




Macquarie Point
Development Corporation

Annual Report

2012 - 2013





Enquiries about this annual report should be directed to:

Macquarie Point Development Corporation

GPO Box 251

HOBART TAS 7001

or email at: contact@macquariepoint.com

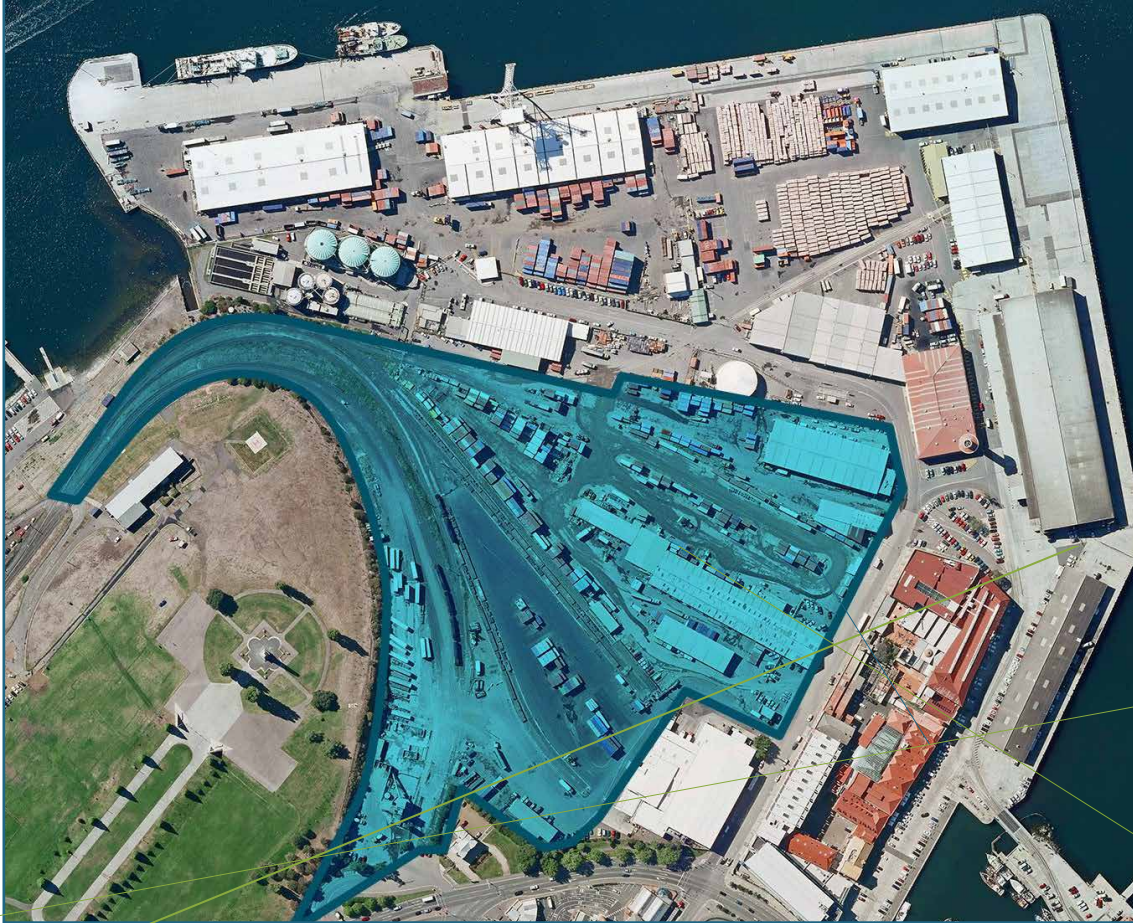
www.macquariepoint.com

To enhance the sustainability of this annual report, the Macquarie Point Development Corporation has produced this document in an electronic format which can be downloaded at www.macquariepoint.com

This report was written and designed in-house and typeset by Gray Matters Advertising.

Table of Contents

Our Vision	4
From the Chair	5
From the CEO	6
Our Values	7
Community	7
Sustainability	8
Connectivity	9
Our Board	10
Who we are, what we do and how we achieve our objectives	12
Our Steering Committee	12
Our Legislation	13
Our Challenges and Opportunities	14
Our Neighbours	15
Our Development Framework	15
Our Risk Management Strategy	16
Our Compliance Reporting	16
Right to Information Requests	16
Public Interest Disclosures	16
Exemptions from Treasurer's Instructions	16
Amendment to Project Agreement	16
Our Staff	17
Our Contractors and Grants	19
Our Grants	19
Table 1 – Grants	19
Financial Statements	20
Appendices	50



Our Vision

Our vision is for Macquarie Point to be a vibrant and dynamic site that positively contributes to the economy and community and, in doing so, makes a substantial contribution to the economic and social wellbeing of greater Hobart and Tasmania.

A once-in-a-lifetime development opportunity for Hobart, Macquarie Point has the capacity to significantly shape Hobart's future landscape.

An 8.4-hectare site, bordering the working Hobart port and adjacent to the local Cenotaph and Queens Domain, Macquarie Point will be a mixed-use development that connects, engages and complements existing activities and infrastructure.

In June 2012 the Tasmanian and Australian Infrastructure Ministers entered into an agreement to support the remediation of the Macquarie Point site and the redevelopment of the Brooke Street Pier.

As part of this agreement, the Australian Government provided a \$50 million grant to the Tasmanian Government.

The establishment of a separate corporate entity, the Macquarie Point Development Corporation (Corporation), was determined to be the most effective vehicle to deliver the objectives of the agreement and to oversee the remediation and redevelopment of the Macquarie Point site and redevelopment of the Brooke Street Pier.

Accordingly, the Corporation was established via the *Macquarie Point Development Corporation Act 2012 (Act)*.

Statement of Compliance

To:
The Minister for Economic Development

Pursuant to Section 50 of the *Macquarie Point Development Corporation Act 2012*, we hereby submit for information and presentation to the Parliament the annual report of the Macquarie Point Development Corporation 2012-13.

Yours sincerely



John Gilbert
Chair



Kerry Adby
Board Member
Chair, Audit, Risk and
Compliance Committee

From the Chair



On behalf of the Board, I have pleasure in presenting the first annual report for the Macquarie Point Development Corporation (Corporation). Since our first Board meeting in March 2013, we have made some significant progress, with our experienced Board actively engaged in supporting the establishment of the Corporation.

An important task for the Board has been the development of the Corporation's inaugural corporate plan, which provides a solid framework for the Corporation's operations and finances over the coming twelve months. Along with the Macquarie Point site redevelopment, an important project for the Board during this period will be the redevelopment of the Brooke Street Pier. We have been working closely with the project proponents to progress this unique development for Hobart's waterfront.

Another focus for the Board over the coming year will be continued examination of the many different aspects of the site's future development. As we consider their competing needs, including heritage management, site contamination, groundwater movement, infrastructure needs and urban design requirements, our guiding values of community, sustainability and connectivity will continue to lead and drive our deliberations.

The Board is fortunate to have Elizabeth Jack as CEO, and she is well-supported by her capable and professional team. I look forward to continuing to work with the staff of the Corporation, and the community, as we develop a shared vision for the Macquarie Point site.



John Gilbert
Chair

From the CEO



A once-in-a-lifetime opportunity. These are important words and I will continue to repeat them as the Corporation fulfils its role to govern, manage, and implement a shared vision for the Macquarie Point site.

Since the formation of the Corporation, less than a year ago, we have established positive partnerships with our stakeholders and the Tasmanian community, developed underpinning policies and strategies to guide the operations of the Corporation and generally scoped our required activities.

In consulting widely over that time it is clear the Macquarie Point site holds meaning for many people. The responsibility of the Corporation is to successfully engage the community in this project, while also understanding people's aspirations for Macquarie Point. We will do so by extensively consulting and engaging. Consultation and engagement with our stakeholders is one of our most important tasks and as we undertake that process I believe we will instil ownership and pride in Macquarie Point as the place to live, work and visit.

The first phase of stakeholder consultation has been completed, with public and targeted stakeholder information sessions held across the south of the state. The next phase of consultation will be specifically focussed on the development of a shared vision for the Macquarie Point site, which will then feed into further work to prepare our site development framework. I look forward to meeting, and talking with, many Tasmanians about their ideas on the future use of the Macquarie Point site.

A handwritten signature in black ink, appearing to read 'E. Jack', written over a horizontal line.

Elizabeth Jack
Chief Executive Officer

Our Values

Our achievements over this reporting period have been assigned against our values; that of **community**, **sustainability** and **connectivity**.

Each of these values has shaped the way the Corporation has operated, provided direction to our deliberations and focussed our efforts in pursuit of the initial stages of redevelopment of the Brooke Street Pier and the Macquarie Point site.

Community

We work with a strong sense of community, both within the organisation and with our stakeholders.

The community's views and engagement are important to us and to the future of the Macquarie Point site.

The Macquarie Point project is for the people of Tasmania and, more specifically, the people of Hobart. It is critical that consultation and the development process engage and generate public ownership of the site. Information sharing and education are priorities in developing public understanding about opportunities and constraints, along with gaining the support of stakeholders in the development of proposed options.

Authentic consultation and the provision of easily accessible channels for feedback will also be a feature over the lifespan of the Macquarie Point project, with engagement strategies being initiated through key media and strategic partners to encourage contributions from a range of people and to personalise Macquarie Point.

In 2012-13, a range of activities was conducted to provide information to the community and key stakeholders regarding the project and the Corporation's activities. In order to ensure the Macquarie Point project, and its ultimate usage, reflects the community's vision, a community engagement strategy was developed to inform all communications and consultation-related activity. This document will continue to be reviewed and updated to reflect emerging communication and consultation needs.

The first phase of the Macquarie Point consultation program commenced in November 2012 and was completed by the end of the financial year. This initial phase involved a series of more than 40 public and stakeholder information-sharing and education sessions and provided background to the project, status of activities and broad plans for future activity. This process has established a strong foundation for future consultation, ensuring ongoing discussion and debate will be conducted from an informed base, with all participants having had access to the same information.

Through other feedback mechanisms, the Corporation provided an update to many stakeholders through our website (www.macquariepoint.com), the media and individual contact with the community.

Sustainability

We seek to deliver sustainable outcomes at an operational level and for developments on the Macquarie Point site and at the Brooke Street Pier.

The successful redevelopment of the Macquarie Point site will be dependent upon broad community support for its overall future concept. The development framework for the site, however, must not only meet the community's aspirations, but must also offer significant economic, social and cultural outcomes for the short and long-term future.

Over the next year, a development framework will be prepared that can be placed on public display, affording an opportunity for further specific public comment and feedback. The framework will also guide the nature, scale and types of developments that are eventually progressed. A key consideration of the overall concept will be to allow for creativity and innovation, with a focus on sustainable outcomes, as well as to provide the property and investment community with sufficient capacity to develop attractive, innovative and commercially viable development proposals.

An important first task for the Corporation was the development of its corporate plan and confirmation of the organisation's vision and mission. The 2013-14 Corporate Plan outlined the Corporation's strategies to manage and meet the many different aspects of influence over the site's future development including management of staff and resources, in particular, the \$50 million grant from the Australian Government.

Preliminary work was undertaken to support the development of a resource management strategy in 2013-14, which will ensure the Corporation's human and physical resources are targeted at priority areas and are well-supported by contract services, where required.

The redevelopment of Hobart's Brooke Street Pier forms an important part of the Project Agreement and the Corporation continued to work closely with the proponents to progress this project. The Corporation will provide a maximum of \$5 million towards the proposed facility to support the development of the public infrastructure aspects of the project. During the last financial year, the Corporation worked with the proponents on key aspects of the project including the business case, a quantity surveyor's review of the initial architect's design, an engineering, design and risk assessment and a review of the funding and operational models for the project.

The Macquarie Point site will be managed by TasRail until the rail and freight handling operations are relocated to the transport hub in Brighton; expected in early 2015. Over the next year, the Corporation will develop an environmental management plan to help guide the ongoing management of the site when the land is transferred to the Corporation.

Connectivity

We will always endeavour to build and maintain strong links and connections across the organisation and with our many stakeholders.

The connectivity of the Macquarie Point site with our neighbours and their land is important to us. This includes the working port, the Queens Domain, Sullivans Cove and the CBD.

Establishing connections with all sectors of the community remained an important focus for the Corporation, and will continue to be a core role for all staff across the organisation.

The Corporation maintained strong links with key stakeholders including current site operators, TasRail and neighbours, Southern Water (TasWater from 1 July 2013), TasPorts, the Hobart City Council and the Returned and Services League Tasmania. Liaison and ongoing collaboration with Southern Waste Solutions was also a focus for the Corporation as it considered future options for remediation of level 3 contaminated soil on the site.

Consultation sessions were also held with property industry representatives and organisations within local and state government, business, arts and culture, tourism, transport, general community groups and Antarctic sector. Refer to Appendix D for a full list of consultation undertaken by the Corporation in 2012-13.

Building on earlier work undertaken by archaeological and heritage consultants, the Corporation undertook early work on the development of a heritage management plan to provide direction on the management and maintenance of Aboriginal and historic heritage issues associated with the site. The heritage management project is a key piece of work that must be completed before large-scale remediation can commence on the Macquarie Point site. The first stage has been completed with the drafting of a summary of the history of the use and development of the site. A technical reference group with representatives from Heritage Tasmania, TasRail and the Department of Infrastructure, Energy and Resources was established to provide assistance and guidance to the Corporation in progressing the heritage management project.

Refurbishment of our new office accommodation on the Macquarie Point site commenced (completed in July 2013) to accommodate the Corporation's staff and operations. Representing a saving compared with the cost of CBD leasing over the life of the project, the presence of the Corporation on the Macquarie Point site provides easy access to consultants and other visitors as well as providing future office accommodation for contractors that may be engaged in the remediation and redevelopment of the site.

Our Board



The Corporation is overseen by a Board of six Directors, one of whom is the Chief Executive Officer. The Board's Audit, Risk and Compliance Committee holds specific responsibility for the oversight of these aspects of the Corporation's operations.

The Board will also establish a number of reference panels to provide expert advice in critical areas such as urban design, land release and infrastructure development.

The Chief Executive Officer is responsible for the day-to-day management of the Corporation, in accordance with the policies, procedures and decisions of the Board which includes recruitment and appointment of staff. An organisational chart, including recruitment status as at July 2013, is provided at Appendix B.

Chair – John Gilbert B Com, FAICD, FAMI

John was appointed Managing Director of MyState Financial and subsidiary companies in May 2009 and was appointed as a Director of Tasmania Perpetual Trustees Limited in December of the same year. He was formerly Chief Executive Officer of Cuscal Limited, a leading provider of wholesale and transactional banking services to specialist retail financial institutions. John has extensive experience in the financial

services sector. He is a Director of the QBE Australian and Asia subsidiaries and a Councilor with the Australian Institute of Company Directors, Tasmania Division.

Chief Executive Officer – Elizabeth Jack BA (Hons)

Liz was appointed CEO of the Corporation after taking on responsibility for the Macquarie Point Development Project as General Manager in July 2012. She was previously a Deputy Secretary within the Department of Economic Development, Tourism and the Arts, during which time she was the senior government official responsible for the strategic planning and development of Hobart's waterfront property and infrastructure. During this time Liz was also the lead government negotiator for a range of Crown property transactions between the State Government and the University of Tasmania.

Chair – Audit, Risk and Compliance Committee – Kerry Adby LLM, FAICD

Kerry has over 25 years' experience with large development and infrastructure projects in a range of sectors within and outside Australia. A senior investment banker and commercial lawyer, Kerry is currently the Managing Director of Copernican Securities Pty Ltd, a specialist consultancy providing corporate and strategic advisory services across Australia and Asia. Her breadth of experience and skill set covers strategy, governance, audit and risk management, major project financing, capital markets and infrastructure.

Dominic Arcaro
LLB (Hons), BA

Dominic has a wealth of diverse commercial and property sector experience, including having held the positions of General Manager Urban Revitalisation and Chief Development Officer at Places Victoria (formerly VicUrban) for seven years. In these roles he held responsibility for more than 30 mixed-use commercial property projects with a development value in excess of \$2 billion. He is currently Senior Director, Structured Transactions and Advisory Services at CBRE, advising proponents of a range of development projects. (Dominic was absent when photograph taken).

Heather Rose

Heather has extensive experience in advertising, communications and the arts. She has founded two multi-million dollar advertising businesses specialising in community, education and human health, has grown an international arts festival – The Festival of Voices - and is an award-winning author. Heather is a graduate of the AICD, a Telstra Tasmanian Business Woman of the Year and the recipient of two national Creative Partnerships Awards (formerly ABAF). She is a passionate supporter of creativity and innovation as fundamental to social, economic and individual wellbeing.

Hadley Sides
BEcon (Hons), GAIC

A former local government CEO for 12 years, Hadley also has significant experience as a senior planner and economist in the private and public sectors. He has been involved in statutory and strategic planning, options assessments and feasibility studies and, as a principal in a private consultancy, has provided advice to developers, public sector asset owners and financiers. Projects in which he has been involved include the development of large contaminated urban sites such as the Williamstown Rifle Range in Melbourne and the East Perth Redevelopment Area.

Board attendance at meetings is outlined as Appendix C.

Who we are, what we do and how we achieve our objectives

While the long-term development of the Macquarie Point site is now secure, the idea to redevelop the site has been part of a broader vision for Hobart's port precinct since early 2010.

A submission to Infrastructure Australia (IA) was the catalyst for the Australian Government to invest in the Macquarie Point development and the overall revitalisation of the Hobart waterfront. This submission was the result of a collaborative process, led by current Corporation staff (at the time working on behalf of the Department of Economic Development, Tourism and the Arts), and supported by a number of key stakeholders including TasPorts, the Hobart City Council and the Australian Institute of Architects (Tasmanian Chapter). The transformation of the city of Hobart, as outlined in the *Hobart – a world-class, liveable waterfront city* submission to IA, outlined a four-stage development with funding sought for a number of projects, one of which was the remediation of the existing railyards site.

The result was that in June 2012 the Tasmanian and Australian Infrastructure Ministers entered into an agreement to support the remediation of the Macquarie Point site and the redevelopment of the Brooke Street Pier. As part of this agreement, the Australian Government provided a \$50 million grant to the Tasmanian Government.

The establishment of a separate corporate entity, the Macquarie Point Development Corporation (Corporation), was determined to be the most effective vehicle to deliver the objectives of the agreement and to oversee the remediation and

redevelopment of the Macquarie Point site and redevelopment of the public infrastructure for Hobart's Brooke Street Pier.

Our Steering Committee

Until the Corporation was established and the Board appointed, the project was managed by a steering committee, which provided advice on policy issues, developed the legislation to establish the Corporation and generally progressed the project until such time as the Corporation was established.

The steering committee members (professional roles as at 2012) were:

- Philip Clark, AM – Chair;
- Elizabeth Jack – General Manager, Macquarie Point Development Project;
- Irene Duckett – Director, Irene Inc and Smith Street Studio;
- Dorte Ekelund – Executive Director, Major Cities Unit, Commonwealth Department of Infrastructure and Transport;
- Alan Morgan – Crown Solicitor; and
- Damien White – CEO, TasRail.

Members of the Macquarie Point Development Project Steering Committee completed their terms of appointment on 5 March 2013, paving the way for the Macquarie Point Development Corporation Board.

The Corporation expresses appreciation to all members of the steering committee for their diligence and hard work in fulfilling the initial requirements of the Project Agreement.

Our Legislation

In December 2012, the Corporation received Royal Assent, thereby establishing the *Macquarie Point Development Corporation Act 2012*; an Act to establish a corporation for the purpose of undertaking the remediation of land at Macquarie Point. The Act was established in accordance with an Intergovernmental Agreement entered into by the Commonwealth of Australia and the State of Tasmania for the purpose of facilitating, undertaking and managing both the redevelopment of Macquarie Point and the Brooke Street Pier.

In accordance with Section 6 of the Act the principal objectives of the Corporation are:

- (a) to plan, facilitate and manage the remediation of the Macquarie Point land in accordance with the project agreement with the Australian Government; and
- (b) to plan, facilitate and manage the redevelopment of the site so as to ensure that the site:
 - (i) is redeveloped as a vibrant and active area, with a mix of uses, that connects with and complements adjacent areas within Hobart; and
 - (ii) encourages inner-city living; and
 - (iii) is redeveloped so as to deliver sustainable social and economic benefits to Hobart; and
- (c) to the extent practicable, to make a profit from carrying out its functions.

Under Section 8 of the Act, the Corporation has the following powers:

- (1)
 - (a) subject to subsection (3), to acquire, hold, dispose of and otherwise deal with property;
 - (b) to enter into contracts;
 - (c) to appoint agents and attorneys;
 - (d) to engage consultants;
 - (e) to do anything necessary or convenient in relation to the performance of its functions.
- (2) The Corporation also has the following powers that may only be exercised by the Corporation with the written approval of the Minister:
 - (a) to acquire, conduct, participate in, or dispose of, any business undertaking related to the site or the Brooke Street Pier;
 - (b) to form, or participate in the formation of, a company;
 - (c) to participate in a trust;
 - (d) to participate in any or all of the following arrangements for the purpose of the sharing of profits:
 - (i) a joint venture;
 - (ii) a partnership;
 - (iii) any other arrangement.
- (3) The Corporation must not, without the written approval of the Minister –
 - (a) lease or license land held by the Corporation for any term exceeding two years; or
 - (b) purchase, gift or sell any estate or interest in land.

Our Challenges and Opportunities

The environment in which the Corporation is expected to deliver the Macquarie Point project is a complex one, with the site itself, which is not waterfront land, presenting several significant challenges for the Corporation (see a map of the site boundaries provided at Appendix A).

Predominantly now used for rail freight and road transport operations and handling, these will be relocated over the next two years, mostly to the Brighton Transport Hub, north of Hobart. The rail corridor will be retained as an important potential connection to the site and future alternative uses will be considered during the consultation phase.

Title over the Macquarie Point land is held by the Crown and will not be transferred to the Corporation until the current commercial arrangement between the Crown and TasRail – as holders of the head lease – comes to an end. While this could be as late as January 2016, handover is expected to occur by January 2015.

The expected timeframe to bring the entire Macquarie Point site to life – consultation, remediation and development – is 10 years or more.

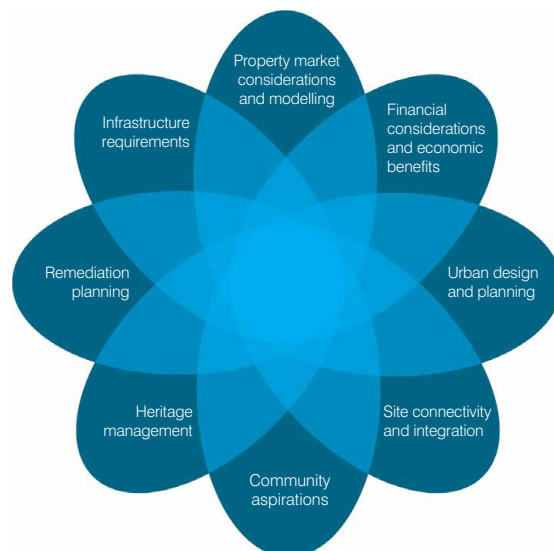
High-level principles underpinning the proposed development of the Macquarie Point site require that any development concepts should:

- involve a mix of uses;
- promote inner city living;
- be well connected to the city, the waterfront and the Queens Domain;

- not prejudice port activities;
- complement, and not compete with, activity in the Central Business District of Hobart; and
- leverage local competitive advantages and thereby deliver major socio-economic benefits to Hobart and Tasmania.

The Corporation faces a range of challenges and opportunities in pursuing our objectives. An overarching challenge is to successfully manage the many different aspects of influence over the site's future development. Many of these influences are interconnected and each has a role in helping to determine the site's future, ultimately contributing to the creation of a development framework for the site.

These interconnected influences are depicted in the diagram below. Each 'leaf' of the diagram denotes a separate, yet linked, set of activities, with the centre of the diagram representing the critically important development framework.



Our Neighbours

A key component of the Corporation's activities over the coming year is to develop stronger links with key stakeholders including current site operators, TasRail, and neighbours, Southern Water (TasWater from 1 July 2013), TasPorts, the Hobart City Council and the Returned and Services League.

Given the likely timeframe for handover of the site, the Corporation will work closely with TasRail and the Crown to identify opportunities for earlier access to the site, or part thereof, in order to commence the early on-site activities associated with remediation and eventual redevelopment.

The site's location, immediately adjacent to an existing sewage treatment plant, will also require the development of a formal relationship with the site's owner, the Tasmanian Water and Sewerage Corporation Pty Ltd (TasWater). This will be particularly important to clearly understand the challenges associated with any future relocation of this facility.

Our Development Framework

The Corporation's inaugural corporate plan was released in July 2013 and outlines the framework for our activities over the coming years. It is particularly focused on the planning activities required over the next year, establishing strong partnerships with key stakeholders and implementing the underpinning policies and strategies needed over the lifetime of this important project.

The successful redevelopment of the Macquarie Point site will be dependent upon broad community support for its overall future concept. The development

framework for the site, however, must not only meet the community's aspirations, but must also offer significant economic, social and cultural outcomes. To help achieve this, the Corporation will consult widely with the community and key stakeholders to develop a shared vision for the site.

The shared vision – which will provide a qualitative, high-level overview of community and stakeholder expectations – will then be drawn upon to create a development framework that can be placed on public display, affording an opportunity for further specific public comment and feedback. The framework will also guide the nature, scale and types of developments that are eventually progressed.

As a once-in-a-lifetime development opportunity, it will be critical that the overall concept allows for creativity and innovation, providing the property and investment community with sufficient capacity to develop attractive, innovative and commercially viable development proposals.

Individual developments will also be required to meet the site's urban design and development objectives. To assist with the development of appropriate urban design principles, an urban design reference panel will be established.

Our Risk Management Strategy

An interim risk management plan was endorsed by the Board as the starting point for consideration of key risks affecting the Corporation's operation and achievement of project objectives. This document will be updated over the coming year to ensure all known and likely risks are acknowledged together with appropriate mitigation measures.

The Board also established its Audit, Risk and Compliance Committee and at the time of printing, the Committee's focus had been on compilation and endorsement of the Corporation's financial statements. The Chair also met with the Tasmanian Auditor-General to establish an important channel of communication with this regulatory arm of government.

Our Compliance Reporting

Right to Information Requests

During the period 1 July 2012 – 30 June 2013, no requests were received under the Right To Information Act, either by the Macquarie Point Development Project or by the Corporation.

Public Interest Disclosures

The Corporation is committed to the aims and objectives of the *Public Interest Disclosure Act 2002* and recognises the value of transparency and accountability in its administrative and management practices. From 1 July 2012 to 30 June 2013 there were no public interest disclosure matters either by the Macquarie Point Development Project or by the Corporation.

Exemptions from Treasurer's Instructions

Given the limited time the Corporation had been in operation and the very low number of financial transactions to be processed by the Corporation itself in 2012-13, the Secretary of the Department of Treasury and Finance granted the Corporation an exemption from Treasurer's Instruction No 108 for the financial year 2012-13.

Until 30 June 2013 the Corporation's day-to-day financial transactions were processed by Department of Economic Development, Tourism and the Arts (DEDTA). All transactions processed by DEDTA on the Corporation's behalf are subject to its own internal audit functions under Treasurer's Instruction No 108.

Amendment to Project Agreement

In June 2013, the Corporation sought an amendment to the Project Agreement with the Australian Government to more accurately reflect the works program and likely staging of development activities. The previous milestones assumed the site would be fully remediated before redevelopment commenced. However, as site remediation will occur in parallel with on-site developments, coupled with the delay in the Corporation gaining full access to the site, it was important for the Corporation to formally advise the Australian Government.

Notwithstanding this change to milestones, the date by which the Australian Government will be in a position to sign off on a final report remains unchanged, at 30 June 2016.

Our Staff



In addition to the CEO, Elizabeth Jack, the Corporation's team comprises:

Teresa Derrick, Executive Officer

Teresa has extensive experience as an Executive Officer, having supported a range of senior executives and private and public boards for over 20 years. She previously worked at the Department of Infrastructure, Energy and Resources, dealing with a variety of infrastructure projects, including the Brighton Transport Hub. Teresa was also a member of the team that coordinated Tasmania's whole-of-government submissions to Infrastructure Australia and Nation Building 2. Her former positions include Project Officer with the Tasmanian Planning Commission, and Executive Officer with the Hobart Ports Corporation and Forestry Tasmania.

Kim Perkins, Project Officer (Planning and Development) BA – LLB

Kim joined the team in 2012 after three years as a Project Manager with TasPorts, where she focussed on major property developments across the Hobart waterfront, including the redevelopments of Macquarie Wharf No 1 and 2 Sheds and the Brooke Street Pier ferry proposal. Prior to joining TasPorts, Kim worked for the Department of Economic Development, Tourism and the Arts and assisted in the preparation of the original Infrastructure

Australia funding submission for the Macquarie Point railyards site project.

Peter Sheldon-Collins, General Manager (Planning and Development) BAppSc

Peter has over 30 years' experience in industry, environmental management and property development. His previous roles include scientific officer in power stations in Victoria, senior manager with the Environmental Protection Authority (EPA) in Tasmania, scientific officer with the EPA in Victoria and senior environmental consultant in Tasmania. For the past ten years Peter has been a senior manager within the Department of Economic Development, Tourism and the Arts, with a key focus on Crown property development.

At the time of printing, an additional three staff had been appointed to the Corporation.

Pene Snashall, Manager (Strategic Communications) BBus

Pene joined the Corporation in early July 2013, bringing with her 25 years' experience in media, communication and ministerial liaison roles across many Tasmanian government agencies and statutory authorities, including the Department of Education and TAFE Tasmania. Her most recent position was as Director Community Relations for the Tasmanian Health Organisation – South incorporating the Royal Hobart Hospital. A key component of Pene's role was to manage and lead meaningful engagement with hospital and health consumers across the south of the state.

Anna Hawkes, Administrative Support Officer (Commercial and Business Services)

Anna joined the Corporation in late July 2013 to provide administration and customer service support to the General Manager, Commercial and Business Services. Anna's most recent role was at the Tasmanian Museum & Art Gallery, providing public program bookings, reception and administration support and back-fill executive administration support to the senior management team. Anna has a strong background in customer service, with previous employment in the vital children's services sector and more recently through her volunteer work at Ronald McDonald House.

Scott Parnham, General Manager (Commercial and Business Services)

Scott joined the Corporation in August 2013 following a 20 year career working in professional services, government businesses, primary production and manufacturing industries across Tasmania, delivering sustainable financial performance. Scott's most recent role was as Manager Financial Operations at the Public Trustee where he led a team delivering a range of financial services to clients and the organisation. Scott has a proven track record in providing high-level strategic advice on all aspects of commercial and non-commercial activities; managing financial reporting, legal, risk and corporate governance activities; budget development; investment management and treasury control.

Our Contractors and Grants

Up until 30 June 2013, contracts were awarded by DEDTA on behalf of the Corporation and are listed in the DEDTA Annual Report 2012-13 (Consultants & Contractors). These contracts have been novated or transferred to the Corporation and any future contracts regarding the procurement of goods and services will reflect the principles contained in the Tasmanian Government's Buying for Government website and will abide by relevant Treasurer's Instructions.

Our Grants

Table 1 outlines the grants provided by the Corporation in the 2012-13 financial year.

Table 1 – Grants

Company	Details/Subject of Grant	Value
Brooke Street Development Corporation Pty Ltd	Engineering Design and Risk Assessment Report for Brooke Street Pier (Paid in instalments on 6 May 2013 and 28 June 2013)	\$311,000 ex GST



Macquarie Point
Development Corporation

Financial Statements

For the period 4 March to 30 June 2013



Table of Contents

Statement of Comprehensive Income for the period 4 March to 30 June 2013	22
Statement of Financial Position as at 30 June 2013	23
Statement of Cash Flows for the period 4 March to 30 June 2013	24
Statement of Changes in Equity for the period 4 March to 30 June 2013	25
Notes to and forming part of the Financial Statements for the period ended 30 June 2013	26
Certification of Financial Statements	49

Statement of Comprehensive Income for the period 4 March to 30 June 2013

	Notes	2013 \$'000
Continuing operations		
Revenue and other income from transactions		
Grants	1.6(a), 3.1	50,130
Interest	1.6(b), 3.2	1,611
Total revenue and other income from transactions		51,741
Expenses from transactions		
Employee benefits	1.7(a), 4.1	605
Supplies and consumables	1.7(b), 4.2	330
Grants and subsidies	1.7(c), 4.3	178
Other expenses	1.7(d), 4.4	8
Total expenses from transactions		1,121
Net result from transactions (net operating balance)		50,620
Net result		50,620
Comprehensive result		50,620

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2013

	Notes	2013 \$'000
Assets		
<i>Financial assets</i>		
Cash and deposits	1.8(a), 8.1	50,581
Receivables	1.8(b), 5.1	19
<i>Non-financial assets</i>		
Leasehold improvements	1.8(c), 5.2	137
Other assets	1.8(d), 5.3	19
Total assets		50,756
Liabilities		
Payables	1.9(a), 6.1	10
Employee benefits	1.9(b), 6.2	125
Other liabilities	1.9(d), 6.3	1
Total liabilities		136
Net assets		50,620
Equity		
Accumulated funds		50,620
Total equity		50,620

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the period 4 March to 30 June 2013

	Notes	2013 \$'000
Cash flows from operating activities		Inflows (Outflows)
Cash inflows		
Grants		50,111
Interest received		1,611
Total cash inflows		51,722
Cash outflows		
Employee benefits		(480)
Supplies and consumables		(332)
Grants and subsidies		(184)
Other cash payments		(8)
Total cash outflows		(1,004)
Net cash from (used by) operating activities	8.2	50,718
Cash flows from investing activities		
Cash outflows		
Payments for acquisition of non-financial assets		(137)
Total cash outflows		(137)
Net cash from (used by) investing activities		(137)
Net increase (decrease) in cash held and cash equivalents		50,581
Cash and deposits at the beginning of the reporting period		-
Cash and deposits at the end of the reporting period	8.1	50,581

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the period 4 March to 30 June 2013

	Total equity \$'000
Total comprehensive result	50,620
Balance as at 30 June 2013	<u>50,620</u>

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the period ended 30 June 2013

Note 1 Significant Accounting Policies	27
1.1 Establishment and Objectives of the Organisation	27
1.2 Basis of Accounting	28
1.3 Reporting Entity	28
1.4 Functional and Presentation Currency	28
1.5 Changes in Accounting Policies	29
1.6 Income from Transactions	31
1.7 Expenses from Transactions	31
1.8 Assets	32
1.9 Liabilities	33
1.10 Leases	34
1.11 Judgements and Assumptions	34
1.12 Foreign Currency	34
1.13 Rounding	35
1.14 Taxation	35
1.15 Goods and Services Tax	35
Note 2 Events Occurring After Balance Date	36
Note 3 Income from Transactions	37
3.1 Grants	37
3.2 Interest	37
Note 4 Expenses from Transactions	38
4.1 Employee benefits	38
4.2 Supplies and consumables	38
4.3 Grants and subsidies	39
4.4 Other expenses	39
Note 5 Assets	40
5.1 Receivables	40
5.2 Leasehold Improvements	40
5.3 Other assets	41
Note 6 Liabilities	41
6.1 Payables	41
6.2 Employee benefits	41
6.3 Other liabilities	42
Note 7 Commitments and Contingencies	43
7.1 Schedule of Commitments	43
7.2 Contingent Assets and Liabilities	43
Note 8 Cash Flow Reconciliation	44
8.1 Cash and deposits	44
8.2 Reconciliation of Net Result to Net Cash from Operating Activities	44
Note 9 Financial Instruments	45
9.1 Risk exposures	45
9.2 Categories of Financial Assets and Liabilities	48

Note 1 Significant Accounting Policies

1.1 Establishment and Objectives of the Organisation

The Macquarie Point Development Corporation (Corporation) was established via the *Macquarie Point Development Corporation Act 2012* (Act), which received Royal Assent on 11 December 2012. The Corporation's Board was appointed by the Governor of Tasmania in March 2013 and held its first meeting on 9 April 2013. For this reason the Corporation had only been in operation for slightly more than three months at the end of the 2012-13 financial year.

The principle objectives of the Corporation are detailed in the Act and focus on the remediation and redevelopment of the Macquarie Point site, as well as the redevelopment of the Brooke Street pier.

The redevelopment of Macquarie Point (Macquarie Point Project) aims to restore and energise a site that has long been associated with industrial freight and rail purposes to a significant place and hub for the people of Tasmania.

While the site currently continues to support rail and transport operations, when these operations relocate to the Brighton transport hub in approximately January 2015, ownership of the Macquarie Point site will be transferred to the Corporation.

In the meantime, the Corporation will seek to liaise and engage with the community to develop a framework for development of a site that will significantly shape Hobart's future landscape.

Macquarie Point will be redeveloped for the people of Tasmania. It will be a mixed-use development that must connect, engage and complement existing activities and infrastructure.

The Macquarie Point Project is guided by a number of project principles. Development concepts must involve a mix of uses and must:

- promote inner city living
- be well connected to the city, the waterfront and the Queens Domain
- not prejudice port activities
- complement, and not compete with, activity in the Central Business District of Hobart and
- leverage Hobart's competitive advantages, thereby delivering major socio-economic benefit to Hobart and the state.

All Corporation activities are classified as controlled. Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Corporation.

1.2 Basis of Accounting

The Financial Statements are general purpose Financial Statements and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Corporation Board on 13 August 2013. Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Corporation is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.5.

The Financial Statements have been prepared as a going concern. The continued existence of the Corporation in its present form, undertaking its current activities, is dependent on government policy.

1.3 Reporting Entity

The Financial Statements include all the controlled activities of the Corporation. This is the first period of operations and reporting for the Corporation and as such there are no comparative figures available.

1.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Corporation's functional currency.

1.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current period, the Corporation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *AASB 2010 6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7]* – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- *AASB 2011 1 Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]* – This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- *AASB 2011 9 Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* – This Standard requires items presented in other comprehensive income to be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.
- *AASB 2012 6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009 11, AASB 2010 7, AASB 2011 7 & AASB 2011 8]* – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 9 Financial Instruments* – This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Standard was issued in August 2011 but is not yet available for application by not for profit entities. The Corporation has determined that the impact effect of implementation will be nil.

- *AASB 13 Fair Value Measurement* – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 Fair Value Measurement sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The Corporation has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies do not comply, changes will be necessary. AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the Corporation, the amount of information to be disclosed will be relatively greater. The Corporation has determined that the impact effect of implementation will be nil.
- *AASB 119 Employee Benefits* – This Standard supersedes AASB 119 Employee Benefits, introducing a number of changes to accounting treatments. The Standard was issued in September 2012. The Corporation has determined that the impact effect of implementation will be nil.
- *AASB 2011 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]* – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. The Corporation has determined that the impact effect of implementation will be nil.
- *AASB 2011 10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB1, 8, 101, 124, 134, 1049, & 2011 8 and Interpretation 14]* – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The Corporation has determined that the impact effect of implementation will be nil.
- *AASB 2012 5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009 2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]* – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. The Corporation has determined that the potential impact of implementation will be nil.

1.6 Income from Transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Grants

Grants payable by the Australian Government are recognised as revenue when the Corporation gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

(b) Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

1.7 Expenses from Transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Supplies and consumables

Supplies and consumables, including audit fees, communications, information technology, operating lease costs, property expenses, purchase of goods and services, travel and transport, and legal expenses are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

(c) Grants and subsidies

Grants and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Corporation has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

(d) Other expenses

Other expenses are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

1.8 Assets

Assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the Corporation and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses; however, due to the short settlement period, receivables are not discounted back to their present value.

(c) Leasehold Improvements

Asset recognition threshold

The interim asset capitalisation threshold accepted by the Corporation is \$10,000. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(d) Other assets

Other assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Corporation and the asset has a cost or value that can be measured reliably.

1.9 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(c) Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Corporation does not recognise a liability for the accruing superannuation benefits for employees delivering Corporation activities. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

(d) Other liabilities

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

1.10 Leases

The Corporation has entered into operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Corporation is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

1.11 Judgements and Assumptions

In the application of Australian Accounting Standards, the Corporation 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 various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Corporation that have significant effects on the Financial Statements are disclosed in the relevant note as follows:

- Employee benefits (refer to Notes 1.7(a), 5.2).

The Corporation has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.12 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated gains and losses are not material.

1.13 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

1.14 Taxation

The Corporation is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST).

1.15 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 2 Events Occurring After Balance Date

There have been no events subsequent to balance date that would have a material effect on the Corporation's Financial Statements as at 30 June 2013.

Note 3 Income from Transactions

3.1 Grants

	2013
	\$'000
Grants from the Australian Government	
General grants	20
Specific grants	50,110
Total Grants	50,130

The project is funded through a grant of \$50 million from the Australian Government, as detailed in the Project Agreement signed by the Tasmanian and Australian Infrastructure Ministers on 22 June 2012. Of the total \$50 million received, up to \$5 million is allocated to the redevelopment of public infrastructure at Brooke Street pier. The remaining \$45 million is earmarked for Macquarie Point. As at 30 June 2013, the Corporation has no present obligations with regard to how the funding will be spent. As such, the Corporation has not recorded a liability in its Statement of Financial Position.

3.2 Interest

	2013
	\$'000
Interest	1,611
Total	1,611

Note 4 Expenses from Transactions

4.1 Employee benefits

	2013
	\$'000
Wages and salaries	398
Annual leave	60
Long service leave	80
Sick leave	1
Superannuation – defined benefit scheme	11
Superannuation – contribution schemes	49
Other post-employment benefits	2
Other employee expenses	4
Total	605

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.5 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of nine per cent of salary. In addition, the Corporation is also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.5 per cent of salary in respect of employees who are members of contribution schemes.

4.2 Supplies and consumables

	2013
	\$'000
Audit fees – financial audit	7
Consultants and contracted services	271
Communications	4
Information technology	1
Insurance	4
Travel and transport	24
Advertising and promotion	13
Other supplies and consumables	6
Total	330

4.3 Grants and subsidies

	2013 \$'000
Grants and subsidies	179
Total	179

4.4 Other expenses

	2013 \$'000
Salary on costs	5
Seminars and conferences	1
Other expenses	2
Total	8

Note 5 Assets

5.1 Receivables

	2013
	\$'000
Tax assets	19
Total	19
Settled within 12 months	19
Total	19

5.2 Leasehold Improvements

(a) Carrying amount

	2013
	\$'000
Leasehold improvements	
Work in progress (at cost)	137
	137
Total Leasehold improvements	137

(b) Reconciliation of movements

	2013
	\$'000
WIP Additions	137
Carrying amount at 30 June	137

5.3 Other assets

(a) Carrying amount

	2013 \$'000
Other assets	
Prepayments	19
Total	19
Settled within 12 months	19
Total	19

Note 6 Liabilities

6.1 Payables

	2013 \$'000
Creditors	8
Accrued expenses	2
Total	10
Settled within 12 months	10
Total	10

Settlement is usually made within 30 days.

6.2 Employee benefits

	2013 \$'000
Annual leave	37
Long service leave	88
Total	125
Settled within 12 months	53
Settled in more than 12 months	72
Total	125

6.3 Other liabilities

	2013 \$'000
Other liabilities	
Employee benefits – on-costs	1
Total	1
Settled in more than 12 months	1
Total	1

Note 7 Commitments and Contingencies

7.1 Schedule of Commitments

	2013 \$'000
By type	
<i>Lease commitments</i>	
Vehicles	16
<i>Total lease commitments</i>	16
<i>Other commitments</i>	
Leasehold Improvements	483
<i>Total other commitments</i>	483
Total	499
By maturity	
<i>Operating lease commitments</i>	
One year or less	9
From one to five years	7
<i>Total lease commitments</i>	16
<i>Other commitments</i>	
One year or less	483
<i>Total other commitments</i>	483
Total	499

Lease commitments are associated with office equipment and motor vehicles leased through the government's fleet manager.

7.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

At the reporting date, the Corporation was not aware of any contingent assets or liabilities that have not been recognised in the Statement of Financial Position.

Note 8 Cash Flow Reconciliation

8.1 Cash and deposits

Cash and deposits include the balance of bank accounts held by the Corporation.

	2013
	\$'000
Cash at bank	
Cash at bank	50,581
Total	50,581
Total cash and deposits	50,581

8.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2013
	\$'000
Net result from transactions (net operating balance)	50,620
Depreciation and amortisation	-
Decrease (increase) in Receivables	(19)
Decrease (increase) in Other assets	(19)
Increase (decrease) in Employee benefits	125
Increase (decrease) in Payables	10
Increase (decrease) in Other liabilities	1
Net cash from (used by) operating activities	50,718

Note 9 Financial Instruments

9.1 Risk exposures

(a) Risk management policies

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

- credit risk;
- liquidity risk; and
- market risk.

The Board of the Corporation has overall responsibility for the establishment and oversight of the Corporation's risk management framework. Risk management policies are established to identify and analyse risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Board has identified a range of issues related to the anticipated contamination of the Macquarie Point site as a result of the considerable industrial activity that has occurred over many years. Appropriate risk management policies and remediation procedures will be developed once the extent and potential impact of contamination is confirmed within the context of the proposed eventual use of the site.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Risk is managed by suitable follow-up action taken on outstanding debts.

The carrying amount of the financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Corporation's maximum exposure to credit risk without taking into account any collateral or other security.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 30 days.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services.	Terms of trade are 30 days.

The following tables detail the undiscounted cash flows payable by the Corporation relating to the remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2013

Maturity analysis for financial liabilities								Undiscounted Total	Total Carrying Amount
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Financial liabilities									
Payables	10	-	-	-	-	-		10	10
Total	10	-	-	-	-	-		10	10

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Corporation is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Corporation's interest bearing financial instruments was:

	2013 \$'000
Fixed rate instruments	
Financial assets	19
Financial liabilities	(10)
Total	9
Variable rate instruments	
Cash at Bank	50,581
Total	50,581

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Corporation's profit or loss and equity:

Sensitivity Analysis of the Corporation's Exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income			Equity
	100 basis points increase \$	100 basis points decrease \$	100 basis points increase \$	100 basis points increase \$
30 June 2013				
Cash and deposits	505,813	(505,813)	505,813	(505,813)
Net sensitivity	505,813	(505,813)	505,813	(505,813)

This analysis assumes all other variables remain constant.

9.2 Categories of Financial Assets and Liabilities

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Corporation is exposed to is interest rate risk. At the reporting date, the interest rate profile of the Corporation's interest bearing financial instruments was:

	2013 \$'000
Financial assets	
Financial assets	
Cash and deposits	50,581
Loans and receivables	19
Total	50,600
Financial Liabilities	
Financial liabilities measured at amortised cost	10
Total	10

Certification Of Financial Statements

The accompanying Financial Statements of the Macquarie Point Development Corporation are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* and section 48 of the *Macquarie Point Development Corporation Act 2012* to present fairly the financial transactions for the period ended 30 June 2013 and the financial position as at the end of the year.

At the date of signing we are not aware of any circumstances that would render the particulars included in the Financial Statements misleading or inaccurate.



John Gilbert

Chairman

Date: 13 August 2013



Elizabeth Jack

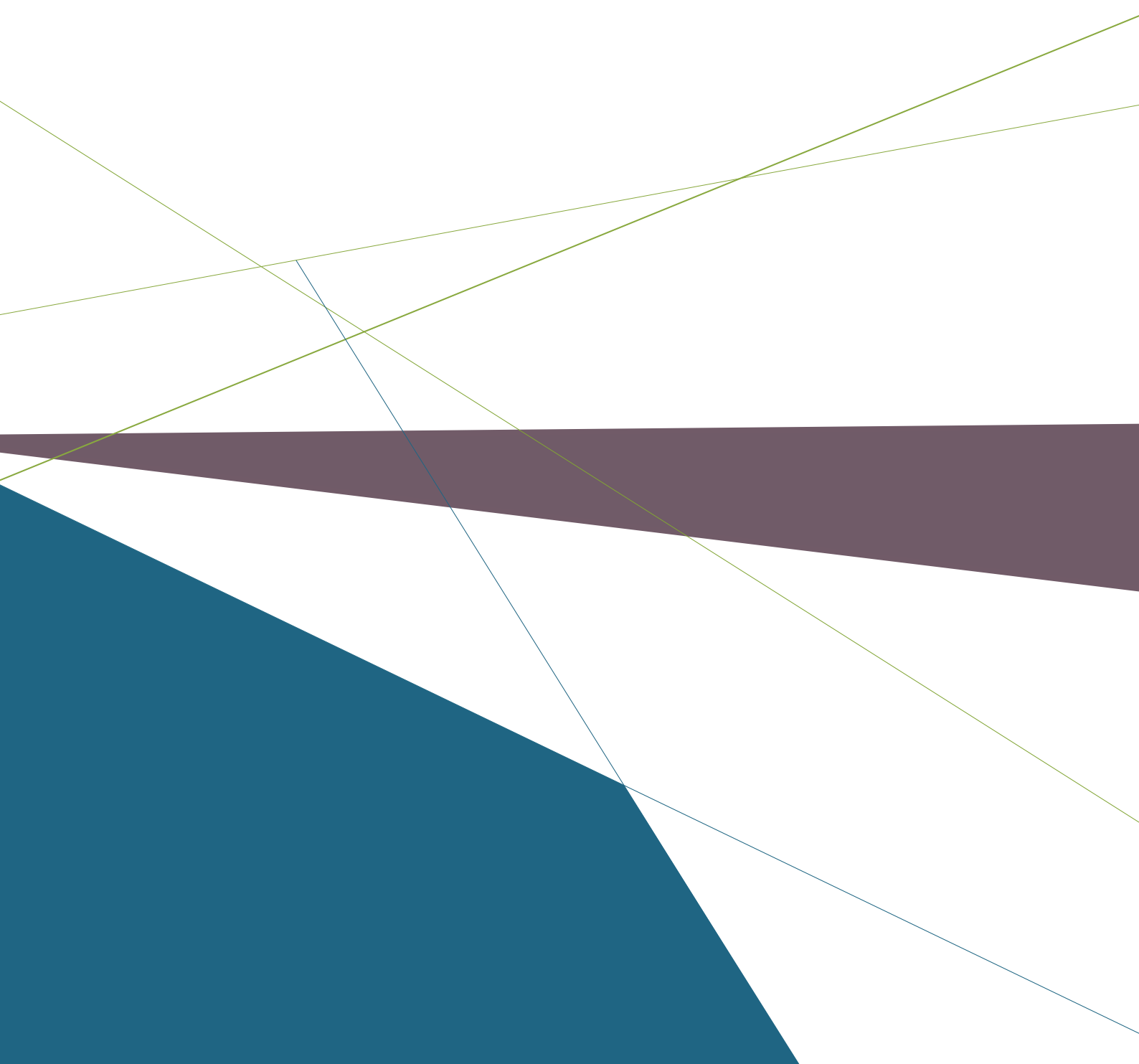
Director

Date: 13 August 2013

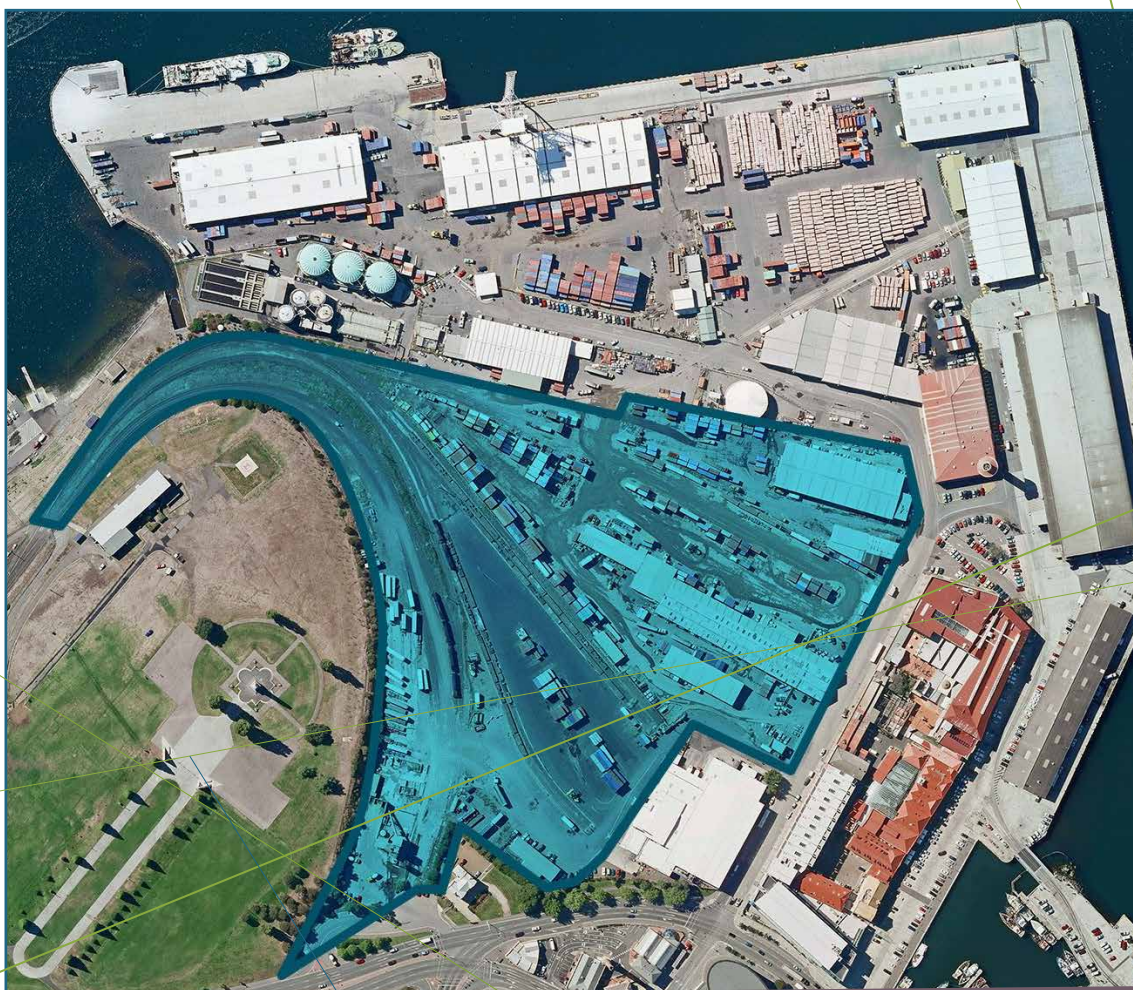


Macquarie Point
Development Corporation

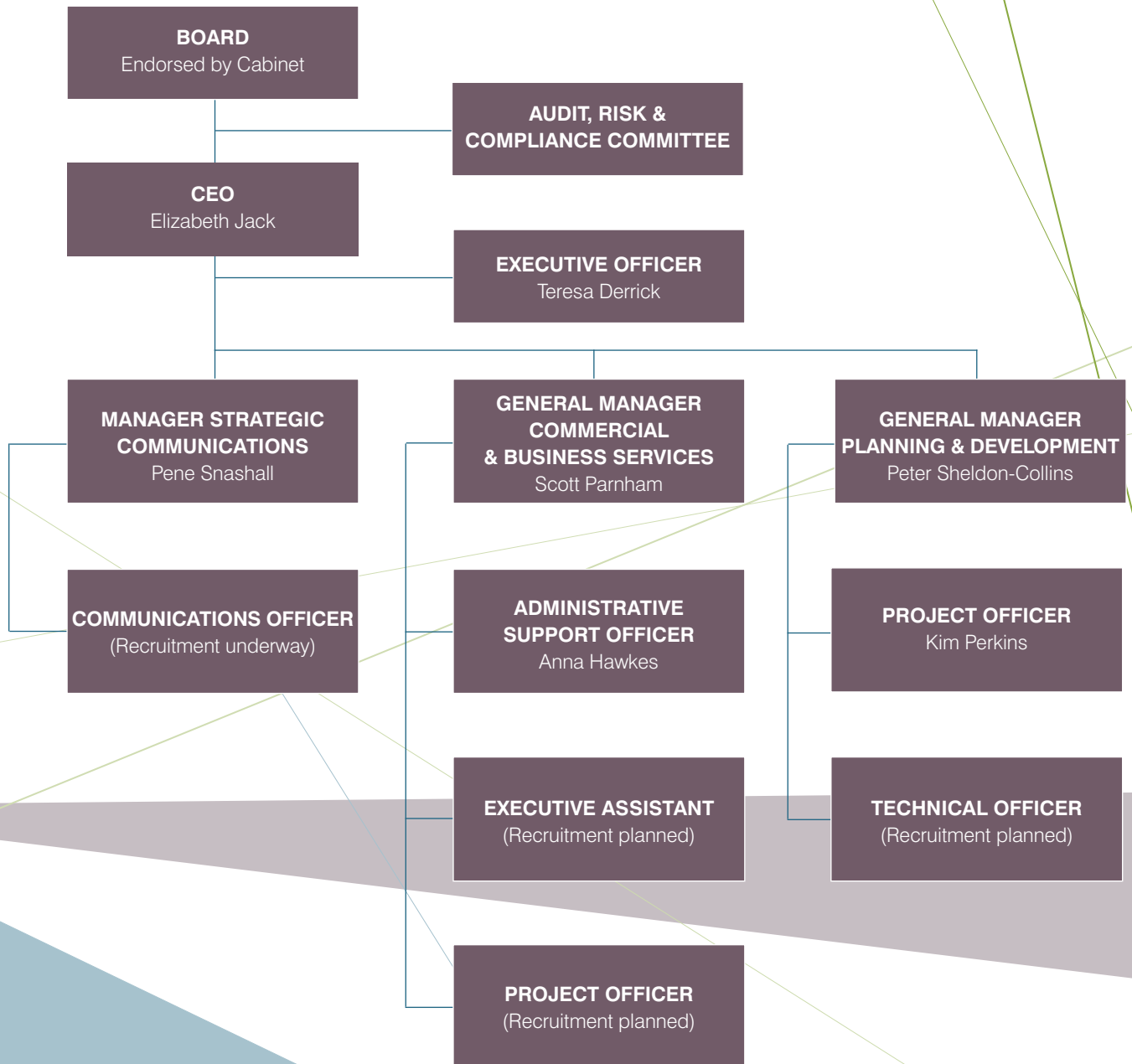
Appendices



Appendix A - Macquarie Point Site



Appendix B - Our Organisational Structure



Appendix C - Board Meeting Attendance

Board Member	22 March	9 April	1 May	18 June	26 June
John Gilbert (Chair)	✓	✓	✓	✓	✓
Elizabeth Jack (CEO)	✓	✓	✓	✓	✓
Kerry Adby	✓	✓	✓	✓	✓
Dominic Arcaro	✓	✓	✓	✓	✓
Heather Rose	✓	✓	✓	✓	X
Hadley Sides	✓	✓	X	X	X

Mr Hadley Sides was granted leave of absence for the May and June 2013 Board meetings.

Appendix D - Stakeholder Engagement Sessions

Organisation	Date
Property Council of Australia – Tasmanian Division	September 2012
Tourism Tasmania Board	September 2012
Tasmanian Development Board	October 2012
Hobart Chamber of Commerce	November 2012
Tasmanian Antarctic Group	November 2012
Southern Tasmanian Councils Association	November 2012
Public information session no. 1	November 2012
Public information session no. 2	November 2012
Hobart City Council	December 2012
Public information session no. 3	December 2012
Business Events Tasmania Board	December 2012
Waterfront Business Community	December 2012
Screen Tasmania Board	December 2012
Australian Institute of Architects – Tasmanian Chapter	December 2012
Business Events Tasmania industry members	December 2012
Tasmanian Museum and Art Gallery Trustees	December 2012
Tasmanian Hospitality Association – industry members	January 2013
Hobart Northern Suburbs Rail Action Group	January 2013
Theatre Royal Management Board	January 2013
University of Tasmania executive group	January 2013
Tasmanian Climate Action Council	February 2013
Tourism Industry Council Tasmania	February 2013
North Hobart to the Waterfront Transit Links Working Group	February 2013
TasPorts Board	February 2013
Minister Sustainable Transport - Advisors	February 2013
Tasmanian Arts Advisory Board	February 2013
Civil Contractors Federation	February 2013
Tasmanian Maritime Network	February 2013
Premier's Physical Activity Council	March 2013
Minister Sustainable Transport	March 2013
Institute of Landscape Architects – Tasmanian Chapter	March 2013

Appendix D - Stakeholder Engagement Sessions

Tasmanian Polar Network	March 2013
Engineers Australia – Tasmania Division	March 2013
Regional Development Australia – Tasmanian Division	March 2013
Australian Antarctic Division	April 2013
Returned and Services League Tasmania	April 2013
Tasmanian Symphony Orchestra Board	May 2013
Tasmanian Planning Commission	May 2013
Aboriginal Heritage Council	May 2013
Planning Institute – Tasmanian Division	May 2013
Housing Industry Association	June 2013



Our Highlights

- assignment of Royal Assent to the Macquarie Point Development Corporation on 11 December 2012;
- appointment of the CEO in accordance with the *Macquarie Point Development Corporation Act 2012*;
- appointment of the Board by the Governor of Tasmania in March 2013;
- completion of the Corporation's overarching communications strategy;
- launch of the Macquarie Point Development Corporation brand and website;
- delivery of over 40 community and stakeholder information sessions;
- progress on Hobart's Brooke Street Pier development concept, including finalisation of engineering design and cost estimates;
- ongoing collaboration with key stakeholders including the Hobart City Council, TasRail, TasPorts and Southern Water (TasWater from 1 July 2013);
- compilation of a detailed historical summary of the site's use and development incorporating the cultural and historic heritage values of the site;
- early work on the development of a heritage management plan for the site;
- refurbishment of new office accommodation on the Macquarie Point site, providing the Corporation with an on-site base to oversee and manage remediation and redevelopment works;
- appointment of the Corporation's Audit, Risk and Compliance Committee;
- permanent appointment of two of the Corporation's key staff;
- delivery of the Corporation's inaugural corporate plan;
- formalisation of a Service Level Agreement for the provision of corporate services by the Department of Justice;
- compilation of information from previous investigations and studies, including that undertaken as part of the New Royal Hobart Hospital project, and commencement of the development of a consolidated database to store and share this information; and
- initiation of the development of a series of 3D digital models of a range of site features, including topography, geology, contamination and groundwater movement.