

2010 Annual Report



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LETTER TO THE MINISTER

John Robertson MLC
Minister for Transport
Level 35
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister,

I submit to you the final Annual Report for Sydney Metro for the period 1 July 2009 to 30 June 2010.

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,



Les Wielinga
Director General
Transport NSW

CHIEF EXECUTIVE'S REPORT

Sydney Metro was established under Part 6A of the *Transport Administration Act 1988*. It commenced operations on 27 January 2009 with the primary function of planning and delivering a new metro rail network for Sydney.

Sydney Metro's major projects were the development of a metro network strategy for Sydney, and the planning and delivery of Stage 1 (Rozelle to Central) and planning for Stage 2 (Central to Westmead) of the network.

During the reporting period Sydney Metro met all its milestones. Project planning approval for Stage 1 was provided on 1 January 2010. The award of major construction contracts and the start of construction was scheduled for mid 2010. The Preliminary Environmental Assessment for Stage 2 was lodged with the Department of Planning and exhibited in August 2009. The metro network strategy was completed in December 2009.

On 21 February 2010 the NSW Government released its *Metropolitan Transport Plan* and announced its intention to not proceed with metro rail for Sydney in the short to medium term. As a consequence, Sydney Metro was demobilised and its activities brought to a close. The Sydney Metro Board held its last meeting on 10 June 2010.

Matters subsequently arising as a result of the Government's decision on metros – including those related to the reimbursement of reasonable costs for major construction contracts tenders and property-related transactions – were managed under governance arrangements decided by Government.

Legislation giving effect to a range of transport reforms was passed through both houses of NSW Parliament on 2 June. The legislation provided for the abolition of Sydney Metro as a statutory corporation but enabled its continuation for the purposes of managing its existing assets, rights and liabilities pending its final dissolution. The amended *Transport Administration Act* provides for the Director-General of Transport to manage the affairs of Sydney Metro until its dissolution.

Sydney Metro will be dissolved on a date proclaimed by the Governor.



Rodd Staples

for and on behalf of
Sydney Metro

SYDNEY METRO: THE ORGANISATION

Charter

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

- 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.

As set out in the legislation, Sydney Metro was led by a chief executive with a governance structure that included a five member Board.

Sydney Metro Board

The Board members as at 30 June 2010 were:

- Rodd Staples
(Acting Chief Executive)
- Carolyn Walsh

During the year a number of changes were made to the Board:

- Simon Lane was appointed Chairman of the Board effective 23 September 2009 and resigned as Chairman of the Board effective 1 May 2010.
- Chris Herbert resigned as Chairman of the Board effective 2 September 2009.

- Michael Schur resigned as a member of the Board effective 11 August 2009.

The Board met 15 times.

The Board established an Audit and Risk Committee in accordance with NSW Treasury Guidelines. The members of the Committee as at 30 June 2010 were:

- Carolyn Walsh, Chair
- Patricia Azarias
- Allan Cook

The Audit & Risk Committee met nine times.

During the year Simon Lane resigned as Chair of the Committee (12 October 2009) following his appointment as Chair of the Board. Simon subsequently resigned as a Member of the Committee (11 December 2009).

Attendance at Board and Committee meetings during 2009/10 was as follows:

	Board		Audit & Risk Committee	
	Eligible	Attended	Eligible	Attended
Simon Lane (1,2)	14	14	4	4
Rodd Staples	15	15	-	-
Carolyn Walsh (3)	15	14	9	9
Chris Herbert (4)	2	2	-	-
Michael Schur (5)	1	0	-	-
Patricia Azarias	-	-	9	8
Allan Cook	-	-	9	9

Notes:

- 1 Simon Lane was appointed Chairman of the Board effective 23 September 2009 and resigned as Chairman of the Board effective 1 May 2010.
- 2 Simon Lane resigned as Chair of the Audit & Risk Committee effective 12 October 2009 and as a Member of the Audit and Risk Committee effective 11 December 2009.
- 3 Carolyn Walsh was appointed Chair of the Audit and Risk Committee effective 12 October 2009.
- 4 Chris Herbert resigned as Chairman of the Board effective 2 September 2009.
- 5 Michael Schur resigned as a member of the Board effective 11 August 2009.

Chief Executive

The Chief Executive managed and controlled the affairs of Sydney Metro in line with the policies of the Board.

Rodd Staples was Acting Chief Executive during the reporting period. In accordance with the legislation, he was also a member of the Sydney Metro Board.

Organisational Structure

Sydney Metro’s organisational structure comprised seven executive streams and a Deputy Chief Executive reporting to the Chief Executive:

- Strategy and metro products – responsible for the development of a metro network strategy including identification of metro priorities,

feasibility assessments and business cases for each component of the network

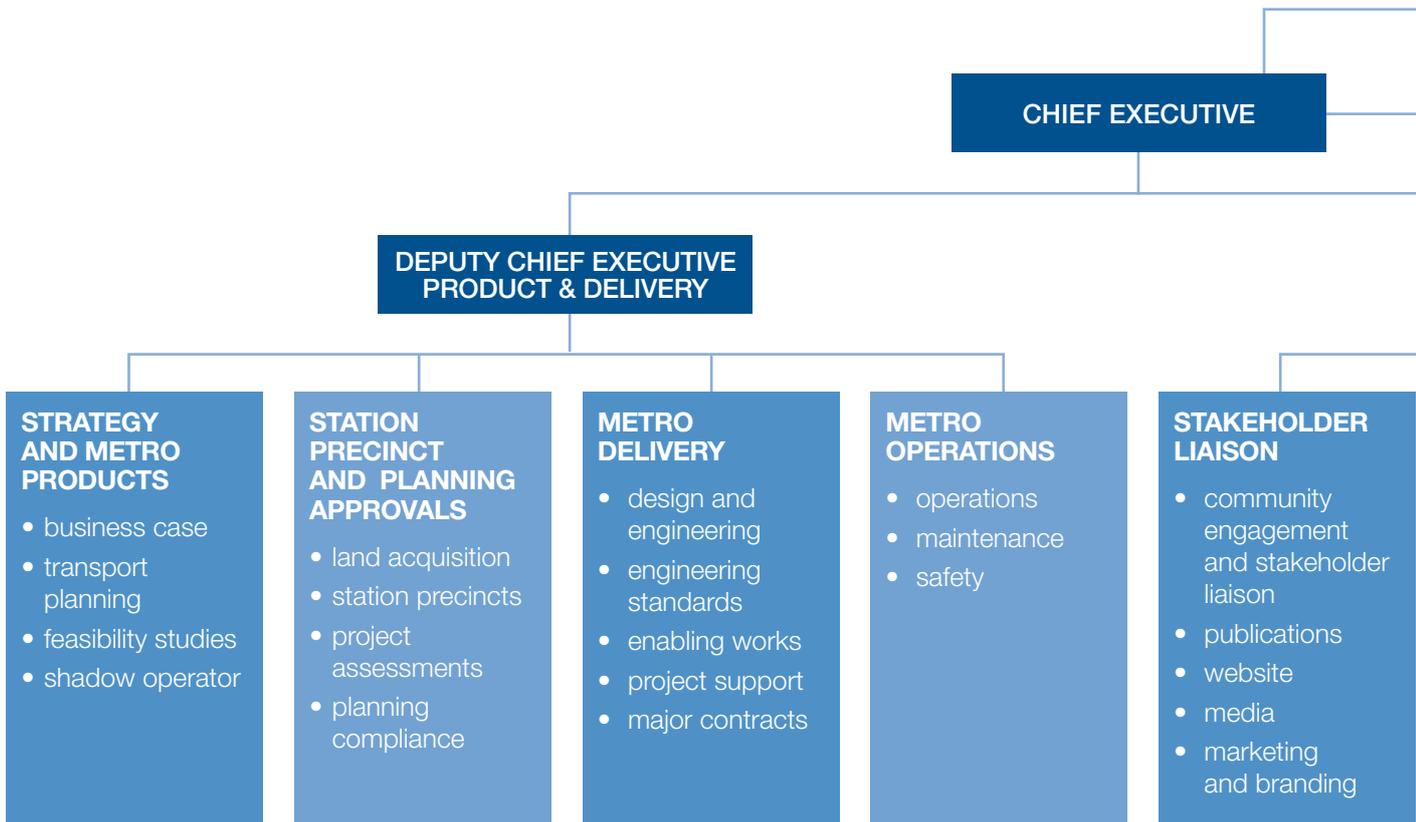
- Station precincts and planning approvals – developing station plans and undertaking environmental assessments for components of the network
- Metro delivery – procuring and managing the delivery of components of the network
- Metro operations – overseeing the operating system
- Stakeholder liaison
- Finance and corporate services
- General Counsel

At the time work on metros was stopped in February 2010, the organisational structure had only been partially implemented, with only one appointment to the Executive.

Sydney Metro team

A team of about 180 permanent staff and contractors made up the core Sydney Metro team at the time the metro projects were cancelled. The team included specialists from both the private and public sector.

During the reporting period Sydney Metro was in the process of recruiting staff into permanent positions within the organisation. This process ceased with the cancellation of the metro projects. Up to that point, approximately 60 staff had been recruited.



SYDNEY METRO ACTIVITIES 2009-2010

Strategic planning and development of a metro network strategy

In December 2009 Sydney Metro finalised the draft of its 'Metro Network Strategy: Corridor Assessment'.

The Network Strategy was developed over a nine month period in collaboration with other transport agencies and broader integrated transport planning activities.

The Strategy defined Sydney Metro's preferred metro network for Sydney that would provide connections to, from and

between major centres with sufficient capacity to cater for expected population and employment growth for the next 50 years and beyond.

As well as defining a preferred metro network, the Network Strategy proposed an implementation plan that incorporated project staging, delivery mechanisms and supporting policies and initiatives. The Strategy demonstrated how new metro lines could be integrated with land use and other transit modes to form a fully integrated multi-modal regional transit network.

Delivery of Stage 1 (Rozelle to Central)

At February 2010, Sydney Metro was on schedule for delivery of Stage 1 of the metro network. The Environmental Assessment, including station plans, was exhibited in September 2009 and planning approval granted on 1 January 2010.

Extensive survey and geotechnical investigations had been undertaken and detailed design and engineering works completed.

The tender process for the two major construction contracts – the Permanent Route Infrastructure (PRI) contract and the Integrated Metro Operations (IMO) contract – was well-advanced, with the award of the PRI contract on target for April 2010. Proposals from the two shortlisted consortia for the IMO

contract were due in early March 2010.

Of the 33 privately owned properties required for construction of Stage 1, Sydney Metro had completed acquisition of seven properties, and was close to finalising acquisition of a further ten. Of the 108 tenancies required for construction of Stage 1, 22 had been acquired and agreement reached with a further 25.

Construction on Stage 1 was scheduled to commence in the second quarter of 2010.

Sydney Metro acquired the following seven properties for the purposes of construction of Stage 1 of the metro at a cost of \$102.6 million:

- 679 Darling Street, Rozelle
- 170 Victoria Road, Rozelle
- 108 Miller Street, Pyrmont
- 30 Clarence Street, Sydney
- 36 Clarence Street, Sydney
- 12 Castlereagh Street, Sydney
- 131-135 Bathurst Street, Sydney

Planning for Stage 2 (Central to Westmead)

Concurrently with the development of the Stage 1 project, Sydney Metro undertook detailed feasibility work on a Stage 2 extension from Central to Westmead. The initial work on Stage 2 included multi-modal analysis of the Western Sydney transport corridor. Subsequently, the feasibility of a metro,

MINISTER FOR TRANSPORT

BOARD

FINANCE AND CORPORATE SERVICES

- human resources/IT/Records
- finance
- procurement and contracts

GENERAL COUNSEL

- legal services
- governance

compared with other transport options, linking the CBD with Parramatta and western Sydney was examined.

Based on the conclusions of the corridor analysis and feasibility work, Infrastructure Australia identified the project as a priority for future planning and development. Consistent with this the Australian Government allocated funds for pre-construction engineering, design and planning to ready the project for public tender in 2010.

The project application and Preliminary Environmental Assessment for Stage 2 was lodged in August 2009. In February 2010 the Environmental Assessment was in the final rounds of pre-lodgement consultations with key agencies.

During this time detailed planning and design, including identification of the preferred corridor and station locations, was completed.

DEMOBILISATION

At the time of the project's cancellation, Sydney Metro established a Demobilisation Steering Group to identify the tasks necessary to properly complete or close down all its activities, obligations and responsibilities with a focus on:

- close-out of tasks and demobilisation of resources associated with the cancelled projects;
- the establishment of a process for reimbursement of costs incurred by major contract tenderers and property owners and lessees.

The objective for demobilisation was to meet Sydney Metro's obligations to in terms of governance, budget reconciliation and financial reporting.

Sydney Metro's intention was to substantially complete demobilisation by the end of March 2010. However, it was acknowledged that some tasks, such as the settlement of the tender and property claims process and proper completion of financial reporting, would take to the end of the financial year or longer.

Sydney Metro continued to report to its Board during the period of demobilisation. All demobilisation activities were undertaken with the endorsement of the Board and the approval of the Minister.

Staff and contractors

Sydney Metro staff were retained to complete necessary close-out activities for Sydney Metro and, following demobilisation, to work on new transport projects within Transport NSW.

The termination of professional service contracts commenced from 26 February and was substantially completed by 31 March. A small number of contracts were continued beyond 31 March for a limited period – primarily to support the claims process and manage the transfer of all Sydney Metro assets to Transport NSW.

Technical and intellectual assets

Sydney Metro largely completed demobilisation on 31 March 2010, including preparation of all documentation for archiving in accordance with the State Records Act. Staff went through a process of identifying and archiving all documents which comprised Sydney Metro's work, including:

- Strategic planning and analysis – this included the Network Corridor Assessment, Metro Network Strategy and Integrated Corridor Strategy for Stage 2 (Central to Westmead). It demonstrates the strategic planning which underpinned the proposed development of a metro network for Sydney.
- Procurement of major contracts, based on market

sounding with international validation and verification.

- Product scope, definition and development – This encompassed the substantial knowledge base on metro product definition and delivery and included the key documentation on the development of north west metro and stages 1 and 2, encompassing planning and project assessments, station precinct planning, design and engineering, major transactions, costs and program, operations and asset management, feasibility studies and business cases.

For Stage 2, all documentation up to pre-release of the Environmental Assessment was completed for submission to the Commonwealth Department of Transport, Infrastructure, Regional Development and Local Government. The Commonwealth indicated that it wanted expenditure on Stage 2 of Commonwealth funds to cease immediately. Accordingly, Sydney Metro determined that a portion of Stage 1 funds be allocated to completion of Stage 2 tasks, commencing 22 February.

Following completion of this process a library of key documents was established and a suite of over 1500 documents was placed on the Transport NSW website to provide a detailed record of Sydney Metro activities.

Property assets

All seven properties acquired by Sydney Metro will be retained in Government ownership. The retention of these properties in Government ownership will support corridor protection for future transport requirements in the longer term.

Corridor protection

The Metropolitan Transport Plan indicated that additional rail capacity through the CBD will be required for Sydney's transport system in the long term. In order to provide for this, transport corridors require formal protection. The Stage 1 Metro corridor (CBD Metro) is currently protected in the Infrastructure SEPP and the planning approval for Stage 1 will be transferred to Transport NSW.

Geotechnical assets

Sydney Metro collated a significant amount of geotechnical information, records and assets along the proposed alignments of the North West Metro, Stage 1 (Rozelle – Central) and stage 2 (Central – Westmead). Sydney Metro transferred these assets to the Roads and Traffic Authority (RTA) for retention and ongoing management and to make these records and assets available to other government organisations.

Claims process

Tenders for major construction contracts

The tender process for the major construction contracts for Stage

1 of the metro system started in April 2009 and was well-advanced at the time of project cancellation on 21 February. Three consortia had been selected to bid for the permanent route infrastructure (PRI) contract and two for the integrated metro operations contract (IMO).

While a preferred consortia had not yet been selected, Sydney Metro was in the final phase of the tender process for the permanent route infrastructure (PRI) contract for Stage 1, and was on track to award in early April 2010.

Detailed proposals for the integrated metro operations (IMO) contract were due for submission in the first week of March.

The decision to cancel metros on 21 February included an acknowledgement of the impact on tenderers for the major construction contracts.

A process for managing and determining the claims was established which included a governance structure of a cross-agency assessment team, independent reviewers and a chief executive level Steering Committee. Deloitte was engaged as the independent reviewer to assess bidders' submissions and to confirm that costs claimed to be incurred were within scope and could be substantiated. They also assessed whether those claimed costs were reasonable for reimbursement, taking account of the nature and complexity of the particular tenders being prepared.

Property acquisition – reimbursement costs

At the time of cancellation, Sydney Metro was in the process of acquiring properties for construction of Stage 1 of the metro.

The decision to cancel metros on 21 February included an acknowledgement of the likely impact on owners and lessees whose properties were being acquired for the construction of the project.

A governance structure was established involving independent reviewers and a chief executive level Steering Committee.

KPMG was appointed as the independent reviewer. The claims were generally dealt with on a "first in first serve" basis. However, in circumstances where hardship was demonstrated, claims were expedited.

A further review mechanism for eligible small businesses was established enabling claimants, if dissatisfied with the determination by the Steering Committee, to have their claim reviewed without recourse to costly court action. This review process is being conducted by Justice Stein and overseen by the Department of Premier and Cabinet.

The settlement of claims was not completed within the reporting period.

Payments made under the claims process are reported on in the financial statements.

SydneyMetro

FINANCIAL STATEMENTS

**for the year ended
30 June 2010**



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 statements of Sydney Metro, which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of Sydney Metro and the consolidated entity as at 30 June 2010, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Director-General of Transport NSW Responsibility for the Financial Statements

The Director-General of Transport NSW is responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 Director-General of Transport NSW, as well as evaluating the overall presentation of the financial statements.

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
- 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
- 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.



Scott Stanton
Assistant Auditor-General

18 October 2010
SYDNEY

SYDNEY METRO

Annual financial statements for the year ended 30 June 2010

STATEMENT BY THE DIRECTOR-GENERAL DELEGATE

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act, 1983*, I declare that, in my opinion:

- (1) The accompanying financial statements, consisting of the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the notes accompanying and forming part of the financial statements, exhibit a true and fair view of the financial position of Sydney Metro as at 30 June 2010, and of its financial performance for the 2009/10 financial year.
- (2) These financial statements have 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 2010 and NSW Treasurer's Directions.

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



Rodd Staples

Director-General Delegate

18/10/2010

SYDNEY METRO

Start of Audited Financial Statements

Statement of comprehensive income

for the year ended 30 June 2010

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
REVENUE					
Government grants	1c(i)/2a	384,214	171,812	384,214	171,812
Interest income	1c(ii)/2b	10,518	541	10,518	541
Other revenue	1c(iii)/2c	4,811	-	4,811	-
Total revenue		399,543	172,353	399,543	172,353
OPERATING EXPENDITURE					
Operating costs (including Personnel Services)	3	35,907	3,791	36,692	3,791
Decrement in value of properties	5 & 8	47,669	-	47,669	-
Write off of capitalised work in progress	5 & 8	176,128	-	176,128	-
Cost reimbursement claims	5	94,872	-	94,872	-
Depreciation and amortisation	4	324	104	324	104
Total operating expenditure		354,900	3,895	355,685	3,895
Surplus for the year/period		44,643	168,458	43,858	168,458
OTHER COMPREHENSIVE INCOME					
Superannuation actuarial gains / (losses)	10b	(785)	-	-	-
Total other comprehensive income for the year/period		(785)	-	-	-
Total comprehensive income for the year/period		43,858	168,458	43,858	168,458

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of financial position

as at 30 June 2010

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	213,315	172,653	213,315	172,653
Trade and other receivables	7	2,276	3,756	2,276	3,756
Total current assets		215,591	176,409	215,591	176,409
Non-current assets					
Property, plant and equipment	8	55,840	65,053	55,840	65,053
Total non-current assets		55,840	65,053	55,840	65,053
Total assets		271,431	241,462	271,431	241,462
LIABILITIES					
Current liabilities					
Trade and other payables	9	4,231	21,255	6,331	21,255
Employee benefits	10	2,100	-	-	-
Other provisions	11	1,175	-	1,175	-
Total current liabilities		7,506	21,255	7,506	21,255
Non-current liabilities					
Employee benefits	10	-	-	-	-
Other provisions	11	-	140	-	140
Total non-current liabilities		-	140	-	140
Total liabilities		7,506	21,395	7,506	21,395
Net assets		263,925	220,067	263,925	220,067
EQUITY					
Accumulated funds	12a	212,316	168,458	212,316	168,458
Contributed equity	12b	51,609	51,609	51,609	51,609
Total equity		263,925	220,067	263,925	220,067

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of changes in equity

for the year ended 30 June 2010

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
Equity balance at beginning of year/period		220,067	-	220,067	-
Surplus for the year/period		44,643	168,458	43,858	168,458
Other comprehensive income					
Superannuation actuarial gains / (losses)	10b	(785)	-	-	-
Total other comprehensive income for the year/period		(785)	-	-	-
Total comprehensive income for the year/period		43,858	168,458	43,858	168,458
Transactions with owners in their capacity as owners					
Increase in net assets from equity transfers	12b	-	51,609	-	51,609
Equity balance at end of year / period		263,925	220,067	263,925	220,067

The accompanying notes form part of these financial statements.

SYDNEY METRO

Statement of cash flows

for the year ended 30 June 2010

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
i) Cash flow from operating activities					
Government grants received	2a	384,214	171,812	384,214	171,812
Interest received		10,518	541	10,518	541
Other revenue		22,189	-	22,189	-
Operating expenditure payments		(161,351)	(2,373)	(161,351)	(2,373)
Net cash flow from operating activities	14	255,570	169,980	255,570	169,980
ii) Cash flow from investing activities					
Payments for capital work-in-progress		(111,669)	(26,928)	(111,669)	(26,928)
Purchases of seven project properties		(102,642)	-	(102,642)	-
Purchase of plant and equipment		(597)	(255)	(597)	(255)
Net cash flow from investing activities		(214,908)	(27,183)	(214,908)	(27,183)
iii) Cash flow from financing activities					
Net increase in cash and cash equivalents		40,662	142,797	40,662	142,797
Cash and cash equivalents at 1 July		172,653	-	172,653	-
Cash transferred in #		-	29,856	-	29,856
Cash and cash equivalents at 30 June	6	213,315	172,653	213,315	172,653

resulted from administrative restructure creating Sydney Metro as an agency.

The accompanying notes form part of these financial statements.

SYDNEY METRO

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies

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

(a) 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 a not-for-profit Public Trading Enterprise.

The principal activities of Sydney Metro were to:

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

On 21 February 2010, the NSW Government decided to stop planning and procurement of Metro Network Stage 1 (CBD) and Stage 2 (West Metro). After that date, Sydney Metro's resources and related contracts were either wound up or, where relevant, transferred to work on new NSW Government infrastructure projects principally within Transport NSW.

Sydney Metro, as a reporting entity, comprises Sydney Metro and its controlled entity, Sydney Metro Division. In the process of preparing the consolidated financial statements 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.

These financial statements have been authorised for issue by the director-general delegate on the date on which the accompanying statement was signed.

(b) Basis of Preparation

The financial statements of Sydney Metro are general purpose financial statements, which have been prepared in accordance with:

- applicable Australian Accounting Standards including Australian Accounting interpretations;
- requirements of the *NSW Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010;
- Treasurer's Directions and relevant Treasury Circulars.

The financial statements have been prepared on an accrual accounting basis using historical cost conventions and are presented in Australian dollars. Except where stated, they do 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 rounded to the nearest one thousand dollars unless otherwise stated and are expressed in Australian dollars.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(b) Basis of Preparation (continued)

Statement of compliance

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

Use of estimates and judgements

The preparation of financial statements require management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions if relevant are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

Going concern

During the course of the current and prior financial year, Sydney Metro had prepared its financial statements on a going concern basis which assumed liabilities would be met in the due course of future business activities.

Following the Government's decision in February to stop work on the current metro projects (Metro Network Stages 1 and 2), changes were required in the values of certain asset and liability accounts to reflect the change in outlook.

Accordingly, to reflect that closure of Sydney Metro was pending at balance date, the financial statements include:

- de-recognition of Work in Progress previously capitalised, on the basis that future value of the technical and planning information is now uncertain (see Note 8a);
- brought to account the full value of its lease make-good provision at June 30 2010 (see Note 11);
- revaluation of its project property assets to market value for both account presentation purposes and in preparation for transfer to other agency/ies during 2010/11 as part of finalising the financial statements for the Sydney Metro entity (see Note 8a).

Principle of consolidation

The consolidated financial statements incorporate the financial statements of Sydney Metro (the authority) and of the subsidiary it controls: Sydney Metro Division. 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 the two entities within the group.

All intra-entity transactions, balances, income and expenses have been eliminated in full on consolidation.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. 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 Metro Stage 1 (CBD) and Metro Stage 2 (West Metro) Network 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 in the statement of comprehensive income as it is received and accrued using the effective interest rate method (per AASB139 *Financial Instruments: Recognition and Measurement*).

(iii) Other Revenue

Other revenue related to the rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date). The services relate to project work undertaken on behalf of either Transport NSW or the Barangaroo Development Authority. Sydney Metro was charged with the development of the Barangaroo Pedestrian Link, with costs to be recouped from the Barangaroo Development Authority. Sydney Metro also recouped costs from Transport NSW for project work undertaken on its behalf. External contractor costs are recouped at cost and salary costs are recouped with salary oncosts.

Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

(d) Cash and cash equivalents (refer note 6)

Cash and cash equivalents are reported at their principal amount which is subject to an insignificant risk of change in value. Cash and cash equivalents comprise cash on hand, cash at bank, and cash investments held in NSW Treasury Corporation's Hour-Glass cash investment facility.

For the purposes of the statement of cash flows, cash and cash equivalents are also defined as above.

(e) Trade and other receivables (refer note 7)

Trade and other receivables are initially recognised at fair value, being the transaction cost or face value. They are subsequently carried at the original invoiced 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 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.

Any future changes will be accounted for in the statement of comprehensive income for impairment, derecognition and/or amortisation where circumstances require.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(f) Property, plant and equipment (refer note 8)

All assets are initially carried at cost. Individual asset items with a purchase value of less than \$5,000 are generally expensed when acquired.

(i) Project properties

During the current year and prior to the NSW Government's February decision to stop work on current metro projects, Sydney Metro acquired seven properties that were identified as being needed for construction purposes and/or for the siting of Stage 1 infrastructure. These properties will be retained in Government ownership for the purposes of corridor protection of future transport projects.

The price paid for these properties (excluding tenant buyouts and relocation payments paid to owners) was initially capitalised at cost value.

As a result of the NSW Government's February decision, Sydney Metro arranged for current market valuations as at 30 June 2010 to be determined by independent professional property valuers for all properties owned at that date. Fair value of property is determined based on the best available market evidence, including current market selling prices for the same or similar assets.

The revaluation decrement was recognised as an expense. Sydney Metro had no revaluation increments or decrements in the prior trading period.

(ii) Project work-in-progress

Sydney Metro project expenditure, other than capital acquisitions (including properties required for future project construction activities), was reviewed and, where considered of long term value to the project, capitalised as construction work in progress, at cost.

Prior to the NSW Government's decision to stop work on current metro projects, direct costs were collected directly in specific project accounts, with a share of corporate costs allocated based on the share of resources utilised by the specific project areas (i.e. Metro Network Stage 1 and Stage 2).

Indirect costs relating to running the organisation itself and to long range planning and overall network development were not capitalised.

Following the February decision, an assessment was undertaken of project and related expenditure up to the date of the decision. With the exception of the properties acquired for project purposes, no other components of project expenditure were considered to have resulted in the creation of an asset that could be utilised in the near future. As a consequence all project expenditure (with the exception of expenditure on the acquisition of properties) which was capitalised has been written off as an expense.

Notes to and forming part of the financial statements for the year ended 30 June 2010**1. Significant Accounting Policies (continued)****(f) Property, plant and equipment (continued)****(iii) Plant and equipment**

Items of plant and equipment acquired were recognised as an asset in Sydney Metro's ledgers where they individually exceeded the capitalisation threshold value.

(iv) Depreciation and amortisation of non-current assets

All depreciable assets (except properties revalued at 30 June) were depreciated on a straight-line basis over their estimated useful lives, commencing when the item became 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 2009/10 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 (refer note 9)

A payable is recognised on the statement of financial position when a present obligation arises under a contract. The reported values represent liabilities for goods and services provided to Sydney Metro during the current year and remaining unsettled at year end. Trade and other payables are initially stated at fair value (usually the invoiced cost) which is not materially different from amortised cost due to their short term nature. These short term payables have no stated interest rate, and are measured at the original invoice cost on the basis the effect of discounting would be immaterial.

(h) Employee benefits (refer note 10)

Sydney Metro (as the authority or 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.

Within the Division (and the consolidated financial statements for the authority and division) the following accounting policies have been applied:

i) Salaries, wages, leave, and related oncosts

Liabilities for salaries, wages and leave entitlements expected to be settled wholly within 12 months of the reporting date, are recognised and measured in respect to individual employee's services up to the reporting date at undiscounted amounts (being amounts expected to be paid when the liabilities are settled).

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(h) Employee benefits (continued)

Longer term annual and long service leave, which is not expected to be paid within 12 months of the reporting date, is measured at present value in accordance with AASB119 *Employee Benefits*.

Unused sick leave does not give rise to a liability as it is non-vesting, and it is considered future sick leave taking will not exceed benefits accruing in future periods.

ii) Superannuation

Accumulation fund schemes:

Sydney Metro has contributed the Superannuation Guarantee Contribution (SGC) and other nominated payments to these schemes, generally held by employees with the First State Superannuation scheme (FSS). Contributions to these schemes are recognised as an expense as incurred.

Defined benefit fund schemes:

Sydney Metro contributed to three defined benefit schemes (see Note 10). Sydney Metro's net obligation in respect of these schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current reporting and prior periods. That benefit is discounted to determine its present value and the fair value of any scheme assets is deducted.

The discount rate applied was the yield relevant to Commonwealth Government bonds with maturity dates approximating the terms of Sydney Metro's obligations. Actual calculations were performed by the Pooled Funds actuary using the projected unit credit method and advised to Sydney Metro for recognition and disclosure within its financial statements.

Where the present value of the defined benefit obligation in respect of a scheme exceeded the fair value of the scheme's assets, a liability for the difference is recognised on the statement of financial position.

Actuarial gains and losses arising in calculating the obligations of Sydney Metro were recognised in the statement of changes in equity.

(i) Other provisions (refer note 11)

Sydney Metro recognises provisions in the statement of financial position where it has a present legal or constructive obligation resulting from a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation, and the amount has been reliably estimated.

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 11). A corresponding asset has been recognised under AASB116 *Property, Plant and Equipment* (Refer Note 8).

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(i) Other provisions (continued)

A provision has been established for property reimbursement cost claims that have been received following the Government's February decision. The provision has been raised where there is certainty as to the amount of the claim settlement.

(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:

- 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;
- 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 statement of financial position. Cash flows are included in the statement of cash flows 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

Prior to the current reporting period, NSW Treasury determined that Sydney Metro would not be required to comply with the National Tax Equivalent Regime (NTER) under the Commercial Policy Framework for Government Businesses at least during the construction phase of the Sydney Metro projects. NSW Treasury advised that Sydney Metro's current NTER exemption would be revised if Sydney Metro's core activities were changed from the current design and planning activities, to include revenue and profit earning trading activities.

(m) Comparative figures

This is Sydney Metro's first full year of operation. The comparative figures provided for the prior year relate to a part year of trading only, being from the creation of Sydney Metro on 27/1/09 to the end of the prior financial year (30/6/09).

(n) Standards and interpretations issued not yet effective

Sydney Metro assesses 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 where relevant have no material impact on the financial statements in the period of initial application.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(o) Equity adjustments due to administrative 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*.

2. Revenue (refer note 1 (c))

(a) Government grants	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
NSW Government – Stages 1 and 2		384,214	80,812	384,214	80,812
Commonwealth Government – Stage 2		-	91,000	-	91,000
	1c(i)	384,214	171,812	384,214	171,812

State Government grants were received for detailed planning, pre-construction, procurement and construction activities including the acquisition of land and buildings for the Metro Network Stage 1 and a feasibility study and the initial planning work on the Metro Network Stage 2.

The Commonwealth Government provided two tranches of funding for the Metro Network Stage 2 project. The first tranche of \$20m, was matched (on a 2 to 1 basis) by a NSW Government grant of \$10m, with both amounts being received in the 2007/08 financial year. This funding was provided for the feasibility study phase and was fully expended. The Commonwealth Government's second tranche of funding of \$91m was for the project's detailed planning and pre-construction phase. Of the \$91m, \$11.4m has been expended. The Commonwealth Government's unspent portion (plus interest) amounts to \$82.6m.

Both State and Commonwealth Government Grants received by Sydney Metro, were initially advanced to Transport NSW (formerly the Department of Transport and Infrastructure and prior to that the Ministry of Transport), and then deposited by it to relevant Sydney Metro bank accounts.

Notes to and forming part of the financial statements for the year ended 30 June 2010

2. Revenue (continued)

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
Bank accounts		2,760	541	2,760	541
TCorp cash investment accounts		7,738	-	7,738	-
Other		20	-	20	-
	1c(ii)	10,518	541	10,518	541

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
Services provided (Recouped costs)		3,027	-	3,027	-
Rents received from project property tenancies		1,784	-	1,784	-
	1c(iii)	4,811	-	4,811	-

Services provided (Recouped costs) includes the recoupment of project related costs on the Barangaroo Pedestrian Link project undertaken by Sydney Metro for the Barangaroo Development Authority. Following the Government's decision on 21 February 2010 to stop work on the current metro projects, staff and specific contractor resources were progressively utilized on Transport NSW infrastructure projects. These costs were recouped from Transport NSW and are included in Services provided (Recouped costs).

Notes to and forming part of the financial statements for the year ended 30 June 2010

3. Operating expenditure

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
Professional service contractors		62,963	32,789	62,963	32,789
Property lease payout & disturbance		26,776	-	26,776	-
Property acquisition related valuations & costs		6,294	-	6,294	-
Design and engineering contractors		26,659	3,872	26,659	3,872
Legal fees		8,257	3,599	8,257	3,599
Labour related costs					
- seconded staff costs #		3,162	2,126	3,162	2,126
- personnel services *		-	224	6,638	224
Consultants		43	1,950	43	1,950
Other contractors		2,438	862	2,438	862
Accommodation		2,498	526	2,498	526
External audit fees	20	78	78	78	78
Board and members' remuneration	19	34	30	34	30
Other		2,521	745	2,521	745
Board and members' remuneration (in payroll)	19	141	-	-	-
Salaries & wages		4,264	-	-	-
Annual leave expense		442	-	-	-
LSL expense		268	-	-	-
Superannuation entitlements		315	-	-	-
Payroll tax & workers compensation insurance		423	-	-	-
Total operating expenditure		147,576	46,801	148,361	46,801
Operating expenses capitalised to work-in-progress					
Metro network stage 1		74,205	38,720	74,205	38,720
Metro network stage 2		37,464	4,290	37,464	4,290
Total operating expense capitalised		111,669	43,010	111,669	43,010
Total operating expense remaining after capitalisation		35,907	3,791	36,692	3,791

Seconded staff costs comprise invoiced charges received by Sydney Metro from other NSW Government agencies for 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*.

Notes to and forming part of the financial statements for the year ended 30 June 2010

4. Depreciation and amortisation

	Note	Consolidated <i>(Authority & Division)</i>		Sydney Metro <i>(Authority)</i>	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
Leasehold improvements		208	61	208	61
Furniture and equipment		24	4	24	4
Computer equipment		92	39	92	39
	8	324	104	324	104

Notes to and forming part of the financial statements for the year ended 30 June 2010

5. Individually significant items

The NSW Government's February decision to stop work on Metro Network Stages 1 and 2 has resulted in a small number of individually significant items impacting on Sydney Metro's financial position for the year ended 30 June 2010. The following points provide details of the individually significant items.

(a) Write-off of capitalised work in progress (WIP)

All project related expenditure, from the date of project commencement up to the date of the February decision, had been capitalised as work in progress. An assessment of this expenditure confirmed that only expenditure components related to the acquisition of project properties (i.e. land and buildings) would result in a resource from which future economic benefits are expected to flow to Sydney Metro. Work in progress totalling \$176.1m was written off as an expense and reported in the statement of comprehensive income.

(b) Payment of cost reimbursement claims

As part of the February decision, the NSW Premier announced that the NSW Government would support the property and leasehold owners and the tenderers for the major construction contracts affected by the decision to stop the Metro Network Stage 1 (CBD) project, indicating that they will be reimbursed for reasonable costs incurred.

Sydney Metro established a detailed process to assess claims provided by all short listed tenderers. All claims were settled before year end, at a total cost of \$93.5m.

Sydney Metro also applied a detailed process to assess cost reimbursements for property and leasehold owners impacted by the Government's February decision (refer Note 16). \$1.4m is included for these costs as at balance date.

(c) Revaluation of properties

As part of the project activities for the Metro Network Stage 1 (CBD) project a series of properties had been identified for acquisition. These properties were to be used during the project's construction phase or were to be used as part of the entrances to metro stations. The acquisition negotiations were supported by expert independent property valuations. Sydney Metro had acquired 7 properties during the year and was actively negotiating to progressively acquire all associated leaseholds. At the time of the Government's February decision many of the acquired buildings were either vacant or rapidly moving to that status. The properties will be retained as being suitable for both construction sites and to protect future corridors for transport infrastructure projects.

As a result of the changed current use of the properties Sydney Metro had to seek an updated market valuation by professionally qualified valuers. The historical cost value of the acquired properties was \$102.6m reflecting the occupancy status and future development prospects prior to the identification of the sites for inclusion in Metro Network Stage 1. The market valuation at 30 June 2010 valued the properties at \$55.0m, resulting in a property value reduction of \$47.6m (reflecting the lower current occupancy of buildings and the future use of the site for construction purposes). The value reduction was reported as an expense in the statement of comprehensive income.

Notes to and forming part of the financial statements for the year ended 30 June 2010**6. Cash and cash equivalents** (refer note 1 (d))

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at bank and on hand		24,252	172,653	24,252	172,653
NSW Treasury Corporation cash investments		189,063	-	189,063	-
	1(d)	213,315	172,653	213,315	172,653

Refer to Note 13 for details regarding credit risk, liquidity risk, market risk and interest rate risk arising from these financial instruments.

Sydney Metro has advised the Commonwealth Government that \$82.6m of the provided Commonwealth Grant funding for the Metro Stage 2 project is available for return. Of this amount NSW Treasury has already returned \$80.14m to the Commonwealth Government. Cash balances in the Sydney Metro bank accounts, remaining after settling the property cost reimbursement claims will be returned to NSW Treasury at the time of Sydney Metro's dissolution or at a time advised by the Treasurer.

7. Trade and other receivables (refer note 1 (e))

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Receivables					
- Australian Taxation Office - GST recoverable		332	3,641	332	3,641
- Barangaroo Development Authority		1,208	-	1,208	-
Prepayments		7	115	7	115
Other receivables		729	-	729	-
	1(e)	2,276	3,756	2,276	3,756

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including financial assets that are either past due or impaired, are disclosed in Note 13.

Notes to and forming part of the financial statements for the year ended 30 June 2010

8. Property, plant and equipment (refer note 1 (f))

Consolidated Entity and Sydney Metro	Note	Project properties \$'000	Leasehold improvements \$'000	Furniture and equipment \$'000	Computer equipment \$'000	Work In progress \$'000	Total \$'000
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a) Current year - ended 30 June 2010

Net carrying amount at start of year		-	342	75	177	64,459	65,053
Inter-agency transfers in		-	-	-	-	-	-
Additions		102,642	62	78	457	111,669	214,908
Sub-total		102,642	404	153	634	176,128	279,961
Depreciation and amortisation	4	-	(208)	(24)	(92)	-	(324)
Inter-agency transfers out		-	-	-	-	-	-
Disposals		-	-	-	-	-	-
Revaluation adjustment	5	(47,669)	-	-	-	-	(47,669)
Write Offs	5	-	-	-	-	(176,128)	(176,128)
Net carrying amount at end of year		54,973	196	129	542	-	55,840

At fair value:

Gross carrying value		54,973	465	157	673	-	56,268
Accumulated depreciation		-	(269)	(28)	(131)	-	(428)
Carrying value at end of year		54,973	196	129	542	-	55,840

b) Prior period - ended 30 June 2009*

Net carrying amount at start of period		-	-	-	-	-	-
Inter-agency transfers in		-	129	17	158	21,449	21,753
Additions		-	274	62	58	43,010	43,404
Sub-total		-	403	79	216	64,459	65,157
Depreciation and amortisation	4	-	(61)	(4)	(39)	-	(104)
Inter-agency transfers out		-	-	-	-	-	-
Disposals		-	-	-	-	-	-
Revaluation adjustment		-	-	-	-	-	-
Write Offs		-	-	-	-	-	-
Net carrying amount at end of period		-	342	75	177	64,459	65,053

At fair value:

Gross carrying value		-	403	79	216	64,459	65,157
Accumulated depreciation		-	(61)	(4)	(39)	-	(104)
Carrying value at end of period		-	342	75	177	64,459	65,053

* In 2008/09 following the creation of Sydney Metro certain operational assets were transferred in from the Transport Infrastructure Development Corporation (TIDC - a NSW Government agency).

Notes to and forming part of the financial statements for the year ended 30 June 2010**8. Property, plant and equipment (continued)**

Details relating to the revaluation of properties are provided at Note 5.

In addition, the Government's February decision also impacted Sydney Metro's classification and measurement of work in progress. An assessment of the project work in progress up to 21 February 2010, confirmed that only the cost of properties could be held as an asset. This resulted in a write off of work in progress of \$176.1m (refer Note 5).

9. Trade and other payables (refer note 1 (g))

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade creditors		1,761	27	1,761	27
Other creditors and accruals		2,205	21,228	2,205	21,153
Accrued salaries, wages & associated costs		265	-	-	-
Amount owed to Sydney Metro Division		-	-	2,365	75
	1(g)	4,231	21,255	6,331	21,255

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including a maturity analysis of the above payables, are disclosed in Note 13.

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (refer note 1 (h))

(a) Employee entitlements	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current					
Provision for annual leave		496	-	-	-
Provision for long service leave		848	-	-	-
Provision for superannuation		756	-	-	-
		2,100	-	-	-
Non-current					
Provision for long service leave		-	-	-	-
Total employee entitlement liability		2,100	-	-	-
Aggregate employee entitlements					
Current leave provisions		1,344	-	-	-
Current superannuation provisions		756	-	-	-
Non-current leave provisions		-	-	-	-
Accrued salaries, wages & oncosts		265	-	-	-
Total employee entitlements	1(h)	2,365	-	-	-

Note: 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 3.

Notes to and forming part of the financial statements for the year ended 30 June 2010
10. Employee benefits (continued)
(a) Employee entitlements (continued)
i) Valuation of the long service leave liability

As at 30 June 2010 Sydney Metro's long service leave valuation was calculated by Service First. In valuing the liability for long service leave financial assumptions of expected long service leave payments arising, were calculated from history of leave taking during service, and lump sum payments made on termination of service. Long service leave is classified as a current provision because the staff are expected to be transferred to Transport NSW during the next reporting period.

ii) Financial assumptions

All employee entitlements are held as current provisions because they are expected to be settled in the next reporting period. Under this basis no discount rates were applied to the calculated balances.

(b) Employee retirement benefits (defined benefit funds)
Defined Benefit Scheme (AASB119 Employee Benefits)

	As at 30 June 2010				As at 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
Member Numbers								
Contributors	2	3	1	-	-	-	-	-
Deferred Benefits	-	-	-	-	-	-	-	-
Pensioners	-	-	-	-	-	-	-	-
Pensions fully commuted	-	-	-	-	-	-	-	-
Superannuation Position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued liability	1,025	212	1,527	2,764	-	-	-	-
Estimated reserve account balance	(856)	(196)	(967)	(2,019)	-	-	-	-
	169	16	560	745	-	-	-	-
Future Service Liability	(68)	(50)	(81)	(199)	-	-	-	-
Surplus in excess of recovery available from schemes	-	-	-	-	-	-	-	-
Net (asset)/liability to be recognised in statement of financial position	169	16	560	745	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

Defined Benefit Scheme (AASB119 Employee Benefits) (continued)

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

i) Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS);
- State Superannuation Scheme (SSS); and
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes in that at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

ii) Reconciliation of the present value of the defined benefit obligation

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at beginning of the year/period	-	-	-	-	-	-	-	-
Current service cost	-	-	-	-	-	-	-	-
Interest cost	-	-	-	-	-	-	-	-
Contributions by fund members	-	-	-	-	-	-	-	-
Actuarial (gains)/losses	434	19	962	1,415	-	-	-	-
Benefits paid	591	193	565	1,349	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year/period	1,025	212	1,527	2,764	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

iii) Reconciliation of the fair value of fund assets

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value of Fund assets at beginning of the year/period	-	-	-	-	-	-	-	-
Expected return on fund assets	-	-	-	-	-	-	-	-
Actuarial gains/(losses)	246	1	383	630	-	-	-	-
Employer contributions	19	2	19	40	-	-	-	-
Contribution by fund members	-	-	-	-	-	-	-	-
Benefits paid	591	193	565	1,349	-	-	-	-
Fair value of Fund assets at end of the year/period	856	196	967	2,019	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds) (continued)****iv) Reconciliation of amounts recognised in the financial statements****(a) Assets and liabilities recognised in statement of financial position**

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at end of year/period	1,025	212	1,527	2,764	-	-	-	-
Fair value of fund assets at end of year/period	(856)	(196)	(967)	(2,019)	-	-	-	-
Subtotal	169	16	560	745	-	-	-	-
Unrecognised past service cost	-	-	-	-	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-	-	-	-	-
Net liability/(asset) recognised in statement of financial position at end of year/period	169	16	560	745	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)**(b) Employee retirement benefits** (defined benefit funds) **(continued)****iv) Reconciliation of amounts recognised in the financial statements (continued)****(d) Cumulative amount recognised in other comprehensive income**

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cumulative amount at beginning of the year/period	-	-	-	-	-	-	-	-
Recognised during the current period	187	19	579	785	-	-	-	-
Cumulative amount at the end of the year/period	187	19	579	785	-	-	-	-

v) Fund assets

The percentage invested in each asset class at the end of the year.

	Consolidated (Authority & Division)	
	2010	2009
Australian equities	31.0%	-
Overseas equities	26.8%	-
Australian fixed interest securities	6.1%	-
Overseas fixed interest securities	4.3%	-
Property	9.5%	-
Cash	9.6%	-
Other	12.7%	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

vi) Fair value of fund assets

All Fund assets are invested by STC at arm's length through independent fund managers.

vii) Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

viii) Actual return on fund assets

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actual return on fund assets	(7,865)	550	10,472	3,157	-	-	-	-

ix) Valuation method and principal actuarial assumptions at the end of the year

Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Economic assumptions	Consolidated (Authority & Division)	
	2010	2009
Salary increase rate (excluding promotional increases)	3.5% p.a.	-
Rate of CPI increase	2.5% p.a.	-
Expected rate of return on assets	8.6%	-
Discount rate	5.17% p.a.	-

Demographic assumptions

The demographic assumptions at 30 June 2010 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

x) Historical information

The year ended 30 June 2010 is the first year that Sydney Metro employed staff with superannuation liabilities as at year end. As a result no comparative information is available for prior years.

	Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	1,025	212	1,527	2,764
Fair value of fund asset	(856)	(196)	(967)	(2,019)
(Surplus)/deficit in fund	169	16	560	745
Experience adjustments – fund liabilities	434	19	962	1,415
Experience adjustments – fund assets	(246)	(1)	(383)	(630)

xi) Expected contributions

	Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions to be paid in the next reporting period	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds) (continued)****xii) Funding arrangement for employer contributions****(a) Surplus/deficit**

The following is a summary of the 30 June 2010 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued benefits	915	196	1,007	2,118	-	-	-	-
Net market value of Fund assets	(857)	(196)	(966)	(2,019)	-	-	-	-
Net (surplus)/deficit	58	-	41	99	-	-	-	-

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
Multiple of member contributions	% member salary	Multiple of member contributions
1.90	2.50%	-

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(d) Economic assumptions

The economic assumptions adopted for the 2009 actuarial review of the Fund are:

Weighted-Average Assumptions

Expected rate of return on Fund assets backing current pension liabilities	8.3%
Expected rate of return on Fund assets backing other liabilities	7.3%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

Notes to and forming part of the financial statements for the year ended 30 June 2010

10. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

xiii) Nature of asset / liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

11. Other provisions (refer note 1 (i))

(a) Other Provisions	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current					
Lease make-good costs		140	-	140	-
Property reimbursement claims		1,035	-	1,035	-
Total current other provisions		1,175	-	1,175	-
Non-current					
Lease make-good costs		-	140	-	140
Total non-current other provisions		-	140	-	140
		1,175	140	1,175	140

(b) Movement in other provisions	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Lease make-good costs					
Balance at start of year/period		140	-	140	-
Increase		-	140	-	140
Payments		-	-	-	-
Balance at end of year/period		140	140	140	140

Notes to and forming part of the financial statements for the year ended 30 June 2010

11. Other provisions (continued)

(b) Movement in other provisions (continued)

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Property reimbursement claims					
Balance at start of year/period		-	-	-	-
Increase		1,035	-	1,035	-
Payments		-	-	-	-
Balance at end of year/period		1,035	-	1,035	-

12. Equity

(a) Accumulated funds

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Accumulated funds at the start of the year/period		168,458	-	168,458	-
Total changes in equity recognised in the statement of comprehensive income		43,858	168,458	43,858	168,458
Accumulated funds at end of the year/period		212,316	168,458	212,316	168,458

Notes to and forming part of the financial statements for the year ended 30 June 2010

12. Equity (continued)

(b) Contributed equity	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Contributed equity at the start of the year/period		51,609	-	51,609	-
Equity contributions					
- Cash at bank		-	29,856	-	29,856
- Construction work-in-progress		-	21,449	-	21,449
- Fixed assets		-	304	-	304
Net equity contribution/(repayment) during the year/period		-	51,609	-	51,609
Contributed equity at end of the year/period		51,609	51,609	51,609	51,609

Equity contributions during 2009 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, Metro Network Stage 1 and 2 projects that were included in the terms of reference of Sydney Metro. The equity contribution comprised assets and cash relevant to Stage 1 (\$20.306 million) and Stage 2 (\$31.303 million) projects.

Notes to and forming part of the financial statements for the year ended 30 June 2010**13. 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 these financial statements.

Up until 30 June 2010 Sydney Metro's Board had 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 established an Audit and Risk Committee which monitored Sydney Metro's major risks and oversaw compliance on a continuous basis throughout the year. Amendments to the *Transport Administration Act* 1988 came into effect on 1 July 2010, when the Board ceased to exist and the affairs of Sydney Metro came under the management and control of the Director-General of Transport NSW. Also from this date Sydney Metro is included in the coverage of the Audit and Risk Committee of Transport NSW.

(a) Financial instrument categories			Consolidated		Sydney Metro	
			<i>(Authority & Division)</i>		<i>(Authority)</i>	
Class	Category	Note	2010	2009	2010	2009
			\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	N/A	6	213,315	172,653	213,315	172,653
Trade and other receivables	Receivables measured at invoiced amount	7	1,779	3,756	1,779	3,756
			215,094	176,409	215,094	176,409
Financial liabilities						
Trade and other payables	Payables measured at invoiced amount	9	3,758	21,255	5,859	21,255
			3,758	21,255	5,859	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.

Notes to and forming part of the financial statements for the year ended 30 June 2010

13. Financial instruments (continued)

(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 statement of financial position, 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 trading accounts held with the Westpac Banking Corporation, and short-term cash investments held in NSW Treasury Corporation's Hour-Glass Cash facility.

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, one of the debtors 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. The majority of other receivables are with Government agencies and are not considered to 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.

Notes to and forming part of the financial statements for the year ended 30 June 2010

13. Financial instruments (continued)**(c) Liquidity risk (continued)**

The table below summarises the maturity profile of the Consolidated Entity's financial liabilities, together with the interest rate exposure:

	Weighted average effective interest rate	Nominal amount	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2010								
Accounts payable	-	1,600	-	-	1,600	1,600	-	-
Accrued expenses	-	2,158	-	-	2,158	2,158	-	-
Total financial liabilities	-	3,758	-	-	3,758	3,758	-	-
30 June 2009								
Accounts payable	-	27	-	-	27	27	-	-
Accrued expenses	-	21,228	-	-	21,228	21,228	-	-
Total financial liabilities	-	21,255	-	-	21,255	21,255	-	-

(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 trading accounts with the Westpac Banking Corporation and short-term cash investments held in NSW Treasury Corporation's Hour-Glass Cash facility. The extent of its exposure is set out in the sensitivity analysis below.

Notes to and forming part of the financial statements for the year ended 30 June 2010

13. Financial instruments (continued)

(e) Interest rate risk (continued)

The average interest rate earned on the bank trading account balances during the reporting period was 4.49% (2009: 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.

(f) Interest rate sensitivity

	Carrying amount	-1%		+1%	
		Impact on profit	Impact on equity	Impact on profit	Impact on equity
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2010					
Bank trading accounts (Westpac)	24,252	(760)	-	760	-
Cash investments (NSW Treasury Corporation)	189,063	(1,682)	-	1,682	-
Total financial assets	213,315	(2,442)	-	2,442	-
30 June 2009					
Bank trading accounts (Westpac)	172,653	(175)	-	175	-
Cash investments (NSW Treasury Corporation)	-	-	-	-	-
Total financial assets	172,653	(175)	-	175	-

(g) Fair value

All of Sydney Metro's financial instruments are generally recognised at cost, with the exception of the TCorp Hourglass facilities, which are measured at fair value. In the fair value hierarchy, the investments in the Hourglass facilities are classified as Level 2, as although prices are observable, no active market exists for these facilities as they are only accessible to government agencies. The value of the Hourglass Investments is based on Sydney Metro's share of the value of the underlying assets of the facility, based on the market value. All of the Hourglass facilities are valued using 'redemption' pricing. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of the financial instruments.

Notes to and forming part of the financial statements for the year ended 30 June 2010

14. Notes to the statement of cash flows

(a) Reconciliation of the surplus to the net cash flow from operating activities

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010 \$'000	27 January – 30 June 2009 \$'000	2010 \$'000	27 January – 30 June 2009 \$'000
Surplus for the year/period		44,643	168,458	43,858	168,458
Non-cash items					
Depreciation and amortisation		324	104	324	104
Operating costs capitalised to work in progress		-	(16,081)	-	(16,081)
Write-off of construction work in progress		176,128	-	176,128	-
Decrement in value of properties		47,669	-	47,669	-
Changes in assets and liabilities					
Increase/(decrease) in payables		(17,024)	21,255	(14,924)	21,255
(Increase)/decrease in receivables		1,480	(3,756)	1,480	(3,756)
Increase/(decrease) in provisions & employee benefits		2,350	-	1,035	-
Net cash flow from operating activities		255,570	169,980	255,570	169,980

(b) Financing Facilities

Sydney Metro had no borrowings at year end, or during the year.

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. During 2009/10, Sydney Metro sought and received approval from NSW Treasury Corporation to create the facility in the expectation it may have been required to cover short term cash needs of Sydney Metro's operations, particularly when the construction phase commenced. However, as Sydney Metro did not reach that phase, and it had sufficient cash on hand to fund its project activities and property acquisitions during the current year, the facility was not needed or utilised since it was initially approved.

Additionally, Sydney Metro also had in place a purchase card which has been utilised for minor ad-hoc facility and office related purchases since August 2009.

Notes to and forming part of the financial statements for the year ended 30 June 2010

14. Notes to the statement of cash flows (continued)

(b) Financing Facilities (continued)

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Credit card - approved limit		120	-	120	-
NSW Treasury Corporation Come & Go Facility		50,000	50,000	50,000	50,000
Total approved facilities		50,120	50,000	50,120	50,000

15. Expenditure commitments

(a) Capital expenditure commitments

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
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
<i>GST input tax credits included in total</i>		-	4,434	-	4,434

At year end Sydney Metro had no capital expenditure commitments. The NSW Premier announced on 21 February 2010 that the Sydney Metro projects would be indefinitely deferred. All contracts that were contributing to the capital expenditure for the Sydney Metro projects were completed or terminated by 30 June 2010.

Notes to and forming part of the financial statements for the year ended 30 June 2010

15. Expenditure commitments (continued)**(b) Operating expenditure commitments**

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Not longer than 1 year		1,056	-	1,056	-
Longer than 1 year and not longer than 5 years		-	-	-	-
		1,056	-	1,056	-
<i>GST input tax credits included in total</i>		96	-	96	-

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

(c) Operating lease commitments

	Note	Consolidated (Authority & Division)		Sydney Metro (Authority)	
		2010	2009	2010	2009
		\$'000	\$'000	\$'000	\$'000
Not longer than 1 year		1,700	1,598	1,700	1,598
Longer than 1 year and not longer than 5 years		-	1,474	-	1,474
		1,700	3,072	1,700	3,072
<i>GST input tax credits included in total</i>		155	279	155	279

The operating leases relate to office accommodation, motor vehicles and the cost of extinguishing a property lease. The property lease is in a building Sydney Metro was negotiating to acquire prior to the Premier's February announcement to stop work on the Sydney Metro projects.

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

Notes to and forming part of the financial statements for the year ended 30 June 2010

16. Contingent assets and contingent liabilities

At the time of the Government's decision to stop work on its metro projects, Sydney Metro had initiated a structured property acquisition programme for Metro Network Stage 1. Whilst seven properties had been acquired, a number of other properties and associated leaseholds had reached varying stages of acquisition at the time of Sydney Metro ceasing negotiations. As part of its February decision, the NSW Premier announced that, in cases where the acquisition of properties was not completed, the NSW Government would put processes in place to assist property owners and tenants who had incurred legal, valuation and other costs relating to property acquisition.

A detailed assessment process was approved by the NSW Government to assess cost reimbursement claims from affected parties, applying assessment principles consistent with the *Land Acquisition (Just Terms) Compensation Act*. As at balance date 17 claims, totalling \$0.4m had been finalised. A provision of \$1.0m to cover a further 11 claims that have certainty about the settlement amount has been included in Sydney Metro's financial statements. In addition to these items Sydney Metro has received a further 47 claims. These claims are expected to be resolved during the next reporting period.

Whilst a significant number of affected parties have already lodged claims, under the relevant legislation remaining directly affected property and leasehold owners have up to 3 years to lodge a claim.

17. Segment information

Until the date of the Government's announcement to stop work on the current metro projects, Sydney Metro operated predominantly in the transport infrastructure development industry. Sydney Metro's project related operations were conducted in Sydney, Australia. Additional information in regard to Sydney Metro's operations is contained in Note 1(a) of these financial statements, and Sydney Metro's Annual Report.

18. Related party disclosures

At balance date, Sydney Metro's Board comprised the following members:

- Rodd Staples, Acting Chief Executive Sydney Metro, (appointed 22 June 2009);
- Carolyn Walsh, Non-Executive Board Member (appointed 1 June 2009).

Changes to the Board's membership which occurred during the year to 30 June 2010, included:

- Chris Herbert resigned as Chairman of the Board effective 2 September 2009;
- Simon Lane was appointed Chairman of the Board effective 23 September 2009 and resigned as Chairman of the Board effective 1 May 2010;
- Michael Schur resigned as a member of the Board effective 11 August 2009;
- Simon Lane resigned as Chair of the Board's Audit & Risk Committee, effective 12 October 2009, and as a Member of the Audit and Risk Committee effective 11 December 2009;
- Carolyn Walsh was appointed Chair of the Audit and Risk Committee effective 12 October 2009.

Notes to and forming part of the financial statements for the year ended 30 June 2010

18. Related party disclosures (continued)

Except for remuneration payments disclosed below, there were no other transactions with Board members.

Amendments to the *Transport Administration Act* 1988 commenced on 1 July 2010 which established Transport NSW and abolished the Sydney Metro Board.

19. Board remuneration

Remuneration paid to Board members who were not government employees, including compulsory superannuation contributions, during the financial year were:

Board member remuneration by range	Note	2010	27 January – 30 June 2009
\$0 - \$10,000		-	2
\$10,001 - \$20,000		1	1
\$50,000 - \$60,000		1	-
\$60,000 - \$70,000		1	-

In addition to the above, Ms Walsh received \$10,900 in remuneration for Audit and Risk Committee membership. M Schur and R Staples are full-time employees of either Sydney Metro or other NSW Government authorities/departments and were not remunerated for their Board membership, in accord with NSW Government policy.

20. Auditors' remuneration

The amount received, or due and receivable, by the auditors for auditing the financial statements of the consolidated entity was \$78,000 (2009: \$78,000).

21. Post balance date events

Amendments to the *Transport Administration Act* 1988 commenced on 1 July 2010 which established Transport NSW and abolished the Sydney Metro Board. The affairs of Sydney Metro from the 1 July 2010 are to be managed and controlled by the Director-General of Transport NSW.

From 1 July 2010 and until Sydney Metro is dissolved, it will be a controlled entity of Transport NSW.

All Sydney Metro staff are now working on other activities for Transport NSW. Sydney Metro expects to finalise formal transfer of its staff to Transport NSW during the 2010/11 financial year. In addition all assets, including properties are to be transferred to Transport NSW in 2010/11.

End of audited financial statements

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Sydney **Metro Division**

FINANCIAL STATEMENTS

**for the year ended
30 June 2010**



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 statements of Sydney Metro Division (the Division), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Division as at 30 June 2010, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Division Head's Responsibility for the Financial Statements

The Division Head is responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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
- 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
- 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.



Scott Stanton
Assistant Auditor-General

20 October 2010
SYDNEY

SYDNEY METRO DIVISION

Annual financial statements for the year ended 30 June 2010

STATEMENT BY THE DIVISION HEAD

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act, 1983*, I declare that, in my opinion:

- (1) The accompanying financial statements, consisting of the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the notes accompanying and forming part of the financial statements, exhibit a true and fair view of the financial position of Sydney Metro Division as at 30 June 2010, and of its financial performance for the 2009/10 financial year.
- (2) These financial statements have 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 2010 and NSW Treasurer's Directions.

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



Rodd Staples
Division Head
18/10/2010

SYDNEY METRO DIVISION

Start of Audited Financial Statements

Statement of comprehensive income

for the year ended 30 June 2010

	Note	2010 \$'000	27 January – 30 June 2009 \$'000
REVENUE			
Personnel services revenue	2	6,638	224
Total revenue		6,638	224
OPERATING EXPENDITURE			
Employee related expenditure	3	5,853	224
Total operating expenditure		5,853	224
Surplus for the year/period		785	-
OTHER COMPREHENSIVE INCOME			
Superannuation actuarial gains/(losses)	6(b)	(785)	-
Total other comprehensive income for the year/period		(785)	-
Total comprehensive income for the year/period		-	-

The accompanying notes form part of these financial statements.

SYDNEY METRO DIVISION

Statement of financial position

for the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
ASSETS			
Current assets			
Trade and other receivables	4	2,365	75
Total current assets		2,365	75
Total assets		2,365	75
LIABILITIES			
Current liabilities			
Trade and other payables	5	265	75
Employee benefits	6(a)	2,100	-
Total current liabilities		2,365	75
Total liabilities		2,365	75
Net assets		-	-
EQUITY			
Accumulated funds	7	-	-
Total equity		-	-

The accompanying notes form part of these financial statements.

SYDNEY METRO DIVISION

Statement of changes in equity

for the year ended 30 June 2010

	Note	2010 \$'000	27 January – 30 June 2009 \$'000
Balance at beginning of year/period		-	-
Surplus for the year/period		785	-
Other comprehensive income			
Superannuation actuarial gains/(losses)	6(b)	(785)	-
Total other comprehensive income for the year/period		(785)	-
Total comprehensive income for the year/period		-	-
Balance at end of year / period	7	-	-

The accompanying notes form part of these financial statements.

SYDNEY METRO DIVISION

Statement of cash flows

for the year ended 30 June 2010

	Note	2010 \$'000	27 January – 30 June 2009 \$'000
i) Cash flow from operating activities			
Net cash flow from operating activities	14	-	-
ii) Cash flow from investing activities			
Net cash flow from investing activities		-	-
iii) Cash flow from financing activities			
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 July		-	-
Cash and cash equivalents at 30 June		-	-

The accompanying notes form part of these financial statements.

SYDNEY METRO DIVISION

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies

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

(a) 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.

These financial statements have been authorised for issue by the division head on the date on which the accompanying statement was signed.

(b) Basis of Preparation

The financial statements of Sydney Metro Division are general purpose financial statements, which have been prepared in accordance with:

- applicable Australian Accounting Standards including Australian Accounting interpretations;
- requirements of the *NSW Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010;
- Treasurer's Directions and relevant Treasury Circulars.

The financial statements have been prepared on an accrual accounting basis using historical cost conventions and are presented in Australian dollars. Except where stated, they do 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 rounded to the nearest one thousand dollars and are expressed in Australian dollars.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(b) Basis of Preparation (continued)

Statement of compliance

Sydney Metro Division's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

Use of estimates and judgements

The preparation of financial statements require management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions if relevant are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

Going concern

During the course of the current and prior financial year, Sydney Metro Division had prepared its financial statements on a going concern basis which assumed assets would be realised and liabilities met in the due course of future business activities.

The NSW Government decided in February 2010 to stop work on the current metro projects. This decision was taken into consideration, however it is judged to not have an impact on Sydney Metro Division's financial statements.

(c) Revenue recognition (refer note 2)

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.

(d) Trade and other receivables (refer note 4)

Trade and other receivables are initially recognised at fair value, being the transaction cost or face value. They are subsequently carried at the original invoiced 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 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.

Any future changes will be accounted for in the statement of comprehensive income for impairment, derecognition and/or amortisation where circumstances require.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(e) Trade and other payables (refer note 5)

A payable is recognised on the statement of financial position when a present obligation arises under a contract. The reported values represent liabilities for goods and services provided to the Division during the current year and remaining unsettled at year end. Trade and other payables are initially stated at fair value (usually the invoiced cost) which is not materially different from amortised cost due to their short term nature. These short term payables have no stated interest rate, and are measured at the original invoice cost on the basis the effect of discounting would be immaterial.

(f) Employee benefits (refer note 6)

Within the Division (and the consolidated financial statements for the Authority and Division) the following accounting policies have been applied:

i) Salaries, wages, leave, and related oncosts

Liabilities for salaries, wages and leave entitlements expected to be settled wholly within 12 months of the reporting date, are recognised and measured in respect to individual employee's services up to the reporting date at undiscounted amounts (being amounts expected to be paid when the liabilities are settled).

Longer term annual and long service leave, which is not expected to be paid within 12 months of the reporting date, is measured at present value in accordance with AASB119 *Employee Benefits*.

Unused sick leave does not give rise to a liability as it is non-vesting, and it is considered future sick leave taking will not exceed benefits accruing in future periods.

ii) Superannuation

Accumulation fund schemes:

The Division has contributed the Superannuation Guarantee Contribution (SGC) and other nominated payments to these schemes, generally held by employees with the First State Superannuation scheme (FSS). Contributions to these schemes are recognised as an expense as incurred.

Defined benefit fund schemes:

The Division contributed to three defined benefit schemes (see Note 6(b)). The Division's net obligation in respect of these schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current reporting and prior periods. That benefit is discounted to determine its present value and the fair value of any scheme assets is deducted.

The discount rate applied was the yield relevant to Commonwealth Government bonds with maturity dates approximating the terms of the Division's obligations. Actual calculations were performed by the Pooled Funds actuary using the projected unit credit method and advised to Sydney Metro Division for recognition and disclosure within its financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. Significant Accounting Policies (continued)

(f) Employee benefits (continued)

Where the present value of the defined benefit obligation in respect of a scheme exceeded the fair value of the scheme's assets, a liability for the difference is recognised on the statement of financial position.

Actuarial gains and losses arising in calculating the obligations of the Division were recognised in the statement of changes in equity.

(g) Insurance

Sydney Metro and the Division are 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.

(h) Goods and services tax (GST)

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

- the amount of GST incurred by the Division 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;
- 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 statement of financial position. Cash flows are included in the statement of cash flows 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.

(i) Comparative figures

This is the Division's first full year of operation. The comparative figures provided for the prior year relate to a part year of trading only, being from the creation of Sydney Metro and Sydney Metro Division on 27/1/09 to the end of the prior financial year (30/6/09).

(j) Standards and interpretations issued not yet effective

The Division assesses 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 where relevant have no material impact on the financial statements in the period of initial application.

Notes to and forming part of the financial statements for the year ended 30 June 2010

2. Personnel services revenue (refer note 1(c))

	Note	2010 \$'000	27 January – 30 June 2009 \$'000
Personnel services provided to Parent Entity		6,638	224
		6,638	224

3. Employee related expenditure (refer note 1(f))

	Note	2010 \$'000	27 January – 30 June 2009 \$'000
Salaries & wages		4,264	197
Board & member remuneration		141	-
Annual leave expense		442	-
LSL expense		268	8
Super entitlements		315	5
Payroll tax		377	14
Workers compensation insurance		46	-
		5,853	224

4. Trade and other receivables (refer note 1(d))

	Note	2010 \$'000	2009 \$'000
Amount owed from Parent Entity		2,365	75
		2,365	75

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including financial assets that are either past due or impaired, are disclosed in Note 8.

Notes to and forming part of the financial statements for the year ended 30 June 2010

5. Trade and other payables (refer note 1(e))

	Note	2010 \$'000	2009 \$'000
Accrued salaries, wages & associated costs		265	75
		265	75

Details regarding credit risk, liquidity risk, market risk and interest rate risk, including a maturity analysis of the above payables, are disclosed in Note 8.

6. Employee benefits (refer note 1(f))

(a) Employee entitlements

	Note	2010 \$'000	2009 \$'000
Current			
Provision for annual leave		496	-
Provision for long service leave		848	-
Provision for superannuation		756	-
Total employee leave liability		2,100	-
Aggregate employee entitlements			
Current leave provisions		1,344	-
Current superannuation provision		756	-
Accrued salaries, wages & oncosts		265	-
Total employee entitlements		2,365	-

i) Valuation of the long service leave liability

As at 30 June 2010 Sydney Metro's long service leave valuation was calculated by Service First. In valuing the liability for long service leave financial assumptions of expected long service payments arising, were calculated from history of leave taking during service, and lump sum payments made on termination of service. Long service leave is classified as a current provision because the staff are expected to be transferred to Transport NSW during the next reporting period.

ii) Financial assumptions

All employee entitlements are held as current provisions because they are expected to be settled in the next reporting period. Under this basis no discount rates were applied to the calculated balances.

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds)****Defined Benefit Scheme (AASB119 Employee Benefits)**

	As at 30 June 2010				As at 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
Member Numbers								
Contributors	2	3	1	-	-	-	-	-
Deferred Benefits	-	-	-	-	-	-	-	-
Pensioners	-	-	-	-	-	-	-	-
Pensions fully commuted	-	-	-	-	-	-	-	-
Superannuation Position for AASB 119 purposes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued liability	1,025	212	1,527	2,764	-	-	-	-
Estimated reserve account balance	(856)	(196)	(967)	(2,019)	-	-	-	-
	169	16	560	745	-	-	-	-
Future Service Liability	(68)	(50)	(81)	(199)	-	-	-	-
Surplus in excess of recovery available from schemes	-	-	-	-	-	-	-	-
Net (asset)/liability to be recognised in statement of financial position	169	16	560	745	-	-	-	-

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds) (continued)****i) Fund information**

The superannuation schemes for the Division's employees are:

- State Authorities Superannuation Scheme (SASS);
- State Superannuation Scheme (SSS); and
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes in that at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

ii) Reconciliation of the present value of the defined benefit obligation

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at beginning of the year/period	-	-	-	-	-	-	-	-
Current service cost	-	-	-	-	-	-	-	-
Interest cost	-	-	-	-	-	-	-	-
Contributions by fund members	-	-	-	-	-	-	-	-
Actuarial (gains)/losses	434	19	962	1,415	-	-	-	-
Benefits paid	591	193	565	1,349	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year/period	1,025	212	1,527	2,764	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

iii) Reconciliation of the fair value of fund assets

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value of Fund assets at beginning of the year/period	-	-	-	-	-	-	-	-
Expected return on fund assets	-	-	-	-	-	-	-	-
Actuarial gains/(losses)	246	1	383	630	-	-	-	-
Employer contributions	19	2	19	40	-	-	-	-
Contribution by fund members	-	-	-	-	-	-	-	-
Benefits paid	591	193	565	1,349	-	-	-	-
Fair value of Fund assets at end of the year/period	856	196	967	2,019	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds) (continued)****iv) Reconciliation of amounts recognised in the financial statements****(a) Assets and liabilities recognised in statement of financial position**

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at end of year/period	1,025	212	1,527	2,764	-	-	-	-
Fair value of fund assets at end of year/period	(856)	(196)	(967)	(2,019)	-	-	-	-
Subtotal	169	16	560	745	-	-	-	-
Unrecognised past service cost	-	-	-	-	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-	-	-	-	-
Net liability/(asset) recognised in statement of financial position at end of year/period	169	16	560	745	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds) (continued)****iv) Reconciliation of amounts recognised in the financial statements (continued)****(d) Cumulative amount recognised in other comprehensive income**

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cumulative amount at beginning of the year/period	-	-	-	-	-	-	-	-
Recognised during the current year/period	187	19	579	785	-	-	-	-
Cumulative amount at the end of the year/period	187	19	579	785	-	-	-	-

v) Fund assets

The percentage invested in each asset class at the end of the year.

	2010	2009
Australian equities	31.0%	-
Overseas equities	26.8%	-
Australian fixed interest securities	6.1%	-
Overseas fixed interest securities	4.3%	-
Property	9.5%	-
Cash	9.6%	-
Other	12.7%	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)**(b) Employee retirement benefits (defined benefit funds) (continued)****vi) Fair value of fund assets**

All Fund assets are invested by STC at arm's length through independent fund managers.

vii) Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

viii) Actual return on fund assets

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Actual return on fund assets	(7,865)	550	10,472	3,157	-	-	-	-

ix) Valuation method and principal actuarial assumptions at the end of the year**Valuation method**

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Economic assumptions	2010	2009
Salary increase rate (excluding promotional increases)	3.5% pa	-
Rate of CPI increase	2.5% pa	-
Expected rate of return on assets	8.60%	-
Discount rate	5.17% pa	-

Demographic assumptions

The demographic assumptions at 30 June 2010 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

x) Historical information

The year ended 30 June 2010 is the first year that the Division employed staff with superannuation liabilities as at year end. As a result no comparative information is available for prior years.

	Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Present value of defined benefit obligation	1,025	212	1,527	2,764
Fair value of fund asset	(856)	(196)	(967)	(2,019)
(Surplus)/deficit in fund	169	16	560	745
Experience adjustments – fund liabilities	434	19	962	1,415
Experience adjustments – fund assets	(246)	(1)	(383)	(630)

xi) Expected contributions

	Financial year to 30 June 2010			
	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions to be paid in the next reporting period	-	-	-	-

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

xii) Funding arrangement for employer contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2010 financial position of the Fund calculated in accordance with AAS 25 *Financial Reporting by Superannuation Plans*:

	Financial year to 30 June 2010				Financial period to 30 June 2009			
	SASS	SANCS	SSS	Total	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accrued benefits	915	196	1,007	2,118	-	-	-	-
Net market value of Fund assets	(857)	(196)	(966)	(2,019)	-	-	-	-
Net (surplus)/deficit	58	-	41	99	-	-	-	-

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
Multiple of member contributions	% member salary	Multiple of member contributions
1.90	2.50%	-

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(d) Economic assumptions

The economic assumptions adopted for the 2009 actuarial review of the Fund are:

Weighted-Average Assumptions

Expected rate of return on Fund assets backing current pension liabilities	8.3%
Expected rate of return on Fund assets backing other liabilities	7.3%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

Notes to and forming part of the financial statements for the year ended 30 June 2010

6. Employee benefits (continued)

(b) Employee retirement benefits (defined benefit funds) (continued)

xiii) Nature of asset / liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

7. Equity

Accumulated funds	Note	2010	2009
		\$'000	\$'000
Accumulated funds at the start of the year/period		-	-
Surplus for the year/period		785	-
Other comprehensive income			
Superannuation actuarial gains/(losses)		(785)	-
Total changes in equity recognised in the statement of comprehensive income		-	-
Accumulated funds at end of the year/period		-	-

8. 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. Further quantitative and qualitative disclosures are included throughout these financial statements.

Up until 30 June 2010 Sydney Metro's Chief Executive had 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. Amendments to the *Transport Administration Act 1988* came into effect on 1 July 2010, when the Chief Executive position ceased to exist and the affairs of Sydney Metro Division are to be managed and controlled by the Director-General of Transport NSW.

Notes to and forming part of the financial statements for the year ended 30 June 2010

8. Financial instruments (continued)**(a) Financial instrument categories**

Class	Category	Note	2010	2009
			\$'000	\$'000
Financial assets				
Trade and other receivables	Receivables measured at invoiced amount		2,227	75
			2,227	75
Financial liabilities				
Trade and other payables	Payables measured at invoiced amount		126	75
			126	75

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 the Division's debtors will default on their contractual obligations, resulting in financial loss to the Division. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets in the statement of financial position, including receivables. No collateral is held by the Division. It has not granted any financial guarantees.

(i) 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.

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 name. All banking and payment facilities are provided by the Parent Entity.

Notes to and forming part of the financial statements for the year ended 30 June 2010

8. 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 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, with receivables subject to an impairment review. The Division is of the opinion that the value at which these instruments are recognised in the statement of financial position reflects their fair value.

9. Expenditure Commitments

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

10. Contingent assets and contingent liabilities

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

11. Segment information

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

12. Auditors' remuneration

The auditors' remuneration for auditing the financial statements of the Division was paid and borne by the Parent Entity, as part of the fee for the audit of the consolidated financial statements of the parent and its controlled entity.

Notes to and forming part of the financial statements for the year ended 30 June 2010**13. Post balance date events**

Amendments to the *Transport Administration Act* 1988 commenced on 1 July 2010 which established Transport NSW and abolished the Sydney Metro Board. The affairs of Sydney Metro and Sydney Metro Division from the 1 July 2010 are to be managed and controlled by the Director-General of Transport NSW.

From 1 July and until Sydney Metro Division is dissolved, it will be a controlled entity of Transport NSW.

All Sydney Metro Division staff are now working on other activities for Transport NSW. Sydney Metro Division expects to finalise formal transfer of its staff to Transport NSW during the 2010/11 financial year.

14. Notes to the statement of cash flows

Reconciliation of the surplus to the net cash flows from operating activities.

	2010	27 January – 30 June 2009
	\$'000	\$'000
Surplus for the year/period	785	-
Changes in assets and liabilities		
Increase/(decrease) in payables	190	75
(Increase)/decrease in receivables	(2,290)	(75)
Increase/(decrease) in employee benefits	1,315	-
Net cash flows from operating activities	-	-

End of audited financial statements

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APPENDICES

Budgets

	Actual 2009/10 \$000's	Budget 2009/10 \$000's	Budget 2010/11 \$000's
Government grants	384,214	522,000	0
Interest income	10,518	205	0
Other income	4,811	0	0
Total Revenue	399,543	522,205	0
Operating expense			
Employee related	9,800	22,685	0
Consultants	43	0	0
Contractors	89,622	147,982	0
Other	48,896	19,782	0
Depreciation	324	0	0
Total Operating Expense	148,685	190,449	0
Costs capitalised to WIP	(111,669)	(190,449)	
Net expense	37,016	0	0
Trading Surplus	362,527	522,205	
Costs incurred when work stopped on Metro			
Decrement in value of project properties	47,669	0	0
Write off of capitalised work in progress	176,128	0	0
Cost reimbursement claims	94,872	0	0
Total Costs incurred when Metro Stopped	318,669	0	0
Surplus after Costs incurred when Metro Stopped	43,858	522,205	0

Payment of Accounts

Aged analysis at the end of each quarter						
Quarter	Month	Current (within due date) \$000's	Less than 30 days overdue \$000's	Between 30 and 60 days overdue \$000's	Between 60 and 90 days overdue \$000's	More than 90 days overdue \$000's
1st	Jul - Sep 2009	5,212	-	-	-	-
2nd	Oct - Dec 2009	1,650	-	-	-	-
3rd	Jan - Mar 2010	9,677	-	-	-	-
4th	Apr - Jun 2010	1,760	-	-	-	-

Time for Payment of Accounts

Accounts paid on time within each quarter					
Quarter	Month	Total accounts paid on time			Total amount Paid
		Target %	Actual%	\$000's	\$000's
1st	Jul - Sep 2009	100	75.0	31,554	42,084
2nd	Oct - Dec 2009	100	82.4	63,883	77,503
3rd	Jan - Mar 2010	100	89.6	138,175	154,218
4th	Apr - Jun 2010	100	96.8	112,268	115,945
				345,880	389,750

There were no instances in 2009-10 where Sydney Metro was charged interest for the late payment of accounts.

Management and staff

Number of officers (by category of employment) at 30 June 2010

Metro Limited Term (MLT) Employees	31
Sydney Metro Staff	20

Sydney Metro Executive

At the time of the cancellation of the metro projects on February 21 2010, Sydney Metro had filled only one position on the Executive.

Position	Name
Chief Executive	Rodd Staples, Acting
Deputy Chief Executive	vacant
General Manager, Strategy and Metro Products	Mohini Nair, Acting
General Manager, Station Precinct and Planning Approvals	Martin Halliday, Acting
General Manager, Metro Delivery	Tim Parker
General Manager, Metro Operations	vacant
General Manager, Stakeholder Liaison	vacant
General Manager, Finance & Corporate Services	Robert Hurst, Acting
General Counsel	vacant

Senior Executive Service or equivalent

During the reporting period, Sydney Metro had 27 positions at the equivalent of SES 1 or higher. It employed 5 staff members at SES 5 equivalent or higher.

Level	CES/SES 2009-2010	CES/SES 2008-2009
8	1	1
7	0	0
6	1	0
5	3	0
1- 4	22	0
Female Executive Officers	Eight	0

SES 5 equivalent and higher

Given the cancellation and demobilisation of Sydney Metro in February 2010, there was no opportunity for annual performance reviews to be undertaken. The longest period of appointment prior to metro's cancellation was 3.5 months; the shortest was less than three weeks. The major challenges for each position are included below.

Officer: Deva Mylvagnam

Position: Director, Enabling Works

Date of appointment: 4 January 2010

Remuneration: \$232 000

Performance criteria:

- Achieving project deadlines and milestones to the required standards and targets within budget, whilst coordinating enabling works at construction sites in built up areas that will be operating continuously over several years;
- Advocating for and securing the necessary agreements and commitment to enabling works projects from other infrastructure asset owners and utility providers who have different priorities and needs, and may be reluctant to compromise or adopt common approaches;
- Promoting program interdependencies and interrelationships and facilitating efficient communication and interfaces between work group streams and between work group streams and construction service providers;
- Thoroughly researching and providing advice on a range of issues, some of which may be without a precedent;
- Maintaining communications with the broad stakeholder audience and providing strategic construction advice often to people with limited construction knowledge
- Maintaining professional competence and knowledge and applying this expertise to the development of strategies and options, to the resolution of issues and to the provision of advice

Officer: Trevor Newman

Position: Director, Project Control and Support

Date of appointment: 16 November 2009

Remuneration: \$232 000

Performance criteria:

- Developing and implementing the necessary program and project management frameworks, standards, policies and systems that reflect industry best practice and ensure compliance with related NSW Government policy
- Identifying program interdependencies and interrelationships by facilitating efficient communication and interfaces between work group streams and between work group streams and construction service providers
- Delivering programs/projects on time and in budget and in accord with the quality project management standards in a complex and dynamic environment
- Achieving project deadlines and milestones to the required standards and targets within budget while coordinating and supporting the management of multiple projects
- Providing support to multiple projects enabling synergies and avoiding duplications and waste of resources
- Coaching, guiding and building project management expertise in less experienced project managers
- Ensuring thoroughness of research when providing authoritative advice on a breadth of issues that may be without precedent
- Gaining improvements in productivity through improved work procedures, systems and information availability

Officer: Kim Crestani

Position: Director, Architecture and Station Precincts

Date of appointment: 1 February 2010

Remuneration: \$262 000

Performance criteria:

- Leading the preparation of station and precinct area designs that demonstrate best practice and urban design compatible with land use planning and integrate effectively with other transport modes
- Developing innovative solutions to problems and using sound critical reasoning in making strategic decisions on a range of architectural, urban design and land use issues
- Identifying, consulting and negotiating with NSW Government agencies, local councils, community interest groups and other stakeholders throughout architectural and urban design phases of Metro projects
- Developing policies, standards, protocols and systems in the absence of precedent that are fully compliant with statutory requirements
- Being alert to emerging issues and stakeholder concerns and acting quickly to put systems in place to resolve or mediate those concerns and issues
- Balancing the competing needs and expectations of stakeholders, given the range of different perspectives, while remaining focused on outcomes
- Leading a multi-disciplinary team of qualified staff and consultants with the capacity to contribute both in terms of specific personal expertise and as part of a team to deliver a Metro project to the agreed standards within time and budget constraints
- Working in a complex environment, requiring political astuteness in regards to social, environmental and economic issues
- Keeping abreast of good practice architectural and urban design issues and ideas, as well maintaining a contemporary working knowledge of NSW planning system, Government policy and statutory requirements

Officer: Chris Meale

Position: Director, Design and Engineering

Date of appointment: 2 February 2010

Remuneration: \$270 000

Performance criteria:

- Provision of expert technical advice in a timely and efficient manner
- Delivering reference designs and technical contract documentation for complex metro projects in a timely and cost effective manner
- Managing design to ensure safety has been addressed through all phases including construction, operation, decommissioning and disposal
- Prioritising issues and tasks and ensuring completion even as interruptions, changes in direction and new priorities occur
- Managing and reviewing all specifications and drawings relating to the technical, mechanical, rail systems, systems assurance and performance aspects
- Ensuring the contemporary and internationally based design and system utilisation concepts put forward by the contracted service providers are reflected in completed design phases
- Ensuring all who work on or for the projects are fully committed to delivery of a metro project to the agreed standards on time and on budget

Officer: Tim Parker

Position: General Manager Metro Delivery

Date of appointment: 16 November 2009

Remuneration: \$382 264

Performance criteria:

- Managing major construction sites in built up areas that will be operating continuously over periods of approximately five years
- Managing the range of project elements associated with the design and contracting of engineering and construction works and in delivering to the highest industry standards, on time and within allocated budgets
- Ensuring the contemporary and internationally based design and system utilisation concepts put forward by the contracted service providers are reflected in completed design phases
- Maintaining effective coordination and control of the PRI (Permanent Route Infrastructure) and IMO (Integrated Metro Operations) contracted works implementation
- Exercising an effective oversight of the entire scope of works under way throughout the delivery phase
- Ensuring all who work on or for the projects are aware of the need to maintain confidentiality and probity in relation to large contracts
- Maintain the commitment and enthusiasm of those working on the project to enable delivery of a metro project to the agreed standards on time and on budget
- Managing Sydney Metro's critical external relationships and communications with key stakeholders
- Managing complex strategic project elements that require sustained leadership and negotiating solutions across organisational boundaries
- Ensuring that the best practice commercially oriented approach is considered within the requirements of ethical, government and legislative boundaries

Consultancies

Sydney Metro did not engage any consulting services over the value of \$50 000. The total cost of three consultancies, which were for environmental services, community consultation and industrial relations services, was \$43 000.

Personnel policies and practices

The development of the personnel policies and practices for Sydney Metro was largely completed in the first half of the reporting period. All work associated with the implementation of the policies was suspended when the NSW Government cancelled the projects in February 2010.

Industrial relations policies and practices

The development of the industrial relations policies and practices for Sydney Metro was largely completed in the first half of 2009/2010. All work associated with the implementation of the policies was suspended when the NSW Government cancelled the metro projects in February 2010.

Equal employment opportunity

EEO Group	Benchmark	2010
Women	50%	52%
Aboriginal people & Torres Strait Islanders	2.6%	Nil
People whose first language was not English	19%	13%
People with a disability	12%	Nil

At February 2010, Sydney Metro had a target of employing an Aboriginal or Torres Strait Islander trainee.

Disability Plan

The development of the Sydney Metro Disability Plan was suspended with the decision of Government to cancel the metro projects and demobilise Sydney Metro.

Multicultural Policies and Services Plan

The development of the Multicultural Policies and Services Plan was suspended with the decision of the Government to cancel the metro projects in February 2010. Up until that time Sydney Metro produced multi language documents about the metro projects and engaged translation services to widely communicate Sydney Metro activities.

Privacy Management Plan and Internal Reviews

In 2009/2010 Sydney Metro did not receive any privacy complaints or internal review requests under part 5 of the Privacy Act.

The Sydney Metro Privacy Management Plan was available on the Sydney Metro website until the project was closed as a result of the decision of Government.

Freedom of Information (FOI)

Comparison with Previous Reporting Period

Sydney Metro received 12 new Freedom of Information applications in the 2009–10 reporting period compared with 5 in the previous year.

Statistical Information

This statistical summary is set out in accordance with the provisions of the *Freedom of Information Act 1989*, the *Freedom of Information Regulation 2005* and Appendix B of the NSW Joint FOI Manual of the NSW Department of Premier and Cabinet and the NSW Ombudsman.

Note that the *Freedom of Information Act 1989* was repealed on 1 July 2010, following the proclamation of the *Government Information (Public Access) Act 2009*. As such, NSW Government agencies no longer accept Freedom of Information applications. However applications for information can now be made under the *Government Information (Public Access) Act 2009*.

Section A - New FOI Applications

How many FOI applications were received, discontinued or completed?	Number of FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
A1 New (including transferred in)	0	0	5	12	5	12
A2 Brought forward	0	0	0	0	0	0
A3 Total to be processed	0	0	5	12	5	12
A4 Completed	0	0	4	8	4	8
A5 Discontinued	0	0	1	4	1	4
A6 Total processed	0	0	5	12	5	12
A7 Unfinished (carried forward)	0	0	0	0	0	0

Section B - Discontinued Applications

Why were FOI applications discontinued?	Number of Discontinued FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
B1 Request transferred out to another agency (s.20)	0	0	1	0	1	0
B2 Applicant withdrew request	0	0	0	3	0	3
B3 Applicant failed to pay advance deposit (s.22) deposit (s.22)	0	0	0	1	0	1
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1))	0	0	0	0	0	0
B5 Total Discontinued	0	0	1	4	1	4

Section C - Completed Applications

What happened to completed FOI applications?	Number of Completed FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
C1 Granted in full	0	0	3	4	3	4
C2 Granted or otherwise available in part	0	0	0	1	0	1
C3 Refused	0	0	0	0	0	0
C4 No documents held	0	0	1	3	1	3
C5 Total Completed	0	0	4	8	4	8

Section D - Applications Granted or Otherwise Available In Full

How were the documents made available to the applicant?	Number of Discontinued FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
All documents requested were:						
D1 Provided to the applicant	0	0	3	4	3	4
D2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
D3 Available for inspection	0	0	0	0	0	0
D4 Available for purchase	0	0	0	0	0	0
D5 Library material	0	0	0	0	0	0
D6 Subject to deferred access	0	0	0	0	0	0
D7 Available by a combination of any of the reasons listed in D1-D6 above	0	0	0	0	0	0
D8 Total granted or otherwise available in full	0	0	3	4	3	4

Section E - Applications Granted or Otherwise Available In Part

How were the documents made available to the applicant?	Number of Discontinued FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Documents made available were:						
E1 Provided to the applicant	0	0	0	1	0	1
E2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
E3 Available for inspection	0	0	0	0	0	0
E4 Available for purchase	0	0	0	0	0	0
E5 Library material	0	0	0	0	0	0
E6 Subject to deferred access	0	0	0	0	0	0
E7 Available by a combination of any of the reasons listed in E1-E6 above	0	0	0	0	0	0
E8 Total granted or otherwise available in part	0	0	0	1	0	1

Section F - Refused FOI Applications

Why was access to the documents refused?	Number of Discontinued FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
F1 Exempt	0	0	0	0	0	0
F2 Deemed refused	0	0	0	0	0	0
E3 Total refused	0	0	0	0	0	0

Section G - Exempt Documents

Why were the documents classified as exempt?	Number of Discontinued FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Restricted documents:						
G1 Cabinet documents (Clause 1)	0	0	0	1	0	1
G3 Documents affecting law enforcement and public safety (Clause 4)	0	0	0	0	0	0
G6 Documents affecting personal affairs (Clause 6)	0	0	0	0	0	0
G7 Documents affecting business affairs (Clause 7)	0	0	0	0	0	0
Documents otherwise exempt:						
G19 Library material	0	0	0	0	0	0
G20 Library material	0	0	0	0	0	0
G24 Subject to deferred access	0	0	0	0	0	0
G25 Available by a combination of any of the reasons listed in D1-D6 above	0	0	0	0	0	0
G27 Total applications including exempt documents	0	0	0	1	0	1

Section H - Ministerial Certificates (S.59)

How many Ministerial Certificates were issued?	Number of Ministerial Certificates	
	2008/09	2009/10
H1 Ministerial Certificates issued	0	0

Section I - Formal Consultations

How many formal consultations were conducted?	Number of Ministerial Certificates	
	2008/09	2009/10
I1 Number of applications requiring formal consultation	0	0
I2 Number of persons formally consulted	0	0

Section J - Amendment of Personal Records

How many applications for amendment of personal records were agreed or refused?	Number of Ministerial Certificates	
	2008/09	2009/10
J1 Agreed in full	0	0
J2 Agreed in part	0	0
J3 Refused	0	0
J4 Total	0	0

Section K - Notation of Personal Records

How many applications for notation of personal records were made (s.46)?	Number of Ministerial Certificates	
	2008/09	2009/10
K1 Applications for notation	0	0

Section L - Fees and Costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	Assessed Costs		Fees Received	
	2008/09	2009/10	2008/09	2009/10
L1 All completed applications	\$150.00	\$1,155.00	\$120.00	\$480.00

Section M - Fee Discounts

How many fee waivers or discounts were allowed and why?	Number of FOI Applications (Where Fees Were Waived or Discontinued)					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
M1 Processing fees waived in full	0	0	0	1	0	1
M2 Public interest discounts	0	0	0	0	0	0
M3 Financial hardship discounts - pensioner or child	0	0	0	0	0	0
M4 Financial hardship discounts - non profit organisations	0	0	0	0	0	0
M5 Total	0	0	0	1	0	1

Section N - Fee Refunds

How many fee refunds were granted as a result of significant correction of personal records?	Number of Refunds	
	2008/09	2009/10
N1 Number of fee refunds granted as a result of significant correction of personal records?	0	1

Section O - Days Taken To Complete Request

How long did it take to process completed applications?	Number of Completed FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
(Note: calendar days)						
O1 0 – 21 days - statutory determination period	0	0	4	5	4	5
O2 22 – 35 days - extended determination period for consultation or retrieval of archived records (s.59B)	0	0	0	0	0	0
O3 Over 21 days - deemed refusal where no extended determination period applies	0	0	0	3	0	3
O4 Over 35 days - deemed refusal where extended determination period applies	0	0	0	0	0	0
O5 Total	0	0	4	8	4	8

Section P - Processing Time: Hours

How long did it take to process completed applications?	Number of Completed FOI Applications					
	Personal		Other		Total	
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
P1 0-10 hrs	0	0	4	8	4	8
P2 11-20 hrs	0	0	0	0	0	0
P3 21-40 hrs	0	0	0	0	0	0
P4 Over 40 hrs	0	0	0	0	0	0
P5 Total	0	0	4	8	4	8

Land Disposals

There were no land disposals during the reporting period.

Consumer Response

Sydney Metro's website provided a range of e-consultation mechanisms, including online forums and e-newsletters. In addition, Sydney Metro held community information sessions and distributed information material door-to-door in areas immediately affected by the projects. Sydney Metro engaged place managers as the primary point of interface with the local community in these areas. During 2009-2010 Sydney Metro encouraged feedback on its projects through various consultation mechanisms. Comments were compiled and provided as input to the environmental assessments.

Risk management and insurance activities

Sydney Metro implemented a system to manage risks that may have impacted 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 established an Audit and Risk Committee to oversight the risk management processes applied in the organisation.

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

Sydney Metro occupational health and safety performance 2009/2010

Number of work related injuries occurring in the period	2
Number of journey to and from work injuries (outside the workplace) occurring in the period	1
Number of work related illnesses occurring in the period	0
Total weeks lost due to workplace-related injuries or illnesses occurring in the period	4
Total weeks lost due to journey to and from work injuries (outside the workplace) occurring in the period	0
Number of worker's compensation claims (from a workplace injury) lodged in the period	2
Number of worker's compensation claim (from journey to and from work injuries outside the workplace) in the period	1
Number of prosecution reported during the period	0
Prosecutions under the Occupational Health & Safety Act during the period	0

Sydney Metro organised workstation assessments and the provision of special office furniture and computer equipment whenever any discomfort was advised by employees.

As well as the annual flu vaccination, a special swine flu vaccination was also made available to employees.

A Safety Management System, including the establishment of an OH&S Committee, was in the final stages of development at the time of the announcement of the close down of Sydney Metro.

Employee Assistance

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

Overseas visits

Three officers travelled overseas for work purposes during the reporting period.

Officer	Date	Destination	Purpose
Stephen Spacey	December 2009	United Arab Emirates, United Kingdom, Europe	Part of evaluation process of tenders for Metro Stage 1 major construction contracts.
Tim Parker	December 2009	United Arab Emirates, United Kingdom, Europe	Part of evaluation process of tenders for Metro Stage 1 major construction contracts.
Warwick Proctor	January 2010	United Kingdom, Switzerland, Singapore	Briefings associated with provision of major contract works and all insurance requirements for Metro Stage 1

Credit Card Certification

The Chief Executive certifies that the use of credit cards within Sydney Metro was in accordance with Premier's Memorandum and Treasurer's Directions.

Within Sydney Metro, one credit card was issued for the purchase of minor stores and services.

Waste Reduction

Sydney Metro participated in a waste reduction program for its corporate office including waste paper recycling and toner cartridge recycling. Sydney Metro occupied space as a sub-tenant and the provision of electrical power was by arrangement made by the prime tenant.

Electronic service delivery

Sydney Metro made 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 allowed 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.transport.nsw.gov.au. External annual reporting costs for this report were approximately \$12 500.

