

2018-19

Barangaroo Delivery Authority Annual Report



Letter to the Premier

31 October 2019

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

Dear Premier

This is the Barangaroo Delivery Authority's Annual Report for the year ended 30 June 2019 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

A handwritten signature in black ink, appearing to read 'SD', with a long horizontal stroke extending to the right.

Simon Draper

Chief Executive Officer, Infrastructure NSW

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Acting CEO's Report

The 2018-19 Annual Report will be the final for the Barangaroo Delivery Authority. Machinery of Government changes saw the Authority cease to be an entity on 1 July 2019, and its functions and assets, rights and liabilities transferred to Infrastructure NSW.

As a result of these changes, Craig van der Laan stepped down as CEO on 13 April 2019. Craig served as CEO of the Authority for four and a half years through some complex times and I want to thank him for his steadfastness throughout.

The Machinery of Government changes also saw the Board resign on 31 May 2019. I thank the Board for their significant contribution to the Barangaroo precinct.

Completing the transformation of the 22-hectare precinct, from a disused container terminal to a dynamic cultural, retail and financial waterfront precinct remains a priority for the NSW Government and for Infrastructure NSW.

In the year ahead, Infrastructure NSW will focus on working with all parties to complete the final buildings in Barangaroo South and deliver Central Barangaroo, the final stage in the iconic Barangaroo development.



Simon Draper

CEO of Infrastructure NSW

Acting CEO of Barangaroo Delivery Authority from 13 April 2019 to 30 June 2019

About the Barangaroo Delivery Authority

The Barangaroo Delivery Authority Act 2009 was established in March 2009 to ensure management and compliance of Barangaroo in achieving the following objectives:

- Encourage the development of Barangaroo as an active, vibrant and sustainable community and a location for national and global business
- Create a high quality commercial and mixed-use precinct connected to, and supporting, the economic development of Sydney
- Facilitate the establishment of Barangaroo Reserve and all public domain land
- Promote the orderly and sustainable development of Barangaroo through balancing social, economic and environmental outcomes
- Create an opportunity for excellence in architecture and public domain design.

The Barangaroo Delivery Authority Regulation 2015 provides for the management of all public domain areas of Barangaroo, including Barangaroo Reserve. Regulations take into account existing provisions for public safety and amenity in similar locations throughout the Sydney CBD.

As part of the State Revenue and Other Legislation Amendment Bill passed on 20 June 2019, the Authority will be abolished on 1 July 2019 and its functions transferred to Infrastructure NSW under the *Infrastructure NSW Act 2011*.

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 city's 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 project

Barangaroo is place-making in progress, an evolution of exceptional infrastructure, design and architecture, public spaces, and experiences.

Once fully complete with a new Metro station in 2024, more than half of Barangaroo will be dedicated public space encompassing a continuous Sydney Harbour promenade, expansive parklands, plazas and coves. Barangaroo will support a projected target of some 23,000 permanent jobs, provide a home to 3,500 residents and contribute more than \$2 billion a year to the NSW economy.

Work on the development of Barangaroo continues, and the various projects being managed or overseen by Infrastructure NSW include:

- Remediation of the old Millers Point Gasworks on site and under Hickson Road
- Completion of the southern precinct which will include Renzo Piano's One Sydney Harbour residential buildings, Hickson Park, Watermans Cove, Crown Sydney Hotel Resort and a new public pier
- Development of the Central Barangaroo section of the precinct
- Upgrade of Hickson Road
- A Metro station.

Barangaroo South

Background

Barangaroo South has quickly emerged as a vibrant addition to the Sydney CBD. 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.

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.

2018-19 highlights

Public domain

The delivery of the public domain in Barangaroo South consists of two key stages: Stage 1A and Stage 1B. In July 2015 the first portion of the southern public domain, Stage 1A, opened to the public. 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 obtained development consent in September 2018 from the Department of Planning and Environment. The Authority formally approved the design and cost associated with the 1B Public Domain in June 2019, as set out in the Project Development Agreement.

Commercial office buildings: International Towers Sydney

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

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

Timber-framed commercial building: Daramu House (C1)

Construction commenced on Daramu House, a timber framed building, similar to International House Sydney, fronting Hickson Road, designed by Tzannes Architects. The building is due for completion in late 2019.

Crown Sydney Hotel Resort

During the reporting period, Crown Resorts' construction teams completed construction of the basement carpark, and have progressed construction of the podium levels and tower slabs up to Level 30.

In May 2019 Crown Resorts lodged Modification 1 to SSD 6957 proposing design changes including increasing the number of apartments from 66 to 87 and the addition of a publicly accessible observation deck.

Work is proceeding on program for a target completion in early 2021.

Residential towers: One Sydney Harbour

Lendlease lodged a Development Application in 2016 for the next major residential release. To be known as 'One Sydney Harbour', it is designed by the internationally renowned architect and Pritzker Architecture Prize winner, Renzo Piano. Two of the buildings within this development were approved by the Department of Planning and Environment during the year, with the assessment for a third building (R5) underway while Lendlease undertakes additional design refinements.

Construction of the One Sydney Harbour basement structure commenced in February 2019. The project is due for completion in 2024.

Remediation

Remediation works on the former Millers Point Gasworks land has largely been completed and validated. In excess of 550,000 tonnes of material has been removed from site and transferred to licenced waste receiving facilities. Site works are targeted to be completed in December 2019, six months ahead of schedule, with the reinstatement of Hickson Road completing the on-site component of the project.

The various actions and associated milestones for the remediation and validation works regulated by the NSW Environment Protection Authority (EPA) under the Declaration of the land have been successfully met for this past year. Works will continue into early 2020 to achieve the remaining actions ahead of the required milestones. In addition, the removal of the Declaration commenced in June 2019 when the EPA repealed the Declaration of the area of land referred to as Block 5. It is expected that the EPA will subsequently remove the Declaration of the area of land referred to as Block 4 and Hickson Road by early 2020.

Hickson Road Upgrade South

The works on Hickson Road between the southern side of the Wynyard Walk Bridge to the northern side of Watermans Quay intersection are substantially complete. The finalisation of the works will take place following the completion of works adjacent Daramu House, and subject to future staging requirements. The design of the upgrade works is aligned with Barangaroo's public domain areas and the broader City of Sydney.

Barangaroo Reserve

Background

The Reserve connects with the depth of Sydney's history and its native landscape, a place to acknowledge Sydney's traditional owners and celebrate one of the world's oldest living cultures. The Reserve's winding trails, open spaces and seamless connection to the water offers respite from the pace of urban Sydney, a space for contemplation and consideration.

The six hectares of Barangaroo Reserve include 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.

2018-19 highlights

Visitation

Over 3,650,000 visitors have enjoyed Barangaroo Reserve since it opened in August 2015.

New Year's Eve

Barangaroo welcomed 8,575 visitors to the New Year's Eve (NYE) Event at Barangaroo Reserve. When surveyed:

- 91 per cent would recommend NYE at Barangaroo
- 82 per cent said their expectations were exceeded
- 69 per cent attended with family
- 95 per cent found it to be adequately family-friendly
- 31 per cent were first time visitors to Barangaroo (consistent with 30 per cent last year).

Australia Day

The Australia Day WugulOra Ceremony was held at the Reserve, preceded by The Vigil, which commenced at dusk on 25 January and included musical performances, and stories of Country from Elders and local community members. This was set against a large-scale outdoor sculpture by Jacob Nash, entitled ALWAYS, which references *always was, always will be*.

For further information about activations at the Reserve please see the Activation and Precinct Management section.

Central Barangaroo

Background

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

More than 50 per cent of Central Barangaroo will be open, public space. The project comprises approximately 5.2 hectares allocated to two development zones – a 2.2-hectare B4 Mixed Use zone and the remaining three hectares zoned RE1 Public Recreation.

A consortium comprised of Grocon, Aqualand and Scentre group was chosen in January 2018 to deliver Central Barangaroo. The Authority continued to work with the consortium in 2018-19 to finalise plans for the Central Barangaroo development.

Construction of Barangaroo Metro Station

Sydney Metro construction work at the site of the future Barangaroo Metro Station continues. Piling to form a retaining wall around the site has been completed and deep excavation for the Station Box is ongoing. An acoustic shed at the northern end of the Barangaroo Metro Station site has been completed to help minimise noise and dust during excavation of the temporary access shaft and associated tunnelling works, including the tunnel boring machine deliveries and removal.

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 was able to ensure the delivery of these outcomes throughout the development of the project.

2018-19 highlights

Climate Positive Work Plans

Climate Positive Work Plans (CPWP) outline how climate positive targets are to be implemented. Lendlease, developer of Stage 1 Barangaroo South, continues to work towards completing its obligations under their CPWP. During the year Lendlease reported to the Authority how it has met each of the Climate Positive Benchmarks with respect to Water, Waste, and Carbon, as required under the Project Development Agreement. The Authority and Lendlease jointly commenced the process towards achieving carbon neutrality for the operational precinct. The Authority also provided in-principle endorsement for Lendlease to proceed with a proposal for carbon abatement within Building C1.

A draft project specific CPWP has been submitted to the Authority by Crown Resorts for the Crown Sydney Hotel Resort development.

Progress towards a Climate Positive outcome

C40 Cities is a network comprising 90 of the world's megacities collaboratively committed to addressing climate change. Barangaroo is one of 19 precincts worldwide that has committed to 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 Work Plans and lease provisions.

Barangaroo is committed to becoming a carbon neutral precinct and achieving certification under the Federal Government's National Carbon Offset Standard (NCOS) for Precincts. The Authority is working closely with its development partner to finalise carbon accounting for the operational component of the Barangaroo South precinct. The methodology has been developed to align with best practice guidance under NCOS regarding the measurement, auditing, offsetting and reporting of greenhouse gas emissions. The methodology will continue to be refined as needed, and in accordance with NCOS, for future and subsequent offsetting periods for Barangaroo South, and for the rest of the site as it is completed.

Sustainability infrastructure

Sustainability infrastructure operating in the precinct includes:

- Harbour heat rejection and centralised chilled water plant providing chilled water to International Towers Sydney, the residential Anadara and Alexander buildings, and International House Sydney. This infrastructure is sufficient to support all future Stage 1 buildings including the Crown Sydney Hotel Resort and the three new residential towers.

- 803 kW of solar panel systems installed and commissioned on the rooftops of completed buildings, which represents 74% of total planned solar capacity for Stage 1. An additional 278 kW of panels are planned to be installed by the completion of Stage 1B. Energy from these installations delivers all the energy requirements of public domain areas and the Recycled Water Treatment Plant in Stage 1. Additional onsite solar is planned for the Crown Sydney Hotel Resort and Central Barangaroo.
- 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, and stormwater and rainwater retention and re-use at Barangaroo Reserve.

Design Excellence

The Authority's ongoing and active commitment to design excellence at Barangaroo continued through the year.

Design Excellence Advisory Panel

The Authority met with the Barangaroo Design Excellence Advisory Panel throughout 2018-19. The Panel members include:

- Bob Nation (Barangaroo Delivery Authority Design Excellence Advisor) (and Panel Chair)
- Oi Choong (Consulting Partner, Context)
- Keith Cottier (Consultant, Allen Jack + Cottier)
- Karl Fender (Founding Director, Fender Katsalidis)
- Richard Nugent (Associate Director, Conybeare Morrison)

2018-19 highlights

Commercial Building: Daramu House (C1)

Daramu House, designed by Tzannes Associates, is a seven-storey, timber-framed building consisting of six levels of commercial space and ground-floor retail with the design concept stemming from two key principles. Firstly, as a sister form to Building C2 (also designed by Tzannes) and secondly as a continuation of the Hickson Road built edge consisting of a two-storey base with a five-storey, glazed envelope above, emphasising the timber structure behind.

Planning approval for Daramu House was received in June 2018 and practical completion was achieved in September 2019.

Barangaroo South Public Domain: Hickson Park, Watermans Quay, Watermans Cove and Wulugul Walk (Stage 1B)

The detailed design of Stage 1B Public Domain, comprising a new harbour cove, a one-hectare public park, an expanded waterfront walkway and a public pier, was completed in 2019. Completion of the detailed design was a collaborative effort between Lendlease and the Authority, and included ongoing input and oversight from the Authority's Design Advisor, Bob Nation, and the Barangaroo Design Excellence Advisory Panel. The design includes a series of spaces that offer memorable and distinctive experiences for a wide range of users and makes provision for a public pavilion to be delivered on the new pier.

Hickson Road Design

The Authority, in collaboration with key stakeholders including City of Sydney, Sydney Metro and Transport for NSW, progressed the design development for Hickson Road North upgrade works, which extends from Watermans Quay in the south to Windmill Street in the north.

The road will continue to cater to north and southbound traffic, while providing provision for cyclists and pedestrians, including a wide pedestrian priority zone on

the western side of the road, complemented by a generous tree planting. The road design is being undertaken concurrently with the design of the new Metro Station to achieve integration of both aboveground and below ground infrastructure, and importantly to ensure key principles of design excellence are delivered through the final design.

Activation and Precinct Management

The 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.

2018-19 highlights

Partnerships

In addition to the existing partnership with Sydney Festival and Sydney Contemporary, the Authority established a partnership with BIGhART. The following programs were presented with these partners:

SKATE

SKATE, great! produced by BIGhART in partnership with the Authority, transformed the Cutaway into an underground creative workshop enabling the collaboration of skateboarders, musicians, and digital artists. The final show was developed in stages, over four months and combined skateboarding, percussion and projection. Divided into two parts; *Open Skate* and *Transitions*, *SKATE* gave audiences the option to participate in open skate sessions alongside performers or simply observe the theatrics of *SKATE*.

SKATE delivered 41 public events engaging 1,600 skateboarders from across greater Sydney. During the 5-month program, 4,100 people attended *SKATE*. *SKATE* also developed 55 positive media stories and reached an audience of 488,000 across social media.

Sydney Contemporary

The *Sydney Contemporary* partnership curated a series of installations and performances throughout the Barangaroo precinct along Wulugul Walk and in the South Precinct. The installations and performances were delivered by key Australian artists. Callum Morton's *Monument #32 Helter Shelter* was a piece of temporary minor architecture, similar in scale to a bus shelter. Half of the shelter resembled the unmistakable characteristics of Donald Trump rising out of the ground, while the other half resembled shelter from the weather. Artist Mel O'Callaghan presented *Breath repertoire* a large scale performance at Barangaroo and Carriageworks in collaboration with Sydney Dance Company and musicians Clare Cooper and Verna Lee. Cameron Robbins' *Remote Sensor* used his wind-powered drawing instruments on site, to transcribe the invisible energies of nature, the wind, and light to create drawings, photographs, and moving image works along the foreshore of Barangaroo.

The Cutaway and events

The Cutaway within Barangaroo Reserve continued to generate 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 53 events and activations which helped generate revenue to support the operations of the public domain as outlined below.

Vivid Sydney

Each night during VIVID Sydney, Exchange Place at Barangaroo South was transformed into a wondrous *Winter Camp* inspired by the changing seasons and featuring the glowing six-meter tall puppet *Marri Dyin* (pronounced *Mahr-ee Djin*), meaning 'Great Woman' in Sydney Aboriginal language. Creators Erth Visual & Physical Inc, Mandylights and Jacob Nash combined their artistry to honour the fact that we stand on the land of the oldest continually living culture. One of the largest puppets constructed in Australia, this six-metre tall contemporary spirit reveals the influence and importance of First Nations women, including Barangaroo after whom the site is named.

NAIDOC Week

The Authority's NAIDOC program took place on Sunday 8 July 2018 with an audience of approximately 2,500. The NAIDOC theme was *Because of her, we can!* The NAIDOC program at Barangaroo, which took place around a fire pit, facilitated a series of demonstrations, workshops and storytelling by First Nations female chefs, performers and artists. Content was aimed towards children through a range of cooking classes and craft workshops.

Tourism and Education

The Authority's Visitor Services Team, the ambassadors for Barangaroo, 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 2018-19, the Visitor Services Guides hosted 268 tours with 5,050 tour participants, including 3,202 school students.

Visitation

The total visitation to the precinct is over 4.7 million for 2018-2019 across South Barangaroo and the Reserve combined.

Public Engagement

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

Public engagement continues to address Barangaroo as a development site and Barangaroo as a place with significant sections open to residents, works and visitors.

The Authority ran a series of media and marketing campaigns across the year promoting visitation and public events such as NAIDOC Week, Sydney Contemporary, SKATE, New Year's Eve, Sydney Festival, Australia Day and Vivid Sydney. The campaigns generated greater awareness of Barangaroo while attracting both general and event visitation.

Digital engagement

Website

Page views for barangaroo.com decreased by 8% compared to the previous year.

Barangaroo.com	2017-18	2018-19	Increase year-on-year
Sessions	681,345	691,248	+ 1%
Page views	1,774,589	1,636,260	- 8%

Social media

Follows and Likes on media sharing increased on all fronts this year compared with 2017-18.

Platform	2017-18	2018-19	Increase year-on-year
Facebook	33,022	77,828	+ 136%
Instagram	10,410	13,079	+ 26%
Twitter	4,693	4,880	+ 4%
LinkedIn	5,180	7,274	+ 40%

Electronic newsletters

A total of 34 email campaigns were sent from the Authority's two e-newsletter databases. This year 7,678 new subscribers joined the consumer e-newsletter, bringing the total to 17,852 active consumer subscribers. Meanwhile 88 new subscribers unsubscribed from the corporate e-newsletter, bringing the total to 4,746 active corporate subscribers.

EDM	2017-18	2018-19	Increase year-on-year
Consumer List	10,174	17,852	+ 75%
Corporate List	4,834	4,746	- 2%

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 the development of the Precinct, Barangaroo Reserve, and the commercial and dining precinct at Barangaroo South. Participants included the Australian Ambassador for Denmark, and government representatives from China, South Korea, Vietnam, and Thailand, as well as students from both international and local education institutions.

Awards

- Barangaroo Ferry Wharf; City of Sydney Lord Mayor's Prize, 2018 NSW Architecture Awards
- International House Sydney; Sir Arthur G. Stephenson Award, 2018 NSW Architecture Awards (Commercial Architecture)
- International House Sydney; Milo Dunphy Award, 2018 NSW Architecture Awards (Sustainable Architecture)
- Barangaroo House; Commercial Architecture Award, 2018 NSW Architecture Awards
- Barangaroo South; Chicago Athenaeum and the European Centre for Architecture and Design, 2019 International Architecture Award

Arts and Culture

2018-19 highlights

Sydney Festival

To celebrate the 50th anniversary since landing on the moon, this year's commission *Apollo 11 at Barangaroo*, featured a series of 11 giant astronaut sculptures installed throughout the public domain within Barangaroo South. Each sculpture representative of a unique story about heroes of space travel.

At the Reserve Jacob Nash's giant outdoor sculpture *ALWAYS* depicted the message "always was, always will be".

While *BOXWARS* offered a chance for children to engage in workshops to create their own rocket ship and space suit out of recycled cardboard.

Wellama

Wellama is an audio-visual installation at the Cutaway entry by Alison Page and Nik Lachajczak that commenced in May 2019 and will run until May 2020.

Wellama means 'to come back' in the Sydney Aboriginal language. The installation is a celebration of ritual, ceremony and story practised on Country since time immemorial.

The work is a contemporary re-imagining of Welcome to Country, a customary greeting that our First Peoples extend to visitors, who in turn agree to respect the traditional laws and culture of Country. *Wellama* welcomes visitors to Gadigal Country and pays respect to the Traditional Custodians of this land.

Reporting

Structure and management

Organisation structure

The Barangaroo Delivery Authority sits within the NSW Department of Premier and Cabinet cluster. The Authority's organisation structure at 30 June 2019 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 employed an experienced, multi-disciplinary team of professionals to achieve the Authority's objectives and implement its core functions. These professionals were supported by specialised consultants who work together to deliver and manage the Barangaroo precinct.

Barangaroo Delivery Authority Board

The members of the Authority's Board during 2018-19 were Terry Moran AC (Chair), Craig van der Laan (Chief Executive Officer), Christine Covington, John Fitzgerald, and Peter Young AM. Due to Machinery of Government changes, all members of the Board resigned on 31 May 2019.

Terry Moran AC, FAIPA, BA (Hons), Doctor of Letters (honoris causa) LaTrobe University

Terry Moran AC was appointed Chair 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 is Chancellor of Federation University, Chair of both the Melbourne Theatre Company and the Centre for Policy Development, is Deputy President of the Walter and Eliza Hall Institute of Medical Research, and a Director of the Menzies Foundation.

Mr Moran's initial appointment as Chair in September 2011 was for a period of three years, he was reappointed in September 2014 and again in September 2017. Mr Moran resigned as Chair and member of the Board on 31 May 2019.

Craig van der Laan BA, LLB (Hons)

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

Mr van der Laan resigned as Chief Executive Officer and as a member of the Board on 13 April 2019.

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 33 years' experience in property, planning and environmental law. She is currently the Head of Environment and Planning at the law firm Corrs Chambers Westgarth.

Ms Covington 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 affordable housing provider, City West Housing Pty Ltd for seven years. For nearly seven years, she was a member of the NSW Environment Protection Authority Board and currently sits as Deputy Chair on the Board of the ACT City Renewal Authority.

Her appointment in 2014 was for a five-year term. Ms Covington resigned as a member of the Board on 31 May 2019.

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

John Fitzgerald was appointed to the Board in July 2011. He has extensive experience in infrastructure delivery and 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 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 include Director of 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.

Mr Fitzgerald was originally appointed to the Board in July 2011 for a period of five years. He was reappointed to the Board in 2016 for a five-year term. Mr Fitzgerald resigned as a member of the Board on 31 May 2019.

Peter Young AM BSc, MBA

Peter Young AM is a Principal for The Adelante Group, and a member of the Garvan Research Foundation Board. Peter is also a Chairman Council member for the Australian Chamber Orchestra, and the Sydney Theatre Company.

Mr Young's previous positions include Chairman of Standard Life Australia and subsequently Aberdeen Standard Investments Australia, Chairman of Barclays Australia, Chairman of Investment Banking at ABN AMRO Australia and New Zealand, and Senior Advisor at the Royal Bank of Scotland (formerly ABN AMRO).

He has 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 Federal Government-owned Export Finance and Insurance Corporation (EFIC). He is a former Non-Executive Director of Fairfax Media, the Sydney Theatre Company, PrimeAg Australia, a Trustee of the NSW Art Gallery, and subsequently, a Trustee of the Queensland Art Gallery, and a member of the Board of the Great Barrier Reef Foundation.

Mr Young is a recipient of the Australian Federal Government's 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. Mr Young resigned as a member of the Board on 31 May 2019.

Simon Draper, BEcon (Hons), MBus (Finance)

Simon Draper is the Chief Executive Officer of Infrastructure NSW. Simon joined Infrastructure NSW in April 2019 following a year as the Secretary of the NSW Department of Industry. Simon has previously served as the Deputy Secretary, Economic Policy Group, at the Department of Premier and Cabinet and as a Tribunal Member at the Independent Pricing and Regulatory Tribunal.

Simon has extensive senior executive management experience in infrastructure and utility companies. He is a former Chief Executive Officer of Lumo Energy, Chief Executive Officer of Wellington Airport in New Zealand, General Manager Commercial at Integral Energy and Chief Executive Officer of Northern Territory Airports.

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

In April 2019, Simon was appointed Acting CEO of the Barangaroo Delivery Authority and was a member of the Board until the Authority was abolished under Machinery of Government changes.

Board meetings in 2018-19

Eight Board meetings were held in 2018-19 and details of members' attendance is reported below.

	Meetings held while appointed	Meetings attended
Terry Moran AC	8	8
Christine Covington	8	8
John Fitzgerald	8	8
Craig van der Laan	8	7
Peter Young AM	8	8
Simon Draper	1	1

Board committees and Barangaroo Arts and Cultural Panel

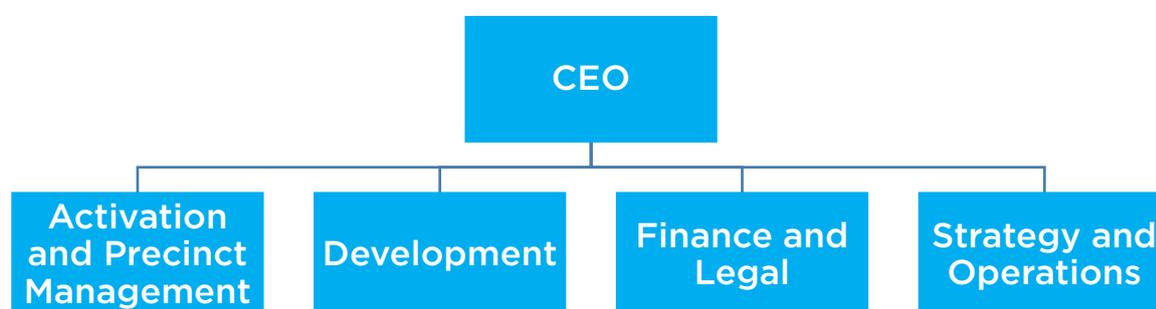
The Board has an Audit and Risk Management Committee and an Arts and Public Program Panel. These bodies are outlined in Section 3: Reporting.

Senior management

The senior management of the Authority was:

- Craig van der Laan (BA, LLB [Hons]), Chief Executive Officer (resigned 13 April 2019)
- Simon Draper, Acting Chief Executive Officer (from 13 April 2019 onwards)
- Sandra Bender (BA, LLB [Hons]), Executive Director, Activation and Precinct Management
- Phil Paris (B Const. Econ.), Executive Director, Development
- Stuart Pauly (BEC, CA), Executive Director, Finance and Legal
- Tim Robertson (BUrbRegPlan), Executive Director, Strategy and Operations

Organisational structure



Human Resources

As a result of the Machinery of Government changes, significant staffing changes took effect on 28 June 2019. For this reason, all Human Resources reporting is at 28 June 2019, to reflect the reporting year.

At 28 June 2019, the Authority had a total of 65 employees. The table below outlines employees by category.

Salary scale	30 June 2017		30 June 2018		28 June 2019	
	Total	Women	Total	Women	Total	Women
Grade 1-2 or equivalent	1	1	1	1	1	1
Grade 3-4 or equivalent	5	4	4	3	5	4
Grade 5-6 or equivalent	7	5	9	8	7	6
Grade 7-8 or equivalent	3	2	4	3	11	10
Grade 9-10 or equivalent	9	5	13	17	11	6
Grade 11-12 or equivalent	17	6	18	6	14	6
Above Grade 12 or equivalent	17	7	10	4	15	7
Total number of employees*	59	30	59	32	64	40

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

Senior Executives

Senior Executive Band	30 June 2018			30 June 2019		
	Women	Men	Average remuneration	Women	Men	Average remuneration
Senior Executive Band 3	0	1*	\$593,650.00	0	0	\$0.00
Senior Executive Band 2	1	3	\$299,240.25	1	4	\$325,666.00
Senior Executive Band 1	3	2	\$219,767.60	6	4	\$226,374.60

*Includes one position determined by SOORT.

In 2018-19, a total of 46.90% of the Authority's employee-related expenditure was for Senior Executive employees. In 2017-18, a total of 45.37% of the Authority's employee-related expenditure was for Senior Executive employees. The change in Band 3 reflects the resignation of the BDA CEO in April 2019. Remuneration for the acting as CEO is reported in the Infrastructure NSW 2018-19 Annual Report.

Workforce Diversity

The Authority's workplace diversity data shows strong representation of women across the organisation, including 40 per cent of those in the Senior Executive bands. 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 is not English remains below the NSW benchmark but is progressing year on year.

Workforce Diversity Group	NSW Benchmark	2017	2018	2019
Women	50%	51.7%	54.2%	62.5%
Aboriginal and/or Torres Strait Islander People	3.3%	9.0%	10.2%	9.4%
People whose First Language Spoken as a Child was not English	23.2%	12.7%	15.3%	21.9%
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 2018-19, initiatives included:

- Programming for an interactive NAIDOC week event in Barangaroo Reserve featuring artistic weaving workshops, indigenous food sampling and art practice workshops.
- Tour facilitation in partnership with the Tribal Warrior Association.
- The Authority continued to support the horticultural and facilities management partners in the employment and training of First Nations staff members including pathways to formal qualifications through TAFE NSW. Multiple horticultural and facility management partners currently employ First Nations staff members who work across the precinct on an ad-hoc basis, as per operational seasons and requirements.

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.

The Audit and Risk Committee 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; re-appointed Chair on 1 July 2018. John resigned from the Committee on 11 September 2019.

Peter Young AM (see Board biography) – term of appointment was four years from 1 July 2014 and was reappointed for a four-year term on 1 July 2018. Peter resigned from the Committee on 11 September 2019.

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. Mr Isaacs 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. His term of appointment was three years from 12 February 2014 and was reappointed for a further three years, expiring on 11 February 2020. Jon resigned from the Committee on 11 September 2019.

Jennifer Alexander has held CEO roles across the not-for-profit and public sectors, and various Non-Executive appointments in government, private (ASX listed) and not-for-profit organisations. Since 2015 she has been an independent Member, Audit and Risk Committee, NSW State Emergency Service (SES). Her current non-executive Director roles include Relationships Australia (NSW), Mindgardens Neuroscience Research Alliance and the UNSW Sydney Council, where she is Pro-Chancellor. She is a Fellow of the Australian Institute of Company Directors. Her term of appointment is four years from 22 November 2018. Jennifer resigned from the Committee on 11 September 2019.

Member	Meetings held while appointed	Attended
John Fitzgerald (Chair)	5	5
Jon Isaacs	5	5
Peter Young AM	5	4
Jennifer Alexander	3	3

Arts and culture oversight

Barangaroo Arts and Public Program Panel

The Barangaroo Arts and Public Program Panel (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 aligns 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 five times during the year and the record of members' attendance is below.

Member	Meetings held while appointed	Attended
Richard Evans (Chair)	5	5
Peter Young (Deputy Chair)	4	2
Craig van der Laan	4	4
Stuart Buchanan	2	2
Wesley Enoch	5	4
Lisa Havilah	5	4
Alison Page	5	4
Leon Paroissien	5	3
Noel Staunton	5	5

Internal audit and risk management

Internal audit and risk management

Internal Audit and Risk Management Attestation Statement for the 2018-19 financial year for the Barangaroo Delivery Authority

I, Simon Draper, 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 2018; finish term date: 30 June 2019. Resigned from the ARMC 11 September 2019
- Independent Member, Peter Young – start term date: 1 July 2018; finish term date: 30 June 2022. Resigned from the ARMC 11 September 2019
- Independent Member, Jon Isaacs – start term date: 12 February 2014; finish term date: 11 February 2020. Resigned from the ARMC 11 September 2019
- Independent Member, Jennifer Alexander – start term date: 22 November 2018; finish term date 21 November 2022. Resigned from the ARMC 11 September 2019

A handwritten signature in black ink, appearing to be 'J. Alexander', with a horizontal line extending to the right.

Date: 21 October 2019

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 per 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 and the NSW Audit Office routinely evaluate and test significant control systems and processes used by the agency. Reports from the outsourced internal auditors and the NSW Audit Office are responded to by management and reported to the ARMC to ensure appropriate governance over internal controls and material risks to the Authority are 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 and the interface with Transport NSW in relation to the construction of the Barangaroo Metro station.

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

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

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

Other statutory reporting obligations

The Authority has personnel policies in place as required by the NSW Public Service Commission, the NSW 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 continues to be at the forefront of Authority operations. A revised Work Health and Safety (WHS) Management System is currently being implemented to ensure the Authority's systems, processes and reporting mature in line with its operations.

The Authority has established the WHS Manager role during this reporting period, signifying its commitment to the effective management of safety within our workplace and the precinct.

BDA Staff Injuries

Year	Injuries
2014-15	0
2015-16	1
2016-17	4
2017-18	2
2018-19	0

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 2018-19. Further, no work time was lost due to industrial disputes.

There were exceptional movements in allowances during the year due to staffing changes, resulting from the Machinery of Government changes explained in the Acting CEO's Report.

Consumer activities

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

1. a 24-hour community information line: phone (02) 9255 1700 or 1300 966 480.

2. a dedicated information email address: info@barangaroo.com and community@barangaroo.com
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.

Cyber security policy

Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year for the Barangaroo Delivery Authority

Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year for the Barangaroo Delivery Authority (BDA)

I, Simon Draper, am of the opinion that

- *The Barangaroo Delivery Authority (BDA) has assessed its cyber security risks and is putting in place systems and processes to further strengthen the cyber security environment in a manner consistent with the mandatory requirements as set out in the NSW Government Cyber Security Policy.*
- *Risks to the BDA's information and systems have been assessed and are being managed.*
- *Governance is in place to manage the BDA's cyber security initiatives.*
- *Cyber security incidents, should they occur, are escalated to the NSW GCISO governance forums as required. The BDA has also developed a cyber security incident response plan*
- *An independent audit of the Authorities ISMS and controls against the mandatory requirements of the NSW Cyber Security Policy was undertaken by Centium Pty Ltd and found to be compliant*



Simon Draper
CEO
29 August 2019

Overseas travel and promotion

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

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.

17 consultants whose fees exceeded \$50,000 were engaged during the year as shown in the table below. These fees totalled \$5,384,216.

A further 57 consultants whose fees were valued at up to \$50,000 were engaged during the year to a value of \$596,823.

Consultant name	Description	Total (\$)
Grocon (CB) Development Pty Ltd	Consultancy service in relation to planning modification application	1,814,246.43
ARUP Pty Limited	Traffic & transport engineering services and infrastructure technical advisory services	1,189,932.25
TSA Management Pty Ltd	Project management services for remediation	309,217.59
Ernst & Young	Financial and analysis advisory services	236,905.97
Flux Consultants Pty Ltd	Environmental sustainability advisory services	216,790.00
Safety Australia Group	WHS advisory and management of development projects	210,368.42
Bill Harris Projects	Artistic Associate creative consultant services	198,954.55
HVH Group Pty Ltd	Advisory service across precinct operations	186,030.00
Advisian Pty Ltd	Principal Environmental Planner to assist with Barangaroo's concept plan modification	174,300.00
Deloitte Risk Advisory	Internal audit services	159,500.00
Hassell Ltd	Urban design and landscaping consultancy services	154,310.00
KPMG	Financial advisory services	148,515.00
Bluetree Solutions Pty Ltd	Implementation of a budgeting and reporting solution	96,485.70
Futurecity Australia Pty Ltd	Delivery of the Public Art and Cultural Plan	85,235.26
Rider Levett Bucknall NSW P/L	Cost management consultant services for Hickson road, Central/Metro and Public domain works	70,665.00
Divergence Group Pty Ltd	Surveillance system design services for Barangaroo South stage 1A	66,400.00
REA Consulting Pty Ltd	Arts and Cultural advisor	66,360.00

Land disposal

The Authority did not dispose of any land during the 2018-19 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%, on average, 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 2018 \$'000	Quarter ended 31 Dec 2018 \$'000	Quarter ended 31 Mar 2019 \$'000	Quarter ended 30 Jun 2019 \$'000	Total accounts paid on time \$'000
Actual percentage of accounts paid on time (based on number of accounts)	75%	73%	61%	72%	71%
Number of accounts paid on time	535	468	389	533	1,925
Percentage of accounts paid on time (based on dollars)	65%	72%	44%	71%	64%
Total dollar of accounts paid on time - 0-30 days	49,424,447	69,859,166	27,502,116	32,139,633	178,925,361
31-60 days	11,778,208	5,702,177	11,499,798	12,923,765	41,903,947
61-90 days	14,142,853	18,127,977	20,838,252	317,825	53,426,906

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

Annual Report costs

The production and printing cost for the 2018-19 Annual Report was nil.

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 not determined as it was invalid. During the year, the Authority did not refuse any formal access applications.

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.

There were no Public Interest Disclosures in 2018-19.

Legislative changes and judicial decisions

The *State Revenue and Other Legislation Amendment Act 2019* was passed by the NSW Parliament in June 2019. Schedule 4 of this Act abolished Barangaroo Delivery Authority from 1 July 2019, and provided for the transfer of those agencies assets, rights and liabilities to Infrastructure NSW.

The *Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019* was made on 2 April 2019. The Order transferred members of staff of the Barangaroo Delivery Authority to the Infrastructure NSW Staff Agency, effective 1 July 2019.

Crown Sydney Property v Barangaroo Delivery Authority; Lendlease (Millers Point) v Barangaroo Delivery Authority [2018] NSWSC 1931

Crown Sydney and Lendlease initiated proceedings in the NSW Supreme Court to seek a declaration regarding the correct interpretation of the Barangaroo Sight Lines Clauses that had been in dispute between the parties and to allege a breach of contract on the part of the Authority in its conduct of the Barangaroo Sight Lines Negotiations. On 14 December 2018, the Court found in favour of Crown Sydney and Lendlease on both counts. Following the judgment, a confidential settlement was reached between the parties in August 2019.

Financial Statements



INDEPENDENT AUDITOR'S REPORT

Barangaroo Delivery Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Barangaroo Delivery Authority (the Authority), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 2019, 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 fulfilled my other ethical responsibilities in accordance with APES 110.

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

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

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

Other Information

The Authority's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board of the Authority are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the 'Statement by Chief Executive Officer of Infrastructure NSW on the adoption of the financial statements for the year ended 30 June 2019'.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Chief Executive's Responsibilities for the Financial Statements

The Chief Executive is 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 Chief Executive 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 Chief Executive is responsible for assessing the ability of the Authority and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. 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.



Nathan Carter
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

18 September 2019
SYDNEY

Financial statement for the year end 2018-19

BARANGAROO DELIVERY AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Barangaroo Delivery Authority

Statement by Chief Executive Officer of Infrastructure NSW on the adoption of the financial statements for the year ended 30 June 2019

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the Chief Executive Officer of Infrastructure NSW, I declare that in my 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 2019 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, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Simon Draper
Chief Executive Officer
Infrastructure NSW

11 September 2019
Sydney

Barangaroo Delivery Authority
Statement of comprehensive income for the year ended 30 June 2019

	Notes	Consolidated			Authority	
		Actual June 2019 \$'000	Budget June 2019 \$'000	Actual June 2018 \$'000	Actual June 2019 \$'000	Actual June 2018 \$'000
Expenses excluding losses						
Operating expenses						
Employee related expenses	2(a)	(12,584)	(13,991)	(10,251)	-	-
Personnel services expense	2(a)	-	-	-	(12,584)	(10,251)
Other operating expenses	2(b)	(46,301)	(37,244)	(31,573)	(46,301)	(31,573)
Depreciation and make good	2(c)	(8,530)	(8,866)	(8,318)	(8,530)	(8,318)
Finance costs	2(d)	(13,981)	(25,594)	(18,314)	(13,981)	(18,314)
Total Expenses Excluding Losses		(81,396)	(85,695)	(68,456)	(81,396)	(68,456)
Revenue						
Investment revenue	3(a)	18,439	17,525	22,986	18,439	22,986
Other revenue	3(c)	11,456	11,741	10,216	11,456	10,216
Total Revenue		29,895	29,266	33,202	29,895	33,202
Gain / (Loss) on disposal	3(b)	3,116	3,028	127	3,116	127
NET RESULT	19	(48,385)	(53,401)	(35,127)	(48,385)	(35,127)
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		7,870	-	11,523	7,870	11,523
Net increase/(decrease) in revaluation from a change in restoration liability		(303)	-	(14,430)	(303)	(14,430)
Total items that will not be reclassified to net result in the future		7,567	-	(2,907)	7,567	(2,907)
Total other comprehensive income		7,567	-	(2,907)	7,567	(2,907)
TOTAL COMPREHENSIVE INCOME/(LOSS)		(40,818)	(53,401)	(38,034)	(40,818)	(38,034)

The accompanying notes form part of these financial statements

Barangaroo Delivery Authority
Statement of financial position as at 30 June 2019

	Notes	Consolidated			Authority	
		Actual June 2019 \$'000	Budget June 2019 \$'000	Actual June 2018 \$'000	Actual June 2019 \$'000	Actual June 2018 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	4	5,953	1,768	45,368	5,513	44,984
Receivables	5	4,306	22,076	7,395	4,306	7,395
Other financial assets	6	-	-	99,500	-	99,500
Non-current assets held for sale	7	71,100	234,889	88,882	71,100	88,882
Total Current Assets		81,359	258,733	241,145	80,919	240,761
Non-Current Assets						
Receivables	5	437,721	420,866	400,326	437,721	400,326
Property, plant and equipment						
- Land		286,871	136,586	279,001	286,871	279,001
- Plant and equipment		3,576	2,400	3,423	3,576	3,423
- Leasehold improvements		177	-	224	177	224
- Infrastructure		298,868	333,845	305,957	298,868	305,957
- Work in progress		31,432	-	30,207	31,432	30,207
Total property, plant and equipment	8	620,924	472,831	618,812	620,924	618,812
Total Non-Current Assets		1,058,645	893,697	1,019,138	1,058,645	1,019,138
Total Assets		1,140,004	1,152,429	1,260,283	1,139,564	1,259,899
LIABILITIES						
Current Liabilities						
Payables	10	16,693	23,950	51,538	17,492	51,868
Borrowings	11	40,884	42,000	-	40,884	-
Provisions	12	95,481	50,296	200,561	94,242	199,496
Lease receipts in advance	13	142,187	429,837	178,809	142,187	178,809
Other		517	-	759	517	759
Total Current Liabilities		295,762	546,083	431,668	295,322	430,932
Non-Current Liabilities						
Payables	10	-	-	-	31	381
Borrowings	11	528,550	466,064	372,325	528,550	372,325
Provisions	12	2,795	31,673	37,781	2,764	37,751
Lease receipts in advance	13	198,223	10,761	262,812	198,223	262,812
Other		709	-	915	709	915
Total Non-Current Liabilities		730,277	508,498	673,833	730,277	674,184
Total Liabilities		1,026,039	1,054,580	1,105,501	1,025,599	1,105,117
Net Assets		113,965	97,849	154,782	113,965	154,782
EQUITY						
Reserves		35,321	69,065	28,935	35,321	28,935
Accumulated funds		78,644	28,784	125,847	78,644	125,847
Total Equity		113,965	97,849	154,782	113,965	154,782

The accompanying notes form part of these financial statements

Barangaroo Delivery Authority
Statement of changes in equity for the year ended 30 June 2019

	Consolidated			Authority		
	Accumulated Funds	Asset Revaluation Surplus	Total	Accumulated Funds	Asset Revaluation Surplus	Total
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	125,847	28,935	154,782	125,847	28,935	154,782
Net result for the period	(48,385)	-	(48,385)	(48,385)	-	(48,385)
Other comprehensive income						
Net increase/(decrease) in property, plant and equipment revaluation	1,182	6,688	7,870	1,182	6,688	7,870
Net increase/(decrease) in revaluation from a change in restoration liability	-	(303)	(303)	-	(303)	(303)
Total other comprehensive income	1,182	6,386	7,567	1,182	6,386	7,567
Total comprehensive income for the period	(47,203)	6,386	(40,818)	(47,203)	6,386	(40,818)
Balance at 30 June 2019	78,644	35,321	113,965	78,644	35,321	113,965
Balance at 1 July 2017	160,974	31,842	192,816	160,974	31,842	192,816
Net result for the year	(35,127)	-	(35,127)	(35,127)	-	(35,127)
Other comprehensive income						
Net increase/(decrease) in property, plant and equipment revaluation	-	11,523	11,523	-	11,523	11,523
Net increase/(decrease) in revaluation from a change in restoration liability	-	(14,430)	(14,430)	-	(14,430)	(14,430)
Total other comprehensive income	-	(2,907)	(2,907)	-	(2,907)	(2,907)
Total comprehensive income for the year	(35,127)	(2,907)	(38,034)	(35,127)	(2,907)	(38,034)
Balance at 30 June 2018	125,847	28,935	154,782	125,847	28,935	154,782

Barangaroo Delivery Authority
Statement of cash flows for the year ended 30 June 2019

Notes	Consolidated			Authority	
	Actual	Budget	Actual	Actual	Actual
	June 2019	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related	(12,800)	(13,779)	(12,448)	(12,800)	(12,448)
Finance costs	(9,136)	(23,630)	(14,072)	(9,136)	(14,072)
Other	(357,393)	(201,912)	(141,641)	(357,449)	(141,680)
Total Payments	(379,329)	(239,321)	(168,161)	(379,385)	(168,200)
Receipts					
Interest received	829	50	6,790	829	6,790
Other	42,475	21,741	449,530	42,475	449,530
Total Receipts	43,304	21,791	456,320	43,304	456,320
NET CASH FLOWS FROM OPERATING ACTIVITIES	17 (336,024)	(217,530)	288,159	(336,080)	288,120
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant & equipment	-	3,028	18	-	18
Purchases of property, plant and equipment	-	(26,652)	(43)	-	(43)
Other	-	(3,029)	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	-	(26,653)	(25)	-	(25)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	197,109	134,183	56,522	197,109	56,522
Repayment of borrowings	-	-	(200,484)	-	(200,484)
NET CASH FLOWS FROM FINANCING ACTIVITIES	197,109	134,183	(143,962)	197,109	(143,962)
NET INCREASE/(DECREASE) IN CASH	(138,915)	(110,000)	144,172	(138,971)	144,132
Opening cash and cash equivalents	144,868	111,768	696	144,484	352
CLOSING CASH AND CASH EQUIVALENTS	4 5,953	1,768	144,868	5,513	144,484

The accompanying notes form part of these financial statements

BARANGAROO DELIVERY AUTHORITY

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 includes the entity under its control, namely: the Barangaroo Delivery Authority Staff Agency.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Authority's Chief Executive Officer on 11 September 2019.

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
- Treasurer's Directions issued under the Act.

The financial statements of Barangaroo Delivery Authority have been prepared on a going concern basis. In accordance with Administrative Arrangements (Administrative Changes – Public Service Statutory bodies) Order 2019 and the State Revenue and Other Legislation Amendment Act 2019, the Barangaroo Delivery Authority was abolished on 1 July 2019. On abolition, the Authority's assets, rights and liabilities were transferred to Infrastructure NSW and will be used, recovered or settled in the normal course of business by the transferee department.

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's 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 and financial assets at fair value through profit or loss are measured at fair value and assets (or disposal groups) held for sale are measured at the lower of carrying value and fair value less costs to sell. 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

Judgements, key assumptions and estimations made by management 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) 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.

f) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This is in accordance with the Authority's policy on the revaluation of physical non-current assets as discussed in note 8.

(ii) Accumulated funds

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

g) 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.

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

(i) Effective for the first time in 2018-19

The accounting policies applied in 2018-19 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 2018-19:

Australian Accounting Standard	Application date for the Authority Financial Statements	Applicable to the Authority
AASB 9 Financial Instruments	FY 18/19	This Standard is applicable to the Authority. The Authority is impacted by the new expected credit loss model for calculating impairment of debtors. The Authority has applied the new standard where there is an expected impairment to outstanding debts.

(ii) Issued but not yet effective

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

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

Australian Accounting Standard	Application date for the Authority Financial Statements	Applicable to the Authority
<p>AASB 15 Revenue from Contracts with Customers</p> <p>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</p> <p>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</p> <p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</p> <p>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit entities</p>	FY 19/20	<p>These Standards are applicable to the Authority. They will be adopted on 1 July 2019 through application of the full retrospective transition approach. Recognition and measurement principles of the new standards will be applied for the current year and comparative year as though AASB 15 had always applied. Based on the impact assessments, the Authority has undertaken on currently available information and estimates that the adoption of AASB 15 and will result in:</p> <ul style="list-style-type: none"> • no deferral of revenue, recognition of contractual liabilities, nor capital grant obligations (unearned revenue). • no reduction of revenue long-term licences, nor unearned income liabilities.

Australian Accounting Standard	Application date for the Authority Financial Statements	Applicable to the Authority
<p>AASB 16 Leases</p> <p>AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities</p>	<p>FY 19/20</p>	<p>These Standards impact the Authority as it is a lessee of operating leases. They will be adopted on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 had always applied. Comparative information will not be restated. The Authority will also adopt the practical expedient whereby the fair value of the right-of use asset will be the same as the lease liability at 1 July 2019.</p> <p>Based on the impact assessment, the Authority has undertaken on currently available information, it estimates additional lease liabilities of \$5.7 million and right-of-use assets of \$5.7 million will be recognised as at 1 July 2019 for leases in which Barangaroo Delivery Authority is a lessee. Most operating lease expenses will be replaced by depreciation of the right of use asset and interest on the lease liability. The impact on the Statement of Comprehensive Income is expected to be (\$0.1) million.</p>
<p>AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</p>	<p>FY 19/20</p>	<p>This Standard impacts the Authority as it relates to the aforementioned AASB 15 and 16.</p>
<p>AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material</p>	<p>FY 20/21</p>	<p>This Standard is applicable to the Authority. An initial preliminary assessment anticipates no major changes to the existing reporting processes.</p>

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
2 Expenses Excluding Losses				
(a) Employee related expense				
Salaries and wages (including annual leave)	11,000	8,842	-	-
Superannuation – defined contribution plans	767	732	-	-
Long service leave	145	51	-	-
Workers compensation insurance	36	22	-	-
Payroll tax and fringe benefits	637	604	-	-
Personnel services expenses	-	-	12,584	10,251
	12,584	10,251	12,584	10,251
(b) Other operating expenses				
Administration	3,820	4,273	3,820	4,273
Contractors	1,640	1,946	1,640	1,946
Auditor's remuneration - audit of financial statements	169	202	169	202
Consultants	5,720	4,835	5,720	4,835
Directors' fees	161	173	161	173
Insurance	105	92	105	92
Legal	18,348	1,079	18,348	1,079
Debts written off	614	62	614	62
Community and consultation	922	935	922	935
Precinct Management *	13,077	16,286	13,077	16,286
Provision for Climate Positive Fund	1,725	1,690	1,725	1,690
	46,301	31,573	46,301	31,573

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

Recognition and Measurement

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 claims experience. The Authority holds insurance policies covering property, public liability, workers compensation, directors' liability and other contingencies.

(c) Depreciation expenses

Plant and equipment	683	544	683	544
Leasehold improvements	51	30	51	30
Infrastructure	7,796	7,744	7,796	7,744
	8,530	8,318	8,530	8,318

Refer to Notes 7, 8 and 9 for recognition and measurement policies on depreciation and amortisation.

(d) Finance costs

Interest on borrowing measured at amortised cost	10,958	13,509	10,958	13,509
Unwinding of Discount Rate	3,023	4,805	3,023	4,805
	13,981	18,314	13,981	18,314

Recognition and Measurement

Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW general government sector entities.

3 Other revenue

Recognition and Measurement

Income is measured at the fair value of the consideration or 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.

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
(a) Investment revenue				
Interest from cash at bank	829	6,790	829	6,790
Interest from finance leases	17,610	16,196	17,610	16,196
	18,439	22,986	18,439	22,986

Recognition and Measurement

Interest income

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

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

On 15 November 2017 the Authority entered into the Central Barangaroo Development Agreement (CENDA) with Grocon (CB) Developments Pty Limited for the development of Central Barangaroo.

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

(b) Gain / (Loss) on Disposal

Net proceeds from lease of land	3,116	184	3,116	184
Loss on disposal of Property plant and equipment	-	(57)	-	(57)
	3,116	127	3,116	127

(c) Other revenue

Road permits	820	35	820	35
Sundry revenue	3,349	3,042	3,349	3,042
Estate Levies	7,287	7,139	7,287	7,139
	11,456	10,216	11,456	10,216

Recognition and Measurement

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.

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
4 Current Assets - Cash and Cash Equivalents				
Cash at bank and on hand	5,953	22,868	5,513	22,484
Short term deposits with TCorp	-	22,500	-	22,500
	5,953	45,368	5,513	44,984

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	5,953	45,368	5,513	44,984
Other Financial Assets - TCorp term deposits with a maturity of more than 3 months (Note 6)	-	99,500	-	99,500
Cash and cash equivalents (per Statement of Cash Flows)	5,953	144,868	5,513	144,484

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 18.

5 Current / Non-Current Assets - Receivables & Prepayments

Current

Sundry debtors	1,052	463	1,052	463
Less: Allowance for impairment *	-	(62)	-	(62)
Goods and services tax recoverable	1,718	5,091	1,718	5,091
Accrued revenue	-	329	-	329
Prepayments	169	814	169	814
Finance lease receivable	15 1,367	761	15 1,367	761
	4,306	7,395	4,306	7,395

Non-Current

Prepayments	6,280	6,336	6,280	6,336
Finance lease receivable	15 431,441	393,990	15 431,441	393,990
	437,721	400,326	437,721	400,326

* Movement in the allowance for impairment

Balance at 1 July	(62)	-	(62)	-
Amounts written off during the year	103	-	103	-
Amounts recovered during the year	7	-	7	-
(Increase)/decrease in allowance recognised in net result	(48)	(62)	(48)	(62)
Balance at 30 June	(0)	(62)	(0)	(62)

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 18.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Impairment under AASB 9 (from 1 July 2018)

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Authority expects to receive, discounted at the original effective interest rate. For trade receivables, the Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date.

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
6 Current - Other Financial Assets				
TCorp term deposits	-	99,500	-	99,500
	-	99,500	-	99,500

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 18.

7 Non-Current Assets - Held for Sale

Balance at the beginning of the financial year	88,882	71,101	88,882	71,101
Sale of leased land	(17,782)	-	(17,782)	-
Transfer from land	-	17,781	-	17,781
Balance at the end of the financial year	71,100	88,882	71,100	88,882

Land in respect of Block 7 at Central Barangaroo is classified as Non-Current Assets - Held for Sale as it is available for sale and is expected to be sold as leased land over the next 12 months.

Recognition and Measurement

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 measured at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

8 Non-Current Assets - Property, plant and equipment

	Consolidated		Authority	
	June 2019 \$'000	June 2018 \$'000	June 2019 \$'000	June 2018 \$'000
Land at fair value				
Net carrying amount	286,871	279,001	286,871	279,001
Plant and equipment at fair value				
Gross carrying amount	6,319	5,483	6,319	5,483
Accumulated depreciation	(2,743)	(2,060)	(2,743)	(2,060)
Net carrying amount	3,576	3,423	3,576	3,423
Leasehold improvements				
Gross carrying amount	258	254	258	254
Accumulated depreciation	(81)	(30)	(81)	(30)
Net carrying amount	177	224	177	224
Infrastructure				
Gross carrying amount	328,499	327,792	328,499	327,792
Accumulated depreciation	(29,631)	(21,835)	(29,631)	(21,835)
Net carrying amount	298,868	305,957	298,868	305,957
Work in progress	31,432	30,207	31,432	30,207
Total property, plant and equipment at fair value	620,924	618,812	620,924	618,812
Gross carrying amount	653,379	642,737	653,379	642,737
Accumulated depreciation	(32,455)	(23,925)	(32,455)	(23,925)
Total property, plant and equipment at fair value	620,924	618,812	620,924	618,812

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	
	June 2019 \$'000	June 2018 \$'000	June 2019 \$'000	June 2018 \$'000
Land at fair value				
Net carrying amount at 1 July	279,001	285,258	279,001	285,258
Reclassification to assets held for sale	-	(17,781)	-	(17,781)
Revaluation increment recorded in asset revaluation surplus	7,870	11,523	7,870	11,523
Net carrying amount at 30 June	286,871	279,001	286,871	279,001
Plant and equipment at fair value				
Net carrying amount at 1 July	3,423	459	3,423	459
Additions	-	44	-	44
Disposals	-	(75)	-	(75)
Capitalised and transferred from work in progress	836	3,539	836	3,539
Depreciation expense	(683)	(544)	(683)	(544)
Net carrying amount at 30 June	3,576	3,423	3,576	3,423
Leasehold improvements				
Net carrying amount at 1 July	224	-	224	-
Additions	-	254	-	254
Revaluation increment recorded in provision	4	-	4	-
Depreciation expense	(51)	(30)	(51)	(30)
Net carrying amount at 30 June	177	224	177	224
Infrastructure				
Net carrying amount at 1 July	305,957	312,307	305,957	312,307
Capitalised and transferred from work in progress	707	1,394	707	1,394
Depreciation expense	(7,796)	(7,744)	(7,796)	(7,744)
Net carrying amount at 30 June	298,868	305,957	298,868	305,957
Work in progress				
Opening balance at 1 July	30,207	11,914	30,207	11,914
Additions	2,768	23,226	2,768	23,226
Capitalised and transferred to fixed assets	(1,543)	(4,933)	(1,543)	(4,933)
Closing balance at 30 June	31,432	30,207	31,432	30,207

Recognition and Measurement

Acquisitions of property, plant & equipment

The cost method of accounting is used for the initial recording of all acquisitions of property, plant & equipment 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 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.

Capitalisation thresholds

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

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 (1PP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property and Plant and Equipment.

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 9 for further information regarding fair value.

The Authority revalues each class of property, plant and equipment between three and five 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.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The last revaluation on infrastructure and plant and equipment asset class was completed in March 2017 and in March 2019 for land asset class.

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.

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. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

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

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13. As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in the net result.

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 2018/19:

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

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.

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.

Make good costs

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

9 Fair value measurement of non-financial assets

Recognition and Measurement

Fair value hierarchy

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

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

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

Refer to the following and Note 18 for further disclosures regarding the fair value measurements of financial and non-financial assets.

(a) 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 8)				
Land	-	252,527	34,344	286,871
Infrastructure	-	-	298,868	298,868
Leasehold improvements	-	177	-	177
Non-current assets held for sale (Note 7)	-	71,100	-	71,100
	-	323,804	333,212	657,016

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

2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 8)				
Land	-	246,792	32,209	279,001
Infrastructure	-	-	305,957	305,957
Leasehold improvements	-	224	-	224
Non-current assets held for sale (Note 7)	-	88,882	-	88,882
	-	335,898	338,166	674,064

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.	* Comparable property sales values. * Adjustments for scale of site and infrastructure costs.
Infrastructure	Current replacement cost approach.	Due to the unique, specialised nature of these assets, a cost approach using current replacement cost has been applied.
Leasehold improvements	Market approach - leasehold improvements valued at market rate per square metre.	External market rate per square metre based on location.
Assets held for sale	Valued at the lower of the carrying amount and fair value less costs to sell.	External valuation on proportion of the asset held for sale.

(c) Reconciliation of Level 3 fair value measurements

	Land	Infrastructure	Total
	\$'000	\$'000	\$'000
2019			
Recurring Level 3 fair value as at 1 July 2018	32,209	305,957	338,166
Additions	-	707	707
Revaluation increments recorded in assets revaluation reserve	2,135	-	2,135
Disposals	-	-	-
Depreciation expense	-	(7,796)	(7,796)
Recurring Level 3 fair value as at 30 June 2019	34,344	298,868	333,212

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

	Land	Infrastructure	Total
	\$'000	\$'000	\$'000
2018			
Recurring Level 3 fair value as at 1 July 2017	32,209	312,307	344,516
Additions	-	1,394	1,394
Depreciation expense	-	(7,744)	(7,744)
Recurring Level 3 fair value as at 30 June 2018	32,209	305,957	338,166

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
10 Current / Non-Current Liabilities - Payables				
Current				
Creditors	-	1	-	1
Accrued expenses	8,210	46,390	8,210	46,390
Security deposits and bonds	947	1,008	947	1,008
Interest payable	5,873	4,051	5,873	4,051
Personnel services payable	-	-	2,462	418
Payable - accrued salaries, wages and on-costs	1,663	88	-	-
	16,693	51,538	17,492	51,868
Non-current				
Personnel services payable	-	-	31	381
	-	-	31	381

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 18.

Recognition and Measurement

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.

11 Current / Non-Current Liabilities - Borrowings

Current				
TCorp borrowings	40,884	-	40,884	-
	40,884	-	40,884	-
Non-current				
TCorp borrowings	528,550	372,325	528,550	372,325
	528,550	372,325	528,550	372,325

Changes in liabilities arising from financing activities

	1 July 2018 \$'000	Cash Flows \$'000	30 June 2019 \$'000
TCorp borrowings	372,325	197,109	569,434
Total Liabilities from financing activities	372,325	197,109	569,434

The fair value of these unsecured loans as at balance date was \$587 million (2018: \$380 million).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 18.

Recognition and Measurement

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.

12 Current / Non-Current - Provisions	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
Current				
Employee benefits and related on-costs				
Annual leave	880	714	-	-
Long service leave	359	350	-	-
Other Provisions				
Provision for restoration *	81,292	198,996	81,292	198,996
Provision for climate positive fund	2,950	500	2,950	500
Provision - other	10,000	-	10,000	-
	95,481	200,561	94,242	199,496
Non-current				
Employee benefits and related on-costs				
Long service leave	31	30	-	-
Other Provisions				
Provision for restoration *	-	34,267	-	34,267
Provision for climate positive fund	2,506	3,231	2,506	3,231
Provision for make good	258	254	258	254
	2,795	37,781	2,764	37,751

* The valuation of land is based on a remediated site. As a result any revaluation increase is firstly offset against provision for restoration increases.

Aggregate employee benefits and related on-costs

Provisions - current	1,239	1,065	-	-
Provisions - non-current	31	30	-	-
Accrued salaries, wages and on-costs (note 10)	1,663	88	-	-
	2,933	1,183	-	-

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:

	Make good	Restoration	Other	Climate positive fund	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Carrying amount at the beginning of the financial year	254	233,263	-	3,731	237,248
Additional provisions recognised	4	303	10,000	1,725	12,032
Amounts used	-	(155,297)	-	-	(155,297)
Increase in provision from unwinding of discount rate (Note 2 (d))	-	3,023	-	-	3,023
Carrying amount at the end of the financial year	258	81,292	10,000	5,456	97,006
2018					
Carrying amount at the beginning of the financial year	-	322,924	-	2,041	324,965
Additional provisions recognised	254	14,430	-	1,690	16,374
Amounts used	-	(108,896)	-	-	(108,896)
Increase in provision from unwinding of discount rate (Note 2 (d))	-	4,805	-	-	4,805
Carrying amount at the end of the financial year	254	233,263	-	3,731	237,248

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 calculated using the Commonwealth Bond rate of 1.025% at 30 June 2019 (2018: 1.985%). Restoration works are expected to be completed by May 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.

Recognition and Measurement

Employee benefits and related on-costs

Salaries and wages, annual leave and sick leave

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.

Long service leave

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 18/13) 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.

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.

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.

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. The periodic unwinding of discount shall be recognised in profit or loss as a finance cost as it occurs.

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. 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.

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
13 Current / Non-Current Lease receipts in advance				
Current	142,187	178,809	142,187	178,809
Non-current	198,223	262,812	198,223	262,812

Lease receipts in advance include developer contribution received in relation to Central Barangaroo.

	Consolidated		Authority	
	June 2019	June 2018	June 2019	June 2018
	\$'000	\$'000	\$'000	\$'000
14 Commitments for Expenditure				
(a) Capital Commitments				
Aggregate capital expenditure contracted for at balance date and not provided for:				
Not later than one year	4,061	2,813	4,061	2,813
Total (including GST)	4,061	2,813	4,061	2,813

The capital commitments above include GST of \$0.4 million (2018: \$0.3 million) that is expected to be recoverable from the Australian Taxation Office.

15 Leases

(a) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	1,509	1,400	1,509	1,400
Later than one year and not later than five years	3,681	5,051	3,681	5,051
Total (including GST)	5,189	6,451	5,189	6,451

Operating leases relate to office, ICT equipment and motor vehicle leases. These leases have an average life of five years with an option to renew.

The operating lease commitments above include GST of \$0.5 million (2018: \$0.6 million) that is expected to be recoverable from the Australian Taxation Office.

(b) Finance Lease Receivable

Not later than one year	1,367	761	1,367	761
Later than one year and not later than five years	495,717	474,216	495,717	474,216
Minimum lease payments receivable	497,084	474,977	497,084	474,977
Less future interest income	(64,276)	(80,226)	(64,276)	(80,226)
Present value of minimum lease payment receivable	432,808	394,751	432,808	394,751

Included in Financial Statements (Refer note 5)

Current finance lease receivable	1,367	761	1,367	761
Non-current finance lease receivable	431,441	393,990	431,441	393,990
	432,808	394,751	432,808	394,751

16 Contingent Liabilities and Contingent Assets

On 18 August 2019, the Authority settled the sight lines dispute with LendLease (Millers Point) Pty Limited and Crown Sydney Property Pty Limited and withdrew the appeal proceedings. The commercial terms of this settlement are bound by confidentiality requirements. Depending on the outcome of future events, the Authority may have additional financial commitments.

17 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 in) operating activities	(336,024)	288,159	(336,080)	288,120
Depreciation	(8,530)	(8,318)	(8,530)	(8,318)
Gain/(loss) on sale of property, plant and equipment	3,116	127	3,116	127
Finance lease interest income	17,611	16,196	17,611	16,196
(Decrease) / increase in receivables	(2,400)	1,374	(2,400)	1,374
Decrease / increase in creditors	37,020	(9,705)	37,076	(9,666)
Decrease / (increase) in provisions	140,374	102,296	140,374	102,296
Decrease / (increase) in unearned income	100,448	(425,257)	100,448	(425,257)
Net Result	(48,385)	(35,127)	(48,385)	(35,127)

18 Financial Instruments

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

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

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees 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	Carrying
			Amount	Amount
			2019	2018
			\$'000	\$'000
Class:				
Cash and cash equivalents	4	N/A	5,953	45,368
Receivables ¹	5	Loans and receivables (at amortised cost)	433,860	395,481
Other financial assets	6	Loans and receivables	-	99,500
Financial Liabilities	Note	Category	Carrying	Carrying
			Amount	Amount
			2019	2018
			\$'000	\$'000
Class:				
Payables ²	10	Financial liabilities measured at amortised cost	15,746	50,530
Borrowings	11	Financial liabilities measured at amortised cost	569,434	372,325

Notes

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

(b) 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 to a third party 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.

(c) Financial risks

(i) 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 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 and cash equivalents

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

Receivables - trade debtors

Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions 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.

	\$'000		
	Total	Past due but not impaired	Considered Impaired
2019			
< 3 months overdue	62	62	
3 months - 6 months overdue	-		
> 6 months overdue	682	682	
2018			
< 3 months overdue	11	11	
3 months - 6 months overdue	3	3	
> 6 months overdue	196	133	62

Notes:

1. Each column in the table reports 'gross receivables'.
2. 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.

(ii) 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 \$735 million (2018: \$735 million). The net fair value of loans drawn down from the facility at balance date was \$587 million (2018: \$380 million). The weighted average effective interest rate for the year was 2.27% (2018: 2.70%) 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. 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.

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	\$'000				Maturity Dates		
		Nominal Amount 1	Interest Rate Exposure			< 1 yr	1-5 yrs	> 5 yrs
			Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing			
2019								
Payables	-	15,746	-	-	15,746	15,746	-	-
TCorp borrowings	2.27%	569,434	569,434	-	-	40,884	528,550	-
		585,180	569,434	-	15,746	56,630	528,550	-
2018								
Payables	-	50,530	-	-	50,530	50,530	-	-
TCorp borrowings	2.70%	372,325	372,325	-	-	-	372,325	-
		422,855	372,325	-	50,530	50,530	372,325	-

Notes:

1. 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.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's borrowings and cash and cash equivalents. 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. 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 2018. The analysis assumes that all other variables remain constant.

(iv) 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 is 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:

	Change: Carrying Amount	\$'000			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2019					
<i>Financial assets</i>					
Cash and cash equivalents	5,953	(60)	(60)	60	60
2018					
<i>Financial assets</i>					
Cash and cash equivalents	45,368	(454)	(454)	454	454
Other financial assets	99,500	(995)	(995)	995	995

19 Budget Review

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 below.

Net result

The net result for the 2019 financial year was a \$48.4 million deficit against a budget deficit of \$53.4 million.

The favourable variance of \$5 million was primarily driven by the following:

Total expenses were \$4.3 million favourable to budget mainly due to lower finance charges resulting from a lower opening debt balance driven by the timing of prior year restoration expenditure. This was partially offset by higher legal fees for the sightline litigation proceedings.

Assets and liabilities

Overall net assets at 30 June 2019 were \$114 million, which are \$16.1 million higher than budget.

Total assets are \$12.4 million lower than budget, primarily driven by the delay in reaching substantial commencement for the remaining Barangaroo South buildings.

Total liabilities are \$1,026 million which are \$28.5 million lower budget. This can be attributed to the reduction in unearned income, offset by higher than budgeted borrowings with NSW Treasury to facilitate the above-mentioned reduction.

Cash flows

The actual net cash movement was \$4.2 million favourable to budget. The higher than budgeted cash balance at the end of the year is predominantly driven by higher restoration expenditure expected to be paid.

20 Related Party Disclosures

The Authority's key management personnel compensation is as follows:

	June 2019	June 2018
	\$'000	\$'000
Short-term employee benefits	1,572	1,315
Post-employment benefits	86	77
Termination benefits	412	-
Total Remuneration	2,070	1,392

During the period, the Authority entered into no transactions 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 2019 was \$569 million.

21 Events after the Reporting Period

The Administration Arrangement Orders published on 2 April 2019, outlined that from 1 July 2019, staff employed by the Barangaroo Delivery Authority Staff Agency will transfer to the Infrastructure NSW Staff Agency (INSW Staff Agency). The Government has also decided that Barangaroo Delivery Authority (BDA) infrastructure projects will be transferred to Infrastructure NSW (INSW), under the INSW Act 2011. These projects will be managed under Projects NSW, which is INSW's project delivery group.

In June 2019, the NSW Government introduced a Bill to Parliament which sought to abolish the Barangaroo Delivery Authority entity. The Bill was passed on 20 June 2019 and BDA ceased on 1 July 2019 and its functions and assets, rights and liabilities transferred to INSW. The Bill provides a mechanism for assets, rights and liabilities transferred to INSW to be subsequently transferred to the Crown, a public authority, a State owned Corporation or another person acting on behalf of the Crown. BDA Board members resigned from their position effective from 31 May 2019. For the time being, the Audit and Risk Committee of BDA will continue.

On 18 August 2019, the Authority settled the sight lines dispute with LendLease (Millers Point) Pty Limited and Crown Sydney Property Pty Limited and withdrew the appeal proceedings. The commercial terms of this settlement are bound by confidentiality requirements. Depending on the outcome of future events, the Authority may have additional financial commitments.

End of audited financial statements



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