



2018-19

Western City & Aerotropolis Authority

ANNUAL REPORT



Western City & Aerotropolis Authority

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LETTER OF SUBMISSION TO THE MINISTER

Minister for Western Sydney
The Hon. Stuart Ayres, MP
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

We are pleased to submit for presentation to Parliament the Annual Report for the Western City & Aerotropolis Authority for the financial year ended 30 June 2019.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Annual Reports (Statutory Bodies) Regulation 2015* and includes the financial statements of the Authority for the period 1 July 2018 to 30 June 2019.

Yours sincerely

JENNIFER WESTACOTT AO

Chair of the Board

SAM SANGSTER

Chief Executive Officer

FROM THE CHIEF EXECUTIVE OFFICER

The Western Parkland City is an area of unique heritage and extraordinary natural assets.



36-hour farm-to-plate, global food supply chain – an incredible opportunity to connect local suppliers with global markets.

With demand increasing for fresh food at home and overseas, the agribusiness precinct will drive a step-change in productivity and growth.

With advanced industries at its core, the Western Parkland City will also become home to advanced education and research, an incubator for ideas and careers.

With more than half of Sydney's population expected to live west of Parramatta by 2036, it's more important than ever that we plan and deliver a city ready to grow, develop and thrive well into the future.

I am both proud and excited to be leading the Authority through this once-in-a-generation opportunity to work across government, industry and the community to change the game.

The Western City & Aerotropolis will be Australia's first 22nd century city

It is also soon to be home to Sydney's first 24-hour international airport: an unparalleled opportunity for growth, employment and opening the region to Australia and the world.

The Western City & Aerotropolis Authority (the Authority) is responsible for harnessing these opportunities and helping Western Sydney to become a dynamic, connected and liveable city.

The formation of the Authority is part of the commitment outlined in the Western City District Plan and the Western Sydney City Deal, responding to \$20 billion already invested by the NSW and Commonwealth governments in the future of the region.

And it's an exciting future. The Western City & Aerotropolis will be Australia's first 22nd century city.

At its heart and adjoining the Nancy Bird Walton International Airport will be the Aerotropolis: an advanced 'smart city' that will attract emerging and new industries, secure investment for economic growth, create jobs, and transform the way people live, work and learn.

A city of opportunities, it will be home to a world-leading advanced manufacturing precinct, focused on space, aerospace and defence industries. Already, the Authority is working closely with industry and universities to make this happen.

The advanced manufacturing precinct will deliver high-tech jobs, increase productivity, modernise products and processes and increase our global competitiveness.

Adjacent to the manufacturing precinct will be an agribusiness precinct: an integrated intensive production hub and logistics hub that will create a

We are working alongside industry and education partners to develop a pipeline of education opportunities spanning primary, secondary, vocational and tertiary sectors. A significant focus will be on blending traditional university degrees with vocational education, practical training and STEM education (science, technology, engineering and mathematics).

These are all opportunities that will extend across the Western Parkland City, activating the existing centres of Campbelltown, Liverpool and Penrith and promoting urban renewal and tourism.

Underpinning it all is a commitment to sustainable practice and process, green open spaces featuring significant waterscapes and modern, connected transport, utilities and services. Smart energy, recycled water-use and opportunities for renewable waste solutions will all form part of the planning process.

The Authority has been in place for less than 12 months and already we have achieved so much. Over the next 12 months, we will continue to secure investment and to engage with local and State government and the community through the master planning and design process.

I'd encourage you to visit our website and follow us on social media to stay up to date with the latest news.

It's an exciting space, and the world is watching.

SAM SANGSTER

CEO, Western City & Aerotropolis Authority

ABOUT US

Western Sydney is fast becoming a place of growth, change and tremendous opportunity.

More than 1.5 million people are expected to live in the Western Parkland City over the next 20 years, which means employment, infrastructure, transport and utilities are a significant focus for the NSW Government.

The Authority has been tasked by the State and Federal governments to design and deliver a new CBD: creating a dynamic new place for people to live, work and learn.

The Aerotropolis will be an innovative smart city which will harness Sydney's first 24/7 international airport to attract emerging and new industries, capture investment and drive high-value, skilled and resilient jobs in Western Sydney.

The Aerotropolis will be home to leading advanced manufacturing, quantum, aerospace and defence industries, and an agribusiness precinct delivering a sophisticated, intense food production hub along with high-tech freight and logistics connecting Western Sydney to global markets.

It's a new, comparative advantage not just for Western Sydney but nationally, and will help create 200,000 jobs across the Western Parkland City over the next 20 years.

A unique 'blended' approach to education through industry and university cooperation will upskill and train workers.

A citizen centric city, the new CBD will provide a high standard of living, commercial and recreational places, including development and growth in Campbelltown, Liverpool and Penrith, with major urban renewal in the Penrith to St Marys corridor.



+200,000
jobs





CHARTER

The Authority was established in November 2018, as a key commitment under the Western Sydney City Deal. The Authority was established to facilitate the design and delivery of the 11,200 hectare Western Sydney Aerotropolis as Greater Sydney's newest economic hub and to support the growth of the Western Parkland City.

The Authority is a statutory corporation established under the WCAA Act. Parliament passed the Act on 26 September 2018 and it commenced on 9

November 2018. The Authority reports to the Hon. Stuart Ayres MP, Minister for Jobs, Investment, Tourism and Western Sydney.

Under the WCAA Act, the Authority is required to produce a formal Charter. The statutory Charter is being developed in accordance with the WCAA Act and will be approved by the Board for Ministerial approval in the new financial year.

AIMS & OBJECTIVES

Under the *Western City and Aerotropolis Act 2018* (WCAA Act), the object of the Authority is to encourage the economic growth and development of the Western Sydney Aerotropolis and the rest of the Western City, in particular—

- (a) by creating active, vibrant and sustainable communities and locations that—
 - (i) support national and global business, and
 - (ii) support, and benefit from, the development of the Western Sydney Airport, and
- (b) by supporting the creation of precincts that are focused on job intensive land uses and which include knowledge, industrial, educational, commercial, retail and mixed use precincts, and
- (c) by promoting investment, and
- (d) by promoting development that accords with best practice environmental and planning standards, is environmentally sustainable and applies innovative environmental building and public domain design, and
- (e) by facilitating the sharing of financial value arising from, or associated with, the development of the operational area so as to offset the provision of public infrastructure, facilities, places and services, and
- (f) by promoting the attainment of value for money and efficiency in the delivery of infrastructure, and
- (g) by promoting, organising and conducting cultural, tourist and recreational activities to ensure that the Western City is a great place to live, visit and work, and
- (g) by achieving optimal outcomes from the Authority working collaboratively with the Commonwealth and State governments and with local councils in the Western City.





MANAGEMENT & STRUCTURE

THE AUTHORITY'S BOARD

The WCAA Act provides for the establishment of a Board of the Authority (the Board) and the appointment of a Chief Executive Officer (the CEO).

While the Authority is a NSW entity, the appointment of the Chair and three of the Board members is subject to consultation with the Hon Alan Tudge MP, Commonwealth Minister for Population, Cities and Urban Infrastructure.

The Board consists of a person appointed as the Chairperson of the Board, three persons nominated by the Hon. Stuart Ayres MP, Minister for Jobs, Investment, Tourism and Western Sydney and three persons nominated by the Commonwealth Minister.

Mr Sam Sangster was appointed as the inaugural CEO of the Authority in late 2018 and commenced as the Authority's first employee on 3 December 2018. Information on the members of the Board, and the leadership team of the Authority, are set out in the tables below.

THE BOARD

NAME	QUALIFICATION/AREAS OF EXPERTISE	METHOD OF APPOINTMENT	TERM	MEETING ATTENDANCE
JENNIFER WESTACOTT AO	<ul style="list-style-type: none"> • BA (Honours), FAICD, G.C.B, FIPAA, FANZSOG • CEO, Business Council of Australia (8 years) • Board Director Wesfarmers (6 years) • Adjunct Professor at the City Futures Research Centre of the University of New South Wales • Chair of the Mental Health Council of Australia • Chair of the Western City & Aerotropolis Authority (since February 2019) • Co-chair of the Australia-Canada Economic Leadership Forum Organising Committee (since February 2016) • Member of the Prime Minister's Cyber Security Review Panel (concluded April 2016) • Board member of Cyber Security Research Centre (CSRC) Ltd (since February 2018) • Co-Patron of Pride in Diversity (since November 2017) • Patron of The Pinnacle Foundation (since March 2019) 	Ministerial	3 Years (Expires 24/02/2022)	2
GEOFF ROBERTS AM	<ul style="list-style-type: none"> • B Nat Res (Hons) Resource Management • M App Sc, Environmental Science • FAICD • 25 years' experience in strategic environmental planning in Australia and overseas. • Interim Chair - Western City & Aerotropolis Authority • Deputy Chief Commissioner • Greater Sydney Commission • Economic Commissioner • Greater Sydney Commission • Former Interim Western City District Commissioner • Greater Sydney Commission • Chief Coordinator of the Western Sydney City Deal 	Ministerial	3 Years (Expires 24/02/2022)	2
ALAN STONEHAM	<ul style="list-style-type: none"> • Chartered Planner • Diploma Engineering Science • Associate Diploma Local Government Management • MAICD • General Manager of Penrith City Council 2008 - September 2018 • Deputy General Manager of Penrith City Council 2003-2008 	Ministerial	3 Years (Expires 24/02/2022)	2

THE BOARD CONTINUED

ELIZABETH MONTANO	<ul style="list-style-type: none"> B Arts and LLB FAICD Current Chair or Member of various Commonwealth audit & risk committees including: Treasury, the Department of Veterans' Affairs, the Australian Criminal Intelligence Commission, the Independent Parliamentary Expenses Authority, the Office of the Official Secretary to the Governor-General, AUSTRAC, the Department of the Senate, and the Department of Defence Former Chair / Member of Board of Centrelink (2002-2005), Member of Board of Australian Institute of Marine Science (2005-2015), Chief Executive Officer, Australian Transaction Reports and Analysis Centre (Austrac) 1996-2001, Director Companies, Australian Securities and Investments Commission (ASIC) 1991-1994 Solicitor and Consultant, King & Wood Mallesons, 1985-1991 	Ministerial	3 Years (Expires 06/05/2022)	1 Member appointed after March 2019 meeting.
GABRIELLE TRAINOR AO	<ul style="list-style-type: none"> Admitted Barrister and Solicitor, Supreme Court of Victoria LLB M Arts in Cultural and Creative Practice FAICD Co-owner, joint CEO - John Connolly & Partners 1992-2011 Current directorships include: the Australian Football League, Infrastructure Australia, Australian Sports Commission, Western Sydney University, Victorian Major Projects Infrastructure Board and Zurich Australia 	Ministerial	3 Years (Expires 24/02/2022)	2
MARK BINSKIN AC	<ul style="list-style-type: none"> Air Chief (ret'd) GAICD Grad. Dip. Management Studies Chief of the Australian Defence Force (June 2014-July 2018) Vice Chief of the Australian Defence Force (2011-2014) Chief of the Australian Air Force (2008-2011) 	Ministerial	3 Years (Expires 24/02/2022)	2
VINCE GRAHAM AM	<ul style="list-style-type: none"> B City Engineering Post Grad Dip of Management FAICD Churchill Fellow 1982 Fellow Australian Institute of Company Directors Current directorships include Australian Rail Track Corporation, NSW Public Service Commission, Sydney University Senate People and Culture Committee, Catholic Schools, and Western Sydney Airport; Chief Executive Ausgrid, Endeavour Energy & Essential Energy (Networks NSW) 2012-2015 CEO Endeavour Energy 2008-2012, CEO Railcorp NSW 2003-2008; CEO National Rail Corporation 1992-2002 	Ministerial	3 Years (Expires 06/05/2022)	1 Member appointed after March 2019 meeting.

LEADERSHIP TEAM AS AT 30 JUNE 2018

NAME	ROLE	QUALIFICATIONS
SAM SANGSTER	<ul style="list-style-type: none"> Chief Executive Officer 	Bachelor of Science (Mathematics) Bachelor of Laws (Hons) Graduate of the AICD; Certified Practising Accountant and is admitted to legal practice in several jurisdictions.
KARA GILTINAN	<ul style="list-style-type: none"> Executive Director Communications and Engagement 	Bachelor of Applied Science Post Graduate Diploma - Journalism
TROY HARVEY	<ul style="list-style-type: none"> Executive Director Planning and Development 	Bachelor of Science Bachelor of Architecture
THOMAS KWOK	<ul style="list-style-type: none"> General Counsel 	Bachelor of Law Bachelor of Asian Studies Graduate Diploma in Legal Practice Diploma in Town Planning Law Society of NSW Practising Certificate Admitted to the NSW Supreme Court and the High Court of Australia
TIM SPENCER	<ul style="list-style-type: none"> Executive Director Investment and Attraction 	Bachelor of Economics
BROOKE BLACK	<ul style="list-style-type: none"> Director People and Culture 	Bachelor of Science (Psychology) Post Graduate Diploma in Management. Certificate IV Workplace Training & Assessment

PERFORMANCE HIGHLIGHTS



INVESTMENT ATTRACTION - FOUNDATION PARTNERS

As at 30 June 2019, the Authority is responsible for non-binding agreements with 12 Foundation Partners for the Aerotropolis. The 12 Foundation Partners are:

1. Northrop Grumman Australia
2. NUW Alliance and Western Sydney University
3. Mitsubishi Heavy Industries Ltd
4. The Sumitomo Mitsui Banking Corporation
5. Sydney Markets Limited
6. Hitachi Ltd
7. Vitex Pharmaceuticals Pty Limited
8. Urban Renaissance Agency
9. University of Sydney
10. National Space Innovation Hub (which includes 20 SMEs, CSIRO and the University of New South Wales)
11. Australian Space Agency
12. Samsung SDS

These commitments represent strong industry endorsement of the NSW Government's vision for the Aerotropolis as a global employment centre delivering 200,000 jobs, education opportunities and enhanced liveability for all residents of the Western Parkland City.

OVERSEAS MISSION VISITS

The Authority has undertaken targeted international engagements and mission visits to ensure that it is in a position to partner with and learn from the best local, national and international universities, manufacturers, multinational corporations, aerospace companies, banking and financial services companies and independent institutions to help deliver the Aerotropolis. Information on these missions is set out in detail in the appendices to this report.





REVIEW OF OPERATIONS & ACTIVITIES

INVESTMENT ATTRACTION

The Authority's objects and functions offer NSW a unique opportunity to co-design the places and precincts within the Aerotropolis with and for future users, to bring a research and development focus, and to invest capital into the Aerotropolis to achieve job creation targets. In the reporting period, the Investment Attraction team of the Authority has progressed a range of activities, particularly relating to the development of relationships with potential investors in line with the Authority's statutory objects.

PLANNING & DEVELOPMENT

The development of the Western Parkland City will require the creation of enjoyable, attractive and inclusive places, with opportunities for social interaction and connection, new employment and housing opportunities, and social infrastructure. In the reporting year, the Planning & Development function of the Authority commenced the development of its workstreams relating to masterplanning, development, and property, in accordance with the Authority's statutory objects and in coordination with the work of the Investment Attraction team.

COMMUNICATIONS & ENGAGEMENT

The Authority's Communications & Engagement team is focused on working with partners and clients across government, industry and the community to deliver the Western City and Aerotropolis. Collaboration and meaningful engagement is key to the Authority's success, particularly with so many stakeholders involved throughout planning, design and delivery.

The Communications and Engagement team will manage government, industry and community engagement; promote the work of the Authority and its vision for the Western Parkland City, manage media affairs, develop and implement accessible communication channels and feedback mechanisms, support collaboration between government and industry, and ensure customer feedback is fed back through to the design of future engagement activities.

PEOPLE & CULTURE

Implementing the outcomes of the 2018 People Matter Employment Survey

As of 30 June 2019, there were no Authority specific People Matter Employment Survey (PMES) actions. PMES actions were implemented as part of the broader DPC staff engagement strategy and these included:

- Flexible working policy implemented across DPC and accessible for all staff
- Support provided for Diversity and Inclusion initiatives including mandatory training on Inclusive leadership and iLead Flexibility
- Training provided around respectful behaviours, reinforcing Public Sector values and visibility of the grievance policy

LEARNING & DEVELOPMENT

As of June 2019, the Authority did not have a Learning and Development strategy. Instead, employees had access to initiatives provided by DPC, including;

- Bespoke DPC Leadership Development Program
- Combat Bullying
- Aboriginal and Torres Strait Cultural Appreciation workshops
- Performance Development
- Plain English workshop
- Project Management
- Various Lunch 'n' Learn programs

WORKFORCE DIVERSITY

- The Diversity and Inclusion three-year strategy implemented by DPC focuses on:
- Implementing Inclusive leadership and iLead Flexibility training
- Developing metrics to measure inclusion and flexible working
- Updating internal resources to support education of DPC employees on complaints resolution, unconscious bias and recruitment processes.

The Authority's Diversity and Inclusion plan will be developed as part of the next year's People and Culture strategy.

MULTICULTURALISM

The Authority relies on the Multicultural Strategy adopted by the DPC in accordance with the Multicultural NSW Act 2000. The Authority has not entered into any agreements with Multicultural NSW.

ABORIGINAL EMPLOYMENT

The Authority's aboriginal employment contribution took place via the DPC Pilot on Aboriginal Torres Strait Islander Recruitment Pool, in cooperation with Yarn'n. DPC engaged Yarn'n' Aboriginal Employment Services to pilot a targeted recruitment campaign for Aboriginal Policy Officers. Additionally, DPC also held the inaugural Aboriginal Career and Leadership Program (ACLDP) networking event in collaboration with Public Service Commission (PSC) and Diversity and Inclusion Council across government.

PEOPLE WITH A DISABILITY

The Authority relied upon the Diversity and Inclusion Action Plan adopted by DPC. A key initiative was the implementation of a student internship with the Australian Network on Disability 'Stepping Into' program. This program supports inclusion of people with disability in all aspects of business.

MACHINERY OF GOVERNMENT

The Machinery of Government changes subsequent to the March 2019 NSW State Election resulted in a change of the Authority cluster principal agency from the Department of Premier and Cabinet (DPC) to the NSW Treasury. As of June 2019, the Authority has commenced planning for the migration of IT systems from DPC to NSW Treasury and the definition of future shared services arrangements.



GOVERNANCE

The Authority is committed to ensuring that good governance underpins the way we work. The Authority is currently developing a suite of policies to guide our staff and facilitate a clear

understanding of their compliance requirements. The Code of Ethics and Conduct is one of the initial policies to be developed and socialised with staff.

WORKPLACE HEALTH & SAFETY

The Authority's work, health and safety (WHS) commitment was implemented through the DPC WHS committee. The DPC committee participated in the public sector wide planning group to discuss the 2022 WHS Roadmap targets to reduce serious injuries and fatalities for all workers.

Compensation claims as at 30 June 2019

YEAR	PREMIUMS PAID (\$)	CLAIMS LODGED	OPEN CLAIMS
2018-2019	0 *	0	0

* The Authority, due to being a new entity, did not pay an insurance premium during the reporting period.

CLAIMS & REPORTS

No incidents reported.



DPC engaged Yarn'n' Aboriginal Employment Services to pilot a targeted recruitment campaign for Aboriginal Policy Officers

Accidents and incidents reported

CAUSE TYPE	COUNT
Slip/trip/fall (at work)	0
Slip/trip (journey/recess)	0
Lifting	0
Cuts/burns	0
Driving/car related	0
Psychological	0
Ergonomic	0
Other*	0
Total	0

* The 'Other' category includes a range of general accidents and incidents that cannot be readily defined by the preceding identified cause types. Examples include minor near misses, reports by external visitors, and other undefined general incidents or illnesses.

**ZERO INCIDENTS
REPORTED**



INDUSTRIAL RELATIONS

EXCEPTIONAL MOVEMENTS IN WAGES, SALARIES OR ALLOWANCES

None to report.

PERSONNEL POLICIES & PRACTICES

DPC Human Resources policies and practices were adopted by the Authority. Further relevant policies and practices are being prepared by the Authority for implementation from July 2019.

INDUSTRIAL RELATIONS POLICIES & PRACTICES

There were no industrial relations (IR) issues reported for the Authority. Additionally, all IR policies and practices adopted followed DPC's IR practice.

BUDGET

Due to only being established in late 2018, the Authority did not have a budget for FY 2018/19. Audited financial statements for FY2018/19 are set out in the following section of this report.

As a result of the transfer of WCAA from DPC to NSW Treasury on 1 July 2019, the WCAA budget for the 2019/20 financial year is being finalised at the time of reporting. When finalised, the budget will be used to deliver on the Authority's statutory objectives.





INDEPENDENT AUDITOR'S REPORT

Western City and Aerotropolis Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Western City and Aerotropolis Authority (the Authority), which comprise the Statement of Comprehensive Income for the period from 9 November 2018 to 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 period then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2019, and of its financial performance and its cash flows for the period from 9 November 2018 to 30 June 2019 in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under 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 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 period 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 comprise the Certification of the Financial Statements.

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 Board's Responsibilities for the Financial Statements

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

In preparing the financial statements, the members of the Board are responsible for assessing the Authority's ability 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/ar4.pdf. The description forms part of my auditor's report

My opinion does not provide assurance:

- that the Authority carried out its 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.



Scott Stanton
Assistant Auditor-General

Delegate of the Auditor-General for New South Wales

30 September 2019
SYDNEY

AUDITED FINANCIAL STATEMENTS

Financial Statements of Western City and Aerotropolis Authority

(ABN 84 369 219 084)

for the Period from 9 November 2018 to 30 June 2019

Western City and Aerotropolis Authority
Certification of the Financial Statements
for the period from 9 November 2018 to 30 June 2019

I state, pursuant to section 41C (1B) of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of the Western City and Aerotropolis Authority for the period from 9 November 2018 to 30 June 2019 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2015* and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Western City and Aerotropolis Authority; and
- 3) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.


Dr Jennifer Westacott
Chairperson
27 September 2019


Geoff Roberts
Deputy Chairperson
27 September 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 9 NOVEMBER 2018 TO 30 JUNE 2019

	NOTES	9 NOV 2018 TO 30 JUN 2019 \$'000
EXPENSES EXCLUDING LOSSES		
Operating expenses		
Personnel services	2(a)	2,100
Other operating costs	2(b)	966
Depreciation and amortisation		-----
Total expenses excluding losses		3,066
REVENUE		
Grants and contributions	3(a)	2,807
Total Revenue		2,807
Net Result		(259)
OTHER COMPREHENSIVE INCOME		
<i>Items that will not be reclassified to net result in subsequent periods</i>		----
Total other comprehensive income		----
Total Comprehensive income		(259)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTES	30 JUN 2019 \$'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4	859
Receivables	5	44
Total Current Assets		903
NON-CURRENT ASSETS		
Property, plant and equipment - Plant and equipment	6	8
Total Non-Current Assets		8
Total Assets		911
LIABILITIES		
CURRENT LIABILITIES		
Payables	7	1,170
Total Current Liabilities		1,170
NON-CURRENT LIABILITIES		
Other		----
Total Non-Current Liabilities		----
Total Liabilities		1,170
Net Assets		(259)
EQUITY		
Reserves		----
Accumulated funds		(259)
Total Equity		(259)

The accompanying notes form part of these financial statements.

**WESTERN CITY AND AEROTROPOLIS AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	NOTES	ACCUMULATED FUNDS \$'000	ASSET REVALUATION SURPLUS \$'000	TOTAL \$'000
Balance at 9 November 2018		----	----	----
Net result for the year		(259)	----	(259)
Other comprehensive income		----	----	----
Total other comprehensive income		----	----	----
Total comprehensive income for the period		(259)	----	(259)
Transactions with owners in their capacity as owner				
Balance at 30 June 2019		(259)	----	(259)

**STATEMENT OF CASH FLOWS FOR THE PERIOD
FROM 9 NOVEMBER 2018 TO 30 JUNE 2019**

	NOTES	9 NOV 2018 TO 30 JUN 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
PAYMENTS		
Personnel services		----
Other		(23)
Total Payments		(23)
RECEIPTS		
Grants and contributions		882
Total receipts		882
Net cash flows from operating activities	10	859
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment		----
Purchases of intangibles		----
Net cash flow from investing activities		----
Net increase / (decrease) in cash and cash equivalents		859
Opening cash and cash equivalents		----
Cash transferred in/(out) as a result of administrative restructuring		----
Closing cash and cash equivalents	4	859

The accompanying notes form part of these financial statements.

* Personnel services and other operating expenses were provided by the Department of Premier and Cabinet in the form of a non-cash grants up to mid June 2019.

**1 Statement of Significant
Accounting Policies**

(A) REPORTING ENTITY

The Western City and Aerotropolis Authority (the Authority) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Authority is a not for profit entity (as profit is not its principal objective) and it has no cash generating units. It commenced trading 9 November 2018 as a result of the *Western City and Aerotropolis Authority Act 2018 No 53*.

The Western City and Aerotropolis Authority Staff agency is a controlled entity of the Authority. It has been dormant for the period to 30 June 2019. The staff agency's sole objective will be to provide personnel services to the Authority in the next financial year. The Department of Premier and Cabinet has provided personnel services to the Authority during the period.

These inaugural financial statements for the period from 9 November 2018 to 30 June 2019 have been authorised for issue by the Authority's board on 27 September 2019.

(B) BASIS OF PREPARATION

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

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

The Authority's financial statements have been prepared on a going concern basis, which contemplates the continuity of

normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations. The Authority held cash on hand and at bank as at 30 June 2019 of \$858,997. As at 30 June 2019 the Authority had a net working capital deficit of \$267,000. The Authority receives annual grants from the NSW Government which are sufficient to fund its ongoing operations.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention, except as otherwise specified.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Authority's presentation and functional currency.

(C) STATEMENT OF COMPLIANCE

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

(D) 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.



1 Statement of Significant Accounting Policies

E) ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (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 the cost of acquisition of an asset 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 is recoverable from, or payable to, the Australian Taxation Office (ATO) are classified as operating cash flows.

(F) INCOME RECOGNITION

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.

(i) Grants

Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

(G) PROPERTY, PLANT AND EQUIPMENT

(i) Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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 requirements of other Australian Accounting Standards.

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, i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition - see also assets transferred as a result of an equity transfer - Note 1(j).

1 Statement of Significant Accounting Policies

(G) PROPERTY, PLANT AND EQUIPMENT

(ii) Capitalisation thresholds

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

(iii) Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

(iv) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site to the original condition is included in the cost of an asset, to the extent it is recognised as a liability. The liability is carried at present value of future estimated costs discounted using the government bond rate. The unwinding of the discount is recognised as finance costs in the statement of comprehensive income.

(v) 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 a component of an asset, in which case the costs are capitalised and depreciated.

(vi) 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.

All material separately identifiable components of assets are depreciated separately over their useful lives. The following depreciation rates have been adopted:

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed each financial year.

(vii) Impairment of property, plant and equipment

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

CATEGORY OF ASSETS	DEPRECIATION RATES (2019)
Depreciation	
Office furniture and fittings	10%
General plant and equipment	14% - 33%

1 Statement of Significant Accounting Policies

(G) PROPERTY, PLANT AND EQUIPMENT

(vii) impairment of property, plant and equipment

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.

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.

(H) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the net result.

The Authority determines the classification of its financial assets and liabilities at initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(I) FINANCIAL ASSETS

- Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

- Impairment of financial assets

All financial assets are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

1 Statement of Significant Accounting Policies

(H) FINANCIAL INSTRUMENTS

(i) Financial assets

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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.

(ii) Financial liabilities

Financial liabilities are classified as 'at amortised cost'.

- Financial liabilities at amortised cost (including borrowings and trade payables)

Payables represent liabilities for goods and services provided to the Authority and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables relating to grant payments are recognised when the legal obligation to pay occurs.

- Financial Guarantees

The Authority has reviewed its financial guarantees and determined that there is no liability to be recognised for financial guarantee contracts as at 30 June 2019.

(iii) Derecognition of financial assets and financial liabilities

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

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

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

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

1 Statement of Significant Accounting Policies

(I) PROVISIONS

Provisions are recognised when: the Authority has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

(J) EQUITY AND RESERVES

(i) Accumulated Funds

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

(ii) Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or AAS (e.g. revaluation surplus and foreign currency translation reserve).

(K) COMPARATIVE INFORMATION

As the Authority commenced during the 2018-19 financial year there is no comparative information.

(L) CHANGES IN ACCOUNTING POLICY, INCLUDING NEW OR REVISED AAS

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

The Authority has adopted AASB 9 Financial Instruments (AASB 9). AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 Financial Instruments: Disclosures (AASB 7R).

(a) Classification and measurement of financial instruments

The Authority's management has assessed which business models apply to the financial assets held by the Authority and has classified its financial instruments into the appropriate AASB 9 categories.

(b) Impairment

The adoption of AASB 9 replaces AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Authority to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

1 Statement of Significant Accounting Policies

(J) CHANGES IN ACCOUNTING POLICY, INCLUDING NEW OR REVISED AAS

(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 have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 19-04):

- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with
- AASB 16 Leases
- AASB 17 Insurance Contracts
- AASB 1058 Income of Not-for-profit Entities
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015- 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements

- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors

- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for- Profit Entities

The adoption of AASB 16 Leases will see operating leases disclosed as a right of use asset offset by a lease liability.

At 30 June 2019 the Authority does not have any operating leases in place.

The Western City and Aerotropolis Authority anticipates that the adoption of the other Standards in the period of initial application will have no material impact on the financial statements.

2 Expenses Excluding Losses

	9 NOV 2018 TO 30 JUN 2019 \$'000
(A) PERSONAL SERVICES	
Agency contractors and personnel services	2,100
	2,100
Personnel services were funded by non-cash grants and contributions. Note 3(a)	
	9 NOV 2018 TO 30 JUN 2019 \$'000
(b) Other operating expenses include the following:	
Auditor's remuneration - audit of financial statements ¹	----
Consultancy costs	235
Corporate services	54
Fees for services rendered	99
Legal fees	301
Printing	14
Maintenance expenses*	11
Other expenses	37
Occupancy costs	92
Telephone and communication costs	5
Training (staff development)	39
Travel costs	79
	966
<u>Total maintenance costs</u>	
* Maintenance expense - contracted labour and other (non-employee related), as above	11
Total maintenance expenses included in Note 2(a) + 2(b) 11	11

¹ The audit fees for the year ending 30 June 2019 reflect audit work performed to date. The fee for the audit of the 2019 financial statements is \$22k (excluding GST).

3 Revenue

	9 NOV 2018 TO 30 JUN 2019 \$'000
(A) GRANTS AND CONTRIBUTIONS	
Commonwealth Government	----
NSW Government	2,807
Private sector contributions - events	----
	2807

4 Current Assets - Cash Equivalents

	30 JUN 2019 \$'000
Cash at bank and on hand	859
	859
For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank and cash on hand.	
Cash and cash equivalents 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)	859
Closing cash and cash equivalents (per statement of cash flows)	859

Refer Note 11 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

5 Current Assets - Receivables

	30 JUN 2019 \$'000
Current Receivables	
Goods and services tax recoverable from ATO	44
	44

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 11.

6 Non-Current Assets - Property, Plant and Equipment

	LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	LEASE HOLD IMPROVEMENTS \$'000	TOTAL
At 30 June 2019 - fair value				
Gross carrying amount	----	8	----	8
Accumulated depreciation and impairment	----	----	----	----
Net carrying amount	----	8	----	8

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below.

	LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	LEASE HOLD IMPROVEMENTS \$'000	TOTAL
Period ended 30 June 2019				
Net carrying amount at beginning	----	----	----	----
Additions	----	8	----	8
Disposals	----	----	----	----
Administrative restructures - transfers in/(out)	----	----	----	----
Net revaluation increment less (revaluation decrements recognised in reserves)	----	----	----	----
Depreciation expense	----	----	----	----
Reclassifications	----	----	----	----
Write back of depreciation	----	----	----	----
Net carrying amount at the end of the year	----	8	----	8

7 Current Liabilities, Payables

	JUN 2019 \$'000
Accrued salaries, wages and on-costs	----
Creditors	1,170
	1,170

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 11.

8 Commitments for Expenditure

	30 JUN 2019 \$'000
Operating Lease Commitments	
Future non-cancellable operating lease rentals not provided for and payable	
Within one year	----
Later than one year and not later than five years	----
Later than five years	----
Total (including GST)	----

The Authority operated from premises leased by the Department of Premier and Cabinet during the financial year 2018-19.

9 Contingent Liabilities and Contingent Assets

Contingent Liabilities

The Authority is not aware of any significant or material contingent liabilities in existence at 30 June 2019 or which have emerged subsequent to this date, which may materially impact on the financial position of the Authority as shown in the financial statements.

Contingent Assets

There are no known contingent assets at balance date.

10 Reconciliation of Cash Flows from Operating Activities to Net Result

	9 NOV 2018 TO 30 JUN 2019 \$'000
Net cash used on operating activities	859
Net adjustments for non-cash transfers	8
Depreciation and amortisation	----
Finance Costs	----
Decrease / (increase) in provisions	----
Increase / (decrease) in receivables & prepayments	44
(Increase) / decrease in creditors	(1,170)
Net gain / (loss) on sale of plant and equipment	----
Other gain / (loss)	----
Decrease / (increase) in other liabilities	----
Net result	(259)

11 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 and Chief Executive Officer have overall responsibility for the establishment and oversight of risk management and reviews and agreeing 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. During the reporting period, whilst the Authority was transitioning to establishing its own Internal Audit function and Audit and Risk Committee, these services were provided by the Department of Premier and Cabinet under a shared service arrangement in accordance with TPP 16-02 'Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees'.

(a) Financial instrument categories

As at 30 June 2019 under AASB 9

CONSOLIDATED	CARRYING AMOUNT	NET RESULT \$'000	-1%	EQUITY \$'000	NET RESULT \$'000	-1%	EQUITY \$'000
2019							
Financial assets							
Cash and cash equivalents	859	(9)		(9)	9		9
Receivables	----	----		----	----		----
Financial liabilities							
Other liabilities	----	----		----	----		----

Fair value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

12 Related Party Disclosures

RELATED PARTY DISCLOSURES - KEY MANAGEMENT PERSONNEL

In accordance with AASB 124 Related Party Disclosures, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

a. Compensation of key management personnel	2019 \$'000
Agency contractors and personnel services	607
Total remuneration	607

b. Transactions with related parties

During the year, the Authority entered into transactions with NSW Government related entities that are controlled, jointly controlled or significantly influenced by NSW Government. These transactions are all at arm's length and in the ordinary course of the business of the Authority.

13 Events After the Reporting Period

There is no matter or circumstance that have arisen since 30 June 2019 that have significantly affected, or may significantly affect the Authority's operations, the result of those operations, or the state of affairs in future financial years.

Administrative Arrangements (Administrative Changes - Public Service Agencies) Order 2019 came into effect 1 July 2019, transferring the Authority from the Department of Premier and Cabinet to the Treasury cluster.

END OF AUDITED
FINANCIAL
STATEMENTS

ADMINISTRATION

PRIVACY MANAGEMENT PLAN

The Privacy Management Plan Guidelines have been prepared in accordance with section 33 of the Privacy and Personal Information Protection Act 1998. The Guidelines were endorsed by the CEO on 22 July 2019.

Privacy Contact Officer

Within the Authority, the responsibilities of the Privacy Coordinator are currently held by the officer in charge of risk management. The Privacy Management Plan includes the contact email address contact@wcaa.sydney for external contact regarding privacy matters.

Internal Reviews

The Privacy Management Plan Guidelines detail the internal process for the receipt and the review of privacy related matters. It details the considerations and the handling process for complaints.

PUBLIC INTEREST DISCLOSURES

No public interest disclosures were made during the reporting period.

GOVERNMENT INFORMATION (GIPA)

Obligations under the *Government Information (Public Access) Act 2019*

1. Review of proactive release program

The Authority is committed to proactively considering information for release.

2. Number of applications received

No applications pursuant to GIPA were received during the reporting period.

3. Number of refused applications for Schedule 1 information

No applications were refused.

CONSUMER RESPONSE AND COMPLAINTS

The Authority is not aware of any complaints lodged. The Authority seeks to respond to correspondence from the public if received.

RESEARCH AND DEVELOPMENT

Research and development is not a core function of the Authority for the purposes of annual reporting. However, research and development activities may form part of investigative studies the Authority undertakes in carrying out its functions.

CYBER SECURITY POLICY ATTESTATIONS - DPC AND THE AUTHORITY

During the Reporting Period, DPC provided Information technology services to the Authority, which included cyber security processes and procedures. To support the Authority's Cyber Security Attestation DPC's Attestation has been included in this year's annual report (see Attachments A & B).



RISK MANAGEMENT, AUDIT AND INSURANCE

The Authority's CEO is required to provide an annual statement attesting to compliance with the eight core requirements of TTP 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector. The Authority, since its creation in late 2018, has received internal audit services from DPC through a shared services arrangement. These services included an Audit and Risk Committee (ARC) and support from DPC's Chief Audit Executive. During the reporting period one ARC meeting was scheduled and no internal audits were conducted under the arrangement.

The Authority will be developing a Risk Management Framework in the new financial year. To ensure the Authority has robust risk management practices in place, which are fully integrated into its operations, the Authority is

engaging a Chief Risk and Audit Officer to facilitate the embedding of risk management. This process will include training staff in risk management and the identification and analysis of its strategic, operational and project risks.

The Authority will also commence developing its business continuity program in the new financial year.

TPP 15-03 ATTESTATION STATEMENT:

SEE ATTACHMENT C.

OVERSEAS VISITS

DATE	OFFICER	DESTINATION	PURPOSE
16 APRIL 2019 TO 20 APRIL 2019	Troy Harvey Executive Director, Planning & Development	Japan	To participate in site visits of developments that have been delivered by Foundation Partner, Urban Renaissance, with learnings for the Western Sydney Aerotropolis.
14 APRIL 2019 TO 18 APRIL 2019	Geoffrey Roberts Deputy Chair	Japan	To meet with senior executives from each of the Japanese Foundation Partners.
14 APRIL 2019 TO 21 APRIL 2019	Sam Sangster CEO	Japan	To meet with senior executives from each of the Japanese Foundation Partners. To participate in site visits of developments that have been delivered by Foundation Partner, Urban Renaissance, with learnings for the Western Sydney Aerotropolis.
20 MAY 2019 TO 31 MAY 2019	Geoffrey Roberts Deputy Chair	France, Germany, and the United Kingdom	The Premier travelled to the UK and Germany in August 2019, to execute agreements with additional Foundation Partners of the Western Sydney Aerotropolis. In May 2019, the Deputy Chair of the Authority travelled as a senior advance party delegation, to ensure the success of the August trip and to assure the outcomes sought by government.

FUNDING AND EXPENDITURE

INSURANCE

Under the arrangement with DPC, the Authority did not put in place its own insurance premium during the reporting period. However, this will be established in the new financial year.

CONTROLLED ENTITIES

The Authority has the Western City and Aerotropolis Authority Staff Agency as a controlled entity. The staff agency was dormant for the financial year ended 30 June 2019.

SUBSIDIARIES

The Authority has statutory powers to establish subsidiary corporations but has not exercised these powers.

LAND DISPOSAL

The Authority did not dispose of any land during the reporting period.

ACCOUNT PAYMENT PERFORMANCE

AGED ANALYSIS AT THE END OF EACH QUARTER					
ALL SUPPLIERS					
QUARTER	CURRENT (WITH DUE DATE) (\$)	<30 DAYS OVERDUE (\$)	30-60 DAYS OVERDUE (\$)	61-90 DAYS OVERDUE (\$)	90+ DAYS OVERDUE (\$)
SEPT 2018	-	-	-	-	-
DEC 2018	-	-	-	-	-
MARCH 2019	-	-	-	-	-
JUNE 2019	22,992.25	-	-	-	-

ACCOUNTS DUE OR PAID WITHIN EACH QUARTER					
MEASURE	TOTAL 2018-19	SEPT. 2018	DEC. 2018	MARCH 2019	JUNE 2019
NUMBER OF ACCOUNTS DUE FOR PAYMENT	2	-	-	-	2
NUMBER OF ACCOUNTS PAID ON TIME	3	-	-	-	3
ACTUAL PERCENTAGES OF ACCOUNTS PAID ON TIME (BASED ON NUMBER OF ACCOUNTS)	100%	-	-	-	100%
DOLLAR AMOUNT OF ACCOUNTS DUE FOR PAYMENT	\$19,905.80	-	-	-	\$19,905.80
DOLLAR AMOUNT OF ACCOUNTS PAID ON TIME	\$22,992.25	-	-	-	\$22,992.25
ACTUAL PERCENTAGE OF ACCOUNTS PAID ON TIME (BASED ON \$)	100%	-	-	-	100%
SMALL BUSINESS SUPPLIERS					
NUMBER OF ACCOUNTS DUE FOR PAYMENT	1	-	-	-	1
NUMBER OF ACCOUNTS PAID ON TIME	2	-	-	-	2
ACTUAL PERCENTAGE OF ACCOUNTS PAID ON TIME (BASED ON NUMBER OF ACCOUNTS)	100%	-	-	-	100%
DOLLAR AMOUNT OF ACCOUNTS DUE FOR PAYMENT	\$800.00	-	-	-	\$800.00
DOLLAR AMOUNT OF ACCOUNTS PAID ON TIME	\$9,190.00	-	-	-	\$9,190.00
ACTUAL PERCENTAGE OF ACCOUNTS PAID ON TIME (BASED ON \$)	100%	-	-	-	100%
NUMBER OF PAYMENTS FOR INTEREST ON OVERDUE ACCOUNTS	0	-	-	-	0
INTEREST PAID ON OVERDUE ACCOUNTS	\$0	-	-	-	\$0

CONSULTANCIES

There are no reportable consultancy engagements in the reporting period.

FUNDS & GRANTS

The Authority did not provide any grants during the reporting period.

MAJOR CAPITAL WORKS

The Authority did not have any major capital works occurring in the reporting period.

ADDITIONAL MATTERS FOR INCLUSION IN ANNUAL REPORTS

The Authority did not have any additional matters to include in the Annual Report.

INVESTMENT PERFORMANCE

The Authority did not have any investments in the reporting period.

LIABILITY MANAGEMENT PERFORMANCE

The Authority did not have any debt in the reporting period.

HUMAN RESOURCES

HUMAN RESOURCES STATISTICS

Public service senior executive

BAND	2017-2018		2018-2019	
	FEMALE	MALE	FEMALE	MALE
BAND 4	0	0	0	0
BAND 3	0	0	0	1
BAND 2	0	0	0	1
BAND 1	0	0	2	0
TOTAL	0	0	2	2
		0		4

BAND	RANE (\$)	2017-2018	2018-2019	AVERAGE RENUMERATION
BAND 4	\$475,151 to \$548,950	0	0	0
BAND 3	\$337,101 to \$475,150	0	1	As per SOORT determination 27 August 2019
BAND 2	\$268,001 to \$337,100	0	1	\$295,000
BAND 1	\$187,900 to \$268,000	0	2	\$204,025
TOTAL	0	0	2	2

Trends in the representation of equal employment opportunity (EEO) groups

EEO GROUP	BENCHMARK/TARGET	2017*	2018*	2019
WOMEN	100	-	-	NA
ABORIGINAL & TORRES STRAIT ISLANDER PEOPLE	100	-	-	NA
PEOPLE WHOSE FIRST LANGUAGE SPOKEN AS A CHILD WAS NOT ENGLISH	100	-	-	NA
PEOPLE WITH A DISABILITY	100	-	-	NA
PEOPLE WITH A DISABILITY REQUIRING WORK-RELATED ADJUSTMENT	100	-	-	NA

The benchmarks in Table A above are determined by the NSW PSC. For more detail please refer to the PSC website (www.psc.nsw.gov.au)

Note 1: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20. This is denoted on the table as N/A.

Trends in the distribution of equal employment opportunity (EEO) groups

EEO GROUP	BENCHMARK/ TARGET	2017*	2018*	2019
WOMEN	50%	-	-	71.42%
ABORIGINAL & TORRES STRAIT ISLANDER PEOPLE	2.6%	-	-	7.15%
PEOPLE WHOSE FIRST LANGUAGE SPOKEN AS A CHILD WAS NOT ENGLISH	19%	-	-	28.57%
PEOPLE WITH A DISABILITY	NA	-	-	0
PEOPLE WITH A DISABILITY REQUIRING WORK-RELATED ADJUSTMENT	1.5%	-	-	0

* Please note, the Authority was not established for these reporting periods.

STAFF PROFILE BY EMPLOYMENT CATEGORY

The following table shows the number of officers and employees the Authority employed by category over four years (excluding casuals).

EEO GROUP	2016		2017		2018		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
PERMANENT FULL-TIME	-	-	-	-	1	0	3	2
PERMANENT PART-TIME	-	-	-	-	0	0	0	0
TEMPORARY FULL-TIME	-	-	-	-	0	0	0	3
TEMPORARY PART-TIME	-	-	-	-	0	0	0	0
CONTRACT - PUBLIC SERVICE SENIOR EXECUTIVE	-	-	-	-	0	0	2	1
CONTRACT - NON-PUBLIC SERVICE SENIOR EXECUTIVE	-	-	-	-	0	0	0	3
TRAINING POSITIONS	-	-	-	-	0	0	0	0
RETAINED STAFF	-	-	-	-	0	0	0	0
TOTAL	-	-	-	-	1	0	5	9

LEGAL

LEGISLATION AND LEGAL CHANGE

Minor machinery changes to sections 19, 27 and 28 of the *Western City and Aerotropolis Act 2018* were made in the reporting period.

NEW AND AMENDING LEGISLATION

Apart from the changes noted above, there has been no new or amending legislation.

CONTACTS

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REPORT PUBLICATION

This report was desktop published by the Authority at no additional production cost. The Annual Report will be published via wcaa.sydney

ATTACHMENT A

Cyber Security Annual Attestation Statement for the 2018/2019 Financial Year for the Western City & Aerotropolis Authority

I, Sam Sangster, Chief Executive Officer of the Western City & Aerotropolis Authority (the Authority), am of the opinion that:

- The Authority has assessed its cyber security risks and through its information technology shared services provider, the Department of Premier & Cabinet (DPC), the Authority 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 Authority's information and systems have been assessed by DPC and are being managed.
- Governance is in place by DPC to manage the Authority's cyber security initiatives.
- Cyber security incidents are escalated through DPC to Cyber Security NSW as required. DPC has a cyber incident response plan and has formally tested the plan in the reporting period.

SIGNED



Sam Sangster
Chief Executive Officer

DATE

17 September 2019

ATTACHMENT B

Cyber Security Annual Attestation Statement for the 2018/2019 Financial Year for the Department of Premier & Cabinet

I, Timothy Reardon, Secretary of the Department of Premier & Cabinet (DPC), am of the opinion that:

- DPC 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 DPC's information and systems have been assessed and are being managed.
- Governance is in place to manage DPC's cyber security initiatives.
- Cyber security incidents are escalated to Cyber Security NSW as required. DPC has a cyber incident response plan and has formally tested the plan in the reporting period.

SIGNED



29 August 2019

ATTACHMENT C

Internal Audit and Risk Management Attestation Statement for the 2018-2019 Financial Year for the Western City and Aerotropolis Authority (WCAA)

I, Sam Sangster am of the opinion that the WCAA has internal audit and risk management processes in operation that are, excluding the transitional arrangements described below, compliant with the core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
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	In transition
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	In transition
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 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:

Role	Name	Start term date	End term date
Independent Chair	Gerardine Brus	January 2018	December 2020
Independent Member	Christine Feldmanis	December 2017	November 2020
Independent Member	Garry Dinnie	October 2017	April 2021

This Audit and Risk Committee has been established under a NSW Treasury approved shared arrangement with the Department of Premier and Cabinet (DPC).

Departures from Core Requirements (delete section as relevant)

I, Sam Sangster advise that the internal audit and risk management processes for the WCAA depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*:

- The departure from the core requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements

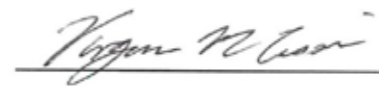
Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
In Transition	
<ul style="list-style-type: none"> Core Requirement 1.2 – A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 Core Requirement 2.2 - The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing 	<ul style="list-style-type: none"> Risk Management was not provided by DPC under the Principle Department led shared arrangement with DPC. The WCAA is engaging a Chief Risk & Audit Officer in the new financial year who will be responsible for developing a risk management framework that is appropriate for WCAA and is consistent with AS/NZS ISO 31000:2018. The WCAA was established in 2018 and through its Principal Department Led Shared Arrangement with DPC, had one Audit and Risk Committee meeting during the financial year. The WCAA will fully establish its Internal Audit function during the course of 2019 – 20.

These processes, including the practicable alternative measures being implemented, demonstrate that the WCAA has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the WCAA.



Sam Sangster
Chief Executive officer

Date: 17 September 2019



Virginia Tinson - Contact Officer
Chief Risk & Audit Officer
contact@wcaa.sydney

Date: 17/9/19.

WCA.A.SYDNEY