

# 2009 Annual Report



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# LETTER TO THE MINISTER


David Campbell MP  
Minister for Transport  
Minister for the Illawarra  
Level 35  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Minister,

I have pleasure in submitting the first Annual Report for Sydney Metro for the period 27 January to 30 June 2009.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the regulations under those Acts.

Yours sincerely,



**Simon Lane**  
Chair  
Sydney Metro



**Rodd Staples**  
Acting Chief Executive  
Sydney Metro

## CEO AND CHAIR'S REPORT

Sydney Metro was established on 27 January 2009. This inaugural Annual Report reflects the fact that this is an establishing year for the Authority, with organisational, Board and governance arrangements being put in place to support our main purpose and function – the planning and delivery of the new Sydney Metro network.

The NSW Government's commitments to improving Sydney's transport include the opening of Stage 1 (Rozelle to Central) of the new metro network by 2015. Stage 1 is the essential first step for metro in Sydney. It will be the central spine of a future metro system that will serve major urban corridors across Sydney.

With construction of Stage 1 scheduled to commence in 2010, our priority in the first five months at Sydney Metro has been to make sure we can meet this milestone.

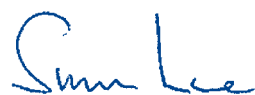
We are pleased to report that, consistent with this priority, Sydney Metro has achieved all its major goals for 2008-2009. We lodged the project application and preliminary environmental assessment for Stage 1 in March and in April released to 13 consortia expressions of interest documentation for the first of the major delivery contracts – the permanent route infrastructure contract – for Stage 1. In May, expression of interest documentation was released to 35 consortia worldwide for the other major Stage 1 contract – the integrated metro operations contract.

We also moved forward with the planning of Stage 2, which extends the metro from Central along the Parramatta Road corridor to Westmead. Stage 2 received support from a funding contribution of \$91 million in the federal May Budget. Subject to future funding decisions, construction of Stage 2 could commence as early as 2011.

Our priorities for 2009-10 are, for Stage 1, to secure planning approval, to complete essential land acquisitions, to award the contract for permanent route infrastructure and to substantially advance the second major construction contract for the integrated metro operations. For Stage 2, our priority is to complete and publicly exhibit the environmental assessment and to finalise a detailed business case in readiness to proceed to the tendering and construction phase.

We will also continue our strategic planning for the broader metro network under the Blueprint framework which NSW Transport and Infrastructure is preparing. The Blueprint will integrate urban growth and transport delivery across all transport modes.

Keys to our success in achieving these priorities will be the good working relationship that we as an organisation can develop with the community, key stakeholders and our partner agencies under the umbrella of NSW Transport and Infrastructure. Importantly, we have signed a partnership commitment with RailCorp to help us deliver the best rail transport outcomes for Sydney. We have also undertaken detailed consultation with the community, making use of an online forum as well as face to face contact through our community place managers, information sessions and workshops.



**Simon Lane**  
Chair Sydney Metro Board



**Rodd Staples**  
Acting Chief Executive

### HIGHLIGHTS 2008-2009

- **27 January 2009** Sydney Metro established
- **16 February 2009** Stage 1 (Rozelle to Central) project application and preliminary environmental assessment lodged and community consultation commenced
- **17 February 2009** Stage 1 Industry Forum attended by over 250 people
- **20 February 2009** Stage 1 corridor protected by inclusion in Infrastructure State Environmental Planning Policy
- **February 2009** Infrastructure Australia identified Stage 1 as a potential project in the national Infrastructure Project Pipeline
- **March – April 2009** Three community information sessions on Stage 1 attended by more than 300 people
- **30 March 2009** Tender process for Stage 1 commenced
- **20 April 2009** Test drilling for Stage 1 commenced
- **29 April 2009** Release of expression of interest documentation to 13 consortia for permanent route infrastructure contract
- **12 May 2009** Federal Government invested \$91 million in planning work for Stage 2 Central to Westmead
- **19 May 2009** Release of expressions of interest documentation to 35 consortia for the integrated metro operations contract
- **May 2009** Finalisation of alignment for Stage 1
- **23 June 2009** Launch of Town Hall Square proposal
- **27 June 2009** Community information session on Stage 1 attended by about 100 people
- **30 June 2009** Release of proposed alignment for Stage 2 from Central to Westmead via Leichhardt and Sydney Olympic Park

### TOWN HALL SQUARE: WORKING WITHIN THE CITY

Sydney Metro is working with key stakeholders to develop the best outcomes for the new metro system, its users and the surrounding community. For example, Stage 1 of the network will deliver a public square in the CBD as part of the construction of a new metro station at Town Hall.

The new Town Hall Square will highlight the features of this historical part of the city. As commuters and tourists exit from the underground metro they will emerge into a square which faces Town Hall and QVB.

The concept of a square bounded by Pitt, Park and George Streets was part of the City of Sydney Council's Sustainable Sydney 2030 plan.

Sydney Metro is working with the City of Sydney



as one of the major property owners, along with other private owners. Discussions will also commence with leaseholders in the area.

Construction on the new Town Hall Station is scheduled to commence in 2010. The City of Sydney will be responsible for the space when the site becomes available after the construction of the new metro station.



# ABOUT SYDNEY METRO

Sydney Metro was established to plan and deliver a new metro system for Sydney and, in the longer term, to oversee the operations of the Sydney Metro network.

The NSW Government's 2005 *Metropolitan Strategy* identified the pattern of urban development to meet the planned growth of Sydney. The Strategy places particular emphasis on development within the existing urban area.

In 2006, the Government outlined in its *Urban Transport Statement* the contribution a metro network could make towards meeting the transport and land use challenges of Sydney. It was recognised that metro rail was well-suited to

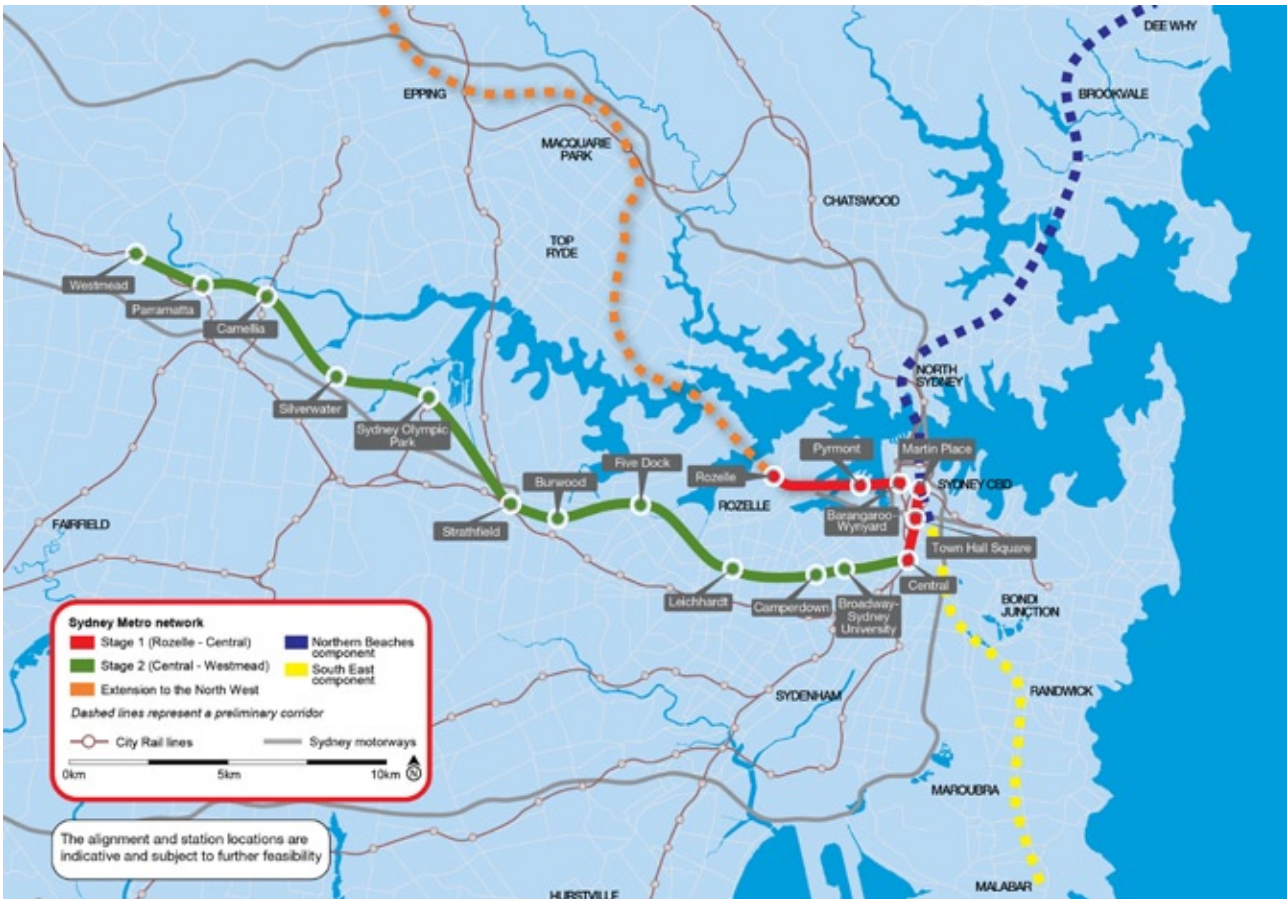
linking major centres and serving high demand corridors in inner and middle-ring areas.

In November 2008, funding was confirmed for the Sydney Metro Network Stage 1 (Rozelle to Central) as the foundation of the network. At this time the NSW Government also announced that the western corridor would be its first priority for extension of the network.

In the May 2009 Federal Budget the Australian Government contributed a further \$91 million towards Stage 2 of a metro network. Stage 2 will extend from Central to Westmead via the Parramatta Road corridor.

In the longer term, a broader network of metros is planned to serve major transport corridors that are not currently serviced by mass transit, or do not have the capacity to meet future needs. This is expected to include a number of Sydney's most heavily used and congested bus corridors, such as Victoria Road, Anzac Parade and Military Road.

Stage 1 (Rozelle to Central) will form the central spine to which other metros will link or interchange. As such, the NSW Government considers it the logical and first critical step in the transformation of Sydney's transport system. Construction on Stage 1 will commence in 2010.



Stage 1 and Stage 2 of the Sydney metro network, including proposed future extensions to the north, north-west and south-east.

## Our charter

Sydney Metro is a statutory authority established on 27 January 2009 under Part 6A of the *Transport Administration Act 1988*. Our chief legislative functions are:

- to develop metro railway systems;
- to hold, manage and maintain rail infrastructure facilities of metro railways; and
- to carry out development, or facilitate, manage or finance development, on land located on, or in the vicinity of, metro railway systems.

## Our vision and values

Sydney Metro's corporate goals have been developed in recognition of our responsibilities to the New South Wales community.

Our vision is to deliver a fast, frequent, safe and reliable metro system well-connected with existing transport, attractively integrated into the urban fabric and embraced by the people of Sydney.

In undertaking the tasks necessary to realise this vision, Sydney Metro seeks to be an operationally excellent and trusted organisation. Our values are:

- Openness – being honest, ethical, fair and trustworthy in all our dealings with all our stakeholders

- Results – applying our professionalism, passion and expertise to deliver quality outcomes
- Safety – ensuring that the community, our customers, and our workers are safe
- Sustainability – being committed to socially and environmentally responsible outcomes
- Capability – providing opportunities for our people to grow and the organisation to develop
- Best practice – focusing on financial accountability, efficiency and continuous improvement
- Innovation – finding creative ways to build on, established methodologies
- Contribution – delivering world-class public transport solutions for Sydney.

## Our stakeholders

- The NSW community
- Future metro users
- Other Sydney transport users
- Local communities – the people who live and work near the metro
- Special interest groups and non-government organisations
- Business groups
- Transport and construction industries
- Local government
- NSW Government agencies
- Federal Government

## WORKING IN PARTNERSHIP

In May 2009, the Chief Executives of RailCorp and Sydney Metro signed a partnership commitment, marking the start of a long-term collaborative partnership between the two agencies in the delivery of public transport services to the people of Sydney.



Our functions and activities

On the basis of our legislative charter, Sydney Metro has developed its core commercial and non-commercial activities against which its performance as an organisation can be assessed annually. These four activities are:

Strategic planning and feasibility analysis of future metros

This activity focuses on the analysis and development of a metro network, using up-to-date transport, demographic and other data to identify patterns of change and opportunities for metro lines which will transform travel behaviour, support growth and reduce congestion, link major centres for employment, health

and education, shape urban areas around transport and contribute to urban renewal in key transport corridors. Feasibility studies and business cases for metro lines are developed for consideration by Government. Our shadow operator plays a key role contributing international experience to the analysis and development of business cases.

Planning approval and delivery of metro projects

Sydney Metro has responsibility for seeking planning approval for individual metro projects under the *Environmental Planning and Assessment Act 1979*. Detailed environmental assessments of individual projects are submitted to the Department of Planning and placed on public exhibition. During

this time extensive community consultation on the project is undertaken. If granted, planning approval will specify environmental planning conditions under which construction and operations of the metro must be conducted.

As specified in the enabling legislation, Sydney Metro also acquires land necessary for construction and operation of the metro.

Metro delivery encompasses the design and construction elements of the project, from the development of a reference design and engineering standards through to enabling works, the management of the major construction contracts and management of the cost program.

Management of the operating metro system

It is anticipated that metro lines in Sydney will be privately operated. The *Transport Administration Act* (Part 6a, 55c) enables Sydney Metro to enter into leases or licences, or other arrangements, with persons to operate and/or maintain metro railway passenger services and systems. This means that Sydney Metro will monitor the performance of private operators and maintainers according to key performance indicators established by Sydney Metro. These will include matters such as quality, reliability and safety of the metro service. Accordingly, Sydney Metro must maintain an expert level of understanding of metro products and operations. During the project development phase.

The Sydney Metro shadow operator provides essential advice on all matters relating to an operational metro service, from technical specifications through to customer service.

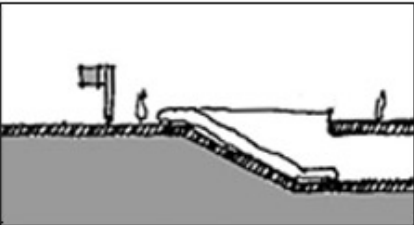
Development of land around metro stations

The legislation also provides for Sydney Metro to develop station plans for the development of land within a station precinct. This includes for the purposes of bus or rail interchanges, traffic and parking, pedestrian links and access, retail and commercial development associated with metro stations, public domain amenities and improvements, station design and amenity. Station plans are prepared in parallel with the environmental assessment documentation for each metro project.

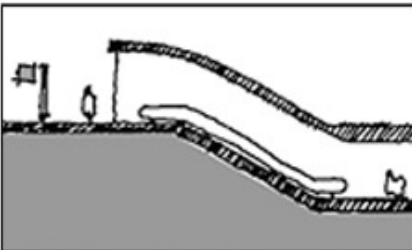
For all of the above core activities, we have established objectives, strategies, priorities and targets or assessment criteria. Achievements in these activities for 2008-2009 are detailed in the Year in Review section below.

In addition to our work on planning and delivering metro projects, in our first five months we have focused on establishing the organisation, Board processes, governance arrangements, key organisation policies and critical management systems. These will be fully reported on in our Annual Report for 2009-2010.

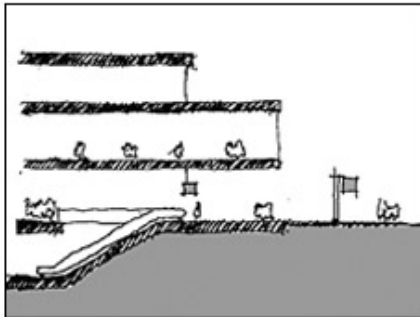
Station Entrances



a. open cut



b. pod



c. commercially integrated

Types of entrances which could be used at Sydney's metro station.



An example of a central operating room for a metro network

# WHO WE ARE: MANAGEMENT AND STRUCTURE



Provisional organisational structure 2008-2009

As set out in its legislation, Sydney Metro is led by its chief executive. Its structure includes a five member Board.



Rodd Staples Acting Chief Executive of Sydney Metro

## Chief Executive

The Chief Executive manages and controls the affairs of Sydney Metro in line with the policies of the Board.

In January 2009, Mr Les Wielinga was appointed as the Chief Executive by the NSW Transport Minister. In mid-June, Mr Wielinga became the head of the newly created NSW Department of Transport and Infrastructure and Mr Rodd Staples was appointed Acting Chief Executive of Sydney Metro.

## Executive Team

Sydney Metro is made up of seven executive streams reporting to the CEO. These areas reflect and/or support the four main activity areas which Sydney Metro will report on annually.

- Strategy and Metro products
- Station precinct and planning approvals
- Metro delivery
- Metro operations
- Stakeholder liaison
- Finance and corporate services
- General counsel

## Sydney Metro team

A team of about 70 people make up Sydney Metro. This team was first formed to work on the metro project in 2008, before the establishment of Sydney Metro as an entity. These people include personnel from other Government agencies supported by some contractors with specialist expertise.

During the reporting period, the organisational structure of Sydney Metro was still being finalised and only two employees – including the former Chief Executive - were employed by Sydney Metro itself. Other team members were still employed

by those NSW Government agencies from which they were seconded to work on the project. This situation is reflected in the information provided on human resources included in the financial statements and appendices.

Our team includes specialists from both the public and private sector with a wealth of expertise from a variety of infrastructure projects, internationally and within Australia.

In a first for an Australian transport infrastructure project, a shadow operator forms part of the Sydney Metro team in order to ensure our technical designers get the system right

for the passenger and the future operator. With our shadow operator providing operational expertise while the project is in its design stage, we are ensuring that the customer and the quality of the operating system remain the focus.

Every aspect of the system is subject to scrutiny from the experts in our shadow operator team, who have worked on similar projects in London, Singapore, Brussels, Hong Kong, Philadelphia and Kuala Lumpur.



Sydney Metro Board

In accordance with s55G of the *Transport Administration Act* 1988, Sydney Metro’s Board determines the organisation’s policies and ensures that its activities are carried out properly and efficiently. Board members are appointed by the Minister. The Sydney Metro Board meets monthly. For the reporting period Mr Chris Herbert was Chair of the Board. Ms Carolyn Walsh, Mr Simon Lane, Mr Michael Schur and Mr Rodd Staples are the members of the Board.

It should be noted that after the 2008-09 reporting period, Mr Herbert resigned as Chair. The Minister appointed Mr Simon Lane as the new Chair.

Chris Herbert Chair

Mr Herbert was appointed chair of the Board in March 2009. He is one of Australia’s most experienced infrastructure executives and project directors, having led large multidisciplinary teams for complex projects including many major transport projects. He has expertise in public/private relationship contracting, project procurement, contracts and regulatory regimes, quality systems, commissioning and operations start-up.

Rodd Staples Acting Chief Executive Sydney Metro

Mr Staples has worked in the areas of transport and infrastructure planning, property and project development and has qualifications in engineering and finance. He has extensive experience in both the public and private sectors and has led a range of complex transport and infrastructure programs in New South Wales, Queensland and Victoria. Mr Staples joined the Project Team for metros in 2008 from the NSW Ministry of Transport where he led the Centre for Transport Planning.

Simon Lane

Mr Lane is a transport consultant with extensive experience in heavy rail, metro, light rail and train systems in the UK, Singapore and Australia. He has been involved in planning and implementing new projects as well as improving the performance and culture of established operations. He has led three large urban railway systems – SBS Transit in Singapore, State Rail Authority in NSW and Met Trains Victoria.

Carolyn Walsh

Ms Walsh is a consultant with 25 years’ experience in industry policy, transport systems and safety and regulation, working with both the New South Wales and Federal Governments. In 2003 she led the project team to establish the Independent Transport Safety and Reliability Regulator following the Waterfall rail tragedy. Ms Walsh was its Chief Executive for more than five years, introducing significant reforms in operating standards, compliance and reporting.

Michael Schur

Mr Schur is Secretary of the NSW Treasury. He was previously the Deputy Secretary of the Office of Financial Management. Mr Schur has worked internationally through the World Bank, advising governments on infrastructure reforms, including transport. He has also been an advisor to the South African Ministry of Finance and a senior consultant and project manager in Ernst and Young’s consulting business.

Board meetings and attendance 2008-09

| Member                                   | Meetings eligible to attend | Meetings Attended | Meetings attended by Deputy |
|--|-----------------------------|-------------------|-----------------------------|
| Chair                                    | 3                           | 3                 |                             |
| Chief Executive (L. Wielinga/R. Staples) | 3                           | 3                 |                             |
| Simon Lane                               | 3                           | 3                 |                             |
| Carolyn Walsh                            | 1                           | 1                 |                             |
| Michael Schur                            | 1                           |                   | 1 (Richard Timbs )          |

The Board also established an Audit and Risk Committee to provide independent assurance and assistance to the Board on Sydney Metro’s risk, control and compliance framework, and its external accountability responsibilities.

The members of the Audit and Risk Committee are Ms Carolyn Walsh (Chair), Ms Patricia Azarias, Mr Allan Cook and Mr Simon Lane. The Committee was established in June 2009 but did not hold any meetings during the reporting period.



Artist's impression of Rozelle Station precinct.

# Our activities: the year in review

## Summary

Sydney Metro has four key activity areas which reflect the functions assigned to it under the *Transport Administration Act*.

- Strategic planning and feasibility analysis
- Planning approval and delivery of metro projects
- Management of the operating metro system
- Development of land around metro stations

These activities are supported by other groups within the organisation, including the stakeholder liaison group, finance and corporate services and general counsel.

The main focus of Sydney Metro's first five months has been on the first two of these activities – strategic planning and feasibility analysis and planning approval and delivery of Stage 1 (Rozelle to Central).

### Strategic planning and feasibility analysis: key outcomes 2008-2009

- Completion of feasibility study for Stage 2 (Central to Westmead)
- Endorsement of alignment and station locations for Stage 2
- Progress on Metro Network Strategy, scheduled for completion December 2009



### Key focus for 2009-2010

- Completion of business case for Stage 2
- Completion of Metro Network Strategy in line with NSW Transport Blueprint

### Planning approval and delivery: key outcomes 2008-2009

- Lodgement of project application and preliminary environmental assessment for Stage 1
- Commencement of environmental assessment for Stage 1
- Issue of expression of interest documentation for major construction contracts Stage 1
- Commencement of preparation of preliminary environmental assessment for Stage 2.

### Key focus 2009-2010

- Exhibition and determination of environmental assessment including station plans for Stage 1
- Exhibition and finalisation of station plans
- Award of major construction contract for permanent route infrastructure for Stage 1
- Completion of land acquisitions and enabling works for Stage 1
- Lodgement of project application and preliminary environmental assessment for Stage 2
- Issue of expression of interest documentation for major construction contracts Stage 2.

## COMMUNICATING OUR ACTIVITIES

In the reporting period more than 400 people attended four community information sessions in March, April and June.

There were more than 17 000 visitors to the Sydney Metro website, more than 150 phone and email enquiries, and over 60 comments posted on the online forum.

During April, street, phone and business surveys were conducted at specific sites around station locations and within the local communities.

Publications during the reporting period:

- Stage 1 Preliminary environmental assessment and summary brochure
- Five Stage 1 project fact sheets
- Two newsletters containing Stage 1 project updates distributed to 18500 properties in Rozelle, Balmain, Birchgrove, Lilyfield and Pyrmont
- Three E-newsletters issued to electronic subscribers
- Sydney Metro draft Corporate Plan made available for comment

All of these publications were available on the website.

Sydney Metro has two place managers for Stage 1 ensuring that the local community has direct access to a single point of contact at Sydney Metro. The place managers have a liaison role between the community and the project. They are also primarily responsible for consultation with residents and businesses affected by property acquisitions.

Around 600 letters were sent to all property owners within the Stage 1 metro rail corridor. A further 160 letters were sent to targeted residents, organisations and businesses inviting one on one meetings or notification of information sessions. Information sessions were advertised in the media (on 18 separate occasions in six local newspapers) and on the Sydney Metro website.

In addition, the project team met regularly with key community stakeholders, local government, NSW agencies and other authorities in one on one sessions and workshops.

Our communications activities will continue in 2009-2010 with the same level of support provided for community involvement in Stage 2.

## OVERLEAF

The four tables on the following pages provide detail on our achievements in 2008/2009, measured against our key strategies and priorities.



Activity 1:

Strategic planning and feasibility analysis

Objectives

- A metro system compatible with land use development and effectively contributing to people movement as part of the total transport system
- A metro system that integrates effectively with other transport modes
- Feasible metro system expansion packages that focus on customer needs and strengthen the economic development of Sydney.

| STRATEGIES  | PRIORITIES   | TARGETS / ASSESSMENT CRITERIA  | ACHIEVEMENTS 2008-09   |
|---|--|--|--|
| Create and use the Metro Network Strategy to guide future development of the metro system         | ● Create and regularly update the Metro Network Strategy   | ● Detailed Metro Network Strategy completed by December 2009<br>● Evidence of annual review  | ● Metro Network Strategy in preparation under NSW Transport and Infrastructure draft Blueprint framework and <i>Metropolitan Strategy</i> for Sydney.<br>● Consultation on Strategy commenced with key partners in State and Federal Governments   |
|   | ● Utilise up-to-date data and forecasts of travel patterns, employment and population trends and customer research to optimise decisions in the Metro Network Strategy | ● Evidence of interaction and cooperation with the Transport Data Centre (Ministry of Transport) and Department of Planning<br>● Inclusion of up-to-date information in the Metro Network Strategy | ● Regular interaction and information exchange with Ministry of Transport and Department of Planning, utilising latest data as it is made available<br>● Contribution to development of NSW Transport and Infrastructure draft Blueprint framework |
|   | ● Confirm compatibility of the Metro Network Strategy with State land use and transport plans  | ● Evidence of interaction and cooperation with the Ministry of Transport<br>● Evidence of interaction with the Transport Chief Executive Cluster   | ● Metro Network Strategy being developed under Blueprint framework and <i>Metropolitan Strategy</i> for Sydney   |
| Create and use the product specification to define the customer requirements for the metro system | ● Appoint a shadow operator to provide high level metro knowledge and expertise in system design and day-to-day operational management                                 | ● Appointment of shadow operator and evidence of outputs   | ● Shadow operator appointed and product specification and reference concept of operations produced   |
|   | ● Draft a comprehensive product specification that defines a safe, fast, frequent and reliable metro system including technical and performance requirements           | ● Existence of product specification document<br>● Use of the product specifications in delivering metro system expansion packages   | ● Shadow operator commenced input to Stage 2   |
| Establish feasible metro network expansion packages   | ● Undertake scenario analysis to identify future metro network expansion packages including consideration of land use, demand and economics                            | ● Evidence of scenario analysis  | ● Progress towards business plans for key metro corridors<br>● Discussions with Department of Planning and NSW Transport and Infrastructure on master planning framework for key metro station precincts   |
|   | ● Prepare comprehensive business cases for programmed metro packages   | ● Existence of business cases<br>● Progress reports on feasibility analysis  | ● Progress on integrated transport land use strategies for metro corridors   |

## Activity 2:

### Planning approval and delivery of metro projects

#### Objectives

- Maximise the benefits to the customer and community and mitigate impacts of the metro system
- Deliver metro projects on time and on budget
- Safely deliver a high quality, well engineered infrastructure product
- Deliver a metro system that integrates effectively with other transport modes and provides high quality customer service

| STRATEGIES  | PRIORITIES  | TARGETS / ASSESSMENT CRITERIA  | ACHIEVEMENTS 2008-09  |
|---|---|--|---|
| Facilitate constructive community input into the detailed planning of metro projects  | ● Establish place managers to coordinate input into projects under environmental assessment   | ● Engagement of place managers   | ● Engagement of two place managers for Stage 1  |
|   | ● Actively seek community engagement and input through multiple means including direct mail, place managers, information sessions, websites and e-consult | ● Regular community and stakeholder consultation reports identifying issues and responses and evidence of community consultation and feedback via website and other mechanisms   | <ul style="list-style-type: none"> <li>● An independently monitored online community forum, where discussion topics are posted in order to encourage discussion and debate.</li> <li>● Community polls and surveys April 2009</li> <li>● Email updates.</li> <li>● Place Managers meetings with local residents and businesses</li> <li>● Community information sessions conducted March-April and June.</li> </ul> |
|   | ● Ensure issues identified by the community and stakeholders are carefully considered in project planning and design                                      | <ul style="list-style-type: none"> <li>● Report detailing this consideration</li> <li>● Details in Environmental Assessment</li> </ul>   | ● Recorded for input into environmental assessments.  |
| Ensure Sydney Metro projects meet State and Federal environmental planning objectives and statutory requirements                            | ● Undertake environmental assessments in accordance with State and Federal environmental planning objectives and statutory requirements                   | ● Planning approval under the <i>Environmental Planning and Assessment Act</i> and compliance with Federal legislation as appropriate  | ● Project application and preliminary environmental assessment for Stage 1 lodged 16 February 2009.   |
|   | ● Undertake environmental assessments in consultation with key stakeholders and community   | ● Evidence of consultation in environmental assessment reports and on Sydney Metro website   | ● Consultation undertaken as detailed above   |
| Ensure that the principles of environmental sustainability are a prime consideration in the development and operation of all metro projects | ● Develop and implement a Sydney Metro Sustainability Plan  | ● Sustainability Plan completed by November 2009   | ● Sustainability plan in preparation  |
| Ensure Sydney Metro is an informed buyer of metro products  | ● Establish an appropriate technical capability within Sydney Metro   | ● Assessment by Chief Executive  | <ul style="list-style-type: none"> <li>● Organisation plan being developed with position descriptions and competencies for technical staff</li> <li>● Technical Adviser contracts award for engineering rail systems and other technical areas</li> </ul>   |
|   | ● Prepare and regularly review product and technical specifications   | ● Library of contract documents, specifications and processes  | ● Stage 1 EOI documentation completed and released to interested parties.   |
|   | ● Conduct training programs for technical staff   | ● Records of training  | ● Training undertaken where necessary by technical advisers   |
| Utilise world class project management and contract administration procedures   | ● Establish appropriate project management and procurement processes  | <ul style="list-style-type: none"> <li>● Initial set of procedures by 30 June 2009</li> <li>● Evidence of regular review</li> </ul>  | ● Procurement procedures established  |
|   | ● Regularly monitor project progress and performance  | <ul style="list-style-type: none"> <li>● Monitoring reports against key project statistics <ul style="list-style-type: none"> <li>- progress against budget and time plan and</li> <li>- corrective actions if required</li> </ul> </li> </ul> | ● Monitoring undertaken in consultation with NSW Treasury, with outcomes reported to NSW Cabinet.   |
|   | ● Ensure quality of products and value for money  | ● Evidence in contract documentation   | ● Not applicable in reporting period  |
|   | ● Clearly establish and manage both time and physical interfaces between contract processes   | <ul style="list-style-type: none"> <li>● Detailed interface schedules and supporting information for physical works</li> <li>● Interface dates specified in Master Program</li> </ul>  | ● Master program (including interface dates) prepared for Stage 1 and submitted to NSW Cabinet  |
|   | ● Ensure safety considerations in the design and construction of metro projects   | <ul style="list-style-type: none"> <li>● Safety Management Plan in place by November 2009</li> <li>● Evidence of implementation of Safety Management Plan</li> </ul>   | ● Safety Management Plan in preparation   |
|   | ● Establish appropriate systems for financial management and administration of Sydney Metro   | ● Monitoring reports on actual versus budget, staff numbers, staff training, overhead costs and key performance indicators   | ● Reports routinely prepared for Executive and Board  |
| Effectively manage project interfaces   | ● Identify project impacts with key stakeholders  | ● Evidence of assessment of interface impacts, progress of investigations, and consultation with stakeholders  | ● Record of consultation with key stakeholders maintained   |
|   | ● Establish interface agreements where appropriate  | ● Existence of interface agreements  | ● Three interface agreements in preparation   |



## Activity 3:

### Management of the operating metro system

#### Objectives

- Inform and satisfy metro customers
- Achieve high level of community and stakeholder engagement and support for metro
- Ensure a safe metro system protected from disruption by third party activity
- Provide appropriate incentives to private operator and maintainer of the metro to deliver a successful and high quality transport service
- Achieve recognition of Sydney Metro as a leading expert on metro products and operation

| STRATEGIES  | PRIORITIES  | TARGETS / ASSESSMENT CRITERIA   | ACHIEVEMENTS 2008-09   |
|---|---|---|--|
| <b>Monitor performance of the operating metro system</b><br>Note: operation is expected to commence in 2015         | ● Establish and monitor key performance indicators  | ● Level of public satisfaction<br>● Level of on-time running<br>● Safety record   | ● Not applicable in the reporting period   |
|   | ● Monitor performance of the private operator and maintainer  | ● Contract obligations  | ● Not applicable in the reporting period   |
|   | ● Publish performance details on the Sydney Metro website   | ● Content of website<br>● Evidence of regular update  | ● Not applicable in the reporting period   |
| <b>Ensure metro lines operate to an optimum level of safety and security in accordance with world best practice</b> | ● Establish safety management systems<br>● Seek safety accreditation from Independent Transport Safety and Reliability Regulator (ITSRR) on basis of safety inclusions in product specifications<br>● Ensure safety is an organisational priority | ● Evidence of safety requirements in all contract documents<br>● Granting of safety accreditation by ITSRR<br>● Assessment by the Chief Executive | ● Not applicable in the reporting period   |
| <b>Ensure Sydney Metro has expert level of knowledge of metro products and operation</b>                            | ● Establish the technical and administrative capability in Sydney Metro   | ● Assessment by the Chief Executive   | ● Shadow operator appointed and provided expert level of knowledge on metro products and operations<br>● Organisation plan being developed with position descriptions and competencies for technical staff |
|   | ● Conduct training programs for technical staff   | ● Records of training   | ● Not applicable in the reporting period   |
|   | ● Establish library of technical specifications, works as executed plans and administration processes   | ● Evidence of existence of documents  | ● Product and technical specifications under development   |
| <b>Protect the metro system asset</b>   | ● Ensure effective interaction with key stakeholders  | ● Evidence of interaction and report on issues arising  | ● Not applicable in the reporting period   |
|   | ● Maintain up-to-date legal instruments to protect the corridors  | ● Evidence of existence   | ● Gazettal of amendment to Infrastructure SEPP   |
|   | ● Enhance community support through communication, information and marketing of the system  | ● Evidence of existence   | ● Not applicable in the reporting period   |

Activity 4:

Development of land around metro stations

Objectives

- Sensitive and financially sound developments on land in the vicinity of the metro
- A strong compatibility between land use development and the metro system
- High quality urban design outcomes

| STRATEGIES   | PRIORITIES   | TARGETS / ASSESSMENT CRITERIA   | ACHIEVEMENTS 2008-09  |
|--|--|---|---|
| Station plans to guide landuse development at metro stations   | ● Create and regularly review station plans  | <ul style="list-style-type: none"><li>● Existence of station plans</li><li>● Evidence of interaction with and endorsement from the NSW Department of Planning</li></ul> | <ul style="list-style-type: none"><li>● Station plans for Stage 1 in preparation</li><li>● Station plan working group established including representatives from Department of Planning</li></ul> |
|  | ● Ensure appropriate stakeholder engagement and input into the development of station plans  | <ul style="list-style-type: none"><li>● Evidence of inclusion in the station plans</li><li>● Evidence of consultation with local government and communities</li></ul>   | ● Ongoing discussions with relevant councils  |
|  | ● Include urban design objectives in station plans   | ● Evidence of inclusion in the station plans  | ● Station plans for Stage 1 in preparation  |
| Establish feasible and viable development proposals on land located on, or in the vicinity of, the Metro | ● Undertake scenario analysis to identify future development packages including consideration of financial feasibility and relationship to the Metropolitan Strategy | ● Existence of the analysis   | ● Not applicable in the reporting period  |
|  | ● Develop business cases for future development packages   | ● Existence of the business case  | ● Not applicable in the reporting period  |



# SydneyMetro

## FINANCIAL REPORT

**for the period**  
**27 January 2009 to 30 June 2009**



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Sydney Metro

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Sydney Metro, which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the period then ended, a summary of significant accounting policies and other explanatory notes for both Sydney Metro and the consolidated entity. The consolidated entity comprises Sydney Metro and the entities it controlled at the period's end or from time to time during the financial period.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of Sydney Metro and the consolidated entity as at 30 June 2009, and of their financial performance for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

#### Board's Responsibility for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of Sydney Metro or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

S R Stanton  
Director, Financial Audit Services

SYDNEY  
16 October 2009



SYDNEY METRO

Financial Report for the period 27 January 2009 to 30 June 2009

STATEMENT BY THE BOARD MEMBERS

- Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act, 1983* and in our capacity as Chairman and Board Member of Sydney Metro, we declare that in our opinion:
- (1)

The accompanying financial report, consisting of the income statement, statement of recognised income and expense, balance sheet, cash flow statement and the notes accompanying and forming part of the financial report, exhibits a true and fair view of the financial position of Sydney Metro as at 30 June 2009 and of its financial performance for the period 27 January to 30 June 2009.
- (2)

This financial report has been prepared in accordance with the provisions of the applicable Australian Accounting Standards, including Australian Accounting Interpretations, and other mandatory and statutory reporting requirements including the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005 and the NSW Treasurer’s Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

Signed in accordance with a resolution of the Board.

Chairman  
Sydney Metro  
14/10/2009

Acting Chief Executive and Board Member  
Sydney Metro  
14/10/2009

SYDNEY METRO

Start of Audited Financial Statements

Income Statement for the period 27 January 2009 to 30 June 2009

|   | Note | Consolidated<br>27 January –<br>30 June 2009<br>\$'000 | Sydney Metro<br>27 January –<br>30 June 2009<br>\$'000 |
|---|------|--|--|
| REVENUE   |      |  |  |
| Government grants                                 | 3(a) | 171 812  | 171 812  |
| Interest income                                   | 3(b) | 541  | 541  |
| Total Revenue                                     |      | 172 353  | 172 353  |
| EXPENSE   |      |  |  |
| Operating expense                                 |      |  |  |
| Operating costs (including Personnel Services)    | 4    | 3 791  | 3 791  |
| Depreciation and amortisation                     | 5    | 104  | 104  |
| Total Expense                                     |      | 3 895  | 3 895  |
| Surplus for the period from continuing operations |      | 168 458  | 168 458  |

The Income Statement above should be read in conjunction with the accompanying notes.

## SYDNEY METRO

### Statement of Recognised Income and Expense for the period 27 January 2009 to 30 June 2009

|   | Note | Consolidated<br>27 January –<br>30 June 2009<br>\$'000 | Sydney Metro<br>27 January –<br>30 June 2009<br>\$'000 |
|---|------|--|--|
| <b>Net income/(loss) recognised directly in equity</b>    |      | 0  | 0  |
| <b>Surplus for the period from continuing operations</b>  |      | 168 458  | 168 458  |
| <b>Total income and expense recognised for the period</b> | 11   | <b>168 458</b>   | <b>168 458</b>   |

The Statement of Recognised Income and Expense above should be read in conjunction with the accompanying notes.

## SYDNEY METRO

### Balance Sheet as at 30 June 2009

|                                      | Note | Consolidated<br>30 June 2009<br>\$'000 | Sydney Metro<br>30 June 2009<br>\$'000 |
|--------------------------------------|------|--|--|
| <b>ASSETS</b>                        |      |  |  |
| <b>Current Assets</b>                |      |  |  |
| Cash and cash equivalents            | 6    | 172 653                                | 172 653                                |
| Trade and other receivables          | 7    | 3 756                                  | 3 756                                  |
| <b>Total Current Assets</b>          |      | <b>176 409</b>                         | <b>176 409</b>                         |
| <b>Non-Current Assets</b>            |      |  |  |
| Property, plant and equipment        | 8    | 65 053                                 | 65 053                                 |
| <b>Total Non-Current Assets</b>      |      | <b>65 053</b>                          | <b>65 053</b>                          |
| <b>Total Assets</b>                  |      | <b>241 462</b>                         | <b>241 462</b>                         |
| <b>LIABILITIES</b>                   |      |  |  |
| <b>Current Liabilities</b>           |      |  |  |
| Trade and other payables             | 9    | 21 255                                 | 21 255                                 |
| <b>Total Current Liabilities</b>     |      | <b>21 255</b>                          | <b>21 255</b>                          |
| <b>Non-Current Liabilities</b>       |      |  |  |
| Provisions                           | 10   | 140                                    | 140                                    |
| <b>Total Non-Current Liabilities</b> |      | <b>140</b>                             | <b>140</b>                             |
| <b>Total Liabilities</b>             |      | <b>21 395</b>                          | <b>21 395</b>                          |
| <b>Net Assets</b>                    |      | <b>220 067</b>                         | <b>220 067</b>                         |
| <b>EQUITY</b>                        |      |  |  |
| Accumulated funds                    | 11   | 168 458                                | 168 458                                |
| Contributed equity                   | 12   | 51 609                                 | 51 609                                 |
| <b>Total Equity</b>                  |      | <b>220 067</b>                         | <b>220 067</b>                         |

The Balance Sheet above should be read in conjunction with the accompanying notes.



SYDNEY METRO

Cash Flow Statement for the period 27 January 2009 to 30 June 2009

|  | Note  | Consolidated<br>27 January –<br>30 June 2009<br>\$'000 | Sydney Metro<br>27 January –<br>30 June 2009<br>\$'000 |
|--|-------|--|--|
| <b>Cash Flow from Operating Activities</b>   |       |  |  |
| Government grants received   |       | 171 812  | 171 812  |
| Interest income received   |       | 541  | 541  |
| Operating expenditure payments   |       | (2 373)  | (2 373)  |
| Net cash flow from Operating Activities  | 16(a) | 169 980  | 169 980  |
| <b>Cash Flow from Investing Activities</b>   |       |  |  |
| Payments for capital work-in-progress  |       | (26 928)   | (26 928)   |
| Purchases of property, plant & equipment   |       | (255)  | (255)  |
| Net cash flow from Investing Activities  |       | (27 183)   | (27 183)   |
| <b>Cash Flow from Financing Activities</b>   |       |  |  |
|  |       | 0  | 0  |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>  |       | 142 797  | 142 797  |
| <b>Cash and Cash Equivalents at the Beginning of the Period</b>  |       | 0  | 0  |
| <b>Cash transferred in</b> <i>(due to administrative restructure creating Sydney Metro as an agency)</i> |       | 29 856   | 29 856   |
| <b>Cash and Cash Equivalents at the End of the Period</b>  | 6     | 172 653  | 172 653  |

The Cash Flow Statement above should be read in conjunction with the accompanying notes.

SYDNEY METRO

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

1. Reporting Entity

Sydney Metro is a NSW Government agency, a corporation established on 27 January 2009 by the *Transport Administration Act 1988*. It is incorporated in Australia. Its principal address is Level 19, 321 Kent Street, Sydney, NSW 2000.

Sydney Metro is presently a not-for-profit Public Trading Enterprise. Sydney Metro’s not-for-profit status will be reviewed in future if or when its present Government funded project development and construction focus changes to include commercial, profit producing activities.

The principal activities of Sydney Metro are to:

- develop safe and reliable metro railway systems, and
- hold, manage and maintain rail infrastructure facilities of metro railways.

Sydney Metro, as a reporting entity, comprises Sydney Metro and its controlled entity, Sydney Metro Division. In the process of preparing the consolidated financial report for the economic entity, all inter-entity transactions and balances have been eliminated. Sydney Metro is consolidated as part of the NSW Total State Sector Accounts.

The financial report was authorised for issue by the Sydney Metro Board on the date on which the accompanying statement by the Board members was signed.

2. Significant Accounting Policies

The following significant policies have been adopted in the preparation of the financial statements:

(a) Statement of Compliance

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

(b) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) including the Australian Accounting Interpretations, the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005 and NSW Treasurer’s Directions.

The financial report has been prepared on an accrual accounting basis using historical cost conventions and is presented in Australian dollars. Except where stated, it does not take into account changing money values or the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. All amounts are stated in Australian dollars and rounded to the nearest thousand dollars (\$’000), unless otherwise stated.

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

2. Significant Accounting Policies (continued)

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition are disclosed below:

(i) State and Commonwealth Government Grants

Funds received and disclosed as Government Grants include funds received for the delivery of the CBD and West Metro Rail Line projects. Government Grants are recognised when control of the cash or other asset (or the right to receive it) is obtained.

(ii) Interest Revenue

Interest revenue is recognised using the effective interest rate method as set out in AASB139 *Financial Instruments: Recognition and Measurement*.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with Sydney Metro's banker. Interest is recognised in the Income Statement as it accrues.

For the purposes of the Cash Flow Statement, cash and cash equivalents are also defined as above.

(e) Receivables

Receivables are recognised when it is probable that the future cash inflows associated with them will be realised and they have a value that can be measured reliably. They are derecognised when the contractual or other rights to future cash flow from them expire or are transferred.

Trade receivables are initially recognised, and subsequently carried, at original invoice amount, less a provision for impairment. Given the short term nature of receivables, recognition at original invoice amount is not materially different from amortised cost.

Receivables are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that Sydney Metro will not be able to collect all amounts due. The amount of the impairment loss is recognised in the income statement.

(f) Property, Plant and Equipment

Non-system assets purchased below \$5,000 are expensed as acquired. All costs of assets constructed by Sydney Metro (system assets) are capitalised. This includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located and a proportion of overhead is allocated.

(i) Construction Work in Progress

Sydney Metro expenditure (both direct and indirect), other than properties surplus to construction activities, relating to the CBD and West Metro projects are reviewed and where relevant capitalised as construction work in progress, at cost.

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

2. Significant Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

Indirect costs are apportioned to the projects being delivered during the reporting period in which they are incurred. Such costs are reviewed on a function by function basis. Large items are analysed to the projects to which they relate. The remainder, within each function, are allocated on a basis appropriate to the function. Indirect costs relating to running the organisation itself and to long range planning and overall network development are not capitalised.

(ii) Property, Plant and Equipment

An item of plant and equipment is recognised as an asset if it has service potential controlled by Sydney Metro, is expected at acquisition to be used for more than one year, has a cost or value that can be measured reliably and exceeds the capitalisation threshold.

(iii) Capitalisation thresholds

Expenditure on the acquisition, replacement or enhancement of property, plant and equipment is capitalised provided it exceeds the capitalisation threshold. The capitalisation threshold for a network of property, plant and equipment and intangible assets or for an individual non-networked item is \$5,000.

(iv) Depreciation and Amortisation of Non-Current Assets

All depreciable assets (except land) are depreciated on a straight-line basis over their estimated useful lives, commencing when the item is available for use. All items, including separately identifiable component assets, are recognised and depreciated over their shorter useful lives. The depreciation charge for each period is recognised as an expense.

In determining an asset's useful life, consideration is given to its expected usage, its expected wear and tear, technical or commercial obsolescence and any legal or similar limits on its use.

The depreciation and amortisation rates applied in 2008/09 for each class of asset are as follows:

|                          |                            |
|--------------------------|----------------------------|
| ■ Computer Equipment     | 25%                        |
| ■ Furniture and Fittings | 10%                        |
| ■ Plant and Equipment    | 20%                        |
| ■ Leasehold Improvements | Over the term of the lease |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(g) Trade and Other Payables

A trade payable is recognised on the balance sheet when a present obligation arises under a contract. Trade and other payables are stated at invoice cost which is not materially different from amortised cost due to their short term nature. These amounts represent liabilities for goods and services provided to Sydney Metro prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.



Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

2. Significant Accounting Policies (continued)

(h) Employee Benefits

As identified in Note 10, Sydney Metro, the Parent entity, does not directly employ staff. Where relevant, staff are employed directly by Sydney Metro Division, with costs charged at cost to Sydney Metro as personnel services.

(i) Other Provisions

In relation to its office accommodation at Kent Street, Sydney, Sydney Metro has an obligation, at the end of the term of its sub-lease, to remove all of its fixtures and fittings and, if required by the landlord, to restore the premises to base building configuration. In accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets*, the estimated cost of removing these improvements has been recognised as a liability (Refer Note 10). A corresponding asset has been recognised under AASB116 *Property, Plant and Equipment* (Refer Note 8).

(j) Insurance

Sydney Metro is covered by the NSW Government self insurance scheme known as the Treasury Managed Fund (TMF). The TMF provides cover in respect of Workers' Compensation Liability, Public Liability and Directors & Officers cover, Motor Vehicle, Property and Miscellaneous including, but not limited to, personal accident cover. The premium (expense) is determined annually by the fund manager, based on claims experience and exposure (assets and risk). The coverage is reviewed annually to ensure that it is adequate and any major or substantial change in exposure in risk must be reported to the TMF Claims Manager.

(k) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where:

- (i) the amount of GST incurred by Sydney Metro that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- (ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a grossed-up basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

(l) Income Tax

NSW Treasury has determined that Sydney Metro will not have to comply with the Tax Equivalent Regime under the Commercial Policy Framework for Government Businesses.

(m) Comparative Figures

This is Sydney Metro's first year of operation. No comparative figures are available.

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

2. Significant Accounting Policies (continued)

(n) Significant Accounting Judgements, Estimates and Assumptions

(i) Significant accounting judgements

In preparation of the financial statements, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may vary from these estimates. Key judgements are disclosed as part of notes to the financial statements.

(ii) Significant accounting estimates and assumptions

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

Judgements made by management in the application of the Australian Accounting Standards that have significant effects on the financial statements and estimates, with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

(o) Standards and Interpretations issued not yet effective

Sydney Metro has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet effective or applied. It has determined that these new accounting standards will have no material impact on the financial statements in the period of initial application.

(p) Equity adjustments due to industry restructuring /transfer of assets and liabilities

A transfer of assets (or liabilities) from (or to) another NSW public sector entity as a result of a Ministerial order to give effect to industry restructuring, or transfer of assets or liabilities from certain other government entities, is treated as a contribution by (or distribution to) the government and recognised as a direct adjustment to contributed equity. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor, because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

(q) Basis of Consolidation

The financial report of Sydney Metro includes the financial report of Sydney Metro, being the parent entity of the Group, and the financial report of its subsidiary Sydney Metro Division, which Sydney Metro controls. Control exists as Sydney Metro has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities, currently being Personnel Services.

Consistent accounting policies have been applied to all entities within the Group. The balances and effects of transactions between entities in the Group have been eliminated in full.

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

|  | Consolidated<br>27 January –<br>30 June 2009<br>\$'000 | Sydney Metro<br>27 January –<br>30 June 2009<br>\$'000 |
|--|--|--|
| <b>3. Revenue</b>                              |  |  |
| <b>(a) Government Grants:</b>                  |  |  |
| Grants for capital expenditure, received from: |  |  |
| NSW Government*                                | 80 812   | 80 812   |
| Commonwealth Government*                       | 91 000   | 91 000   |
|  | 171 812  | 171 812  |

State government grants are funding detailed planning and pre-construction activities for the CBD Metro and a feasibility study and the initial planning work on West Metro.

The Commonwealth government funding is specifically for detailed planning and pre-construction work of the West Metro phase of the program. The funding carries the specific condition that the funding will be used only for engineering and design work for the development of this project.

All funding is for capital projects.

\* Both State and Federal Government Grants received by Sydney Metro are initially advanced to the Department of Transport and Infrastructure (formerly the Ministry of Transport) and then deposited by it to relevant Sydney Metro bank accounts.

|                             |     |     |
|-----------------------------|-----|-----|
| <b>(b) Interest Income:</b> |     |     |
| Interest on bank accounts   | 541 | 541 |

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

|  | Consolidated<br>27 January –<br>30 June 2009<br>\$'000 | Sydney Metro<br>27 January –<br>30 June 2009<br>\$'000 |
|--|--|--|
| <b>4. Operating Expense</b>                    |  |  |
| Professional service contractors               | 32 789   | 32 789   |
| Design and engineering contractors             | 3 872  | 3 872  |
| Legal fees                                     | 3 599  | 3 599  |
| Labour related costs - Seconded staff costs #  | 2 126  | 2 126  |
| - Personnel Services*                          | 224  | 224  |
| Consultants                                    | 1 950  | 1 950  |
| Other contractors                              | 862  | 862  |
| Accommodation                                  | 526  | 526  |
| Audit fees (for audit of the financial report) | 78   | 78   |
| Board remuneration                             | 30   | 30   |
| Other  | 745  | 745  |
| <b>Total operating expense</b>                 | <b>46 801</b>  | <b>46 801</b>  |

# Seconded staff costs comprise invoiced charges received by Sydney Metro from other NSW Government agencies staff currently utilised on a seconded basis by Sydney Metro.

\*Personnel Services are costs of labour resources provided to the parent entity by Sydney Metro Division, in accordance with the provisions of the Public Sector Employment Legislation Amendment Act 2006.

## Operating expense capitalised to Work in Progress

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| CBD Metro                           | 38 720        | 38 720        |
| West Metro                          | 4 290         | 4 290         |
| Total operating expense capitalised | <b>43 010</b> | <b>43 010</b> |

## Operating expense remaining after capitalisation

|  |              |              |
|--|--------------|--------------|
| Operating costs (including Personnel Services)         | 3 791        | 3 791        |
| Total operating expense remaining after capitalisation | <b>3 791</b> | <b>3 791</b> |

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

|   | Consolidated<br>27 January –<br>30 June 2009 | Sydney Metro<br>27 January –<br>30 June 2009 |
|---|--|--|
|   | \$'000                                       | \$'000                                       |
| <b>5. Depreciation and amortisation</b> |  |  |
| Leasehold improvements                  | 61   | 61   |
| Furniture and equipment                 | 4  | 4  |
| Computer equipment                      | 39   | 39   |
|   | <b>104</b>                                   | <b>104</b>                                   |

|                                     | Consolidated<br>30 June 2009 | Sydney Metro<br>30 June 2009 |
|-------------------------------------|------------------------------|------------------------------|
|                                     | \$'000                       | \$'000                       |
| <b>6. Cash and cash equivalents</b> |                              |                              |
| Cash at bank and on hand            | <b>172 653</b>               | <b>172 653</b>               |

The amount of funding held by Sydney Metro at year end was significantly increased on 29 June 2009 as a result of the Federal Government making advance payment of its funding specific to an initial feasibility study and initial planning works associated with the West Metro phase of the Sydney Metro Network.

**7. Trade and other receivables**

|  |              |              |
|--|--------------|--------------|
| Receivables                                  |              |              |
| Australian Taxation Office - GST recoverable | 3 641        | 3 641        |
| Prepayments                                  | 115          | 115          |
|  | <b>3 756</b> | <b>3 756</b> |

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

| Consolidated and Sydney Metro |                          |                       |                     |        |
|-------------------------------|--------------------------|-----------------------|---------------------|--------|
| Leasehold<br>Improvements     | Furniture &<br>Equipment | Computer<br>Equipment | Work In<br>Progress | Total  |
| \$'000                        | \$'000                   | \$'000                | \$'000              | \$'000 |

**8. Property, plant and equipment****At 30 June 2009 – at fair value**

|  |      |     |      |        |        |
|--|------|-----|------|--------|--------|
| Gross amount                             | 403  | 79  | 216  | 64 459 | 65 157 |
| Accumulated depreciation                 | (61) | (4) | (39) | 0      | (104)  |
| Carrying amount at the end of the period | 342  | 75  | 177  | 64 459 | 65 053 |

**Reconciliations**

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

**Period Ended 30 June 2009**

|  |      |     |      |        |        |
|--|------|-----|------|--------|--------|
| Carrying amount at the start of the period | 0    | 0   | 0    | 0      | 0      |
| Assets transferred from TIDC*              | 129  | 17  | 158  | 21 449 | 21 753 |
| Additions                                  | 274  | 62  | 58   | 43 010 | 43 404 |
| Disposals                                  | 0    | 0   | 0    | 0      | 0      |
| Depreciation expense                       | (61) | (4) | (39) | 0      | (104)  |
| Carrying amount at the end of the period   | 342  | 75  | 177  | 64 459 | 65 053 |

\*TIDC = Transport Infrastructure Development Corporation (a NSW Government agency). Following creation of Sydney Metro, relevant TIDC operational assets were transferred to Sydney Metro (refer Note 12).



## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

|  | Consolidated<br>30 June 2009<br>\$'000 | Sydney Metro<br>30 June 2009<br>\$'000 |
|--|--|--|
| <b>9. Trade and other payables</b>     |  |  |
| Accounts payable - trade creditors     | 27                                     | 27                                     |
| Other payables - Sydney Metro Division | 0                                      | 75                                     |
| Accrued expenses                       | 21 228                                 | 21 153                                 |
|  | 21 255                                 | 21 255                                 |

**10. Non-current Provisions**

|                       |     |     |
|-----------------------|-----|-----|
| Lease make-good costs | 140 | 140 |
|-----------------------|-----|-----|

Sydney Metro does not directly employ staff, so no provisions for employee entitlements (annual leave/ long service leave/ superannuation) were held at balance date. Sydney Metro Division provides staff resources (as Personnel Services) at cost to the parent entity.

A number of project and administrative staff have been seconded periodically to Sydney Metro from other government departments and agencies. These staff members are paid by the departments and agencies from which they originate. Their remuneration and oncosts (including leave entitlements) are invoiced to Sydney Metro with the resulting costs included in Seconded Staff Costs as part of Operating Expenses, as disclosed at Note 4.

**11. Accumulated funds**

|  |         |         |
|--|---------|---------|
| Accumulated funds at the beginning of the period           | 0       | 0       |
| Total changes in equity recognised in the income statement | 168 458 | 168 458 |
| Accumulated funds at the end of the period                 | 168 458 | 168 458 |

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

|   | Consolidated<br>30 June 2009<br>\$'000 | Sydney Metro<br>30 June 2009<br>\$'000 |
|---|--|--|
| <b>12. Contributed Equity</b>                     |  |  |
| Contributed equity at the beginning of the period | 0                                      | 0                                      |
| Equity contributions during the period            |  |  |
| Cash at bank                                      | 29 856                                 | 29 856                                 |
| Construction work-in-progress                     | 21 449                                 | 21 449                                 |
| Fixed assets                                      | 304                                    | 304                                    |
| Total equity contributed during the period        | 51 609                                 | 51 609                                 |
| Contributed equity at the end of the period       | 51 609                                 | 51 609                                 |

Equity contributions during the period reflect the transfer of assets to Sydney Metro from the Transport Infrastructure Development Corporation. The transfer was effected on 3 March 2009 and relates to expenditure incurred on, and funding that remains from, the CBD Metro and West Metro projects that are now included in the terms of reference of Sydney Metro. The equity contribution comprised assets and cash relevant to the CBD Metro (\$20.306 million) and West Metro (\$31.303 million) projects.

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

|  | Consolidated<br>30 June 2009<br>\$'000 | Sydney Metro<br>30 June 2009<br>\$'000 |
|--|--|--|
| <b>13. Expenditure Commitments</b>             |  |  |
| <b>(a) Capital Expenditure Commitments:</b>    |  |  |
| Not longer than 1 year                         | 47 010                                 | 47 010                                 |
| Longer than 1 year and not longer than 5 years | 1 761                                  | 1 761                                  |
|  | 48 771                                 | 48 771                                 |
| GST Input Tax Credits included above           | 4 434                                  | 4 434                                  |

The capital expenditure commitments are principally for the procurement of the professional services required to progress the CBD Metro and West Metro Feasibility Study projects. Project costs are capitalised to work in progress if relevant. None of the contracts extend beyond five years.

|  |   |   |
|--|---|---|
| <b>(b) Operating Expenditure Commitments:</b>  |   |   |
| Not longer than 1 year                         | 0 | 0 |
| Longer than 1 year and not longer than 5 years | 0 | 0 |
|  | 0 | 0 |
| GST Input Tax Credits included above           | 0 | 0 |

Sydney Metro has not made any commitments specifically for operating expenditure.

|  |       |       |
|--|-------|-------|
| <b>(c) Operating Lease Commitments:</b>        |       |       |
| Not longer than 1 year                         | 1 598 | 1 598 |
| Longer than 1 year and not longer than 5 years | 1 474 | 1 474 |
|  | 3 072 | 3 072 |
| GST Input Tax Credits included above           | 279   | 279   |

The operating leases relate to office and storage accommodation and to motor vehicles. None of the leases extend beyond 5 years.

The commitments above are not recognised in the financial report as liabilities. The GST input tax credits are expected to be recovered from the Australian Taxation Office.

## Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

## 14. Contingent Assets and Contingent Liabilities

Sydney Metro has no contingent assets or liabilities that would significantly impact upon the state of affairs of Sydney Metro or have a material affect upon these financial statements.

## 15. Segment Information

Sydney Metro operates predominantly in the transport infrastructure development industry. Actual construction work will be contracted out to private construction companies or consortia. Management of the various interfaces will remain with Sydney Metro. Sydney Metro's operations are conducted in Sydney, Australia. Additional information in regard to Sydney Metro's operations are contained in Note 1 of these Accounts, and Sydney Metro's Annual Report.

|  | Consolidated<br>27 January –<br>30 June 2009<br>\$'000 | Sydney Metro<br>27 January –<br>30 June 2009<br>\$'000 |
|--|--|--|
| <b>16. Notes to the Cash Flow Statement</b>  |  |  |
| <b>(a) Reconciliation of the Surplus to the Net Cash Flow from Operating Activities:</b> |  |  |
| <b>Surplus for the period</b>  | 168 458  | 168 458  |
| <b>Non-cash items:</b>   |  |  |
| Depreciation and amortisation  | 104  | 104  |
| <b>Income Statement items classified as investing activities:</b>                        |  |  |
| Operating costs capitalised to work in progress  | (16 081)   | (16 081)   |
| <b>Changes in assets and liabilities:</b>  |  |  |
| Increase in payables   | 21 255   | 21 255   |
| (Increase) in receivables  | (3 756)  | (3 756)  |
| <b>Net Cash Flow from Operating Activities</b>   | <b>169 980</b>   | <b>169 980</b>   |

## (b) Financing Facilities

Sydney Metro does not have a bank overdraft facility.

In May 2009, Sydney Metro received approval from NSW Treasury under the *Public Authorities (Financial Arrangements) Act 1987* to obtain a *Come and Go* facility with TCorp. The facility is to fund Sydney Metro's operations and is for an amount not exceeding \$50 million. No sum had been drawn against the facility at balance date.

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

17. Financial Instruments

Sydney Metro’s principal financial instruments are outlined below. These financial instruments arise directly from Sydney Metro’s operations or are required to finance its operations. Sydney Metro does not enter into, or trade, financial instruments, including derivative financial instruments, for speculative purposes.

Sydney Metro’s main risks arising from financial instruments are outlined below, together with the objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

Sydney Metro’s Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for management of those risks. Risk management policies are established to identify and analyse the risks faced by Sydney Metro, to set risk limits and controls and to monitor risks. The Board has established an Audit and Risk Committee which will monitor Sydney Metro’s major risks and oversee compliance on a continuous basis.

(a) Financial Instrument Categories

| Class                     | Note | Category                                | Consolidated<br>30 June 2009<br>\$'000 | Sydney Metro<br>30 June 2009<br>\$'000 |
|---------------------------|------|---|--|--|
| Financial Assets          |      |   |  |  |
| Cash and cash equivalents | 6    | N/A                                     | 172 653                                | 172 653                                |
| Receivables               | 7    | Receivables measured at invoiced amount | 3756                                   | 3756                                   |
| Financial Liabilities     |      |   |  |  |
| Payables                  | 9    | Payables measured at invoiced amount    | 21 255                                 | 21 255                                 |

The figures in the above table exclude prepayments and statutory receivables and payables, as they are not within the scope of AASB 7.

(b) Credit Risk

Credit risk arises when there is the possibility that Sydney Metro’s debtors will default on their contractual obligations, resulting in financial loss to Sydney Metro. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets in the Balance Sheet, including cash and receivables. No collateral is held by Sydney Metro. Sydney Metro has not granted any financial guarantees.

(i) Cash

Cash comprises the balances on interest-bearing corporate cheque accounts maintained with the Westpac Banking Corporation.

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

17. Financial Instruments (continued)

(b) Credit Risk (continued)

(ii) Receivables

Trade and other debtors are recognised as amounts receivable at balance date. No interest is earned on receivables. The collectability of receivables is reviewed on an ongoing basis. No amount has been written-off during the reporting period. No impairment provision has been raised at balance date.

At balance date, the only debtor external to the consolidated entity was the Australian Taxation Office for recoverable GST. This is a statutory receivable; the debtor does not pose a credit risk.

(c) Liquidity Risk

Liquidity risk is the risk that Sydney Metro will not be able to meet its payment obligations as and when they fall due. Sydney Metro continually manages the risk by monitoring future cash flows to ensure the adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and the minimisation of underutilised financial assets.

Sydney Metro has access to a *Come and Go* facility with TCorp for an amount not exceeding \$50 million. Access to the facility was granted by NSW Treasury in May 2009. The facility remained undrawn at balance date. Sydney Metro did not borrow any funds from any source during the reporting period, nor did it pledge any assets as collateral. Sydney Metro’s exposure to liquidity risk is deemed insignificant based on the current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the supplier’s terms of trade. If terms of trade are not specified, payment is made no later than the end of the month following the month in which the invoice was received. Treasurer’s Direction 219.01 allows the Minister to award penalty interest for late payment of invoices. No such award was made during the reporting period.

The table below summarises the maturity profile of the **Consolidated Entity and Sydney Metro’s financial liabilities**, together with the interest rate exposure.

|                             |  |                | Interest Rate Exposure |                        |                      | Maturity Dates |           |           |
|-----------------------------|--|----------------|------------------------|------------------------|----------------------|----------------|-----------|-----------|
|                             | Weighted Average Effective Interest Rate | Nominal Amount | Fixed Interest Rate    | Variable Interest Rate | Non-Interest Bearing | < 1 Year       | 1-5 Years | > 5 Years |
| 30 June 2009                | %  | \$'000         | \$'000                 | \$'000                 | \$'000               | \$'000         | \$'000    | \$'000    |
| Accounts payable            | 0  | 27             | 0                      | 0                      | 27                   | 27             | 0         | 0         |
| Accrued expenses            | 0  | 21 228         | 0                      | 0                      | 21 228               | 21 228         | 0         | 0         |
| Total Financial Liabilities | 0  | 21 255         | 0                      | 0                      | 21 255               | 21 255         | 0         | 0         |



Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

17. Financial Instruments (continued)

(d) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate because of changes in market prices. Sydney Metro does not have any financial instruments that are valued by reference to a market price. It has no exposure to foreign currency risk and does not enter into commodity contracts.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate because of changes in market interest rates. Sydney Metro has an exposure to interest rate risk arising from its ownership of interest-bearing corporate cheque accounts with the Westpac Banking Corporation. The extent of its exposure is set out in the sensitivity analysis below.

The average interest rate earned on the cheque account balances during the reporting period was 3.10%. A reasonably possible change of +/- 1% is used, consistent with current possible movements in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

| Interest rate sensitivity analysis | Carrying Amount | -1%              |                  | +1%              |                  |
|------------------------------------|-----------------|------------------|------------------|------------------|------------------|
|                                    |                 | Impact on Profit | Impact on Equity | Impact on Profit | Impact on Equity |
| 30 June 2009                       | \$'000          | \$'000           | \$'000           | \$'000           | \$'000           |
| Cash at bank                       | 172 653         | (175)            | 0                | 175              | 0                |
| Total Financial Assets             | 172 653         | (175)            | 0                | 175              | 0                |

(f) Fair Value

All of Sydney Metro's financial instruments are of a short term nature. They are generally recognised at cost, with receivables subject to an impairment review. Sydney Metro is of the opinion that the value at which these instruments are recognised in the balance sheet reflects their fair value.

Notes to the Financial Statements for the Period 27 January 2009 to 30 June 2009

18. Related Party Disclosures

The Board members of Sydney Metro during the period 27 January to 30 June 2009 were:

|               |   |
|---------------|---|
| 1. L Wielinga | Chief Executive (appointed 16 February 2009; relinquished 22 June 2009) |
| 2. C Herbert  | Chairman and Non-Executive Board Member (appointed 18 March 2009)       |
| 3. S Lane     | Non-Executive Board Member (appointed 18 March 2009)                    |
| 4. M Schur    | Non-Executive Board Member (appointed 1 June 2009)                      |
| 5. C Walsh    | Non-Executive Board Member (appointed 1 June 2009)                      |
| 6. R Staples  | Acting Chief Executive (appointed 22 June 2009)                         |

The Chief Executive (and Acting Chief Executive) of Sydney Metro hold a statutory appointment to the Board, by virtue of their position as Chief Executive (or Acting Chief Executive). All other Board members are appointed by the Minister for Transport.

M Schur is Secretary of the Treasury and is the Treasurer's nominee to the Board.

R Staples was appointed Acting Chief Executive of Sydney Metro for the period 22 June 2009 to 31 March 2010.

C Herbert resigned as Chairman effective 2 September 2009. S Lane was appointed Chairman effective 24 September 2009.

Rail Advisory Services Pty Ltd was paid for the professional services of S Lane. The fees paid under the terms of the engagement reflected market rates for the level of service provided. All services were delivered prior to Mr Lane's appointment to the Board.

Except for the disclosures above, there were no transactions with Board members other than remuneration.

19. Board Members' Remuneration

The total remuneration of Board members who were not government employees, including compulsory superannuation contributions, for the period was:

|                     |   |
|---------------------|---|
| \$0 - \$10,000      | 2 |
| \$10,001 - \$20,000 | 1 |

L Wielinga, M Schur and R Staples were full-time employees of either Sydney Metro or other government authorities/departments and are not included in the figures above.

20. Auditors' Remuneration

The amount received, or due and receivable, by the auditors for auditing the financial report of the consolidated entity was \$78,000.

21. Post Balance Date Events

On 11 June 2009, the NSW Government announced a significant restructuring of public sector governance in the State. The restructuring, effective 1 July 2009, includes the creation of thirteen super departments. Sydney Metro, operating as a not-for-profit Public Trading Enterprise, is presently aligned with the recently created NSW Department of Transport and Infrastructure. There is presently no direct impact of this higher level administrative restructure on Sydney Metro's operations.

# Sydney Metro Division

## FINANCIAL REPORT

**for the period  
27 January 2009 to 30 June 2009**



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Sydney Metro Division

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Sydney Metro Division (the Division), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense and cash flow statement for the period then ended, a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Division as at 30 June 2009, and its financial performance for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

#### The Division Head's Responsibility for the Financial Report

The Division Head is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Division's preparation and fair presentation of the financial report 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 Division's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Division Head, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Division,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

S R Stanton  
Director, Financial Audit Services

16 October 2009  
SYDNEY



SYDNEY METRO DIVISION

Financial Report for the period 27 January 2009 to 30 June 2009

STATEMENT BY THE ACTING CHIEF EXECUTIVE

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983* and in my capacity as Acting Chief Executive of Sydney Metro, I declare that in my opinion:

- (1)

The accompanying financial report, consisting of the income statement, statement of recognised income and expense, balance sheet, cash flow statement and the notes accompanying and forming part of the financial report, exhibits a true and fair view of the financial position of Sydney Metro Division as at 30 June 2009 and of its financial performance for the period 27 January 2009 to 30 June 2009.
- (2)

The Financial Report has been prepared in accordance with the provisions of the applicable Australian Accounting Standards (including Australian Accounting Interpretations), and other mandatory and statutory reporting requirements including the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005 and the NSW Treasurer’s Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

For and on behalf of Sydney Metro Division.



Acting Chief Executive  
Sydney Metro  
14/10/2009

SYDNEY METRO DIVISION

Start of Audited Financial Statements

Income Statement for the period 27 January 2009 to 30 June 2009

|                                  |      | 27 January – 30 June 2009 |
|----------------------------------|------|---------------------------|
|                                  | Note | \$'000                    |
| Personnel services revenue       |      | 224                       |
| Employee related expenditure     | 3    | 224                       |
| Surplus/(Deficit) for the period |      | 0                         |

The Income Statement above should be read in conjunction with the accompanying notes.

SYDNEY METRO DIVISION

Statement of Recognised Income and Expense for the period 27 January 2009 to 30 June 2009

|  | Note | 27 January – 30 June 2009<br>\$'000 |
|--|------|-------------------------------------|
| Net income/(loss) recognised directly in equity    |      | 0                                   |
| Surplus/(deficit) for the period                   |      | 0                                   |
| Total income and expense recognised for the period | 7    | 0                                   |

The Statement of Recognised Income and Expense above should be read in conjunction with the accompanying notes.

SYDNEY METRO DIVISION

Balance Sheet as at 30 June 2009

|                                      | Note | 30 June 2009<br>\$'000 |
|--------------------------------------|------|------------------------|
| <b>ASSETS</b>                        |      |                        |
| <b>Current Assets</b>                |      |                        |
| Receivables                          | 4    | 75                     |
| <b>Total Current Assets</b>          |      | 75                     |
| <b>Total Non-Current Assets</b>      |      | 0                      |
| <b>Total Assets</b>                  |      | 75                     |
| <b>LIABILITIES</b>                   |      |                        |
| <b>Current Liabilities</b>           |      |                        |
| Payables                             | 5    | 75                     |
| Provisions                           | 6    | 0                      |
| <b>Total Current Liabilities</b>     |      | 75                     |
| <b>Total Non-Current Liabilities</b> |      | 0                      |
| <b>Total Liabilities</b>             |      | 75                     |
| <b>Net Assets</b>                    |      | 0                      |
| <b>EQUITY</b>                        |      |                        |
| Accumulated funds                    | 7    | 0                      |
| <b>Total Equity</b>                  |      | 0                      |

The Balance Sheet above should be read in conjunction with the accompanying notes.

SYDNEY METRO DIVISION

Cash Flow Statement for the period 27 January 2009 to 30 June 2009

|  | 27 January – 30 June 2009<br>\$'000 |
|--|-------------------------------------|
| Cash Flow from Operating Activities                      |                                     |
| Net cash flow from operating activities*                 | 0                                   |
| Cash Flow from Investing Activities                      |                                     |
| Net cash flow from investing activities                  | 0                                   |
| Cash Flow from Financing Activities                      |                                     |
| Net cash flow from financing activities                  | 0                                   |
| Net Increase/(Decrease) in Cash and Cash Equivalents     | 0                                   |
| Cash and Cash Equivalents at the Beginning of the Period | 0                                   |
| Cash and Cash Equivalents at the End of the Period       | 0                                   |

\*Sydney Metro Division incurred employee and related costs of \$224k. These costs related to Personnel Services provided for Sydney Metro. The full cost of these services were recompensed by Sydney Metro within the trading period, therefore net cash from Operating Activities amounts to \$0.

The Cash Flow Statement above should be read in conjunction with the accompanying notes.

SYDNEY METRO DIVISION

Notes to the Financial Statements for the period 27 January 2009 to 30 June 2009

1. Reporting Entity

Sydney Metro Division (the Division) is a Division of the Government Service, established pursuant to Chapter 1A of the *Public Sector Employment and Management Act 2002*. The Division's only function is to provide personnel services to Sydney Metro.

The Division is a not-for-profit entity as its principal objective is not the generation of profit.

The financial report was authorised for issue by the Acting Chief Executive of Sydney Metro (the Parent Entity) on the date on which the authority was signed.

2. Significant Accounting Policies

The following significant policies have been adopted in the preparation of the financial statements:

(a) Statement of Compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations, the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005 and the NSW Treasurer's Directions.

(b) Basis of Preparation

The financial report has been prepared on an accrual accounting basis using historical cost conventions. Except where stated, it does not take into account changing money values or the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. All amounts are stated in Australian dollars, and rounded to the nearest thousand dollars (\$'000), unless otherwise stated.

(c) Recognition of Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.



Notes to the Financial Statements for the period 27 January 2009 to 30 June 2009

2. Significant Accounting Policies (Continued)

(d) Receivables

Receivables are recognised when it is probable that the future cash inflows associated with them will be realised and they have a value that can be measured reliably. They are derecognised when the contractual or other rights to future cash flows from them expire or are transferred.

Trade receivables are initially recognised, and subsequently carried, at original invoice amount, less a provision for impairment. Given the short term nature of receivables, recognition at original invoice amount is not materially different from amortised cost.

Receivables are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the Division will not be able to collect all amounts due. The amount of the impairment loss is recognised in the income statement.

(e) Trade and Other Payables

Trade and other payables are stated at invoice cost which is not materially different from amortised cost due to their short term nature.

These amounts represent liabilities for goods and services provided to the Division prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(f) Employee Benefit Provisions and Expenses

Liabilities for salaries and wages (including non-monetary benefits and annual leave) expected to be settled within 12 months of the reporting date, are recognised in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(g) Provisions

Provisions are recognised when the Division has a present obligation as a result of a past event, it is probable that the Division will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability.

(h) Goods and Services Tax

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except where the Division undertakes input taxed activities and the GST is not recoverable. In that case, the GST incurred will be recognised as part of the cost of acquisition of an asset or as part of an item of expense. In regard to receivables and payables, the total amount that will be paid or received by the entity includes any GST and therefore, in the balance sheet, receivables and payables are stated on a gross basis.

(j) Comparative Figures

As this is the Division's first year of operation, no comparative figures are available.

(k) Standards and Interpretations issued not yet Effective

The Division has assessed the new Australian Accounting Standards that have recently been issued or amended but are not yet effective or applied. It has been determined that these new accounting standards will have no material impact on the financial statements in the period of initial application.

Notes to the Financial Statements for the period 27 January 2009 to 30 June 2009

27 January – 30 June 2009  
\$'000

3. Expenses

Employee-related expenses

|   |            |
|---|------------|
| Salaries and wages (including recreation leave) | 197        |
| Long service leave                              | 8          |
| Superannuation entitlements                     | 5          |
| Payroll tax                                     | 14         |
| <b>Total Expenses</b>                           | <b>224</b> |

30 June 2009  
\$'000

4. Receivables

|  |    |
|--|----|
| Personnel Services rendered to the parent Entity | 75 |
|--|----|

5. Payables

|  |    |
|--|----|
| Accrued salary, wages and related employee costs | 75 |
|--|----|

6. Provisions

The Division did not require provisions for employee entitlements (annual leave/ long service leave/ superannuation) at balance date.

A senior executive officer of Sydney Metro was formerly employed by the Roads and Traffic Authority (RTA). This officer continues to be paid from the RTA payroll. Remuneration and oncosts for the officer have been charged to the Division and are included in the employee-related expense disclosed at Note 3. Employee entitlement provisions for the officer remain on the balance sheet of the RTA.

7. Accumulated Funds

|   |          |
|---|----------|
| Balance at the beginning of the period  | 0        |
| Surplus/(deficit) for the period        | 0        |
| <b>Balance at the end of the period</b> | <b>0</b> |

Notes to the Financial Statements for the period 27 January 2009 to 30 June 2009

8. Expenditure Commitments

The Division does not have any capital expenditure, operating expense or operating lease commitments at balance date.

9. Contingent Assets and Contingent Liabilities

The Division does not have any contingent assets or contingent liabilities at balance date.

10. Segment Information

The Division operates in the personnel services industry, providing such services to its Parent Entity. The Division's operations are conducted in Sydney, Australia.

11. Financial Instruments

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

The Division's main risks arising from financial instruments are outlined below, together with the objectives, policies and processes for measuring and managing risk. The Chief Executive Officer of Sydney Metro has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for management of those risks. Risk management policies are established to identify and analyse the risks faced by the Division, to set risk limits and controls and to monitor risks. Compliance with policies is monitored by senior financial management.

(a) Financial Instrument Categories

| Class                 | Note | Category  | 30 June 2009 |
|-----------------------|------|---|--------------|
|                       |      |   | \$'000       |
| Financial Assets      | 4    | Receivables measured at invoiced amount           | 75           |
| Receivables           |      |   |              |
| Financial Liabilities | 5    | Financial liabilities measured at invoiced amount | 75           |
| Payables              |      |   |              |

Notes to the Financial Statements for the period 27 January 2009 to 30 June 2009

11. Financial Instruments (continued)

(b) Credit Risk

Credit risk arises when there is the possibility that the Division's debtors will default on their contractual obligations, resulting in financial loss to the Division.

The receivables figure is the sum due from the Parent Entity for personnel services rendered. The Division does not have any external receivables.

(c) Liquidity Risk

Liquidity risk is the risk that the Division will not be able to meet its payment obligations as and when they fall due.

The Division does not maintain a bank account, or any other cash facility, in its own name. All banking and payment facilities are provided by the Parent Entity.

(d) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate because of changes in market prices.

The Division does not have any financial instruments that are valued by reference to a market price. It has no exposure to foreign currency risk and does not enter into commodity contracts.

(e) Interest Rate Risk

Interest rate risk is the risk that the fair value of, or future cash flows from, a financial instrument will fluctuate because of changes in market interest rates.

The Division does not have a direct exposure to interest rate risk. It does not have any interest-bearing financial assets or financial liabilities.

(f) Fair Value

All of the Division's financial instruments are of a short term nature. They are generally recognised at cost. The Division is of the opinion that the value at which these instruments are recognised in the balance sheet reflects their fair value.

12. Auditors' Remuneration

The auditors' remuneration for auditing the financial report of the Division was \$4,000. This cost was paid, and borne, by the Parent Entity, as part of the fee for the audit of the consolidated financial report of the parent and its controlled entity.

13. Post Balance Date Events

On 11 June 2009, the NSW Government announced a significant restructuring of public sector governance in the State. The restructuring, effective 1 July 2009, includes the creation of thirteen super departments. Sydney Metro Division is presently aligned with the new NSW Transport and Infrastructure Department.

# Appendices

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# APPENDICES

## Budgets

Sydney Metro’s operating and capital budgets for 2008/2009 and 2009/2010 are set out below:

| \$000’s                        | Actual<br>2008/09 | Budget<br>2008/09 | Budget<br>2009/10 |
|--------------------------------|-------------------|-------------------|-------------------|
| Government grants              | 171 812           | 168 500           | 522 000           |
| Interest income                | 541               | 1 783             | 205               |
| <b>Total Revenue</b>           | <b>172 353</b>    | <b>170 283</b>    | <b>522 205</b>    |
| Operating expense              |                   |                   |                   |
| Employee related               | 2 370             | 8 982             | 22 685            |
| Consultants                    | 1 950             | 0                 | 0                 |
| Contractors                    | 36 661            | 36 965            | 147 982           |
| Other                          | 5 820             | 4 064             | 19 782            |
| Depn                           | 104               | 0                 |                   |
| <b>Total Operating Expense</b> | <b>46 905</b>     | <b>50 011</b>     | <b>190 449</b>    |
| Costs capitalised to WIP       | (43 010)          | (50 011)          | (190 449)         |
| Net expense                    | 3 895             | 0                 | 0                 |
| <b>Trading Surplus</b>         | <b>168 458</b>    | <b>170 283</b>    | <b>522 205</b>    |

Note: The reported actual and budgeted trading surplus for 2008/09 included significant funding for the West Metro received from the Commonwealth Government on the 29th June 2009. This funding will be utilised during 2009/10 to undertake the specified tasks for this stage of the Metro project.

The reported trading surpluses also reflect the NSW Government reporting requirement for agencies to report all grants received as revenue in the year received. A component of Sydney Metro’s funding, in the above periods, is for its capital program largely comprising land and properties required for the construction phase and for fixed Metro infrastructure. The actual and budgeted capital expenditures for the relevant periods are as follows:

| \$000’s                             | Actual<br>2008/09 | Budget<br>2008/09 | Budget<br>2009/10 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Asset & property acquisitions       | 394               | 17 574            | 499 094           |
| Planning & design costs capitalised | 43 010            | 50 011            | 190 449           |
| <b>Total capital expenditure</b>    | <b>43 404</b>     | <b>67 585</b>     | <b>689 543</b>    |



## Payment of Accounts

| Aged analysis at the end of each quarter |   |                                      |   |   |                                      |
|--|---|--------------------------------------|---|---|--------------------------------------|
| Quarter                                  | Current<br>(within due date)<br>\$000's | Less than 30 days overdue<br>\$000's | Between 30 and 60 days overdue<br>\$000's | Between 60 and 90 days overdue<br>\$000's | More than 90 days overdue<br>\$000's |
| September                                | -                                       | -                                    | -   | -   | -                                    |
| December                                 | -                                       | -                                    | -   | -   | -                                    |
| March                                    | -                                       | -                                    | -   | -   | -                                    |
| June                                     | 27                                      | -                                    | -   | -   | -                                    |

## Time for Payment of Accounts

| Accounts paid on time within each quarter |                             |         |         |                   |
|---|-----------------------------|---------|---------|-------------------|
| Quarter                                   | Total accounts paid on time |         |         | Total amount Paid |
|   | Target %                    | Actual% | \$000's | \$000's           |
| September                                 | 100                         | 0.0     | -       | -                 |
| December                                  | 100                         | 0.0     | -       | -                 |
| March                                     | 100                         | 0.0     | -       | -                 |
| June                                      | 100                         | 83.1    | 24 548  | 29 556            |

## Management and staff

Name, position and qualifications of senior management at 30 June 2009\*.

| Name         | Position                                   | Qualification |
|--------------|--|---------------|
| Rodd Staples | Acting Chief Executive (from 22 June 2009) | BEng MBus     |

\*At 30 June 2009 no personnel occupying senior positions were formal employees of Sydney Metro. Rodd Staples was appointed Acting Chief Executive by the Minister on 22 June 2009. He was not an employee of Sydney Metro but was on secondment from NSW Transport and Infrastructure (formerly the Ministry of Transport).

### Senior Executive Service

During the reporting period Sydney Metro had one SES position above Level 5. The Chief Executive (16 February–22 June 2009) was at Level 8. The Chief Executive held a Performance Agreement with the Minister for Transport and was contracted to report on performance against specific targets on an annual basis.

### Executive Officers

| Number of executive officers with remuneration equal to or exceeding equivalent of SES Level 1<br>2008/2009 | Number of executive officers with remuneration equal to or exceeding equivalent of SES Level 1<br>2007/2008 |
|---|---|
| 1 (level 8)   | Did not exist as an entity  |

### CES/SES Positions

| Level                     | CES/SES<br>2008/2009 | CES/SES<br>2007/2008       |
|---------------------------|----------------------|----------------------------|
| 8                         | 1                    | Did not exist as an entity |
| 7                         | 0                    | Did not exist as an entity |
| 1- 6                      | 0                    | Did not exist as an entity |
| Female Executive Officers | 0                    | Did not exist as an entity |

### Non Senior Executive Service

| STAFF NUMBERS            |           |                            |
|--------------------------|-----------|----------------------------|
| Staff Number by Category | 2008/2009 | 2007/2008                  |
| Sydney Metro Staff       | 1         | Did not exist as an entity |
| Total                    | 1         | Did not exist as an entity |

## Consultancies

| Name of Consultant         | Amount<br>\$000's | Purpose   |
|----------------------------|-------------------|---|
| Macquarie Capital Advisors | 1 950             | Strategic financial and investment market advisory services |

Nil consultancies under \$30 000.

Personnel policies and practices

Sydney Metro made use of the policies of the NSW Ministry of Transport for the 2008-2009 reporting year. The development of Sydney Metro’s own policies is proceeding and will be implemented during the 2009-2010 reporting year.

Industrial relations policies and practices

Sydney Metro made use of the policies of the NSW Ministry of Transport for the 2008-2009 reporting year. The development of Sydney Metro’s own policies is proceeding and will be implemented during the 2009-2010 reporting year.

Equal employment opportunity

As the staffing of Sydney Metro at 30 June 2009 was only two, meaningful statistics in relation to EEO trends are not available for the reporting period. It is anticipated that more meaningful information will be available for the 2009/2010 reporting period.

Disability Plan

Development of Sydney Metro’s Disability Action Plan has commenced and is expected to be included in the 2009/2010 Annual Report. Access to all Sydney Metro rail facilities are being designed to the appropriate Australian Standards as specified in the Accessible Transport Action Plan published by NSW Transport and Infrastructure.

Multicultural Policies and Services Plan

It is expected that the Multicultural Policies and Services Plan (formerly an Ethnic Affairs Priority Statement Forward Plan) will be completed during the 2009/2010 reporting year and reported on in the annual report. During the reporting period Sydney Metro has engaged in significant community consultation processes as outlined in this Annual Report including

- The production of multi language documents about the Sydney Metro project
- The engagement of translation services to widely communicate Sydney Metro’s activities.
- Consumer response

Sydney Metro’s website [www.sydneymetro.nsw.gov.au](http://www.sydneymetro.nsw.gov.au) provides a range of e-consultation mechanisms, including online forums and e-newsletters. In addition it holds community information sessions and distributes information material door-to-door in areas immediately affected by the projects. Sydney Metro has engaged place managers as the primary point of interface between the local community in these areas and Sydney Metro.

During 2008/2009, Sydney Metro has encouraged community feedback on its projects. The comments which it receives through its various consultation mechanisms are compiled and provided as input to the environmental assessments.

Privacy Management Plan and Internal Reviews

During the reporting period, Sydney Metro prepared a Privacy Management Plan. Following its approval by the Sydney Metro Board, Sydney Metro provided a copy of the Plan to the Privacy Commissioner, as required by section 33 of the *Privacy and Personal Information Protection Act 1998* (the Privacy Act).

Sydney Metro will make its Privacy Management Plan available to the public through its website, [www.sydneymetro.nsw.gov.au](http://www.sydneymetro.nsw.gov.au). Sydney Metro’s Freedom of Information and Privacy Manager will continue to review its privacy obligations and monitor compliance with the Privacy Act.

Between late January 2009 and the end of June 2009, Sydney Metro did not receive any privacy complaints or Internal Review requests under Part 5 of the Privacy Act.

If an individual believes Sydney Metro has not handled their personal information in accordance with Part II of the Privacy Act (Information Protection Principles), they may make a formal complaint to the FOI and Privacy Manager, c/- PO Box Q286, QVB Post Office NSW 1230, Ph 1 800 636 910 (Toll free) or (02) 8238 2700.

Freedom of Information

During the reporting period, Sydney Metro received five new applications under the NSW *Freedom of Information Act 1989* (the FOI Act). As a newly created NSW Government statutory authority, Sydney Metro did not carry forward any FOI applications from the previous year.

Of the five FOI applications received, two requests were granted in full, with the relevant documents and information provided directly to the applicants. Sydney Metro refused one request under section 28(1)(b) of the FOI Act, as the organisation held no documents within the scope of the request. The remaining two applications were discontinued after being transferred to other NSW Government agencies.

Sydney Metro undertook formal third party consultations in relation to two FOI applications. Both consultations concerned personal and business affairs, as per clauses 6 and 7 of Schedule One of the FOI Act. Sydney Metro also received two third party consultation requests from other agencies.

In the reporting period, Sydney Metro determined that no documents, or any part of such documents were considered to be exempt from release under Schedule One of the FOI Act.

Of the three FOI applications processed, all were completed within the 2008-2009 reporting year, with no matters unfinished or carried forward into the next reporting cycle. All applications were completed within the statutory determination periods.

Sydney Metro’s compliance with the FOI Act provided no significant impact on its operations. No Ministerial certificates were issued, nor were any Internal Reviews requested. No major issues arose in relation to the processing of FOI applications, all of which concerned requests for non-personal information. Sydney Metro received no requests concerning personal records, nor any applications to amend, correct or notate any personal records.

Sydney Metro spent less than 10 hours on each the three FOI applications it processed. In total, Sydney Metro collected \$90 in FOI application fees, corresponding to the three requests processed in the reporting period. Sydney Metro did not charge any additional processing fees, refund or discount any fees.

Sydney Metro’s annual FOI Statement of Affairs and six-monthly Summary of Affairs may be obtained at [www.sydneymetro.nsw.gov.au](http://www.sydneymetro.nsw.gov.au) or by contacting the FOI and Privacy Manager, c/- PO Box Q286, QVB Post Office NSW 1230, Tel. 1 800 636 910 (Toll free) or (02) 8238 2700.

Land Disposals

There were no land disposals during the reporting period.

Consumer response

Sydney Metro’s website [www.sydneymetro.nsw.gov.au](http://www.sydneymetro.nsw.gov.au) provides a range of e-consultation mechanisms, including online forums and e-newsletters. In addition it holds community information sessions and distributes information material door-to-door in areas immediately affected by the projects. Sydney Metro has engaged place managers as the primary point of interface between the local community in these areas and Sydney Metro.

During 2008/2009, Sydney Metro has encouraged community feedback on its projects. The comments which it receives through its various consultation mechanisms are compiled and provided as input to the environmental assessments.

Risk management and insurance activities

Sydney Metro has implemented an effective system to manage risks that may impact on business objectives including the protection of assets, funding and Sydney Metro personnel to minimise liabilities including, personnel, public, design and construction against loss or accidents.

The Sydney Metro Board has established an Audit and Risk Committee to provide oversight of the risk management processes applied in the organisation.

Sydney Metro uses the Treasury Managed Fund for its insurance purposes.

Sydney Metro occupational health and safety performance 2008/2009

There were no work related injuries or illnesses during the reporting period.

Employee Assistance

Sydney Metro provides access to an Employee Assistance Program (EAP) through a Service Partnership Agreement with ServiceFirst.

Credit Card Certification

There were no corporate credit cards on issue by Sydney Metro for the year ended 30 June.

Waste Reduction

Sydney Metro participates in a waste reduction program for its corporate office including waste paper recycling and toner cartridge recycling. Sydney Metro occupies space as a sub-tenant and the provision of electrical power is by arrangements made by the prime tenant.

Electronic service delivery

Sydney Metro makes use of full electronic collaboration system for the delivery of information between Sydney Metro and all participants in the design and tendering phase of the project. This system allows for the transfer of information between all participants in electronic form.

Annual reporting costs

Sydney Metro printed 100 copies of this annual report which is also available online at [www.sydneymetro.nsw.gov.au](http://www.sydneymetro.nsw.gov.au). External annual reporting costs for this report were approximately \$11,000.



Sydney**Metro**