



2016-17

Barangaroo Delivery Authority
Annual Report



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Section 1

Project and place

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Letter to the Premier

01 November 2017

The Honourable Gladys Berejiklian MP
Premier of NSW
Level 20
52 Martin Place
SYDNEY NSW 2000

Dear Premier

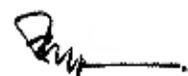
We have pleasure in providing the Barangaroo Delivery Authority's Annual Report for the year ended 30 June 2017 for submission to the Parliament.

This report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, *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



With a total project value approaching \$10 billion, and the ongoing transformation of Barangaroo South into a thriving commercial hub, Barangaroo is already making a significant contribution to the NSW economy.

Chair's foreword

Over the past 12 months, Barangaroo has consolidated its position as one of the most significant and compelling urban renewal projects in the world, continuing its evolution from a working container port just over a decade ago, to a place now enjoyed by millions of people.

Barangaroo now attracts the local and international recognition worthy of an urban renewal project that has always strived to be an exemplar for design, sustainability, and public amenity, and a precinct that is worthy of its harbour-side location in the Sydney CBD.

As the precinct has progressively developed, the Authority's role has shifted from purely a delivery authority to a place manager, with responsibility for activating and enlivening the public domain. It is a role we have relished.

There is always something new to discover for visitors to Barangaroo, whether it's one of the dozens of cafes, restaurants and shops now open or the busy program of events drawing people to the precinct. In the past year these have included Sculptures at Barangaroo, Blak Markets as part of NAIDOC Week, The Beach during the Sydney Festival, New Year's Eve and Vivid. Of course, Barangaroo Reserve keeps growing in popularity for its magnificent outlook of Sydney Harbour.

With a total project value approaching \$10 billion, and the ongoing transformation of Barangaroo South into a thriving commercial hub, Barangaroo is already making a significant contribution to the NSW economy.

It is with considerable pride that I have had the opportunity to chair the Board of the Barangaroo Delivery Authority since 2011. Each year, as the precinct develops, it has been gratifying for the Board to oversee the realisation of the vision for Barangaroo, and to help shape the work which is still to come.

The unveiling of the final stage of Barangaroo is approaching, the result of a comprehensive master-planning process, which drew on expertise from local and international experts. I am confident that the plans for Central Barangaroo will deliver on the excellence and international best practice urban renewal for which the precinct has become known.

I would like to thank the NSW Premier, the Hon. Gladys Berejiklian MP, for her support of the Authority and her enthusiasm for the project more broadly. The support of the Premier and the Government has been fundamental to the project's success and has empowered the Authority to continue to strive for exceptional outcomes for the precinct.

I would also like to thank my fellow Board Directors for their work this year, and on their behalf, acknowledge the Authority's Chief Executive Officer, Craig van der Laan, and his team, for their tremendous performance.

This Annual Report outlines the Authority's achievements in more detail. I'm delighted to share it with you.

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

Terry Moran AC
Chair
Barangaroo Delivery Authority



Barangaroo is quickly earning a place in the hearts of the people of Sydney and NSW, and continues to deliver on the promise of creating a world-leading, internationally-recognised urban renewal project.

Chief Executive Officer's report

Barangaroo is quickly earning a place in the hearts of the people of Sydney and NSW, and continues to deliver on the promise of creating a world-leading, internationally-recognised urban renewal project.

Barangaroo Reserve is now a much loved natural icon, delighting locals and tourists for the two years since this amazing public headland park replaced the previously closed concrete and asphalt container terminal. This year we have continued to nurture the gardens as they evolve. In particular, we planted over 70 new native trees in Barangaroo Reserve to provide additional shade and wind protection for visitors, complementing the existing 75,000 trees, plants, and shrubs.

Over 2.5 million people have enjoyed the natural beauty and incredibly rich history of Barangaroo Reserve, now one of the most popular, natural tourist attractions on Sydney Harbour.

Barangaroo's identity as a place for everyone was further reinforced this year with a number of tremendously successful cultural events. The Barangaroo Cutaway played host to 'The Beach', a Sydney Festival initiative supported by the Authority, and enjoyed by tens of thousands of people. The bright lights of Vivid also shone for the first time in Barangaroo – for what we hope will be an enduring partnership for Sydney's newest dining and cultural precinct.

This year, the Authority's activation program has increasingly focussed on artists from Aboriginal communities, providing opportunities for cultural expression that helps to celebrate and acknowledge the precinct's rich indigenous history, and of course Barangaroo the woman, a Cammeraygal leader of the late 18th century, in whose honour this place is named.

The opening of the NSW Government's new ferry wharf at Barangaroo has proved a boon for commuters and visitors who can now enjoy what is one of the most spectacular harbour journeys anywhere in the world. With work also underway on the NSW Government's new Sydney Metro, where a station will

be constructed at the northern end of the precinct and fully-integrated into the development, Barangaroo will be one of, if not the, most well-connected commercial precincts in Australia.

On site, the remediation of the former Millers Point Gasworks is well underway. The work required to remediate the site is both complex and comprehensive – carried out at the direction and watchful supervision of the Authority's expert team. When completed, the extensive program of works will deliver a significant public benefit to the community with thousands of tonnes of hazardous material excavated from Barangaroo and remediated off-site.

The Authority expects in the near future to award the contract for the delivery of Central Barangaroo. Central Barangaroo is the final piece that brings together the entire Barangaroo precinct. It will provide a seamless transition from the beauty, natural setting and quiet reflection of Barangaroo Reserve to the high-rise towers and bustling laneways of Barangaroo South's commercial and restaurant district. We are very excited about the proposal.

I'd like to thank the NSW Premier, the Hon. Gladys Berejiklian MP, and the Authority Board for their continued support and direction. The Authority continues to perform exceptionally, with the evolution from an exclusive project delivery focus to include precinct management achieved smoothly and well within budget. It is my honour to lead such a high-performing and dedicated team.

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

Craig van der Laan
Chief Executive Officer
Barangaroo Delivery Authority

Highlights in 2016-17

.....
One International Towers Sydney, the third of the three commercial office towers in Barangaroo's southern financial and restaurant district, opened for business.
.....

61 restaurants, cafes, bars and retailers opened, with 16,000 people working and living in the southern precinct.
.....

More than 2.5 million visitors have enjoyed Barangaroo Reserve since it opened in August 2015.
.....

Major events attracted hundreds of thousands of visitors including the inaugural Sculpture at Barangaroo in the Reserve, Barangaroo Street Fair, Sydney Festival's The Beach in the Cutaway, and Vivid Sydney in the southern precinct.
.....

Launch of major cultural and artistic works including two Artistic Associate projects:

- **Barangaroo Ngangamay, an immersive multimedia artwork by Amanda Jane Reynolds and Genevieve Grieves**
 - **Aurora Eora, a beautiful collaboration with the Gondwana Choirs and acclaimed contemporary artists, which brought Barangaroo to life through song and art.**
-
-

Unveiling of proposed design of Watermans Cove, Hickson Park and the surrounding public spaces.
.....

More than 4,900 people gained an insight into Barangaroo's cultural and historic significance with a tour or visit with our Visitor Services Guides. More than half of these were school children.
.....

Project and place

History of the site

Barangaroo is part of the lands of the Gadigal of the Eora Nation, the Traditional Custodians 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 has been through many transformations over the centuries. It was initially 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 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, subject to 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.

Planning developments

SHFA obtained planning approvals for the development of the site under Part 3A of the *Environmental Planning and Assessment Act 1979*.

The jury's recommendations were incorporated into the winning scheme and a Concept Plan application was lodged by SHFA with the Department of Planning in October 2006.

A public naming competition for the site was 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.

Since 2007, there have been several modifications (referred to 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.

The Authority

Establishment of 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. Gladys Berejiklian MP.

Barangaroo Delivery Authority Board

The Barangaroo Delivery Authority has a Board, the members of which at 30 June 2017 were Terry Moran AC (Chair), Craig van der Laan (Chief Executive Officer), Christine Covington, John Fitzgerald, and Peter Young AM.

Terry Moran AC BA (Hons)

Terry Moran AC was appointed Chairman of the Authority in September 2011. He has had a distinguished career in the public sector, culminating in his appointment as Secretary of the Department of the Prime Minister and Cabinet, the most senior position in the Australian Public Service, where he served from 2008 to 2011. Prior to that he was Secretary of the Department of Premier and Cabinet for the State of Victoria.

Mr Moran was responsible for leading the work of the Department on national security and international policy; environment, industry and economic policy; social policy and reforms negotiated by the Council of Australian Governments; and coordination of government administration, including Cabinet support.

During his time in the Victorian Public Service he played a major role in founding and achieving financing for five new cultural, public policy and educational institutions which have come to make an important contribution to Australia's cultural life and higher education.

Mr Moran is a Senior Adviser with the Boston Consulting Group, Chair of the Melbourne Theatre Company and the Centre for Policy Development and is a Director of the Walter and Eliza Hall Institute of Medical Research and the Menzies Foundation.

His initial appointment as Chair in September 2011 was for a period of three years, then re-appointed in September 2014 for a further three years. Mr Moran was reappointed as Chair in September 2017 for a further two years.

Craig van der Laan BA, LLB (Hons)

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

Mr van der Laan is a senior executive and business leader with an extensive international career in the private sector working with large public companies in operational, functional, project leadership and special advisory roles, including the leadership of large and complex M&A transactions, restructurings and special projects.

Prior to joining the Authority, Mr van der Laan was Global Head of Mergers & Acquisitions for the Brambles Group, President of Brambles' CHEP logistics/network business across China, India, Southeast Asia, Australia and New Zealand, as well as being Brambles' Group General Counsel and Group Company Secretary for many years.

Mr van der Laan has also held senior executive and advisory roles with the Westfield Holdings Limited Group, Transurban Group, Leighton Holdings Group, Lendlease Corporation and Foster's Group.

Christine Covington DipLaw, FAICD

Christine Covington was appointed to the Board on 14 July 2014.

Ms 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 served on the Board and as the Chair of City West Housing Pty Ltd for seven years. She is currently a member of the NSW Environment Protection Authority Board and sits as Deputy Chair on the Board of the ACT City Renewal Authority.

Her appointment in 2014 was for a five year term.

The Authority (continued)

John Fitzgerald MP*Infra (Hons), FAICD, FIPAA (Vic)*

John Fitzgerald was appointed to the Board on 4 July 2011. He has extensive experience in infrastructure delivery and until recently was a specialist adviser to KPMG and interim 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.

Mr Fitzgerald is Chairman of the ACT's Suburban Land Agency, InfraNexus Management Pty Ltd (an IFM subsidiary, Evolution Rail Pty Ltd and Transport Canberra Light Rail. He is also a Director on the Board of the Victorian Funds Management Corporation and was Chair of the NSW Government Steering Committee for the Sydney International Convention, Exhibition and Entertainment Precinct project.

His previous board positions included Director Port of Melbourne and National Advisory Board of Infrastructure Partnerships Australia. 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. He 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.

Peter Young AM *BSc, MBA*

Peter Young AM was appointed to the Board on 1 March 2014. He is Chairman of Aberdeen Standard Investments in Australia and New Zealand. He also serves as a Director of the Garvan Medical Research Foundation, and is a member of the Chairman's Panel for the Great Barrier Reef Foundation and the Chairman's Council for the Australian Chamber Orchestra and the Sydney Theatre Company.

Mr Young was Chairman of Barclays Australia from 2012 to 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.

He 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. He 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.

Mr Young 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.

His appointment to the Board in March 2014 was for five years.

Board meetings in 2016–17

Ten Board meetings were held in 2016–17 and details of members' attendance is reported below.

	Meetings held while appointed	Meetings attended
Terry Moran AC	10	10
Christine Covington	10	10
John Fitzgerald	10	9
Gabrielle Trainor*	5	5
Craig van der Laan	10	9
Peter Young AM	10	9

* Term expired on 30 November 2016.

Board committees and Arts and Cultural Panel

The Board has an Audit and Risk Management Committee and an Arts and Public Program Panel. These bodies are outlined in Section 3: Reporting.

Section 2

The year in review

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Barangaroo South

Background

Originally a 7.5 hectare development area at the southern end of Barangaroo and the first section of the site to be developed, Barangaroo South has quickly emerged as a vibrant addition to the Sydney CBD, with its mixed-use precinct including commercial office buildings, residential apartments, shops, cafes and restaurants. With most businesses and occupants now in place, Barangaroo South has reinforced Sydney's position as a key financial centre in the Asia-Pacific region.

In April 2008 an expression of interest (EOI) was released and the tender for the development of Barangaroo South commenced. From the submissions, three bidders were invited to submit detailed proposals by the end of March 2009.

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

Since February 2010, the Authority has administered a Project Delivery Agreement (PDA) with Lendlease, setting 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. Working with the Authority, Lendlease is required to deliver public domain areas to the Authority, the first of which was handed over for public access in July 2015.

2016–17 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 delivery of the public domain in Barangaroo South consists of two key stages: Stage 1A and Stage 1B. In early July 2015 the first portion of the southern public domain Stage 1A opened to the public. Since then, up until 30 June 2017, progressive stages were delivered and Stage 1A is largely complete. This includes all areas of the public domain to the south of Watermans Quay.

The Stage 1B public domain, which includes Watermans Quay, a pier and the adjacent Watermans Cove, Hickson Park and the foreshore fronting the Crown Resorts site has been designed and lodged for Development Approval with the Department of Planning and Environment.

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

Commercial office buildings: International Towers Sydney

All three commercial towers are now completed and substantially occupied. Known as International Towers Sydney (ITS), they were designed by Lord Rogers and Ivan Harbour of Rogers Stirk Harbour + Partners, London.

The three towers 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 once fully occupied.

Leases within the towers have been entered into by Westpac, KPMG, PWC, Gilbert + Tobin, HSBC, Suncorp, Lendlease, Servcorp, Ferrier Hodgson, Baker McKenzie and Aqualand.

A smaller commercial building fronting Hickson Road, named International House Sydney, was completed during the year and is leased to Accenture. This building also includes retail at its ground floor.

Foreshore residential buildings: Anadara and Alexander

Lendlease has made substantial progress in the occupation of the first two residential buildings: Anadara, designed by Richard Francis-Jones of FJMT, and Alexander, designed by Andrew Andersons of PTW Architects. Both buildings were completed in late 2015 and are almost fully occupied.

Anadara and Alexander both include ground floor retail areas, which achieved full operational status during the year.

Crown Sydney Hotel Resort

Agreement was reached in 2014–15 between the Authority, Crown Resorts and Lendlease regarding the proposed construction of the Crown Sydney Hotel Resort at Barangaroo South.

This development commenced construction in September 2016 and work is proceeding on program for a target completion in 2021.

Residential towers: One Sydney Harbour

During the year, Lendlease lodged a development application for the next major residential release. To be known as 'One Sydney Harbour', it is being designed by the internationally renowned architect and Pritzker Architecture Prize winner, Renzo Piano.

This development was under assessment by the Department of Planning and Environment at year end.

Retail buildings R1 and R7

Two three-level retail buildings have been constructed adjacent to the southern boundary of the precinct. One of them achieved completion during the year and is partially occupied, and the second, also fronting the foreshore, is nearing completion.

Transport for NSW Ferry Wharves

The construction of two ferry wharves by Transport for NSW was completed during the year with services commencing immediately upon completion. One wharf is currently in service and the second is targeted for operation in late 2017.

Remediation

Remediation works continued on the former Millers Point Gasworks land, which has been declared contaminated by the Environment Protection Authority (EPA). This work is being delivered by Lendlease and its sub-contractors in compliance with EPA guidelines and the approved Remedial Action Plan for the site. All construction contracts are now in place and the remediation works are forecast to continue until mid-2020.

Barangaroo Reserve

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.

2016–17 highlights

New Year's Eve

All 12,000 tickets to the New Year's Event at Barangaroo Reserve were sold. The event delivered a relaxed family environment with light entertainment, 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, Britain, China, India, Ireland, and USA
- 60% of patrons were visiting the Reserve for the first time.

Australia Day

Australia Day brought over 30,000 visitors to the Reserve, approximately 10,000 more visitors than in 2016. Overall, Barangaroo was very busy and active throughout the day with an average of 5,000 people in the Reserve every hour. Key elements included:

- Sydney Festival opened Barangaroo's Australia Day celebrations with *Baraya: Sing up Country* where over 150 choir members performed a song commissioned by the Festival in local Sydney indigenous language.
- The Sunrise Ceremony was exceptionally beautiful and engaging. Approximately 1,700 visitors attended the Wugulora Ceremony (double previous attendance).
- The focus on nature-based workshops for children was very successful.

Visitation

Over 2,500,000 visitors have enjoyed Barangaroo Reserve since it opened in August 2015.

Harbour Control Tower

The Harbour Control Tower was located on Barangaroo Reserve and was built to oversee shipping movements in and out of Port Jackson. Operations at the Harbour Control Tower ceased in 2011 when shipping control was relocated to the Sydney Ports Communications Centre in Botany Bay. In 2015 deconstruction of the tower was approved by the NSW Planning Minister. Deconstruction of the tower took place in 2017. Removing the Harbour Control Tower was part of the overall vision for Barangaroo Reserve, which was to restore a naturalistic look for the headland.

Central Barangaroo

Background

The Central Barangaroo development is positioned between Barangaroo Reserve and the financial and retail hub of Barangaroo South, completing the sweep of experiences across Barangaroo.

The project comprises approximately 5.3 hectares allocated to two development zones. A 2.2-hectare B4 Mixed Use zone and the remaining three hectares zoned RE1 Public Recreation. In November 2013, the Authority announced the master plan vision for Central Barangaroo and its ambition to create a vibrant, mixed-use precinct on the waterfront of Sydney Harbour.

Following the NSW Government's decision in June 2015 to include a Barangaroo Station as part of the Sydney Metro project, the Authority updated the Central Barangaroo master plan. The plan now fully integrates the station into Central Barangaroo, optimising the development outcomes for the site, and leveraging the increased transport capacity provided by connection to the Metro.

In December 2015, the Authority released the Central Barangaroo Request for Development Bids with submissions received on 29 February 2016. Following the detailed evaluation and assessment of bids by the Authority, including review by technical consultants and subject matter experts, in June 2016 the Authority entered into negotiations with a preferred bidder.

2016–17 highlights

Integration of Barangaroo Metro Station

On 16 June 2017, the Authority and Transport for NSW (TfNSW) executed the Barangaroo Metro Interface Agreement (Interface Agreement). This will govern the integration and coordination of the Barangaroo Station and the development of Central Barangaroo. The Interface Agreement substantially de-risks both projects by establishing a base case that allows independent delivery.

Development bid process

The negotiations with the preferred bidder for Central Barangaroo are ongoing. A public announcement will be made once negotiations have been finalised.

Development delivery

It is anticipated that, once the development partner for Central Barangaroo is appointed, works will commence at the northern end of the Central site in late-2018, with staged completion of both development and public domain works continuing through to 2025. This timing aligns with the target operational date for the Sydney Metro project.

Sustainability

The NSW Government set a vision for Barangaroo to achieve a carbon neutral outcome and become a Climate Positive precinct. By incorporating this vision from an early stage, the Authority has been able to ensure the delivery of these outcomes throughout the development of the project.

Sustainability Advisers

Following a competitive tender process in November 2016, Flux Consulting P/L were appointed as the Environmental Sustainability Advisory Services provider for the Authority. Flux offers high quality analysis and advice directly to the Authority on sustainability matters and provide feedback directly to developers on behalf of the Authority.

2016–17 highlights

Climate Positive Work Plans

Climate Positive Work Plans (CPWP) outline how climate positive targets are to be implemented. Key items delivered under the CPWP during 2016-17 include embodied carbon reports, Green Star certifications, and carbon accounts for completed buildings. Lendlease Millers Point P/L, developers of the South component of the project, continue to work towards completion of their obligations under their Climate Positive Work Plan (CPWP), which is required under the development agreement.

Progress towards a Climate Positive outcome

Initiated and led by cities, C40 is a network comprising 90 of the world's megacities collaboratively committed to addressing climate change. Barangaroo is one of only 19 places worldwide chosen to be part of the C40 Cities Climate Positive Development Program. The Authority supports the developers and tenants of Barangaroo to deliver Climate Positive initiatives through the Climate Positive Workplans and lease provisions.

A roadmap outlining the Authority's best practice for achieving a Climate Positive precinct will be provided to the C40 program for publication.

The Authority has worked with the developers to progress carbon accounting methodology for Barangaroo. The methodology will be compatible with federal National Carbon Offset Scheme (NCOS) methods for calculating whole of precinct carbon during operations, with the intention that it will be used across the precinct with future developers and tenants.

Sustainability infrastructure

Sustainability infrastructure operating in the precinct includes:

- Harbour Heat Rejection and Central Chilled Water Plant providing chilled water to International Towers 1, 2 and 3, the residential Anadara and Alexander buildings, and International House.
- 803 kW of solar panel systems installed and commissioned on the rooftops of completed buildings as at June 2017, which represents 74% of total planned solar capacity for Stage 1. Additional solar is planned for Central Barangaroo. Energy from these installations will deliver all the energy requirements of public domain areas and the Recycled Water Treatment Plant in Stage 1.
- A completed Recycled Water Treatment Plant delivering recycled water to the Stage 1 buildings. The plant has the capability to export water offsite to other CBD buildings, upon installation of supporting infrastructure.
- Subsurface irrigation, stormwater retention and re-use, and recycled water re-use at Barangaroo Reserve.

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 advisors

The Authority re-appointed the existing design advisors to the Design Excellence Advisory Panel:

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

The Authority intends to further expand the panel up to five members bringing additional expertise, including landscape design experience to the review process.

2016–17 highlights

Retail building R1

This three level food and beverage building was the subject of a competitive design process resulting in Colliers/Turner selected as the architects. The building design is based on a stack of bamboo bowls and brings delight to the South West corner of the Barangaroo site. The food and beverage destination is to be operated by Matt Moran. Construction commenced 2016 with completion expected in late 2017.

Retail building R7

A mixed-use five-storey building incorporating ferry offices, public amenities, and retail stores was procured through a competitive design process resulting in the selection of Durbach Block Jagers as the architects for this unique building. Construction commenced in September 2015 with completion and initial occupation occurring in October 2016.

Commercial building C2

International House Sydney is Australia's first engineered timber office building. It is a seven-storey, cross-laminated timber (CLT) building to the east of International Tower 3 on Hickson Road. Designed by Tzannes Architects, the building presents a sophisticated, sleek glass exterior allowing the timber structure to be read through the glazing. The building commenced construction in July 2015 and was completed in May 2017.

Buildings R4A, R4B and R5

Following an international design competition process in 2017 the renowned firm Renzo Piano Building Workshop was selected as the architects for One Sydney Harbour residential buildings. The three residential towers have been conceived as 'crystals', elegantly skinned with a highly transparent glass facade. The form and juxtaposition of the associated detailing will create a unique architecture, reflecting the site's setting between the CBD and the Harbour. The development applications for these buildings were submitted to the Department of Planning and Environment, and were placed on public exhibition.

Barangaroo South Public Domain (Hickson Park, Watermans Quay, Watermans Cove and Wulugul Walk)

Grant Associates' designs for the remaining two-hectares of public domain at Barangaroo South were revealed in April 2016 as the next phase of Sydney's landmark waterfront development, and were submitted for planning approval and placed on public exhibition. A new harbour cove, a one-hectare public park, an expanded waterfront walkway and a public pier are all key features of Grant Associates' designs for the public realm at Barangaroo South. The design includes a series of spaces that offer memorable and distinctive experiences for a wide, range of users.

Activation and Precinct Management

This year saw the opening of more public areas and marked Barangaroo's transition from a development 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. Spaces available include the six-hectare Barangaroo Reserve, Wulugul Walk, and plazas within the emerging financial and dining hub at Barangaroo South.

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

2016–17 highlights

The Cutaway and events

The Cutaway cultural space within Barangaroo Reserve generated significant interest throughout the year and has been used as a multi-purpose arts, cultural and events venue. The unique design, span and flexibility of the space has attracted a broad range of uses including community events, exhibitions, markets such as the Finders Keepers and One Fine Day, as well as private corporate events and large-scale filming.

Barangaroo Reserve has facilitated a wide range of events within its natural landscape, encompassing sport and recreation, community, arts and culture sectors. Throughout the year the Authority supported 98 events that have provided community or social outreach, including:

- Wheelchair Sports NSW Expo
- OzHarvest CEO CookOff
- Leukaemia Foundation Light the Night
- Cancer Council NSW Seven Bridges Walk
- Department of Premier and Cabinet Premier's 2016 Centenary of Anzac reception
- Ability Options Front Up Exhibition
- Special Olympics Australia Dream Ride
- Melanoma March

Tourism and education

The Authority's Visitor Services Team members are ambassadors for Barangaroo and continue to strengthen their skills as tour leaders. Visitors are immersed in the history of Sydney Harbour, the importance of the land to Australia's Aboriginal heritage, and its significance to the clans of the Eora Nation that once lived where Sydney now stands.

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

In 2016-17, Visitor Services Guides hosted 4,900 tour participants and 2,376 school students.

Delivering Best Practice Activation and Precinct Management.

The Authority established the Activation and Precinct Management function to include interdependent operational activities:

- Precinct Management, encompassing business processes and site operations including the requirement for comprehensive safety and security management.
- Place Activation, capturing the essence of the place; the programming of events and art and cultural activities as well as public engagement activities.

It also provided for this function to inform future stages of project development and delivery.

The Authority's Activation Framework and the Barangaroo Public Art and Cultural Plan (Plan) provide the basis for the management of operations and generation of high quality public experiences. The implementation of the Plan aims by 2024 to achieve the following:

- More than 12 million visitors annually (35% international visitors).
- Accessible and coherent provision of proximate green spaces, foreshore and cultural infrastructure, food, beverage and amenities.
- Reputational programming and activities actively engaging people in exceptional experiences and celebrating Barangaroo as a cultural destination.
- Unrivalled comfort and safety.
- Operational integration and connectivity to Sydney's CBD.

The approach taken by the Authority also provides:

- Progressive community benefit and engagement over the extended life of the project translating to approval and loyalty.
- Value creation and enhancement of public and private assets during the evolution of and post completion of the project.
- Place brand management in local and international markets.

Public Engagement

The Authority ran a public engagement program throughout the year. The focus was on communication of events, activation of the public domain and engagement with neighbours, local businesses, partners and stakeholders.

Enhancement of the Barangaroo.com website enables access to all information in one location and communicates the progress of the development, while promoting Barangaroo as a place to visit.

Overall, our public engagement focus has shifted to reflect Barangaroo's transition from a development site to a destination with significant sections open to the public.

The Authority ran a series of media and marketing campaigns across the year promoting public events such as NAIDOC Week, Blak Markets, New Year's Eve, Sydney Festival, Australia Day and Vivid Sydney. The campaigns generated activation across the public domains and attracted both general and event visitation.

Announcements

Major announcements throughout the year included the Wynyard Walk opening, the Barangaroo Ferry Wharf opening, a range of community, hallmark and artistic events, plus the launch of an augmented reality application "app" 'Barangaroo Ngangamay'.

Digital engagement

Website

The Authority launched a refreshed Barangaroo.com website on 29 June 2017 to supply concurrent information on both the development project and the active precinct. Overall web session increased 11.3% year-on-year.

Barangaroo.sydney			
	2015-16 (from 21/8/15)	2016-17	Increase year-on-year
Sessions	230,763	376,322	63%
Page views	545,372	799,119	47%
Barangaroo.com			
	2015-16	2016-17	Increase year-on-year
Sessions	401,890	328,001	-18%
Page views	1,116,043	697,417	-38%
Combined web traffic			
	2015-16 (part)	2016-17	Increase year-on-year
Sessions	632,653	704,323	11%
Page views	1,661,415	1,496,536	-10%

Social media

Follows and Likes on media sharing increased on all fronts this year compared with 2015-16. Levels of engagement also continued to rise, reflecting the greater digital reach achieved via campaigns and general interest in Barangaroo. The number of organic (unpaid Facebook impressions) increased by 80.7% compared to the previous year. Video views on YouTube decreased due to the increased use of native video on Facebook and Instagram.

Platform	30 June 2016	30 June 2017	Increase year-on-year
Facebook	14,038 followers	21,602 followers	+ 54%
	1,561,447 impressions	2,008,035 impressions	+ 29%
	94,450 engagements	108,823 engagements	+15%
Instagram	3,942 followers	6,426 followers	+ 63%
Twitter	3,768 followers	4,362 followers	+16%
LinkedIn	3,872 followers	4,575 followers	+18%
YouTube	194,042 minutes	136,692 minutes	-30%
	61,481 views	55,155 views	-10%
	352 subscribers	437 subscribers	+24%

Public Engagement (continued)

Community engagement

A diverse range of community members and stakeholders participated in briefings and various tours of Barangaroo during the year, reflecting the continued interest in Barangaroo Reserve and the recently completed commercial and dining precinct at Barangaroo South. Participants included senior government representatives from Israel, China, Sri Lanka, United States of America and South Korea as well as several community groups and students from both international and local education institutions.

Stakeholder and community meetings continue to be a focus of the Authority's community engagement strategy. These included 13 topic-focused meetings for both international and national delegations, as well as three community information sessions that addressed general project updates with presentations by subject matter experts on current and upcoming works. The Authority also continues to participate in regular meetings hosted by various local community and government stakeholders.

Awards

- Barangaroo Reserve; winner of the ICE Edmund Hambly Medal for substantial contribution to sustainable development
- Barangaroo Reserve; IES Lighting Design Award of Commendation for Barangaroo Reserve's Public Domain Lighting
- Barangaroo Reserve; LNA Master Landscapers Association Landscape Excellence Awards winner:
 - Open Space Parklands, Playground & Leisure Facilities over \$3 Million
 - Maintenance Commercial Parklands & Open Spaces
 - Graham Ross Commercial Construction of the Year
 - Graham Ross Commercial Maintenance of the Year
- Barangaroo Reserve; winner of the Australian Engineering and Excellence President's Choice Award
- Urban Taskforce Development Excellence Award, Medium Rise – City Apartments, Anadara and Alexander
- UDIA, Excellence in High-Density Development, Anadara and Alexander
- The National Association for Women in Construction, MPA Award for Achievement in Construction, Refurbishment and Fit Out, Joanna Lees
- The National Association for Women in Construction, HASSELL Award for Contribution to a Project's Development, Tower Three International Towers Sydney, Kimberley Jackson

Arts and Culture

2016–17 highlights

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. There were two major artistic works for the year:

- *Barangaroo Ngangamay*, an immersive multimedia artwork by Amanda Jane Reynolds and Genevieve Grieves.
- *Aurora Eora*, a beautiful collaboration with the Gondwana Choirs and acclaimed contemporary artists which brought Barangaroo to life through song and art.

Barangaroo Ngangamay

Engaged in April 2016 as inaugural Artistic Associates, Genevieve Grieves and Amanda Jane Reynolds are highly respected and accomplished creative producers whose process is deeply consultative. In addition to many exhibitions and commissions, Grieves and Reynolds are well known for curating the highly acclaimed First Peoples exhibition at the Melbourne Museum.

In this multimedia artwork, visitors were able to experience the work through a suite of poetic short films/songs ('Song Cycles') filmed by Bonnie Elliott, an internationally celebrated cinematographer. The short films are a moving reflection on the deep and ongoing cultural connections Aboriginal women have to the site, and to Barangaroo, the woman after whom the site is named after. The artistic outputs of the project are in both multimedia, through an app, and permanent physical form. The physical element of the project is in the form of five rock engravings (petroglyph markings) that have been carved into the sandstone at Barangaroo Reserve. The designs were selected based on the film stories and the women's clan and totem associations, which feature in the short films. The petroglyphs are integrated with the ecological and historical surrounds at the Reserve mirroring methods used by Aboriginal Ancestors for centuries.

As part of the launch on 11 March 2017, Genevieve Grieves and Amanda Reynolds programmed a series of events, including a Dawn Ceremony, involving the lighting of the sacred fire, and the Women's Ceremony, which was a gathering of women and Elders incorporating dance and song to honour and celebrate the legacy of Barangaroo.

Aurora Eora

Gondwana Choirs was engaged to produce and perform six original compositions responding to the Barangaroo site.

A free twilight concert was held on Saturday, 25 March at 7pm at the Cutaway. Up to 350 children from Gondwana Choirs performed Alice Chance's compositions to an audience of 900 people.

Lyn Williams OAM, Gondwana Choirs founder and Artistic Director, engaged composer Alice Chance to create works for children's voices to represent moments in Barangaroo's history, including the continuity of Australia's First Peoples, telling stories of Barangaroo and Bennelong's first encounter with European settlers, the colonial town, finding work on the Hungry Mile during the Great Depression and the sounds of the urban city. The choral compositions by Alice Chance include *Barangaroo and Bennelong*, *The Hungry Mile*, *The Millers Point Mob*, *Eye of the Sound Storm* and *Magnum Mysterium*.

To animate these stories and songs, the Authority has also partnered with Lendlease and Art Month Sydney for the curation of an outdoor exhibition of four newly commissioned contemporary artworks that respond to the compositions. The works on hoardings are by acclaimed contemporary Australian artists Reko Rennie, Tony Albert, Karen Black and Joan Ross. A new work by artist Gemma Smith was a digital-only experience.

For three weeks from 26 March to 16 April 2017, the Cutaway at Barangaroo housed an immersive and large-scale sound installation designed by renowned Australian sound designer, Bob Scott. Free to the public, the immersive installation allowed visitors to experience the haunting acoustic qualities of the expansive Cutaway, while appreciating the complexities of the composition. A further 35,550 people engaged with the soundscape in the Cutaway during this three week period.

Partnership with Sydney Festival 2017

Sydney Festival 2017 event ran 6-29 January 2017 and presented the large-scale installation *The Beach* in the Cutaway at Barangaroo Reserve.

The Beach was a highly successful installation of 1.1 million recyclable polyethylene balls that made an ocean without sharks, gently lapping against a 60-metre wide shoreline free of sand. Created by Snarkitecture, a New York-based art and architecture collaborative practice, this was a free event attracting 76,823 visitors and reaching many others through social media and third party channels.

The Nawi Cove lawn became a catering hub offering an eclectic food selection and a space for crowds to relax both before and after a visit to *The Beach*.

Section 3

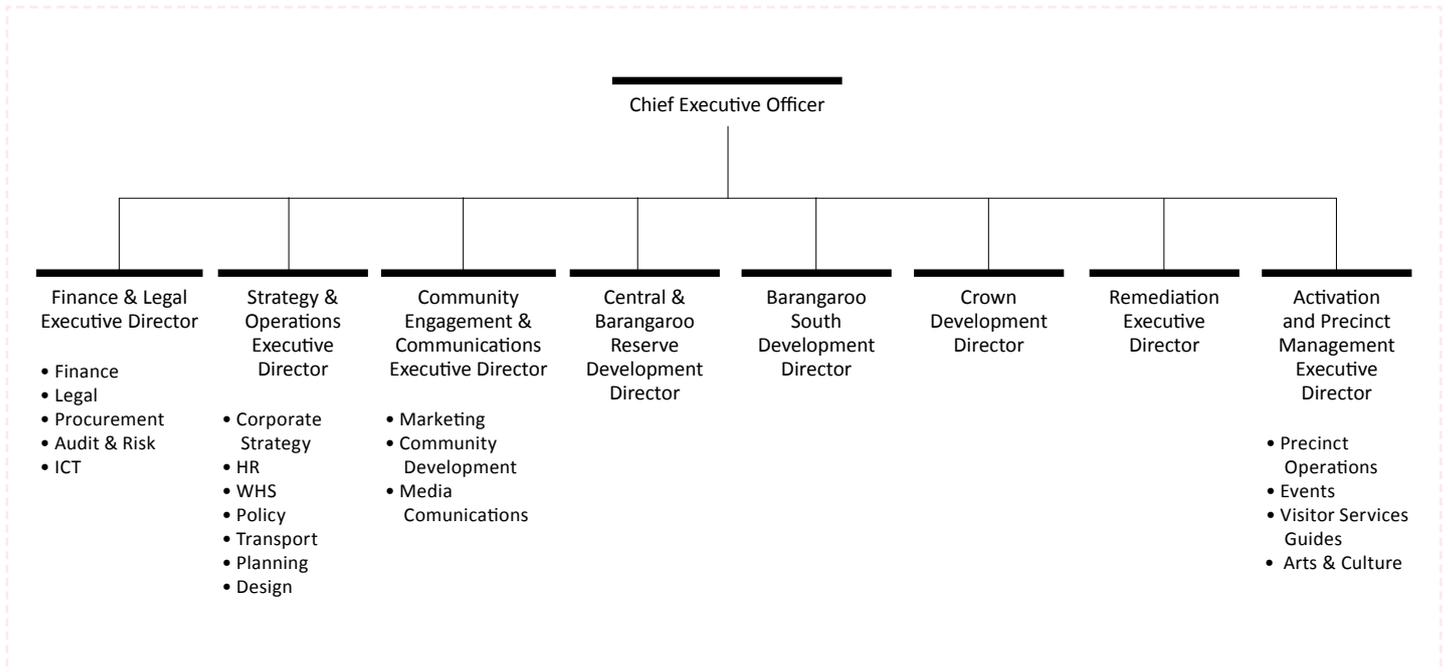
Reporting

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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 2017 is shown below. This structure was 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. These professionals are supported by specialised consultants who work together with Authority employees and partners to deliver and manage the Barangaroo precinct.

Senior management

At 30 June 2017, the senior management of the Authority was:

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

Chief Executive Officer (see Board biography)

Tim Robertson (BUrbRegPlan)

Executive Director, Strategy and Operations

Stuart Pauly (BEC, CA)

Executive Director, Finance and Legal

Tony Gulliver (BArch, GradDipPropDev)

Development Director, Barangaroo South

Rhian Greenrod (BBus&Prop, GradDipProjMgt)

Development Director, Crown

Peter Funder (BPlan&Design, BPropConst)

Development Director, Central Barangaroo and Barangaroo Reserve

Sandra Bender (BA, LLB (Hons))

Executive Director, Activation and Precinct Management

Paul Hunter (BEng (Hons), CEng)

Executive Director, Remediation

Amanda Wilson (GAICD)

Executive Director, Community Engagement and Communications

Human resources

At 30 June 2017, the Authority had a total of 59 employees.

Employees by category

Salary scale**	30 June 2015		30 June 2016		30 June 2017	
	Total	Women	Total	Women	Total	Women
Grade 1–2 or equivalent	0	0	1	1	1	1
Grade 3–4 or equivalent	2	2	4	2	5	4
Grade 5–6 or equivalent			4	3	7	5
Grade 7–8 or equivalent	5	3	3	2	3	2
Grade 9–10 or equivalent			5	2	9	5
Grade 11–12 or equivalent	7	4	8	3	17	6
Above Grade 12 or equivalent	20	7	13	4	17	7
Total number of employees*	34	16	38	15	59	30

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

** Salary scale has changed for 2017

Senior Executives

Senior Executive Band	2015		2016		2017	
	Women	Men	Women	Men	Women	Men
Senior Executive Band 3	0	2	0	2	0	1
Senior Executive Band 2	0	2	1	4	2	6
Senior Executive Band 1	7	9	3	3	6	2

In 2016–17, a total of 52.4% 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 2016–17 is provided in line with statutory reporting requirements.

Craig van der Laan, Chief Executive Officer, Senior Executive Band 3: total remuneration paid, \$648,648.

The Chief Executive Officer's 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 remuneration paid for the year.

Human resources (continued)

Workforce Diversity

The Authority's workplace diversity data shows strong representation of women across the organisation, including 44% of those in the Senior Executive band. The representation of people from Aboriginal and/or Torres Strait Islander descent is well above the NSW benchmark. The proportion of staff whose first language was not English is below the NSW benchmark and this will inform a greater focus on workplace diversity at the Authority in the year ahead.

Workforce Diversity Group	NSW Benchmark	2015	2016	2017
Women	50%	50.0%	43.6%	51.7%
Aboriginal and/or Torres Strait Islander People	3.3%	0.0%	10.9%	9.0%
People whose First Language Spoken as a Child was not English	23.2%	10.3%	11.5%	12.7%
People with a Disability	N/A	0.0%	0.0%	0.0%
People with a Disability Requiring Work-Related Adjustment	N/A	0.0%	0.0%	0.0%

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 2016–17, initiatives included:

- Extensive programs organised for NAIDOC week.
- Community programs targeting disadvantaged New South Wales communities that may usually be unable to participate due to individual or community hardship. One of the programs provided students, parents and teachers from regional locations (e.g. Taree Public School, with predominantly Aboriginal students) an opportunity to attend Barangaroo NAIDOC celebrations and associated educational activities.
- The ongoing partnership with First Hand Solutions to present Blak Markets at Barangaroo. The Blak Markets is Sydney's leading indigenous retail experience, with proceeds supporting local community programs.
- Tour facilitation in partnership with the Tribal Warrior Association.
- Successful roll-out of cultural awareness training for Authority employees – the program increases staff mindfulness and understanding of appropriate management and engagement with employees from diverse backgrounds.
- Participation in the Barangaroo Careers Day run in partnership with National Aboriginal Sporting Chance Academy (NASCA). The careers day is a joint program facilitated by the Authority and Barangaroo tenants to host students NASCA works with across Sydney and provide insights in the types of employment available at Barangaroo.

Board committees

Audit and Risk Management Committee

Responsibilities of the Audit and Risk Management Committee include:

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

Members of the committee and their terms of appointment are:

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

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

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 and was reappointed for a further three years expiring 11 February 2020.

Arts and culture oversight

Barangaroo Arts and Public Programs Panel

The Barangaroo Arts and Public Programs Panel responsibilities include:

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

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

Member	Meetings held while appointed	Attended
Gabrielle Trainor AO (Chair)	3	3
Craig van der Laan	3	3
Peter Young AM	3	2
Alison Page	3	3
Lisa Havilah	1	1
Simon Hardy	2	2
Leon Paroissien AM	3	3
Stuart Buchanan	1	1
Lee-Ann Buckskin	1	1
Noel Staunton	1	1
Jess Scully	2	2
Wesley Enoch	3	2

Internal audit and risk management

Internal Audit and Risk Management Attestation Statement for the 2016-17 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 (8) 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

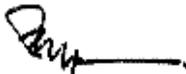
Audit and Risk Committee

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, Peter Young – start term date: 1 July 2014; finish term date: 30 June 2018
- Independent Member, Carolyn Burlew – 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 2020
- Independent Member, Gabrielle Trainor – start term date: 18 May 2010; resigned: 28 November 2016



Craig van der Laan
Chief Executive Officer
01 November 2017



Stuart Pauly
Executive Director Finance & Legal
E: Stuart.Pauly@barangaroo.nsw.gov.au

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.

The Authority uses probity advisers where appropriate.

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

The Authority's role as roads authority for parts of Hickson Road, Sussex Street 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 NSW Treasury Managed Fund.

Other statutory reporting obligations

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.

Staff receive on-going training on the Authority’s Code of Ethics and Conduct for Authority employees.

Work health and safety

Work health and safety initiatives at the Authority have grown in line with the overall growth of the organisation and the activities at Barangaroo. Over the past three years, site-specific safety procedures that relate to the Authority’s work streams have been developed, including corporate/office construction sites managed by third party contractors, remediation, roads, and public domain. In particular, staff at the Authority are increasingly active in managing the public domain, including Barangaroo Reserve, and there are now detailed procedures and protocols to minimise safety risks for staff and all visitors in the public domain. This includes continual hazard identification, incident reporting and subsequent hazard management, ongoing WHS training, induction for all those involved in the variety of events held at Barangaroo, and external auditing to verify that legislative and WHS policy duties are being fulfilled.

Details of injuries to BDA staff at the workplace:

Year	Injuries
2014-15	0
2015-16	1
2016-17	4

There has been a renewed focus on developing a uniform online WHS Induction Training programme. This will provide for the establishment and development of a harmonious unified WHS culture across the Authority.

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 2016–17. 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:

1. A 24-hour community information line
– phone (02) 9255 1700 or 1300 966 480
2. Dedicated information email addresses
– info@barangaroo.com and community@barangaroo.com

The Authority received and responded to 495 emails during the year.

3. Social media, including Facebook, YouTube, LinkedIn, Instagram and Twitter. All mechanisms are monitored regularly, with enquiries and complaints responded to promptly and, where appropriate, forwarded on to the relevant entity for resolution.

The Authority responded to 63 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)

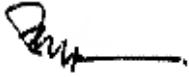
Digital Information Security Policy

Digital Information Security Annual Attestation Statement for the 2016-2017 Financial Year for Barangaroo Delivery Authority

I, Craig van der Laan, am of the opinion that Barangaroo Delivery Authority had an Information Security Management System in place during the 2016-2017 financial year 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 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
01 November 2017

Overseas travel and promotion

There was no overseas travel by BDA staff during the past year.

Resource Efficiency and Sustainability

The Authority submitted a report to the Office of Environment and Heritage in December 2016 under the *NSW Government Resource Efficiency Policy (GREP)* requirements. That policy aims to reduce the NSW Government's operating costs and have the public sector lead by example in increasing resource efficiency.

The Authority continues to demonstrate a commitment to its own sustainability, including energy and water efficiency and reducing the generation of waste. The Authority has developed an internal sustainability strategy that includes ongoing management of GREP reporting requirements.

Resource efficiency and waste minimisation initiatives in place at the Authority's offices during the 2016–17 year included:

1. the introduction of soft plastics recycling in the office
2. a change from using 50% recycled paper to 100% recycled paper for all A4 sized paper used in all office devices
3. introduction of an electronic records management system aimed at consolidating information and reducing reliance on paper files
4. inclusion of sustainability criteria in procurement documentation and in design briefs for any new Authority office space.

The Authority is responsible for operations in the public domain of Barangaroo, with Barangaroo Reserve opening in August 2015, and the Barangaroo South public domain handed over in October 2016. Facilities management contractors collate water and energy consumption data for the Reserve, which will be reported in the 2016-17 GREP report due in December 2017. Energy consumption in the South public domain is fully offset by solar energy (photovoltaic) installed on commercial and residential buildings, as per the development agreements and leases.

Waste contractors have provided data on waste streams for use in the 2016-17 GREP report. A detailed waste audit was completed in March 2017, which identified numerous opportunities for waste reduction across the precinct. Recommendations are currently being considered and implemented over the coming year.

Recycled water is used for irrigating parklands and public domain areas. Recycled water makes up more than 25% of water used in the public domain.

All office and facilities equipment purchased during the 2016–17 financial year complied with GREP procurement standards as set out in the policy.

The Authority purchased all power, including 6% GreenPower, through NSW Government-wide electricity contracts for large and small sites (Contract numbers 777 and 776).

Other statutory reporting obligations (continued)

Consultants

The Authority engages consultants for specialised work only where there is no in-house expertise or if 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 consultants whose fees exceeded \$50,000 were engaged during the year as shown in the table below. These fees totalled \$10,910,352 and include consulting expenditure that was capitalised in the construction of Barangaroo Reserve and Central Barangaroo.

A further 72 consultants whose fees were valued at up to \$50,000 were engaged during the year to a value of \$1,138,071.

Consultant	Description	Total (\$)
Access Public Relations Pty Ltd	Public relations services.	143,685
Advisian Pty Ltd	Superintendent services for Barangaroo Reserve.	324,449
AECOM Australia Pty Ltd	Technical planning review for Central Barangaroo and Sydney Metro.	374,948
Altus Group Cost Management Pty Ltd	Quantity surveyor.	54,094
APP Corporation Pty Ltd	Remediation services for ground contamination.	602,764
BaxCorp Consulting Pty Ltd	Advisory services for property and infrastructure.	97,875
Clayton UTZ	Legal services for property and commercial advisory.	3,516,630
Consara Pty Ltd	Remediation Project Management Services.	212,357
Divergence Group Pty Ltd	Technical advisory consultants for public domain.	119,660
Doll Martin Associates Pty Ltd	ISMS attestation project.	113,418
Ernst & Young	Financial and analysis advisory services.	226,505
Finlay Consulting	Negotiation services for development agreements.	116,250
Flux Consultants Pty Ltd	Environmental sustainability advisory services.	242,488
G.S. Luckins & Associates Pty Ltd (Buro North)	Temporary wayfinding strategy.	72,060
Kate Brennan	Place activation and precinct management strategic advisory services.	366,018
KPMG	Financial advisory services including tax advisory.	194,114
Moorilla Estate Pty Ltd	Concept and plan for a major new annual cultural event.	55,000
Naughtyfish Pty Limited	Graphic design services.	105,804
Peter Walker And Partners	Landscape design services for Barangaroo public domain.	108,640
PricewaterhouseCoopers	Internal audit services.	165,005
Principals Pty Ltd	Deliver a unified brand strategy for Barangaroo.	290,563
RiskLogic Pty Ltd	Security advisory services.	85,680
Skidmore, Owings Merrill LLP	Urban design planning services.	348,127
Straight Talk Pty Ltd	Marketing advisory services.	95,009
Tracey Brunstrom & Hammond Pty Ltd	Remediation programming and scheduling services.	183,270
TSA Management Pty Ltd	Project management services for remediation.	1,966,932
Turner & Townsend Thinc Pty Ltd	Project management advisory services for Harbour Control Tower.	141,741
Warren Smith & Partners	Technical advice Hickson Road upgrade.	78,208
WSPLincolne Scott Pty Ltd	Infrastructure and environmental consulting services.	58,280
WT Partnership	Quantity surveyor.	450,780

Other statutory reporting obligations (continued)

Land disposal

The Authority did not dispose of any land during the 2016–17 year.

Funds granted to non-government organisations

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

Payment of accounts

The table below summarises the Authority's accounts payable performance during the year. A target of 90% 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 2016 \$'000	Quarter Ended 31 Dec 2016 \$'000	Quarter Ended 31 Mar 2017 \$'000	Quarter Ended 30 Jun 2017 \$'000	Total accounts paid on time \$'000
Percentage of accounts paid on time	90%	93%	88%	90%	90%
Total dollar of accounts paid on time – 0–30 days	25,900	27,149	20,331	33,935	107,315
31–60 days	2,166	1,493	1,869	2,797	8,325
61–90 days	444	375	642	220	1,681
>90 days	159	46	331	753	1,289
Total dollar of accounts paid	28,669	29,063	23,173	37,705	118,610

No Penalty interest was paid to small business creditors for late payment during the year.

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 Memoranda 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 \$2400.

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 to continuously 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:

1. contracts entered into by the Authority
2. information about the progress of environmental planning applications
3. details of events and activities at the Barangaroo site
4. construction and eNews updates
5. sustainability information
6. newsletters, fact sheets, media releases and community notifications
7. images and videos
8. maps
9. corporate brochures.

Number of access applications received

The Authority received one government information access application during the year. This application was subsequently withdrawn.

Number of refused applications

During the year, 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	1
Members of Parliament	0	0	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 2016–17

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

During the year, the Authority continued to assist the Department of Premier and Cabinet in its statutory review of the *Barangaroo Delivery Authority Act 2009*, as required by that Act.

Subsequent to the review, amendments were made to the BDA Act by way of the *Statute Law (Miscellaneous Provisions) Act 2017*. These amendments which commenced between June 2017 and July 2017, were minor in nature and included:

- updated references to the Barangaroo Reserve (previously Barangaroo Headland Park)
- insertion of a new section 24A regarding the nature of Ministerial consent to certain dealings with land
- updating the approved means of Board communications to include email.

Section 4

Financial statements

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Barangaroo Delivery Authority**
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Barangaroo Delivery Authority Staff Agency**
- Statement by Members of the Board
 - 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 2017

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 2017 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

25 September 2017
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 statements of financial position as at 30 June 2017, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

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 2017, 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 the standards are 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 requirements of the:

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

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

Parliament 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
- precluding the Auditor-General from providing non-audit services.

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

Independent Auditor's Report (continued)

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of financial statements that 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 except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must, disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

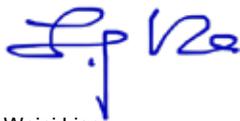
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

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 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/auditors_responsibilities/ar3.pdf. 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
- about any other information which may have been hyperlinked to/from the financial statements.



Weini Liao
Director, Financial Audit Services

25 September 2017
SYDNEY

Statement of comprehensive income

for the year ended 30 June 2017

Start of Audited Financial Statements

	Notes	Consolidated			Authority	
		Actual June 2017 \$'000	Budget June 2017 \$'000	Actual June 2016 \$'000	Actual June 2017 \$'000	Actual June 2016 \$'000
Expenses excluding losses						
Operating expenses						
Employee related expenses	2(a)	(11,492)	(11,714)	(10,534)	(2,708)	(3,439)
Personnel services expenses	2(a)	-	-	-	(8,784)	(7,095)
Other operating expenses	2(b)	(24,881)	(29,748)	(40,599)	(24,881)	(40,599)
Depreciation	2(c)	(7,582)	(6,391)	(7,477)	(7,582)	(7,477)
Grants and subsidies	2(d)	(741)	-	(1,247)	(741)	(1,247)
Finance costs	2(e)	(20,873)	(37,524)	(19,526)	(20,873)	(19,526)
Total Expenses Excluding Losses		(65,569)	(85,377)	(79,383)	(65,569)	(79,383)
Revenue						
Investment revenue	3(a)	16,145	24,580	15,395	16,145	15,395
Other revenue	3(c)	67,371	3,644	6,243	67,371	6,243
Total Revenue		83,516	28,224	21,638	83,516	21,638
Gain/(Loss) on disposal	3(b)	39,606	32,205	3,283	39,606	3,283
Other gains/(losses)	3(d)	20,948	-	53,984	20,948	53,984
NET RESULT	18	78,501	(24,948)	(478)	78,501	(478)
Other comprehensive income						
<i>Items that will not be reclassified to net result in subsequent periods</i>						
Net increase/(decrease) in property, plant and equipment revaluation		88,114	-	58,261	88,114	58,261
Net increase/(decrease) in revaluation from a change in restoration liability		(56,272)	-	(58,261)	(56,272)	(58,261)
Total items that will not be reclassified to net result in the future		31,842	-	-	31,842	-
Total items that may be reclassified subsequently to Net Result		-	-	-	-	-
Total other comprehensive income		31,842	-	-	31,842	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		110,343	(24,948)	(478)	110,343	(478)

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2017

	Notes	Consolidated			Authority	
		Actual June 2017 \$'000	Budget June 2017 \$'000	Actual June 2016 \$'000	Actual June 2017 \$'000	Actual June 2016 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	4	696	202	1,320	352	1,092
Receivables	5	10,835	9,351	24,998	10,835	24,998
Non-current assets held for sale	6	71,101	7,448	84,722	71,101	84,722
Total Current Assets		82,632	17,001	111,040	82,288	110,812
Non-Current Assets						
Receivables	5	384,750	433,268	251,937	384,750	251,937
Property, plant and equipment						
- Land		285,258	243,493	265,098	285,258	265,098
- Plant and equipment		459	11,363	646	459	646
- Infrastructure		312,307	284,170	278,334	312,307	278,334
- Work in progress		11,914	22,278	8,798	11,914	8,798
Total property, plant and equipment	7	609,939	561,304	552,876	609,938	552,876
Total Non-Current Assets		994,688	994,572	804,813	994,688	804,813
Total Assets		1,077,320	1,011,573	915,853	1,076,976	915,625
LIABILITIES						
Current Liabilities						
Payables	9	23,952	15,562	11,308	24,213	11,604
Borrowings	10	164,919	54,404	53,933	164,919	53,933
Provisions	11	153,839	77,922	130,106	153,034	129,434
Other	12	7,551	16,528	10,686	7,551	10,686
Total Current Liabilities		350,260	164,416	206,033	349,717	205,657
Non-Current Liabilities						
Payables	9	-	-	-	384	287
Borrowings	10	351,367	670,533	446,695	351,367	446,695
Provisions	11	172,116	64,580	169,891	171,931	169,752
Other	12	10,761	-	10,761	10,761	10,761
Total Non-Current Liabilities		534,244	735,113	627,347	534,443	627,495
Total Liabilities		884,504	899,529	833,380	884,160	833,152
Net Assets		192,816	112,044	82,473	192,816	82,473
EQUITY						
Reserves		31,842	88,733	-	31,842	-
Accumulated funds		160,974	23,311	82,473	160,974	82,473
Total equity		192,816	112,044	82,473	192,816	82,473

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2017

Notes	Consolidated			Authority		
	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2016	82,473	-	82,473	82,473	-	82,473
Net result for the year	78,501	-	78,501	78,501	-	78,501
Other comprehensive income						
Net increase/(decrease) in property, plant and equipment revaluation	-	88,114	88,114	-	88,114	88,114
Net increase/(decrease) in revaluation from a change in restoration liability	-	(56,272)	(56,272)	-	(56,272)	(56,272)
Total other comprehensive income	-	31,842	31,842	-	31,842	31,842
Total comprehensive income for the year	78,501	31,842	110,343	78,501	31,842	110,343
Balance at 30 June 2017	160,974	31,842	192,816	160,974	31,842	192,816
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

Statement of cash flows

for the year ended 30 June 2017

	Notes	Consolidated			Authority	
		Actual June 2017 \$'000	Budget June 2017 \$'000	Actual June 2016 \$'000	Actual June 2017 \$'000	Actual June 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(11,897)	(11,461)	(11,019)	(11,897)	(11,019)
Grants and subsidies		(815)	-	(43,392)	(815)	(43,392)
Finance costs		(14,898)	(34,588)	(15,082)	(14,898)	(15,082)
Other		(63,115)	(112,778)	(38,646)	(63,232)	(38,630)
Total payments		(90,725)	(158,827)	(108,139)	(90,842)	(108,123)
Receipts						
Interest received		158	24,580	223	158	223
Recovery of claims		41,250			41,250	
Other		33,070	45,849	39,121	33,070	39,121
Total Receipts		74,478	70,429	39,344	74,478	39,344
NET CASH FLOWS FROM OPERATING ACTIVITIES	16	(16,247)	(88,398)	(68,795)	(16,364)	(68,779)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		-	36,333	-		
Purchases of property, plant and equipment		(36)	(7,250)	(5,746)	(36)	(5,746)
Advances made		-	(99,529)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(36)	(70,446)	(5,746)	(36)	(5,746)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings		54,659	262,844	74,577	54,659	74,577
Repayment of borrowings		(39,000)	(104,000)	(39,000)	(39,000)	(39,000)
NET CASH FLOWS FROM FINANCING ACTIVITIES		15,659	158,844	35,577	15,659	35,577
NET INCREASE/(DECREASE) IN CASH		(624)	-	(38,964)	(740)	(38,948)
Opening cash and cash equivalents		1,320	202	40,284	1,092	40,040
CLOSING CASH AND CASH EQUIVALENTS	4	696	202	1,320	352	1,092

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 named Office of the Barangaroo Delivery Authority).

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Authority's Board on 25 September 2017.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015*
- Financial Reporting Directions mandated by the Treasurer.

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

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

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

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

Non-taxable entity

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

Historical cost convention

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars (\$'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 Manager 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 and
- receivables and payables are stated with the amount of GST included.

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

(h) Income recognition

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 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 (Agreement) with Lend Lease (Millers Point) and Lend Lease Corporation for the development of Barangaroo South.

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

(i) 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 a feasible higher restricted alternative use.

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

The Authority re-values each class of property, plant and equipment and infrastructure 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 March 2017 and was based on an independent assessment.

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

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

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

For other assets valued using other valuation 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 asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as losses 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 2016/17:

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

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset 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 uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

(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 de-recognition.

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

(iii) Employee benefits and other provisions

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

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

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

(b) Long service leave

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

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

(c) Superannuation

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

(d) Consequential on-costs

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

(iv) Other provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as 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 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 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17:

- AASB 2014-4
- AASB 2015-1
- AASB 2015-2
- AASB 2015-6
- AASB 2015-7
- AASB 2015-8

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
AASB 15/2016-17 Revenue from Contracts with Customers	Annual reporting periods beginning on or after 1 January 2019	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.
AASB 16 Amendments to Australian Accounting Standards-Leases	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.
AASB 15/2014-5 amendments to Australian Accounting Standards arising from the issuance of AASB 15.	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 however the impact of the new standard is not known or currently estimable. The Authority is still assessing and quantifying the impact.
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	Annual reporting periods beginning on or after 1 January 2017	There will be no impact on reported financial position or performance. BDA will make additional disclosures on changes in liabilities arising from financing activities.
AASB 1058 Income of Not-for-Profit Entities	Annual reporting periods beginning on or after 1 January 2019	The application of AASB 1058 is likely to have an impact on the Authority's revenue recognition policy however the impact of the new standard is not known or currently estimable. The Authority is still assessing and quantifying the impact.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
2 Expenses Excluding Losses				
(a) Employee related expense				
Salaries and wages (including annual leave)	7,478	6,262	-	-
Superannuation - defined contribution plans	655	400	-	-
Long service leave	109	18	-	-
Workers compensation insurance	22	20	-	-
Payroll tax and fringe benefits	520	395	-	-
Personnel services expenses	-	-	8,784	7,095
Contractors	2,708	3,439	2,708	3,439
	11,492	10,534	11,492	10,534
(b) Other operating expenses				
Administration	4,072	2,480	4,072	2,480
Auditor's remuneration - audit of financial statements	161	138	161	138
Consultants	2,205	3,975	2,205	3,975
Directors' fees	134	141	134	141
Insurance	99	12	99	12
Legal	1,048	778	1,048	778
Community and consultation	1,363	1,212	1,363	1,212
Precinct management*	14,356	10,317	14,356	10,317
Provision for Climate Positive Fund	1,443	598	1,443	598
Restoration expense**	-	20,948	-	20,948
	24,881	40,599	24,881	40,599
(c) Depreciation expenses				
Property, plant and equipment	223	745	223	745
Infrastructure	7,359	6,732	7,359	6,732
	7,582	7,477	7,582	7,477
(d) Grants and subsidies				
Integration works - local council	741	1,247	741	1,247
	741	1,247	741	1,247
(e) Finance costs				
Interest on borrowing measured at amortised cost	14,517	15,346	14,517	15,346
Unwinding of Discount Rate	6,356	4,180	6,356	4,180
	20,873	19,526	20,873	19,526
3 Other revenue				
(a) Investment revenue				
Interest from cash at bank	102	69	102	69
Interest from finance leases	15,987	15,172	15,987	15,172
TCorp Hour-Glass Investment Facilities designated at interest on borrowing measured at amortised cost	56	154	56	154
	16,145	15,395	16,145	15,395

* 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. The total restoration expense for 2016-17 was \$56.3 million as per note 11.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
3 Other revenue (cont.)				
(b) Gain/(Loss) on Disposal				
Net proceeds from lease of land	39,606	3,349	39,606	3,349
Loss on disposal of Property, plant and equipment	-	(66)	-	(66)
	39,606	3,283	39,606	3,283
(c) Other revenue				
Road permits	1,318	1,618	1,318	1,618
Sundry revenue	18,717	2,121	18,717	2,121
Recovery of claims	41,250	-	41,250	-
Estate Levies	6,086	2,504	6,086	2,504
	67,371	6,243	67,371	6,243
Current year sundry revenue included first time recognition of infrastructure, of which the Authority is deemed to be the road authority.				
(d) Other gains/(losses)				
Prior year provision reversal	20,948	53,984	20,948	53,984
	20,948	53,984	20,948	53,984
4 Current Assets - Cash and Cash Equivalents				
Cash at bank and on hand	352	1,320	696	1,092
	352	1,320	696	1,092
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	1,931	8,210	1,931	8,210
Goods and services tax recoverable	2,571	177	2,571	177
Accrued revenue	25	93	25	93
Prepayments	75	3,801	75	3,801
Finance lease receivables	14	6,233	6,233	12,717
	10,835	24,998	10,835	24,998
Non Current				
Prepayments	6,994	6,988	6,994	6,988
Finance lease receivables	14	377,756	377,756	244,949
	384,750	251,937	384,750	251,937
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	84,722	23,049	84,722	23,049
Sale of leased land	(84,721)	(13,645)	(84,721)	(13,645)
Transfer from land	71,100	75,318	71,100	75,318
Balance at the end of the financial year	71,101	84,722	71,101	84,722

Land in respect of Block 7 was transferred to held for sale as it is in condition available for sale and is expected to be sold as leased land over the next 12 months.

Notes to the financial statements (continued)

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
7 Non-Current Assets - Property, plant and equipment				
Land at fair value				
Gross carrying amount	285,258	265,098	285,258	265,098
Accumulated depreciation	-	-	-	-
Net carrying amount	285,258	265,098	285,258	265,098
Plant and equipment at fair value				
Gross carrying amount	2,338	2,302	2,338	2,302
Accumulated depreciation	(1,879)	(1,656)	(1,879)	(1,656)
Net carrying amount	459	646	459	646
Infrastructure				
Gross carrying amount	326,398	285,066	326,398	285,066
Accumulated depreciation	(14,091)	(6,732)	(14,091)	(6,732)
Net carrying amount	312,307	278,334	312,307	278,334
Work in progress	11,914	8,798	11,914	8,798
Total property, plant and equipment at fair value	609,938	552,876	609,938	552,876
Gross carrying amount	625,908	561,264	625,908	561,264
Accumulated depreciation	(15,970)	(8,388)	(15,970)	(8,388)
Total property, plant and equipment at fair value	609,938	552,876	609,938	552,876

2017 Infrastructure included \$1.1 million of roads, \$15.0 million of land under roads and \$9.4 million of land under public domain.

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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Land at fair value				
Net carrying amount at 1 July	265,098	228,787	265,098	228,787
Reclassification of assets held for sale	(71,100)	(75,318)	(71,100)	(75,318)
Revaluation increment recorded in asset revaluation surplus	70,312	58,261	70,312	58,261
Depreciation expense	-	(616)	-	(616)
Revaluation increment recorded in net results	20,948	53,984	20,948	53,984
Net carrying amount at 30 June	285,258	265,098	285,258	265,098
Plant and equipment at fair value				
Net carrying amount at 1 July	646	358	646	358
Additions	36	483	36	483
Disposals	-	(66)	-	(66)
Depreciation expense	(223)	(129)	(223)	(129)
Net carrying amount at 30 June	459	646	459	646

Notes to the financial statements (continued)

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Infrastructure				
Net carrying amount at 1 July	278,334	-	278,334	-
Revaluation increment recorded in asset revaluation surplus	17,802	-	17,802	-
Revaluation increment recorded in other revenue	16,062	-	16,062	-
Capitalised and transferred from work in progress	7,468	238,153	7,468	238,153
Transferred from finance lease receivable	-	46,913	-	46,913
Depreciation expense	(7,359)	(6,732)	(7,359)	(6,732)
Net carrying amount at 30 June	312,307	278,334	312,307	278,334
Work in progress				
Opening balance at 1 July	8,798	241,686	8,798	241,686
Additions	10,584	5,265	10,584	5,265
Capitalised and transferred to fixed assets	(7,468)	(238,153)	(7,468)	(238,153)
Closing balance at 30 June	11,914	8,798	11,914	8,798

8 Fair value measurement of non-financial assets

(a) Fair value hierarchy

2017

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 7)				
Land	-	253,049	32,209	285,258
Infrastructure	-	-	312,307	312,307
Non-current assets held for sale (Note 6)	-	71,101	-	71,101
	-	324,150	344,516	668,666

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

2016

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Property, plant and equipment (Note 7)				
Land	-	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 or 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	Market approach - land is valued on comparable property sales transactions.	<ul style="list-style-type: none"> Comparable property sales values Adjustments for scale of site and infrastructure costs
Infrastructure	Current replacement cost approach.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Comparable property sales values

Notes to the financial statements (continued)

(c) Reconciliation of Level 3 fair value measurements 2017

	Land \$'000	Infrastructure \$'000	Total Recurring Level 3 Fair value \$'000
Fair value as at 1 July 2016	7,250	278,334	285,584
Revaluation increments/decrements recognised in Net result - included in the line item 'Increase in property, plant and equipment revaluation surplus'	24,959	41,332	66,291
Depreciation expense	-	(7,359)	(7,359)
Fair value as at 30 June 2017	32,209	312,307	344,516

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

2016

	Land \$'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
Depreciation expense	-	(6,732)	(6,732)
Fair value as at 30 June 2016	7,250	278,334	285,584

Consolidated		Authority	
2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000

9 Current/Non-Current Liabilities - Payables

Current

Creditors	445	15	445	15
Accrued expenses	17,381	4,947	17,381	4,947
Refundable security deposits and bonds	1,339	1,324	1,339	1,324
Interest payable	4,614	4,995	4,614	4,995
Personnel services payable	-	-	434	323
Payables - accrued salaries, wages and on-costs	173	27	-	-
	23,952	11,308	24,213	11,604

Non-current

Personnel services payable	-	-	384	287
	-	-	384	287

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

Notes to the financial statements (continued)

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
10 Current/Non-Current Liabilities - Borrowings				
Current				
TCorp borrowings	164,919	53,933	164,919	53,933
	164,919	53,933	164,919	53,933
Non-current				
TCorp borrowings	351,367	446,695	351,367	446,695
	351,367	446,695	351,367	446,695
<p>The fair value of these unsecured loans as at balance date was \$528 million (2016: \$522 million). Details on credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 17.</p>				
11 Current/Non-Current Liabilities - Provisions				
Current				
Employee benefits and related on-costs				
Annual leave	606	524	-	-
Long service leave	199	148	-	-
Other Provisions				
Provision for Restoration	150,993	129,434	150,993	129,434
Provision for Climate-Positive Fund	2,041	-	2,041	-
	153,839	130,106	153,034	129,434
Non current				
Employee benefits and related on-costs				
Long service leave	185	139	-	-
Other provisions				
Provision for Restoration	171,931	169,154	171,931	169,154
Provision for Climate-Positive Fund	-	598	-	598
	172,116	169,891	171,931	169,752
Aggregate employee benefits and related on-costs				
Provision - current	805	672	-	-
Provisions - non-current	185	139	-	-
Accrued salaries, wages and on-costs (note 9)	173	27	-	-
	1,163	838	-	-

In accordance with the NSW Treasury Circular 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
2017			
Carrying amount at the beginning of the financial year	298,588	598	299,186
Additional provisions recognised	56,272	1,443	57,715
Amounts used	(38,292)	-	(38,292)
Increase in provision from unwinding of discount rate	Note 2 (e)	-	6,356
Carrying amount at the end of the financial year	322,924	2,041	324,965
2016			
Carrying amount at the beginning of the financial year	223,432	-	223,432
Additional provisions recognised	79,209	598	79,807
Amounts used	(8,233)	-	(8,233)
Increase in provision from unwinding of discount rate	Note 2 (e)	-	4,180
Carrying amount at the end of the financial year	298,588	598	299,186

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, as a remediation site. The restoration provision accounts for all requisite investigation and construction works, documentation, specialist 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 Commonwealth Bond rate at 30 June 2017 (1.9%). In comparison, the Authority's weighted average borrowing rate (2.97%) was used to calculate the provision in 2016. Restoration works are expected to be completed by September 2020.

The Authority has committed to Barangaroo operating as a Carbon Neutral precinct that will be delivered through a carbon reconciliation and offsetting process, using a proportion of the funds generated by the Estate Levy to purchase Renewable Energy Certificates (RECs) and offsets where appropriate. The Authority allocates an amount no greater than \$4.90 per annum of the Estate Levy per m2 of GFA for each building which has achieved Practical Completion to Climate Positive Fund provision account.

The Authority intends to utilise the nationally recognised National Carbon Offset Standard (NCOS) certification process to validate carbon neutrality once the standard is introduced.

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
12 Current/Non-Current Liabilities - Other				
Current				
Lease receipts in advance	7,551	10,686	7,551	10,686
	7,551	10,686	7,551	10,686
Non current				
Lease receipts in advance	10,761	10,761	10,761	10,761
	10,761	10,761	10,761	10,761

13 Commitments for Expenditure

(a) Capital Commitments

Aggregate capital expenditure contracted for at balance date and not provided for:

Not later than one year	7,101	-	7,101	-
Later than one year and not later than five years	652	-	652	-
Later than five years	-	-	-	-
Total (including GST)	7,753	-	7,753	-

The capital commitments above include GST of \$0.7 million (2016: nil) that is expected to be recoverable from the Australian Taxation Office. 57

Notes to the financial statements (continued)

	Consolidated		Authority	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
14 Leases				
(a) Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	1,573	1,025	1,573	1,025
Later than one year and not later than five years	6,968	-	6,968	-
Later than five years	-	-	-	-
Total (including GST)	8,541	1,025	8,541	1,025
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 \$0.8 million (2016: \$0.09 million) that is expected to be recoverable from the Australian Taxation Office.				
(b) Finance Lease Receivable				
Not later than one year	6,233	12,717	6,233	12,717
Later than one year and not later than five years	474,178	339,969	474,178	339,969
Later than five years	-	-	-	-
Minimum lease payments receivable	480,411	352,686	480,411	352,686
Less future interest income	(96,422)	(95,020)	(96,422)	(95,020)
Present value of minimum lease payment receivables	383,989	257,666	383,989	257,666
Included in Financial Statements (refer Note 5)				
Current finance lease receivable	6,233	12,717	6,233	12,717
Non current finance lease receivable	377,756	244,949	377,756	244,949
	383,989	257,666	383,989	257,666
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	(16,247)	(68,795)	(16,364)	(68,779)
Depreciation	(7,582)	(7,477)	(7,582)	(7,477)
Assets recognised for the first time recorded in net result	16,062	-	16,062	-
Gain on sale of property, plant and equipment	39,606	3,283	39,606	3,283
Finance lease interest income	15,987	15,172	15,987	15,172
Decrease/(increase) in receivables	(21,517)	(18,964)	(21,517)	(18,964)
Increase/(decrease) in creditors	(2,058)	47,168	(1,940)	47,152
(Decrease)/increase in provisions	51,261	36,357	51,261	36,357
Increase/(decrease) in unearned income	2,988	(7,222)	2,988	(7,222)
Net Result	78,501	(478)	78,501	(478)

Notes to the financial statements (continued)

17 Financial instruments

The Barangaroo Delivery Authority's (the Authority) 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 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 2017 \$'000	Carrying amount 2016 \$'000
Class:				
Cash and cash equivalents	4	N/A	696	1,320
Receivables ¹	5	Loans and receivables (at amortised cost)	385,946	265,969
Financial Liabilities				
Financial Liabilities	Note	Category	Carrying amount 2017 \$'000	Carrying amount 2016 \$'000
Class:				
Payables ²	9	Financial liabilities measured at amortised cost	22,613	9,984
Borrowings	10	Financial liabilities measured at amortised cost	516,286	500,628

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. 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 uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions 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
2017		
< 3 months overdue	1,213	1,213
3 months - 6 months overdue	303	303
> 6 months overdue	114	114
2016		
< 3 months overdue	485	485
3 months - 6 months overdue	49	49
> 6 months overdue	-	-

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 (2016: \$595 million). The Authority has received approval from NSW Treasury to increase debt facilities by \$140 million to \$735 million in September 2017. The Authority has arranged month-to-month rollover of the repayment of current borrowings with NSW Treasury Corporation. The net fair value of these loans at balance date was \$528 million (2016: \$522 million). The weighted average effective interest rate for the year was 2.82% (2016: 2.97%) 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 nil (2016: 10.28%).

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

Maturity analysis and interest rate exposure of financial liabilities:

	Weighted Average Effective Interest Rate	Nominal Amount ¹	\$'000			Maturity Dates		
			Interest Rate Exposure			<1 yr	1-5 yrs	> 5yrs
			Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing			
2017								
Payables	-	22,613	-	-	22,613	22,613	-	-
TCorp borrowings	2.82%	516,286	516,286	-	-	164,919	351,367	-
		538,899	516,286	-	22,613	187,532	351,367	-
2016								
Payables	-	9,984	-	-	9,984	9,984	-	-
TCorp borrowings	2.97%	500,628	500,628	-	-	59,933	440,695	-
		510,612	500,628	-	9,984	69,917	440,695	-

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

Notes to the financial statements (continued)

(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 risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

(e) 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	Equity	Profit	Equity
2017					
<i>Financial assets</i>					
Cash and cash equivalents	696	(7)	(7)	7	7
Receivables	385,946	-	-	-	-
<i>Financial liabilities</i>					
Payables	22,613	-	-	-	-
Borrowings	-	-	-	-	-
2016					
<i>Financial assets</i>					
Cash and cash equivalents	1,320	(13)	(13)	13	13
Receivables	265,969	-	-	-	-
<i>Financial liabilities</i>					
Payables	9,984	-	-	-	-
Borrowings	-	-	-	-	-

Notes to the financial statements (continued)

18 Budget review

Net result

The net result for the 2017 financial year was a \$78.5 million surplus against a budget deficit of \$24.9 million.

The favourable variance of \$103.4 million was due to the following:

- Total revenue was \$55.3 million favourable to budget, mainly from other revenue which included a confidential settlement reached with the original polluter of the site, as well as first time assets recognition.
- Total expenses were \$19.8 million favourable to budget mainly due to financing costs. The finance costs were significantly below budget due to timing of project expenditure including remediation, resulting in a lower debt balance as well as a lower interest rate than budgeted.
- Gains on disposal were \$7.4 million favourable to budget due to the timing of buildings reaching substantial commencement and finalisation of developer contributions for completed buildings.
- Other gains of \$20.9 million as a result of prior year restoration expense being reversed due to an increase in the revaluation of land.

Assets and liabilities

Overall net assets at 30 June 2017 are \$192.8 million which is \$80.8 million higher than budget.

Total assets are \$65.7 million higher than budget due to the revaluation of land for Central Barangaroo & completed public domain infrastructure including Barangaroo Reserve.

Total liabilities are \$884.5 million which is \$15.0 million below budget due to lower borrowings as a consequence of timing of expenditure, partially offset by higher provisions which includes restoration works on the site.

Cash flows

The actual net cash movement was \$0.6 million unfavourable to budget. This is attributable to cash to meet short term funding requirements.

19 Related Party Disclosures

The entity's key management personnel compensation are as follows:

	2017 \$'000
Short-term employee benefits	1,248
Post-employment benefits	45
Other long-term benefits	-
Termination benefits	-
Share-based payment	-
Total Remuneration	1,293

During the year, the entity entered into no transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the entity had debt facilities with the NSW Treasury Corporation. The capital value as at 30 June 2017 was \$516.3 million.

20 Events after the Reporting Period

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

End of audited financial statements

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

Barangaroo Delivery Authority Staff Agency

Barangaroo Delivery Authority Staff Agency

Statement by Members of the Board of Barangaroo Delivery Authority Staff Agency on the adoption of the financial statements for the year ended 30 June 2017

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 2017 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

25 September 2017
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 2017, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Agency as at 30 June 2017, 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 the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Agency in accordance with the requirements of the:

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

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

Parliament 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
- precluding the Auditor-General from providing non-audit services.

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

Independent Auditor's Report (continued)

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of financial statements that 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 Agency to continue as a going concern except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must, disclose, as applicable, matters related to going concern and the appropriateness of 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 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/auditors_responsibilities/ar3.pdf.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Agency carried out their 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
- about any other information which may have been hyperlinked to/from the financial statements.



Weini Liao
Director, Financial Audit Services

25 September 2017
SYDNEY

Statement of comprehensive income

for the year ended 30 June 2017

Start of Audited Financial Statements

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2	(8,784)	(7,095)
TOTAL EXPENSES EXCLUDING LOSSES		(8,784)	(7,095)
Revenue			
Personnel services revenue		8,784	7,095
Total REVENUE		8,784	7,095
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 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	3	345	228
Receivables	4	818	610
Total Current Assets		1,163	838
Total Assets		1,163	838
LIABILITIES			
Current Liabilities			
Payables	5	173	27
Provisions	6	805	672
Total Current Liabilities		978	699
Non-Current Liabilities			
Provisions	6	185	139
Total Non-Current Liabilities		185	139
Total Liabilities		1,163	838
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 2017

	Accumulated funds
	Notes \$'000
Balance at 1 July 2016	-
Net result for the year	-
Total comprehensive income	-
Transactions with owners in their capacity as owners	-
Balance at 30 June 2017	-
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	-

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(8,530)	(7,399)
Total Payments		(8,530)	(7,399)
Receipts			
Other		8,647	7,382
Total Receipts		8,647	7,382
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	117	(17)
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		117	(17)
Opening cash and cash equivalents		228	245
CLOSING CASH AND CASH EQUIVALENTS	3	345	228

The accompanying notes form part of these financial statements.

Notes to the financial statements

Barangaroo Delivery Authority Staff Agency

1 Summary of Significant Accounting Policies

(a) Reporting entity

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

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

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Authority's Board on 25 September 2017.

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

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

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

(f) Liabilities

(i) Payables

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

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

(ii) Employee Benefits

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

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

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

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

Notes to the financial statements (continued)

(b) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 15/09) to employees with five or more years of service, using current rates of pay.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. A discount rate of 3.5% (2016: 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 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17:

- AASB 2015-6
- AASB 2015-7
- AASB 2015-8

(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 15/2016-17 Revenue from Contracts with Customers</i>	Annual reporting periods beginning on or after 1 January 2019	The application of AASB 15 is likely to have an impact on the Authority's revenue recognition policy however the impact of the new standard is not known or currently estimable. The Authority is still assessing and quantifying the impact.
<i>AASB 15/2014-5 amendments to Australian Accounting Standards arising from the issuance 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 however the impact of the new standard is not known or currently estimable. The Authority is still assessing and quantifying the impact.
<i>AASB 1058 Income of Not-for-Profit Entities</i>	Annual reporting periods beginning on or after 1 January 2019	The application of AASB 1058 is likely to have an impact on the Authority's revenue recognition policy however the impact of the new standard is not known or currently estimable. The Authority is still assessing and quantifying the impact.

Notes to the financial statements (continued)

	Actual 2017 \$'000	Actual 2016 \$'000
2 Expenses Excluding Losses		
Employee related expenses		
Salaries and wages (including annual leave)	7,801	6,262
Superannuation - defined contribution plans	332	400
Long service leave	109	18
Workers compensation insurance	22	20
Payroll tax and fringe benefits	520	395
	8,784	7,095
3 Current Assets - Cash and Cash Equivalents		
Cash at bank and on hand	345	228
	345	228
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	818	610
	818	610
5 Current / Non-Current - Payables		
Payable - accrued salaries, wages and on-costs	173	27
	173	27
6 Current / Non-Current - Provisions		
Annual leave (current)	606	524
Long service leave (current)	199	148
Long service leave (non-current)	185	139
	990	811
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	805	673
Provisions - non-current	185	139
Accrued salaries, wages and on-costs (note 5)	173	27
	1,163	839
7 Commitments for Expenditure		
The Agency has no capital commitments or lease commitments at 30 June 2017 (2016: nil).		

Notes to the financial statements (continued)

8 Contingent Liabilities and Contingent Assets

There are no known contingent liabilities or assets at balance date (2016: nil).

9 Reconciliation of Cash Flows from Operating Activities to Net Result

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

	Actual 2017 \$'000	Actual 2016 \$'000
Net cash from/(used on) operating activities	117	(17)
(Decrease)/increase in receivables	208	(46)
(Increase)/decrease in creditors	(146)	197
(Increase)/decrease in provisions	(179)	(134)
Net Result	-	-

10 Related Party Disclosures

The entity's key management personnel compensation are as follows:

	2017 \$'000
Short-term employee benefits	1,248
Post-employment benefits	45
Other long-term benefits	-
Termination benefits	-
Share-based payment	-
Total Remuneration	1,293

During the year, the entity entered into no transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

11 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



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[Youtube.com/BarangarooSydney](https://www.youtube.com/BarangarooSydney)

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

cover image:

Aerial photo of Barangaroo's commercial precinct, including the three International Towers Sydney and International House Sydney. This view features the extensive solar panels that help offset energy use in the precinct. Photo: Hamilton Lund.