



ANNUAL REPORT 2020-2021



**MACQUARIE
POINT**
DEVELOPMENT CORPORATION

WHERE THE PAST, PRESENT & FUTURE MEET

The Hon Michael Ferguson MP
Minister for State Development, Construction and Housing
Level 5, Salamanca Building
Parliament Square
4 Salamanca Place
Hobart TAS 7000

Dear Minister,

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

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

Yours sincerely

Brian Scullin
CHAIRMAN

Mary Massina
CHIEF EXECUTIVE OFFICER

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About us

Mac Point is one of the few remaining development opportunities in an Australian capital city. It offers significant potential to create an innovative and dynamic precinct for residents and visitors to Hobart.

The 9.3-hectare site is situated amongst key landmarks, future development potential for the Antarctic and Science Precinct, the Central Business District, and Hobart's iconic waterfront. The site also has significant cultural importance as a First Nations people meeting place and European colonial life.

The site's industrial use for more than 150 years has resulted in complex environmental legacy issues, which the Corporation has been remediating.

To date, approximately 80 per cent of this work is now complete, including the removal of historic oil and gas pipelines and remediation or removal of the equivalent of 10 Olympic swimming pools of highly contaminated soil.

To maximise commercial return whilst this work was undertaken, several interim developments provided activation on the site. This included the refurbishment of the Goods Shed as a live events venue and the construction of 450 above-ground car parks.

While much of the world was forced into shutdowns during the COVID-19 pandemic, work at Mac Point continued. This allowed us to meet our targets but with increased awareness of the health and wellbeing of our tenants, contractors and team.

With work ramping up to permanently develop the site, Mac Point has reached the next phase of its development timeline.

This exciting prospect will see the development of seven precincts, each with unique characteristics and development potential.

Once fully realised, Mac Point will be an iconic destination and home for residents and visitors to Hobart while providing significant growth in commercial and cultural real estate and public space on the edge of the CBD.

Through the work of the Corporation, the site will unlock more than a billion dollars of investment, support thousands of jobs and deliver a precinct that will serve the community for generations to come.



Image: Lusy Productions

From the Chairman and CEO

The past year has seen the Corporation achieve a significant amount of progress to develop a site of which all Tasmanians can be proud.

The Corporation continued to focus on preparing Mac Point for permanent development, including taking to market Mac Point's first parcel of land.

The Request for Expression of Interest for *The Escarpment* saw significant interest in the development of the 8,797 square metre site. As a result, two proponents went through to the Request for Proposal stage with submissions to close, and sale process due to begin in the new financial year.

The Corporation also received an independent environment auditor's approval of *The Escarpment*, paving the way for the site's sale and development.

The Corporation's most significant land sale development process also began this year with the Pre-registration of Interest for *The District*. There was substantial interest in developing this 27,000 square metre land parcel, which makes up a third of Mac Point. The plot includes *The Gateway*, *The Promenade*, and *The Underground*.

To support these two developments, the Corporation completed its first permanent development with the construction of the McVilly Drive City Connector. This project also included laying critical infrastructure (electricity, gas, NBN and stormwater services) and supporting earthworks for the road.

To formally link Mac Point to the Hobart Cenotaph for the first time, the Corporation is commencing construction of the first Stairlink between the site and the Cenotaph, with Batchelor Construction Group winning the contract. Works are due to begin in the new year.

The Corporation also progressed an Expressions of Interest process to construct and operate a District Infrastructure Scheme (DIS) for the whole site. The DIS would provide a centralised solution that could include renewable energy generation and storage, recycled stormwater, heated and chilled water, and gas.

With the permanent development of the site beginning, the Corporation started looking for a long-term tenant for The Goods Shed. This 2,266 square metre live music and events space went to market through a Pre-registration of Interest process with a tenancy agreement expected in the new year. A long-term lease will provide confidence for continued investment into this premier location by the successful proponent.

Progress continued on the design for *The Park* (the truth and reconciliation art park) with Cumulus, ERA, and Playstreet awarded the contract to develop the Urban Landscape Design Principles for all public open spaces, including The Park. We expect a completed design at the end of 2021.



The Tasmanian Government granted The Corporation \$77.6 million to progress the site infrastructure works, including the remaining site remediation. This includes the former-cold store and gas works (Audit Area 6). Environmental experts, AECOM, were appointed to design the remediation process for Audit Area 6. Feasibility work was also completed for the remediation of the former railyard roundhouse, which will eventually become the site's underground car park.

In total, the Corporation has now remediated or removed the equivalent of 10 Olympic swimming pools of soil and other contaminated remnants of the site's past. Remediation continues across the site, including areas associated with *The Promenade*, *The Underground*, and *The Precinct* and the removal of historical diesel, naval fuel, and gas lines. The Corporation has now physically remediated 80 per cent of the site.

The Corporation began its archaeological dig of the former lumber yard, with Aboriginal and early European artifacts uncovered. The dig illustrates the site's significant industrial history, which will be interpreted in the development of *The Park*.

To facilitate further site development and activation, TasWater and the Corporation commenced engineering work to replace and realign Hobart's 116-year-old sewer line that runs through the site. Work is expected to begin in 2021-22.

The Corporation continued to work closely with both Commonwealth and Tasmanian governments to develop the state-of-the-art Antarctic and Science Precinct, completing stage one of the business case this year. We look forward to an announcement regarding the results of the second stage of the business case soon.

Since COVID-19 first affected Tasmania, the Corporation has continued work but with an increased emphasis on protecting the health of all personnel on-site. In addition, an ongoing effort has been made to support the Tasmanian community through rent waivers and deferrals. We have also focused on utilising Tasmanian businesses in our tender process where possible.

It gives us great pleasure to present this year's Annual Report and celebrate the significant achievements the Corporation has achieved in 2020-21. These achievements put the Corporation well on its way to achieving the Mac Point Master Development Plan.



Mary Massina
Chief Executive Officer



Brian Scullin
Chairman

Our Board

Our Board brings together a range of skills, experience, and expertise to play a pivotal role in developing the Mac Point site.

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

With COVID-19 restrictions, the Board has assembled for meetings online and will continue to do so going forward until restrictions ease.

Code of Conduct and Board Charter

The Corporation Directors' Code of Conduct and newly developed Board Charter embody the values of:

Honesty and integrity

Acting in good faith in the best interests of the Corporation

Acting fairly and impartially

Using information appropriately

Using their position appropriately

Acting in a financially responsible manner

Exercising due care, diligence and skill

Complying with the *Macquarie Point Development Corporation Act 2012* and the *State Service Act 2000*

Demonstrating leadership and stewardship

Statement of Intent

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

Contribute to the vision and deliver quantifiable economic, social, environmental and aesthetic benefits to Hobart and the people of Tasmania

Embody and demonstrate a level of design excellence that will enhance Hobart's existing architectural landscape and will complement and connect with the broader environment in which it is located

Create a compatible extension to both the commercial and community amenity of Hobart's historic waterfront precinct

Transform a degraded industrial site into an appealing, inner-city precinct to be enjoyed and valued by future generations.

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

BOARD OF DIRECTORS MEETINGS

NAME	HELD	ATTENDED
Chair B Scullin	11	11
D Berkhout	11	11
S Eslake	11	10
K Evans	11	11
T Hogg	11	11
P Morris	11	11
M Massina	11	11

AUDIT & RISK COMMITTEE MEETINGS

NAME	HELD	ATTENDED
Chair P Morris	4	4
S Eslake	4	4
T Hogg	4	3
M Massina	4	4

*M Massina attended meetings as an invited guest.



Brian Scullin Chairman

Brian spent his early career with the Australian Government, followed by executive positions in superannuation and financial services between 1987 and 2002. This saw him appointed as inaugural Executive Director of the Association of Superannuation Funds of Australia. In September 1993, Brian was appointed Vice President, Business Strategy, Bankers Trust Australia Limited and subsequently Executive Vice President, Funds Management. This role involved responsibility for all non-investment functions, including legal, compliance, operations, technology, marketing and human resources. From November 1997, Brian was promoted to President, Japan Bankers Trust Company Limited. Following a takeover by Deutsche Bank in 1999, Brian was made Regional Head of Asia/Pacific, Deutsche Asset Management. Brian retired from full-time employment in 2002 and has since held numerous non-executive and industry positions, including Chair of Spark Infrastructure and President of the Retirement Benefits Fund in Tasmania. Currently, he is a Director of OAK Possibility, a not-for-profit provider of services in the disability sector, Chair of Propel Funeral Partners, and Chair of the Tasmanian Development Board. ■



Mary Massina CEO

Mary Massina has been CEO of Mac Point Development Corporation since 2017 and is also a member of several boards and task groups. Mary has significant experience in the corporate space as an influential business lobbyist, which she developed across her accomplished career in the public, private, community, and political sectors. With a significant understanding of state and Commonwealth political systems and corporate operations, Mary has the rare ability to develop and deliver practical policy, having used such skills to drive nation-leading reform in planning, taxation, health, disability care and infrastructure. In addition, Mary's strategic led approach has seen her providing advice to governments and managing change within large and small organisations. ■



Debra Berkhout

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

For the past 5 years, Debra has been involved in strategy development for Sydney's most important "innovation precinct" at Camperdown Ultimo. She is currently engaged by the precinct Alliance, comprising key universities, health institutions and local authorities, to lead strategy development, stakeholder engagement and implementation planning. ■



Saul Eslake

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

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



Kim Evans

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



Tim Hogg

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

Tim is the Managing Director of North Projects, a project advisory firm with offices in Melbourne, Adelaide, Sydney, Darwin, Hobart and Perth, employing more than 90 staff.

Tim has extensive experience planning complex urban environments and specialises in providing project assurance and risk advice to major infrastructure redevelopments, including commercial, retail and public projects.

Over the course of his career, he has worked in the construction and property industry in Hobart, Melbourne, Hong Kong and Cairns. ■



Penelope (Penny) Morris AM

Penny's extensive and distinguished career has all been in the built environment and corporate governance.

After graduating with honours in architecture from Melbourne University and winning a coveted cadetship with the Commonwealth Government, Penny spent 16-years with the Commonwealth in Melbourne and then Canberra.

When she left the Commonwealth in 1987, she was Director of Commonwealth Property with the Department of Administrative Services responsible for the acquisition, development, redevelopment, management and disposal of the Commonwealth's vast Australian and overseas estates, including staff of some 750 located around Australia and overseas.

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

Since 1994, Penny has been a professional company director and property/business consultant. In addition, she has served as a non-executive director on over 30 boards of public listed, government, not-for-profit and private sector organisations.

Many of her board positions have been in the property and construction industries, including Mirvac Limited, City West Development Corporation, Sydney Harbour Foreshore Authority, Principal Real Estate Investors Australia Limited, Indigenous Land Corporation and Chair of Postcorp Developments-Australia Post's development company.

Other significant directorship roles have included Australia Post, Jupiters Limited, Aristocrat Limited, Colonial State Bank, Howard Smith Limited, Energy Australia and Country Road Limited.

Penny is currently on the Board of Bowel Cancer Australia and the Bowel Cancer Foundation.

Penny's qualifications are B.Arch (Hons) M.Env Sci and 2 Diplomas of Company Directorship. She is a Fellow of both the Australian Institute of Architects and the Australian Institute of Company Directors. ■

Our Vision

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

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

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

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

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

MPDC VALUES

INTEGRITY

We are transparent, honest and respectful in our dealings, both within the team and with stakeholders.

-

We are professional and take responsibility for our actions.

COMMUNITY

We keep our community and stakeholders at the centre of everything we do.

-

We value community input and recognise its importance in defining Mac Point.

INNOVATION

We lead change by thinking innovatively to solve problems and produce optimal outcomes.

-

We work to make a difference in our community by delivering a world-class precinct through vision, influence and action.



Key Facts and Achievements

9.3
hectare site

7
distinct precincts

43,780
tonne of contaminated soil removed

Business case development for Antarctic & Science Precinct ongoing

800
lineal metres of historic pipelines removed

45,000m²
of open space

125,000m²
development footprint

30,000m²
of commercial space potential

184
people employed across the site

\$1.62M
contracts awarded to Tasmanian businesses

23
tenants
3 community groups onsite

9,800
direct and indirect jobs during lifetime of development

2,300
additional jobs per year

15,000m²
of residential space potential

82
events held over the past year

Release of **The District** to the market

Release of **The Goods Shed** to the market

\$1+ billion
worth of investment in total development

Shortlisted two proponents for **The Escarpment**

Access road and infrastructure completed

Stairlink contractor appointed

Sewer pipeline designers appointed

Archaeological dig progressing

District Infrastructure Scheme proponent shortlisted

81% of the site physically remediated

The Underground development planning progressing

Audit Area 6 remediation investigation works progressing

The Park concept design progressing

\$77.6M funding commitment to complete the site



STAGE ONE

2016-2017

Concept to Development Plan

THE MONA VISION

The vision, developed by Mona, sets out an overall aspiration for the Macquarie Point site and beyond. This concept highlighted that the site needed to be an extension of the Hobart CBD and a place for the community to come together.

This has allowed the Tasmanian Government to consider planning for the future of the site.



2018-2019

MASTER PLAN

To encapsulate the Mona vision, community views, Tasmanian Government priorities, and establish a cohesive framework for the development, the Master Plan was created. This Master Plan is a suite of planning rules that set out the site's development framework, including what can and can't be built.

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

In addition, the Master Plan establishes protections to safeguard designated areas such as the transit corridor and heritage buildings on site, including the Goods Shed and the Red Shed.

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

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



2020-2030

MASTER DEVELOPMENT PLAN

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

The MDP established seven precincts within the 9.3-hectare site. These precincts are specifically designed to underpin the planning scheme framework and includes a range of mixed use and arts and institutional development including, the Hobart City Deal initiative for the Antarctic and Science Precinct to promote Hobart's position as the gateway to the Antarctic and Southern Ocean.

The centrepiece will be the creation of The Park (truth and reconciliation art park) – a 13,000 square metre public open space important for large scale events and festivals, providing a meaningful and culturally respectful space to create a sense of connectedness through play, public art, green and cultural spaces.

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

Master Development Plan



1. THE ESCARPMENT

This development site is zoned Mixed Use under the *Sullivans Cove Planning Scheme 1997* and will be privately developed. Permitted uses include residential, visitor accommodation, shops, or office accommodation. *The Escarpment* also incorporates two pedestrian linkages to connect the entire precinct to the Cenotaph and broader city amenities.

UPDATE Q4, 2021 preferred developer to be announced

2. THE PRECINCT

This development site is zoned as an Arts and Institutional Area under the *Sullivans Cove Planning Scheme 1997*. It will become an innovative, state-of-the-art Antarctic and Science Precinct, which continues to position Hobart as the premier gateway to Antarctica for science and operations. *The Precinct* will provide public-facing elements to become a destination for tourism, arts, culture, and science.

UPDATE Work on a second detailed business case is being completed

3. THE GATEWAY

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

UPDATE Request for Expression of Interest expected to be launched Q4, 2021

4. THE PROMENADE

This development site is zoned Mixed Use under the *Sullivans Cove Planning Scheme 1997* and offers a complementary extension to *The Escarpment*. *The Promenade* forms the natural linkage and sightline through to the Hobart Cenotaph. Permitted uses include residential, visitor accommodation, shops, or office accommodation.

UPDATE Request for Expression of Interest expected to be launched Q4, 2021

5. THE GOODS SHED & YARD

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

UPDATE Request for Proposal to go to market Q3, 2021

6. THE UNDERGROUND

This underground development will provide site-wide opportunities to potentially centralise car parking for approximately 450 cars as the first of a multi-staged development. Bike storage and other micro-mobility initiatives will also form part of this site.

UPDATE Request for Expression of Interest to be launched Q4, 2021

7. THE PARK

This development is zoned Open Space under the *Sullivans Cove Planning Scheme 1997* and will provide Hobart with a new premier parkland. The truth and reconciliation art park (*The Park*) will be a community activity centre suitable for significant events while connecting the city to the waterfront, Queen's Domain, and the CBD. This public, open space will facilitate connectedness through play, interpretation installations, public art, green, and cultural spaces.

UPDATE Public consultation and workshops for the design to be completed in Q3, 2021, with a concept design to be released in Q4, 2021

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

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

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

COVID-19

With the ongoing global health emergency due to COVID-19, the Corporation has developed policies and procedures to ensure the safety of our tenants, contractors, customers, and staff.

These actions follow and adopt requirements from both a Tasmanian and Commonwealth level.

Like all organisations worldwide, our goal has been to reduce the spread of disease at our sites whilst continuing with works to develop Mac Point following our Master Development Plan.

The following actions were put in place in response to state and federal government directives:

- The implementation of the Corporation's Business Continuity Plan
- A multi-faceted rent and outgoing relief package for tenants
- The continued support of construction and remediation activity across the site
- Rescheduling of events and festivals with event organisers
- Closely work with event organisers to ensure events are COVID-safe

- Social distancing and handwashing procedure signage across the site
- The installation of sanitiser dispensers and handwashing facilities across the site
- Obligatory statutory declarations and QR check-in for all contractors, visitors, and construction workers on site
- Adhering to the Corporation's COVID-19 Plan, staff worked from home followed by a staged return
- Increased cleaning of all office hard surfaces

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

Corporate Plan 2021-2024

The Corporate Plan identifies the Corporation's priorities and focuses for the next 3 years.

These are to deliver:

- Development ready land
- Permanent development
- Site activation
- Stakeholder engagement and communications
- A corporation that is viable and fit for its purpose
- Strong team values and culture

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



Projects

PERMANENT DEVELOPMENT

The District

Following the successful release of The Escarpment via Expressions of Interest in August 2020, the Corporation progressed, via PwC Australia, its second land release, The District, to the open market via a Pre-Registration of Interest (Pre-ROI) campaign.

The Corporation's Pre-ROI campaign, run between 17 March and 16 April 2021, provided an opportunity for interested parties to lodge their details and development interest before the Corporation releases its formal competitive bid process late in the 2021 calendar year. As a result, the Pre-ROI attracted significant interest, with a substantial number of expressions lodged by the closing date.

The District presents the Corporation's second major land release and provides a rare opportunity for a large-scale developer or consortia to be part of a premier development initiative. This has the potential to include three consolidated land parcels – *The Gateway*, *The Promenade* and *The Underground*, totalling approximately 2.7 hectares.

The Gateway is situated at the entry to Mac Point, offering street prominence with the potential to include visitor accommodation, an arts and cultural space, a function centre, and shops.

The Promenade offers a complementary extension to The Escarpment, currently under negotiation, with the potential to include residential, visitor accommodation and commercial opportunities.

The Underground offers developers the opportunity to construct a centralised car park, including supporting public infrastructure, to service The District and the rest of the site.

The Corporation anticipates, subject to any potential restrictions imposed by the COVID-19 pandemic across Australia, to release Stage One of its two-stage competitive bid process, a Request for Expressions of Interest (REOI), in late 2021.

A Request for Proposal (RFP) will follow the REOI stage, issued to shortlisted participants from the REOI stage. A preferred proponent will likely be selected before the end of 2021-22, with construction to commence in 2022-23.

Northern Vehicular Access (Stage 1)

Construction of the Northern Vehicular Access (Stage 1) project was a significant milestone for the Corporation. Its completion was the first supporting infrastructure to open the site and enable permanent development according to the Corporation's Master Development Plan.

In December 2020, Fulton Hogan Construction Pty Ltd completed construction of the road and supporting infrastructure at the northern end of the Mac Point site.

The Northern Vehicular Access (Stage 1) provides entry and exit from the Tasman Highway and incorporates bike and pedestrian paths and a 14-metre-wide allocation for a future transit corridor.

The project's service infrastructure includes natural gas, NBN, stormwater, sewer, high and low voltage power, and water to support future site development.

The Northern Vehicular Access (Stage 1) also facilitates access to *The Escarpment* – the first parcel of land offered to the open market for Expressions of Interest and provides necessary access to other land parcels on site.

Cenotaph Pedestrian Stairlink (Stage 1)

Batchelor Construction Group has been appointed to build Stage 1 Cenotaph Pedestrian Stairlink – the first of two formal pedestrian linkages that will provide access between Mac Point and the Hobart Cenotaph.

These linkages will provide a safe access point from the site to the Cenotaph, replacing the community's informal track.

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

Construction will commence in August 2021 and is expected to take three months to complete.

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

Antarctic and Science Precinct

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

The Precinct presents an opportunity to provide a centralised location for the Antarctic and Southern Ocean research, operations, and logistics to be housed at Mac Point. This is expected to attract up to \$550 million of investment from the private and public sectors and incorporate world-leading innovation and design.

To realise this opportunity, the Australian and Tasmanian governments have co-funded a Strategic Options Assessment (SOA) for the creation of *The Precinct*. The SOA identifies and informs decision-making for possible anchor tenants to attract private and national Antarctic and science institutions.

Concurrently, remediation and infrastructure required to support *The Precinct's* development continue to be a vital priority of the Corporation's work program for 2021-22. The Corporation looks forward to a decision being made on the Antarctic and Science Precinct Stage 2 Business Case.

The Antarctic and Science Precinct underpins other investments, such as the Commonwealth's \$1.9 billion ice breaker, the RSV Nuyina, Hobart Airport runway extension, \$450 million of capital expenditure in Antarctica and will complement TasPort's intentions to update the Port of Hobart.

Hobart is home to the nation's highest number of Antarctic and Southern Ocean scientists, with approximately 950 full-time employees.

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

Wastewater Treatment Plant

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

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

In February 2021, following a competitive procurement process, the Corporation engaged Tasmanian firm Johnstone, McGee & Gandy to undertake the engineering investigation and design to divert the Hobart Main Sewer pipeline. This is a critical piece of infrastructure for TasWater and Hobart, which has required substantial studies and assessments. Once redirected, it will realise the full development potential to the Antarctic and Science Precinct at Mac Point.

In the 2021-22 financial year, the Corporation intends to take the Hobart Main Sewer Diversion project to market for construction and commence the required site activities.

District Infrastructure Scheme

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

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

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

During the last financial year, the Corporation completed further assessments and obtained the necessary approvals to take the District Infrastructure Scheme to a Request for Proposal stage, the second of a two-stage procurement process.

In April 2021, the Corporation released the Request for Proposal to those energy retailers and service providers shortlisted from the Expression of Interest procurement phase to supply and operate critical environmentally sustainable energy infrastructure at Mac Point.

During the 2021-22 financial year, the Corporation will continue the procurement negotiations to have contracts, supply and tenure arrangements in place, and the first segment of the scheme operational in line with the first development on-site, *The Escarpment*.

The Escarpment

The Escarpment is the first in a multi-stage land release by the Corporation. It's an unprecedented opportunity for developers and consortia alike to invest in one of Australia's most prized locations.

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

The Escarpment comprises 8,797 square metres of available land, with three building envelopes totalling 6,676 square metres. The site falls under the Sullivans Cove Planning Scheme 1997 (Section 32), administered by the City of Hobart and is zoned for mixed-use. Permitted uses can include residential, visitor accommodation, retail or office accommodation.

Following the Request for Expressions of Interest process, which was completed in late-2020, two proponents were selected through the evaluation process to progress through to the Request for Proposals stage. This ended on July 30.

Both proponents developed well-articulated visions and concepts for *The Escarpment*, integrating private, commercial, and public offerings.

The successful proponent is expected to be announced by the end of 2021.

REMIEDIATION

Site Remediation

The Corporation continues to progress key actions contained within its Site Remediation Strategy, with 81 per cent of the site physically remediated by the end of 2020.

Since 2019, the Corporation has removed redundant underground storage tank infrastructure, former heavy vehicle mechanics pits, achieved Independent Environmental Auditor certification from Coffey Pty Ltd for Audit Area 1 (Goods Shed and surrounds) and Audit Area 4 West (The Escarpment) through physical remediation. As a result, The Escarpment land parcel was certified as development-ready and available to take to market through a competitive bid process.

During 2020, the Corporation engaged the specialist remediation contracting services of Synergy Resource Management Pty Ltd to undertake the remediation of areas associated with the Promenade, the Underground, the Antarctic and Science Precinct, and the removal of approximately 800 lineal meters of historical diesel and naval fuel lines and the removal of a former town gas line.

From 1 July 2019 to 30 June 2021, over 43,780 tonnes of contaminated soil was excavated from the Mac Point site and transferred to waste disposal facilities.

The Corporation should receive Environmental Auditor certification for Audit Area 2 (*The Promenade*) and part of Audit Area 5 (*The Underground*) in July 2021.

The Corporation's Site Remediation Consultants AECOM Australia, continue to progress site investigations and have completed several key documents, including:

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

Interim activation and tenants

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

Our areas provide the perfect venue for events and festivals, and it is great to see the Tasmanian community embracing the site.

The impact of the COVID-19 pandemic has meant many events were rescheduled to meet guidelines and advice from Public Health, affecting the number of hosted events over the past twelve months.

The Corporation hosted a range of significant cultural, arts, and science events that attracted thousands of people.

These events include commercial events such as Ginuary and community events such as The Mind Games.

The Corporation has strengthened its existing relationship with onsite tenants and has secured additional short-term tenancies over the past financial year. In addition, during the pandemic, the Corporation provided significant assistance to our tenants through rent relief and assistance packages.

The Corporation is supporting the broader Tasmanian Government pandemic health campaign by leasing suitable land for the operation of Hobart's COVID-19 testing clinic.

The Corporation continues to work with tenants to maintain regular communication during the development of the Mac Point site, including regular tenant and neighbour meetings and publishing a weekly works program to advise of upcoming works and events.

Supporting the community

Focus on Tasmanian contracts during COVID-19

Every effort of the Corporation is to give back to the Tasmanian community, whether through developing a precinct of which Tasmanians can be proud, supporting not-for-profit events, or community organisations.

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

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

Citizens Tasmania Action Group

Campaign launched to address violence against women, 'None a Week'.

Comedy Club

Provided equipment for performances held at Hobart Brewing Co.

DarkLab

Provided space and storage to build the Ogoh-Ogoh as a part of Dark Mofo 2021.

The Mind Games

Provided access to The Goods Shed and Yard to raise money for mental health research.

Misha's Mates

Provided access to The Goods Shed and Red Square for assistance dog training for veterans and first responders, enabling them to live a more active lifestyle.

Rotary Hobart

Provided storage for Rotary records.

Rotary Lindisfarne

Provided storage for IT equipment to be sent to re-build schools in Fiji.

She Shreds

Provided access to The Goods Shed for the all-girls skateboarding crew.

Tasmanian Museum and Art Gallery

Provided equipment for the launch of the Children's Holiday Program.

TasWater

Provided access to the Edible Precinct to host a World Water Day community event.

Tasmanian Symphony Orchestra

Provided access to The Goods Shed for chorus practise and public performance.

7HOFM

Provided access to The Goods Shed for a community event.

Due to the unprecedented nature of the COVID-19 pandemic and its impacts on Tasmanian businesses, the Corporation has had an increased focus on awarding contracts to local organisations.

In 2020-21, all contracts were awarded to Tasmanian-based contractors except:

- PricewaterhouseCoopers was awarded the contract following a select tender process to assist in the sale of The District.
- Herbert Smith Freehills and Minter Ellison were contracted to provide legal advice on the District Infrastructure Scheme and land sales, respectively, based on Crown Law advice.

In 2020-21, the Corporation supported our tenants by waiving \$43,710 of rent and deferred \$27,263 in rent.



Image: Alastair Bett

Community consultation, stakeholder engagement and working groups

The Corporation has been tasked with developing a space that all Tasmanians own, and we do not take this responsibility lightly.

We are committed to engaging proactively with the community through consultation, stakeholder representations and working groups.

The past year has seen the Corporation hold nearly 130 meetings with stakeholders to contribute or provide advice on Mac Point's development.

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

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

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

The Corporation participates across several steering, advisory and working groups. These include the following strategic memberships:

The **Wastewater Treatment Plant Working Group and Steering Committee**, which includes key members of the Corporation and TasWater, meets regularly to discuss the planning and infrastructure to support the decommissioning and removal of the Wastewater Treatment Plant.

The **Mac Point/Hobart City Council working group** with the GM, CEO and key staff members of each organisation meeting every six weeks to discuss planning, development applications and other matters.

The Corporation continues to work closely with surrounding businesses and residents, holding regular tenant and neighbour meetings to share information about upcoming events and activities, works on-site, and provide a platform for general discussion about neighbourhood issues.

Road Advisory Group, which has representatives from the Department of State Growth, Metro Tasmania, TasPorts, TasWater, Hobart City Council and the Corporation, meet to plan for the site's complex infrastructure requirements.

Tasmanian Museum and Art Gallery (TMAG) Community Advisory Committee, which has representatives from the TMAG, University of Tasmania, National Heritage Council, the Department of State Growth and the Corporation, meet to discuss strategic planning for TMAG's future.

The **Hobart City Deal's Macquarie Point and Wharf Steering Committee and Working Group** are responsible for guiding the business case and planning for the Antarctic and Science Precinct. Both governance structures have representatives from Commonwealth and Tasmanian Government departments, Hobart City Council, TasPorts, representatives from Antarctic research facilities and the Corporation.

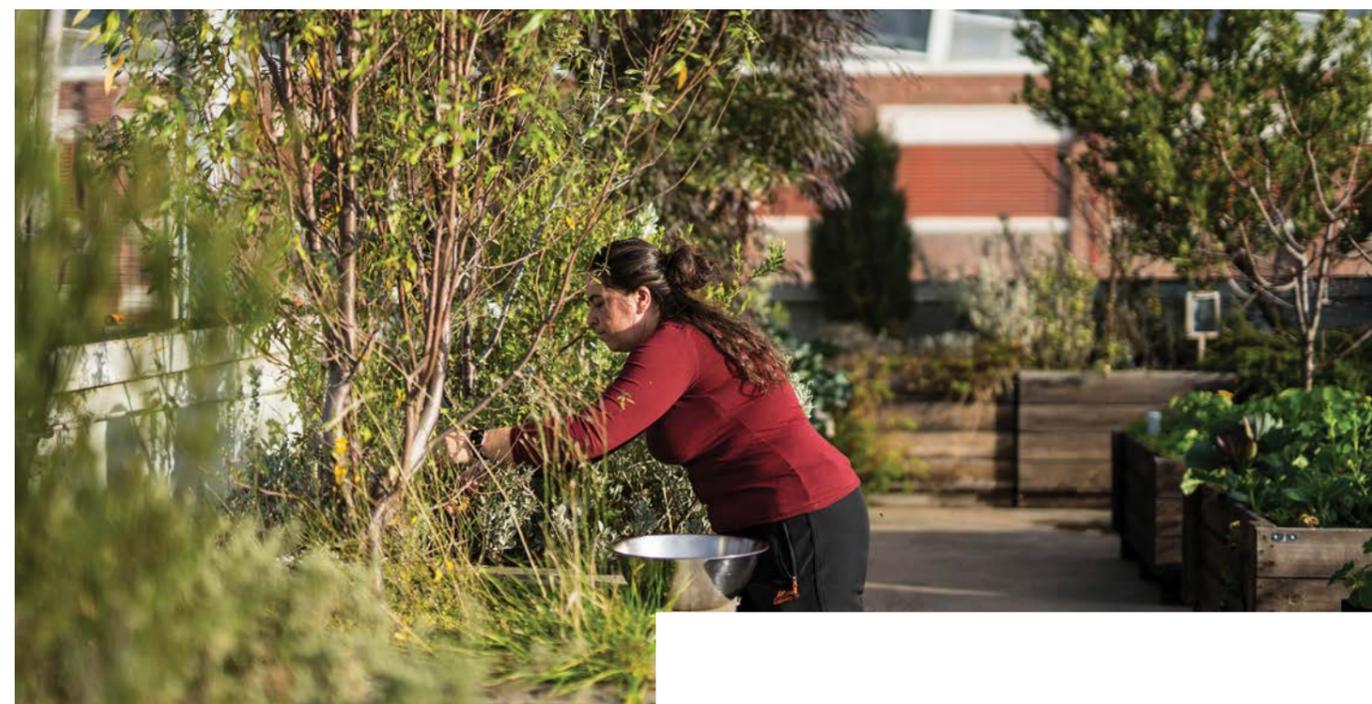
The **Building Information Model Working Group** is working on developing a BIM model for the precinct. This group has representatives from the Tasmanian Building and Construction Industry Training Board, the Corporation and the private sector.

Department of State Growth's Work, Health and Safety Committee ensures a consistent WHS policy and implementation approach.

Hobart City Council's Event Committee ensures a sharing of knowledge, processes and events across the public and private sectors for the benefit of the wider community.

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

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



Audit and Risk Committee

The Audit and Risk Committee is the subcommittee created by the Board to ensure that the Corporation and Board are exercising due care, diligence, and skill in performing its functions and responsibilities.

During 2020-21, the Committee membership comprised Directors Penny Morris AM as the Chair, Saul Eslake, and Tim Hogg. Minutes of the Committee meetings are presented to the following discussion of the Board for consideration and adoption.

The Corporation's Chief Executive Officer, the Chief Operating Officer, Finance Manager, and the Corporation's Internal Auditors are invited to attend each meeting to assist the Committee. However, they do not have any voting rights.

The Tasmanian Audit Office's Auditor-General (or his nominee) attends specific Committee Meetings to present the external Audit Plan and the audited Financial Statements. Additionally, the opportunity is provided to the Committee to meet with the Auditors without management present at each of these meetings.

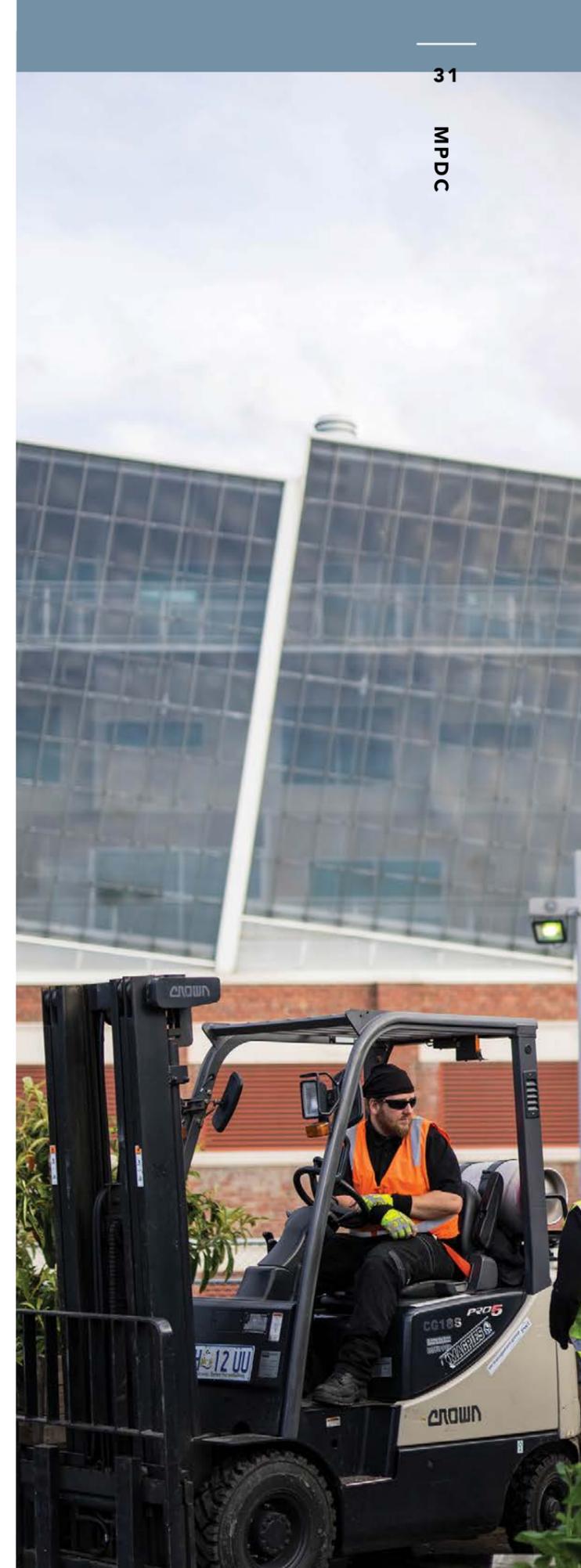
During the 2020-2021 Financial Year, the Committee met on four occasions to consider business such as:

- An audit of compliance with Treasurer's Instructions and procurement processes
- Regular reviews of the Corporation's strategic risk profile
- Regular reviews of the Corporation's insurances
- Regular reviews of the Corporation's investments
- Regular reviews of the Corporation's cash flow position
- Consideration of the Corporation's Financial Statements for 2020, including a specific Out of Session verbal update with representatives of the Tasmanian Audit Office
- A review of the Corporation's annual site land revaluation
- The annual review of the Corporation's Capitalisation Policy
- A review of the Corporation's Public Interest Disclosure procedure
- An audit of the Corporation's Project Management Systems.
- A review of advice to the Corporation regarding Asset Classification and Remediation liability
- A review of the Corporation's Investment Policy
- A review of the Corporation's Conflict of Interest Policy

With the ongoing impact of COVID-19, all Audit and Risk Committee Meetings during this period were held via video conference.

The Internal Audit function, undertaken by KPMG, provides an independent appraisal service to management, the Audit and Risk Committee and the Board. It is bound by the Corporation's Internal Audit Charter. The Internal Audit functions include:

- Assessing the extent of compliance with statutory requirements and instructions
- Reviewing whether the Corporation's resources are effectively and efficiently managed to achieve its objectives
- Assisting with the identification of significant risk exposures and reviewing mitigation practices to assess their adequacy
- Assessing the adequacy, reliability and effectiveness of systems internal controls operating within the critical operating activities and financial, administrative systems
- Provision of expert advice where required to support the Corporation's ongoing operations
- Monitoring fraud control and prevention mechanisms



WHS and statistics for hazard

As required by the Tasmanian Government's commitment to the *Australian Work Health and Safety Strategy 2012-22 (The Australian Strategy)*, the following report includes statistics and reporting requirements for 2021-22, as set out by the State Service Management Office.

Work Health and Safety Plan 2021-22

The Corporation's annual Work Health and Safety (WHS) Plan for 2021-22 is complete.

Policy and commitment

The Corporation conducts annual reviews of its existing WHS policy. In addition, the Corporation undertakes regular reviews of its Work Health and Safety Management Systems. A gap analysis audit of the Work Health Safety Management System is currently underway and is due for completion in August 2021.

Compliance with *Workers' Rehabilitation and Compensation Act 1988*

The Corporation holds current workers compensation insurance certificates and had no injury or compensation claims made against it during 2020-21. The Corporation was compliant with the *Workers' Rehabilitation and Compensation Act 1988* during 2020-21.

Reporting against key targets

The Corporation has had the following WHS statistics recorded:

KEY REPORTING STATISTICS FOR TASMANIAN GOVERNMENT WHS REPORTING

Indicator/s	Corporation statistic	Target
Number of fatalities	zero	Zero (0)
Lost time injury severity rate	zero	Zero (0) or 100% improvement since benchmark
Percentage of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	Nil injuries (100%)	Greater than or equal to 100% return to work within 26 weeks
Percentage of 'Officers' provided with Duty of Officer training within (i) 3 months of being appointed and (ii) 2 years of previous training	87.5%	100%
Days of unplanned absences	zero	Variance over the previous 3 years
Separations (not retirement/redundancy)	Nil	Variance over the previous 3 years

MPDC WORK HEALTH AND SAFETY SCORE CARD - REPORTING PERIOD: 1 JULY 2020 - 30 JUNE 2021

Measurement criteria	Total
Team meetings (including WHS component)	45
WHS Committee Meetings	11
Site Hazard and Workplace inspections conducted	68
No. of hazards reported	64
No. of hazards closed out	61
Inductions completed	295

INCIDENT / INJURY CLASSIFICATION 2020-21

	MPDC	Contractor / Developer / Tenant / Public	Total
Incidents	4	50	54
Lost time injuries (LTI)	0	0	0
Near miss	0	1	1

All incidents have been investigated, actions completed and incidents closed out.

Incidents closed out - 54

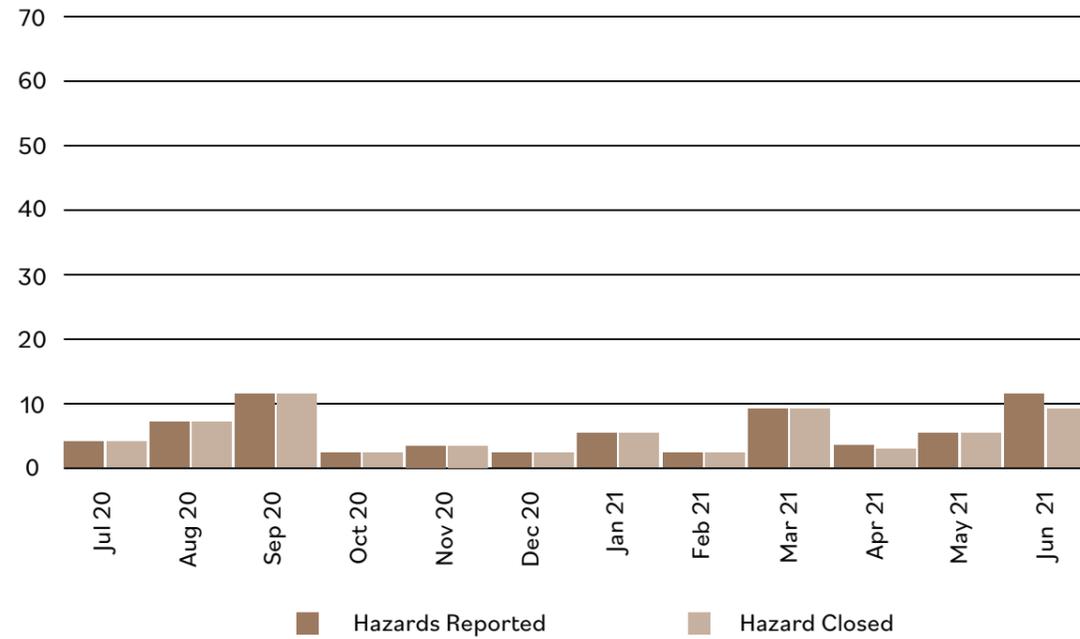
Incidents outstanding - 0

HAZARDS STATISTICS

2020-21	Total
Total hazards reported	64
Total hazards closed-out	61
Total hazards outstanding for action	3
Total eliminated hazards	39
Total number of residual high risk hazards	0
Total number of residual significant risk hazards	2
Total number of residual moderate risk hazards	6
Total number of residual low risk hazards	17

- Outstanding hazards are listed as between significant and low risk and will continue to be monitored and managed.
- The 17 residual low risk hazards recorded have been identified and mitigated to an acceptable level or have the potential to reoccur, therefore these risks will remain as residual low risk hazards.

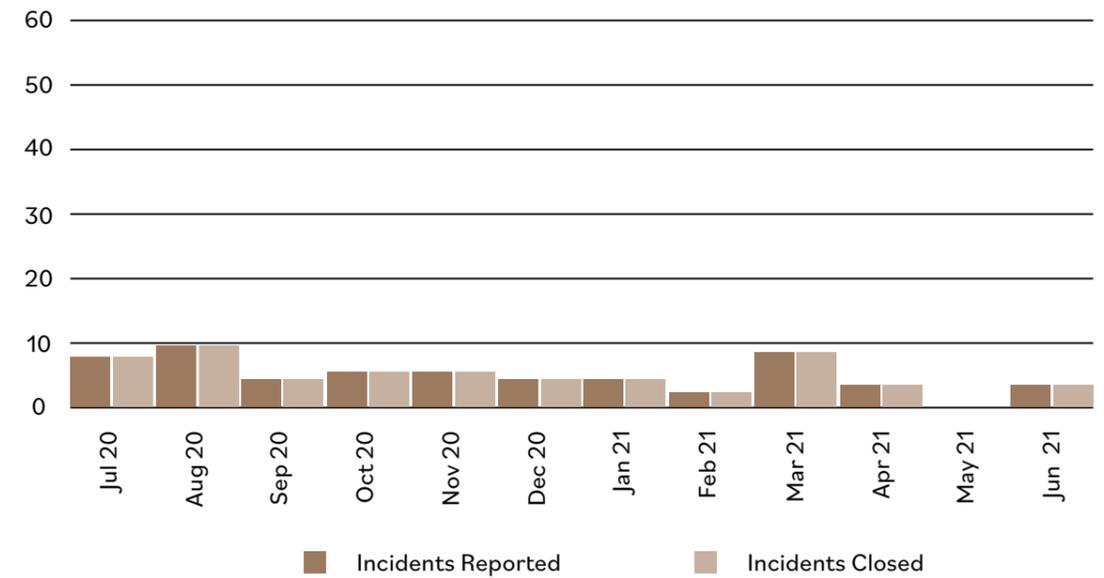
HAZARDS STATISTICS GRAPH



INCIDENT STATISTICS

2020-21	Total
Total Incidents reported	54
Total Incidents closed-out	54
Total Incidents outstanding for action	0
Total number of high risk incidents	1
Total number of significant risk incidents	20
Total number of moderate risk incidents	7
Total number of low risk incidents	26

INCIDENT STATISTICS GRAPH

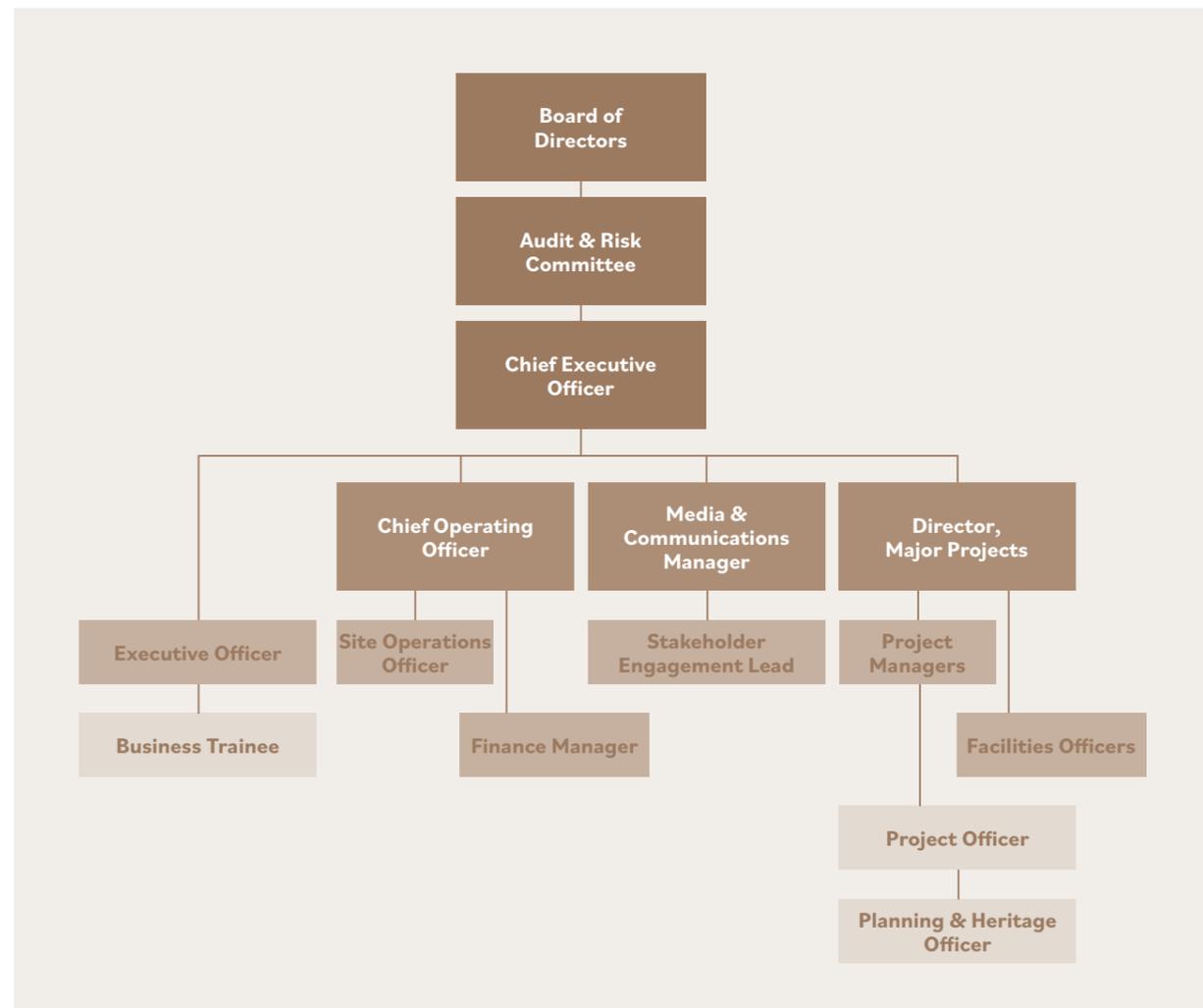


Governance

Management

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

ORGANISATIONAL CHART



Right to Information

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

- Authorises and encourages disclosure of information without the need for formal requests or applications
- Gives members of the public an enforceable right to information
- Provides that access to information is restricted only in the limited circumstances defined in the RTI Act

During 2020-21, the Corporation dealt with no applications for assessed disclosure for information under the RTI Act.

When RTIs are sought, a complete statistical return is provided to the Department of Justice, which publishes a comprehensive Annual Report on the operation of the RTI Act. This report is available from the Department of Justice website.

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

Public disclosure

The purpose of the *Public Interest Disclosures Act 2000* (the PID Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies. The PID Act protects persons who make disclosures following the PID Act and establishes a system by which the matters disclosed can be investigated and rectified if there are any deficiencies.

The Corporation is committed to the aims and objectives of the PID Act. Accordingly, it does not tolerate improper conduct or detrimental action by the Corporation or its members, officers or employees.

During 2020-21, The Corporation developed its own Public Interest Disclosure policy and nominated the Chief Operations Officer as its Public Interest Disclosure Officer.

The Corporation did not receive any disclosures, either directly or indirectly referred via the Ombudsman in the year to 30 June 2021.

Integrity Commission

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

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

The Corporation is committed to upholding the aims and objectives of the IC Act. Accordingly, it strives to ensure that staff meet the highest standards of conduct and receive ongoing training in ethical behaviour according to section 32 of the IC Act.

Procurement

Number of Contracts awarded over \$50K	9
Total to Tasmanian Businesses	7
Total Value of Contracts	\$2,492,806.00 inc GST
Total Value awarded to Tasmanian businesses	\$1,983,906.00 inc GST
Total number of tenders called	1
Total number of bids received	2
Total bids from Tasmanian firms	2

Major Contracts for \$50K and over

Date	Contractor	Description of Contract	Period of Contract	Total Value
15 July 2020	Bachelor Construction Group	Stairlink Construction	2 August 2021 – 25 October 2021	\$770,374.00 inc GST
16 July 2020	McRobies Waste Transfer	Contaminated soil disposal	12 March 2021 – 11 March 2022	\$500,000.00 inc GST

Consultancy Contracts over \$50K

Date	Consultant	Description of Contract	Contract Value
15 July 2020	Architects Designhaus	Roundhouse Remediation consultancy advice	\$86,637.00 inc GST
16 July 2020	Austral Tasmania	Roundhouse remediation archaeological dig	\$89,320.00 inc GST
21 September 2020	JMG Consulting	Sewer realignment design	\$77,335.00 inc GST
27 November 2020	Cumulus Studio	Conceptual design of The Park and community engagement and consultation	\$218,350.00 inc GST
21 January 2021	PricewaterhouseCooper	Commercial Real Estate Services	\$108,900.00 inc GST
03 February 2021	Minter Ellison	Legal Services	\$400,000.00 inc GST
30 June 2021	AECOM	Remediation Consultancy and site investigation works for the former gasworks (Audit Area 6)	\$241,890.00 inc GST

Contracts awarded as a direct/Limited submission under TI PP2

Date	Consultant	Description of Contract	Contract Value
03 February 2021	Minter Ellison	Legal Services	\$400,000.00 inc GST
11 February 2021	McRobies Waste Transfer	Contaminated soil disposal	\$500,000.00 inc GST
30 June 2021	AECOM Pty Ltd	Remediation Consultancy	\$241,890.00 inc GST

Exemptions to Disaggregation as defined under TI PF2

Date	Project	Value	Period of Contract
3 February 2021	Stair link Construction	\$770,374.00 inc GST	6 months
24 February 2021	McRobies Gully	\$500,000.00 inc GST	12 months
28 June 2021	Remediation Consultancy AA6	\$241,890.00 inc GST	30 months

Contract extended in accordance with TIPP6

Nil





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Management Certification

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

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

We believe that, in all material respects, the financial statements present a view which is consistent with our understanding of the Corporation's financial position as at 30 June 2021 and its cash flows for the year then ended.

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

The completed Financial Statements Preparation and Submission Checklist is enclosed.



Brian Scullin
Chairman

15 September 2021



Mary Massina
Chief Executive Officer

15 September 2021

Statement of Comprehensive Income for the year ended 30 June 2021

	Notes	2021 (\$'000's)	2020 (\$'000's)
Continuing Operations			
Revenue and other income from transactions			
Sales of goods and services	1.1	1,142	1,062
Interest	1.2	59	369
Grants	1.3	5,245	-
Total revenue and other income from transactions		6,446	1,431
Expenses from transactions			
Employee benefits	2.1	1,039	1,039
Depreciation and amortisation	2.2	912	1,100
Supplies and consumables	2.3	2,442	1,128
Other expenses	2.4	32	106
Total expenses from transactions		4,425	3,373
Net result from transactions (net operating balance)		2,021	(1,942)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets		(71)	(379)
Total other economic flows included in net result		(71)	(379)
Net result		1,950	(2,321)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in physical asset revaluation reserve		2,324	2,366
Total other comprehensive income		2,324	2,366
Comprehensive result		4,274	45

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

Statement of Financial Position for the year ended 30 June 2021

	Notes	2021 (\$'000's)	2020 (\$'000's)
Assets			
Financial assets			
Cash and deposits	6.1	6,186	15,491
Receivables	3.1	209	273
Non financial assets			
Inventories	3.2	39,740	35,797
Property Plant and Equipment	3.3	26,769	19,892
Intangibles	3.4	49	85
Other Assets	3.5	87	57
Total Assets		73,040	71,595
Liabilities			
Payables	4.1	745	3,576
Employee benefits	4.2	277	290
Other liabilities	4.3	34	19
Total Liabilities		1,056	3,885
Net assets		71,984	67,710
Equity			
Accumulated Funds		67,294	65,344
Asset Revaluation Reserve		4,690	2,366
Total equity		71,984	67,710

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

Statement of Cash Flows for the year ended 30 June 2021

	Notes	2021 (\$'000's)	2020 (\$'000's)
Cash flows from operating activities			
Cash inflows			
Grants		5,245	-
Sales of goods and services		1,051	913
Interest received		59	445
GST receipts		57	957
Total cash inflows		6,412	2,315
Cash outflows			
Employee benefits		(1,120)	(908)
Finance Costs		-	-
Supplies and consumables		(5,306)	(1,252)
GST payments		116	(185)
Other cash payments		(32)	(12)
Total cash outflows		(6,342)	147
Net cash from (used by) operating activities	6.2	70	2,462
Cash flows from investing activities			
Cash outflows			
Payments for acquisition of non-financial assets		(9,371)	(8,729)
Total cash outflows		(9,371)	(8,729)
Net cash from (used by) investing activities		(9,371)	(8,729)
Cash flows from financing activities			
Cash outflows			
Repayment of finance leases (excluding interest)		-	-
Trust fund refunds		(4)	(28)
Total cash outflows		(4)	(28)
Net cash from (used by) financing activities		(4)	(28)
Net increase (decrease) in cash held and cash equivalents		(9,305)	(6,295)
Cash and deposits at the beginning of the reporting period		15,491	21,786
Cash and deposits at the end of the reporting period	6.1	6,186	15,491

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

Statement of Changes in Equity for the year ended 30 June 2021

	Notes	Reserves (\$'000's)	Accumulated Funds (\$'000's)	Total Equity (\$'000's)
Balance as at 1 July 2020		2,366	65,344	67,710
Net result		-	1,950	1,950
Other comprehensive income		2,324	-	2,324
Total comprehensive result		2,324	1,950	4,274
Balance as at 30 June 2021		4,690	67,294	71,984
Balance as at 1 July 2019		-	67,665	67,665
Net result		-	(2,321)	(2,321)
Other comprehensive income		2,366	-	2,366
Total comprehensive result		2,366	(2,321)	45
Balance as at 30 June 2020		2,366	65,344	67,710

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

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Note 1 Income from Transactions

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

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

1.1 Sales of goods and services

Revenue from Sales of goods are recognised when the Corporation satisfies a performance obligation by transferring the goods to the customer. The Corporation receives Leasing revenue from Licensees and Tenants and Car Parking revenue. This revenue is due in advance and recognised when due.

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Leasing Revenue	559	436
Car Parking Revenue	583	626
Total	1,142	1,062

1.2 Interest

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Interest	59	369
Total	59	369

1.3 Grant revenue

Grants revenue without a sufficiently specific performance obligation is recognised when the Corporation gains control of the asset (typically Cash). Funding of \$5.2 million from proceeds of the sale of Elizabeth Street Pier was provided by the State Government to support key projects of the Macquarie Point Development Corporation in 2020-21.

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Grant Revenue	5,245	-
Total	5,245	-

Note 2 Expenses from Transactions

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

2.1 Employee benefits

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

a) Employee Expenses

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Wages and Salaries	926	843
Superannuation - Defined Benefit Scheme	31	14
Superannuation - Contribution Schemes	66	83
Other Employee Expenses	16	99
Total	1,039	1,039

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2020: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2020: 9.5 per cent) of salary.

In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.45 per cent (2020: 3.45 per cent) of salary in respect of permanent employees who are members of contribution schemes. The Corporation's superannuation payments and obligations align with these requirements.

b) Remuneration of key management personnel

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

Remuneration during 2020-21 for key personnel is set by the State Service Act 2000. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave and superannuation obligations.

Kim Evans receives no remuneration for this role as a Director of the Corporation.

2021	Position Held	Short Term Benefits		Long Term Benefits			Total (\$'000's)
		Salary	Other Benefits	Super-annuation	Other Benefits & LSL	Termination Benefits	
		(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	
Mary Massina	Chief Executive Officer	217	32	24	7	-	280
Greg Cooper	Chief Operating Officer	134	38	14	3	-	189
Brian Scullin	Chair	42	-	4	-	-	46
Debra Berkhout	Director	24	-	2	-	-	26
Saul Eslake	Director	24	-	2	-	-	26
Kim Evans	Director	-	-	-	-	-	-
Tim Hogg	Director	24	-	2	-	-	26
Penny Morris	Director	24	-	2	-	-	26
		489	70	50	10	-	619

2020	Position Held	Short Term Benefits		Long Term Benefits			Total (\$'000's)
		Salary	Other Benefits	Super-annuation	Other Benefits & LSL	Termination Benefits	
		(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	
Mary Massina	Chief Executive Officer	227	35	24	5	-	291
Greg Cooper	Chief Operating Officer	131	31	13	1	-	176
Brian Scullin	Chair	42	-	4	-	-	46
Debra Berkhout	Director	24	-	2	-	-	26
Saul Eslake	Director	15	-	1	-	-	16
Kim Evans	Director	-	-	-	-	-	-
Tim Hogg	Director	12	-	1	-	-	13
Penny Morris	Director	24	-	2	-	-	26
		475	66	47	6	-	594

c) Related Party Transactions

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

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

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

There were no related party transactions for the year to 30 June 2021.

2.2 Depreciation and amortisation

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

Depreciation

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

- Building improvements 10 years
- Equipment 10 years
- Good shed improvements 15 years
- Car park and red square precinct 4.5 years
- Heritage and Cultural Assets 15 years
- Right of Use Motor Vehicle 3 years
- Road Infrastructure 40 years
- Road Surfacing 15 years
- Street Lighting 20 years

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Buildings	87	201
Equipment	34	17
Good Shed Improvements	79	131
Public Open Space	268	729
Heritage and Culture	1	1
Road	81	-
Other Infrastructure	326	-
Total	876	1,079

Amortisation

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Intangible Assets	36	21
Total	36	21

2.3 Supplies and consumables

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Property services	282	229
Information technology	56	42
Other supplies and consumables	31	41
Communications	9	13
Consultants and Contracted Services	1,640	318
Advertising and promotion	28	70
Travel and transport	4	2
Operating lease	9	9
Rates and Insurance	209	214
Maintenance	125	153
Audit fees	49	37
Total	2,442	1,128

2.4 Other Expenses

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Salary Oncosts	15	24
Other Expenses	13	23
Licences and Permits	4	59
Total	32	106

Note 3 Assets

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

3.1 Receivables

Receivables are recognised at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. The Corporation recognises an allowance for expected credit losses for trade receivables, based on lifetime expected credit losses at each reporting date. The Corporation has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. The resultant expected credit loss is \$4K.

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Trade Receivables	45	3
Tax Assets	49	222
Accrued Interest Revenue	-	31
Accrued Car Parking Revenue	84	17
Accrued Rent Revenue	10	-
Deferred Rent - COVID-19 Support	21	-
Total	209	273
Settled within 12 Months	209	273
Total	209	273

3.2 Inventories

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Land Improvements - WIP (Remediation) at cost	16,615	12,511
Land Improvements - WIP (Infrastructure) at cost	2,697	2,858
Cold Store site at cost	2,861	2,861
Macquarie Point development site	17,567	17,567
Total	39,740	35,797

Reconciliation of movements

2021	WIP Remediation (\$'000's)	WIP Infrastructure (\$'000's)	Cold Store Site (\$'000's)	Development Site (\$'000's)	Total (\$'000's)
Carrying Value at 1 July 2020	12,511	2,858	2,861	17,567	35,797
Additions	4,104	4,071	-	-	8,175
Transfers	-	(4,232)	-	-	(4,232)
Carrying Amount at 30 June 2021	16,615	2,697	2,861	17,567	39,740
2020	WIP Remediation (\$'000's)	WIP Infrastructure (\$'000's)	Cold Store Site (\$'000's)	Development Site (\$'000's)	Total (\$'000's)
Carrying Value at 1 July 2019	5,750	1,701	2,771	17,567	27,789
Additions	6,761	1,157	181	-	8,099
Transfers	-	-	(91)	-	(91)
Carrying Amount at 30 June 2020	12,511	2,858	2,861	17,567	35,797

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

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

To satisfy the requirements of AASB 102, the Corporation must:

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

The first requirement has been satisfied with reference to section 8 of the *Macquarie Point Development Corporation Act 2012 (Act)*, by the transfer of the Macquarie Point land from the Crown effective on 31 May 2019. Secondly, an impairment test has been conducted to confirm that the carrying value of the WIP is less than the net realisable value from future land sales. (If the carrying value is higher than the recoverable amount, an asset impairment must be recorded.) At 30 June 2021, the carrying value of the WIP assets was \$19.312 million (2020: \$15.369 million). As both requirements are met, no impairment of WIP assets is required and the expenditure can continue to be classified as inventory held at cost.

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

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

Effective on 31 May 2019, the ownership of the Macquarie Point site was transferred to the Corporation for nil consideration, therefore in terms of Australian Accounting Standards, the income and asset are recognised at fair value on acquisition. The site has been classified as 56% inventory and 44% land and buildings (refer Note 3.3) on the expectation that 56% of the site will be held for development for the purpose of either re-sale or held for lease (inventory component), and the remainder will be maintained as public space. This has changed from the split used in previous years in recognition of the proposed Underground Car Park as additional Inventory.

The fair value of the site, excluding the Cold Store site, has been determined by an independent valuation by Knight Frank Tasmania as at 30 June 2021 at \$50.050 million. \$27.836m has been classified as Inventory, reduced by \$3.560m in estimated remaining cost of remediation, leaving a net valuation of \$24,276m. To comply with the requirements of AASB102 and recognise the value at the lower of cost or net realisable value, the valuation has remained unchanged at \$17.567m.

A separate fair value for the Cold Store site was also provided by Knight Frank Tasmania as at 30 June 2021 at \$3.450 million. Again, to comply with the requirements of AASB102 and recognise the value at the lower of cost or net realisable value, the valuation has remained unchanged at \$2.861m.

3.3 Property, plant and equipment

(i) Valuation basis

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

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

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

(iv) Revaluations

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

Carrying amount

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Land		
At fair value 30 June	16,724	15,589
Total	16,724	15,589
Buildings		
At fair value 30 June	1,800	700
Less: Accumulated depreciation	-	-
Total	1,800	700
Building improvements (Goods Shed)		
At fair value 30 June	1,550	1,700
Less: Accumulated depreciation	-	-
Total	1,550	1,700
Road		
At cost	5,457	-
Less: Accumulated depreciation	(81)	-
Total	5,376	-
Infrastructure		
At cost	1,476	1,475
Less: Accumulated depreciation	(754)	(428)
Total	722	1,047
Public Open Space		
At fair value 30 June	1,706	1,679
Less: Accumulated depreciation	(1,240)	(972)
Total	466	707
Equipment		
At cost	231	214
Less: Accumulated depreciation	(117)	(84)
Total	114	130
Heritage and cultural assets		
At cost	20	20
Less: Accumulated depreciation	(3)	(1)
Total	17	19
Total	26,769	19,892

Land

Effective on 31 May 2019, the ownership of the Macquarie Point site was transferred to the Corporation for nil consideration, therefore in terms of Australian Accounting Standards, the income and asset are recognised at fair value on acquisition. The site has been classified as 44% land and buildings, and 56% inventory (refer Note 3.2) on the expectation that 56% of the site will be held for development for the purpose of either re-sale or held for lease, and the remainder of the site will be maintained as public space (land and buildings component). This has changed from the split used in previous years in recognition of the proposed Underground Car Park as additional Inventory.

The fair value of the site has been determined by an independent valuation by Knight Frank Tasmania as at 30 June 2021 at \$50.050 million. \$22.214m has been classified as Property, Plant and Equipment, reduced by \$2.140m in estimated remaining cost of remediation, leaving a net valuation of \$20.074m as land and buildings.

a) Reconciliation of movements

2021	Land (\$'000's)	Buildings (\$'000's)	Goods Shed (\$'000's)	Road (\$'000's)	Infra- structure (\$'000's)	Public Open Space (\$'000's)	Equipment (\$'000's)	Heritage and cultural assets (\$'000's)	Total (\$'000's)
Carrying Value at 1 July 2020	15,589	700	1,700	-	1,047	707	130	19	19,892
Additions	-	-	-	1,287	-	27	18	-	1,332
Transfers	-	-	-	4,170	-	-	-	-	4,170
Revaluation recognised in other comprehensive income	1,135	1,187	(71)	-	-	-	-	-	2,251
Depreciation	-	(87)	(79)	(82)	(325)	(267)	(34)	(2)	(876)
Carrying Amount at 30 June 2021	16,724	1,800	1,550	5,375	722	467	114	17	26,769

b) Reconciliation of movements

2020	Land (\$'000's)	Buildings (\$'000's)	Goods Shed (\$'000's)	Road (\$'000's)	Infra- structure (\$'000's)	Public Open Space (\$'000's)	Equipment (\$'000's)	Heritage and cultural assets (\$'000's)	Total (\$'000's)
Carrying Value at 1 July 2019	13,426	698	2,104	-	1,243	672	102	-	18,245
Additions	-	-	106	-	-	477	45	20	648
Transfers	-	-	-	-	(196)	287	-	-	91
Revaluation recognised in other comprehensive income	2,163	203	-	-	-	-	-	-	2,366
Revaluation recognised in operating result	-	-	(379)	-	-	-	-	-	(379)
Depreciation	-	(201)	(131)	-	-	(729)	(17)	(1)	(1,079)
Carrying Amount at 30 June 2020	15,589	700	1,700	-	1,047	707	130	19	19,892

3.4 Intangible Assets

An intangible asset is recognised where:

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

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Intangible Assets		
At cost	106	106
Less: Accumulated amortisation	(57)	(21)
Total	49	85
<hr/>		
Carrying Amount at 1 July	85	-
Additions	-	106
Amortisation	(36)	(21)
	49	85

3.5 Other assets

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Prepayments	77	57
Bond	10	-
Total	87	57
<hr/>		
Settled within 12 Months	87	57
Total	87	57

Note 4 Liabilities

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

4.1 Payables

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Creditors	-	-
Accrued Expenses	745	3,576
Total	745	3,576
<hr/>		
Settled within 12 months	745	3,576
Total	745	3,576

Settlement is usually made within 30 days.

4.2 Employee benefits

Key estimate and judgement

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

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

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Accrued Salaries	37	24
Annual Leave	132	119
Long Service Leave	108	147
Total	277	290
Settled within 12 months	169	230
Settled in more than 12 months	108	60
Total	277	290

4.3 Other liabilities

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Money Held in Trust	10	13
Revenue received in advance	24	6
Total	34	19
Settled within 12 months	34	19
Total	34	19

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

Note 5 Commitments and Contingencies

5.1 Schedule of Commitments

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

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

By Type	2020/21 (\$'000's)	2019/20 (\$'000's)
Capital Commitments		
Property Plant and Equipment	980	-
Inventories	435	3,684
Site Remediation	338	461
Total	1,752	4,145
Lease Commitments		
Operating Leases	-	11
Total	-	11
Other Commitments		
Site Activation	77	18
Site Maintenance	53	15
Other Services	60	20
Total	190	53
Total	1,942	4,209

By Maturity	2020/21 (\$'000's)	2019/20 (\$'000's)
Capital Commitments		
1 year or Less	1,752	4,145
From 1 to 5 years	-	-
Total	1,752	4,145
Lease Commitments		
1 year or Less	-	8
From 1 to 5 years	-	3
Total	-	11
Other Commitments		
1 year or Less	152	53
From 1 to 5 years	38	-
Total	190	53
Total Commitments by Type	1,942	4,209

5.2 Contingent Assets and Liabilities

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

a) Quantifiable contingencies

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

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
<u>Quantifiable Contingent Liability</u>		
Preliminary estimate of the cost to remediate the Cold Store site, based on limited data analysis.	18,000	18,000
Expected timeframe for remediation is 5 to 10 years.		
Total	18,000	18,000

b) Unquantifiable contingencies

The *Macquarie Point Development Corporation Act 2012*, Section 6, states that one of the principal objectives of the Corporation is to plan, facilitate and manage the remediation of the Macquarie Point land. The Corporation, therefore, has a liability to remediate the site. The Corporation has made a provisional estimate at 30 June 2021 of the future remediation costs to be incurred at \$5.7M.

Note 6 Cash Flow Reconciliation

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

6.1 Cash and deposits

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Cash at bank	6,186	3,491
Total	6,186	3,491
Term Deposits	-	12,000
Total	-	12,000
Total Cash and Deposits	6,186	15,491

6.2 Reconciliation of Net Result to Net Cash from Operating Activities

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Net Result from Transactions	1,950	(2,321)
Contributions Received (nil consideration)	-	-
Depreciation and Amortisation	912	1,100
Net Gain/(Loss) on Financial Instruments and Statutory Receivables	-	-
Net Gain/(Loss) on non-Financial Assets	71	379
Decrease/(Increase) in Receivables	(64)	8
Decrease/(Increase) in Other Assets	30	24
Increase/(Decrease) in Other Liabilities	15	(35)
Increase/(Decrease) in Employee Benefits	(13)	(11)
Increase/(Decrease) in Payables	(2,831)	3,480
Net Cash used by Operating Activities	70	2,624

Note 7 Financial Instruments

7.1 Risk exposures

a) Risk management policies

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

- credit risk
- liquidity risk, and
- market risk.

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

b) Credit risk exposures

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

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

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses.	The general term of trade for receivables is 7 days.
Cash and deposits	Deposits are recognised at the nominal amounts.	Cash means notes, coins and any deposits held at call with a bank or financial institution.

Receivables age analysis – expected credit loss

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2021 are as follows.

Expected credit loss analysis or receivables as at 30 June 2021

Details	Not Past Due (\$'000's)	Past Due 1-30 days (\$'000's)	Past Due 31-60 days (\$'000's)	Past Due 61-90 days (\$'000's)	Past Due 91+ days (\$'000's)	Total (\$'000's)
Expected credit loss rate (A)	0%	0%	0%	100%	100%	
Total gross carrying amount (B)	1	41	-	2	2	46
Expected credit loss (A x B)	-	-	-	2	2	4

Expected credit loss analysis or receivables as at 30 June 2020

Details	Not Past Due (\$'000's)	Past Due 1-30 days (\$'000's)	Past Due 31-60 days (\$'000's)	Past Due 61-90 days (\$'000's)	Past Due 91+ days (\$'000's)	Total (\$'000's)
Expected credit loss rate (A)	0%	0%	0%	0%	0%	
Total gross carrying amount (B)	-	-	-	-	3	3
Expected credit loss (A x B)	-	-	-	-	-	-

c) Liquidity risk

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

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

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

2021

Details	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)
<u>Financial Liabilities Payables</u>	745	-	-	-	-	-	745	745
Total	745	-	-	-	-	-	745	745

2020

Details	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)	(\$'000's)
<u>Financial Liabilities Payables</u>	3,576	-	-	-	-	-	3,576	3,576
Total	3,576	-	-	-	-	-	3,576	3,576

d) Market risk

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

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

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
Fixed Rate Instrument		
Financial Assets	209	273
Financial Liabilities	(745)	(3,576)
Total	(536)	(3,303)
Variable Rate Instrument		
Cash at bank	6,186	15,491
Total	6,186	15,491

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

Details	Statement of Comprehensive Income		Equity	
	100 basis point increase (\$'000's)	100 basis point decrease (\$'000's)	100 basis point increase (\$'000's)	100 basis point decrease (\$'000's)
30 June 2021				
Cash and Deposits	62	(62)	62	(62)
Total	62	(62)	62	(62)
30 June 2020				
Cash and Deposits	155	(155)	155	(155)
Total	155	(155)	155	(155)

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

7.2 Categories of Financial Assets and Liabilities

Details	2020/21 (\$'000's)	2019/20 (\$'000's)
AASB9 Carrying amount		
Financial assets		
Amortised costs	6,395	13,245
Total	6,395	13,245
Financial liabilities		
Financial liabilities measured at amortised cost	745	1,057
Total	745	1,057

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

Details	Carrying Amount 2021 (\$'000's)	Net fair Value 2021 (\$'000's)	Carrying Amount 2020 (\$'000's)	Net fair Value 2020 (\$'000's)
Financial assets				
Cash at bank	6,186	6,186	15,491	15,491
Other financial assets				
Receivables	209	209	273	273
Total Financial Assets	6,395	6,395	15,764	15,764
Financial liabilities (Recognised)				
Payables	745	745	3,576	3,576
Total Financial liabilities (Recognised)	745	745	3,576	3,576

7.4 Net Fair Values of Financial Assets and Liabilities

2021

Details	Net fair Value Level 1 (\$'000's)	Net fair Value Level 2 (\$'000's)	Net fair Value Level 3 (\$'000's)	Net fair Value Total (\$'000's)
Financial assets				
Cash at bank	6,186	-	-	6,186
Receivables	-	209	-	209
Total Financial Assets	6,186	209	-	6,395
Financial liabilities				
Payables	-	745	-	745
Total Financial liabilities	-	745	-	745

2020

Details	Net fair Value Level 1 (\$'000's)	Net fair Value Level 2 (\$'000's)	Net fair Value Level 3 (\$'000's)	Net fair Value Total (\$'000's)
Financial assets				
Cash at bank	15,491	-	-	15,491
Receivables	-	273	-	273
Total Financial Assets	15,491	273	-	15,764
Financial liabilities				
Payables	-	3,576	-	3,576
Total Financial liabilities	-	3,576	-	3,576

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Corporation uses various methods in estimating the fair value of a financial instrument. The methods comprise:

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

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

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

Note 8 Events Occurring After Balance Date

There have been no events subsequent to balance date that would have a material effect on the Corporation's Financial Statements as at 30 June 2021.

Land is currently subject to an active bid process, which may impact future valuations.

Note 9 Other Significant Accounting Policies and Judgements

9.1 Establishment and Objectives of the Organisation

The Macquarie Point Development Corporation (Corporation) was established via the *Macquarie Point Development Corporation Act 2012 (Act)*, which received Royal Assent on 11 December 2012.

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

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

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

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

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

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

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

9.2 Basis of Accounting

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

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and
- The *Macquarie Point Development Act 2012*, which includes the requirement to comply with Treasurer's instructions issued under the *Financial Management Act 2016*

The Financial Statements were signed by the Corporation's Chief Operations Officer on 13 August 2021.

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

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those outlined in note 8.

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

9.3 Reporting Entity

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

9.4 Functional and Presentation Currency

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

9.5 Changes in Accounting Policies

a) Impact of new and revised Accounting Standards

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

- AASB 1059 Service Concession Arrangements: Grantors

The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. There is no financial impact.

There are no other new or revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to Macquarie Point's operations and effective for the current annual reporting period.

9.6 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

9.7 Comparative Figures

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

9.8 Rounding

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

9.9 Taxation

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

9.10 Goods and Services Tax

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

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



Independent Auditor's Report

To the Members of Parliament

Macquarie Point Development Corporation

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Macquarie Point Development Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2021, statements of comprehensive income, changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the financial position of the Corporation as at 30 June 2021 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Macquarie Point Development Corporation Act 2012*, the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Land, buildings and inventories <i>Refer to notes 3.2 and 3.3</i>	
<p>The fair value of the land and buildings, \$20.07m, was determined with reference to observable information in an active market and adjusted down by estimated costs of future remediation. The carrying value of the inventory was \$39.74m, recognised at cost.</p> <p>During the year, the corporation made significant payments on remediation and infrastructure works that were added to existing property and inventory.</p> <p>An independent valuer was engaged to conduct a full revaluation of the site as at 30 June 2021.</p> <p>Significant judgements were made in determining the valuation of the site and assessing future remediation costs.</p>	<ul style="list-style-type: none"> Evaluating the appropriateness of the valuation methodology applied to determine fair values. Assessing the scope, expertise and independence of experts engaged to assist in the valuations. Critically assessing assumptions and other key inputs in the valuation model. Evaluating estimated remediation costs and management's assessment process. Evaluating the adequacy of disclosures made in the financial statements.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation is to be dissolved by an Act of Parliament, or the directors intend to cease operations or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

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

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

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

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Stephen Morrison
Assistant Auditor-General - Audit
Delegate of the Auditor-General
Tasmanian Audit Office

16 September 2021
Hobart



macquariepoint.com