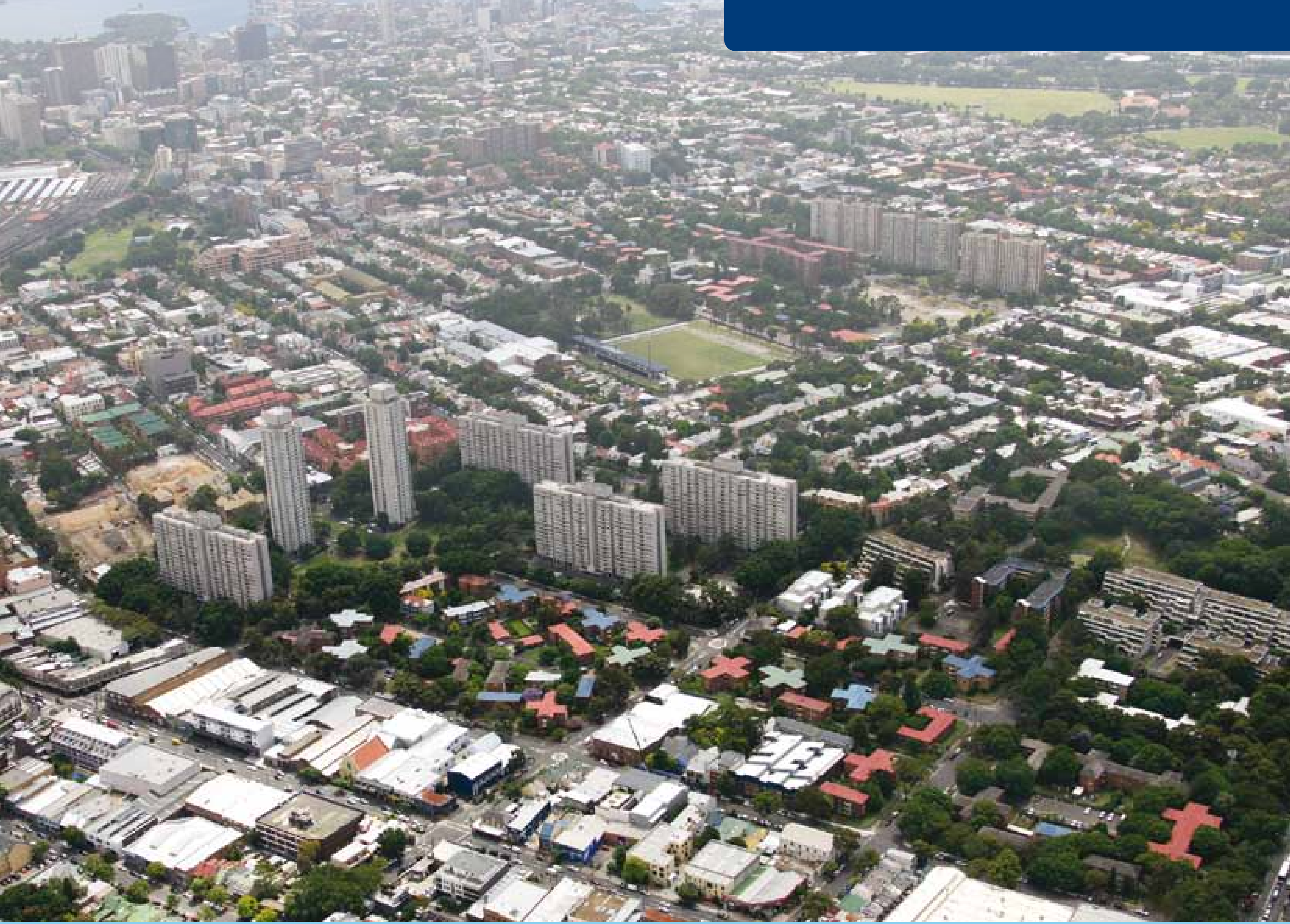
1. *Redfern-Waterloo*
2. *Granville including the 'Auto Alley' precinct*

The SMDA will work with the Department of Planning and Infrastructure and other key agencies to help identify other precincts that offer significant opportunity for urban renewal. Ultimately, any future precincts are a matter for the Government to decide.

THE URBAN RENEWAL SEPP AIMS TO INTEGRATE LAND USE PLANNING WITH EXISTING OR PLANNED INFRASTRUCTURE TO CREATE REVITALISED CENTRES

Precinct Planning Process

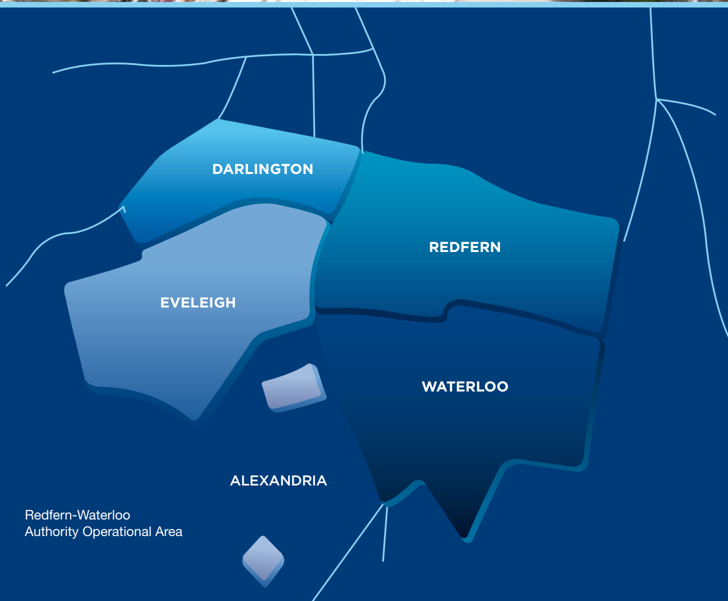




REDFERN-WATERLOO

PRECINCT

REDFERN-WATERLOO IS IN A PRIME LOCATION, NEAR SYDNEY'S CENTRAL BUSINESS DISTRICT WITH EXCELLENT LINKS TO PUBLIC TRANSPORT AND THE OPPORTUNITY TO ALIGN URBAN RENEWAL WITH POSITIVE SOCIAL DEVELOPMENT OUTCOMES.



The Redfern-Waterloo Authority (RWA) was responsible for revitalising the area through urban renewal, human services and employment and training under the *Redfern-Waterloo Authority Act 2004*. The SMDA has assumed many of the urban renewal and planning functions of the RWA, to continue the revitalisation of Redfern and Waterloo to ensure the area realises its full economic, social and creative potential. The SMDA has assumed responsibility for the ongoing implementation of Built Environment Plan Stage 1.

Built Environment Plan Stage 1 (BEP 1)

The Built Environment Plan Stage 1 of Redfern, Waterloo, Eveleigh and Darlington concentrates on the issues of urban design, traffic, public access, public transport, land use, affordable housing and urban renewal. Stage 1 of the Built Environment Plan was released on 30 August 2006 and is primarily a planning framework to encourage future economic growth and the creation of up to 18,000 jobs throughout Redfern and Waterloo. The aim is to generate more than 444,000sqm of new employment space, 2,000 new homes, a new Town Centre, improved pedestrian access to our residential and business hubs and better urban design.
The Built Environment Plan encourages an employment and investment based revitalisation of the area by providing a planning framework for the following strategic sites:

- North Eveleigh
- Australian Technology Park
- South Eveleigh Railyards
- Eveleigh Street Precinct (including the Block)
- Redfern Station / Gibbons Street / Regent Street Precinct
- Former Rachel Forster Hospital
- Former Redfern Police Station and Court House
- Former Redfern Public School

Most of these sites, which total around 35 hectares, are State Government owned and are located near the Redfern Train Station and Redfern Town Centre.

The Built Environment Plan proposes a consistent set of controls relating to urban design, land use zoning and the carrying out future development of Redfern-Waterloo sites. It also identifies strategies for associated transport and traffic management, heritage protection, open space and public domain improvements, infrastructure provision, pedestrian and cycle access and guidelines for the achievement of safe and sustainable communities.

The underlying concept for the Plan is based on the creation of a Town Centre with an economic and civic heart focussed around Redfern Train Station, and which is connected through pedestrian linkages to business hubs at the Australian Technology Park, North Eveleigh, Redfern and Regent Streets.

Draft Built Environment Plan Stage 2 (BEP 2)

The Draft Built Environment Plan Stage 2 was released for community feedback in January 2011. The Plan was publicly exhibited from 27 January to 28 February 2011. The Draft Built Environment Plan proposes planning controls, including land use, height and floor space controls, to support the renewal of Housing NSW sites in Redfern and Waterloo, including South Eveleigh over a 20-25 year timeframe. The Draft BEP 2 aims to achieve a mix of private, affordable and social housing, proposing a mix of 60% private and affordable housing and 40% social housing.

The Sydney Metropolitan Development Authority's Urban Renewal SEPP process and the Housing NSW Master Plan process will provide further opportunities for the community to provide feedback on the redevelopment of this important area.

Redfern-Waterloo Heritage Taskforce & Interpretation Plan

The Redfern-Waterloo Heritage Taskforce was established in 2009 to identify opportunities for the conservation, interpretation and, where appropriate, adaptive reuse of the cultural, natural and archeological heritage of the Redfern-Waterloo area.

Meanwhile, the Eveleigh Steering Committee (ESC) was set up in recognition of the significant cultural and social significance of the former Eveleigh Locomotive Workshop specifically and comprises a broad range of community representatives as well as representatives of Australian Technology Park (ATP) and the RWA.

The Taskforce and ESC seek to increase community awareness, understanding, appreciation and enjoyment of existing heritage and stimulate greater community involvement in conservation efforts.

The draft Interpretation Plan was publically exhibited between 9 March and 6 April 2011.

The SMDA will continue to plan for and facilitate appropriate growth of Redfern-Waterloo to ensure the area reaches its full economic, social and creative potential by creating a vibrant, socially inclusive and more sustainable community. Redfern-Waterloo remains a priority for the SMDA and will use its achievements as a model to benefit all of Sydney.

Other initiatives

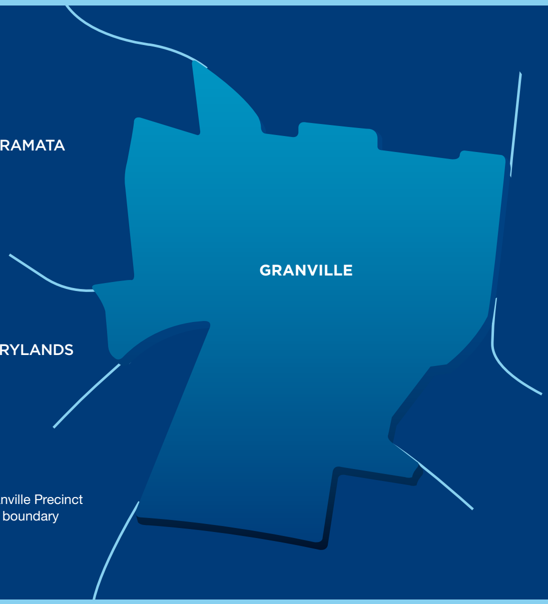
The SMDA will continue the work on:

- Redfern Train Station;
- North Eveleigh; and
- Affordable Housing.

GRANVILLE

PRECINCT

GRANVILLE TOWN CENTRE HAS BEEN IDENTIFIED AS A PRIORITY AREA BY THE SMDA FOR URBAN RENEWAL.



Aerial view of Granville Precinct with Urban SEPP boundary

The SMDA will carry out its functions in partnership with key NSW State agencies, Parramatta and Holroyd City Councils and the Federal Government.

The Granville urban renewal precinct occupies a strategic location in greater western Sydney, is well serviced by public transport and is identified as having high potential for social and economic growth within the Parramatta LGA boundary.

The draft Granville urban renewal precinct has an approximate area of 264 hectares.

Whilst the draft urban renewal precinct is defined as one area in the Urban Renewal SEPP, it has three distinct and unique geographical communities comprising:

1. *Granville Town Centre*
2. *Church St, 'Auto Alley' Precinct*
3. *Harris Park Precinct*

Specifically, the role of the SMDA in the Granville precinct will include:

- Working with Department of Planning and Infrastructure, NSW Department of Transport and other relevant agencies to identify precinct specific renewal issues;
- Undertaking land use planning investigations and feasibility analyses;
- Delivering an overarching precinct plan;
- Coordinating transport and infrastructure planning;
- Planning for open space in identified areas;
- Levying infrastructure contributions and entering into planning agreements;
- Dealing with land as appropriate;
- Borrowing and managing funds;
- Partnering with public agencies and private entities when necessary; and
- Ensuring extensive community consultation is undertaken at appropriate stages in the process.

THE MAIN ROLE OF THE COMMITTEE IS TO INVESTIGATE URBAN RENEWAL OPPORTUNITIES AND TO PROVIDE INPUT INTO THE STUDIES BEING PREPARED UNDER THE URBAN RENEWAL SEPP.

Interagency Urban Renewal Committee

The Sydney Metropolitan Development Authority will lead the planning for the Granville urban renewal area identified under the SEPP in partnership with key agencies including the Department of Planning and Infrastructure, NSW Department of Transport, Family and Community Services, Housing NSW and others as required through an Interagency Urban Renewal Committee that is chaired by the Sydney Metropolitan Development Authority.

The Committee is being formed and will meet on a regular basis. It will report through the Sydney Metropolitan Development Authority Board to the Minister for Planning and Infrastructure. Representatives of Parramatta City Council and Holroyd City Council, other government agencies and organisations will also be invited to participate in the Committee.

The main role of the committee is to investigate urban renewal opportunities and to provide input into the studies being prepared under the Urban Renewal SEPP.

Auto Alley Reference Group

In addition to the proposals for the greater Granville Urban Renewal Precinct, and given the unique attributes and opportunities of this Church Street sub precinct, a Reference Group is being formed to address this specific area and will include:

- Sydney Metropolitan Development Authority (Chair)
- Department of Planning and Infrastructure
- NSW Department of Transport
- Parramatta City Council
- Holroyd City Council
- A Community representative
- Parramatta Chamber of Commerce
- Property Council of Australia

DIRECTOR'S STATEMENT

Statement by the Chairman and Chief Executive Officer on the adoption of the financial statements for the year ended 30 June 2011. Certificate under Section 41C of the Public Finance and Audit Act 1983

Pursuant to Section 41C (B) and 1 (C) of the Public Finance and Audit Act 1983 and in our capacity as Chairman and Chief Executive Officer of the Sydney Metropolitan Development Authority (SMDA), we declare that in our opinion:

The accompanying financial statements exhibit a true and fair view of the financial position of the SMDA as at 30 June 2011 and transactions for the year ended on that date. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Regulation 2000 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.

Col Gellatly

Dr Col Gellatly AO
Chairman

Roy Wakelin-King AM
Chief Executive Officer

NSW GOVERNMENT | Sydney Metropolitan Development Authority

STATEMENT BY MEMBERS OF THE BOARD

Statement by Members of the Board of Sydney Metropolitan Development Authority on the adoption of the financial statements for the year ended 30 June 2011.

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

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of Sydney Metropolitan Development Authority as at 30 June 2011.
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions; and
3. We are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Col Gellatly

Dr Col Gellatly AO
Chairman

Roy Wakelin-King AM
Chief Executive Officer

28 October 2011

INDEPENDENT AUDIT REPORT

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Sydney Metropolitan Development Authority and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sydney Metropolitan Development Authority (the Authority), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period 17 December 2010 to 30 June 2011, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the period end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2011, and of their financial performance for the period 17 December 2010 to 30 June 2011 in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

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

Independence

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

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

James Sugumar
Director, Financial Audit Services

28 October 2011
SYDNEY

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STATEMENT OF COMPREHENSIVE INCOME

For the period 17 December 2010 to 30 June 2011

	notes	Consolidated Period 17 December to 30 June 2011 *$'000*	SMDA Period 17 December to 30 June 2011 *$'000*
Revenue from continuing operations			
Sales and services income	*7(a)*	1,048	1,048
Grants and contributions	*7(b)*	1,500	1,500
Interest income		5	5
Total income		**2,553**	**2,553**
Expenditure			
Employee benefits expenses	*8 (a)*	1,512	799
Personnel services	*8 (b)*	--	713
Other expenses	*8 (c)*	544	544
Total expenditure		**2,056**	**2,056**
Surplus for the period		**497**	**497**
Other comprehensive income		**--**	**--**
Total comprehensive income for the period		**497**	**497**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	notes	Consolidated 2011 $'000	SMDA 2011 $'000
ASSETS			
Current assets			
Cash and cash equivalents	*10*	690	690
Trade and other receivables	*11*	486	60
Total current assets		**1,176**	**750**
Non-current assets		--	--
Total non-current assets		**--**	**--**
Total assets		**1,176**	**750**
LIABILITIES			
Current liabilities			
Trade and other payables	*13*	295	253
Provisions	*14*	127	--
Total current liabilities		**422**	**253**
Non current liabilities			
Provisions	*14*	257	--
Total non current liabilities		**257**	**--**
Total liabilities		**679**	**253**
Net assets		**497**	**497**
EQUITY			
Accumulated funds	*15*	497	497
Contributed equity			
Total equity		**497**	**497**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the period 17 December 2010 to 30 June 2011

	notes	Consolidated Period 17 December to 30 June 2011 *$'000*	SMDA Period 17 December to 30 June 2011 *$'000*
Balance of equity at the beginning of the period		**--**	**--**
Total comprehensive income for the period		497	497
Transactions with owners in their capacity as owners		--	--
Balance of equity at the end of the period		**497**	**497**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the period 17 December 2010 to 30 June 2011

	notes	Consolidated Period 17 December to 30 June 2011 *$'000* *inflow/* *(outflow)*	SMDA Period 17 December to 30 June 2011 *$'000* *inflow/* *(outflow)*
Cash flows from operating activities			
Receipts from customers		667	1,093
Government grants received	*7(b)*	985	983
Payments to suppliers and employees		(967)	(1,393)
Interest received		5	5
Net cash flows from operating activities	*16(b)*	**690**	**690**
Cash flows from investing activities		**--**	**--**
Net cash flows used in investing activities		**--**	**--**
Cash flows from financing activities		**--**	**--**
Net cash flows from financing activities		**--**	**--**
Net increase in cash held		**690**	**690**
Cash and cash equivalents at the beginning of the period		--	--
Cash and cash equivalents at the end of period		**690**	**690**

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

1. REPORTING ENTITY AND FINANCIAL PERIOD

The Sydney Metropolitan Development Authority (the "Authority") is a Statutory Body constituted by the *Growth Centres (Development Corporations) Act 1974* on 17 December 2010 and these financial statements cover the period from that date to 30 June 2011. The Authority promotes the development of land identified as potential urban renewal precincts including Redfern-Waterloo and Granville and other precincts to be identified in the future. The Authority has an important role in boosting the amount, mix and choice of housing and commercial development within walking distance of key public transport hubs. As a priority, the Authority will focus on areas currently administered by the Redfern-Waterloo Authority, including North Eveleigh and the Australian Technology Park. The Authority will also focus on the development of Granville Town Centre and Auto Alley in Granville.

The Authority, as a reporting entity, comprises all the entities under its control, which at 30 June 2011 is only the Office of Sydney Metropolitan Development Authority (the "Office"). The Office provides personnel services to the Authority. Plans and relevant legislation are currently being prepared for the transfer of certain of the operations of the Redfern-Waterloo Authority and the operation of Australian Technology Park Sydney Limited, to the Authority.

The Authority is currently funded by the NSW Government through to 30 June 2014.

The financial statements for the period ended 30 June 2011 have been authorised for issue by the Board on the 21 October, 2011.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983 and Regulation, Treasurer's Directions, the Growth Centres (Development Corporations) Act 1974*.

(b) Historical cost convention

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

(c) Profit status of the Authority

The Authority has assessed its profit status for the financial period ended 30 June 2011 and determined its status as not-for-profit for financial reporting purposes.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Financial instruments at fair value through profit and loss and available for sale, are measured at fair value.
- The defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

(e) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Authority's functional currency.

All amounts are rounded to the nearest one thousand dollars unless otherwise stated.

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts, to assets, liabilities, income and expenses 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

- Note 3(c), 3(d)(ii), 3(d)(iii) & 3(e)(ii)

Information about assumptions and estimations that may result in adjustments in the future financial year is included in the following notes:

- Note 10 – financial assets
- Note 20 – financial instruments

(g) 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 the policies adopted by the parent entity.

(h) Accounting policy adopted

In the current period, the Authority has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and which are effective for the reporting period beginning on 17 December 2010.

3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are a summary of the significant accounting policies that have been applied to the accounting period presented in these financial statements and have been applied consistently by the Authority.

a) 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 the amount of GST receivable or payable. The net amount of GST recoverable from, 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.

b) Income tax

The Authority is a not for profit entity and is not a listed entity in the National Tax Equivalent Regime Entity Register. Hence is not liable for income tax under the National Tax Equivalent Regime.

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 and specific criteria have been met for each of the Authority's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and services

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

(ii) Grants and contributions

An unconditional contribution and grants received are recognised as revenue when the Authority obtains control over the assets comprising the contribution. Control over contributions is normally obtained upon the receipt of cash.

Where any unspent contributions at year end are repayable to the funding bodies in the following financial year, the unspent contributions are accounted for as liabilities rather than revenue.

(iii) Investment revenue

Investment revenue comprises interest income on funds invested with financial institutions. Any changes in fair value of financial assets held with the financial institutions is measured at fair value through profit and loss account and recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(iv) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

c) Expenses

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

Employee expenses

Employee expenses includes salaries and wages for the year, workers compensation insurance premium for the year, 9% defined contribution incurred for employees under defined contribution scheme and amounts nominated by the fund managers in respect of defined benefit schemes.

Depreciation expenses

The Authority does not own any assets.

Insurance expenses

The Authority holds insurance policies 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.

Finance costs

Finance 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. Other finance costs are expensed.

d) Assets

(i) Cash and cash equivalent

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with the NSW Treasury Corporation's Hour-Glass facilities. These are readily convertible to cash and classified as cash and cash equivalents.

(ii) Receivables

Receivables include trade, interagency and other receivables.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets 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, less an allowance for any impairment of receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Any changes are recognised in the surplus/ (deficit) for the year when impaired, derecognised or through the amortisation process. An allowance account is used when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments, are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

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

(iii) Impairment of financial assets

All financial assets, except those measured at fair value through the Statement of Comprehensive Income, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

For financial assets carried at amortised cost, the amount of the allowance is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Statement of Comprehensive Income.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Statement of Comprehensive Income, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Statement of Comprehensive Income.

Any reversals of impairment losses are reversed through the Statement of Comprehensive Income, where there is objective evidence, the only exception being reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(iv) De-recognition of financial assets and financial liabilities

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

- Where substantially all the risks and rewards have been transferred or;
- Where the Authority has not transferred substantially all the risks and rewards, if it has not retained control.

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(v) Other Assets

Other assets include superannuation assets and prepayments. Other assets are recognised on a cost basis.

(iv) Property, plant and equipment

The Authority has not acquired any property plant and equipment since inception. It did not own any assets as at the balance date. The Redfern-Waterloo Authority currently charges a fee to the Authority for the use of its property plant and equipment.

Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated. No maintenance expenses were capitalised during the period.

(vii) Leased assets

The Authority did not own any leased assets as at the balance date.

(viii) Investment properties

The Authority did not own any investment properties as at the balance date.

(ix) Intangible assets

The Authority did not own any intangible assets as at the balance date.

e) Liabilities

(ii) 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.

(ii) Employee benefits

Wages and salaries, annual leave and sick leave

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

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits. Market yields on government bonds of 5.21% were applied to discount long-term annual leave.

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 at the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. The government bond rate of 5.21% 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.

Retirement benefit obligations

All employees of the Authority are entitled to have contributions made to a nominated or default superannuation plan on their behalf, in accordance with the Superannuation Guarantee legislation. The liability of the Authority is limited to the amount of the contributions required by the legislation and is recognised as an expense as the contributions become payable.

(iii) 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. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

f) Comparative information

There are no comparative balances as the Authority was incorporated on 17 December 2010 and it commenced its operation from that date.

Application of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section (ii).

Standards affecting presentation and disclosure

- Amendments to AASB 7 'Financial Instruments: Disclosure' (adopted in advance of effective date of 1 January 2011). The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans. Not applicable to the Authority as at the balance date.
- Amendments to AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'. Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project' that the disclosure requirements in Standards other than AASB 5 do not generally apply to noncurrent assets classified as held for sale and discontinued operations. Not applicable to the Authority as at the balance date.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

- Amendments to AASB 101 'Presentation of Financial Statements' (adopted in advance of effective date of 1 January 2011). The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. All material items are adequately disclosed by way of notes to the financial statements.
- Amendments to AASB 107 'Statement of Cash Flows'. The amendments (part of AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 'Intangible Assets' for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows. Not applicable to the Authority as at the balance date.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

ii Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	Except for the amendments to AASB 5 and AASB 107 described earlier this section, the application of AASB 2009-5 has not had any material effect on amounts reported in the financial statements.

AASB 2009-8 ‘Amendments to Australian Accounting Standards – Group Cash-Settled Share based Payment Transactions’	The application of AASB 2009- makes amendments to AASB 2 ‘Share-based Payment’ to clarify the scope of AASB 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award. The Council’s financial statements are not impacted by this amendments.
AASB 2009-10 ‘Amendments to Australian Accounting Standards – Classification of Rights Issues’	The application of AASB 2009-10 makes amendments to AASB 132 ‘Financial Instruments: Presentation’ to address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Authority has not entered and it has no legal right to enter into any arrangements that would fall within the scope of the amendments.
AASB 2010-3 ‘Amendments to Australian Accounting Standards arising from the Annual Improvements Project’	The application of AASB 2010-3 makes amendments to AASB 3(2008) ‘Business Combinations’ to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of noncontrolling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation. All other types of noncontrolling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, the application of AASB 2010-3 makes amendments to AASB 3(2008) to give more guidance regarding the accounting for share-based payment awards held by the acquiree’s employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with AASB 2 ‘Share-based Payment’ at the acquisition date (‘market-based measure’). This amendment is not applicable to the Authority.
AASB 2010-4 ‘Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project’	Except for the amendments to AASB 7 and AASB 101 described earlier this section, the application of AASB 2010-4 has not had any material effect on amounts reported in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'	This Interpretation provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular, the equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss. This amendment is not applicable to the Authority.

iii Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	**Effective for annual reporting periods beginning on or after**	**Expected to be initially applied in the financial year ending**
AASB 124 'Related Party Disclosures' (revised December 2009), AASB 2009-12 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 9 'Financial Instruments', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	1 January 2011	30 June 2012
AASB 2010-5 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	1 July 2011	30 June 2012
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013

4. DETERMINATION OF FAIR VALUES

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

(i) Trade and other receivables

The fair value of trade and other receivables is based on the net realisable value after considering any possible risks of impairment. All trade and other receivables, after impairment, are expected to be received within a short period of time and considered as fair values at the date when goods and services were provided.

(ii) Trade and other payables

Trade and other payables are expected to be paid within a short period of time and were considered as fair values at the date goods and services were acquired.

When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to the assets or the liability.

5. FINANCIAL RISK MANAGEMENT

The Authority has exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Authority's exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included through these consolidated financial statements.

Risk Management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Chief Executive Officer is responsible for developing and monitoring the overall risk management strategy and policies for the Authority. The Chief Executive Officer is responsible for the establishment and oversight of risk management and reviews the Authority's activities and assets. The Chief Audit Executive reports to the Audit and Risk Committee, which in turn reports regularly to the Board on its activities.

In its start-up phase, the Authority is establishing risk management policies to identify and analyse the risks faced by the Authority in setting appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Authority's activities. The Authority, through training in and implementation of policies and procedures will develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and will review the adequacy of the risk management framework in relation to risks faced by the Authority. The Chief Executive in the capacity of the Chief Audit Executive will manage the internal audit function by conducting scheduled and ad hoc reviews of risk management control procedures, the results of which will be reported to the Audit and Risk Committee.

The Authority's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to fund the Authority's operations. The Authority has various other financial instruments such as debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the Authority's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Authority's financial instruments are interest rate risk, liquidity risk and credit risk. The executive will review and agree policies for managing each of these risks and these are summarised below.

(a) Credit Risk

Credit risk is the risk of financial loss to the Authority if a debtor or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the financial assets of the Authority, including cash, receivables and term deposits. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). The Authority has not granted any financial guarantees.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

(i) Cash

Cash comprises cash on hand and bank balances with the Westpac Bank of Australia. Interest is earned on daily bank balances at the monthly average cash rate. It is the Authority's practice to deal with banks of "AAA" ratings recommended by the NSW Government.

(ii) Receivables

The Authority's exposure to credit risks is influenced mainly by the individual characteristics of each debtor. The Authority has trade debts and other debts.

- *Trade debts*

  Trade debtors are mainly interagency receivables recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis from the monthly aged analysis report. The Director of Finance and Corporate Services is responsible for the credit control function of all outstanding trade debtors. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. The credit risk is the carrying amount (net of any allowance for impairment). The average credit period extended by the Authority is proposed to be 30 days. No interest is charged on the overdue invoices and debtors.

  The revenue stream for the Authority mainly consists of Government grants against which there can be no doubtful debts. A significant portion of the trade receivables balance is due from General Government entities and the balance is due from Public Trading Enterprises.

- *Other debts*

  The Authority is exposed to various concentrations of credit risk to other debts. These debts were incurred as a result of the payment of minor advances repayable within in a short period of time. The credit risk is exposed in the monthly aged analysis report. The Director of Finance and Corporate Services is responsible for the collectability of debts.

(b) 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 the risk through monitoring and planning future cash flows and ensure adequate holding of liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of appropriate investment strategies.

The liquidity risk that might arise from various classes of financial assets held by the Authority and its management is explained under the credit risk of each class of financial asset.

During the period, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and a 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. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within in acceptable parameters, while optimising the return.

The Authority's exposures to market risk are as follows:

- Growth: the depth and length of the global economic downturn, and its impact on the investments held by the Authority
- Systematic risk: liquidity and counterparty risks in financial markets
- Lack of Corporate Governance: Universal lack of corporate governance leads to fraud and bankruptcies.

The Authority will manage its market risk exposure by the construction of a risk framework that quantifies the possible risks outcome in different events.

(i) Currency risk

The Authority has no exposure to foreign currency risk on the financial instruments at the balance date.

(ii) Interest rate risk

The Consolidated entity is exposed to interest rate risk on its deposits with bank which is subject to market rate of interest.

(iii) Other price risk

The Authority is not exposed to any significant price risk on the financial instruments at the balance date.

(d) Operational risk

The Authority will manage its operational risk as part of the risk management strategy. Operational risk is the risk of direct and indirect losses arising from a wide variety of causes associated with the Authority's processes, personnel, technology, legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Authority's operations.

The Authority's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Authority's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The responsibility will be supported by the development of standards, policies and procedures in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for the periodic reporting to senior management, relevant committees and the Board.
- Training and professional development
- Risk mitigation, including insurance where this is effective.

Compliance with established standards, policies and procedures will be supported by a programme of periodic review undertaken by Internal Audit. The results of the internal audit reviews will be discussed with management of the business unit to which they relate, with reports submitted to Senior Management, the Audit and Risk Committee and the Board.

Net fair values of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

6. Capital Management

The Authority manages its capital to ensure that it will be able to continue as a going concern in order to meet its statutory obligations. The capital structure of the Authority consists of cash and cash equivalents and retained profits.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

			Consolidated	SMDA
			Period 17 December to 30 June 2011	Period 17 December to 30 June 2011
			$'000	*$'000*
7	(a)	**Revenue from continuing operations:**		
		Income from services	1,048	1,048
			1,048	1,048
	(b)	**Grants and Contributions**		
		NSW Government agencies (i)		
		Cash	985	985
		In-Kind	515	515
			1,500	**1,500**
	(c)	**Interest from bank deposits**	5	5
	(i)	Grants income received from Sydney Harbour Foreshore Authority.		
8	(a)	**Employee benefit expenses**		
		Salaries and wages	1,357	799
		Superannuation	64	--
		Leave benefits	58	--
		Payroll Tax	33	--
			1,512	799
	(b)	**Personal services from OSMDA**	--	713
			--	713
	(c)	**Other Expenses**		
		Conferences and seminars	4	4
		External Audit	25	25
		Legal	27	27
		Consultancies and contract expenses	158	158
		Accomodation	59	59
		Other	271	271
		total other expenses	**544**	**544**

		Consolidated Period 17 December to 30 June 2011 *$'000*	SMDA Period 17 December to 30 June 2011 *$'000*
9	**Surplus for the period**		
	Surplus has been arrived at after charging/(crediting) the following losses/(gains):		
	Auditor's remuneration	25	25

		Consolidated As at 30 June 2011	SMDA As at 30 June 2011
10	**Cash and Cash Equivalents**		
	Cash on hand and at bank	690	690
		690	**690**
11	**Receivables**		
	Current		
	Trade receivables	426	--
	Goods and Services tax recoverable	52	52
	Prepayments	8	8
	Total trade & other receivables	**486**	**60**
12	**Ageing of past due but not impaired receivables**		
	Less than 3 months overdue	426	--
	3 to 6 months overdue	--	--
	later than 6 months overdue	--	--
		426	
13	**Trade and other payables**		
	Current trade & other payables		
	Trade payables	132	89
	Other Payables	163	164
		295	**253**

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

		Consolidated As at 30 June 2011 *$'000*	SMDA As at 30 June 2011 *$'000*
14	**Provisions**		
	Employee benefits and related on-costs		
	Current		
	Recreation leave		
	Short term	76	--
	Long term	37	--
	Long Service leave	14	--
		127	--
	Non-Current		
	Long Service leave	257	--
		257	--
	Total employee benefits	**384**	**--**
	Total provisions	**384**	**--**
15	**Accumulated funds**		
	Balance at the beginning of the period	--	--
	Surplus for the period	497	497
	Balance at end of the period	**497**	**497**
16 (a)	**Cash and cash equivalents (Note 10)**	690	690
(b)	**Reconciliation of surplus for the period to net cash from operating activities**		
	Surplus for the period from continuing operations	497	497
	decrease/(Increase) in trade and other receivables	(486)	(60)
	(decrease)/Increase in trade and other payables and provisions	679	253
	Net cash flows from operating activities	**690**	**690**

	Consolidated	SMDA
	As at 30 June 2011	As at 30 June 2011
	$'000	*$'000*
17 Commitments for Expenditure		
Capital Commitments	--	--
Operating commitments	7	7
Payable within one year (inclusive of GST)	7	7

The above includes GST of $636 that is expected to be recoverable from the Australian Taxation Office.

18 Controlled Entities

Name of entity	Country of Incorporation	2011
		%
The Office of Sydney Metropolitan Development Authority	Australia, NSW	-

The Office is a division of the Government Service and provides personnel services to the Authority.

19 Contingent Liabilities

There are no known contingent liabilities for the Authority as at the balance date.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

20 Financial instruments

The Authority's principal financial instruments, and the main risks associated with them, are outlined below. The financial instruments arise directly from the Authority's trading activities and operations. The Authority does not enter into or trade in financial instruments for speculative purposes.

	Consolidated	SMDA
	As at 30 June 2011	As at 30 June 2011
	$'000	*$'000*
Financial instrument categories		
Financial assets		
Cash & deposits	690	690
Trade & other receivables	486	486
	1,176	**1,176**
Financial liabilities		
Trade & other payables	295	295
	295	**295**
Non interest bearing trade payables	295	295
	295	**295**

Bank balances held with the Westpac bank earned an interest of 5% during the period.

The above trade receivables balance is due from General Government entities and recovered at the end of each month. No interest is charged on this balance and the debt is not impaired.

Net fair values of financial assets and liabilities: The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their net fair values.

21 Events after the balance date

On 5 September 2011 the New South Wales Government has approved the winding up of the Redfern-Waterloo Authority. When wound up, all assets and liabilities, rights and obligations will be transferred to the Sydney Metropolitan Development Authority. This will also lead to the winding up of Office of the Redfern-Waterloo Authority and transfer all employees to the Office of the Sydney Metropolitan Development Authority.

END OF AUDITED FINANCIAL STATEMENTS

INTERNAL AUDIT AND RISK MANAGEMENT STATEMENT

NSW GOVERNMENT | Sydney Metropolitan Development Authority

Internal Audit and Risk Management Statement for the 2010-2011 Financial Year for Sydney Metropolitan Development Authority

I, Roy Wakelin-King, CEO of the Sydney Metropolitan Development Authority (**SMDA**), am of the opinion that the SMDA has an internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Roy Wakelin-King, CEO of the SMDA, am of the opinion that the Audit and Risk Committee for the SMDA is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-0. The Chair and Members of the Audit and Risk Committee are:

- Ms Bonnie Boezeman AO - Independent Chair (3 year term of appointment commencing on 20 April 2011); and
- Ms Victoria Weekes - Independent Member (3 year term of appointment commencing on 20 April 2011).

I, Roy Wakelin-King, CEO of the SMDA, declare that this Internal Audit and Risk Management Statement is made on behalf of the following controlled entities (or subsidiaries):

- Office of the Sydney Metropolitan Development Authority.

These processes provide a level of assurance that enables the senior management of the SMDA to understand, manage and satisfactorily control risk exposures.

Signature

Name: Roy Wakelin-King

Position: Chief Executive Officer, Sydney Metropolitan Development Authority

Date: 26/10/2011

Level 11, Tower 2, 1 Lawson Square PO Box 3332 Redfern NSW 2016
Phone 02 9202 9100 Fax 02 9202 9111

INDEPENDENT AUDIT REPORT

AUDITOR-GENERAL NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Office of the Sydney Metropolitan Development Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Office of the Sydney Metropolitan Development Authority (the Office), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 17 December 2010 to 30 June 2011, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2011, and of their financial performance for the period 17 December 2010 to 30 June 2011 in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

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

My opinion does *not* provide assurance:

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

Independence

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

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

James Sugumar
Director, Financial Audit Services

28 October 2011
SYDNEY

STATEMENT BY MEMBERS OF THE BOARD

Statement by Members of the Board of Sydney Metropolitan Development Authority on the adoption of the financial statements for the year ended 30 June 2011.

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

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of Sydney Metropolitan Development Authority as at 30 June 2011.
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions; and
3. We are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Col Gellatly

Dr Col Gellatly AO
Chairman

Roy Wakelin-King AM
Chief Executive Officer

28 October 2011

Sydney Metropolitan Development Authority

STATEMENT OF COMPREHENSIVE INCOME

For the period 17 December 2010 to 30 June 2011

	notes	Period ended 30-June-2011 *$'000*
Revenue from continuing operations		
Income from personnel services to Authority	*5*	713
Total income		**713**
Other Income		
Expenditure		
Employee benefits expenses	*6*	713
Total expenditure		**713**
Surplus for the period		**--**
Other comprehensive income		--
Total comprehensive income for the period		**--**

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	notes	As at 30-June-2011 $'000
ASSETS		
Current assets		
Trade and other receivables	8	713
Total current assets		**713**
Non-current assets		--
Total non-current assets		**--**
Total assets		**713**
LIABILITIES		
Current liabilities		
Trade and other payables	10	329
Provisions	11	182
Total current liabilities		**511**
Non current liabilities		
Provisions	11	202
Total non current liabilities		**202**
Total liabilities		**713**
Net assets		**--**
EQUITY		
Accumulated funds	12	--
Contributed equity		
Total equity		**--**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the period 17 December 2010 to 30 June 2011

	notes	Period ended 30-June-2011 $'000
Balance of equity at the beginning of the period		--
Total comprehensive income for the period		--
Transactions with owners in their capacity as owners		--
Balance of equity at the end of the period		**--**

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the period 17 December 2010 to 30 June 2011

	notes	Period ended 30-June-2011 $'000 inflow/ (outflow)
Cash flows from operating activities		
Receipts from customers		--
Payments to suppliers and employees		--
Net cash flows from operating activities	13(b)	
Cash flows from investing activities		--
Net cash flows used in investing activities		--
Cash flows from financing activities		--
Net cash flows from financing activities		--
Net increase in cash held		
Cash and cash equivalents at the beginning of the period		--
Cash and cash equivalents at the end of period		

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

1. REPORTING ENTITY

The Office of the Sydney Metropolitan Development Authority (the Office) is a Division of the Government Service, established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2010*. It is a not for profit entity, as profit is not the principal objective. It is considered as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 11, Tower 2, 1 Lawson Square, Redfern NSW 2016.

The Office's objective is to provide personnel services to the Sydney Metropolitan Development Authority (the Authority).

The Office commenced operations on 17 December 2010, when it assumed responsibility for the employees and employee-related liabilities of the Authority who were transferred from other government agencies. The assumed liabilities were recognised on 17 December 2010 together with an offsetting receivable representing the related funding due from other government agencies.

The Authority (and therefore the Office) is currently funded by the NSW Government through to 30 June 2012. The Financial statements for the year ended 30 June 2011 has been authorised for issue by the Board of the Authority on the 21 October, 2011.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The Office's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983* and Regulation, Treasurer's Directions, the *Growth Centres (Development Corporations) Act of 1974*.

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, certain classes of employee entitlements.

(c) Profit status of the Authority

The Office has assessed its profit status for the financial year ended 30 June 2011 and determined its status as not-for-profit for financial reporting purposes.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Financial instruments at fair value through profit and loss and available for sale are measured at fair value
- The defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation

(e) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Authority's functional currency. All amounts are rounded to the nearest one thousand dollars unless otherwise stated.

(f) Comparative information

Since the Authority was incorporated and the Office was established on 17 December 2010 and commenced operation on the same day the financial statements was prepared from 17 December to 30 June 2011. Therefore, there is no comparative information to report for this period .

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts to assets, liabilities, income and expenses 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. 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in in notes 3(f) and 3(h).

Information about assumptions and estimations that may result in adjustments in the future financial year is included in in notes 3(f) and 3(h).

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

(g) Changes in accounting policy

In the current year, the Office has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and which are effective for annual reporting periods beginning on 1 July 2011. As a result, the Office has changed its accounting policies and disclosure in relation to the presentation of financial statements.

When the presentation or classification of items in the financial statements are amended, comparative amounts are reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, the Office discloses:

i) the nature of the reclassification;
ii) the amount of each item or class of items that is reclassified; and
iii) the reason for the reclassification.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Set out below is a summary of the significant accounting policies that have been applied consistently to all periods presented in these financial statements, except as explained in notes 2(e), 3(a)(iv), and 3 (c)(v), which address changes in accounting policies.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

a) 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 the amount of GST receivable or payable, if any. The net amount of GST recoverable from, 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.

b) Income tax

The Office is not liable for Income Tax as it is an entity established and controlled by the New South Wales Government.

c) 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.

d) Expenses

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the Office has benefited by receiving goods or services and the expenditure can be reliably measured.

e) Employee expenses

Employee expenses includes salaries and wages for the year, workers compensation insurance premium for the year, 9% defined contribution incurred for employees under defined contribution scheme and amounts nominated by the fund managers in respect of defined benefit schemes. Annual leave and long service leave expenses are charged as stated in Note 3 (h).

f) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off by reducing the carrying amount directly. An allowance for impairment account is used when there is objective evidence that the corporation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired.

g) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and worker's compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discontinuing is immaterial.

h) Employee benefits

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

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

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits. Market yields on government bonds of 5.21% (2010 5.50% %) were applied to discount long-term annual leave.

(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 at the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. The government bond rate of 5.21% (2010 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.

(iii) Retirement benefit obligations

All employees of the Office are entitled to benefits from the Office's superannuation plan on retirement, disability or death. The Office has a defined benefit plan and a defined contribution plan. The defined contribution plan receives fixed contributions from the Office and the Office's legal or constructive obligation is limited to these contributions. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A liability or asset of defined benefits superannuation plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligations is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit 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.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

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

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

j) Application of new and revised Accounting Standards

(i) Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section (iv).

(ii) Standards affecting presentation and disclosure

- Amendments to AASB 101 'Presentation of Financial Statements' (adopted in advance of effective date of 1 January 2011).
  The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. All material items are adequately disclosed by way of notes to the financial statements.

(iii) Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Amendments to AASB 7 'Financial Instruments: Disclosure' (adopted in advance of effective date of 1 January 2011)	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'). This amendment is not applicable to the Office.
Amendments to AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'.	The disclosure requirements in Standards other than AASB 5 do not generally apply to noncurrent assets classified as held for sale and discontinued operations This amendment is not applicable to the Office.

Amendments to AASB 107 'Statement of Cash Flows'	The amendments (part of AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 'Intangible Assets' for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows. This amendment is not applicable to the Office.
AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	Except for the amendments to AASB 5 and AASB 107 described earlier this section, the application of AASB 2009-5 has not had any material effect on amounts reported in the financial statements.
AASB 2009-8 'Amendments to Australian Accounting Standards – Group Cash-Settled Share based Payment Transactions'	The application of AASB 2009-8 makes amendments to AASB 2 'Share-based Payment' to clarify the scope of AASB 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award. The Council's financial statements are not impacted by this amendments.
AASB 2009-10 'Amendments to Australian Accounting Standards – Classification of Rights Issues'	The application of AASB 2009-10 makes amendments to AASB 132 'Financial Instruments: Presentation' to address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. This amendment is not applicable to the Office.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

AASB 2010-3 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	The application of AASB 2010-3 makes amendments to AASB 3(2008) 'Business Combinations' to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of noncontrolling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of noncontrolling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards. In addition, the application of AASB 2010-3 makes amendments to AASB 3(2008) to give more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with AASB 2 'Share-based Payment' at the acquisition date ('market-based measure'). This amendment is not applicable to the Office.
AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	Except for the amendments to AASB 7 and AASB 101 described earlier this section, the application of AASB 2010-4 has not had any material effect on amounts reported in the financial statements.
Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'	This Interpretation provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. In particular, the equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss. This amendment is not applicable to the Office.

(iv) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 124 'Related Party Disclosures' (revised December 2009), AASB 2009-12 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 9 'Financial Instruments', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	1 January 2011	30 June 2012
AASB 2010-5 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	1 July 2011	30 June 2012
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	30 June 2013

4. DETERMINATION OF FAIR VALUES

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

(i) Trade and other receivables

The fair value of trade and other receivables is based on the net realisable value after considering any possible risks of impairment. All trade and other receivables, after impairment, are expected to be received within a short period of time and considered as fair values at the date when goods and services were provided.

When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to the assets or the liability.

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

		Period ended 30-June-2011 *$'000*
5	**Revenue from continuing operations:**	
	Income from Personnel Service	713
		713
6	**Employee benefit expenses**	
	Salaries and wages	558
	Superannuation	64
	Leave benefits	58
	Payroll Tax	33
		713
7	**Surplus for the period**	
	Surplus has been arrived at after charging/(crediting) the following losses/(gains):	
	Auditor's remuneration	--
	No fee charged by the Auditors	
8	**Receivables**	
	Current	
	Trade receivables	713
	Total trade & other receivables	**713**
9	**Ageing of past due but not impaired receivables**	
	Less than 3 months overdue	713
	3 to 6 months overdue	--
	later than 6 months overdue	--
		713
10	**Trade and other payables**	
	Current trade & other payables	
	Trade payables	329
		329

		Period ended 30-June-2011 *$'000*
11	**Provisions**	
	Employee benefits and related on-costs	
	Current	
	Recreation leave	
	Short term	76
	Long term	92
	Long Service leave	14
		182
	Non-Current	
	Long Service leave	202
		202
	Total employee benefits	**384**
	Total provisions	**384**
12	**Accumulated funds**	
	Balance at the beginning of the period	--
	Surplus for the period	--
	Balance at end of the period	
13 (a)	**Cash and cash equivalents (Note 10)**	--
(b)	**Reconciliation of surplus for the period to net cash from operating activities**	
	Surplus for the period from continuing operations	--
	decrease/(Increase) in trade and other receivables	(713)
	(decrease)/Increase in trade and other payables and provisions	713
	Net cash flows from operating activities	

NOTES TO THE FINANCIAL STATEMENTS

For the period 17 December 2010 to 30 June 2011

14 Commitments for Expenditure

There were no outstanding commitment for expenditure

15 Contingent Liabilities

There are no known contingent liabilities for the Office as at the balance date.

16 Financial instruments

The Office's principal financial instruments, and the main risks associated with them, are outlined below. The financial instruments arise directly from the Office's trading activities and operations. The Office does not enter into or trade in financial instruments for speculative purposes.

	30-June2011
	$'000
Financial instrument categories	
Financial assets	
Cash & deposits	
Trade & other receivables	713
	713
Financial liabilities	
Trade & other payables	329
	329
Non interst bearing trade payables	329
	329

The above trade receivables and payable balances are due from/ due to General Government entities and recovered/paid at the end of each month. No interest is charged on this balance and the debt is not impaired.

Net fair values of financial assets and liabilities: The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their net fair values.

17 Events after the balance date

On 5 September 2011 the New South Wales Government has approved the winding up of the Redfern-Waterloo Authority. When wound up, all assets and liabilities, rights and obligations will be transferred to the Sydney Metropolitan Development Authority. This will also lead to the winding up of Office of the Redfern-Waterloo Authority and transfer all employees to the Office of the Sydney Metropolitan Development Authority.

END OF AUDITED FINANCIAL STATEMENTS

APPENDICES

Charter

The SMDA is constituted under the *Growth Centres (Development Corporations) Act 1974* and reports to the Minister for Planning and Infrastructure, Minister assisting the Premier for Infrastructure NSW through the SMDA Board.

Chief and Senior Executive Officer

Mr Roy Wakelin King was Chief and Senior Executive Officer with the SMDA

Chief Executive Officer - Roy Wakelin-King	SES Level 7 $342,317

Staff Numbers by Employment Basis as at 30 June 2011

	Permanent	Temporary	Full-Time	Part-Time	Casual
Staff	4	3	6	1	-
%	57%	43%	86%	14%	-
Men	1	1	2	-	-
Women	3	2	4	1	-
Aboriginal Person or Torres Strait Islander	-	-	-	-	-
Person with a Disability	-	-	-	-	-
Person from a Racial, Ethnic or Ethno-Religious	-	-	-	-	-
Minority Group	-	-	-	-	-
People whose first language is not English	1	-	-	-	-

Staff Numbers by Level

	Men	Women	Total
$39,670 - $63,781	-	1	1
$63,782 - $86,498	-	1	1
$86,499 - $98,159	-	-	-
$98,160 - $119,149	-	3	3
>$119,120 (non SES)	1	-	1
>$119,120 (SES)	1	-	1

Legislative Changes

Nil to report.

Overseas Travel & Corporate Credit Cards

Nil to report.

Research and Development

Nil to report.

Consultants

Two consultants were engaged for the purpose of Management Services costing a total of $45,506.

Payment of Accounts

All agreed accounts were settled in a timely manner.

Risk Management

The SMDA has a Business Risk Map of its operations. The primary objective of the Business Risk Map is to coordinate risk management activities within the SMDA to ensure the activity is focused on areas of greatest risk and is also used by Business Audit to derive its strategic audit plan.

The SMDA is a member of the NSW Treasury Managed Fund (TMF) which provides insurable risk protection.

The SMDA, its employees and volunteers are fully covered for their legal liability, for workers compensation, motor vehicles, public liability, property loss/damage and other insurances in accordance with the TMF Contract of Coverage.

SMDA has assigned fire wardens who attended training throughout the year and all staff participated in emergency evacuation drills. No OH&S incidents have arisen.

Fraud and Corruption Prevention Strategy

The SMDA has an obligation to the community to ensure that its operations are efficient, effective and free from corruption. The responsibility for corruption prevention rests with all SMDA staff and the Fraud and Corruption Prevention Strategy provides a guide for staff to identify report, assess and deal with conduct that could constitute corruption.

Funds granted to non-government community organisations

Nil to report.

Government Information Public Access (GIPA) Act 2009

On 1 July 2010 the Government Information *Public Access (GIPA) Act 2009*, a new right to information legislation, came into effect. This replaces the former *Freedom of Information Act 1989*.

The new law:

- Creates new rights to information that are designed to meet community expectations of more open and transparent government.
- Encourages government agencies to proactively release government information.

During the reporting period, no requests were made to the SMDA under the GIPA Act. In the same period, no major issues arose, and there were no investigations or applications for review submitted.

Members of the public may contact the SMDA and ask for information. This is known as an informal request. SMDA may release information informally, subject to any reasonable conditions. Please note that copy charges apply ($1.10 per A4 sheet).

Application for formal access to SMDA information under the GIPA Act can be made by lodging a formal Access Application Form, along with a $30 application fee. Processing charges cost $30 per hour after the first hour. An internal review of a reviewable decision costs $40.

Applicants should be precise about the information they want to access so as to enable the correct information to be identified.

Applications should be directed to:

Right for Information Officer
Sydney Metropolitan Development Authority
PO Box 3332
Redfern NSW 2016

Land Disposal

There were no land disposals for the year ended 30 June 2011.

Plans, Policies and Procedures

Code of Conduct

The SMDA has its own Code of Conduct which was developed in accordance with the principles of ethical and responsible decision-making and embodies the public sector values of respect for the law, the system of Government, the community and its persons, integrity, diligence, economy and efficiency, and accountability.

The Authority's Code of Conduct applies to all employees of SMDA and other persons engaged to do work of the Authority. The Code of Conduct conveys the standards of behaviour expected from staff which are based around the four principles of:

- Respect for the law and system of government;
- Respect for people;
- Act with honesty and integrity; and
- Efficient and economic use of Authority resources.

Equal Employment Opportunity Policy (EEO)

The Authority supports and is dedicated to the principles of the EEO including:

- Fair practices in the workplace;
- Management decisions made without bias;
- Recognition of and respect for the social and cultural backgrounds of all staff and clients;
- Employment practices which produce staff satisfaction, job commitment and quality client service; and
- Improved productivity.

The SMDA also has a policy for the Action Plan for Women along with an Aboriginal and Torres Strait Islander Employment Strategy.

Disability Access Policy

The SMDA complies with the NSW Government Disability framework through its Disability Access Policy. This provides a process for the SMDA to better meet the needs of staff and the community in relation to persons with a disability. The SMDA is committed to ensuring all people have reasonable access to the resources and spaces governed by the Authority.

Ethnic Affairs Priority Statement

The SMDA recognises and values the different linguistic, religious, racial and ethnic backgrounds of all the people of NSW and endorses the four principles of multiculturalism as set out in the Community Relations Commission and principles of the *Multicultural Act 2000*.

Towards this objective, the SMDA will develop and implement policies sensitive to the needs of all staff and clients and ensure that its Boards and Committees reflect the multiculturalism of the community.

NSW Government Action Plan for Women

The SMDA supports the NSW Government Action Plan for Women and promotes workplaces that are equitable, safe and responsive to all aspects of women's lives. It will also promote the position of women in all areas of society as well as access to and successful outcomes for women in all parts of the education and training system.

Occupational Health & Safety Management Plan

The SMDA is committed to the occupational health, safety and welfare of its employees, those contracted to perform work on its behalf and visitors to the premises. It is committed to regular consultation with staff and their representatives, and where necessary, with contractors and suppliers of equipment and services to ensure OH&S management is of the highest standard.

SMDA had 0 (zero) injuries or claims under the *OH&S Act 2000*.

Waste Reduction and Purchasing Policy

The SMDA is committed to the implementation of the Government's Waste Reduction and Purchasing Policy (WRAPP).

SMDA engages the services of an environmental management company through the NSW Government Contract to manage the recycling of paper and cardboard. SMDA also recycles toner and ink cartridges. SMDA purchases recycled paper for printing purposes.

INDEX

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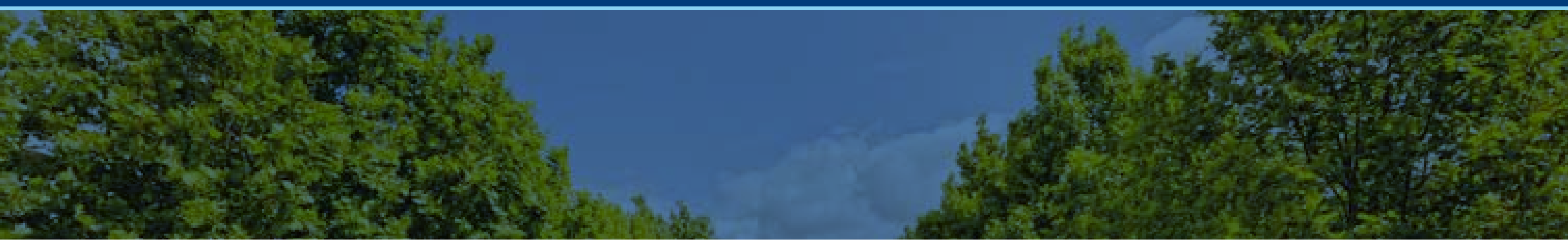

NSW GOVERNMENT | Sydney Metropolitan Development Authority

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1 Lawson Square, Redfern NSW 2016
Website: www.smda.nsw.gov.au

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