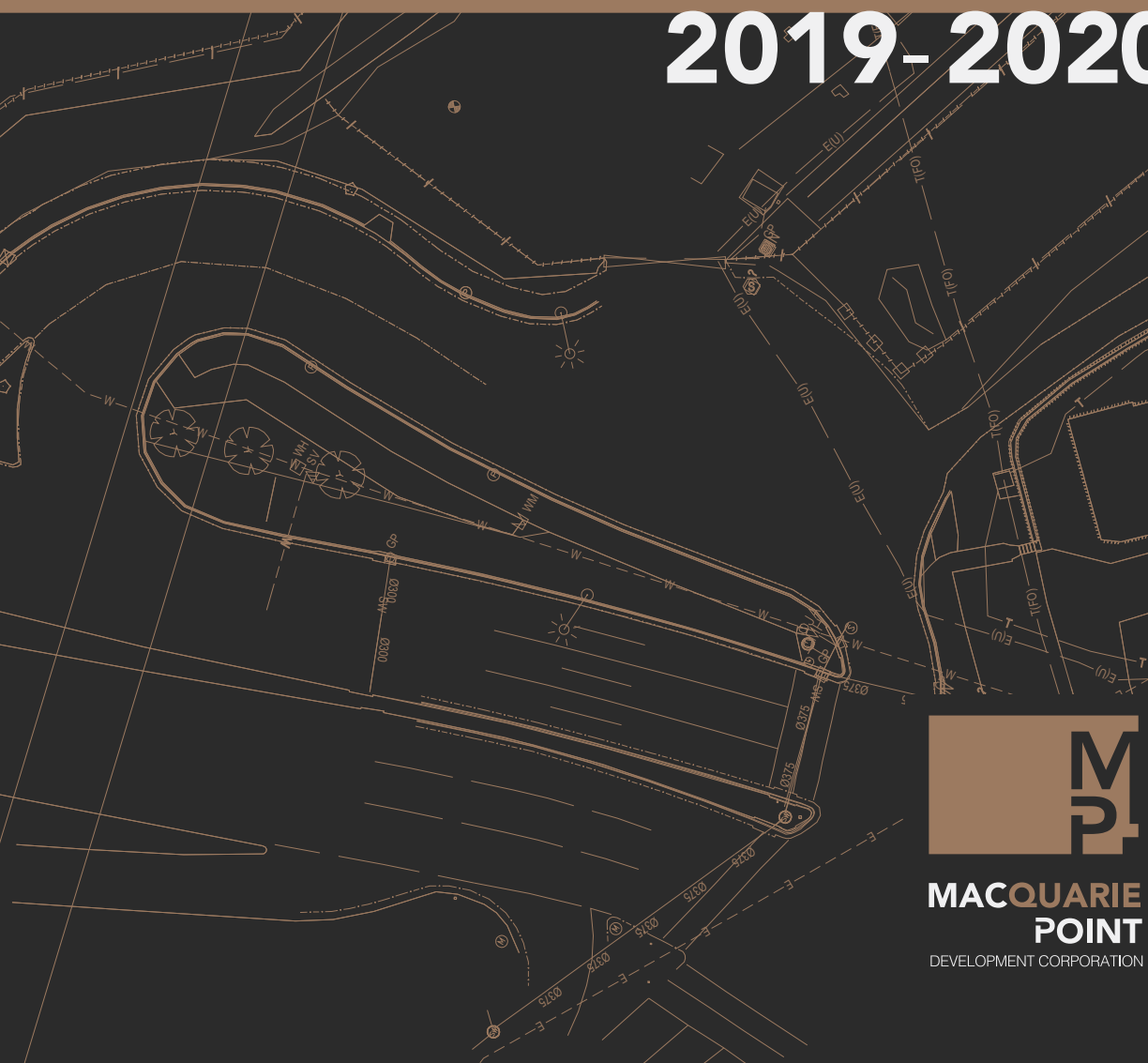




# ANNUAL REPORT

## 2019-2020



**MACQUARIE  
POINT**  
DEVELOPMENT CORPORATION

LETTER TO THE MINISTER

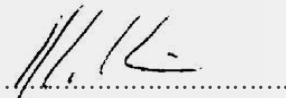
The Hon Michael Ferguson MP  
Minister for State Growth  
Level 5, Salamanca Building  
Parliament Square  
4 Salamanca Place  
HOBART TAS 7000

Dear Minister

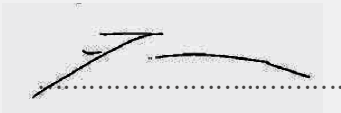
We have pleasure in submitting the Macquarie Point Development Corporation’s Annual Report for year ended 30 June 2020.

This Report has been prepared in accordance with Section 50 of the *Macquarie Point Development Corporation Act 2012* and is submitted for information and presentation to the Tasmanian Parliament.

Yours sincerely



**Brian Scullin**  
CHAIR



**Mary Massina**  
DIRECTOR

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## ABOUT US

**Situated along the Hobart waterfront, Macquarie Point presents one of the last remaining opportunities to develop an innovative and dynamic precinct in the heart of the city's busy central business district.**

The 9.3 hectare site is situated adjacent to key landmarks including the Cenotaph, the Queens Domain and the Regatta Grounds and its importance as a culturally significant site cannot be underestimated.

From its beginnings as the meeting place of the Muwinina band of the South East Tribe of Aboriginals to becoming the epicentre of industry in early European settlement, Macquarie Point's history has been rich and varied.

Since the 1850's the site was once used as drill halls for the army, an abattoir, a general dump, gas works and then finally becoming the home of Hobart's railyard and freight handling depot.

This history has contributed to the many issues and hazards that lie beneath, and understanding the complex nature of how to deal with these issues has been a task the Corporation has undertaken with care.

In 2014, the Corporation began the task of cleaning up and remediating the site with extensive work continuing including; groundwater monitoring and testing, the removal of historic oil and gas pipelines and physical remediation of the soil.

During remediation, the Corporation implemented strategies to activate the site through interim developments including; the refurbishment of the Goods Shed as a venue for festivals and events, to engage businesses to trade in the Red Square and the LongHouse, the construction of an interim cycleway through the site and the construction of 450 car parks onsite.

These interim developments were implemented to maximise commercial return whilst work on the overall vision for the site, remediation and changes to legislative and planning issues took place.

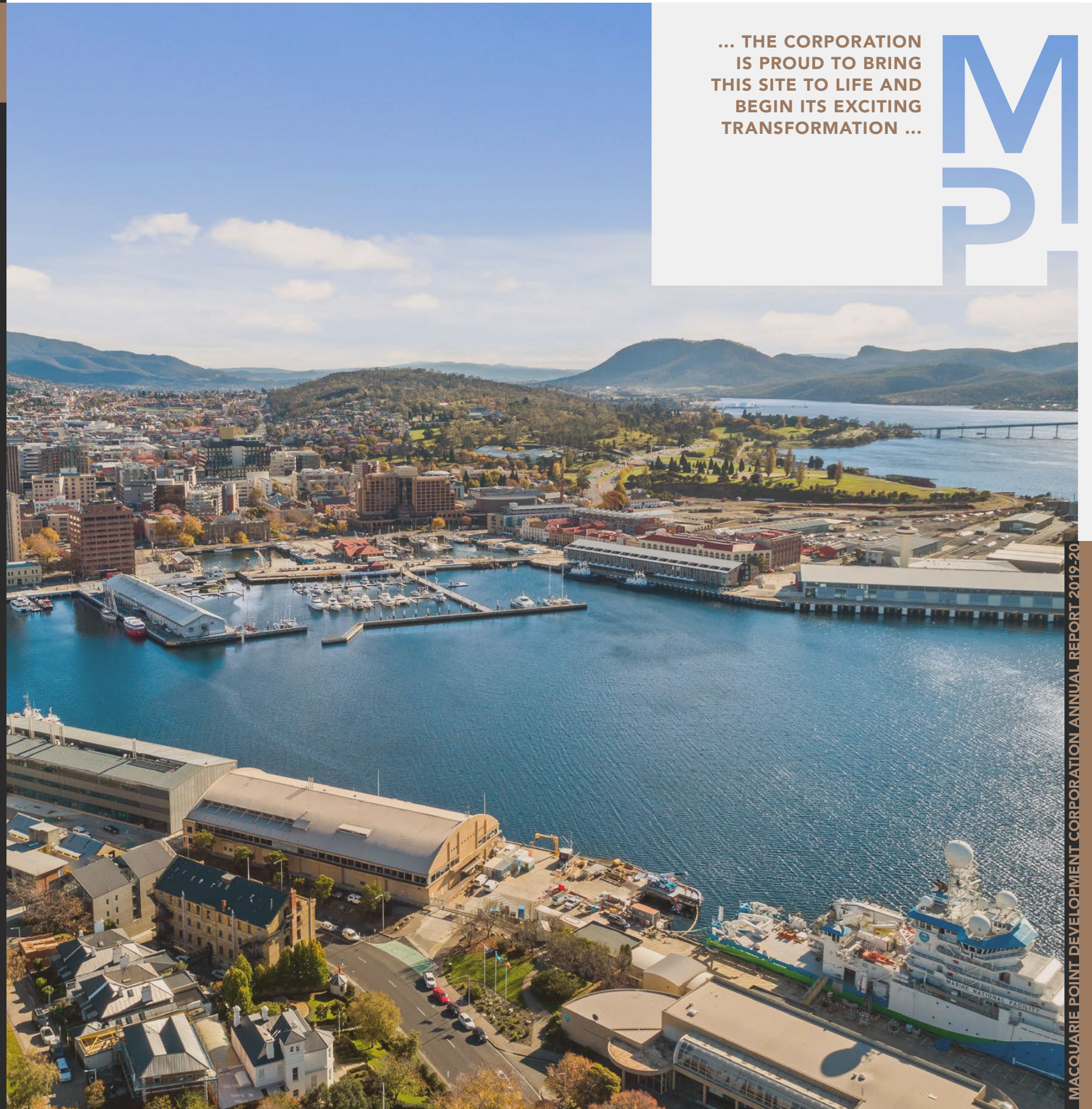
The site has now moved into the next stage of its evolution; the ability to realise the vision through permanent development.

The Corporation is proud to bring this site to life and begin its exciting transformation to create what will be a truly extraordinary landmark for Tasmania.

By taking full advantage of the site's potential we can unlock millions of dollars of investment, create thousands of jobs and deliver a precinct that will serve the community for generations to come.

... THE CORPORATION  
IS PROUD TO BRING  
THIS SITE TO LIFE AND  
BEGIN ITS EXCITING  
TRANSFORMATION ...

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FROM THE CHAIR AND CEO

We are pleased to present the Macquarie Point Development Corporation’s Annual Report for 2019-20 which has delivered significant progress in moving the site forward into the next stage of delivery – permanent development.

Throughout 2019-20 we have continued our focus on working towards bringing the vision for the site to life and as a result, delivering the first parcel of land for permanent development to market.

But before this could be realised, there were a number of issues that needed to be resolved.

In October 2019, a major milestone was achieved with the Tasmanian Planning Commission approving planning scheme amendments in preparation for land to be developed and offered to market. These changes would provide certainty to investors and developers as well as the community and set the foundation for permanent development.

Remediation continued across most of the site during the year, with certification achieved for the Goods Shed and physical remediation completed for Audit area 4 – *The Escarpment*. This enabled us to progress plans to construct a road, set aside the transit corridor, develop supporting service infrastructure and open up the site.

In April 2020, we released a pre-registration of interest campaign for *The Escarpment* to gauge market interest and provide confidence to the Corporation and the State Government during COVID-19.

After receiving an impressive number of pre-registrations from international, national and local developers we continued to move forward in releasing a formal two-stage Competitive Bid Process.

During this time, the impacts of COVID-19 presented the Corporation with an array of challenges – particularly for our onsite businesses and events as well as the ability to continue with remediation and construction work.

Although aspects of our day-to-day operations temporarily ceased, we continued work on the remediation and redevelopment of the site in accordance with our strategic objectives.

In May 2020, the Corporation progressed the Northern Vehicular Access project which included infrastructure and supporting services, earthworks and the construction of a road to support access to a number of development parcels, including *The Escarpment*.



... THE CORPORATION  
HAS DELIVERED  
SIGNIFICANT  
PROGRESS IN MOVING  
THE SITE FORWARD  
INTO PERMANENT  
DEVELOPMENT ...

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In the same month, the Corporation sought expressions of interest from energy retailers and service providers to supply and operate key environmentally sustainable energy infrastructure onsite which could include; renewable generation, electricity storage, recycled stormwater and natural gas. The District Infrastructure Scheme will be the first of its kind in Tasmania and once installed, will be able to achieve high green-star ratings and a low carbon footprint.

Our plans for a state-of-the-art Antarctic and Science Precinct continues to be developed while working alongside the Tasmanian and Federal Governments, as well as industry. It is anticipated that a world-class Precinct will further support development of the site and enhance Hobart’s position as a global gateway to the Antarctic and Southern Ocean.

It gives us great pleasure in presenting this year’s Annual Report in what has been a challenging but fruitful year in the site’s history.



## OUR BOARD

**Our Board brings together a range of skills, experience and expertise to provide a pivotal role in the development of the Macquarie Point site.**

The Board, in accordance with the *Macquarie Point Development Corporation Act 2012*, meets a minimum of six times during a financial year. In light of COVID-19 restrictions, the Board has met its commitments to meet to discuss matters online and will continue to do so going forward until restrictions are eased.



Brian Scullin (Chair)

### Brian Scullin – Chair

Brian's early career was working for the Australian Government. His executive career in superannuation and financial services between 1987 and 2002 saw him appointed inaugural Executive Director of the Association of Superannuation Funds of Australia. In September 1993 Brian was appointed Vice President, Business Strategy, Bankers Trust Australia Limited and subsequently Executive Vice President, Funds Management. This role involved responsibility for all non-investment functions including legal, compliance, operations, technology, marketing and human resources. From November 1997 Brian was promoted to President, Japan Bankers Trust Company Limited and following a takeover by Deutsche Bank in 1999, Brian was made Regional Head of Asia/Pacific, Deutsche Asset Management. Brian retired from fulltime employment in 2002 and since then has held a number of non-executive and industry positions including Chair of Spark Infrastructure and President of the Retirement Benefits Fund in Tasmania. Currently, he is a Director of OAK Possability, a not-for-profit provider of services in the disability sector, Chair of FuneralVest, Chair of Hastings Funds Management, Director of Tasplan Super Fund and Chair of the Tasmanian Development Board.



Penny Morris AM

### Penelope (Penny) Morris AM

Penny's long and distinguished career has all been in the built environment and corporate governance. After graduating with honours architecture from Melbourne University and having won a coveted cadetship with the Commonwealth Government, Penny spent 16 years with the Commonwealth in Melbourne and then Canberra. When she left the Commonwealth in 1987 she was Director of Commonwealth Property with department of Administrative Services responsible for the acquisition, development, redevelopment, management and disposal of the Commonwealth's vast Australian and overseas estates, including staff of some 750 located around Australia and overseas.

Penny then spent 6 years at Lend Lease in Sydney firstly as CEO of Lend Lease Commercial and then Group Executive Lend Lease Property Services. Since 1994 Penny has been



a professional company director and property/business consultant. She has served as a non-executive director on over 30 boards of public listed, government, not for profit and private sector organisations. Many of her board positions have been in the property and construction industries including Mirvac Limited, City West Development Corporation, Sydney Harbour Foreshore Authority, Principal Real Estate Investors Australia Limited, Indigenous Land Corporation and Chair of Postcorp Developments-Australia Post's development company.

Other significant directorship roles have included Australia Post, Jupiters Limited, Aristocrat Limited, Colonial State Bank, Howard Smith Limited, Energy Australia and Country Road Limited. Penny is presently on the Board of Bowel Cancer Australia and the Bowel Cancer Foundation.

Penny's qualifications are B.Arch (Hons) M.Env Sci and 2 Diplomas of Company Directorship. She is Fellow of both the Australian Institute of Architects, and the Australian Institute of Company Directors. In 2002 Penny was awarded a Member of the Order of Australia for service to the property and construction industries.



Kim Evans

### Kim Evans

Kim has been a Head of Agency in Tasmania for more than 20 years and was appointed Secretary of the Department of State Growth in September 2014, where he works closely with the Office of the Coordinator-General and Infrastructure Tasmania. He has previously represented the Tasmanian Government on several state and national boards and committees including the Tasmanian Institute of Agriculture, the Institute of Marine and Antarctic Studies and Tasmanian Irrigation.



Saul Eslake

### Saul Eslake

Saul worked as an economist in the Australian financial markets for more than 25 years, including as Chief Economist at McIntosh Securities (a stockbroking firm) in the late 1980s, Chief Economist at National Mutual Funds Management in the early 1990s, as Chief Economist at the Australia & New Zealand Banking Group (ANZ) from 1995 to 2009, and as Chief Economist for Bank of America Merrill Lynch from 2011 until June 2015. In between these last two positions he was Director of the Productivity Growth program at the Grattan Institute.

In July 2015, Saul started up his own economics consultancy business, operating out of Hobart, and in April 2016 took up a part-time position as a Vice-Chancellor's Fellow at the University of Tasmania. Saul is a member of the Australian Parliamentary Budget Office's Expert Advisory Panel and the Australian Taxation Office's 'Tax Gap' Project Expert Panel; is Chair of the CSIRO's Decadal Climate Forecasting Project Advisory Board; and is on the Advisory Board of Jamieson Coote Bonds, a Melbourne-based specialist bond investment manager. He was a non-executive director of Hydro Tasmania from 2008 until 2018, and Chair of the Tasmanian Arts Advisory Board from 2005 until 2011.





Debra Berkhout

**Debra Berkhout**

Debra began her career in urban planning, moving into project management at Sydney’s Darling Harbour Authority in the mid-eighties. Subsequently, she moved to Lend Lease where she worked for 15 years, on a range of notable projects, including the Olympic Village for Sydney’s Green Games, masterplanning for the former CSR harbourfront site at Pyrmont, and the internationally recognised Rouse Hill Town Centre. Later, at GPT she was responsible for sustainability and corporate social responsibility strategy, building key initiatives and partnerships and developing new approaches to impact measurement.

For the past five years Debra has been involved in strategy development for Sydney’s most important “innovation precinct” at Camperdown Ultimo. She is currently engaged by the precinct Alliance, comprising key universities, health institutions and local authorities, to lead strategy development, stakeholder engagement and implementation planning.



Tim Hogg

**Tim Hogg** (appointed to the Board on 10 December 2019)

Tim is an experienced company director and board member specialising in major construction and infrastructure projects nationally. His skills within these roles include providing strategic advice to boards, governments and major corporations during the planning and delivery phase as well as briefing, cost, time and quality advice, development income and feasibility assistance.

Tim is the Managing Director of North Projects, a project advisory firm with offices in Melbourne, Adelaide, Sydney, Darwin, Hobart and Perth, employing more than fifty-eight staff. Tim has extensive experience in planning complex urban environments and specialises in providing project assurance and risk advice to major infrastructure redevelopments including commercial, retail and public projects. Over the course of his career, he has worked in the construction and property industry in Hobart, Melbourne, Hong Kong and Cairns.



Mary Massina (CEO)

**Mary Massina- CEO**

An influential and experienced business lobbyist, Mary Massina has carved out a unique career across the public, private and community sectors, as well as within the political sphere. With a deep understanding of state and federal politics, and a rare ability to develop and deliver practical policy, Mary has driven reforms which lead the nation. Mary has spearheaded some of Tasmania’s most successful campaigns – driving reform in planning, taxation, health, disability care and infrastructure funding. Mary has developed and implemented ground-breaking policies, has successfully managed change within large and small teams, has provided strategic advice to governments and politicians, and has gained the personal and professional respect of her colleagues at both the local and national levels. A powerful public speaker and widely-respected media commentator, Mary sits on many boards and taskgroups. A committed relationship builder, Mary has a rare ability to mesh policy and politics to deliver measurable results. Mary was appointed interim CEO in January 2017, and made permanent in July that year.



**Code of Conduct and Board Charter**

The Corporation Directors’ Code of Conduct and the newly developed Board Charter embodies the values of honesty and integrity; acting in good faith in the best interests of the Corporation; acting fairly and impartially; using information appropriately; using their position appropriately; acting in a financially responsible manner; exercising due care, diligence and skill; complying with the *Macquarie Point Development Corporation Act 2012* and the *State Service Act 2000*, and demonstrating leadership and stewardship.

**Statement of Intent**

In facilitating the redevelopment of Macquarie Point and delivering the first stage of the Tasmanian Government’s reset, the Corporation will assess all future development proposals on their capacity to:

- contribute to the vision and deliver quantifiable economic, social, environmental and aesthetic benefits to Hobart and the people of Tasmania;
- embody and demonstrate a level of design excellence that will enhance Hobart’s existing architectural landscape and will complement and connect with the broader environment in which it is located;
- create a compatible extension to both the commercial and community amenity of Hobart’s historic waterfront precinct; and
- transform a degraded industrial site into an appealing, inner-city precinct to be enjoyed and valued by future generations.

In making these assessments, the Corporation will aim to ensure that high-quality development proposals are adopted and the developments are underpinned by strong due diligence and the requisite oversight.

**Board of Directors meetings**

Name	Held	Attended
Chair B Scullin	6	6
D Berkhout	6	6
S Eslake*	6	4
K Evans	6	6
T Hogg	3	3
P Morris	6	6
M Massina	6	6

**Audit & Risk Committee Meetings**

Name	Held	Attended
Chair P Morris	4	4
S Eslake	4	3
B Scullin	4	4
M Massina	4	4

\* Director Eslake had approved Leave of Absence from the Board for two meetings in this period.



OUR VISION

Mac Point will be the place where Tasmania's past, present and future meet.

Its development will deliver an arts, culture, tourism and science precinct, building on Tasmania's internationally renowned reputation.

It will be a place recognised for its integrated and innovative Antarctic and science research, for culture, reconciliation, inspiration and innovation.

This vibrant extension of the Hobart CBD and Sullivans Cove is a once-in-a-lifetime opportunity, set to deliver an extraordinary precinct.

It will be a place for people to connect, where Tasmania meets the world, and the world meets Tasmania.



KEY FACTS AND ACHIEVEMENTS

 9.3 hectare SITE	 7 DISTINCT PRECINCTS	 13,000m <sup>2</sup> of PUBLIC OPEN SPACE	 125,000m <sup>2</sup> DEVELOPMENT FOOTPRINT
 30,000m <sup>2</sup> of COMMERCIAL SPACE POTENTIAL	 15,000 DIRECT and INDIRECT JOBS DURING LIFE of DEVELOPMENT	 15,000m <sup>2</sup> of RESIDENTIAL SPACE POTENTIAL	 \$1B WORTH of INVESTMENT in TOTAL DEVELOPMENT
 RELEASE of THE ESCARPMENT to MARKET	 ACCESS ROAD and INFRASTRUCTURE PARTIALLY CONSTRUCTED	 DISTRICT INFRASTRUCTURE SCHEME EOI RELEASED	 68% of SITE PHYSICALLY REMEDIED as at June 2020
 UNDERGROUND DEVELOPMENT PLANNING UNDERWAY	 25,000T of CONTAMINATED SOIL REMOVED	 INVESTIGATING the ANTARCTIC and SCIENCE PRECINCT	 550lm of HISTORICAL PIPELINES REMOVED
 35 FTEs ONSITE	 \$4.32M CONTRACTS AWARDED to TASMANIAN BUSINESSES	 19 tenants 4 community groups ONSITE	 29 events HELD OVER the PAST YEAR

PHOTO : Dark Mofo, Lusy Productions.



## CONCEPT TO DEVELOPMENT

### THE MONA VISION

The vision, developed by MONA, sets out an overall aspiration for the Macquarie Point site and beyond. This vision highlighted the need for the site to become an extension of the Hobart CBD and a place for the community to come together. The vision provided a concept for the State Government to consider in planning for the future of the site.

2016-2017

### MASTER PLAN

In order to encapsulate the MONA vision, the community's views, the State Government's priorities and establish a cohesive framework for the development, a Masterplan was created. This Masterplan is a suite of planning rules which sets out the framework for the development of the site, including what can and can't be built.

Buildings which can be developed include galleries, cultural spaces, cafes, restaurants, residential, research facilities, tourism and office complexes. It also sets out other requirements such as green rooves and building setbacks which increase the amenity of the site while emphasising the importance of public open space for holding events.

In addition, the Masterplan establishes protections to safeguard designated areas such as the transit corridor, public open space and heritage buildings onsite including the Goods Shed and the Red Shed.

The Masterplan was formerly approved by the City of Hobart after a public process and approved by the Independent Planning Commission on 30 October 2019.

A copy of the *Sullivans Cove Planning Scheme 1997* can be found via the Corporation or the City of Hobart's website.

2018-2019

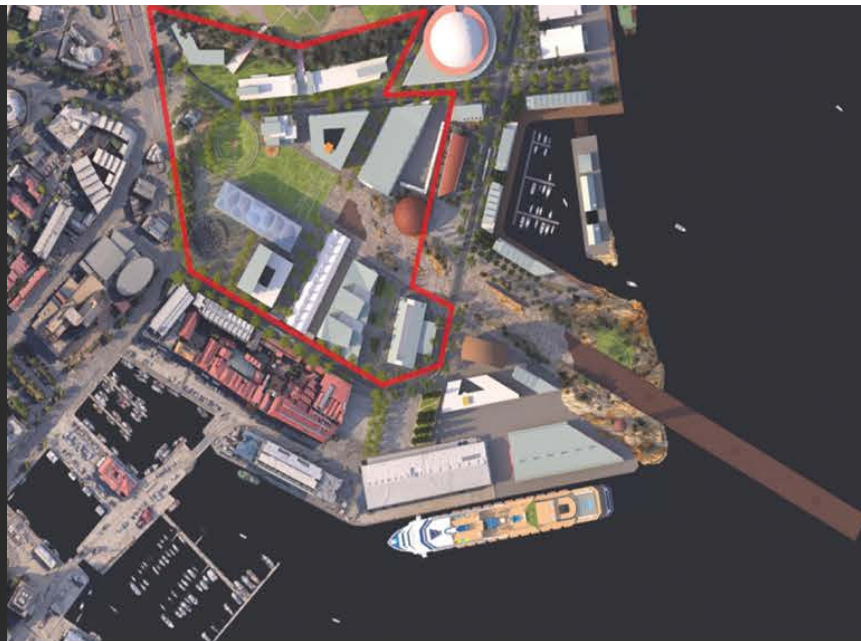
### MASTER DEVELOPMENT PLAN

In order to ensure development consistency, the Corporation has taken an extra step by creating a Master Development Plan. The Macquarie Point Master Development Plan (MDP) provides a clear direction for the stages of construction to be undertaken on site, ensuring alignment with the statutory planning framework and the State Government's plan.

The MDP established seven precincts within the 9.3 hectare site. These precincts are specifically designed to underpin the planning scheme framework and includes a range of mixed use and arts and institutional development including, the Hobart City Deal initiative for the Antarctic and Science Precinct to promote Hobart's position as the gateway to the Antarctic and Southern Ocean. The centrepiece will be the creation of the Park (truth and reconciliation art park) – a 13,000 square metre public open space important for large scale events and festivals, providing a meaningful and culturally respectful space to create a sense of connectedness through play, public art, green and cultural spaces.

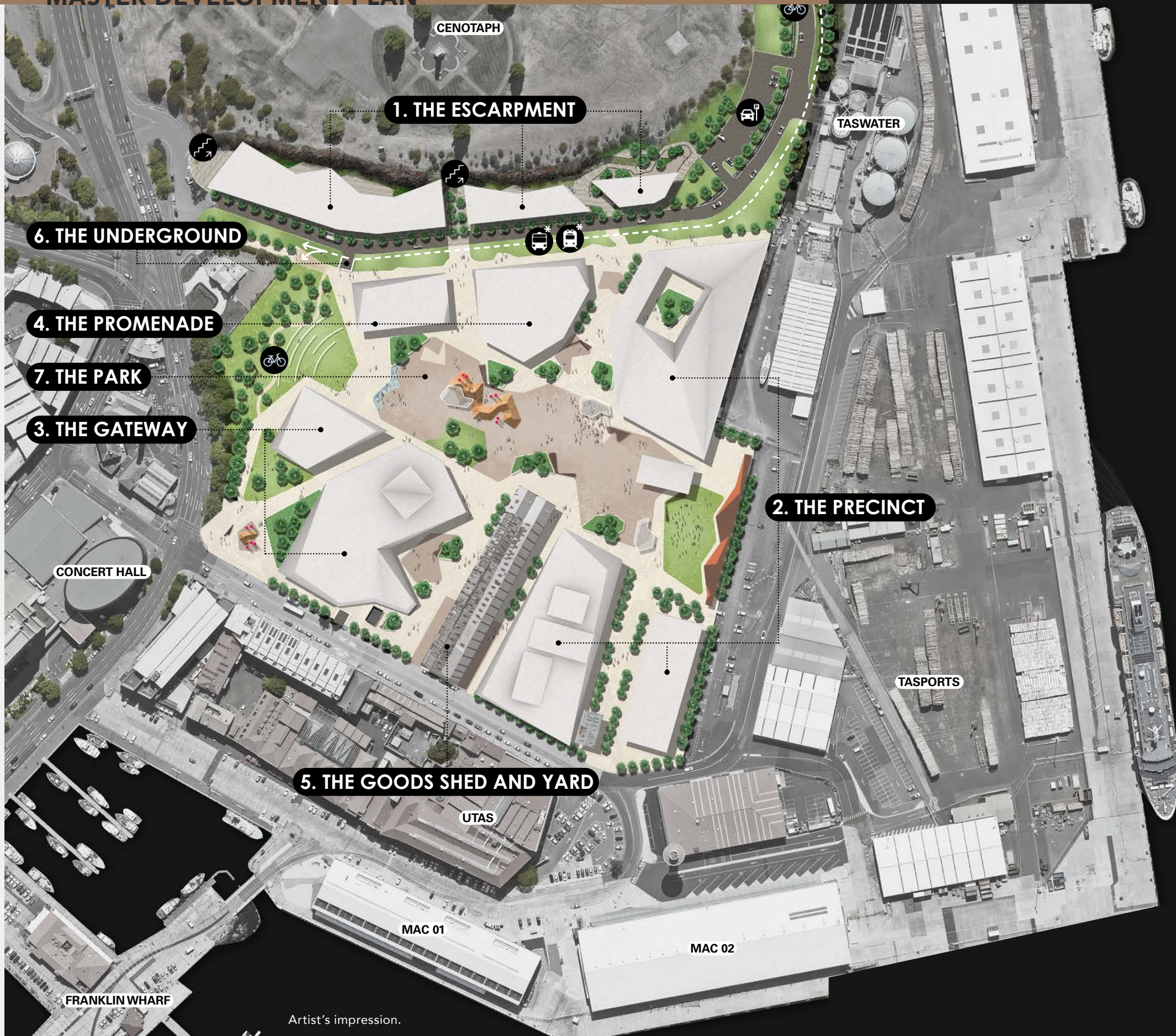
The Corporation will guide and control all public and private investment for the realisation of the Master Development Plan and the City of Hobart Council will remain as the statutory planning authority for all development applications.

2020-2030





# MASTER DEVELOPMENT PLAN



Artist's impression.

- 1. THE ESCARPMENT**

This development site is zoned Mixed Use under the *Sullivan's Cove Planning Scheme 1997* and will be privately developed. Permitted uses can include residential, visitor accommodation, shops or office accommodation.

The Escarpment also incorporates two pedestrian linkages to connect the entire Precinct to the Cenotaph and broader city amenities.
- 2. THE PRECINCT**

This development site is zoned Arts and Institutional Area under the *Sullivan's Cove Planning Scheme 1997* and is being progressed to create an innovative, state-of-the-art Antarctic and Science Precinct which continues to position Hobart as the premier gateway to Antarctica for science and operations.

The Precinct will provide public facing elements to become a destination location for tourism, arts, culture and science.
- 3. THE GATEWAY**

This development site is zoned Mixed Use under the *Sullivan's Cove Planning Scheme 1997* and will become the main gateway to the site from Davey Street. Permitted site uses can include Arts and Cultural Centres, function centres, visitor accommodation, shops or office accommodation. No residential is permitted within the District.
- 4. THE PROMENADE**

This development site is zoned Mixed Use under the *Sullivan's Cove Planning Scheme 1997* and offers a complementary extension The Escarpment. The Promenade forms the natural linkage and sight line through to the Hobart Cenotaph. Permitted uses include residential, visitor accommodation, shops or office accommodation.
- 5. THE GOODS SHED AND YARD**

This existing structure will be enhanced to provide ongoing site wide activation and will be a hub for local, national and international events and markets.
- 6. THE UNDERGROUND**

This underground development will provide site wide opportunities to potentially centralise car parking for up to approximately 450 cars under a staged development. Bike storage and other micro mobility initiatives will also form part of this site.
- 7. THE PARK**

This development is zoned Open Space under the *Sullivan's Cove Planning Scheme 1997* and will provide Hobart with a new premiere parkland. The *truth and reconciliation art park* (The Park) will be a centre of community activity that will cater for large events while providing the city with a connection between the waterfront, the Queen's Domain and the CBD. This public open space will facilitate connectedness through play, interpretation installations, public art, green and cultural spaces.

Decommissioning of the TasWater Waste Water Treatment Plant is scheduled to be completed in 2023. The decommissioned site will enable a northern access to the Hobart Port and provide greater amenity to the entire Precinct.

\*The final transit zone alignment is subject to the outcomes of a State Government study.

DISCLAIMER: Plan graphic shown for buildings and open space is an artist impression only. Further information supporting development uses and limitations can be found under the *Sullivan's Cove Planning Scheme 1997*.



# COVID-19

The onset of COVID-19 has been unprecedented and has posed a significant risk to the community and business operations.

The Corporation has a social and legal responsibility to ensure the safety of our staff, contractors, customers and tenants and as such, has implemented a range of measures adhering to both state and federal government directions.

Our main aim was to help reduce the spread of COVID-19 whilst the remediation and re-development of Mac Point progressed in accordance with our strategic objectives.

The following actions were put in place following state and federal government direction:

- The implementation of the Corporation’s Business Continuity Plan.
- A multi-faceted rent and outgoing relief package for tenants.
- The continued support of construction and remediation activity across the site.
- Rescheduling of events and festivals with event organisers.
- The installation of sanitiser dispensers across the site.
- Obligatory statutory declarations for all contractors, visitors and construction workers onsite.
- Adhering to the Corporation’s COVID-19 Plan, staff were requested to work from home followed by a staged return.
- Increased cleaning of all offices’ hard surfaces.

The Corporation will continue to monitor the situation and work in partnership with its stakeholders, including the Tasmanian Government, to prevent the spread of COVID-19 in our community.



PHOTO : Hannah Scotney Artistry.

## CORPORATE PLAN 2020-23

The Corporation’s three year Corporate Plan sets out its objectives and forward focus.

These are to deliver:

- Development ready land.
- Permanent development.
- Site activation.
- Stakeholder engagement and communications.
- A Corporation which is viable and fit for purpose.
- Strong team values and culture.

These objectives will be delivered through targeted actions and strategies, and fiscal management that ensures the Corporation’s cash reserves are used for remediation and for the effective delivery of the Master Development Plan



## PROJECTS PERMANENT DEVELOPMENT

### Northern Vehicular Access – (Stage one)

The Northern Vehicular Access project signals a major milestone for the Corporation, with its completion the first piece of supporting infrastructure to open up the site and enable permanent development to occur in line with the Corporation's Masterplan.

In May 2020, Fulton Hogan Construction Pty Ltd was awarded the tender to construct the road and supporting infrastructure at the northern end of the Mac Point site.

Stage one of the project provides entry and exit into the site from the Tasman Highway and incorporates the provision of bike and pedestrian paths and a fourteen metre wide allocation for a future transit corridor.

The work also includes the installation of service infrastructure including natural gas, NBN, stormwater, sewer, high and low voltage power and water to support future development.

Stage one of the Northern Vehicular Access project also facilitates access to *The Escarpment* - the first parcel offered to open market for Expressions of Interest and provides necessary access to other land parcels on site.

Construction of the road is expected to be completed by January 2021.

### Cenotaph Pedestrian Stairlink – (Stage one)

The Corporation is continuing to work with consultants to finalise the design of Stage one of the Cenotaph Pedestrian Stairlink - the first of two pedestrian linkages which will provide access between the Macquarie Point site and the Cenotaph.

These linkages will provide a safe access point from the site to the Cenotaph, replacing the informal track currently used by the community.

Its development will enhance the connection between the two sites and provide a valuable link to increase community access.

The second pedestrian link to the Cenotaph is to be designed and constructed as part of *The Escarpment* development.

### The Underground

The Underground development will provide an opportunity to centralise site-wide car parking, constructed under a staged development.

Integrated within this project is the option for enhanced micro mobility initiatives and bike storage options as well as the potential to service planned precinct developments as they occur.



Work is currently underway on delivering Stage one of the project which includes the remediation and removal of the former roundhouse.

### Antarctic and Science Precinct

As detailed under the Hobart City Deal, the Australian and Tasmanian Governments are working to establish a nationally significant Antarctic and Science Precinct at Macquarie Point, which will further support development of the site and enhance Hobart's position as Australia's global gateway to the Antarctic and Southern Ocean.

The Precinct presents an opportunity for a dedicated collocation of leading Antarctic and Southern Ocean research, operations and logistics adjacent to the deepest sheltered harbour in the southern hemisphere.

In order to realise this opportunity, the Australian and Tasmanian Governments have co-funded a Strategic Options Assessment (SOA) for the creation of the Precinct. The SOA identifies and informs decision making around the possible anchor tenants with the objective of attracting private and national Antarctic and Science institutions.

Concurrently, remediation and infrastructure required to support the Precinct's development continues to be a key priority of the Corporation's work program for FY21.

The Precinct will build on the significant investments in Antarctic infrastructure, including the Australian Government's \$1.9 billion icebreaker, RSV *Nuyina*, due to arrive in 2021.

Hobart is currently home to the nation's highest number of Antarctic and Southern Ocean scientists with approximately 1,370 FTEs.

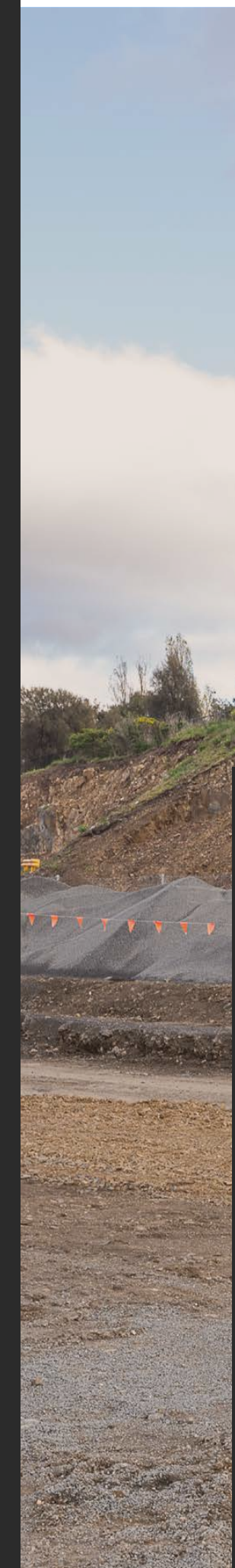
Establishing the Precinct at Macquarie Point would catalyse revitalisation of this key site and unlock the broader potential for the Hobart waterfront and city centre, enhancing amenity and boosting opportunities for local businesses including professional services, trades, the arts, and tourism.

### Waste Water Treatment Plant & Associated Infrastructure

The Corporation is supporting TasWater with its removal of the Macquarie Point Waste Water Treatment Plant.

During the financial year, TasWater finalised its options analysis report with the decommissioning program set to create a large number of jobs and fully align with the Tasmanian Government's Macquarie Point reset.

In addition to the Waste Water Treatment Plant, the Corporation is progressing designs for the realignment of the Hobart Sewer Main which traverses a portion of the Macquarie Point site.





### District Infrastructure Scheme

The Macquarie Point District Infrastructure Scheme, the first of its kind in Tasmania, is a centralised energy solution which could include; renewable generation, electricity storage, recycled stormwater and natural gas.

The District Infrastructure Scheme is recognised as a sustainable, cost effective way of delivering electrical, heating and cooling solutions which uses hot water to heat buildings and chilled water to cool them.

Once installed, it can also be configured to achieve high green-star ratings and a low carbon footprint by savings through economies of scale and less maintenance.

During the last financial year, the Corporation completed a number of assessments and sought the relevant approvals to take the District Infrastructure Scheme to market, as a two-stage process.

In May 2020, the Corporation sought expressions of interest from energy retailers and service providers to supply and operate key environmentally sustainable energy infrastructure at the Macquarie Point site.

During the 2020-21 financial year the Corporation will continue the procurement with the Request for Proposal stage with the intention to have the first segment of the scheme operational in line with the first development on site.

### The Escarpment

*The Escarpment* is the first in a multistage land release by the Corporation and presents an unprecedented opportunity for developers and consortia alike to invest in one of the country's most prized locations.

Presenting exceptional mixed use development potential, *The Escarpment* forms part of one of the last remaining infill sites adjacent to a working port on the edge of a capital city.

*The Escarpment* comprises 8,797m<sup>2</sup> of available land, with three building envelopes totalling 6,676m<sup>2</sup>. The site falls under the *Sullivans Cove Planning Scheme 1997* (Section 32), administered by the City of Hobart and is zoned mixed use. Permitted uses can include residential, visitor accommodation, shops or office accommodation.

In April 2020, the Corporation publicly released a pre-registration of interest campaign via Knight Frank Tasmania, to enable interested parties the opportunity to register their interest prior to the release of the Request for Expressions of Interest. This was in order to gauge interest in the market during COVID-19.

A formal, two-stage competitive bid process will commence in the next financial year.



### Remediation

The Corporation has significantly progressed key actions contained within its Site Remediation Strategy.

In July 2019, the Corporation engaged JRV Civil Construction Pty Ltd to undertake the removal of redundant underground storage tank infrastructure and again in November 2019 for the removal of the former heavy vehicle mechanics pits.

In November 2019, the Corporation engaged the specialist remediation contracting services of Synergy Resource Management to undertake the first package of large-scale physical site remediation across the site. The first area of focus was the land associated with *The Escarpment* parcel.

Subsequently, the Corporation undertook the site remediation of areas associated with the Promenade and the Antarctic and Science Precinct. Whilst undertaking the remediation in these areas, the Corporation undertook the removal of over 500 lineal meters of historical diesel and naval fuel lines and the removal of a former town gas line.

From 1 July 2019 to end June 2020, over 25,000 tonnes of low level contaminated soil was excavated and transferred to the Copping Landfill B Cell facility.

In addition, Fulton Hogan Construction Pty Ltd was appointed for the construction of the Northern Vehicular Access Stage one contract. This project incorporated the removal of approximately 10,000 tonnes of low level contaminated soil, which was also transported to the Copping Landfill B Cell.

The Corporation's Consultants AECOM have continued to progress their site investigations and have completed a number of key documents including:

- Technical Specifications.
- Remediation Work Plans.
- Detailed Site Investigation reports.
- Site Validation reports.
- Clean Up to the Extent Practicable reports.
- Site-wide Ecological Risk Assessment.
- Potential Off-site Ecological Impacts report.
- Site Remediation Strategy.
- Site Environmental Management Plans.

Key documentation associated with the physical remediation of *The Escarpment* was issued to the Independent Environmental Auditor Coffey Pty Ltd, who have begun the process of preparing the Site Suitability Certification for this portion of the site to confirm that it is Development Ready as part of *The Escarpment* competitive bid process.





## INTERIM ACTIVATION AND TENANTS

**The Corporation encourages all Tasmanians to connect with the site through our range of interim spaces such as the Edible Precinct, Red Square, the Goods Shed and the LongHouse.**

Our spaces provide the perfect venue for events and festivals and it is wonderful to see the Tasmanian community embracing the site.

The impact of COVID-19 has meant that many events have been re-scheduled to meet guidelines and advice from Public Health, affecting the number of hosted events over the past twelve months.

Pre COVID-19, the Corporation hosted a range of major cultural, arts and science events which attracted thousands of people to the site.

These events included The Fascinating World of Insects, the Pure Bride Annual Showcase and Ginuary as well as fundraising events such as Movember and The Mind Games.

The Corporation has continued to strengthen its existing relationship with onsite tenants and has secured additional short-term tenancies over the last financial year. During COVID-19, the Corporation provided extensive assistance to our tenants by way of rent relief and assistance packages in line with state government legislation.

The Corporation has been able to attract additional business to the site including the Australian Broadcasting Corporation to assist with accommodation during COVID-19 restrictions.

The Corporation continues to work together with tenants to maintain regular communication during the development of the Mac Point site.



PHOTO: Ross Giblin

## SUPPORTING THE COMMUNITY

**The Corporation is proud to continue to support a number of community and not-for-profit events in order to build good-will and activate the site to increase visitation.**

We do this by offering in-kind sponsorships to community and not-for-profit organisations which consists of in-kind venue hire in exchange for use of the Corporation's logo on promotional material.

Organisations and events which the Corporation has sponsored during the last year include:

- *Misha's Mates* - supporting veterans and first responders to train and certify their own Assistance Dogs which enables them to live a more rewarding and active lifestyle. The group uses the Goods Shed and Red Square to train dogs every Sunday.
- *She Shreds* - an all-girl skate crew runs skateboarding sessions after school and on the weekends, using the annex section of the Goods Shed as their base and wet weather contingency.
- Hobart City Mission's second *Big Blokes BBQ Breakfast* in collaboration with Men's Resources Tasmania to celebrate International Men's Day was held in the Goods Shed Annex in November 2019.
- *Think Tent* was hosted at the LongHouse and Edible Precinct in November 2019.
- *The Mind Games* - Race for Research - a fun, action packed event to raise money for mental health research.
- *Movember Ball* - the top fundraising team in Australia for the last four years in November.
- *The World of Insects* - An exhibition and display in Red Square and the Edible Precinct on behalf of TMAGOTS.
- Storage of records for Rotary.



MACQUARIE POINT DEVELOPMENT CORPORATION ANNUAL REPORT 2019-20



## COMMUNITY CONSULTATION, STAKEHOLDER ENGAGEMENT AND WORKING GROUPS

The Corporation has been pro-actively engaging with more than 300 key stakeholders to provide the opportunity to discuss and have input in Macquarie Point and the development of the site.

This consultation is vital to enhancing community ownership and commitment to the development.

A fundamentally important element of the consultation process has been building a respectful, inclusive and equitable relationship with Tasmania's Aboriginal community. The Corporation has consulted and continues to work with Reconciliation Tasmania, the Tasmanian Aboriginal Centre and Aboriginal Heritage Tasmania.

The Corporation has worked closely with the City of Hobart, TasWater, TasRail and TasPorts as adjacent landowners to ensure support for the reset plan and transparency as the development progresses.

The Corporation participates across a number of steering, advisory and working groups these include the following strategic memberships:

- The Wastewater Treatment Plant Working Group and Steering Committee, which includes key members of the Corporation and TasWater, meets regularly to discuss the forward planning and infrastructure to support the decommissioning and removal of the Waste Water Treatment Plant.
- The Macquarie Point/Hobart City Council working group with the GM, CEO and key staff members of each organisation meets every six weeks to discuss planning, development applications and other matters arising.
- The Corporation continues to work closely with surrounding businesses and residents holding regular tenant and neighbour meetings to share information about upcoming events and activities, works on site and to provide a platform for general discussion about neighbourhood issues.
- Road Advisory Group which has representatives from the Department of State Growth, Metro Tasmania, TasPorts, TasWater, Hobart City Council and the Corporation to strategically plan for the site's complex infrastructure requirements.
- The Tasmanian Museum and Art Gallery (TMAG) Community Advisory Committee which has representatives from TMAG, University of Tasmania, National Heritage Council, the Department of State Growth and the Corporation to discuss strategic planning for TMAG's future.

PHOTO : Paper Souls, Andrew Fuller.

... CONSULTATION  
IS VITAL FOR  
ENHANCING  
COMMUNITY  
OWNERSHIP AND  
COMMITMENT TO THE  
DEVELOPMENT ...

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- The Hobart City Deal's Macquarie Point and Wharf Steering Committee and Working Group are charged with the responsibility of guiding the business case and planning for the Antarctic and Science Precinct. Both governance structures have representatives from the Commonwealth and State Government Departments, Hobart City Council, TasPorts, representatives from Antarctic research facilities and the Corporation.
- The Building Information Model Working Group is working on developing a BIM model for the precinct. This group has representatives from the Tasmanian Building and Construction Industry Training Board, the Corporation and private sector.
- SKAL International for the establishment of Hobart's Peace Park Working Group which has representatives from the SKAL International, supporting organisations and the Corporation.
- Macquarie Point and TasPorts Working Group is focused on ensuring a shared focus on the development of the Hobart waterfront.
- Department of State Growth's Work, Health and Safety Committee ensures a consistent approach to WHS policy and implementation.
- Hobart City Council's Event Committee which ensures a sharing of knowledge, processes and events across the public and private sectors for the benefit of the wider community.

The Corporation has a number of Memorandum of Understandings with key stakeholders to underpin the purpose of the site – art, culture, science and tourism which includes:

- Tasmanian Museum and Art Gallery.
- Royal Botanical Gardens of Tasmania.
- Tasmanian Building and Construction Industry Training Board.



## AUDIT AND RISK COMMITTEE

**The Audit and Risk Committee assists the Board in exercising due care, diligence and skill in performing its functions and responsibilities.**

The Committee also provides guidance and makes recommendations to the Board on the Corporation's reporting, risk, control and compliance framework, and its external accountabilities.

During 2019-20, committee membership comprised Directors Penny Morris AM (Chair), Saul Eslake, and Brian Scullin. Minutes of the Committee meetings are presented to the following meeting of the full Board for consideration and adoption.

The Chief Executive Officer, the Chief Operating Officer and the Corporation's internal auditors are invited to attend each meeting to assist the Committee, but they do not have any voting rights.

The Auditor-General (or his nominee) attends specific Committee Meetings to present the external Audit Plan and the audited Financial Statements. An opportunity is provided for the Committee to meet with the Auditors without management at each meeting.

During the 2019-20 financial year, the Committee met on four occasions to consider business such as:

- Compliance with Treasurer's Instructions and procurement processes.
- An Audit of the Corporation's Governance and Leadership systems and processes.
- Regular reviews of the Corporation's strategic risk profile.
- A review of the Corporation Board's Charter.
- A review of the Corporation's Internal Audit Services program for FY2020-21.
- A review of the Corporation's Delegations Policy.
- A review of the Corporation's finance and accounting functions.
- Reviews of the Corporation's Investments.
- Reviews and renewal of the Corporation's insurance coverage.
- A review of the Corporation's Debt Write off Policy.
- Consideration of the 2019 and 2020 Annual Financial Statements.

... THE COMMITTEE  
PROVIDES GUIDANCE  
AND MAKES  
RECOMMENDATIONS  
TO THE BOARD ...

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Due to the impacts of COVID-19, the Audit and Risk Committee met via videoconference for its April and June 2020 meetings. In addition, with the ongoing impacts of COVID-19 limiting access to site for local and interstate Directors, regular video reports of works progress on site was distributed to all Directors.

The Internal Audit function undertaken by KPMG provides an independent appraisal service to management, the Audit and Risk Committee and the Board and is bound by the Corporation's Internal Audit Charter adopted in 2013 and updated in 2019. The Internal Audit functions may include;

- assisting with the identification of significant risk exposures;
- reviewing mitigation practices in respect of significant risk exposures and assessing the adequacy of these;
- assessing the adequacy, reliability and effectiveness of systems of internal controls operating within the key operating activities and financial and administrative systems;
- assessing the extent of compliance with statutory requirements and instructions; and
- reporting on whether the Corporation's resources are being effectively and efficiently managed to achieve its objectives; and
- monitoring fraud control and prevention mechanisms.

PHOTO : Dark Mofo, Lusy Productions.

MACQUARIE POINT DEVELOPMENT CORPORATION ANNUAL REPORT 2019-20



WHS & STATISTICS FOR HAZARDS

Introduction

As required by the Tasmanian Government’s commitment to the Australian Work Health and Safety Strategy 2012-22 (The Australian Strategy), the following report includes statistics and reporting requirements for FY2020, as set out by the State Service Management Office.

Work Health and Safety Plan FY2021

The Macquarie Point Development Corporation’s (Corporation) annual Work Health and Safety (WHS) Plan for FY2021 has been completed.

Policy and commitment

The Corporation conducts annual reviews of its existing WHS policy. In 2019, an external audit was undertaken of the Corporation’s Work Health and Safety Management System to enhance and reflect the site’s changing uses. The Corporation’s WHS Policy and Statement of Commitment has been refined and amalgamated to ensure a consistent and streamlined approach. This has been reviewed against the Tasmanian Government’s Work Health, Safety and Wellbeing Policy. A gap analysis external audit of the Work Health Safety Management System is scheduled for June 2021.

Compliance with Workers’ Rehabilitation and Compensation Act 1988

The Corporation holds current certificates of workers compensation insurance and has had no injury or compensation claims made against it during FY2020. The Corporation was compliant with the *Workers’ Rehabilitation and Compensation Act 1988* during FY2020.

Reporting against key targets

The Corporation has had the following WHS statistics recorded:

Indicator/s	Corporation statistic	Target
Number of fatalities	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0) or 100% improvement since benchmark
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	Nil injuries (100%)	Greater than or equal to 100% return to work within 26 weeks.
Percentage of ‘Officers’ provided with Duty of Officer training within (i) 3 months of being appointed and (ii) 2 years of previous training.	90%	100%
Days of unplanned absences	Zero (0)	Zero (0)

MPDC WORK HEALTH AND SAFETY SCORE CARD

Reporting period:  
1 July 2019 – 30 June 2020

Measurement criteria	Total
Team meetings (communication events)	44
WHS Meetings (included in weekly team meetings)	45
Site Hazard and Workplace inspections conducted	48
No. of hazards reported	35
No. of hazards closed out	31
Inductions completed	259

INCIDENT / INJURY CLASSIFICATION

	MPDC	Contractor/Developer/ Tenant/Public	Total
	FY-2020	FY-2020	FY-2020
Incidents	2	26	28
Lost time injuries (LTI)	0	0	0
Near miss	0	3	3
All incidents have been investigated and actions completed or scheduled for completion. Incidents closed out - 28 Incidents outstanding - 0			
Percentage of ‘Officers’ provided with Duty of Officer training within (i) 3 months of being appointed and (ii) 2 years of previous training.		90%	100%
Days of unplanned absences		Zero (0)	Zero (0)

Key reporting statistics for Tasmanian Government WHS reporting

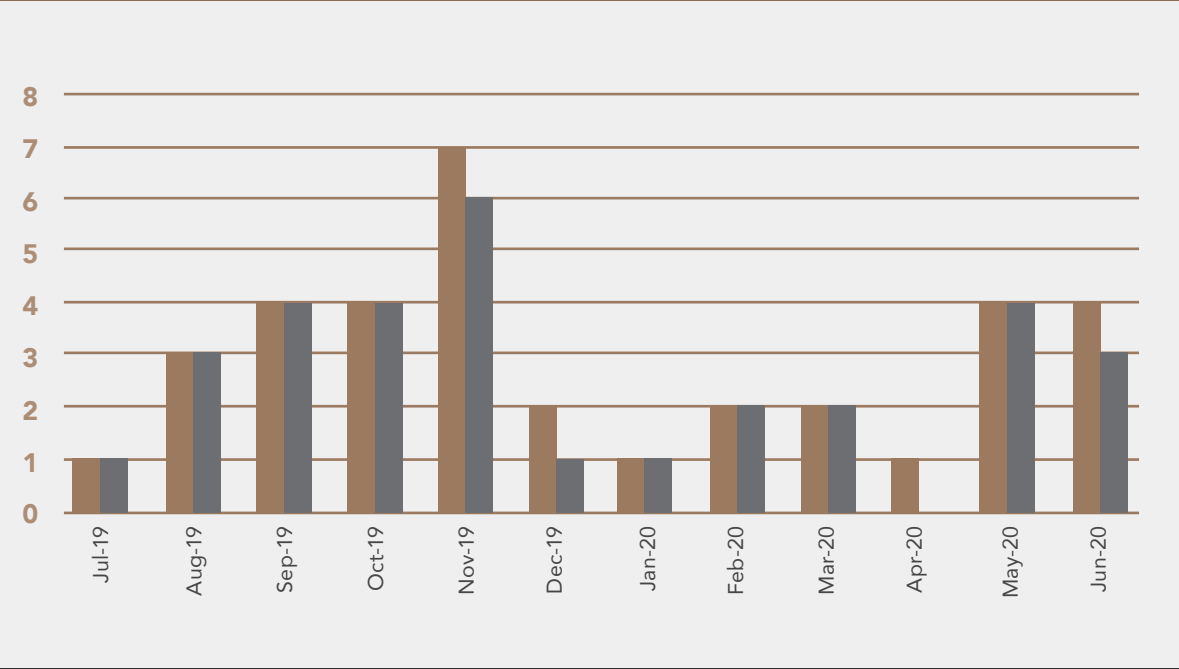


HAZARD STATISTICS FOR 2019-2020

Total hazards reported	35
Total hazards closed-out	31
Total hazards outstanding for action	4
Total eliminated hazards	29
Total number of residual high risk hazards	0
Total number of residual significant risk hazards	0
Total number of residual moderate risk hazards	0
Total number of residual low risk hazards	6

- All hazards outstanding for action have been scheduled for completion in the beginning of FY2021.
- The six residual low risk hazards recorded have been identified and mitigated to an acceptable level or have the potential to reoccur, therefore these risks will remain as residual low risk hazards.

HAZARD REPORTS FOR 2019-2020

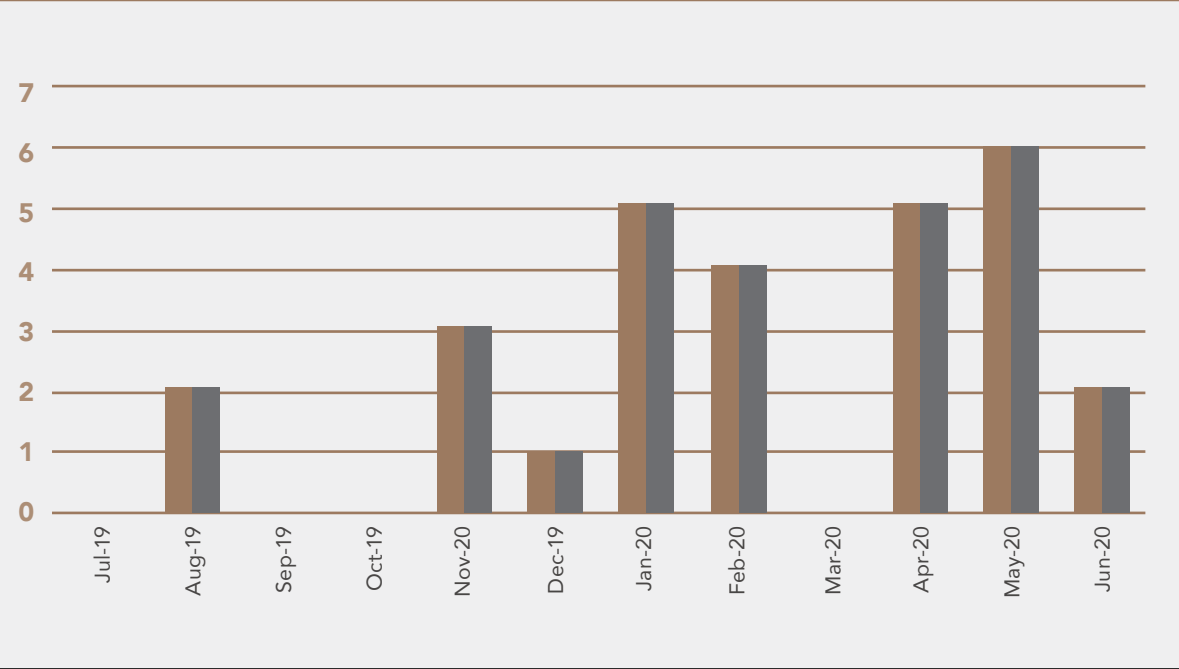


Incidents Reported ■  
Incidents Closed ■

INCIDENT STATISTICS FOR 2019-2020

Total incidents reported	28
Total incidents closed-out	28
Total incidents outstanding for action	0
Total number of high risk incidents	0
Total number of significant risk incidents	7
Total number of moderate risk incidents	11
Total number of low risk incidents	10

INCIDENT REPORTS FOR 2019-2020



Incidents Reported ■  
Incidents Closed ■



# GOVERNANCE

## Management

The Corporation has a well-defined set of objectives, strong ethical values and an experienced, dedicated team to manage and deliver the Macquarie Point project with support from a select group of technical experts, and guidance from the Corporation's Board.

## Right to Information

The Corporation has a legal duty to respond to requests for information in accordance with the *Right to Information Act 2009* (the RTI Act). The RTI Act;

- authorises and encourages disclosure of information without the need for formal requests or applications;
- gives members of the public an enforceable right to information; and
- provided that access to information is restricted only in the limited circumstances defined in the RTI Act.

During 2019-2020 the Corporation dealt with one application for assessed disclosure for information under the RTI Act. This RTI was released in part. A full statistical return is provided to the Department of Justice, which publishes a comprehensive Annual Report on the operation of the RTI Act. This Report is available from the Department of Justice website.

The Corporation is committed to routinely publishing information covering a broad range of categories.

## Public disclosure

The purpose of the *Public Interest Disclosures Act 2000* (the PID Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies. The PID Act provides protection to persons who make disclosures in accordance with the PID Act, and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies taken.

The Corporation is committed to the aims and objectives of the PID Act. It does not tolerate improper conduct or detrimental action by the Corporation or its members, officers or employees. The Corporation has not received any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2020.

## Integrity Commission

The Integrity Commission is an independent body established by the *Integrity Commission Act 2009* (the IC Act). The three primary objectives of the Integrity Commission are to:

- improve the standard of conduct, propriety and ethics in public authorities in Tasmania;
- enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with; and
- enhance the quality of, and commitment to ethical conduct by adopting a strong, educative, preventative and advisory role.

The Corporation is committed to upholding the aims and objectives of the IC Act. It strives to ensure that staff meet the highest standards of conduct and receive ongoing training in relation to ethical conduct in accordance with section 32 of the IC Act.

## Organisational Chart





PROCUREMENT

No. contracts awarded over \$50K	4
Total to Tasmanian businesses	4
Total value contracts	\$4,320,600.38
Total value awarded Tasmanian businesses	\$4,320,600.38
Total number tenders called	4
Total number bids received	13
Total bids from Tasmanian firms	12

MAJOR CONTRACTS FOR \$50K AND OVER

Contractor	Location	Description of contract	Period of contract	Total value (\$)
Hazell Bros Group Pty Ltd	Derwent Park Tas	Stage 3 Car park expansion	01 October 2019 – 01 December 2019	\$276,660.91
Synergy resource Management	Hobart Tas	Audit Area 4 Remediation	01 October 2019 – 30 April 2020	\$539,772.19
Fulton Hogan Construction Pty Ltd	Hobart Tas	Northern Vehicular Access road	29 April 2020 – 30 October 2020	\$3,453,112.73
Sarah Dartnell	Hobart Tas	Edible Precinct Horticultural services	04 June 2020 – 03 June 2021	\$51,054.55

CONSULTANCY CONTRACTS OVER \$50K

05/06/2020	Knight Frank Tasmania	\$75,000
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CONTRACTS AWARDED AS A DIRECT/LIMITED SUBMISSION UNDER TI PP2

Nil
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EXEMPTIONS TO DISAGGREGATION RE PF-2

19/3/2019	Stage 3 Car park expansion	\$276,660.91	01 October 2019 – 01 December 2019
18/7/2019	Audit Area 4 Remediation	\$539,772.19	01 October 2019 – 30 April 2020
4/12/2019	Northern Vehicular Access road	\$3,453,112.73	29 April 2020 – 30 October 2020
22/5/2020	District Infrastructure Scheme	Contract not yet awarded	

CONTRACT EXTENDED IN ACCORDANCE TI PP6

Nil
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... ENSURE THAT  
STAFF MEET THE  
HIGHEST STANDARDS  
OF CONDUCT AND  
RECEIVE ONGOING  
TRAINING IN  
RELATION TO ETHICAL  
CONDUCT ...



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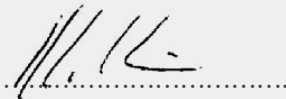
MANAGEMENT CERTIFICATION

The accompanying financial statements of the Macquarie Point Development Corporation (Corporation) are in agreement with the relevant accounts and records and have been prepared in compliance with:

- Australian Accounting Standards; and
- Treasurer’s Instructions issued under the provisions of the *Financial Management Act 2016* and the *Macquarie Point Development Corporation Act 2012*.

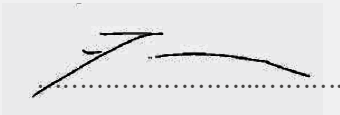
Having made reasonable inquiries, we believe that, in all material respects, the financial statements present a view which is consistent with our understanding of the Corporation’s financial position as at 30 June 2020 and its cash flows for the year then ended.

At the date of signing of this certificate, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**Brian Scullin**  
CHAIR

28 September 2020



**Mary Massina**  
DIRECTOR

28 September 2020



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Sales of goods and services	1.1	1,062	1,324
Interest	1.2	369	647
Contributions received	1.3	-	30,993
<b>Total revenue and other income from transactions</b>		<b>1,431</b>	<b>32,964</b>
<b>Expenses from transactions</b>			
Employee benefits	2.1	1,039	1,215
Depreciation and amortisation	2.2	1,100	552
Supplies and consumables	2.3	1,128	1,241
Other expenses	2.4	106	25
<b>Total expenses from transactions</b>		<b>3,373</b>	<b>3,033</b>
<b>Net result from transactions (net operating balance)</b>		<b>(1,942)</b>	<b>29,931</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets		(379)	-
Net gain/(loss) on financial instruments and statutory receivables/payables		-	(6)
<b>Total other economic flows included in net result</b>		<b>(379)</b>	<b>(6)</b>
<b>Net result</b>		<b>(2,321)</b>	<b>29,925</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in physical asset revaluation reserve		2,366	-
<b>Total other comprehensive income</b>		<b>2,366</b>	<b>-</b>
<b>Comprehensive result</b>		<b>45</b>	<b>29,925</b>

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

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>Assets</b>			
<i>Financial assets</i>			
Cash and deposits	6.1	12,972	21,786
Receivables	3.1	273	281
<i>Non-financial assets</i>			
Inventories	3.2	35,797	27,789
Property, plant and equipment	3.3	19,892	18,245
Intangible Assets	3.4	85	-
Other assets	3.5	57	81
<b>Total assets</b>		<b>69,076</b>	<b>68,182</b>
<b>Liabilities</b>			
Payables	4.1	1,057	162
Employee benefits	4.2	290	301
Other liabilities	4.3	19	54
<b>Total liabilities</b>		<b>1,366</b>	<b>517</b>
<b>Net assets</b>		<b>67,710</b>	<b>67,665</b>
<b>Equity</b>			
Accumulated funds		65,344	67,665
Asset Revaluation Reserve		2,366	-
<b>Total equity</b>		<b>67,710</b>	<b>67,665</b>

This Statement of Financial Position should be read in conjunction with the accompanying notes.



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from customers and other sources		1,116	1,316
Interest received		459	930
GST receipts		957	719
<b>Total cash inflows</b>		<b>2,532</b>	<b>2,965</b>
<b>Cash outflows</b>			
Employee benefits		(1,054)	(1,275)
Supplies and consumables		(1,242)	(1,434)
Contributions provided		-	(3)
GST payments		(185)	(785)
Other cash payments		(12)	(45)
<b>Total cash outflows</b>		<b>(2,493)</b>	<b>(3,542)</b>
<b>Net cash used by operating activities</b>	6.2	<b>39</b>	<b>(577)</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for acquisition of non-financial assets		(8,825)	(6,098)
<b>Net cash used by investing activities</b>		<b>(8,825)</b>	<b>(6,098)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Trust fund receipts		-	41
<b>Cash outflows</b>			
Trust fund refunds		(28)	-
<b>Total cash outflows</b>		<b>(28)</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>		<b>(28)</b>	<b>41</b>
<b>Net decrease in cash held and cash equivalents</b>		<b>(8,814)</b>	<b>(6,634)</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>21,786</b>	<b>28,420</b>
<b>Cash and deposits at the end of the reporting period</b>	6.1	<b>12,972</b>	<b>21,786</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
<b>Balance as at 1 July 2019</b>		-	71,139	71,139
Correction of error	8	-	(3,474)	(3,474)
<b>Restated Balance as at 1 July 2019</b>		-	67,665	67,665
Net result		-	(2,321)	(2,321)
Other comprehensive income		2,366	-	2,366
<b>Total comprehensive result</b>		<b>2,366</b>	<b>(2,321)</b>	<b>45</b>
<b>Balance as at 30 June 2020</b>		<b>2,366</b>	<b>65,344</b>	<b>67,710</b>
<b>Balance as at 1 July 2018</b>		-	37,740	37,740
Net result		-	29,925	29,925
Other comprehensive income		-	-	-
<b>Total comprehensive result</b>		-	29,925	29,925
<b>Balance as at 30 June 2019</b>		-	67,665	67,665

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 YEAR ENDED 30 JUNE 2020

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10.9	Taxation	73
10.10	Goods and Services Tax	73

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.

Until 30 June 2019, income is recognised in accordance with AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

### 1.1 Sales of goods and services

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 2019-20, revenue from sales of goods are recognised when the Corporation satisfies a performance obligation by transferring the goods to the customer. The Corporation receives leasing revenue from licensees and tenants and car parking revenue. This revenue is due in advance and recognised when due.

	2020 \$'000	2019 \$'000
Leasing revenue	436	570
Car parking revenue	626	754
<b>Total</b>	<b>1,062</b>	<b>1,324</b>

### 1.2 Interest

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

	2020 \$'000	2019 \$'000
Interest	369	647
<b>Total</b>	<b>369</b>	<b>647</b>



### 1.3 Contributions received

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the Corporation obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Corporation and the amount can be measured reliably.

	2020 \$'000	2019 \$'000
Fair Value of assets assumed at no cost – Macquarie Point development site	-	30,993
<b>Total</b>	<b>-</b>	<b>30,993</b>

The ownership of the Macquarie Point site was transferred to the Corporation effective 31 May 2019 for nil consideration. In accordance with Australian Accounting Standards the income is measured at the fair value of the land transferred (refer Notes 3.2, 3.3 and 8).

## NOTE 2 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.

### 2.1 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.

#### a) Employee Expenses

	2020 \$'000	2019 \$'000
Wages and salaries	843	931
Superannuation – defined benefit scheme	14	124
Superannuation – contribution schemes	83	129
Other employee expenses	99	31
<b>Total</b>	<b>1,039</b>	<b>1,215</b>

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.



b) Remuneration of key management personnel

		Short-term benefits		Long-term benefits		Termination benefits	Total
		Salary	Other Benefits	Superannuation	Other benefits & long service leave		
2020	Position held	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel - Executive							
Mary Massina	Chief Executive Officer	227	35	24	5	-	291
Greg Cooper	Chief Operations Officer	131	31	13	1	-	176
Key management personnel - Directors							
Brian Scullin	Chair	42	-	4	-	-	46
Penny Morris	Director	24	-	2	-	-	26
Kim Evans	Director	-	-	-	-	-	-
Tim Hogg	Director (from 10/12/2019)	12	-	1	-	-	13
Saul Eslake	Director	15	-	1	-	-	16
Debra Berkhout	Director	24	-	2	-	-	26
Total key management personnel remuneration		475	66	47	6	-	594

Other short-term benefits Include movements in annual leave provisions and any FBT related costs  
Other long-term benefits and long service leave include movements in long service leave provisions

		Short-term benefits		Long-term benefits			
				Other benefits & long service leave		Termination benefits	
		Salary	Other Benefits	Superannuation			Total
2019	Position held	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Key management personnel - Executive							
Mary Massina	Chief Executive Officer	225	17	23	4	-	269
Greg Cooper	Chief Operations Officer	141	24	13	11	-	189
Key management personnel - Directors							
Brian Scullin	Chair	41	-	4	-	-	45
Penny Morris	Director	23	-	2	-	-	25
Kim Evans	Director	-	-	-	-	-	-
Hadley Sides	Director (to 17/10/2018)	7	-	1	-	-	8
Kerry Adby	Director (to 17/10/2018)	7	-	1	-	-	8
Saul Eslake	Director (from 17/10/2018)	15	-	1	-	-	16
Glenda Sorell	Director (from 17/10/2018) (to 02/07/2019)	16	-	2	-	-	18
Debra Berkhout	Director (from 17/10/2018)	16	-	1	-	-	17
Total key management personnel remuneration		491	41	48	15	-	595



Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

Remuneration during 2019-20 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave and superannuation obligations.

Kim Evans, receives no remuneration for this role as director of the Corporation. Kim Evans receives remuneration for his role as the Secretary of the Department of State Growth and is disclosed in the Department's Financial Statements.

### c) Related Party Transaction

AASB 124 *Related Party Disclosures* requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that the Corporation's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by the Corporation. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to the Corporation's normal activities, are not included in this note.

There were no related party transactions for the year to 30 June 2020.

## 2.2 Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated.

### Depreciation

Depreciation is provided on a straight-line basis, using rates which are reviewed annually in accordance with published development visions & plans. Major depreciation periods are:

- Building improvements 10 years
- Equipment 10 years
- Good shed improvements 15 years
- Car park and red square precinct 4.5 years
- Heritage and Cultural Assets 15 years

	2020 \$'000	2019 \$'000
Buildings	201	128
Equipment	17	18
Good Shed Improvements	131	59
Public Open Space	729	347
Heritage and Cultural Assets	1	-
<b>Total</b>	<b>1,079</b>	<b>552</b>

### Amortisation

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Corporation which is 3 years.

	2020 \$'000	2019 \$'000
Intangible assets	21	-
<b>Total</b>	<b>21</b>	<b>-</b>

## 2.3 Supplies and consumables

	2020 \$'000	2019 \$'000
Property services	229	94
Information technology	42	40
Other supplies and consumables	41	182
Communications	13	11
Consultants and Contracted Services	318	392
Advertising and promotion	70	62
Travel and transport	2	16
Operating lease	9	12
Rates and Insurance	214	295
Maintenance	153	107
Audit fees	37	30
<b>Total</b>	<b>1,128</b>	<b>1,241</b>

## 2.4 Other Expenses

	2020 \$'000	2019 \$'000
Salary oncosts	24	7
Other expenses	23	18
Licenses and Permits	59	-
<b>Total</b>	<b>106</b>	<b>25</b>



## NOTE 3 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.

### 3.1 Receivables

Receivables are recognised at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. The Corporation recognises an allowance for expected credit losses for trade receivables, based on lifetime expected credit losses at each reporting date. The Corporation has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. The resultant expected credit loss is nil.

	2020 \$'000	2019 \$'000
Trade Receivables	3	42
Tax Assets	222	54
Accrued interest revenue	31	120
Accrued car parking revenue	17	65
<b>Total</b>	<b>273</b>	<b>281</b>
Settled within 12 months	273	281
<b>Total</b>	<b>273</b>	<b>281</b>

### 3.2 Inventories

Inventories comprise of work in progress (WIP), remediation and redevelopment expenditure and the Cold Store site. These costs add to the land value and will maximise the potential sales revenue once the land is sold at a future date.

	2020 \$'000	2019 \$'000
Land improvements – WIP (Remediation) at cost	12,511	5,750
Land improvements – WIP (Infrastructure) at cost	2,858	1,701
Cold Store site at cost	2,861	2,771
Macquarie Point development site	17,567	17,567
<b>Total</b>	<b>35,797</b>	<b>27,789</b>

### Reconciliation of movements

2020	Development site	WIP Remediation	WIP Infrastructure	Cold Store site	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Value at 1 July	17,567	5,750	1,701	2,771	27,789
Additions	-	6,761	1,157	181	8,099
Transfers	-	-	-	(91)	(91)
Carrying amount at 30 June	17,567	12,511	2,858	2,861	35,797

2019	Development site	WIP Remediation	WIP Infrastructure	Cold Store site	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Value at 1 July	-	4,413	1,328	2,394	8,135
Additions	17,567	1,337	373	-	19,277
Transfers	-	-	-	377	377
Carrying amount at 30 June	17,567	5,750	1,701	2,771	27,789

The Corporation's Asset Capitalisation Policy requires expenditure to be recognised as an asset when it is probable that future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

In recognising expenditure as Inventory – Land Improvements Work In Progress (WIP) transactions must comply with criteria defined by the Australian Accounting Standard AASB 102 *Inventories*.

To satisfy the requirements of AASB 102 the Corporation must:

1. demonstrate the items are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or rendering of services, and
2. hold inventory at the lower of cost and net realisable value (NRV). NRV is the estimated selling price less costs of completion and costs necessary to make the sale based on the most reliable evidence at the time.

The first requirement has been satisfied with reference to section 8 of the *Macquarie Point Development Corporation Act 2012* (Act), by the transfer of the Macquarie Point land from the Crown effective on 31 May 2019. Secondly, an impairment test has been conducted to confirm that the carrying value of the WIP is less than the net realisable value from future land sales. (If the carrying value is higher than the recoverable amount, an asset impairment must be recorded.) At 30 June 2020, the carrying value of the WIP assets was \$15.369 million (2019: \$7.451 million). As both requirements are met, no impairment of WIP assets is required and the expenditure can continue to be classified as inventory held at cost.



On 3 September 2015, the Corporation entered into a deed of sale with Tasmanian Ports Corporation Pty Ltd for the purchase of the former Cold Store building and land at 6 Evans Street, Hobart. The maximum purchase price payable for the former Cold Store site is \$4.5 million. \$1 million was paid on 30 September 2015 and a further \$1 million was paid on 30 September 2016. The building was demolished in late 2017 and the land will require remediation before its subsequent sale. At such time, the land is available for sale, the deed of sale activates the "adjustment of purchase price" which will be no later than 30 September 2030. The adjustment of purchase price is calculated based on the net proceeds of sale less the purchase price. As it is now likely that the cost to remediate the former Cold Store site will exceed the proceeds of sale, no provision has been made to account for a potential deferred consideration.

For the purposes of reporting, the Cold Store site is classified as inventory, on the basis it is being held for development for the purpose of either re-sale or held for lease.

Effective on 31 May 2019, the ownership of the Macquarie Point site was transferred to the Corporation for nil consideration, therefore in terms of Australian Accounting Standards, the income and asset are recognised at fair value on acquisition. The site has been classified as 50% inventory and 50% land and buildings (refer Note 3.3) on the expectation that half of the site will be held for development for the purpose of either re-sale or held for lease (inventory component), and half the site will be maintained as public space. The fair value of the site has been determined by an independent valuation by Knight Frank Tasmania as at 30 June 2020 at \$44.200 million (\$22.100 million as inventory), less the estimated remaining cost of remediation of the section of the site classified as inventory \$1.2 million.

### 3.3 Property, plant and equipment

#### (i) Valuation basis

Land, buildings and other longlived assets are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of selfconstructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or developed.

#### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (iii) 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 that are material in total).

Assets are grouped on the basis of having a similar nature or function in the operations of the Corporation.

#### (iv) Revaluations

Assets are revalued at least once in every 5 years with the exception of assets having a cost or revaluation less than the threshold of \$50,000, unless management or the Board consider the carrying amount of an asset or collections materially differ from attributed fair value, then it shall be revalued regardless of when the last valuation occurred.

#### Carrying amount

	2020 \$'000	2019 \$'000
<b>Land</b>		
At fair value 30 June 2020	15,589	13,426
<b>Total</b>	<b>15,589</b>	<b>13,426</b>
<b>Public Open Space</b>		
At fair value	1,679	1,320
Less: accumulated depreciation	(972)	(648)
<b>Total</b>	<b>707</b>	<b>672</b>
<b>Buildings</b>		
At fair value	700	1,092
Less: accumulated depreciation	-	(394)
<b>Total</b>	<b>700</b>	<b>698</b>
<b>Building improvements (Goods Shed)</b>		
At fair value	1,700	2,197
Less: accumulated depreciation	-	(93)
<b>Total</b>	<b>1,700</b>	<b>2,104</b>
<b>Infrastructure</b>		
At cost	1,475	1,358
Less: accumulated depreciation	(428)	(115)
<b>Total</b>	<b>1,047</b>	<b>1,243</b>
<b>Equipment</b>		
At cost	214	169
Less: accumulated depreciation	(84)	(67)
<b>Total</b>	<b>130</b>	<b>102</b>
<b>Heritage and cultural assets</b>		
At cost	20	-
Less: accumulated depreciation	(1)	-
<b>Total</b>	<b>19</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>19,892</b>	<b>18,245</b>

## Land

Effective on 31 May 2019, the ownership of the Macquarie Point site was transferred to the Corporation for nil consideration, therefore in terms of Australian Accounting Standards, the income and asset are recognised at fair value on acquisition. The site has been classified as 50% land and buildings, and 50% inventory (refer Note 3.2) on the expectation that half of the site will be held for development for the purpose of either re-sale or held for lease, and half the site will be maintained as public space (land and buildings components). The fair value of the site has been determined by an independent valuation by Knight Frank Tasmania as at 30 June 2020 at \$44.200 million (\$22.100 million as land and buildings). The value of the land has been further adjusted down by the estimated remaining cost of remediation of the section of the site \$3.4 million.

The prior year error (Note 8) resulted in an overall decrease of \$2.755M in the Land in 2019. The 2019 comparatives have been restated after the correction of the prior year error.

## Buildings

A prior year error in 2019 (Note 8) resulted in a decrease in buildings of \$0.719 million. The 2019 comparatives have been restated after the correction of the prior year error.

### a) Reconciliation of movements

	Land	Public Open Space	Buildings	Building Improvements (Goods Shed)	Infrastructure (At Cost)	Equipment	Heritage and cultural assets	Total
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Value at 1 July	13,426	672	698	2,104	1,243	102	-	18,245
Additions	-	477	-	106	-	45	20	648
Transfers	-	287	-	-	(196)	-	-	91
Revaluations recognised in other comprehensive income	2,163	-	203	-	-	-	-	2,366
Revaluation recognised in operating result	-	-	-	(379)	-	-	-	(379)
Depreciation	-	(729)	(201)	(131)	-	(17)	(1)	(1,079)
Carrying value at 30 June	15,589	707	700	1,700	1,047	130	19	19,892

### b) Reconciliation of movements

	Land	Public Open Space	Leasehold Improvements	Buildings	Building Improvements (Goods Shed)	Infrastructure (At Cost)	Equipment	Heritage and cultural assets	Total
2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Value at 1 July	-	258	826	-	156	-	119	-	1,359
Transfer of asset class	-	(1,620)	(698)	698	-	1,243	-	-	(377)
Additions	13,426	2,381	-	-	2,007	-	-	-	17,814
Depreciation	-	(347)	(128)	-	(59)	-	(17)	-	(551)
Carrying value at 30 June	13,426	672	-	698	2,104	1,243	102	-	18,245

## 3.4 Intangible Assets

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Corporation; and
- the cost of the asset can be reliably measured.

Intangible assets held by the Corporation are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists.

	2020 \$'000	2019 \$'000
At fair value 30 June	106	-
Less: accumulated depreciation	(21)	-
Carrying amount at 30 June	85	-

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	-	-
Additions	106	-
Amortisation	(21)	-
Carrying amount at 30 June	85	-



## NOTE 4 LIABILITIES

### 3.5 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.

#### Carrying amount

	2020 \$'000	2019 \$'000
<b>Other assets</b>		
Prepayments	57	81
<b>Total</b>	<b>57</b>	<b>81</b>
Settled within 12 months	57	81
<b>Total</b>	<b>57</b>	<b>81</b>

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.

### 4.1 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.

	2020 \$'000	2019 \$'000
Creditors	-	117
Accrued expenses	1057	45
<b>Total</b>	<b>1057</b>	<b>162</b>
Settled within 12 months	1057	162
<b>Total</b>	<b>1057</b>	<b>162</b>

Settlement is usually made within 30 days.

### 4.2 Employee benefits

#### Key estimate and judgement

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.

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

	2020 \$'000	2019 \$'000
Accrued salaries	24	8
Annual leave	119	107
Long service leave	147	186
<b>Total</b>	<b>290</b>	<b>301</b>
Settled within 12 months	230	271
Settled in more than 12 months	60	30
<b>Total</b>	<b>290</b>	<b>301</b>

## NOTE 5 COMMITMENTS AND CONTINGENCIES

### 4.3 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.

	2020 \$'000	2019 \$'000
Money held in trust	13	41
Revenue received in advance	6	13
<b>Total</b>	<b>19</b>	<b>54</b>
Settled within 12 months	19	54
<b>Total</b>	<b>19</b>	<b>54</b>

Money held in trust comprises lessee security bonds.

### 5.1 Schedule of Commitments

The Corporation's motor vehicle is owned and managed by Treasury. Treasury is the central agency which purchased the vehicle on behalf of the Corporation which pays a monthly payment to Treasury via LeasePlan for use of the vehicle. LeasePlan administers the scheme on behalf of Treasury.

As there is no lease contract between Treasury and the Corporation for the purposes of AASB 16, the Corporation is not required to recognise a lease liability and right-of-use asset for motor vehicle. The costs are recognised as an expense as incurred. The Corporation recognises a commitment for the terms of motor vehicle agreement.

	2020 \$'000	2019 \$'000
<b>By type</b>		
<b>Capital commitments</b>		
Property, plant and equipment	-	132
Inventories	3,684	22
Site remediation	461	643
<b>Total capital commitments</b>	<b>4,145</b>	<b>797</b>
<b>Lease commitments</b>		
Operating Leases	11	25
<b>Total Lease commitments</b>	<b>11</b>	<b>25</b>
<b>Other commitments</b>		
Site activation	18	86
Site maintenance	15	3
Other services	20	105
<b>Total other commitments</b>	<b>53</b>	<b>194</b>
<b>Total</b>	<b>4,209</b>	<b>1,016</b>
<b>By maturity</b>		
<b>Capital commitments</b>		
One year or less	4,145	483
From one to five years	-	314
<b>Total capital commitments</b>	<b>4,145</b>	<b>797</b>
<b>Operating lease commitments</b>		
One year or less	8	11
From one to five years	3	14
<b>Total lease commitments</b>	<b>11</b>	<b>25</b>
<b>Other commitments</b>		
One year or less	53	193
From one to five years	-	1
<b>Total other commitments</b>	<b>53</b>	<b>194</b>
<b>Total</b>	<b>4,209</b>	<b>1,016</b>



## NOTE 6 CASH FLOW AND RECONCILIATION

### 5.2 Contingent Assets and Liabilities

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

#### (a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

	2020 \$'000	2019 \$'000
<b>Quantifiable Contingent Liabilities</b>		
Preliminary estimate of the cost to remediate the Cold Store site, based on limited data analysis. Expected timeframe for remediation is in 5 to 10 years.	18,000	18,000
<b>Total quantifiable contingent liabilities</b>	<b>18,000</b>	<b>18,000</b>

#### (b) Unquantifiable contingencies

The Macquarie Point Development Corporation Act 2012, Section 6, states that one of the principal objectives of the Corporation is to plan, facilitate and manage the remediation of the Macquarie Point land. The Corporation, therefore has a liability to remediate the site. The Corporation has made a provisional estimate at 30 June 2020 of the future remediation costs to be incurred at \$4.6M. This amount has been taken into account in the value of Development Land in Inventory and Land in Property, Plant and Equipment. It is not possible at the reporting date to accurately estimate the amounts of any eventual payments that maybe required to remediate the land.

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

### 6.1 Cash and deposits

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

	2020 \$'000	2019 \$'000
<b>Cash at bank</b>		
Cash at bank	3,491	541
Cash at Department of State Growth – Special Deposit and Trust account	(2,519)	245
<b>Total</b>	<b>972</b>	<b>786</b>
<b>Cash held in term deposits</b>		
Term Deposits	12,000	21,000
<b>Total</b>	<b>12,000</b>	<b>21,000</b>
<b>Total cash and deposits</b>	<b>12,972</b>	<b>21,786</b>

### 6.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2020 \$'000	2019 \$'000
<b>Net result from transactions (net operating balance)</b>	<b>(2,321)</b>	<b>29,925</b>
Contributions received (nil consideration)	-	(30,993)
Depreciation and amortisation	1,100	552
Net gain/(loss) on financial instruments and statutory receivables	-	6
Net gain/(loss) on non-financial assets	379	-
Decrease (increase) in receivables	8	236
Decrease (increase) in other assets	24	(7)
Increase (decrease) in other liabilities	(35)	-
Increase (decrease) in employee benefits	(11)	36
Increase (decrease) in payables	895	(332)
<b>Net cash used by operating activities</b>	<b>39</b>	<b>(577)</b>

NOTE 7 FINANCIAL INSTRUMENTS

7.1 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.

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 7 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.

Receivables age analysis - expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2020 are as follows:

Expected credit loss analysis of receivables as at 30 June 2020

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	-	-	-	-	-	-
Total gross carrying amount (B)	-	-	-	-	3	3
Expected credit loss (A x B)	-	-	-	-	-	-

Expected credit loss analysis of receivables as at 1 July 2019 (adoption date of AASB 9)

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	-	-	-	-	-	-
Total gross carrying amount (B)	11	-	22	1	8	42
Expected credit loss (A x B)	-	-	-	-	-	-

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 Liabilities		
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.	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, and may not reconcile to the carrying amounts presented in the Statement of Financial Position:

## 2020

### Maturity analysis for financial liabilities

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>								
Payables	1,057	-	-	-	-	-	1,057	1,057
<b>Total</b>	<b>1,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,057</b>	<b>1,057</b>

## 2019

### Maturity analysis for financial liabilities

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>								
Payables	162	-	-	-	-	-	162	162
<b>Total</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162</b>	<b>162</b>

### 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:

	2020 \$'000	2019 \$'000
<b>Fixed rate instruments</b>		
Financial assets	273	281
Financial liabilities	(1,057)	(162)
<b>Total</b>	<b>(784)</b>	<b>119</b>
<b>Variable rate instruments</b>		
Cash at bank	12,972	21,786
<b>Total</b>	<b>12,972</b>	<b>21,786</b>

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 decrease
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2020</b>				
Cash and deposits	130	(130)	130	(130)
<b>Net sensitivity</b>	<b>130</b>	<b>(130)</b>	<b>130</b>	<b>(130)</b>
<b>30 June 2019</b>				
Cash and deposits	218	(218)	218	(218)
<b>Net sensitivity</b>	<b>218</b>	<b>(218)</b>	<b>218</b>	<b>(218)</b>

This analysis assumes all other variables remain constant. The analysis was performed on the same basis in the prior year.

## 7.2 Categories of Financial Assets and Liabilities

	2020 \$'000	2019 \$'000
<b>AASB 9 Carrying amount</b>		
<b>Financial assets</b>		
Amortised cost	13,245	22,067
<b>Total</b>	<b>13,245</b>	<b>22,067</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	1,057	162
<b>Total</b>	<b>1,057</b>	<b>162</b>

### 7.3 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2020	Net Fair Value 2020	Carrying Amount 2019	Net fair Value 2019
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash at bank	15,491	15,491	21,541	21,541
Cash in Special Deposits and Trust Fund	(2,519)	(2,519)	245	245
Other financial assets				
Receivables	273	273	281	281
<b>Total financial assets</b>	<b>13,245</b>	<b>13,245</b>	<b>22,067</b>	<b>22,067</b>
<b>Financial liabilities (Recognised)</b>				
Payables	1,057	1,057	162	162
<b>Total financial liabilities (Recognised)</b>	<b>1,057</b>	<b>1,057</b>	<b>162</b>	<b>162</b>

### 7.4 Net Fair Values of Financial Assets and Liabilities

2020	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net fair Value Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash at bank	15,491	-	-	15,491
Cash in Special Deposits and Trust Fund	(2,519)	-	-	(2,519)
Receivables	-	273	-	273
<b>Total financial assets</b>	<b>12,972</b>	<b>273</b>	<b>-</b>	<b>13,245</b>
<b>Financial liabilities</b>				
Payables	-	1,057	-	1,057
<b>Total financial liabilities</b>	<b>-</b>	<b>1,057</b>	<b>-</b>	<b>1,057</b>

2019	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net fair Value Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash at bank	21,541	-	-	21,541
Cash in Special Deposits and Trust Fund	245	-	-	245
Receivables	-	281	-	281
<b>Total financial assets</b>	<b>21,786</b>	<b>281</b>	<b>-</b>	<b>22,067</b>
<b>Financial liabilities</b>				
Payables	-	162	-	162
<b>Total financial liabilities</b>	<b>-</b>	<b>162</b>	<b>-</b>	<b>162</b>

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements.

The Corporation uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.



NOTE 8 CORRECTION OF ERROR

During 2019-20, it was identified that the Contributions Received to record the transfer of the ownership of the Macquarie Point site Land and Buildings to the Corporation was incorrectly recorded in the 2018-19 Financial Statements. The transfer was recorded without deducting the existing value incurred by the Corporation on building improvements on the building at 8A Evans Street, the Goods Shed and the Public Open Space Improvements.

The correct treatment reduces the Net Result by \$3.474M from \$33.399M to \$29.925M.

The impact of the correction is as follows:

	2019 As Reported	Prior Year Error Adjustment	2019 Revised
	\$'000	\$'000	\$'000
Statement of Comprehensive Income			
Contributions Received	34,467	(3,474)	30,993
Net Result	33,399	(3,474)	29,925
Statement of Financial Position			
Land	16,181	(2,755)	13,426
Buildings	1,417	(719)	698
Net assets (liabilities)	71,139	(3,474)	67,665

NOTE 9 EVENTS OCCURING 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 2020.

## NOTE 10 OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

### 10.1 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 principal objectives of the Corporation are detailed in the Act and focus on the remediation and redevelopment of the Macquarie Point site.

The 9.3-hectare former Hobart railyards site borders the working port facilities and is adjacent to the Cenotaph and Queens Domain.

The Corporation took responsibility for site operations in September 2014, when it entered into a lease with the Minister for Infrastructure. The title to the Macquarie Point development site was transferred to the Corporation effective 31 May 2019.

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

- be people focused
- be well connected to the broader Hobart environment
- not prejudice port activities
- complement, and not compete with, activity in the Central Business District and greater Hobart
- leverage local competitive advantages, thereby delivering major socio-economic benefit to Hobart and the state
- respect the site's history
- incorporate principles of sustainability.

In December 2016, the Tasmanian Government engaged with Mona to realise a new vision for the site and directing the Corporation to:

- develop a revised development plan based on the Mona vision
- develop a detailed action plan for the first stage of the revised development plan
- develop a works plan for the decommissioning and removal of the Macquarie Point waste water treatment plan
- develop a comprehensive communication and stakeholder engagement plan for the reset
- review the resourcing requirements to deliver the first stage of the revised development plan.

### 10.2 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 *Macquarie Point Development Act 2012*, which includes the requirement to comply with Treasurer's instructions issued under the *Financial Management Act 2016*.

The Financial Statements were signed by the Corporation's Chief Operations Officer on 4 August 2020.

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 outlined in note 8.

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.

### 10.3 Reporting Entity

The Financial Statements include all the controlled activities of the Corporation.

### 10.4 Functional and Presentation Currency

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

### 10.5 Changes in Accounting Policies

#### a) Impact of new and revised Accounting Standards

In the current year, 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 15 Revenue from Contracts with Customers – This Standard establishes principles that require an entity to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires the Corporation to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

The Corporation has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The effect of adopting AASB 15 is not expected to significantly affect the financial statements.

AASB 16 Leases –This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard requires operating leases to be brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right of use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. The Corporation has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The Corporation elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets).



The Corporation's motor vehicle is owned and managed by Treasury. Treasury is the central agency which purchased the vehicle on behalf of the Corporation which pays a monthly payment to Treasury via LeasePlan for use of the vehicle. LeasePlan administers the scheme on behalf of Treasury.

As there is no lease contract between Treasury and the Corporation for the purposes of AASB 16, the Corporation is not required to recognise a lease liability and right-of-use asset for motor vehicle. The costs are recognised as an expense as incurred. The Corporation recognises a commitment for the terms of motor vehicle agreement.

AASB 1058 Income of Not-for-Profit Entities - This Standard establishes principles for not-for-profit entities that applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services.

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable the Corporation to acquire or construct a recognisable non-financial asset to be controlled by the Corporation (i.e. an in-substance acquisition of a non-financial asset), the Corporation recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The Corporation will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for the Corporation's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the Corporation gains control of the asset (e.g. cash or receivable) in most instances.

Under AASB 1058, the Corporation will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliably. This treatment is the same as in prior years.

The Corporation has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. The Corporation has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The effect of adopting AASB 1058 is that the Corporation leases the land and buildings of approximately 1,881m<sup>2</sup> at 2 Davey Street, Hobart known as the "Royal Engineers Building" for a nominal amount rent of \$1 from Crown Lands. The lease commenced on 7 November 2014 for a 5 year period. After expiration of the 5 year period, the lease changed to a holding over basis on a three monthly lease. The Corporation is responsible for all outgoings, insurances, building costs and maintenance of the property. The Corporation sub-lets the building on the express condition that rental proceeds are to be expended on the upkeep and maintenance of the building.

In accordance with the temporary option permitted under AASB 16 and AASB 1058, the Corporation initially recognises the Right of Use Asset arising from this lease at cost of Nil.

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

- AASB 1059 Service Concession Arrangements: Grantors – The objective of this

Standard is to prescribe the accounting for a service concession arrangement by a grantor that is

a public sector entity. This Standard applies on or after 1 January 2020. The impact of this

Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. Service Concession Arrangements are at an early stage of progression at the Corporation. As a result of this, the financial impact cannot be assessed yet.

## 10.6 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.

## 10.7 Comparative Figures

Amendments to comparative figures arising from correction of an error are disclosed at note 8.

## 10.8 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.

## 10.9 Taxation

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

## 10.10 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.



Independent Auditor’s Report

To the Members of Parliament

Macquarie Point Development Corporation

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Macquarie Point Development Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2020, statements of comprehensive income, changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial statements:

- (a) presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Macquarie Point Development Corporation Act 2012*, the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial statements* section of my report. I am independent of the Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General’s opinion are significant.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<b>Land, buildings and inventories</b> <i>Refer to notes 3.2, 3.3 and 8</i>	
The fair value of the land, public open space and buildings, \$18.696m, was determined with reference to observable information in an active market and adjusted down by estimated costs of future remediation. The carrying value of the inventory was \$35.797m, recognised at cost.	<ul style="list-style-type: none"><li>Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li><li>Assessing the scope, expertise and independence of experts engaged to assist in the valuations.</li></ul>
During the year, the Corporation made significant payments on remediation and infrastructure works that were added to existing inventory.	<ul style="list-style-type: none"><li>Critically assessing assumptions and other key inputs in the valuation model.</li><li>Evaluating estimated remediation costs and management’s assessment process.</li></ul>
An independent valuer was engaged to conduct a full revaluation of the site as at 30 June 2020.	<ul style="list-style-type: none"><li>Evaluating the identified prior period error in the 2019 valuation and assessing the impact on the financial statements.</li></ul>
During the valuation, an error was identified in the prior year regarding the transfer of ownership of the Macquarie Point site to the Corporation. Existing improvements were not appropriately taken into account in determining the contribution received. This resulted in a reduction to the fair value of land and buildings by \$3.474m.	<ul style="list-style-type: none"><li>Evaluating the adequacy of disclosures made in the financial statements.</li></ul>
Significant judgements were made in determining the valuation of the site and assessing future remediation costs.	

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Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Macquarie Point Development Corporation Act 2012*, the *Financial Management Act 2016* and for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Corporation’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 the Corporation is to be dissolved by an Act of Parliament, or the directors intend to cease operations, or have no realistic alternative but 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, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication



Stephen Morrison  
Assistant Auditor-General Financial Audit Services  
Delegate of the Auditor-General

Tasmanian Audit Office

28 September 2020  
Hobart

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## NOTES

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