



2015-16

Barangaroo Delivery Authority Annual Report



Barangaroo
Delivery
Authority



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Section 1

Project and place

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Letter to the Premier

31 October 2016

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

Dear Premier

We have pleasure in providing the Barangaroo Delivery Authority's Annual Report for the year ended 30 June 2016 for submission to the Parliament.

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

Yours sincerely



Terry Moran AC
Chair
Barangaroo Delivery Authority



Craig van der Laan
Chief Executive Officer
Barangaroo Delivery Authority



We have seen a program of events and activations that has truly demonstrated to the world the kind of place we always intended Barangaroo to be – inclusive, creative and fun, and working in collaboration with the local Aboriginal community.

Chair's foreword

Barangaroo is a unique urban renewal project, not only because of its scale, ambition and excellence, but also because of the value to the people of NSW in unlocking a public space which was lost to them for more than a century.

It has always been a project full of promise and this year much of that promise was realised with the return to the people of Sydney of the public space at Barangaroo Reserve and the waterfront in the southern financial hub.

In doing so, we have quite literally transformed the shape of Sydney, with the unique form of the headland replacing the rectangular concrete shape that was ubiquitous on Sydney CBD maps for many decades. When *The New York Times* this year named Sydney as one of the world's top destinations, it was not the Opera House that represented the Harbour City, it was our now iconic aerial shot of Barangaroo Reserve.

It is symbolic also of the fact that Barangaroo is a transformational project for Sydney and NSW in the value of the economic and social contribution it is making.

It has been my great pleasure to have chaired the Board of the Barangaroo Delivery Authority since 2011 and there is no doubt the progress this year has made it one of the most gratifying. It has been a year very much about people – some 900,000 people who came to discover Barangaroo for themselves in the period to 30 June 2016, as well as the more than 6,000 people who are now working and living here.

The year has seen some of the fruits of many years of dedicated labour by the Authority's talented development teams. Several other major milestones have been reached in this great urban renewal project: the opening of International Towers 2 and 3; the growing number of workers who have relocated to Barangaroo as facilities are completed; the opening of two pedestrian bridges across Hickson Road; the commencement of works on the ferry hub; the re-opening of the Central Barangaroo tender process following the NSW government's important decision to build a Barangaroo Metro station; progress on the Wynyard Walk; the commencement of works to deconstruct the Harbour Control Tower; and completion of the restoration of the headland.

Remediation of historic contamination from the old Millers Point Gasworks is integral to the restoration of the site and this important work began onsite and under Hickson Road this year. The gasworks originally enabled Sydneysiders to enjoy the first

gaslights outside Europe and lit the way for Sydney's bright future – a future the Authority is now investing in.

We have seen a program of events and activations that has truly demonstrated to the world the kind of place we always intended Barangaroo to be – inclusive, creative and fun, and working in collaboration with the local Aboriginal community. From the three-month Welcome Celebration to invite Sydney to explore Barangaroo Reserve, the launch of the Barangaroo Public Art and Cultural Plan, the commencement of the Aboriginal Cultural Tours program, to a residency by the world's most famous chef at the Noma pop-up – Barangaroo is firmly on Sydney's cultural map.

So it is with enormous pride that I invite you to read of our achievements in this report. On behalf of my fellow directors, I would like to thank the Authority's CEO, Craig van der Laan, and his team at the Authority for their wonderful contributions to this year's successes. I would also like to thank my fellow directors for their work this year and express the Board's gratitude for the willing assistance and collaboration of officers in key NSW Government departments and agencies, including Premier and Cabinet, Treasury, Planning and Environment, Transport and the Environment Protection Authority.

Barangaroo is still a work in progress and one that is full of challenges, but with my colleagues on the Board and the team at the Authority, we are working steadily to write the next brilliant chapter in Sydney's growth as a global city.

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

Terry Moran AC
Chair
Barangaroo Delivery Authority



This has been an exciting year of many tangible achievements and these have been acknowledged with the awarding of multiple accolades for Barangaroo as a place of celebrated urban renewal.

Chief Executive Officer's report

This has been a year of huge progress for Barangaroo. In handing back to the people of Sydney a large section of the city that had been closed off to them for more than 100 years – at Barangaroo Reserve and Barangaroo's southern precinct – we have achieved something of great importance. We are building a unique place at the same time as creating unique experiences for people.

Great place-making doesn't only result in somewhere to find a good coffee or enjoy the view – and this year we've certainly done that. We believe it is also about creating a place where the spirit moves you. And to judge by our visitor numbers and the number of photo shares on popular social media platforms, Barangaroo is already becoming a great place for people, for business and for culture.

This has been an exciting year of many tangible achievements and these have been acknowledged with the awarding of multiple accolades for Barangaroo as a place of celebrated urban renewal. Barangaroo South has come alive as a financial hub, with the opening of the waterfront and Towers 2 and 3, T1 topping out, and some 6,000 workers arriving in Sydney's new engine-room of financial and professional services. There has also been the opening of the Sussex Street and Napoleon Bridges over Hickson Road.

Barangaroo Reserve opened to universal acclaim on 22 August. When we invited Sydneysiders to come to our Welcome Celebration over three months, more than 250,000 people responded.

What our visitors and newly-arrived workers, retailers and residents have seen is the result of the vision, passion and hard work of hundreds of people in returning to Sydney a brilliant waterfront precinct and one of the harbour headlands which are such a defining feature of this great city.

We have seen some fabulous events and very moving moments in this beautiful new public space, but one of the most powerful things that's occurred is the way in which the Aboriginal community has come to value this place as Country – a relationship we will continue to nurture. We also launched Cultural Tours of Barangaroo Reserve conducted by our new team of visitor services guides, who have done a wonderful job of educating visitors about our shared history as well as the Reserve's significance to Aboriginal people.

One of my very proud moments – in a year full of them – was to see a dramatic recreation of Barangaroo, the woman after whom our place is named, arriving at Nawi Cove in a recreated *nawi* canoe during the Welcome Celebration. Another was to witness her memory commemorated at the International Women's Day lunch for 1,400 guests in the Cutaway – an event borne out of a partnership between the Authority and one of Barangaroo's new tenants, Westpac.

It has been another very rewarding year of collaboration with our contractors, consultants and partners – both local and international – and consultation with members of the Aboriginal community, our local community and the wider public.

Construction of the Barangaroo ferry hub commenced this year, the location of the new Barangaroo Metro station was announced, and a new tender process was launched for Central Barangaroo to incorporate the addition of the Metro station.

The Authority also commenced its project to remediate contamination associated with the former Millers Point Gasworks onsite and under Hickson Road. The project was launched with a major public engagement campaign to inform the wider community as well as local residents and workers about the impacts and benefits of the works.

I look forward to continuing these collaborations as we prepare to announce the completion of the bid process for Central Barangaroo and share the vision for tomorrow's Barangaroo.

I would like to formally acknowledge our Board and the Authority's employees for their valuable contributions during the past year. It is a pleasure to work with these dedicated individuals.

A handwritten signature in black ink, appearing to read 'Craig van der Laan', written over a light blue circular stamp.

Craig van der Laan
Chief Executive Officer
Barangaroo Delivery Authority

Welcome Celebration Fireworks
Credit: Hamilton Lund, 2015



Highlights in 2015–16

Barangaroo's southern financial and dining district opened for business, including the opening of International Towers 2 and 3 and the waterfront residential and commercial premises

Barangaroo Reserve received more than 800,000 visitors in its first 10 months, including 250,000 people for the three-month Welcome Celebration

Barangaroo won five major infrastructure, design and landscape awards including Infrastructure Partnerships Australia's Project of the Year Award at the 2016 National Infrastructure Awards

4,000 people gained an insight into Barangaroo's cultural and geographical significance by taking Aboriginal Cultural Tours at Barangaroo Reserve

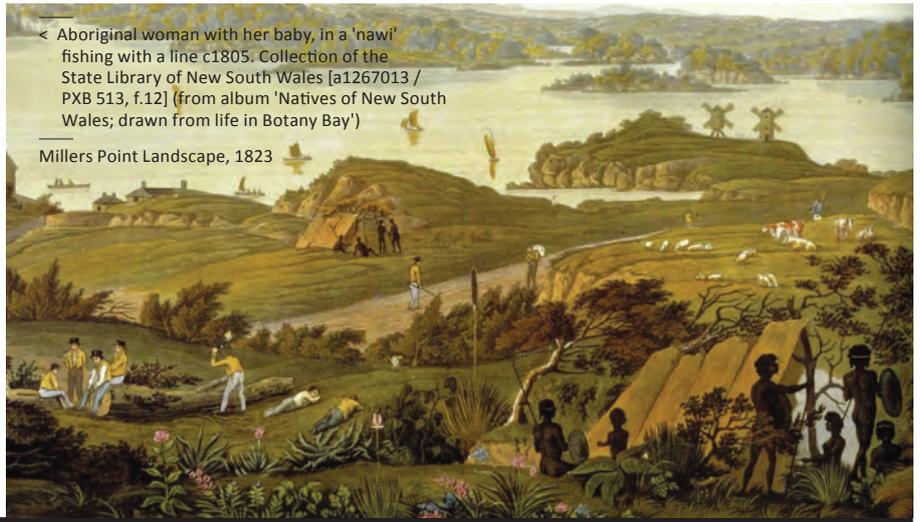


Project and place



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

Millers Point Landscape, 1823



History of the site

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

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

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

By the 1960s, containerisation was redefining the international shipping industry. To accommodate the thousands of containers coming through Sydney each day, a large concrete 'apron' was created on reclaimed land adjacent to the headland.

The transformation of this concrete container wharf into a 22-hectare financial, residential, retail and parkland precinct, now partially complete, is one of the world's most significant waterfront renewal projects.

The Barangaroo project

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

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

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

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



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

< SS Medic at Millers Point, 8 May 1903.
Collection of State Records NSW.



Planning developments

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

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

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

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

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

Since 2007, there have been several modifications (referred as 'Mods') to the initial Concept Plan approved by the Department of Planning. The most recent of these – Mod 8 – was determined by the Planning Assessment Commission on 28 June 2016.



< Barangaroo Reserve
Credit: Quentin Jones, 2015

The Authority

In November 2008, the NSW Government announced its intention to establish a dedicated delivery agency for the project with enactment of the *Barangaroo Delivery Authority Act 2009* in March 2009, creating the Barangaroo Delivery Authority as a NSW Government agency

The Minister

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

Barangaroo Delivery Authority Board

The Barangaroo Delivery Authority has a Board, the members of which at 30 June 2016 were Terry Moran AC (Chair), Craig van der Laan (Chief Executive Officer), Christine Covington, John Fitzgerald, Gabrielle Trainor and Peter Young AM.

Terry Moran AC BA (Hons)

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

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

As Secretary, Terry oversaw further development and implementation of the national reform agenda, particularly through social policy. He was also responsible for overseeing work on national security and international policy, environment, industry and economic policy, and coordination of government administration, including Cabinet support. Terry played a leading role in driving reforms to the Australian Public Service.

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

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

Craig van der Laan BA, LLB (Hons)

Craig van der Laan was appointed Chief Executive Officer of the Authority on 26 June 2015.

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

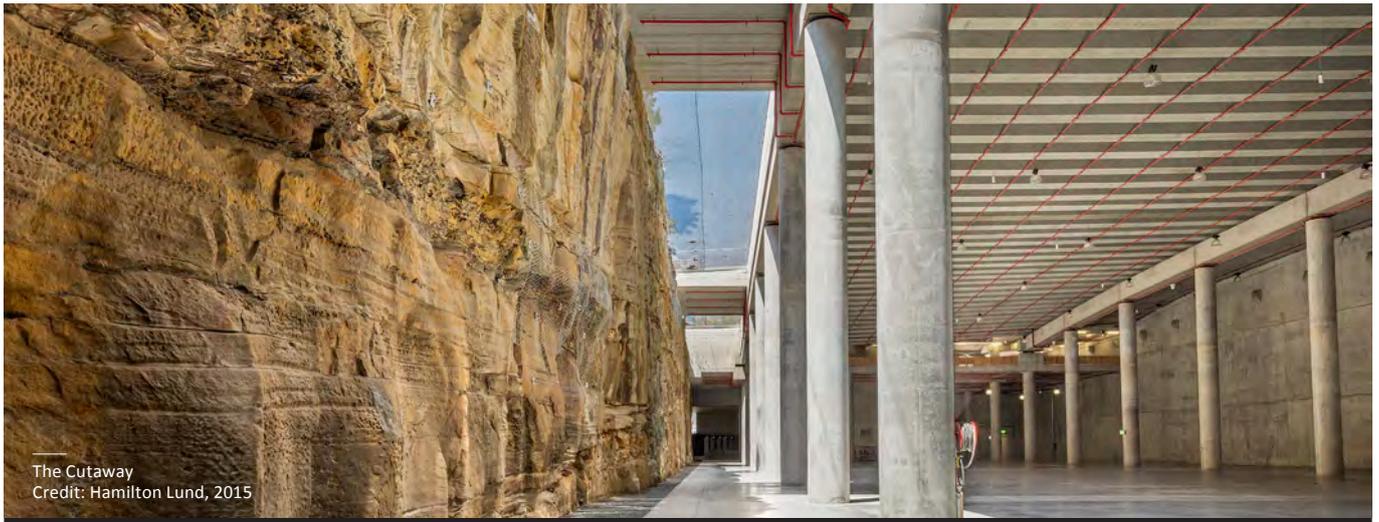
Craig was also previously Chief Strategy Officer of the Lendlease Group; Chief Risk Officer and Group General Counsel of the Leighton Group; senior adviser to Transurban in its bid for Queensland Motorways; General Counsel and Company Secretary of the Westfield Group; and corporate solicitor at Australian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

Christine Covington DipLaw, FAICD

Christine Covington is a solicitor of the Supreme Court of NSW with more than 30 years' experience in property, planning and environmental law. She is currently the National Practice Group Leader of the Environment and Planning Group at the law firm Corrs Chambers Westgarth.

Christine has served as a NSW Government appointee to the Central Sydney Planning Committee and has experience in working with local government and community engagement. Christine is the Chair of City West Housing Pty Ltd and a member of the NSW Environment Protection Authority Board.

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



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

John Fitzgerald has extensive experience in infrastructure delivery and is a specialist adviser to KPMG on the infrastructure and government sectors. From April 2014 to February 2015, John was the Acting CEO of Infrastructure Australia, leading the organisation through substantial change following amendment of the agency's enabling Act and the production of the Australian Infrastructure Audit.

John is Chairman of AssetCo Management Pty Ltd (an IFM subsidiary) and the ACT Capital Metro Agency, responsible for the Canberra Light Rail project. He is also a Director on the Boards of the Port of Melbourne Corporation and the Victorian Funds Management Corporation and was the inaugural Chair of the NSW Government Steering Committee for the Sydney International Convention, Exhibition and Entertainment Precinct project.

John's previous board positions included Director, National Advisory Board of Infrastructure Partnerships Australia and Executive Director of the Board of Victoria's Department of Treasury and Finance. Until September 2011, John was a Deputy Secretary, Commercial Division, at the Department of Treasury and Finance where he was responsible for providing strategic commercial, financial and risk management advice to the Victorian Government. John led the development of Victoria's PPP policy at Partnerships Victoria, was a member of the Infrastructure Working Group of the Council of Australian Governments and also chaired its PPP sub-committee.

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

Gabrielle Trainor LLB, MA, FAICD

Gabrielle Trainor is a non-executive director and adviser whose experience covers 25 years of board involvement in the public and private sectors, ranging across infrastructure, urban development, public transport, tourism, hospitality, sports, arts and Indigenous advancement and welfare.

Gabrielle's background is as a lawyer, newspaper journalist, public sector executive and consultant in issues management, public policy and corporate affairs. She is a Director of Infrastructure Australia, OnePath Life and OnePath General Insurance, a member of the Board of Trustees of Western Sydney University, the Central Sydney Planning Committee and Business Events Sydney. Gabrielle is also a director of Cape York Partnership and is a Commissioner of the AFL. She chairs the National Film and Sound Archive, the Aurora Education Foundation and Barnardo's Australia.

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

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



Barangaroo Reserve
Credit: Kata Bayer, 2015

Peter Young AM BSc, MBA

Peter Young AM is Chairman of Standard Life Investments Ltd in Australia and New Zealand. He also serves as a Director of the Sydney Theatre Company and is a member of both the Chairman's Panel for the Great Barrier Reef Foundation and the Chairman's Council for the Australian Chamber Orchestra.

Peter was Chairman of Barclays Australia from 2012 to February 2016, a Senior Adviser at the Royal Bank of Scotland (formerly ABN AMRO) from 2006 to 2012, and Chairman of Investment Banking at ABN AMRO Australia and New Zealand from 2003 to 2006.

Peter was a Non-Executive Director of Fairfax Media Ltd from 2005 to 2016. He also served as Chairman of the Queensland Investment Corporation (QIC); Chairman of the Transfield Services Infrastructure Fund; and Chairman of the Board of the Australian Government-owned Export Finance and Insurance Corporation (EFIC). Peter was previously a member of the NSW Art Gallery Board of Trustees; a member of the QLD Art Gallery Board of Trustees; and Chairman of NSW Cultural Management.

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

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

Board meetings in 2015–16

Eight Board meetings were held in 2015–16 and details of members' attendance is reported below.

	Meetings held while appointed	Meetings attended
Terry Moran AC	8	8
Christine Covington	8	7*
John Fitzgerald	8	8
Gabrielle Trainor	8	8
Craig van der Laan	8	8
Peter Young AM	8	6*

* Abstained from attending meetings as the only business conducted was a matter on which the members had declared an interest.

Board committees and Arts and Cultural Panel

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



Brook Andrew, Welcome Program, the Cutaway
Credit: Hamilton Lund, 2015

Timeline



< ITS, Solar Panels, 2016

2013

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

2014

- Barangaroo Reserve construction continues
- Public brief for first phase residential in Central Barangaroo commences
- Construction of the Barangaroo South foreshore residential buildings and public domain commences
- Construction of commercial towers at Barangaroo South continues
- Completion of the Northern Cove

2015

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

2016

- Tower One and Tower Three at International Towers Sydney completed, along with Retail Building R7 at Barangaroo South
- Successful Central Barangaroo development partner appointed
- Barangaroo public domain opens
- Remediation of Blocks 4 and 5 of the Barangaroo site commences

2017

- Proposed opening of Barangaroo Ferry Hub by Transport for NSW
- Deconstruction of Harbour Control Tower to be completed
- Construction of Central Barangaroo Phase One and Barangaroo Metro Station to commence
- Retail building R1 and timber commercial building C2 to be completed

2020

- Central Barangaroo Phase One to be completed

2021

- Barangaroo South first residential tower* and Hotel Resort to be completed
- Barangaroo South Public Domain to be completed

2022

- Central Barangaroo Phase Two to be completed

2024

- Central Barangaroo to be completed
- Proposed operation of the Sydney Metro City to commence, including the station at Barangaroo

* Subject to development approval

Section 2

The year in review

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Barangaroo South



Background

Barangaroo South is a 7.5 hectare development area at the southern end of Barangaroo. This mixed-use precinct was the first section of the site to be developed, which on completion will include commercial office buildings, residential apartments, an international hotel, shops, cafes, restaurants and cultural facilities.

Barangaroo South is already a major new extension of the Sydney Central Business District, which has reinforced Sydney's position as a key financial centre in the Asia-Pacific.

The development of Barangaroo South commenced with an expression of interest (EOI) process in April 2008. From the submissions received, the Sydney Harbour Foreshore Authority invited three bidders to submit detailed proposals and, in December 2009, a jury including representatives from the newly-established Barangaroo Delivery Authority selected Lendlease as the winning developer for Barangaroo South.

Since February 2010, the Barangaroo Delivery Authority has been working with Lendlease under a Project Development Agreement (PDA), which sets out the legal and commercial framework for the development of Barangaroo South. Under the PDA, Lendlease carries out all construction and development activities in Barangaroo South, including the delivery of the public domain.

2015–16 highlights

Significant progress was made during the year in the delivery of Barangaroo South, with substantial buildings and areas of public domain reaching completion during the year.

Public domain

The first portion of the Barangaroo South public domain opened to the public in early July 2015. This included portions of the waterfront promenade roads, pedestrian links and the Napoleon Street Bridge over Hickson Road.

The Barangaroo Delivery Authority is the declared road authority for the public roads in Barangaroo as well as sections of Hickson Road, Sussex Street and Napoleon Street. Many of the roads created within the precinct honour have been given names which honour the history and heritage of the local area.

Commercial office buildings: International Towers Sydney

The first two of the three large commercial towers in Barangaroo South were completed during the year. Known as International Towers Sydney (ITS), they were designed by Lord Rogers and Ivan Harbour of Rogers Stirk Harbour + Partners, London.

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



Foreshore residential buildings: Anadara and Alexander

In June 2015, Lendlease completed the construction of the first two residential buildings in Barangaroo South.

The ‘Anadara’ and ‘Alexander’ buildings, designed respectively by Richard Francis-Jones of FJMT and Andrew Andersons of PTW Architects, also include active ground floor retail areas.

Sussex Street Bridge

A second pedestrian bridge over Sussex Street was opened to the public on 20 October 2015, connecting Barangaroo South to the Wynyard Walk pedestrian tunnel.

Remediation

During the year, work commenced on the remediation of the former Millers Point Gasworks site, which is subject to a declaration by the Environment Protection Authority (EPA). The work is being carried out by Lendlease and its sub-contractors under the PDA in compliance with EPA requirements. Works are forecast to continue until 2019.

Modification 8 to the Concept Plan

On 28 June 2016, the NSW Planning Assessment Commission approved Modification 8 to the Barangaroo Concept Plan (‘Mod 8’).

Changes implemented by Mod 8 included the relocation of the previously proposed hotel on a pier to a position on land within Barangaroo South and provision for the proposed One Sydney Harbour residential towers within Barangaroo South, while retaining the commitment to delivering 50% public space.

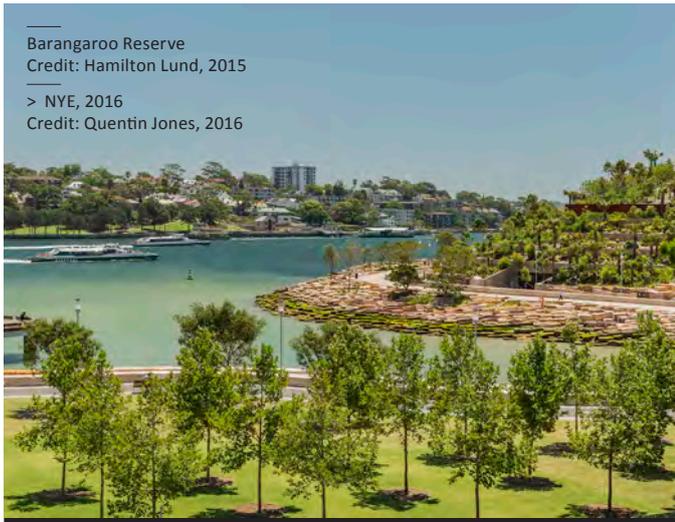
Crown Sydney Hotel Resort

On 28 June 2016, following the approval of Mod 8, the Planning Assessment Commission approved the Development Application for the proposed Crown Sydney Hotel Resort.

Residential towers: One Sydney Harbour

During the year, Lendlease continued to develop its proposed design of the next major residential release -the ‘One Sydney Harbour’ towers designed by the internationally renowned architect and Pritzker Prize winner, Renzo Piano.

Barangaroo Reserve



Barangaroo Reserve
Credit: Hamilton Lund, 2015
> NYE, 2016
Credit: Quentin Jones, 2016



Background

Barangaroo Reserve is a spectacular addition to the Sydney Harbour foreshore: a six-hectare re-created headland and public park on the north-western edge of Sydney's central business district.

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

2015–16 highlights

Opening of Barangaroo Reserve

Barangaroo Reserve opened to the public on 22 August 2015. This civic opening was followed by the Welcome Celebration which attracted 250,000 visitors during the initial three-month activation program. The Welcome Celebration featured engaging, family-friendly, accessible and educational events including:

- specially-commissioned large-scale art installations by Aboriginal artist Brook Andrew, ESEM Projects, and James Dive and The Glue Society
- 132 performances from 225 emerging and established performers, 45 bands and curated pyrotechnics
- Aboriginal ceremonies including a Welcome to Country and Dusk Ceremony
- 30 talks by community representatives including Shane Phillips from the Banjalung, Wonnarua and Eora peoples, and facilitator Aden Ridgeway
- eight workshops and Aboriginal cultural tours for 927 participants
- a bespoke food and beverage menu by 23 local chefs, including Christine Manfield, Adriano Zumbo and Aboriginal chef Clayton Donovan.

New Year's Eve

Almost 12,000 people chose to see in the New Year at Barangaroo Reserve. The event delivered a relaxed family environment with light entertainment, and food and beverages. When surveyed:

- 93% of patrons reported feeling safe at the event
- 25% of patrons said they were from overseas, including Argentina, Brazil, China, Britain, Ireland, USA and India
- 60% of patrons were visiting the Reserve for the first time.

Visitation

Over 900,000 visitors enjoyed Barangaroo Reserve from its opening in August 2015 to 30 June 2016.

Harbour Control Tower demolition

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

After extensive consideration of various options for the tower, the Authority received approval from the Minister for Planning to demolish the structure in July 2015.

In January 2016, following an open tender process, the Authority appointed Liberty Industrial to demolish the tower based on their proposal to use an innovative and carefully considered deconstruction method designed to minimise impact on local residents, businesses and visitors to Barangaroo Reserve.

Works commenced in late March 2016 with completion expected in early 2017.

Central Barangaroo



Central Barangaroo Metro Station render
– looking north. Credit: TfNSW, 2016
> Central Barangaroo Concept render
Credit: Skidmore, Owings & Merrill, November 2014

Background

In November 2013, the Authority announced the master plan vision for Central Barangaroo. Located between Barangaroo South and Barangaroo Reserve, Central Barangaroo will be the final section of Barangaroo to be developed. This will complete the sweep of experiences along the Barangaroo waterfront with the creation of a vibrant, mixed-use precinct, fully integrated with the proposed Barangaroo Metro Station, and extensive public domain areas.

2015–16 highlights

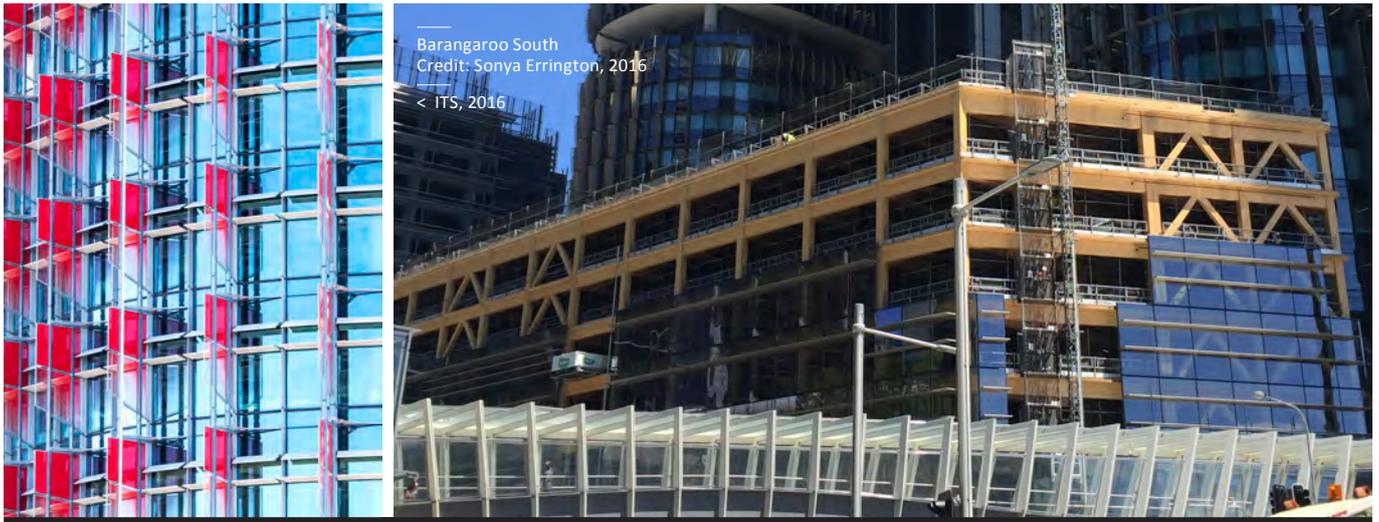
Development bid process

During the year, the Authority released the Central Barangaroo Request for Development Bids. This process for the appointment of the successful developer of Central Barangaroo has not yet been finalised.

Development delivery

Once the development partner for Central Barangaroo is appointed, and subject to planning approvals, the completion of Central Barangaroo is targeted for 2024.

Design excellence



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

Design advisers

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

The Authority's external design advisers are:

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

2015–16 highlights

International Towers Sydney

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

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

ITS exhibits the latest innovations in sustainable design features, with a defining characteristic being the podiums that buttress each tower and create the active streetscape within Barangaroo South.

The podiums were designed by prominent Australian architecture firms including Tony Caro Architecture (Tower 1 western podium), PTW Architects (Tower 1 eastern podium), Tzannes Associates (Tower 3 western podium) and Hassell (Tower 3 eastern podium). RSHP designed the podium in Tower 2.

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

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

Tower 1 will be the tallest of the three ITS towers, comprising 49 floors, and is expected to be completed in November 2016.

Tower 2 is comprised of 43 floors and was completed in June 2015 with the anchor tenant, Westpac, commencing occupation shortly thereafter.

Tower 3 is comprised of 39 floors and was completed in May 2016, with KPMG and Lendlease as key tenants.

Residential buildings in Barangaroo South

The two residential buildings located on the waterfront promenade along the western edge of Barangaroo South – the 'Alexander' and 'Anadara' buildings – were completed and occupied during December 2015.

Commercial buildings in Barangaroo South

Construction of an innovative all-timber (CLT) commercial building on the Hickson Road side of Barangaroo South commenced in July 2015 and is expected to be completed in February 2017.

Construction of a mixed-use, commercial and retail building known as R7 also began in September 2015. Located to the south of Tower 3, this building is expected to be completed in October 2016.

Activation and precinct management



Yoga, Barangaroo Reserve
Credit: Rick Stevens, 2015

< Welcome, Stone, Barangaroo
Credit: Sharon Hickey, 2015

This year saw the opening of public areas and Barangaroo's transition from a project to an operating precinct. The public open space at Barangaroo provides opportunities for cultural and educational programs and public activities based around leisure, recreation, the arts and hospitality. Public spaces now available include the international award winning, six-hectare Barangaroo Reserve, Wulugul Walk and the active dining streetscape and plazas within Barangaroo South.

The public domain is managed by the Authority in accordance with the statutory provisions of the Barangaroo Delivery Authority Regulation 2015.

2015–16 highlights

The Cutaway and events

The Cutaway cultural space within Barangaroo Reserve has been enthusiastically received by both the public and industry, and is used across the year as a multi-purpose arts, cultural and events venue. The unique design, span and flexibility of the space has attracted a number of broad uses including for the Sydney Festival, Mercedes Fashion Week Launch, an International Women's Day luncheon for 1,400 guests, Vivid Ideas and a number of awards functions.

As a spectacular new addition to the Harbour foreshore, Barangaroo Reserve has facilitated a wide range of events within its natural landscape, encompassing the sport and recreation, community, arts and culture sectors. Events supported by the Authority that have provided community or social outreach benefits include:

- the Oz Harvest CEO Cookoff
- the Cancer Council City Mile Dash
- the Weekend to End Woman's Cancer Walk
- Reclaim the Streets
- The ANTAR Sea of Hands (as part of Reconciliation Week).

Tourism and education

Members of the Authority's Visitor Services Team have become well established as ambassadors for Barangaroo since the team was formed this year. They continue to bring to life the spirit of Barangaroo and the role she played in protecting Aboriginal heritage during European settlement in the 18th century.

The program has been designed to empower the Visitor Services Guides to use their Aboriginal cultural knowledge to celebrate the Aboriginal history of Sydney Harbour and surrounds, the cultural significance of the site and the various species of native flora within the Sydney region.

Visitors taking a tour gain a special insight into the significance of Barangaroo to the local Aboriginal community and the relationship of Aboriginal people to Country.

Since opening, the Visitor Services Guides have hosted more than 1,400 tour participants and 400 school students.



VSG tours, Barangaroo Reserve
Credit: Kata Bayer, 2015

^ Brook Andrew, The Cutaway
Credit: Hamilton Lund, 2015





Sustainability



The last tree planting, Barangaroo Reserve
Credit: Rick Stevens, 2015



Anadara and Alexander residential, Barangaroo South.
Credit: Hamilton Lund, 2015

Background

In November 2009, the NSW Government entered into a Memorandum of Understanding with the Clinton Climate Initiative. This committed Barangaroo to work with the C40 Cities Climate-Positive Development Program, as one of 17 city developments around the world.

The C40 program will demonstrate large-scale models for development that reduce greenhouse gas emissions below zero in an economically viable manner. The process of reducing, then offsetting, all the operational carbon emissions from the Barangaroo precinct creates a climate-positive outcome.

The Authority uses robust contractual mechanisms to ensure that ongoing sustainability outcomes identified in its climate-positive commitments are realised for individual projects and the precinct as a whole. Detailed sustainability outcomes are embedded in the Project Development Agreements signed with developers who are required to deliver Climate-Positive Work Plans that clearly outline how sustainability targets and aspirations will be achieved, both during construction and for the duration of the 99-year leases. Future Agreements for the Central Barangaroo development will include these stringent requirements.

The developers are responsible for delivering against the Agreements and work plans, and for procuring the appropriate design and delivery outcomes from their architects, engineers and builders. Completed works require certification against project-specific work plan actions by an Independent Expert Sustainability Certifier.

To ensure an operational legacy, the Authority's sustainability requirements carry over into tenant leases, which will include minimum compliance requirements to facilitate climate-positive outcomes and incentivise tenants to improve their performance over time.

Sustainability advisers

Flux Consulting Pty Ltd was retained to provide the Authority's environmental sustainability advisory services through the year, as well as feedback to developers on the Authority's behalf.

2015–16 highlights

Climate-Positive Work Plan

The developers at Barangaroo South provided an updated Climate-Positive Work Plan following Modification 8 to the PDA. The updated work plan includes a program outlining delivery of requirements relevant to their activity over the next 12–18 months, structured around three critical climate-positive strategies: achieving carbon neutrality, delivering a water-positive precinct and zero-carbon-from-waste precinct in operations. The Independent Expert Sustainability Certifier has reviewed and approved the work plan.

Sustainable infrastructure

This year also saw the completion of significant infrastructure in the footprint of the completed commercial International Towers Sydney (ITS) and residential buildings, which allows for the provision of chilled water, recycled water and renewable energy.

- A harbour heat rejection and central chilled water plant began operations and is servicing Tower 2 of ITS and the completed residential Anadara and Alexander buildings. The infrastructure is designed with a capacity to deliver chilled water to all completed buildings in the southern precinct.
- Solar panel systems with a capacity of 342 kW have been installed and commissioned on the rooftops of completed buildings at June 2016, which represents 30% of total planned solar capacity. The remaining solar will be installed as each rooftop area is completed, with additional solar planned for Central Barangaroo. Energy from these installations will power public domain areas and a recycled water treatment plant.
- The recycled water treatment plant has been partially completed and is expected to be fully operational in late 2016.

Commitment to C40

The Barangaroo precinct is recognised by the international C40 Cities Climate-Positive Development Program as having achieved its first stage of completion: the development of a draft Climate-Positive Roadmap. A finalised roadmap will be developed during the next financial year, outlining methods to confirm the climate-positive achievements for the precinct.

In conjunction with its commitment to delivering a climate-positive precinct, the Authority worked closely this year with the federal Department of the Environment to develop a precinct methodology and template for the National Carbon Offset Standard. This methodology will be used to confirm carbon emissions calculations for all of Barangaroo, during operations, thus also meeting the Authority's C40 requirements.

Public Engagement



The Authority continued to improve and expand its public engagement throughout the year, with a particular focus on proactive communication of events and activation of the public domain. The aim has been more effectively to reach audiences who are actively seeking accurate and timely information.

Key to this strategy was the launch of a second Barangaroo website for visitors, so as to support place activation and the creation of visual content, both video and photographic, to share the many Barangaroo stories across digital platforms, including social media.

Public domain

The Authority began a series of media and marketing campaigns in July 2015 to announce the opening of Barangaroo Reserve and support a series of public events during the year including the three-month Welcome Celebration, New Year's Eve and Australia Day.

In total those campaigns achieved almost 220 million media impressions or opportunities to read, see or hear about Barangaroo Reserve and associated events. This was achieved through significant national and local TV coverage across a range of stations, features in major print and online publications, and dedicated broadcasts from the site.

The campaigns to draw visitors to events at Barangaroo Reserve generated 92.5% positive sentiment.

Last tree planted at Barangaroo Reserve

On 28 July 2015, the Governor of NSW, His Excellency General The Honourable David Hurley AC DSC (Ret'd) was joined by Years 3 and 4 students from nearby Fort Street Public School to plant the final tree at Barangaroo Reserve – a forest red gum (*Eucalyptus tereticornis*).

Visitor sentiment

During the year, the Authority expanded its market research to include feedback from visitors to the Reserve. Two rounds of research have been conducted. Overall, visitors expressed a high level of satisfaction with their experience, with more than 95% saying they were satisfied and would recommend the Reserve to others or visit again.

Most day-to-day visitors were from the local Sydney region, although during events the visitor profile extended to Greater Sydney, NSW and Australia-wide. Some 20% of event attendees were from overseas. The most common feature people came to see or experience was 'the ability to walk down to the water of Sydney Harbour' with the landscaping including sandstone features, native vegetation and the Cutaway also mentioned as highlights.

The Authority will continue to measure visitor satisfaction with feedback also supporting improvements in amenities, signage within the precinct, and navigation to and from Barangaroo.

Gasworks remediation: community engagement

In September 2015, the Authority launched a community engagement and media communications plan to ensure the wider community, as well as residents and workers in the local area, were fully informed about two projects to safely remediate contaminants left behind from the old Millers Point Gasworks. The local community, neighbours and media have been proactively engaged to draw attention to the remediation activities, and to inform and address any potential questions or concerns.

The Authority has issued numerous community information updates, including explanatory materials in large format on remediation hoardings, as well as brochures, a video and project updates. These included at the start of the project a fact sheet delivered to all residents and businesses in the area immediately surrounding the work. Two additional fact sheets providing a project update were delivered to residents and businesses in March and May.

Announcements

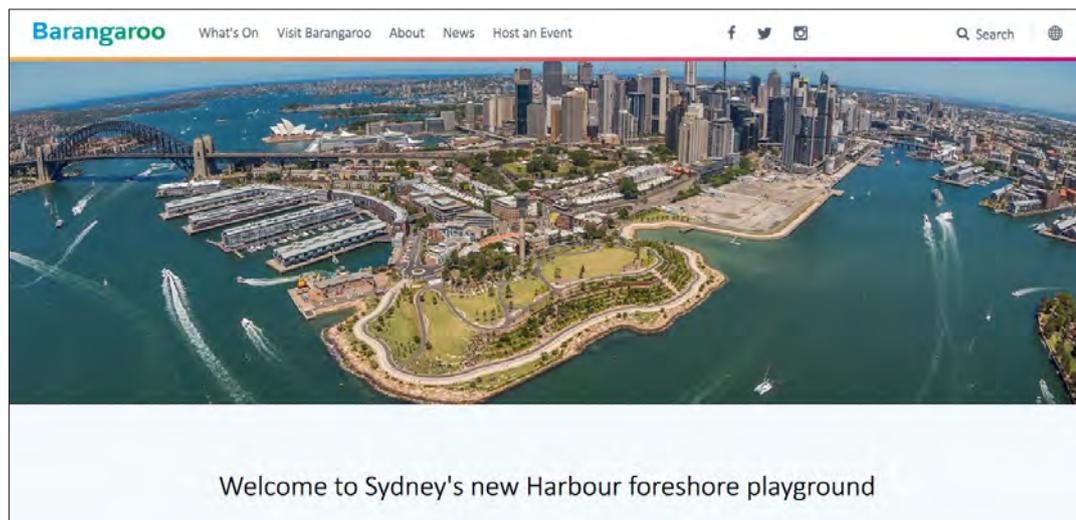
The Authority issued 24 media releases this year on subjects including the launch of the Barangaroo Public Art and Cultural Plan, the planting of the last tree at Barangaroo Reserve, the commencement of the gasworks remediation, the appointment of Barangaroo's first Artistic Associates, the announcement of a Metro station for Barangaroo and the methodology for the deconstruction of the Harbour Control Tower.



Welcome Celebration, Nawi Cove, 2015
Credit: Hamilton Lund, 2015

^ Opening Barangaroo Reserve, Premier and PK
Credit: Rick Stevens, 2015





< Barangaroo.Sydney website
Credit: Barangaroo.Sydney,
2016

Digital engagement

Website

The Authority launched a second website – Barangaroo.sydney – to support the activation of Barangaroo Reserve and provide an online destination for Barangaroo visitors discovering events and learning about the precinct. Notably, online visitation to the existing corporate website – Barangaroo.com – also doubled during the year.

	Barangaroo.com		Barangaroo.sydney	
	2014–15	2015–16	Increase year-on-year	2015–16 (part)
Sessions	198,265	401,890	203%	230,763
Page views	584,550	1,116,043	190%	545,372

Electronic newsletters

Subscribers to the Authority’s corporate eNewsletter increased by 84% to 6,166 in the year to 30 June. A new eNewsletter for people seeking visitor information launched in October and achieved 4,707 new subscriptions by the end of this year. Of a total 10,870 subscribers, only 538 were subscribed to both.

Social media

Follows and Likes on media sharing networks more than doubled on all fronts this year compared with 2014–15. This can be attributed to increased production of images, storytelling content and 24 videos available this year. Levels of engagement also continued to rise, reflecting the greater digital reach and interest in Barangaroo.

Platform	30 June 2015	30 June 2016	Increase year-on-year
facebook	3,095 followers	14,038 followers	+ 354%
instagram	507 followers	3,942 followers	+ 678%
twitter	2,657 (approx.) followers	3,768 followers	+42%
linkedin	2,621 followers	3,872 followers	+48%
youtube	83,227 minutes 31,346 views 95 subscribers	194,042 minutes 61,481 views 150 subscribers	+133% +96% +58%



< Barangaroo Reserve
Credit: Hamilton Lund, 2015

> Shell Wall, Esme Timbery and Jonathan Jones
Credit: Quentin Jones, 2015

Community development

A diverse range of community members and stakeholders took various tours of Barangaroo during the year, reflecting the continued interest in the completed Barangaroo Reserve as well as other newly-accessible areas. Participants in over 50 tours this year included members from Apex, Probus and Rotary, the Historic Houses Association, Churchill Fellowship, City of Sydney, Infrastructure NSW, Committee for Sydney, New Zealand Trade and Enterprise, Department of Foreign Affairs and Trade, and NSW Service for the Treatment of Torture and Trauma Survivors.

Stakeholder and community meetings continue to be a focus of the Authority's community engagement strategy. These included 29 topic-focused meetings for both international and national delegations, as well as eight regular community meetings that addressed general project updates with presentations by subject matter experts on current and upcoming works.

Awards

Barangaroo Reserve has received a number of prestigious awards since opening in August 2015:

- Banksia 2015 Sustainability in Design, Build Award – Buildings, Landscapes and Infrastructure Projects. The Banksia Foundation sponsors the most prestigious and longest running environmental awards in Australia which recognise leadership and innovation through the integration of sustainable principles and practices in the design, construction and retrofitting of building and infrastructure projects.
- Waterfront 2015 Award. World Architecture News chose Barangaroo Reserve for the importance of the connection it exhibits between urban development and water, not only on an aesthetic level, but also on a functional level.
- AILA 2015 NSW President's Choice in Landscape Award. This Australian Institute of Landscape Architects (AILA) award was given in recognition of the outstanding contribution at Barangaroo Reserve to the practice of landscape architecture and urban design.
- Infrastructure Partnerships Australia's Project of the Year Award at the 2016 National Infrastructure Awards. The award recognised that Barangaroo Reserve has made a strong statement that projects need to be more than just bricks and mortar, and need to offer social and cultural improvements, cleverly integrating land use that improves community amenity with efficient and cost effective infrastructure.
- Architizer A+Award Jury Winner in the Typology Categories Landscape and Planning. Competing with entries from 100 countries representing the best of architecture and design, Barangaroo Reserve won this award in the Public Park category of the Australian National Infrastructure Awards. The jury comprised some 300 industry leaders made up of architects, designers, cultural thought leaders and developers.



Arts and Culture



< Shell Wall, Alexander, Barangaroo South
Credit: Quentin Jones, 2015

Advisers

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

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

2015–16 highlights

Shell Wall by Esme Timbery and Jonathan Jones

A beautiful seven-storey shell art installation was unveiled at Barangaroo on 18 December 2015 – the first public art to be commissioned and created under the Barangaroo Public Art and Cultural Plan.

Titled shell wall 2015, the artwork is a collaboration between Bidjigal/Eora elder and senior artist Esme Timbery and Wiradjuri/Kamilaroi artist Jonathan Jones. It represents the first of seven public art works to be commissioned at Barangaroo.

shell wall 2015 is located on the southern facade of the Alexander residential building, providing a southern gateway to Barangaroo's waterfront promenade, Wulugul Walk. It is constructed with multiple 8-mm-thick aluminium panels creating a 22.35 x 3.5 metre artwork. Each panel is decorated with a combination of larger-than-life cast aluminium shells welded to the screen adjacent to their corresponding cut-out shell shapes on the panel.

Emily McDaniel, the former assistant curator of Aboriginal and Torres Strait Islander Art at the Art Gallery of NSW, announced the winning proposal from a shortlist of five submissions on 16 July. Emily worked with the artists to help realise the project, which reflects both the culture of the traditional owners, the Gadigal/Eora people, while recognising the more radical changes brought about by the contemporary city of Sydney.

The artwork celebrates the important shell-work tradition of La Perouse and the contemporary practise of Esme Timbery, herself a fourth-generation shell artist. Jones and Timbery have worked together on various exhibitions, short films and projects but this is the first time they have created a work of such scale and striking simplicity.

Artistic Associates Program

The Artistic Associates Program is part of the Barangaroo Public Art and Cultural Plan's long-term vision to deepen visitors' understanding and engagement with the site.

In September, the inaugural artists' brief for the Artistic Associates Program was released as an open tender. This was an invitation to Aboriginal and Torres Strait Islander filmmakers and multimedia artists to develop a moving image or sound-based artwork celebrating the Barangaroo site as home to the world's oldest living culture and also a place that presents contemporary Indigenous perspectives and expressions.

Following receipt and evaluation of artists' proposals, interviews were held and on 28 April, Genevieve Grieves and Amanda Jane Reynolds, both artists and curators, were announced by the Authority as Barangaroo's first Artistic Associates. Genevieve Grieves belongs to the Worimi Nation of the NSW mid-north coast and Amanda Jane Reynolds carries heritage from the Karingai Nation. They will collaborate on a multi-disciplinary project that will celebrate the life of Barangaroo, and the history and culture of the local area and its peoples.

The artists will spend the next few months consulting members of the local Gadigal and Cammeraygal communities and other members of the Eora Nation, while also researching various historical documents that will inform a number of short films to enrich the public's experience as they visit the area.



^ > The Ephemeral City, Sydney Festival
Credit: Jamie Williams, 2016



Partnership with Sydney Festival 2016

January saw the inaugural partnership between the Sydney Festival and the Authority, with the activation of The Cutaway at Barangaroo Reserve.

The 2016 Sydney Festival event ran from 8-24 January and included the following four elements:

- *The Ephemeral City* – a temporary participatory installation by French artist Olivier Grossetête whose work explores the relationship between urban spaces, architecture and symbolism. Mr Grossetête engaged members of the public to construct a cardboard city within the Cutaway. Demolition of the city also involved public participation.
- *Skateboarders vs Minimalism* – a new video installation by leading Australian artist, Shaun Gladwell, commissioned by Simon Mordant AM.
- *Boxwars* – inspired by *The Ephemeral City*, the cardboard installation involved free creative workshops for younger children and their families.
- *Flying Fox* – an overhead zip-line ride over and around *The Ephemeral City* enabling a bird's-eye-view of the installations in The Cutaway.

Nawi Cove public artwork: artists shortlisted

As reported in last year's Annual Report, the Nawi Cove Landmark Artwork artist brief was distributed to selected nationally and internationally acclaimed artists in April 2015. The artists subsequently attended site visits and worked on their proposals, which were submitted to the Authority in February 2016.

Since then the Nawi Cove Public Artwork Jury, chaired by Edmund Capon AM OBE, has been evaluating the proposals, with the artists attending interviews with the jury in April 2016.

The evaluation process is expected to continue throughout 2016.

Section 3

Reporting

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Structure and management

Organisation structure

The Barangaroo Delivery Authority sits within the NSW Department of Premier and Cabinet cluster. The agency's organisation structure at 30 June 2016 is shown below. This structure has been designed to align with the NSW Government's Senior Executive design principles as prescribed by the Government Sector Employment Act reforms.

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

Senior management

At 30 June 2016, the senior management of the Authority was:

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

Chief Executive Officer (see Board biography)

Peter Roberts (BFinAdmin, FCA, IACD, Finsia)

Chief Financial and Operating Officer

Amanda Wilson (GAICD)

Executive Director, Community Engagement and Communications

Sonya Errington (BAppSci, MPP)

Director, Corporate Strategy

Colin Sargent (BArch (Hons))

Director, Planning and Design

Tony Gulliver (BArch, Grad DipPropDev)

Development Director, Barangaroo South

Rhian Greenrod (BBus&Prop, GradDipProjMgt)

Development Director, Crown

Peter Funder (BPlan&Design, BPropConst)

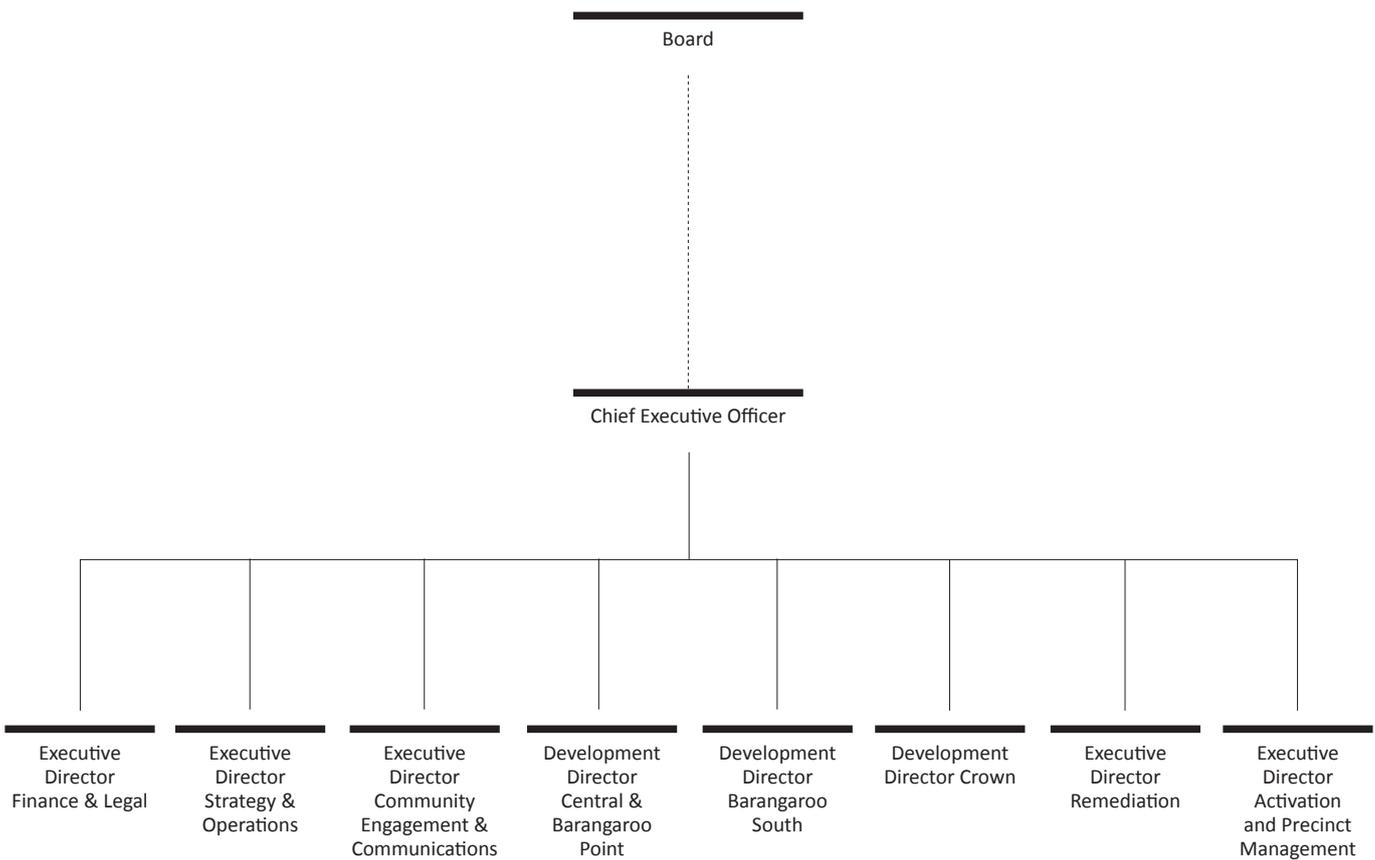
Development Director, Central Barangaroo and Barangaroo Reserve

Carla Armanet (BA)

Acting Executive Director, Activation and Precinct Management

Structure and management (continued)

Organisation chart (as at 30 June 2015)



Human resources

At 30 June 2016, the Authority had a total of 38 employees.

Employees by category

Salary scale**	30 June 2014		30 June 2015		30 June 2016	
	Total	Women	Total	Women	Total	Women
Grade 1–2 or equivalent	1	1	0	0	1	1
Grade 3–4 or equivalent	0	0	2	2	4	2
Grade 5–6 or equivalent					4	3
Grade 7–8 or equivalent	6	3	5	3	3	2
Grade 9–10 or equivalent					5	2
Grade 11–12 or equivalent	1	1	7	4	8	3
Above Grade 12 or equivalent	19	7	20	7	13	4
Total number of employees*	27	12	34	16	38	15

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

** Salary scale has changed for 2016

Senior Executives

Senior Executive Band	2014		2015		2016	
	Women	Men	Women	Men	Women	Men
Senior Executive Band 3	0	3	0	2	0	2
Senior Executive Band 2	0	1	0	2	1	4
Senior Executive Band 1	7	8	7	9	3	3

In 2015–16, a total of 61.6% of the Authority's employee-related expenditure was for Senior Executive employees.

Senior Executive Band 3 salaries

The following information on the salaries of Band 3 Senior Executives in 2015–16 is provided in line with statutory reporting requirements.

Craig van der Laan, Chief Executive Officer, Senior Executive Band 3: total remuneration paid, \$599,498.

The Chief Executive Officers employment contract provides for a discretionary remuneration range of up to 12% in addition to the base remuneration. Discretionary remuneration is included above in the year paid.

Peter Roberts, Chief Financial and Operating Officer, Senior Executive Band 3: total remuneration package of \$320,080.20 per annum

Workforce Diversity

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

Multicultural Policies and Services Program

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

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

In 2014–15, Multicultural Plan initiatives included:

- successful recruitment and training of six Aboriginal and Torres Strait Islander guides within the Visitors Services Unit – the team has completed a Certificate III in Guiding and are continuing to be provided with training to expand their cultural knowledge, administrative skills and customer service. Sydney TAFE is also providing these additional courses.
- successful rollout of cultural awareness training for Authority employees – the program increased staff mindfulness and understanding of appropriate management and engagement with employees from diverse backgrounds.
- an opportunity to participate in an immersion trip to a remote Aboriginal community in the Northern Territory – the week-long trip was offered as a development opportunity for staff to build a greater understanding of, and exposure to, Aboriginal cultures across Australia. One employee was selected to participate in the program run by the National Sporting Chance Academy (NASCA) in their June intake.

Board committees

Remuneration Committee

Remuneration Committee responsibilities include:

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

The Members of the Committee appointed by the Board are:

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

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

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

The Remuneration Committee met twice during the year in July and September 2015.

The Board at its meeting on 6 June 2016 dissolved the committee because it was no longer needed in the light of progress made towards the Authority being fully compliant with the provisions of the *Government Sector Employment Act 2013*.

Audit and Risk Management Committee

Responsibilities of the Audit and Risk Management Committee include:

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

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

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

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

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

Jon Isaacs has held senior positions across the not-for-profit and public sectors, including Chair of the Sydney Harbour Foreshore Authority and CEO of the Royal Blind Society. Jon has chaired audit and risk committees for over 15 years in the private and public sectors and is also a Fellow of the Australian Institute of Company Directors – term of appointment three years from 12 February 2014

Arts and culture oversight

Barangaroo Arts and Cultural Panel

The Board of the Barangaroo Delivery Authority has appointed members to the Barangaroo Arts and Cultural Panel, to advise the Authority in the delivery and commissioning of high quality art and cultural activities within the development of Barangaroo. The objectives of the Barangaroo Arts and Cultural Panel are to:

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

The panel met four times during the year and the record of members' attendance is below.

Member	Meetings held while appointed	Attended
Gabrielle Trainor (Chair)	4	4
Craig van der Laan	4	4
Lieven Bertels, Knight in the Order of the Crown,	3*	1
Wesley Enoch	1**	1
Simon Hardy	4	3
Alison Page	4	3
Leon Paroissien AM	4	4
Hetti Perkins	4	2
Jess Scully	4	3
Peter Young AM	4	1

*Lieven Bertels resigned from the Panel in January 2015.

**Wesley Enoch replaced Lieven Bertels on the Panel.

Nawi Cove Public Artwork Jury

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

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

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

Member	Meetings attended
Edmund Capon AM OBE (Chair)	5
Craig van der Laan	5
Nicholas Baume	3
Elizabeth Ann Macgregor OBE	5
Gabrielle Trainor	5
Peter Young AM	0

Internal audit and risk management

Internal audit and risk management Statement for the 2015–16 financial year for the Barangaroo Delivery Authority

I, Craig van der Laan, am of the opinion that the Barangaroo Delivery Authority has internal audit and risk management processes in operation that are compliant with the eight core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core requirements

Risk Management Framework

1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant

Internal Audit Function

2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant

Audit and Risk Committee

3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

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

- Independent Chair, John Fitzgerald – start term date: 1 July 2014; finish term date: 30 June 2018
- Independent Member, Gabrielle Trainor – start term date: 18 May 2010; finish term date: 17 May 2018
- Independent Member, Peter Young – start term date: 1 July 2014; finish term date: 30 June 2018
- Independent Member, Carolyn Bulew – start term date: 18 December 2009; finish term date: 17 December 2017
- Independent Member, Jon Isaacs – start term date: 12 February 2014; finish term date: 11 February 2017



Craig van der Laan
Chief Executive Officer
26 August 2016

Risk management and insurance

The Authority has in place appropriate structures and processes to identify and manage material risks to its strategic and operational objectives.

Responsibilities for managing risk are delegated within the Authority and expert support is obtained where needed. The program of risk management is overseen by the Audit and Risk Management Committee (ARMC) of the Authority's Board which meets five times a year.

Material risks to annual business plans and financial year forecasts are formally identified and reviewed regularly, with material exposures monitored monthly by the Authority's management team.

The Authority's outsourced internal auditors, PwC Australia, routinely evaluate and test significant control systems and processes used by the agency. Reports from PwC Australia are responded to by management and reported to the ARMC to ensure appropriate governance over internal audit and material risks to the Authority is in place.

Walter Partners are the Authority's probity advisers.

The Authority is exposed to risks specific to the commercial arrangements with its appointed commercial development partners, as well as risks associated with developing the public spaces of Central Barangaroo and the operation of Barangaroo Reserve since its opening in August 2015.

The Authority's role as Road Authority for parts of Hickson Road and Napoleon Street also involves risks which require management. These risks include managing the obligations of developers and contractors on site; managing public health and safety during development; and managing various stakeholder expectations for the finished development.

Each of the identified material risks to the Authority's strategy and operational objectives is analysed with appropriate management actions undertaken, including documenting and evaluating mitigation plans and assigning responsibilities to ensure risks are well managed to avoid unexpected events.

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

Other statutory reporting obligations

Personnel policies, including Code of Conduct and Ethics

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

The Authority is in the process of implementing the reforms as prescribed by the *Government Sector Employment Act 2013* and revised its Code of Conduct and Ethics and ancillary policies, procedures and guidelines to better align with the principles of the Act.

Work health and safety

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

Disability Inclusion Plan

The Authority has a draft Disability Inclusion Plan in place and is seeking comment and feedback on the contents of the draft plan from stakeholders with disabilities.

Industrial relations

No industrial disputes were lodged with the NSW Industrial Relations Commission by the Public Service Association of NSW or other employee bodies in 2015–16. Further, no work time was lost due to industrial disputes.

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

Consumer activities

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

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

All mechanisms are monitored regularly, with inquiries and complaints responded to promptly and, where appropriate, forwarded on to the relevant entity for resolution.

The Authority received and responded to 415 emails during the year. Common themes in these emails included:

- Barangaroo Delivery Authority Regulation 2015, including fishing, dog-leash rules, alcohol, amateur and commercial photography
- commercial opportunity requests, including vendors for personal training, bicycle and wheelchair hire stations, food and beverage
- issues with Hickson Road, including reduction in parking, location of pedestrian crossings, condition of the road
- construction impacts
- requests for community, stakeholder and individual tours
- requests for information about Crown, Central Barangaroo and Sydney Metro
- requests to hire venues and host events.

The Authority also responded to 135 direct (private) messages on Facebook with queries about events, tours and venue hire, and actively engaged with hundreds of followers over public queries about events such as New Year's Eve ticket purchases.

Other statutory reporting obligations (continued)

Digital Information Security Policy

Digital Information Security Annual Attestation Statement for the 2015–16 Financial Year for the Barangaroo Delivery Authority

I, Craig van der Laan, am of the opinion that the Barangaroo Delivery Authority has developed and is continually improving an Information Security Management System (ISMS) that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of the Barangaroo Delivery Authority are adequate.

- A. There is no agency under the control of the Barangaroo Delivery Authority which is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*.
- B. The Barangaroo Delivery Authority is aligned with *ISO 27001 Information technology - Security techniques - Information security management systems - Requirements* and this has been independently reviewed by Centium Group Pty Ltd.



Craig van der Laan
Chief Executive Officer
30 September 2016

Overseas travel and promotion

Name and role	Destination	Period of travel	Purpose
Colin Sargent – Director, Planning and Design	China	3–6 November 2015	To ensure the NSW Government’s leadership and continuing aspiration to Climate-Positive outcomes is communicated.

Resource efficiency and sustainability

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

The Authority is committed to its own sustainability, including energy and water efficiency and reducing the generation of waste. The Authority is developing an internal sustainability strategy that includes ongoing management of data and GREP reporting requirements.

Resource efficiency and waste minimisation initiatives in place at the Authority’s offices in 2015–16 included:

- sensor office lighting, individual climate control units in meeting rooms and waterless urinals
- the use of recycled office furniture, including workstations, meeting room tables and chairs, task chairs and storage units
- use of office multifunction devices and printers with more efficient Energy Star-certified devices that save toner, paper and energy, under a contract which also includes toner recycling
- the use of recycled paper in all office devices
- provision of recycling facilities in the office for paper, plastic, glass and aluminium.

The Authority also has responsibility for operations at Barangaroo Reserve since its handover and commencement of operations in August 2015. Facilities management contractors collated data on water and energy consumption for reporting purposes and reviewed opportunities to improve waste management practices, including better waste stream collection reporting through cleaning contractors. A detailed waste audit will be completed in 2016 to improve opportunities for waste reduction. Recycled water is used for irrigating parklands and public domain areas.

All office and facilities equipment purchased during the 2015–16 financial year complied with GREP procurement standards as set out in the policy.

The Authority purchased all power, including 6% GreenPower, through Government 777 and 776 contracts.

Other statutory reporting obligations (continued)

Consultants

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

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

Thirty-six consultants whose fees exceeded \$50,000 were engaged during the year as shown in the table below. These fees totalled \$14,762,894 and include consulting expenditure that was capitalised in the construction of Barangaroo Reserve and Central Barangaroo.

A further 213 consultants whose fees were valued at up to \$50,000 were engaged during the year to a value of \$2,256,530.

Consultant	Description	Total (\$)
Access Public Relations Pty Ltd	Public relations services	266,262
Advisian Pty Ltd	Superintendent services for Barangaroo Reserve	1,407,246
Aea Consulting Ltd	Cultural consulting services for Central Barangaroo	79,192
AECOM Australia Pty Ltd	Procurement advisory services for Central Barangaroo development	172,066
Altus Group Cost Management Pty Ltd	Quantity surveyor	333,710
APP Corporation Pty Ltd	Remediation services for ground contamination	1,006,219
Barbara Flynn Pty Ltd	Curatorial services for public domain artwork	99,000
BaxCorp Consulting Pty Ltd	Advisory services for property and infrastructure	123,750
Clayton UTZ	Legal services for property and commercial advisory	4,927,142
Control Risks Group Pty Ltd	Security risk assessment for Barangaroo public domain	64,680
Conybears Morrison International Pty Ltd	Design advisory services	58,822
Divergence Group Pty Ltd	Technical advisory consultants for public domain	139,464
Emery Studio	Wayfinding design services for Barangaroo Reserve	105,721
Ernst & Young	Financial and analysis advisory services for bid evaluations	720,317
Finlay Consulting	Negotiation services for development agreements	342,799
Flux Consultants Pty Ltd	Environmental sustainability advisory services	330,825
Gill Minervini Creative Pty Ltd	Project management services for Barangaroo Reserve	211,222
GML Heritage Pty Ltd	Heritage design consultants	66,066
GTA Consultants	Transport and traffic impact management services	61,660
Holding Redlich	Legal services for commercial advisory	123,137
KPMG	Financial advisory services including tax advisory	116,715
Lander & Rogers	Legal services for commercial advisory	105,432
Peter Walker and Partners	Landscape design services for Barangaroo public domain	295,365
Peter Walker and Partners Land	Landscape design services for Barangaroo public domain	115,954
Philip Chun Associates	Building compliance advisory services	76,865
PwC Australia	Internal audit services	115,782
Ramboll Environ Aust. Pty Ltd	Remediation support services	55,994
Review Partners Pty Ltd	Community consultation and research services	77,581
Robert Bird Group Pty Ltd	Civil and structural engineering services	117,378
Skidmore, Owings Merrill LLP	Urban design planning services	244,262
Straight Talk Pty Ltd	Marketing advisory services	178,923

Other statutory reporting obligations (continued)

Consultants (continued)

Tracey Brunstrom & Hammond Pty Ltd	Remediation support services	291,456
TSA Management Pty Ltd	Project management services for remediation	1,879,447
Turner & Townsend Thinc Pty Ltd	Project management advisory services for Harbour Control Tower	165,813
WSPLincolne Scott Pty Ltd	Infrastructure and environmental consulting services	57,439
WT Partnership	Quantity surveyor	229,188

Other statutory reporting obligations (continued)

Land disposal

The Authority did not dispose of any land during the 2015–16 year.

Payment of accounts

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

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

Accounts due or paid within each quarter

Description	Quarter ended 30 Sept 2015 \$'000	Quarter Ended 31 Dec 2015 \$'000	Quarter Ended 31 Mar 2016 \$'000	Quarter Ended 30 Jun 2016 \$'000	Total accounts paid on time \$'000
Percentage of accounts paid on time	92%	88%	91%	92%	91%
Total dollar of accounts paid on time – 0–30 days	25,508	15,870	11,694	18,443	71,515
31–60 days	1,422	1,181	956	1,266	4,825
61–90 days	439	752	171	174	1,536
>90 days	323	182	95	145	745
Total dollar of accounts paid	27,692	17,985	12,916	20,028	78,621

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

Credit card certification

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

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

Annual Report costs

Production costs for this Annual Report were kept to a minimum with editing and design layout services outsourced as they were not available in-house. Costs amounted to \$2200.

Other statutory reporting obligations (continued)

Privacy Management Plan

The *Privacy and Personal Information Protection Act 1998* (PPIP Act) aims to protect the privacy of individuals by prohibiting the inappropriate collection, storage, use and disclosure of personal information by NSW public sector agencies.

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

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

Access to Government information

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

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

Release of Government information

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

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

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

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

Number of access applications received

The Authority received one government information access application during the year and one recommendation from the Information Commissioner to review a determination which the Authority had made in response to an application received during the 2013/14 financial year.

Number of refused applications

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

Other statutory reporting obligations (continued)

Statistical information about access applications

Applications by type of applicant and outcome*

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

Applications by type of application and outcome*

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

Other statutory reporting obligations (continued)

Invalid applications

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

Conclusive presumption of overriding public interest against disclosure

	Times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Other public interest considerations against disclosure

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

Timeliness

	Number of applications
Decided within the statutory time frame (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1

Applications reviewed (by type of review and outcome)

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

Applications (for review by type of applicant)

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

Other statutory reporting obligations (continued)

Public Interest Disclosures

The *Public Interest Disclosures Act 1994* (PID Act) is designed to deal with voluntary disclosures by public officials about serious matters involving public administration. The Authority does not tolerate corrupt conduct, maladministration or waste of public money and is committed to the objectives of the PID Act and the support and protection of staff and contractors who report wrongdoing.

The Authority has published a Public Interest Disclosures Internal Reporting Policy available to its employees on the agency's intranet page.

Statistical information on public interest disclosures

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

Public interest disclosures in 2015–16

Number of public officials who made public interest disclosures	0
Number of public interest disclosures received	0
Of the public interest disclosures received, number primarily about:	0
• corrupt conduct	0
• maladministration	0
• serious and substantial waste	0
• government information contravention	0
• local government pecuniary interest contravention	0
Number of public interest disclosures that have been finalised	0

Legislative changes and departures

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

During the year, the Authority has been assisting the Department of Premier and Cabinet in its statutory review of the *Barangaroo Delivery Authority Act* as required by that Act. The outcomes of the review will be tabled in Parliament during 2016–17.

The *Barangaroo Delivery Authority Regulation 2015* came into effect during the year. This provides for the safe and effective management of the public domain areas at Barangaroo. The main purposes of the Regulation are to:

- regulate entry into the public domain
- reserve parts of the public domain for certain purposes
- allow for the removal of persons from the public domain
- prohibit certain conduct in the public domain (including offensive conduct, removing and damaging vegetation and failing to observe signs)
- determine fees
- appoint authorised officers.

Section 4

Financial Statements

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- Statements plus Notes

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Financial Statements**

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- Independent Auditor's Report
- Statements plus Notes

Statement by Members of the Board of Barangaroo Delivery Authority

Barangaroo Delivery Authority

Barangaroo Delivery Authority

Statement by Members of the Board of the Barangaroo Delivery Authority on the adoption of the financial statements for the year ended 30 June 2016

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

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Barangaroo Delivery Authority as at 30 June 2016 and the financial performance for the year then ended; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions.

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



Terry Moran
Chairman
Barangaroo Delivery Authority



Craig van der Laan
Chief Executive Officer
Barangaroo Delivery Authority

13 September 2016
Sydney

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Barangaroo Delivery Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Barangaroo Delivery Authority (the Authority), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

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 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

I am independent of the Authority and the consolidated entity in accordance with the auditor independence requirements of:

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

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

Independent Auditor's Report (continued)

The Board's Responsibility for the Financial Statements

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

In preparing the financial statements, the members of the Board must assess the ability of the Authority and the consolidated entity to continue as a going concern unless operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

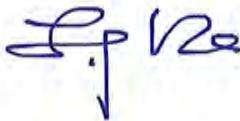
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

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

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Authority or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Weini Liao
Director, Financial Audit Services

14 September 2016
SYDNEY

Statement of comprehensive income

for the year ended 30 June 2016

Start of Audited Financial Statements

	Notes	Consolidated			Authority	
		Actual June 2016 \$'000	Budget June 2016 \$'000	Actual June 2015 \$'000	Actual June 2016 \$'000	Actual June 2015 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	(10,534)	(10,359)	(8,960)	(3,439)	(2,560)
Personnel services expense	2(a)	-	-	-	(7,095)	(6,400)
Other operating expenses	2(b)	(40,599)	(20,488)	(66,658)	(40,599)	(66,658)
Depreciation	2(c)	(7,477)	(100)	(1,602)	(7,477)	(1,602)
Grants and subsidies	2(d)	(1,247)	-	(40,915)	(1,247)	(40,915)
Finance costs	2(e)	(19,526)	(26,499)	(10,888)	(19,526)	(10,888)
Total expenses excluding losses		(79,383)	(57,446)	(129,023)	(79,383)	(129,023)
Revenue						
Investment revenue	3(a)	15,395	14,178	10,347	15,395	10,347
Other revenue	3(c)	6,243	4,188	2,696	6,243	2,696
Total revenue		21,638	18,366	13,043	21,638	13,043
Gain/(loss) on disposal	3(b)	3,283	17,591	64,706	3,283	64,706
Other gains/(losses)	3(d)	53,984	-	-	53,984	-
Net result	18	(478)	(21,489)	(51,274)	(478)	(51,274)
Other comprehensive income						
Items that will not be reclassified to net result:						
Net increase/(decrease) in property, plant and equipment revaluation		58,261	-	57,211	58,261	57,211
Net increase/(decrease) in revaluation from a change in restoration liability		(58,261)	-	(109,660)	(58,261)	(109,660)
Total items that will not be reclassified to net result in the future		-	-	(52,449)	-	(52,449)
Total items that may be reclassified subsequently to net result		-	-	-	-	-
Total other comprehensive income		-	-	(52,449)	-	(52,449)
Total comprehensive income		(478)	(21,489)	(103,723)	(478)	(103,723)

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2016

	Notes	Consolidated			Authority	
		Actual June 2016 \$'000	Budget June 2016 \$'000	Actual June 2015 \$'000	Actual June 2016 \$'000	Actual June 2015 \$'000
Assets						
Current assets						
Cash and cash equivalents	4	1,320	2	40,284	1,092	40,040
Receivables	5	24,998	89,469	71,278	24,998	71,278
Non-current assets held for sale	6	84,722	10,394	23,049	84,722	23,049
Total current assets		111,040	99,865	134,611	110,812	134,367
Non-current assets						
Receivables	5	251,937	285,235	218,620	251,937	218,620
Property, plant and equipment						
Land and buildings		265,098	437,639	228,787	265,098	228,787
Plant and equipment		646	267	358	646	358
Infrastructure		278,334	-	-	278,334	-
Work in progress		8,798	-	241,686	8,798	241,686
Total property, plant and equipment	7	552,876	437,906	470,831	552,876	470,831
Total non-current assets		804,813	723,141	689,451	804,813	689,451
Total assets		915,853	823,006	824,062	915,625	823,818
Liabilities						
Current liabilities						
Payables	9	11,308	15,563	51,950	11,604	52,171
Borrowings	10	53,933	102,724	60,669	53,933	60,669
Provisions	11	130,106	9,161	33,250	129,434	32,750
Other	12	10,686	-	-	10,686	-
Total current liabilities		206,033	127,448	145,869	205,657	145,590
Non-current liabilities						
Payables	9	-	-	-	287	212
Borrowings	10	446,695	464,930	404,383	446,695	404,383
Provisions	11	169,891	189,001	190,859	169,752	190,682
Other	12	10,761	-	-	10,761	-
Total non-current liabilities		627,347	653,931	595,242	627,495	595,277
Total liabilities		833,380	781,379	741,111	833,152	740,867
Net assets		82,473	41,627	82,951	82,473	82,951
Equity						
Reserves		-	-	-	-	-
Accumulated funds		82,473	41,627	82,951	82,473	82,951
Total equity		82,473	41,627	82,951	82,473	82,951

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2016

	Consolidated			Authority			
	Notes	Accumulated funds \$'000	Asset revaluation surplus \$'000	Total \$'000	Accumulated funds \$'000	Asset revaluation surplus \$'000	Total \$'000
Balance at 1 July 2015		82,951	-	82,951	82,951	-	82,951
Net result for the year		(478)	-	(478)	(478)	-	(478)
Other comprehensive income							
Net increase/(decrease) in property, plant and equipment revaluation		-	58,261	58,261	-	58,261	58,261
Net increase/(decrease) in revaluation from a change in restoration liability		-	(58,261)	(58,261)	-	(58,261)	(58,261)
Total other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(478)	-	(478)	(478)	-	(478)
Balance at 30 June 2016		82,473	-	82,473	82,473	-	82,473
Balance at 1 July 2014		134,225	52,449	186,674	134,225	52,449	186,674
Net result for the year		(51,274)	-	(51,274)	(51,274)	-	(51,274)
Other comprehensive income							
Net increase/(decrease) in property, plant and equipment revaluation		-	57,211	57,211	-	57,211	57,211
Net increase/(decrease) in revaluation from a change in restoration liability		-	(109,660)	(109,660)	-	(109,660)	(109,660)
Total other comprehensive income		-	(52,449)	(52,449)	-	(52,449)	(52,449)
Total comprehensive income for the year		(51,274)	(52,449)	(103,723)	(51,274)	(52,449)	(103,723)
Balance at 30 June 2015		82,951	-	82,951	82,951	-	82,951

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2016

	Notes	Consolidated			Authority	
		Actual June 2016 \$'000	Budget June 2016 \$'000	Actual June 2015 \$'000	Actual June 2016 \$'000	Actual June 2015 \$'000
Cash flows from operating activities						
Payments						
Employee related		(11,019)	(10,073)	(9,352)	(11,019)	(9,352)
Grants and subsidies		(43,392)	-	(2,987)	(43,392)	(2,987)
Finance costs		(15,082)	(26,499)	(9,275)	(15,082)	(9,275)
Other		(38,646)	(73,488)	(110,859)	(38,630)	(110,849)
Total payments		(108,139)	(110,060)	(132,473)	(108,123)	(132,463)
Receipts						
Interest received		223	14,178	258	223	258
Other		39,121	31,779	10,663	39,121	10,663
Total receipts		39,344	45,957	10,921	39,344	10,921
Net cash flows from operating activities	16	(68,795)	(64,103)	(121,552)	(68,779)	(121,542)
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		-	62,614	-	-	-
Purchases of property, plant and equipment		(5,746)	(10,500)	(82,965)	(5,746)	(82,965)
Advances made		-	(87,417)	-	-	-
Net cash flows from investing activities		(5,746)	(35,303)	(82,965)	(5,746)	(82,965)
Cash flows from financing activities						
Proceeds from borrowings		74,577	160,091	373,173	74,577	373,173
Repayment of borrowings		(39,000)	(60,685)	(134,549)	(39,000)	(134,549)
Dividends paid		-	-	-	-	-
Net cash flows from financing activities		35,577	99,406	238,624	35,577	238,624
Net increase/(decrease) in cash		(38,964)	-	34,107	(38,948)	34,117
Opening cash and cash equivalents		40,284	2	6,177	40,040	5,923
Closing cash and cash equivalents	4	1,320	2	40,284	1,092	40,040

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

(a) Reporting entity

The Barangaroo Delivery Authority (the Authority) is a NSW government entity. The Authority is a not-for-profit entity (as profit is not its principal objective) and has no cash-generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. The Authority was created on 1 April 2009 under the *Barangaroo Delivery Authority Act 2009*. The Authority as a reporting entity comprises the entity under its control, namely: the Barangaroo Delivery Authority Staff Agency (formerly known as the Office of the Barangaroo Delivery Authority).

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Authority's Board on 13 September 2016.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2015
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

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

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

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

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

Non-taxable entity

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

Historical cost convention

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

(c) Statement of compliance

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

(d) Principles of consolidation

Controlled entities are all those entities where the Authority is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

(e) Borrowing costs

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

(f) Insurance

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

Notes to the financial statements (continued)

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

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

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

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

(h) Income recognition

Income is measured at the fair value of the consideration of contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

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

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and services

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

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

(ii) Grants and contributions

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

(iii) Investment revenue

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

(iv) Lease revenue and finance leases

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

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

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

(i) Assets

(i) Acquisitions of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

(ii) Capitalisation thresholds

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

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

(iii) Revaluation of property plant and equipment

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

Notes to the financial statements (continued)

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

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

The Authority revalues each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed in June 2016 and was based on an independent assessment. Infrastructure was not revalued at 30 June 2016 as it was capitalised during the year. A comprehensive revaluation will be undertaken at June 2017.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of their fair value.

The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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

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

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

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

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

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

(iv) Impairment of property, plant and equipment

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

(v) Depreciation of property, plant and equipment

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

Land is not a depreciable asset.

The following depreciation rates were applied in 2015–16:

Furniture and fittings	10 - 20%
IT equipment	33%
Plant and equipment	10 - 50%
Infrastructure	1 - 20%
Buildings	2.5 - 10%

(vi) Restoration costs

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

(vii) Maintenance

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

Notes to the financial statements (continued)

(viii) Leased assets

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

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(ix) Investments

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

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

(x) Derecognition of financial assets and financial liabilities

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

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

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset 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, cancelled or expires.

(xi) Non-current assets held for sale

The Authority has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction not through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition, and the sale of the asset is expected to be completed within one year from the date of classification. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

(xii) Trade and other receivables

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

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

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

(xiii) Lease incentives

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

Notes to the financial statements (continued)

(j) Liabilities

(i) Payables

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

(ii) Borrowings

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

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

(iii) Employee benefits and other provisions

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

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

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

(b) Long service leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. Consideration is given to expected future wage and salary levels, the experience of employees departing and their periods of service. Expected future payments are discounted, using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(c) Superannuation

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

(d) Consequential on-costs

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

(iv) Other Provisions

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

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

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

Notes to the financial statements (continued)

(k) Fair value hierarchy

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

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

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

Refer to Note 8 and Note 17 for further disclosures regarding the fair value measurements of financial and non-financial assets.

(l) Equity and reserves

(i) Revaluation surplus

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

(ii) Accumulated funds

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

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to the Parliament in respect of the reporting period. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 18.

(n) Comparative information

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

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

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time this year:

- AASB 2014-3
- AASB 2014-4
- AASB 2015-1
- AASB 2015-2
- AASB 2015-3

Notes to the financial statements (continued)

(ii) Issued but not effective

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

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

Standard	Effective date	Impact
<i>AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	Annual reporting periods beginning on or after 1 July 2016	The impact is likely to be minimal.
<i>AASB 15/2014-5 Amendments to Australian Accounting Standards (including Interpretations) Arising from the Issue of AASB 15</i>	Annual reporting periods beginning on or after 1 January 2018	The application of AASB 15 is likely to have an impact on the Authority's revenue recognition policy, although the impact of the new standard is not known or currently able to be estimated. The Authority is still assessing and quantifying the impact.
<i>AASB 2015-7 Amendments to Australian Accounting Standards Arising from AASB 13</i>	Annual reporting periods beginning on or after 1 July 2016	The impact is likely to be minimal.
<i>AASB 16 Amendments to Australian Accounting Standards – Leases</i>	Annual reporting periods beginning on or after 1 January 2019	The application of AASB 16 is likely to have an impact on the Authority's Lease policy, although the impact of the new standard is not known or currently able to be estimated. The Authority is still assessing and quantifying the impact.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
2 Expenses				
(a) Employee related expense				
Salaries and wages (including annual leave)	6,262	5,500	-	-
Superannuation: defined contribution plans	400	368	-	-
Long service leave	18	102	-	-
Workers' compensation insurance	20	20	-	-
Payroll tax and fringe benefits	395	410	-	-
Personnel services expenses	-	-	7,095	6,400
Contractors	3,439	2,560	3,439	2,560
	10,534	8,960	10,534	8,960
(b) Other operating expenses				
Administration	2,480	2,646	2,480	2,646
Auditor's remuneration: audit of financial statements	138	118	138	118
Consultants	3,975	5,541	3,975	5,541
Directors' fees	141	137	141	137
Insurance	12	12	12	12
Legal	778	2,507	778	2,507
Community and consultation	1,212	1,086	1,212	1,086
Precinct management*	10,317	627	10,317	627
Provision for Climate-Positive Fund	598	-	598	-
Restoration expense**	20,948	53,984	20,948	53,984
	40,599	66,658	40,599	66,658
(c) Depreciation expenses				
Property, plant and equipment	745	1,602	745	1,602
Infrastructure	6,732	-	6,732	-
	7,477	1,602	7,477	1,602
(d) Grants and subsidies				
Wynyard Walk	-	38,200	-	38,200
Integration works: local council	1,247	2,715	1,247	2,715
	1,247	40,915	1,247	40,915
(e) Finance costs				
Interest on borrowing not at fair value through profit or loss	15,346	10,888	15,346	10,888
Unwinding of discount rate	4,180	-	4,180	-
	19,526	10,888	19,526	10,888
3 Other revenue				
(a) Investment revenue				
Interest from cash at bank	69	245	69	245
Interest from finance leases	15,172	10,089	15,172	10,089
TCorp Hour-Glass Investment Facilities designated at fair value through profit or loss	154	13	154	13
	15,395	10,347	15,395	10,347

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

** The valuation of land is based on a remediated site. As a result, any revaluation increase is firstly offset against provision for restoration increases. Restoration expense of \$53.98 million recognised in the net result in 2014-15 was reversed and offset by an increase in the provision in the current year as per Note 3(d). The total restoration expense for 2015-16 was \$79.2 million as per Note 11.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
3 Other revenue (cont.)				
(b) Gain/(loss) on disposal				
Net proceeds from lease of land	3,349	64,706	3,349	64,706
Loss on disposal of property, plant and equipment	(66)	-	(66)	-
	3,283	64,706	3,283	64,706
(c) Other revenue				
Road permits	1,618	805	1,618	805
Sundry revenue	2,121	1,891	2,121	1,891
Estate levies	2,504	-	2,504	-
	6,243	2,696	6,243	2,696
(d) Other gains/(losses)				
Prior year provision reversal	53,984	-	53,984	-
	53,984	-	53,984	-
4 Current assets: cash and cash equivalents				
Cash at bank and on hand	1,320	5,271	1,092	5,027
TCorp Hour-Glass Cash Facility	-	35,013	-	35,013
	1,320	40,284	1,092	40,040
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits. Details on credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.				
5 Current/non-current assets: receivables				
Current				
Sundry debtors	8,210	3,047	8,210	3,047
Goods and services tax recoverable	177	1,133	177	1,133
Accrued revenue	93	93	93	93
Prepayments	3,801	4,504	3,801	4,504
Finance lease receivables	14	12,717	12,717	62,501
	24,998	71,278	24,998	71,278
Non-current				
Prepayments	6,988	-	6,988	-
Finance lease receivables	14	244,949	244,949	218,620
	251,937	218,620	251,937	218,620
Details on credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.				
6 Non-current assets: held for sale				
Balance at the beginning of the financial year	23,049	10,394	23,049	10,394
Sale of leased land	(13,645)	-	(13,645)	-
Transfer from land and buildings	75,318	12,655	75,318	12,655
Balance at the end of the financial year	84,722	23,049	84,722	23,049

Land in respect of one retail building was transferred to held for sale as it is expected to reach substantial commencement over the next 12 months.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
7 Non-current assets: property, plant and equipment				
Land and buildings at fair value				
Gross carrying amount	265,098	230,770	265,098	230,770
Accumulated depreciation	-	(1,983)	-	(1,983)
Net carrying amount	265,098	228,787	265,098	228,787
Plant and equipment at fair value				
Gross carrying amount	2,302	2,138	2,302	2,138
Accumulated depreciation	(1,656)	(1,780)	(1,656)	(1,780)
Net carrying amount	646	358	646	358
Intrastructure				
Gross carrying amount	285,066	-	285,066	-
Accumulated depreciation	(6,732)	-	(6,732)	-
Net carrying amount	278,334	-	278,334	-
Work in progress	8,798	241,686	8,798	241,686
Total property, plant and equipment at fair value	552,876	470,831	552,876	470,831
Gross carrying amount	561,264	474,594	561,264	474,594
Accumulated depreciation	(8,388)	(3,763)	(8,388)	(3,763)
Total property, plant and equipment at fair value	552,876	470,831	552,876	470,831

Reconciliation

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

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Land and buildings at fair value				
Net carrying amount at 1 July	228,787	185,712	228,787	185,712
Additions	-	-	-	-
Disposals	-	-	-	-
Reclassification of assets held for sale	(75,318)	(12,655)	(75,318)	(12,655)
Revaluation	58,261	57,211	58,261	57,211
Depreciation expense	(616)	(1,481)	(616)	(1,481)
Transfer to finance lease receivable	-	-	-	-
Prior year provision decrement reversal	53,984	-	53,984	-
Net carrying amount at 30 June	265,098	228,787	265,098	228,787
Plant and equipment at fair value				
Net carrying amount at 1 July	358	466	358	466
Additions	483	13	483	13
Disposals	(66)	-	(66)	-
Depreciation expense	(129)	(121)	(129)	(121)
Net carrying amount at 30 June	646	358	646	358

Notes to the financial statements (continued)

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Infrastructure				
Net carrying amount at 1 July	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Capitalised and transferred from work in progress	238,153	-	238,153	-
Transferred from finance lease receivable	46,913	-	46,913	-
Depreciation expense	(6,732)	-	(6,732)	-
Net carrying amount at 30 June	278,334	-	278,334	-
Work in progress				
Opening balance at 1 July	241,686	158,735	241,686	158,735
Additions	5,265	82,951	5,265	82,951
Capitalised and transferred to fixed assets	(238,153)	-	(238,153)	-
Closing balance at 30 June	8,798	241,686	8,798	241,686

8 Fair value measurement of non-financial assets

(a) Fair value hierarchy

2016

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Property plant and equipment (Note 7)				
Land and buildings	-	257,848	7,250	265,098
Infrastructure	-	-	278,334	278,334
Non-current assets held for sale (Note 6)	-	84,722	-	84,722
	-	342,570	285,584	628,154

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

2015

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

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

(b) Valuation techniques, inputs and processes

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

Class	Valuation technique	Key inputs
Land and buildings	Market approach: land is valued on comparable property sales transactions.	Comparable property sales values Adjustments for scale of site and infrastructure costs
Infrastructure	Depreciated replacement cost approach.	Due to the unique, specialised nature of these assets, a cost approach using current depreciated replacement cost has been applied.
Assets held for sale	Market approach: land is valued on comparable property sales transactions.	Comparable property sales values

Notes to the financial statements (continued)

(c) Reconciliation of Level 3 fair value measurements 2016

	Land and Buildings \$'000	Infrastructure \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2015	7,250		7,250
Additions	-	285,066	285,066
Transfers within level 3	-		-
Revaluation increments/decrements recognised in net result included in the line item 'Increase in property, plant and equipment revaluation surplus'	-		-
Disposals	-		-
Depreciation expense	-	(6,732)	(6,732)
Fair value as at 30 June 2016	7,250	278,334	285,584

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

2015

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

Consolidated

Authority

2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
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9 Current/non-current liabilities: payables

Current

Creditors

	15	47	15	47
Accrued expenses	4,947	7,645	4,947	7,645
Refundable security deposits and bonds	1,324	1,103	1,324	1,103
Interest payable	4,995	4,731	4,995	4,731
Personnel services payable	-	-	323	445
Payables: accrued salaries, wages and on-costs	27	224	-	-
Wynyard Walk contribution payable	-	38,200	-	38,200
	11,308	51,950	11,604	52,171

Non-current

Personnel services payable	-	-	287	212
	-	-	287	212

Details on credit risk, liquidity risk and market risk are disclosed in Note 17.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
10 Current/non-current liabilities: borrowings				
Current				
TCorp borrowings	53,933	60,669	53,933	60,669
	53,933	60,669	53,933	60,669
Non-current				
TCorp borrowings	446,695	404,383	446,695	404,383
	446,695	404,383	446,695	404,383
The fair value of these unsecured loans at balance date was \$522 million (2015: \$476 million). Details on credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 17.				
11 Current/non-current liabilities: provisions				
Current				
Employee benefits and related on-costs				
Annual leave	524	465	-	-
Long service leave	148	35	-	-
Other provisions				
Provision for restoration	129,434	32,750	129,434	32,750
	130,106	33,250	129,434	32,750
Non-current				
Employee benefits and related on-costs				
Long service leave	139	177	-	-
Other provisions				
Provision for Restoration	169,154	190,682	169,154	190,682
Provision for Climate-Positive Fund	598	-	598	-
	169,891	190,859	169,752	190,682
Aggregate employee benefits and related on-costs				
Provisions: current	672	500	-	-
Provisions: non-current	139	177	-	-
Accrued salaries, wages and on-costs (Note 9)	27	224	-	-
	838	901	-	-

In accordance with the NSW TC 15/09 Accounting for Long Service Leave and Annual Leave and AASB 101: Presentation of Financial Statements, all annual leave and unconditional long service leave is presented as a current liability in the statement of financial position. All annual leave classified as a current liability is expected to be settled within 12 months of balance date.

Notes to the financial statements (continued)

Movements in provisions (other than employee benefits)

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

	Restoration \$'000	Climate- Positive Fund \$'000	Total \$'000
2016			
Carrying amount at the beginning of the financial year	223,432	598	223,432
Additional provisions recognised	79,209	-	79,807
Amounts used	(8,233)	-	(8,233)
Increase in provision from unwinding of discount rate	4,180	-	-
Unused amount reversed	-	-	-
Carrying amount at the end of the financial year	298,588	598	295,006
2015			
Carrying amount at the beginning of the financial year	124,175	-	124,175
Additional provisions recognised	163,644	-	163,644
Amounts used	(64,387)	-	(64,387)
Carrying amount at the end of the financial year	223,432	-	223,432

The Environment Protection Authority (EPA) has declared the footprint of the former Millers Point Gasworks, which remains under a portion of Hickson Road and Barangaroo, a remediation site. The restoration provision accounts for all requisite investigation works, documentation, technological studies, regulatory liaison and restoration works. The provision reflects management's judgement and assumptions regarding method, the extent of contamination, costs for remediation works and other conditions. The provision has been increased due to a change in estimated costs following an assessment of future project requirements and the use of actual contract and tendered subcontracted amounts wherever available. The provision has been calculated using the Authority's weighted average borrowing rate at 30 June 2016 (2.97%). Restoration works are expected to be completed by September 2019.

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
12 Current/non-current liabilities: other				
Current				
Lease receipts in advance	10,686	-	10,686	-
	10,686	-	10,686	-
Non-current				
Lease receipts in advance	10,761	-	10,761	-
	10,761	-	10,761	-

13 Commitments for expenditure

(a) Capital commitments

Aggregate capital expenditure for the construction of Barangaroo Reserve contracted for at balance date and not provided for:

Not later than one year	-	15,082	-	15,082
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	-	15,082	-	15,082

The capital commitments above include GST of \$0m (2015: \$1.4m) that are expected to be recoverable from the Australian Taxation Office.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
14 Leases				
(a) Operating lease commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	1,025	701	1,025	701
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	1,025	701	1,025	701
Operating leases relate to property. These leases have an average life of one year with an option to renew.				
The operating lease commitments above include GST of \$0.09 million (2015: \$0.06 m) that is expected to be recoverable from the Australian Taxation Office.				
(b) Finance lease receivable				
Not later than one year	12,717	62,501	12,717	62,501
Later than one year and not later than five years	339,969	34,802	339,969	34,802
Later than five years	-	291,311	-	291,311
Minimum lease payments receivable	352,686	388,614	352,686	388,614
Less future interest income	(95,020)	(107,493)	(95,020)	(107,493)
Present value of minimum lease payment receivables	257,666	281,121	257,666	281,121
Included in Financial Statements (refer Note 5)				
Current finance lease receivable	12,717	62,501	12,717	62,501
Non-current finance lease receivable	244,949	218,620	244,949	218,620
	257,666	281,121	257,666	281,121
15 Contingent liabilities and contingent assets				
There were no known contingent liabilities or assets at balance date.				
16 Reconciliation of cash flows from operating activities to net result				
Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income				
Net cash from/(used on) operating activities	(68,795)	(121,552)	(68,779)	(121,542)
Depreciation	(7,477)	(1,602)	(7,477)	(1,602)
Gain on sale of property, plant and equipment	3,283	64,706	3,283	64,706
Finance lease interest income	15,172	10,089	15,172	10,089
Decrease/(increase) in receivables	(18,964)	13,647	(18,964)	13,647
Increase/(decrease) in creditors	47,168	(26,884)	47,152	(26,894)
(Decrease)/increase in provisions	36,357	10,322	36,357	10,322
Increase/(decrease) in unearned income	(7,222)	-	(7,222)	-
Net result	(478)	(51,274)	(478)	(51,274)

Notes to the financial statements (continued)

17 Financial instruments

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

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

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

(a) Financial instrument categories

Financial assets	Note	Category	Carrying amount 2016 \$'000	Carrying amount 2015 \$'000
Class				
Cash and cash equivalents	4	n/a	1,320	40,284
Receivables *	5	Loans and receivables (at amortised cost)	265,969	284,261
Financial liabilities				
Financial liabilities	Note	Category	Carrying amount 2016 \$'000	Carrying amount 2015 \$'000
Class				
Payables **	9	Financial liabilities measured at amortised cost	9,984	50,847
Borrowings	10	Financial liabilities measured at amortised cost	500,628	465,052

Notes

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

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

(b) Credit Risk

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

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

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

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

The TCorp Hour Glass Cash Facility is discussed in paragraph (d) below.

Receivables: trade debtors

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

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

Notes to the financial statements (continued)

	\$'000		
	Total	Past due but not impaired	Considered impaired
2016			
< 3 months overdue	485	485	
3 months - 6 months overdue	49	49	
> 6 months overdue	0	0	
2015			
< 3 months overdue	1,714	1,714	
3 months - 6 months overdue	175	175	
> 6 months overdue	129	129	

Notes

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

(c) Liquidity risk

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

The Authority has approved funding facilities at balance date with NSW Treasury Corporation of \$595 million (2015: \$595 million). The net fair value of these loans at balance date was \$522 million (2015: \$476 million). The weighted average effective interest rate for the year was 2.97% (2015: 3.28%) for loans.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is to be made not later than 30 days from the date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the head of an authority (or a person appointed by the head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.28% (2015: 10.82%).

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

Maturity analysis and interest rate exposure of financial liabilities:

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in interest rate risk and other price risk is outlined in the information below. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the timeframe for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2015. The analysis assumes that all other variables remain constant.

Notes to the financial statements (continued)

Interest rate risk

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

	Carrying amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2016					
Financial assets					
Cash and cash equivalents	1,320	(13)	(13)	13	13
Receivables	265,969	-	-	-	-
Financial liabilities					
Payables	9,984	-	-	-	-
Borrowings	-	-	-	-	-
2015					
Financial assets					
Cash and cash equivalents	40,284	(403)	(403)	403	403
Receivables	284,261	-	-	-	-
Financial liabilities					
Payables	50,847	-	-	-	-
Borrowings	-	-	-	-	-

Other price risk: TCorp Hour-Glass facilities

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

Facility	Investment Sectors	Investment Horizon	2016 \$'000	2015 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	-	35,013

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

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

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

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

	Change in unit price	Impact on profit/loss \$'000	
		2016	2015
Hour-Glass Investment Cash Facility	-1%	-	(350)
Hour-Glass Investment Cash Facility	1%	-	350

Notes to the financial statements (continued)

(e) Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. With the exception of borrowings, the amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value because of the short-term nature of many of the financial instruments. The fair value of borrowings at balance date is disclosed in Note 17(c). All of the Hour-Glass facilities are valued using 'redemption pricing'.

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

Financial assets at fair value	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2016 Total \$'000
TCorp Hour-Glass Investment Facility	-	-	-	-
	-	-	-	-

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

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

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

18 Budget review

Net result

The net result for the 2016 financial year was a \$0.5 million deficit against a budget deficit of \$21.5 million.

The favourable variance of \$21 million from budget reflects the revaluation uplift of land at Central Barangaroo and Barangaroo South, net of adjustment for the provision for restoration. This is partially offset by deferral of revenue from the sale of leased land due to delay in receiving planning approvals.

Assets and liabilities

Overall net assets as 30 June 2016 are \$82.5 million which is \$40.8 million higher than budget.

Total assets are \$93 million higher than budget due to the revaluation of land for Central Barangaroo and Barangaroo South.

Total liabilities are \$52 million higher than budget due to an increase in provisions, which includes restoration works on the site, partially offset by lower borrowings.

Cash flows

The actual net cash movement was \$39 million unfavourable to budget. This is due to the timing of the final payment for the Authority's contribution towards the Wynyard Walk project.

19 Events after the reporting period

The Authority sought to recover costs for remediation works associated with contamination of the former gasworks site from the original polluter. The Authority's right to claim arises under the *Contaminated Land Management Act 1997*. The parties entered into a confidential settlement deed on 30 August 2016. This is a non-adjusting event for the financial year ending 30 June 2016.

End of audited financial statements

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

Barangaroo Delivery Authority Staff Agency

Barangaroo Delivery Authority Staff Agency

Statement by Members of the Board of Barangaroo Delivery Authority Staff Agency on the adoption of the financial statements for the year ended 30 June 2016

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

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Barangaroo Delivery Authority Staff Agency as at 30 June 2016 and the financial performance for the year then ended; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions.

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



Terry Moran
Chairman
Barangaroo Delivery Authority



Craig van der Laan
Chief Executive Officer
Barangaroo Delivery Authority

13 September 2016
Sydney

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT Barangaroo Delivery Authority Staff Agency

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Barangaroo Delivery Authority Staff Agency (the Agency), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Agency as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

I am independent of the Agency and in accordance with the auditor independence requirements of:

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

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

Independent Auditor's Report (continued)

The Board's Responsibility for the Financial Statements

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

In preparing the financial statements, the members of the Board must assess the Agency's ability to continue as a going concern unless the Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

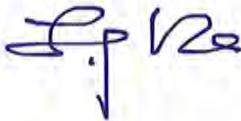
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Agency carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Weini Liao
Director, Financial Audit Services

13 September 2016
SYDNEY

Statement of comprehensive income

for the year ended 30 June 2016

Start of Audited Financial Statements

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2	7,095	6,400
Total expenses excluding losses		7,095	6,400
Personnel services revenue		(7,095)	(6,400)
Total revenue		(7,095)	(6,400)
Net result		-	-
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income		-	-

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	3	228	245
Receivables	4	610	656
Total current assets		838	901
Non-current assets			
Receivables		-	-
Total non-current assets		-	-
Total assets		838	901
Liabilities			
Current liabilities			
Payables	5	27	224
Provisions	6	672	500
Total current liabilities		699	724
Non-current liabilities			
Provisions	6	139	177
Total non-current liabilities		139	177
Total liabilities		838	901
Net assets		-	-
Equity			
Accumulated funds		-	-
Total equity		-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2016

	Notes	Accumulated funds \$'000
Balance at 1 July 2015		-
Net result for the year		-
Total comprehensive income		-
Transactions with owners in their capacity as owners		-
Balance at 30 June 2016		-
Balance at 1 July 2014		-
Net result for the year		-
Total comprehensive income		-
Transactions with owners in their capacity as owners		-
Balance at 30 June 2015		-

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Cash flows from operating activities			
Payments			
Employee related		(7,399)	(6,388)
Other		-	-
Total payments		(7,399)	(6,388)
Receipts			
Other		7,382	6,379
Total receipts		7,382	6,379
Net cash flows from operating activities	9	(17)	(9)
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash held		(17)	(9)
Opening cash and cash equivalents		245	254
Closing cash and cash equivalents	3	228	245

The accompanying notes form part of these financial statements.

Notes to the financial statements

Barangaroo Delivery Authority Staff Agency

1 Summary of significant accounting policies

(a) Reporting entity

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

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

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Authority's Board on 13 September 2016.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2015.

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

Non-taxable entity

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

Historical cost convention

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

(c) Statement of compliance

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

(d) Income recognition

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

(e) Assets

(i) Receivables

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

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

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

(f) Liabilities

(i) Payables

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

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

(ii) Employee benefits

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

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

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

Notes to the financial statements (continued)

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

(b) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 15/09) to employees with five or more years of service, using current rates of pay. Consideration is given to expected future wage and salary levels, the experience of employees departing and their periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. A discount rate of 3.5% (2015: 3.5%) was applied for discounting purposes.

(c) Superannuation

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

(iii) Other provisions

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

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

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

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time this year:

- AASB 2015-1
- AASB 2015-2
- AASB 2015-3

(ii) Issued but not effective

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

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

Standard	Effective date	Impact
<i>AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	Annual reporting periods beginning on or after 1 July 2016	The impact is likely to be minimal.
<i>AASB 15/2014-5 Amendments to Australian Accounting Standards (including Interpretations) Arising from the Issue of AASB 15</i>	Annual reporting periods beginning on or after 1 January 2018	The application of AASB 15 is likely to have an impact on the Authority's revenue recognition policy, although the impact of the new standard is not known or currently able to be estimated. The Authority is still assessing and quantifying the impact.
<i>AASB 2015-7 Amendments to Australian Accounting Standards Arising from AASB 13</i>	Annual reporting periods beginning on or after 1 July 2016	The impact is likely to be minimal.

Notes to the financial statements (continued)

	Actual 2016 \$'000	Actual 2015 \$'000
2 Expenses		
Employee related expenses		
Salaries and wages (including annual leave)	6,262	5,500
Superannuation: defined contribution plans	400	368
Long service leave	18	102
Workers' compensation insurance	20	20
Payroll tax and fringe benefits	395	410
	7,095	6,400
3 Current assets: cash and cash equivalents		
Cash at bank and on hand	228	245
	228	245
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short term deposits.		
4 Current receivables		
Receivable from Barangaroo Delivery Authority	610	656
	610	656
5 Current / non-current payables		
Payable: accrued salaries, wages and on-costs	27	224
	27	224
6 Current / non-current provisions		
Annual leave (current)	524	465
Long service leave (current)	148	35
Long service leave (non-current)	139	177
	811	677
All annual leave classified as a current liability is expected to be settled within 12 months of balance date.		
Aggregate employee benefits and related on-costs		
Provisions: (current)	673	500
Provisions: (non-current)	139	177
Accrued salaries, wages and on-costs (note 5)	27	224
	839	901
7 Commitments for expenditure		
The Agency has no capital commitments or lease commitments at 30 June 2016 (2015:nil).		

Notes to the financial statements (continued)

8 Contingent liabilities and contingent assets	Actual 2016 \$'000	Actual 2015 \$'000
There are no known contingent liabilities or assets at balance date (2015:nil).		
	(17)	(9)
9 Reconciliation of cash flows from operating activities to net result	(46)	148
Reconciliation of cash flows from operating activities to the net result as reported in the statement of comprehensive income	197	(58)
Net cash from/(used on) operating activities	(134)	(81)
(Decrease)/increase in receivables	-	-
(Increase)/decrease in creditors		
(Increase)/decrease in provisions		
Net result		

10 Events after reporting date

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

End of audited financial statements



**Barangaroo
Delivery
Authority**

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Business hours:
8.30am to 5.30pm, Monday to Friday

cover image:
Welcome Celebration, Stone, Barangaroo
Sharon Hickey, 2015

