

ANNUAL REPORT 2018-19



Macquarie Point
Development Corporation



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 2019.

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



Penny Morris AM
Director
Chair, Audit and Risk Committee

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Image: Hobart Rivulet 1900
Image Credit: Dennison Collection

VIII

At just over nine hectares, Mac Point is the last remaining parcel of land adjoining the Hobart docks and waterfront and sits adjacent to the Regatta Grounds, the Cenotaph and the Queens Domain.

Mac Point is one of the nation's last remaining vacant urban infill sites adjacent to a working port on the edge of a capital city's CBD. Equivalent to the size of four CBD blocks, it's a development that will deliver an extraordinary precinct for Tasmanians and all Australians.

The site has played a varied and colourful part in Hobart's history. The area was home to the Muwinina band of the South East Tribe and evidence of their activity has been found in the site's surrounds. Mac Point has a long history of use associated with early European settlement, including defence, sanitation, transport and industry such as the Hobart gasworks.

Until June 2014, the site was predominantly used as a railyard and freight handling depot. The development of Mac Point presents an unprecedented opportunity to create an innovative and dynamic mixed-use precinct focused on science, art, culture and tourism.



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It's a pleasure to present the Macquarie Point Development Corporation (Corporation) Annual Report 2018-19 in what has been another significant year in the site's evolution.

The Mona-inspired Government 'reset vision' has charted a course, embraced by the community, for the 9.3-hectare site that will recreate and reinvigorate Hobart's waterfront.

This year has been a year of achievements – particularly in working towards opening up the site for permanent development. We have also worked to draw Hobartians to the site through our interim developments to reactivate the area and remind the public that Mac Point is also a place to explore.

As Board Chair, it has been particularly satisfying to have achieved a number of milestones which have addressed a substantial number of the legacy issues that presented significant barriers to progressing development on site – namely: title, planning rule requirements and legislation, remediation, infrastructure and geo-technical requirements.

I commend my past and current Directors who demonstrated their commitment to the Corporation, the site and Tasmania in discharging their duties and assisting the Corporation team.

It has been a true team effort by both the Board and the Corporation to ensure that this site continues to move forward.

A handwritten signature in white ink, appearing to read 'B. Scullin', written in a cursive style.

Brian Scullin
Chair



Image: The Macquarie Point vision 2050 was created by MONA



The financial year 2018-19 saw the Mac Point site continue to move ahead as the Corporation resolved key development legacy issues and maintained its commitment to the upgraded objectives and functions under the *Macquarie Point Development Corporation Act 2012 (the Act)*.

The Corporation's main focus was on ensuring that permanent development could occur on site as well as increasing activation and place-making events.

But to achieve this, there were five legacy issues that required addressing.

The first of these issues was upgrading the Corporation's Act to move the focus from remediation to investment and development.

The Act's upgrade saw a formal approval process for the planning amendments to the Sullivans Cove Planning Scheme 1997 to support the Government's development plan for the site embedded into the legislation. This ensures a clear and consistent pathway for any additional changes to the planning rules for development and use.

The suite of amendments to the Act were passed by the Tasmanian Parliament in November 2018.

As most people understand, the issue of title to land is incredibly important.

The consolidation of titles and subsequently the transfer of the title from the Minister for Infrastructure to the Corporation was significant.

For the first time since the creation of the Corporation in 2012, the land is now the responsibility of the Corporation, thereby allowing the Corporation to enter into leases and licences directly with event organisers and small businesses. Furthermore, it allows for the Corporation to be able to move into the space of permanent development with confidence.

The third legacy item that required addressing was remediation and ensuring that the Corporation and the Environmental Auditor were clear regarding the requirements for approval from the Auditor that the land was cleaned up to allow for development to occur. In a first for Tasmania and for the site, the first parcel of land, part of which will support the proposed Antarctic and Science Precinct, was approved by the Auditor.

This approval now gives confidence to the Corporation that the process for physical remediation is achievable.

In January 2019, the process commenced to achieve formal approval for the planning rules for development and use to support the reset vision provided to Government in late 2016. The Mona-inspired vision required a new suite of planning rules along with accompanying technical advice and reports to be confirmed so that the reset was achievable from a development perspective.

Taking into account adjoining landowners, utilities and Government Departments' advice, the planning rules proceeded through to the Hobart City Council, as the statutory planning authority, for the formal exhibition and representation process as set out under the Act.

At the end of the financial year, the Council had given its formal approval for the suite of rules to progress through the Minister to the Tasmanian Planning Commission.

The final legacy issue was the decommissioning and removal of the Macquarie Point Waste Water Treatment Plant. This was addressed with a joint announcement by the Tasmanian Government and TasWater for its removal within a four-year timeframe.

This was a significant decision which addressed a key development barrier that had impacted the site's development under the former masterplan.

Business planning for development continued during the last financial year. In line with the importance of the Antarctic and Science Precinct as a permanent development

for the site, the Corporation has continued to work with key stakeholders as part of the City Deal Implementation program during this financial year.

Discussions with the Eden Trust are continuing, working through the development and financial requirements.

While work was underway addressing all the requirements that have held back permanent development, combined with the need to test the merits of development business cases, the Corporation continued its successful approach of continuing to open up the site for interim activity.

Interim activity was twofold. Firstly, the Corporation is required under the Act to ensure community usage of the site through events, gigs and festivals. Secondly, by using the site assets, including the hardstand, it ensured that commercial revenue covered the majority of the Corporation's administration costs. This quarantined the remainder of the Intergovernmental Agreement funding for remediation and development.

This approach saw another increase in tenancies across the site, with 21 small businesses now a part of the fabric of the Mac Point community.

To support the site being attractive to events, the Goods Shed stage 2 refurbishment was completed during this financial year with a substantial upgrade to the amenities, thereby cutting the cost for event organisers using the Shed.

Other development work included construction of the cycleway, which opens up the site to the public for the first time since 1850 and links the site back into the Sullivans

Cove waterfront and supports important festivals such as the Hobart Regatta and the Wooden Boat Festival.

The Edible Precinct stages 1 and 2 were also opened to the public and have become an important cultural and community-supported component of Mac Point's evolution.

Community engagement continues to be a priority for the Corporation, with a key group being the Tasmanian Aboriginal community. In line with the commitment to support and engage in the discussion on truth and reconciliation, the Corporation continued its monthly Conversations @ Mac Point (CAMP) for Reconciliation. These free lunchtime events have proven to be extremely popular with the community, with attendees increasing at each CAMP.

As part of the Corporation's good corporate citizen commitment, a number of community and not-for-profit groups were supported with in-kind sponsorship. She Shreds, Mishas Mates and the Hobart City Mission are all organisations which the Corporation has been proud to support through in-kind sponsorship.

Furthermore, the Corporation has formalised a number of partnerships. This financial year has seen the signing of Memorandums of Understanding with the Tasmanian Building and Construction Industry Training Board, TasPorts, the Tasmanian Museum and Art Gallery, and the Royal Tasmanian Botanical Gardens. All of these partnerships are about supporting the important stakeholders surrounding the site as well as opening



discussions about mutually beneficial projects.

This financial year has been a challenging but exciting year, during which a clear strategic program of addressing barriers to development have been ticked off, partnerships confirmed, and support to and growing the number of small businesses achieved.

I want to take this opportunity to thank my fellow Directors, in particular the Corporation's Chair Brian Scullin whose support, commitment and guidance have been invaluable.

I congratulate and commend the Mac Point team who have been outstanding in their commitment, dedication and passion. The Corporation's achievements are a testimony to their dedication and their work ethic.

Lastly, there must be acknowledgment of the 21 businesses, the stakeholders and the community who have taken the time to understand and support the work of the Corporation and the opportunity that this site offers for Hobart and Tasmania – without them, this year's achievements would not have been possible.

A stylized white signature of Mary Massina on a dark background.

Mary Massina
CEO





Image: Nepal Fair
Image Credit: Muthu Guna's Viewfinder Photography

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The Board, in accordance with the *Macquarie Point Development Corporation Act 2012*, meets a minimum of six times during a financial year.

During the financial year 18-19, Directors Adby and Sides finished their terms. Three Directors were appointed to the Board during the reporting year and commenced their terms in November 2018. In June 2019, Director Eslake was granted a leave of absence.



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 full-time 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 Chair of OAK Possability, a not-for-profit provider of services in the disability sector, Chair of Propel Funeral Partners and Chair of the Tasmanian Development Board.



Penny Morris AM

Penny is the former Director of Commonwealth Property in the Department of Administrative Services, and spent six years working with Lend Lease, firstly as CEO and a Director of Lend Lease Commercial, and then as Group Executive, Lend Lease Property Services. She has been a company director on many private sector and government business enterprise boards, including Mirvac, Landcom, Sydney Harbour Foreshore Authority, Indigenous Land Corporation, Colonial State Bank, Australia Post and Energy Australia. In 2002 Penny was awarded a Member of the Order of Australia for service to the property and construction industries.



Kim Evans

Kim has been a Head of Agency in Tasmania for over 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 for Marine and Antarctic Studies and Tasmanian Irrigation.



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; he is also on the Advisory Board of Jamieson Coote Bonds, a Melbourne-based specialist bond investment manager. Saul is a non-executive director of Housing Choices Australia Ltd and was Chair of Ten Days on the Island Festival and a non-executive director of Hydro Tasmania from 2008 until September 2018.



Debra Berkhout

Debra began her career in urban planning, moving into project management when appointed to Sydney's Bicentennial Darling Harbour Authority team in the mid-eighties. Subsequently, she moved to Lend Lease where she worked on a range of notable projects, playing a key role in the Olympic Village for Sydney's Green Games and masterplanning for the former CSR harbourfront site at Pyrmont and the internationally recognised Rouse Hill Town Centre. Debra also spent time at Landcom, as Development Director, Urban Renewal. At the GPT Group she worked on sustainability and corporate social responsibility, building key initiatives and partnerships and developing new approaches to impact measurement and reporting. Debra is currently working with the Camperdown Ultimo Collaboration Area Alliance, recently established to optimise innovation and knowledge economy outcomes in Sydney's most mature innovation precinct.



Glenda Sorrell

Glenda is the Managing Director of Matrix Management Group Pty Ltd, a project management and quantity surveying firm in Tasmania. Prior to founding Matrix Management Group, Glenda worked as a Director with Rawlinsons (Aust) Pty Ltd.

Glenda started her professional life with Farrow Laing and Partners in South Africa and has considerable experience in major industrial and civil projects and coal, diamond and gold mines. Glenda also lectured at the University of the Witwatersrand in the Faculty of Architecture during the 1990s prior to her immigration to Australia.

Glenda sits on the board of Koon Holdings, a publicly listed infrastructure and civil engineering company in Singapore and on the board of Tesla Holdings a power peaking company in Western Australia.



Kerry Adby (from July - November 2018)

Kerry has almost 30 years, experience with large development and infrastructure projects in a range of sectors in Australia and overseas. A senior investment banker and commercial lawyer, Kerry is currently the Managing Director of Copernican Securities Pty Ltd, a specialist consultancy providing corporate and strategic advisory services in Australia, Asia and Africa. Kerry is the inaugural chair of the Superannuation Commission, which oversees the administration of the Tasmanian public sector defined benefit scheme. She is a board member of the Tasmanian Retirement Benefits Fund and the London Pension Funds Authority. Her breadth of experience and skill set covers strategy, governance, audit and risk management, major project financing, capital markets and infrastructure.



Hadley Sides

(from July -
November 2018)

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



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. Mary has been a senior political advisor at a state and federal level in the portfolios of industry, employment, regional services, health and human services, Director of Policy, Tasmanian Council of Social Services and Manager Community Sector Relations and Community Support, Department of Health and Human Services. After seven years across politics, the community and public sectors, she was appointed to the position of Executive Director, Property Council of Australia (Tas) where she grew the importance of the industry and achieved a number of microeconomic reforms in property tax, infrastructure and planning. In May 2014, Mary was appointed Executive Chair, Tasmanian Planning Reform Taskforce to develop and draft Australia's first single statewide planning scheme. In January 2017, she was appointed as interim CEO of the Macquarie Point Development Corporation and was made permanent in July 2017.

Mary has sat on a number of Boards and task groups across the political, community and private sectors.

Board attendance

Board of Directors Meetings

Name	Held	Attended
B Scullin	9	8
M Massina	9	9
H Sides	4	4
P Morris	9	9
K Adby	4	4
K Evans	9	8
G Sorrell	5	5
D Berkhout	5	5
S Eslake	5	1

Audit & Risk Committee Meetings

Name	Held	Attended
B Scullin	5	5
M Massina	5	5
H Sides	3	3
P Morris	5	5
K Adby	3	3
G Sorrell	3	3
S Eslake	3	1

Code of Conduct and Board Charter

The Corporation Directors' Code of Conduct and the newly developed Board Charter embody 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 Mac Point, and delivering the first stage of the reset vision, the Corporation will assess all future development proposals on their capacity to:

- contribute to the vision developed by Mona 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.



Community

-

We work with a strong sense of community, both within the organisation and with our stakeholders. The community's views and engagement are important to the future of the Mac Point site.



Sustainability

-

We seek to deliver sustainable outcomes at an operational level and for developments on the Mac Point site. This includes a focus on achieving the best long-term results from an economic, social and environmental perspective.



Connectivity

-

We will always endeavour to build and maintain strong links and connections across the organisation and with our many stakeholders. The connectivity of the Mac Point site with our neighbours and their land is important to us. This includes the working port, the Queens Domain, Sullivans Cove and the Central Business District.

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The new development reset for Mac Point draws on Tasmania's strengths – arts, culture, design, tourism and science.

In late 2016, after listening to feedback from the community and key stakeholders, the Tasmanian Government engaged with the Mona team to realise a new vision for the site.

The Tasmanian Government put forward the bold reset for Mac Point, which fulfilled the brief to maximise public spaces and re-envision the project as a national landmark. The reset was overwhelmingly embraced by the wider Tasmanian community and stakeholders. Community support was further tested during the Hobart City Council's public exhibition and representation process which was part of the formal planning rules approval process.

The development reset combines cultural and public spaces with the possibility of a conference centre, hotels, retail and an Antarctic and Science Precinct. Mac Point is an ideal location for a scientific research hub to complement Tasmania and Australia's Antarctic and oceanic research links and

support Tasmania's status as the global Antarctic gateway city. Tourism developments, such as the Antarctic-themed ecotourism project Eden Hobart, may also form part of the reset, with Eden Trust affirming their interest in the project.

Under the new development plan, the area can include: exhibition, commercial and cultural space, accommodation and tourism infrastructure. Fifty per cent of the site is allocated to public amenity and ultimately, a development that complements and supports the surrounding science, cultural and tourism waterfront precinct.

Since the Corporation was established, its major focus has been on the remediation of the site. The substantial upgrading of the Corporation's governing legislation in November 2018, the *Macquarie Point Development Corporation Act 2012*, has meant the Corporation has refocused on investment and development rather than just remediation.



Top Image: Nepal Fair
Image Credit: Muthu Guna's
Viewfinder Photography

Bottom Image: Meet Me at Mac Point Day
Image Credit: Duncan Giblin



In 2018-19, the Corporation continued to implement its revised Site Remediation Strategy which aligns with the reset masterplan.

The particular focus for the past 12 months was to obtain Independent Environmental Auditor sign-off that land is development-ready for Audit Area 1, which encompassed the Goods Shed and a portion of Development Parcel C for the planned Antarctic and Science Precinct.

This key milestone was achieved on 4 June 2018, which is a first not just for this site, but also for Tasmania. The land has now been independently certified as development-ready, meaning that the most rigorous of approval processes for site decontamination has been achieved.

This was achieved with the completion of a number of key documents by the Corporation's Site Remediation Consultant AECOM, including:

- Detailed Site Investigation report;
- Clean Up to the Extent Practicable report;

- Ecological Risk Assessments;
- Potential off-site Ecological Impacts report;
- Site remediation strategy; and
- Site Environmental Management Plan.

By focusing on achieving sign-off for the first of seven audit areas, the Corporation has applied these learned skills to finalise documentation and strategies for the remediation of five of the remaining six areas as a priority.

Contracts for the Corporation's Remediation Consultant, AECOM, and the Independent Environmental Auditor, Coffey, were renewed to support the Corporation in obtaining independent sign-off for the remaining five of six Audit Areas as quickly as practicable.



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Mac Point is currently used to foster arts and culture, innovation and inspiration, nourishment and growth, action and energy. But most importantly it is a place for everyone.



Image: HBC Blues and BBQ
Image Credit: Ross Giblin

Under the upgraded governing legislation, the Corporation is now required to support interim activities. This is an acknowledgement of the considerable work that the Corporation has undertaken over the past two years.

The Corporation recognises the importance of community ownership and pride in Mac Point and that's why we have opened up the site for the public to experience it in a variety of ways.

The Corporation encourages all Tasmanians to connect with the site through a range of activation and interim uses. This financial year, the site has hosted a variety of outstanding events and festivals, which has led to Red Square, the Goods Shed and the LongHouse becoming regular event and festival spaces:

- Red Square and the Red Shed have held more than 83 events hosted by Hobart Brewing Co and the Corporation. Some of these events are Clubhouse Comedy Sessions,

Tasmanian Symphony Orchestra, Festival of Voices Pub Choir, Hobart Blues, Brews and BBQs, Winter Fringe Fest, Hobart Wellness Market, Hobart Twilight Market and Hoptoberfest.

- The annual UTAS Society's IMPACT Tas Red Party was once again held in Red Square in August 2019.
- Vandemonian Touring continued their series of gigs in the Goods Shed, post construction works, with Ball Park Music, San Cisco and the two sell-out Peking Duk gigs.
- Also in January, Tasmania's gin festival, Ginuary, filled the Goods Shed yet again for a sell-out day and evening. This saw 2,000 people sampling gin from about 25 distilleries from around Tasmania. This is set to become a regular annual event.



Image: HCB Blue and BBQ
Image Credit: Ross Giblin



Image: HCB Fringe Festival
Image Credit: Ross Giblin

- The Goods Shed in October hosted Craft Alive, Australia's largest craft event with craft designers and teachers from across the country being part of the event.
- In keeping with the commitment to support cultural events, Red Square has also hosted the Nepalese Fair, showcasing the rich heritage and culture of Nepal, as well as the French Festival Fête de la Musique featuring all things French, such as music and food as well as boules and other activities in early June 2019.
- The Corporation and the LongHouse co-hosted the 25th Commemoration of the Tutsi genocide in Rwanda.
- The site has hosted and supported a number of events such as the November Institute of Architects Open House Day, which saw five site tours on the day and MACq O1 Storytelling Tours through the site during March, April and May 2019.
- Meet me at Mac Point inaugural open day saw 5,000 people come on site to experience businesses from Mac Point and surrounding areas. The open day saw the official launch of Australia's largest Edible Precinct with tours and workshops by its creators, Angus Stewart and Tino Carnevale, supported by Kitana Mansell, the Corporation's first Tasmanian Aboriginal Business Trainee.
- In supporting Anzac Day, the Tasmanian Light Horsemen used the hardstand at Mac Point and the SeaRoads Shed as a marshalling area before the ANZAC Parade and Cenotaph Service.
- In keeping with the Corporation's ethos of supporting events and festivals, we ensured the Cycleway was opened ahead of the 2019 Hobart Regatta Festival and provided storage space for the Wooden Boat Festival.
- Hardstand and construction and storage space were provided for several large-scale and important construction projects around the Hobart CBD including:
 - Hedberg Build;
 - Royal Hobart Hospital Helipad construction, scaffolding and window storage;
 - The Remembrance Bridge; and
 - DJ Motors storage after the burst water main at its showroom.
- Metro Tasmania was provided an area for the layover of buses and drivers.
- The site once again supported the Dark Mofu festival by providing the Goods Shed for the building and displaying of the ogho-ogoh with the burning of the ogho-ogoh on the final night of the festival drawing a crowd of 10,000 people.



Image: Eye am Hair
Image Credit: Kitana Mansell

Tenants on site include:

- **Hobart Brewing Company**, craft brewery and live music venue.
- **Eye Am Hair**, boutique salon in a copper caravan.
- **AJL Training**, motorbike and truck driver training.
- **Metro Tasmania**, a layover area for the state's largest public transport provider.
- **Heritage Horse Drawn Carriages**, horse and cart tours of historic Hobart.
- **Segway Tasmania**, tours on motorised stand-up vehicles.
- **Reconciliation Tasmania**, promoting the ongoing culture and history of the Tasmanian Aboriginal people with the broader community.
- **Hansen Yuncken**, assisting with the construction of the Hedberg.
- **Scaffold Logistics**, assisting with storage for the rebuild of the Royal Hobart Hospital.

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This financial year, the Corporation has seen an increase in tenancies of 85 per cent across the site. This is not only beneficial for activation and site visitation but also assists with the Corporation's bottom line and financial sustainability going forward.

- **DJ Motors**, storage of cars following the flooding of their showroom.
- **Brighton Australia**, assisting with the construction of the Royal Hobart Hospital.
- **Evans Street Eats**, café and catering.
- **TACO TACO**, Mexican food van.
- **Hunger Brigade**, Turkish kebabs and salads.
- **Loaded Dog Café**, hot dogs, loaded fries and bar snacks.
- **Place Gallery**, pop-up Art Gallery.
- **Nayri Niara**, provides a sanctuary for people to experience transformational activities aligned with Indigenous traditions of healing.
- **Core Collective Architects**, architecture and design studio.
- **KLG Legal**, specialising in commercial contracts and leases, super funds management, corporate governance, wills and estate planning.
- **VEC**, assisting with the construction of the Memorial Bridge.
- **The Show Company Tasmania Pty Ltd**, storage of goods.
- **Hobart Fitness**, premium training experience in a fully equipped studio.
- **Zephyr Energy Developments**, innovators and disruptors; experienced professionals with a goal to remodel the way renewable energy projects are developed in Australia.
- **Tasmanian Walking Company**, walking tours of Tasmania incorporating dining and overnight stays.

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The Corporation supports a number of community and not-for-profit groups as well as events.



Image: She Shred Skaters
Image Credit: Kitana Mansell

It does this as a means of building goodwill and a way of activating the site to increase visitation. There have been a number of in-kind sponsorships of community and not-for-profit groups which usually take the form of in-kind venue hire in exchange for use of the Corporation logo on promotional material. Organisations and events which the Corporation has sponsored 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 to train dogs every Sunday.
- **She Shreds**, all-girl skate crew which, 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**, inaugural Blokes BBQ Breakfast in collaboration with Men's Resources Tasmania to celebrate International Men's Day. It was held in the Goods Shed Annex in November 2018.

- **Conversations @ Mac Point**, which were held monthly during 2018. This was an opportunity for the Corporation to support Tasmanian Aboriginal leadership and voices in discussing history, reconciliation and empowerment.

The Corporation also partnered with major events such as Dark Mofo and the TSO, offering in-kind venue hire in exchange for acknowledgement of Mac Point.



The Corporation has been proactively engaging with more than 300 key stakeholders to provide the opportunity to discuss and have input into Mac Point and the development of the site. This consultation is vital to enhancing community ownership and commitment to the development.

The Corporation has been involved in around 300 external meetings as well as presentations to various forums including Chartered Accountants of Australia, the Property Council of Australia's national conference, Native Plants Society (Tas), Destination Southern Tasmania, Lindisfarne School for Seniors, South Australian and ACT property industry delegations, Institute of Architects (Tas) and Tasmanian Leaders Alumni.

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, the Tasmanian Regional Aboriginal

Communities Alliance, community groups and Elders.

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

There are a number of steering committee, advisory and working groups that the Corporation chairs or participates in:

- The Waste Water Treatment Plant Working Group and Steering Committee, which includes key members of the Corporation and TasWater, and meets regularly to discuss the planning and infrastructure to support the decommissioning and removal of the Waste Water Treatment Plant;

- The Mac Point/Hobart City Council Working Group with the Hobart City Council General Manager, Mac Point CEO and key staff members of each organisation, which 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 bi-monthly 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.
- Tasmanian Museum and Art Gallery (TMAG) Community Advisory Committee, which has representatives from TMAG, the University of Tasmania, the National Heritage Council, the Department of State Growth and the Corporation to discuss strategic planning for TMAG's future.
- The Antarctic and Science Precinct Steering Committee and Working Group is charged with the responsibility for guiding the business case and planning for the precinct under the Hobart City Deal. Both governance structures have representatives from 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 Mac Point precinct. This group has representatives from the Tasmanian Building and Construction Industry Training Board and the Corporation.



Image: Edible Precinct

Goods Shed:

Shane Mann and Associates were engaged to develop the architectural and maintenance plans for the refurbishment of the Goods Shed. Fairbrother Construction Pty Ltd were subsequently awarded the tender for construction in October 2018. The refurbishment of the Goods Shed was completed in August 2019.

The major refurbishment project incorporated: the addition of three artist green rooms which double as meeting rooms, with access to toilets and a shower; installation of a caterers room and; a box office; and the construction of a large amenities block including 34 toilets, an access shower and toilet, and baby change facility.

In addition, the area at the front of the Goods Shed on Evans Street has been refurbished and the Mac Point office is now located there. This open-plan configuration has a meeting room, toilets, and access to the artist green rooms for additional meeting spaces.

A number of minor works were undertaken including an upgrade of electrical infrastructure; installation of cold water outlets throughout the shed; maintenance to sections of the roof; and provision of improved access doors, windows and loading

docks.

Cycleway:

Pitt and Sherry were engaged by the Corporation to design the Mac Point Cycleway, with Andrew Walter Constructions winning the tender for the construction component in August 2018.

Construction of the interim cycleway was completed in December 2018, with the future connection through the site to Davey Street, the route chosen by the Hobart City Council Bicycle Advisory Committee, to be constructed after the Corporation has completed installing key site infrastructure over the next 12-18 months. The cycleway was designed to not impact on the planned future light rail transit route through the site. The cycleway is now a regular public access route through the site connecting Evans Street through to McVilly Drive at the north of the site.

Car Park Stage 2:

COVA were engaged as the consultants to design a second-stage expansion of the 10 Evans Street car park at Mac Point. The works involved relocation of the car park entry/exit to the driveway between the Hobart Brewing Company and the SeaRoads Shed, and the relocation of 19 car parking spaces affected by the relocation of the driveway. Andrew Walter Constructions were awarded the tender for construction and the works were completed in August 2018. This work allowed for an expansion of Red Square to be undertaken. Key service infrastructure was installed, and Red Square was expanded from Hobart Brewing Company through to the Goods Shed.



Red Square Expansion:

Following the relocation of the car park entrance as part of the car park stage 2 project, Red Square was expanded from Hobart Brewing Company through to the Goods Shed and general amenities increased. There are now a number of containerised businesses working in Red Square including a hairdresser, artist, and food and beverage vans, which ensures Red Square is an attractive and vibrant area for visitors.

Cold Store Site Activation – LongHouse:

The Corporation engaged Core Collective Architects to design the LongHouse, and TasTech Building Systems were engaged to construct the LongHouse, which was officially opened in March 2019. The LongHouse is a multipurpose shed that contains a range of businesses including: a gym, performing arts and cultural space for Nayri Niari; commercial offices for Core Collective, an architectural firm; and Project E, a start-up company in the energy space.

Car Park Stage 3:

In 2018, Mac Point obtained approval from the Minister for State Growth and Minister for Infrastructure for the addition of up to 150 car parks in the 10 Evans Street car park at Mac Point. COVA were engaged to develop the plans for the expansion of the car park, which also includes the utilisation of the on-site SeaRoads Shed for undercover permit parking and resealing works on the eastern side of the Goods Shed to overcome safety hazards in this area and make the area more accessible for event organisers using the shed.

Road Infrastructure Project:

Mac Point engaged Pitt and Sherry to develop plans for a road to be constructed under the escarpment area at the top of the Mac Point site. This is the first piece of key supporting infrastructure that is required on site to enable permanent development in alignment with the reset masterplan to occur. The plans have been developed in conjunction with the Department of State Growth Roads Division and Hobart City Council to manage impacts on Davey Street.



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 2018-19, Committee membership comprised directors Kerry Adby (Chair), Penny Morris AM (Chair), Hadley Sides, Saul Eslake, Glenda Sorrell and Brian Scullin. Minutes of the Committee meetings are presented to the subsequent meeting of the full Board for consideration and adoption.

The Mac Point 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 Mac Point management staff at each of those meetings.

During the 2018-19 financial year, the Committee met on six occasions to consider business such as:

- compliance with Treasurer's Instructions and procurement processes;
- a review of the Corporation's strategic risk profile;
- a review of the Audit and Risk Committee's Charter;
- a review of the Corporation's Internal Audit Services for 2019-21;
- a review of the Corporation's Asset Capitalisation Policy;
- a review of the Corporation's finance and accounting functions;
- a review of the Corporation's insurance coverage;
- a review of the Corporation's Work Health and Safety Strategies and Systems;
- consideration of the 2018-19 Annual Financial Statements; and
- consideration of the 2019 Annual External Audit timetable.

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;
- reporting on whether the Corporation's resources are being effectively and efficiently managed to achieve its objectives; and
- monitoring fraud control and prevention mechanisms.



Image: The Burning Ogh-Ogoh
Photo Credit: Rémi Chauvin, Dark Mofo, 2019

VIII

The Corporation has a Work Health Safety Management System (WHSMS) which was updated during the 2018-19 financial year and remains current to July 2021.

The Corporation is active in its adherence to the WHSMS for the achievement of a safe and healthy workplace and for the prevention and reduction of illness and injury equally for employees, contractors, visitors and the public.

The Corporation engaged an independent WH&S consultancy firm to undertake a gap analysis review of the Corporation's WHSMS. This was to ensure compliance with the *Work Health and Safety Act 2012*, the *Work Health Safety Regulations 2012*, relevant Codes of Practice and Australian Standards.

The Corporation expects that all contractors, staff and

Board Directors complete a mandatory online Mac Point site induction survey annually. The Corporation reviews the induction database regularly to ensure continued compliance.

In addition, site hazard inspections in conjunction with staff and WH&S briefings are conducted weekly. All hazards, incidents and near misses are recorded, investigated and recommended mitigation actions are kept in accordance with ISO-45001 Occupational Health and Safety Management Systems.



Image: waranta krakani, palawa kipli
Image Credit: By the Wilde



Staff training for the year ending 30 June 2019

- **Quarterly WH&S and Wellbeing Forum**
Site Operations Officer and Facilities Officer
- **Suicide Awareness Forum** – Facilities Officer
- **ISO45001:2018 Training Course** – Facilities Officer
- **Fire Safety Training** – All staff
- **WHS Certificate IV** – Facilities Officer
- **Mental Health Awareness** – Chief Operating Officer

Reporting against Key Targets

The Corporation has recorded the following WHS statistics:

Indicator/s	Corporation statistic	Target
Number of fatalities	Zero	Zero
Lost time injury severity rate	Zero	Zero or 100% improvement since benchmark
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	N/A (zero injuries)	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.	80%	100%
Days of unplanned absences	Zero	Average over the previous 3 years
Separations (not retirement/redundancy)	Zero	Average over the previous three years

Hazard Statistics FY 2018-19

Total number of hazard inspections	45
Total hazards reported	6
Total hazards closed out	6
Total hazards outstanding for action	0
Total eliminated hazards for the period	2
Total number of residual high risk hazards as at end FY	0
Total number of residual significant risk hazards as at end FY	0
Total number of residual moderate risk hazards as at end FY	1
Total number of residual low risk hazards as at end FY	3

Incident Statistics FY 2018-19

Total incidents reported	2
Total incidents closed out	2
Total incidents outstanding for action	0
Total number of high risk incidents as at end FY	0
Total number of significant risk incidents as at end FY	0
Total number of medium risk incidents as at end FY	1
Total number of low risk incidents as at end FY	1

Incidents by Type FY 2018-19

Total number of near miss incidents	1
Total number of trips and fall incidents	0
Total number of strain incidents	0
Total number of falling object incidents	0
Total number of collision incidents	0
Total number of cut and laceration incidents	0
Total number of noise incidents	0
Total number of exposure incidents	0
Total number of other incidents	1

Maintaining a comprehensive WHSMS and program ensures the Corporation continues to achieve its Strategic Objective #5 – The Corporation’s WHSMS is viable and fit for purpose for FY 2018-19.

Management

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

ORGANISATIONAL CHART



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
- provides that access to information is restricted only in the limited circumstances defined in the RTI Act.

During 2018-19 the Corporation dealt with three applications for assessed disclosure for information under the RTI Act. One RTI was released in full, two were 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 2019.

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;
- 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. In addition the Corporation Board has undertaken IC training to ensure that it meets the aims and objectives of the Act.

VIII

The Corporation procures goods, services and building and construction in accordance with Tasmanian Government policy and guidelines, including the Treasurer’s Instructions.



Top Image: waranta krakani, palawa kipli
Image Credit: By the Wilde

Bottom Image: HBC Fringe Festival
Image Credit: Ross Giblin

To deliver on the Corporation’s objectives, highly specialised technical advice and services are required. However, the Corporation aims to maximise the opportunity for local business participation in all its procurement processes and encourages all non-Tasmanian businesses to partner and/or collaborate with a Tasmanian supplier.

Table 1 provides a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50,000 or over (excluding GST). Tables 2 and 3 provide detailed information on contracts with a value of \$50,000 and over (excluding GST) for contractors and

consultancies.

Table 4 lists contracts awarded as a result of a direct/limited submission-sourcing process approved in accordance with Treasurer’s Instruction 1114, and Table 5 provides a summary of the procurements for which an exemption from the requirement to disaggregate has been approved.

The Corporation engaged three consultants in 2018-19 with a value of \$50,000 and over (excluding GST).



Table 1 Summary of participation by local business for contracts, tenders and/or quotation processes of \$50,000 or over (excluding GST)

Procurement processes 2018-19	
Number of contracts awarded	18
Total number of contracts awarded to Tasmanian businesses	18
Total value of contracts awarded	\$4,106,191.06
Total value of contracts awarded to Tasmanian businesses	\$4,106,191.06
Total number of tenders called and/or quotation processes run	12
Total number of bids and/or written quotations received	46
Total number of bids and/or written quotations received from Tasmanian businesses	46

Source: Macquarie Point Development Corporation procurement records

Table 2 Major contracts issued 2018-19 for \$50,000 and over (excluding GST) and excluding consultancies

Contractor	Location	Description of contract	Period of contract	Total value (\$)
Fairbrother Pty Ltd	Hobart, Tasmania	Goods Shed internal demolition works	11 July 2018 to 27 November 2018	\$161,934.47
Fairbrother Pty Ltd	Hobart, Tasmania	Goods Shed loading dock modifications	25 July 2018 to 23 November 2018	\$135,063.34
Ilec Pty Ltd	Hobart, Tasmania	Goods Shed electrical modifications	10 September 2018 to 15 November 2018	\$50,930.00
Express Plumbing	Hobart, Tasmania	Red Square plumbing modifications	30 August 2018 to 5 July 2019	\$163,565.00
Fairbrother Pty Ltd	Hobart, Tasmania	Goods Shed windows refurbishment	31 July 2018 to 16 July 2019	\$129,662.50
TasTech Pty Ltd	Hobart, Tasmania	LongHouse construction	02 August 2018 to 30 October 2019	\$273,130.00
Dean Banks Electrical	Hobart, Tasmania	Red Square electrical modifications	28 September 2018 to 12 January 2019	\$50,675.13
Andrew Walter Constructions Pty Ltd	Hobart, Tasmania	Cycleway construction	15 August 2018 to 23 January 2019	\$665,890.00
Fairbrother Pty Ltd	Hobart, Tasmania	Goods Shed amenities and front of house refurbishment	1 October 2018 to 19 August 2019	\$999,023.00
Southern Waste Solutions	Hobart, Tasmania	Contaminated waste landfill solutions	20 September 2018 to 30 December 2020	\$150,000.00
Department of State Growth	Hobart, Tasmania	ICT, Finance and HR services	1 July 2018 to 30 June 2021	\$102,756.50
Handbuilt Creative Pty Ltd	Hobart, Tasmania	Augmented reality services	21 December 2018 to 20 December 2019	\$200,000.00
D&W Electrical Pty Ltd	Hobart, Tasmania	Light pole supply	04 January 2019 to 29 March 2019	\$58,961.83
Insurance Masters	Hobart, Tasmania	Insurance brokering services	01 April 2019 to 31 March 2020	\$78,195.29
Stowe Australia Pty Ltd	Hobart, Tasmania	Lighting installation	08 March 2019 to 20 May 2019	\$50,501.00

Source: Macquarie Point Development Corporation procurement records and Department of Treasury and Finance tenders website

Table 3 Consultancy contracts with a value of \$50,000 and over (excluding GST)

Contractor	Location	Description of contract	Period of contract	Total value (\$)
Pitt & Sherry Pty Ltd	Hobart, Tasmania	Infrastructure design services	19 October 2018 to 3 August 2020	\$176,303.00
Coffey Environments Pty Ltd	Hobart, Tasmania	Accredited environmental auditor services	21 March 2019 to 30 December 2020	\$303,600.00
AECOM Australia Pty Ltd	Hobart, Tasmania	Remediation services	6 September 2018 to 30 December 2020	\$356,000.00

Source: Macquarie Point Development Corporation procurement records

Table 4 Contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instruction 1114

Contractor	Location	Description of contract	Reason for approval	Total value (\$)
Coffey Environments Pty Ltd	Hobart, Tasmania	Accredited environmental auditor services	Due to an absence of competition for technical reasons	\$303,600.00
AECOM Australia Pty Ltd	Hobart, Tasmania	Remediation services	Due to an absence of competition for technical reasons	\$356,000.00
Handbuilt Creative Pty Ltd	Hobart, Tasmania	Augmented reality services	Due to the absence of competition for technical reasons	\$200,000.00

Source: Macquarie Point Development Corporation procurement records and Department of Treasury and Finance tenders website

Table 5 Exemptions from the requirement to disaggregate in accordance with Treasurer's Instruction 1225(5)

Date of exemption	Description of contract	Value of aggregated contract (\$)	Period
28 August 2018	Goods Shed refurbishment	\$999,023.00 (estimate)	1 October 2018 to 19 August 2019
30 August 2018	Cycleway construction	\$665,890.00	15 August 2018 to 23 January 2019
9 September 2018	Remediation consultancy	\$356,000.00	6 September 2018 to 30 December 2020
21 March 2019	Accredited Environmental Auditor	\$303,600.00	21 March 2019 to 30 December 2020

Source: Macquarie Point Development Corporation procurement records

Table 6 Contracts extended in accordance with Treasurer's Instruction 1115.

Contractor	Location	Description of contract	Period of contract	Total value (\$)
None to report				

Source: Macquarie Point Development Corporation procurement records



Image: HBC Fringe Festival
Photo Credit: Ross Giblin

FINANCIAL STATEMENTS

For the financial year ending 30 June 2019



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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 and Audit Act 1990* and the *Macquarie Point Development Corporation Act 2012*.

Brian Scullin
CHAIR

18 September 2019

Having made reasonable inquiries, I believe that, in all material respects, the financial statements present a view which is consistent with my understanding of the Corporation's financial position as at 30 June 2019 and its cash flows for the year then ended.

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

Mary Massina
DIRECTOR

18 September 2019



Statement of Comprehensive Income for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Sales of goods and services	1.1	1,601	1,072
Interest	1.2	647	767
Contributions received	1.3	34,467	-
Total revenue and other income from transactions		36,715	1,839
Expenses from transactions			
Employee benefits	2.1	1,215	1,430
Depreciation and amortisation	2.2	552	362
Supplies and consumables	2.3	662	476
Contributions provided	2.4	277	93
Macquarie Point project	2.5	369	689
Other expenses	2.6	235	122
Total expenses from transactions		3,310	3,172
Net result from transactions (net operating balance)		33,405	(1,333)
Other economic flows included in net result			
Net gain/(loss) on financial instruments and statutory receivables/payables		(6)	-
Total other economic flows included in net result		(6)	-
Net result		33,399	(1,333)
Comprehensive result		33,399	(1,333)

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

Statement of Financial Position

as at 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	21,786	28,420
Receivables	3.1	281	517
Non-financial assets			
Inventories	3.2	27,412	8,135
Property, plant and equipment	3.3,3.4	22,096	1,360
Other assets	3.5	81	74
Total assets		71,656	38,506
Liabilities			
Payables	4.1	162	501
Employee benefits	4.2	301	265
Other liabilities	4.3	54	-
Total liabilities		517	766
Net assets		71,139	37,740
Equity			
Accumulated funds		71,139	37,740
Total equity		71,139	37,740

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



Statement of Cash Flows for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Receipts from customers and other sources		1,316	1,171
Interest received		930	825
GST receipts		719	283
Total cash inflows		2,965	2,279
Cash outflows			
Employee benefits		(1,275)	(1,408)
Supplies and consumables		(1,434)	(424)
Contributions provided		(3)	(93)
GST payments		(785)	(283)
Other cash payments		(45)	(789)
Total cash outflows		(3,542)	(2,996)
Net cash used by operating activities	6.2	(577)	(718)
Cash flows from investing activities			
Cash outflows			
Payments for acquisition of non-financial assets		(6,098)	(733)
Net cash used by investing activities		(6,098)	(733)
Cash flows from financing activities			
Cash inflows			
Trust fund receipts		41	-
Net cash from (used by) financing activities		41	-
Net decrease in cash held and cash equivalents		(6,634)	(1,451)
Cash and deposits at the beginning of the reporting period		28,420	29,871
Cash and deposits at the end of the reporting period	6.1	21,786	28,420

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

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Statement of Changes in Equity for the year ended 30 June 2019

	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 July 2018	37,740	37,740
Total comprehensive result	33,399	33,399
Balance as at 30 June 2019	71,139	71,139
Balance as at 1 July 2017	39,073	39,073
Total comprehensive result	(1,333)	(1,333)
Balance as at 30 June 2018	37,740	37,740

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

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Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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Note 1: Income from Transactions

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

1.1 Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2019 \$'000	2018 \$'000
Leasing revenue	847	430
Car parking revenue	754	642
Total	1,601	1,072

1.2 Interest

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

	2019 \$'000	2018 \$'000
Interest	647	767
Total	647	767

1.3 Contribution 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.

	2019 \$'000	2018 \$'000
Fair Value of assets assumed at no cost – Macquarie Point development site	34,467	-
Total	34,467	-

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 and 3.3).



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

	2019 \$'000	2018 \$'000
Wages and salaries	931	1,169
Superannuation – defined benefit scheme	124	127
Superannuation – contribution schemes	129	116
Other employee expenses	31	18
Total	1,215	1,430

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 (2018: 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 (2018: 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 (2018: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.



Note 2: Expenses from Transactions continued

b) Remuneration of key management personnel

2019	Position held	Short-term benefits		Long-term benefits		Termination benefits	Total
		Salary	Other Benefits	Super-annuation	Other benefits & long service leave		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Key management personnel – Executive</i>							
Mary Massina	Chief Executive Officer	225	17	23	4	-	269
Greg Cooper	Chief Operations Officer	141	24	13	11	-	189
<i>Key management personnel – Directors</i>							
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 Sorrell	Director (from 17/10/2018)	16	-	2	-	-	18
Debra Berkhout	Director (from 17/10/2018)	16	-	1	-	-	17
<i>Total key management personnel remuneration</i>		491	41	48	15	-	595

Other short-term benefits include movements in annual leave provisions, allowances and any FBT related costs

Other long-term benefits and long service leave include movements in long service leave provisions



Note 2: Expenses from Transactions continued

2018	Position held	Short-term benefits		Long-term benefits		Termination benefits	Total
		Salary	Other Benefits	Super-annuation	Other benefits & long service leave		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Key management personnel – Executive</i>							
Mary Massina	Chief Executive Officer	211	26	22	21	-	280
Greg Cooper	Chief Operations Officer (from 11 December 2017)	71	18	9	1	-	99
Scott Parnham	Chief Financial Officer (to 10 December 2017)	61	12	6	1	-	80
Peter Sheldon-Collins	General Manager, Planning & Infrastructure (to 10 November 2017)	57	(4)	15	(58)	154	164
<i>Key management personnel – Directors</i>							
Brian Scullin	Chair (from 13 August 2017)	39	-	4	-	-	43
Mark Ryan	Chair (to 12 August 2017)	6	-	1	-	-	7
Kerry Adby	Director	24	-	2	-	-	26
Hadley Sides	Director	24	-	2	-	-	26
Penny Morris	Director	26	-	-	-	-	26
Kim Evans	Director (from 19 December 2017)	-	-	-	-	-	-
<i>Total key management personnel remuneration</i>		517	51	61	(35)	154	750

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 2018-19 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.



Note 2: Expenses from Transactions continued

c) Related Party Transactions

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.

	2019 Aggregate value of transactions \$'000	30 June 2019 Total Amount Outstanding or Committed \$'000
Provision of professional services (on commercial arm's length terms)	5	-

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.

Key estimate and judgement

During 2018 the Corporation conducted a review of the estimated useful lives of its assets. As a result, effective 1 May 2018, the Corporation changed its estimates of the useful life of leasehold improvements to better reflect the estimated period in which these assets are to remain in service, in accordance with the established Vision Reset for the site. Therefore, the leasehold improvements, which

the Corporation had previously depreciated over a 25-year life, are now expected to remain in use for 10 years.

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

- **Building improvements** 10 years
- **Software amortisation** 4 years
- **Site security fencing** 10 years
- **Goods Shed improvements** 20 years
- **Car park and Red Square precinct** 4.5 years



Note 2: Expenses from Transactions continued

	2019 \$'000	2018 \$'000
Leasehold improvements depreciation	128	56
Software amortisation	-	105
Site security fencing	18	17
Goods Shed improvements	59	27
Car park and Red Square precinct	347	157
Total	552	362

2.3 Supplies and consumables

	2019 \$'000	2018 \$'000
Property services	74	134
Recruitment costs	-	(5)
Information technology	40	49
Other supplies and consumables	182	79
Communications	11	21
Consultants and contracted services	170	107
Advertising and promotion	62	17
Travel and transport	16	9
Operating lease	12	10
Insurance	38	30
Maintenance	27	-
Audit fees	30	25
Total	662	476

2.4 Contributions provided

The Corporation provides support to a number of community events and organisations by way of providing in-kind assistance, predominantly access to and use of site facilities.



Note 2: Expenses from Transactions continued

	2019 \$'000	2018 \$'000
Dark Mofo Sponsorship	83	80
RR.Memorial Forum	-	10
Wooden Boat Festival	100	-
Misha's Mates	59	-
Reconciliation Tasmania	5	-
Community events	30	3
Total	277	93

2.5 Macquarie Point project expenses

Macquarie Point project expenses relate to non-administrative expenses consumed to repair, insure, maintain and secure the Macquarie Point site and database asset.

Project costs where the transaction does not meet the definition of an asset are also expensed.

	2019 \$'000	2018 \$'000
Waste Water Treatment Plant decommissioning and relocation design project	19	23
Project consultations and travel	147	311
Site repairs and maintenance	80	282
Rates and insurances	108	44
Other costs	15	29
Total	369	689

2.6 Other Expenses

	2019 \$'000	2018 \$'000
Royal Engineers Building operational costs	20	26
Red Square site costs	149	19
Car parking management fee	56	49
Salary on-costs	7	19
Other expenses	3	9
Total	235	122



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

2017-18 Receivables were recognised at amortised cost, less any impairment losses; however, due to the short settlement period, receivables are not discounted back to their present value. In addition, receivables were subject to an annual review for impairment, where there was objective evidence that, as a result of one or more events that occurred after the initial recognition, the future cash flows have been affected.

From 2018-19, 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 nominal.

	2019 \$'000	2018 \$'000
Trade Receivables	42	66
Tax Assets	54	-
Accrued interest revenue	120	404
Accrued car parking revenue	65	47
Less: Expected credit loss	-	-
Total	281	517
Settled within 12 months	281	517
Total	281	517

3.2 Inventories

Inventories comprise 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.

	2019 \$'000	2018 \$'000
Land improvements – WIP (Remediation) at cost	5,750	4,414
Land improvements – WIP (Infrastructure) at cost	1,701	1,328
Cold Store at site cost	2,394	2,394
Macquarie Point development site (50% at fair value 30th June 2019)	17,567	-
Total	27,412	8,135



Note 3: Assets continued

Reconciliation of movements

2019	Development site \$'000	WIP Remediation \$'000	WIP Infrastructure \$'000	Cold Store \$'000	Total \$'000
Carrying Value at 1 July	-	4,414	1,328	2,394	8,135
Additions	17,567	1,336	373	-	19,277
Carrying amount at 30 June	17,567	5,750	1,701	2,394	27,412

2018	WIP Remediation \$'000	WIP Infrastructure \$'000	Cold Store \$'000	Total \$'000
Carrying Value at 1 July	4,115	1,250	2,004	7,369
Additions	299	78	390	766
Carrying amount at 30 June	4,414	1,328	2,394	8,135

In December 2016, the Tasmanian Government engaged with Mona to realise a new vision for the Macquarie Point site and directed the Corporation to develop a revised development plan based on the Mona vision. The carrying value of inventory of \$27.412 million (2018: \$8.135 million) is based on the assumption that the revised development plan will be approved substantially in the form submitted. The approval outcome is expected to occur during the 2020 financial year.

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*, 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 2019, the carrying value of the WIP assets was \$7.451 million (2018: \$5.741 million). As both requirements are met, no impairment of WIP



Note 3: Assets continued

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 at 30 June 2019 at \$40.325 million (\$20.162 million as inventory), less the estimated remaining cost of remediation of the section of the site classified as inventory \$2.595 million.

3.3 Property, plant and equipment

(i) Valuation basis

Land, buildings and other long-lived 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 self-constructed assets include 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).



Note 3: Assets continued

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 five 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.

3.4 Carrying amount

	2019 \$'000	2018 \$'000
Land		
At fair value 30 June 2019	16,181	-
Total	16,181	-
Public Open Space		
At cost	3,089	708
Less: Accumulated amortisation	(797)	(450)
Total	2,292	258
Buildings		
At cost (formerly Leasehold improvements)	1,092	1,092
At fair value 30 June 2019	719	-
Less: Accumulated amortisation/depreciation	(394)	(266)
Total	1,417	826
Building improvements (Goods Shed)		
At cost	2,197	190
Less: Accumulated amortisation	(93)	(34)
Total	2,104	156
Equipment		
At cost	169	169
Less: Accumulated amortisation	(67)	(49)
Total	102	119
Total property, plant and equipment	22,096	1,360

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 component).

The fair value of the site has been determined by an independent valuation by Knight Frank Tasmania as at 30 June 2019 at \$40.325 million (\$20.163 million as land and buildings). \$0.719 million has been assessed as buildings (see note below), therefore \$19.444 million is land. The value of the land has been further adjusted down by the estimated remaining cost of remediation of the section of the site \$3.263 million, resulting in land value \$16.181 million.



Note 3: Assets continued

Buildings

As noted above under the heading of "Land", a component of the Macquarie Point site that was transferred to the Corporation on 31 May 2019 has been classified as buildings with a value \$0.719 million.

Assets previously classified as leasehold improvements comprised alterations and additions to the Corporation's offices at 8a Evans Street, Hobart. Upon the transfer of the Macquarie Point land to the Corporation on 31 May 2019, these assets are reclassified as building, which is an attachment to the land.

a) Reconciliation of movements

2019	Land \$'000	Public Open Space \$'000	Leasehold Improv- ements \$'000	Buildings \$'000	Building Improv- ements \$'000	Equipment \$'000	Total \$'000
Carrying Value at 1 July	-	258	826	-	156	119	1,360
Transfer of asset class	-	-	(698)	698	-	-	-
Additions	16,181	2,381	-	719	2,007	-	21,288
Depreciation and amortisation	-	(347)	(128)	-	(59)	(17)	(552)
Carrying amount at 30 June	16,181	2,292	-	1,417	2,104	102	22,096

2018	Public Open Space \$'000	Leasehold Improv- ements \$'000	Building Improv- ements \$'000	Equipment \$'000	Total \$'000
Carrying Value at 1 July	430	882	198	139	1,649
Additions	2	-	-	-	2
Depreciation and amortisation	(156)	(56)	(27)	(16)	(255)
Macquarie Point project expense	(18)	-	(15)	(3)	(36)
Carrying amount at 30 June	258	826	156	119	1,360



Note 3: Assets continued

3.5 Other assets

a) Carrying amount

	2019 \$'000	2018 \$'000
Other assets		
Prepayments	81	74
Total	81	74
Settled within 12 months	81	74
Total	81	74



Note 4: Liabilities

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

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.

	2019 \$'000	2018 \$'000
Creditors	117	411
Accrued expenses	45	90
Total	162	501
Settled within 12 months	162	501
Total	162	501

Settlement is usually made within 30 days.



Note 4: Liabilities continued

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.

	2019 \$'000	2018 \$'000
Other assets		
Accrued salaries	8	10
Annual leave	107	102
Long service leave	186	154
Total	301	265
Settled within 12 months	271	160
Settled in more than 12 months	30	105
Total	301	265

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.

	2019 \$'000	2018 \$'000
Money held in trust	41	-
Revenue received in advance	13	-
Total	54	-
Settled within 12 months	54	-
Total	54	-

Money held in trust comprises contractor retention sums and lessee security bonds.



Note 5: Commitments and Contingencies

5.1 Schedule of Commitments

	2019 \$'000	2018 \$'000
By type		
<i>Capital commitments</i>		
Property, plant and equipment	132	-
Inventories	22	156
Site remediation	643	567
Total capital commitments	797	723
<i>Lease commitments</i>		
Operating leases	25	4
Total lease commitments	25	4
<i>Other commitments</i>		
Site activation	86	82
Site maintenance	3	10
Other services	105	-
Total other commitments	194	92
Total	1,016	819
By maturity		
<i>Capital commitments</i>		
One year or less	483	156
From one to five years	314	-
Total capital commitments	797	156
<i>Operating lease commitments</i>		
One year or less	11	4
From one to five years	14	-
Total lease commitments	25	4
<i>Other commitments</i>		
One year or less	193	443
From one to five years	1	215
Total other commitments	194	659
Total	1,016	819

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

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

The operating lease commitments include motor vehicles, information technology equipment leases, and the lease of the Royal Engineers Building.

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.



Note 5: Commitments and Contingencies continued

(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.

	2019 \$'000	2018 \$'000
Quantifiable Contingent Liabilities	-	-
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	-
Total quantifiable contingent liabilities	18,000	-



Note 6: Cash Flow Reconciliation

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.

	2019 \$'000	2018 \$'000
Cash at bank	541	920
Cash at Department of State Growth – Special Deposit and Trust Account	245	-
Total	786	920
Cash held in term deposits		
Term Deposits	21,000	27,500
Total	21,000	27,500
Total cash and deposits	21,786	28,420



Note 6: Cash Flow Reconciliation continued

6.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2019 \$'000	2018 \$'000
Net result from transactions (net operating balance)	33,405	(1,333)
Contributions received (nil consideration)	(34,467)	-
Depreciation and amortisation	552	362
(Gain) loss from sale of non-financial assets	6	-
Decrease (increase) in receivables	236	56
Decrease (increase) in other assets	(7)	(14)
Increase (decrease) in employee benefits	36	21
Increase (decrease) in payables	(338)	190
Net cash used by operating activities	(577)	(718)



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.

The Board has identified a range of issues related to the anticipated contamination

of the Macquarie Point site as a result of the considerable industrial activity that has occurred over many years. Appropriate risk management policies and remediation procedures have been developed within the context of the proposed eventual use of the site.

b) Credit risk exposures

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

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



Note 7: Financial Instruments continued

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 2019 and 1 July 2018 (adoption of AASB 9) are as follows:

Expected credit loss analysis of receivables as at 30 June 2019

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



Note 7: Financial Instruments continued

Expected credit loss analysis of receivables as at 1 July 2018 (adoption date of AASB 9)

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

c) 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.



Note 7: Financial Instruments continued

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

2019

Maturity analysis for financial liabilities

2019	1 Year \$'000	2 Year \$'000	3 Year \$'000	4 Year \$'000	5 Year \$'000	More than 5 Year \$'000	Undis- counted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	162	-	-	-	-	-	162	162
Total	162	-	-	-	-	-	162	162

2018

Financial liabilities								
Payables	501	-	-	-	-	-	501	501
Total	501	-	-	-	-	-	501	501

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:

	2019 \$'000	2018 \$'000
Fixed rate instruments		
Financial assets	281	517
Financial liabilities	(162)	(501)
Total	119	16
Variable rate instruments		
Cash at bank	21,786	28,420
Total	21,786	28,420



Note 7: Financial Instruments continued

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 \$'000	100 basis points decrease \$'000	100 basis points increase \$'000	100 basis points decrease \$'000
30 June 2019				
Cash and deposits	218	(218)	218	(218)
Net sensitivity	218	(218)	218	(218)
30 June 2018				
Cash and deposits	284	(284)	284	(284)
Net sensitivity	284	(284)	284	(284)

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

AASB 9 Carrying Amount	2019 \$'000
Financial assets	
Amortised cost	22,067
Total	22,067
Financial liabilities	
Financial liabilities measured at amortised cost	162
Total	162

AASB 9 Carrying Amount	2018 \$'000
Financial assets	
Cash and deposits	28,420
	517
Total	28,937
Financial liabilities	
Financial liabilities measured at amortised cost	501
Total	501



Note 7: Financial Instruments continued

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

	Carrying Amount 2019 \$'000	Net Fair Value 2019 \$'000	Carrying Amount 2018 \$'000	Net Fair Value 2018 \$'000
Financial liabilities				
Cash at bank	21,541	21,541	28,420	28,420
Cash in Special Deposit and Trust Fund	245	245	-	-
Other financial assets				
Receivables	281	281	517	517
Total financial assets	22,067	22,067	28,937	28,937
Financial liabilities (recognised)				
Other financial liabilities				
Payables	162	162	501	501
Total financial liabilities	162	162	501	501

7.4 Net Fair Values of Financial Assets and Liabilities

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



Note 7: Financial Instruments continued

2018	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial liabilities				
Cash at bank	28,420	-	-	28,420
Receivables	-	517	-	417
Total financial assets	28,420	517	-	28,937
Financial liabilities				
Payables	-	501	-	501
Total financial liabilities	-	501	-	501

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: Events Occurring After Balance Date

There have been no events subsequent to balance date that would have a material effect on the Corporation's Financial Statements as at 30 June 2019.



Note 9: Other Significant Accounting Policies and Judgements

9.1 Establishment and Objectives of the Organisation

The Macquarie Point Development Corporation (Corporation) was established via the *Macquarie Point Development Corporation Act 2012* (the 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; and
- 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; and
- incorporate principles of sustainability.

In December 2016, the Tasmanian Government engaged with Mona to realise a new vision for the site and directed 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 Plant;
- develop a comprehensive communication and stakeholder engagement plan for the reset; and
- review the resourcing requirements to deliver the first stage of the revised development plan.

9.2 Basis of Accounting

Financial Statements 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 and Audit Act 1990*.

The Financial Statements were signed by the Corporation's Chief Operations Officer on 2 August 2019.

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.

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.



Note 9: Other Significant Accounting Policies and Judgements continued

9.3 Reporting Entity

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

9.4 Functional and Presentation Currency

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

9.5 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 7 Financial Instruments: Disclosures* – The objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9. There is no financial impact.
- *AASB 9 Financial Instruments* – The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking expected credit loss

approach. The Department has applied AASB 9 cumulatively and has not restated comparative information which was reported under AASB 139. Any differences arising from the adoption of AASB 9 have been recognised directly to equity. There is no financial effect of the change in impairment model to that of expected credit loss under AASB 9.

There is no additional financial impact of changes to measurement categories or re-classification impacts due to the introduction of AASB 9.

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

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

- *AASB 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 20158 Amendments to Australian Accounting Standards - Effective Date of AAS 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact. The future impact of the Standard is expected to be minimal.
- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied. The financial impact will be minimal.



Note 9: Other Significant Accounting Policies and Judgements continued

- *2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15* – The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to revenue. The financial impact will be minimal.
- *AASB 16 Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The Standard will result in most of the Corporation's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term leases. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Corporation's current operating lease cost is shown at note 2.3. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the Corporation's current operating lease position can be found at 5.1. The financial impact is that one vehicle lease will be recognised and a right of use asset (\$23,242) and a lease liability (\$23,665).
- *AASB 1058 Income of Not-for-Profit Entities* – The objective of this Standard is to establish principles for not-for-profit entities that apply 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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The financial impact is expected to be minimal.
- *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. The financial impact is expected to be minimal.



Note 9: Other Significant Accounting Policies and Judgements continued

9.6 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.

9.7 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.

9.8 Taxation

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

9.9 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 Report

Opinion

I have audited the financial report of the Macquarie Point Development Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2019 and statements of comprehensive income, changes in equity and 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 report:

- (a) presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Macquarie Point Development Corporation Act 2012* 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 Report* 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* (the Code) that are relevant to my audit of the financial report 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 report of the current period. These matters were addressed in the context of my audit of the financial report 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
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<p>Land, buildings and inventories <i>Refer to notes 3.2 and 3.4</i></p> <p>Land at the Macquarie Point site was transferred from the Crown on 31 May 2019 for nil consideration and has been classified equally as land and buildings and inventory, in line with expected use. The fair value of the transferred assets at 30 June 2019, as determined by an independent valuer, totalled \$40.33m.</p> <p>The fair value of the land and buildings component, \$16.90m, was determined with reference to observable prices in an active market and adjusted down by estimated costs of future remediation.</p> <p>The carrying value of the inventory component recognised, \$17.57m, was also adjusted downward due to estimated remediation costs to ensure the value was fairly presented. During the year, the Corporation also made significant payments on remediation and infrastructure works that were added to existing inventory.</p> <p>Significant judgements were made in determining the valuation of the site and assessing future remediation costs.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts involved in the valuations. • Evaluating the appropriateness of the valuation methodology and challenging the appropriateness of the evaluation approach and key assumptions used. • Assessing assumptions and other key inputs in the valuation model. • Verifying additions to land, buildings and inventory. • Evaluating estimated remediation costs and management’s assessment process. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.
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Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Macquarie Point Development Corporation Act 2012* and for such internal control as they

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determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 report.

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

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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 report 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.



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

8 October 2019
Hobart

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Image: Nepal Fair
Image Credit: Muthu Guna's Viewfinder Photography