ANNUAL REPORT 2021-2022

MACQUARIE POINT
DEVELOPMENT CORPORATION

WHERE THE PAST, PRESENT & FUTURE MEET

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

Dear Minister,

I have the pleasure in submitting the Macquarie Point Development Corporation's Annual Report for year ended 30 June 2022.

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
BOARD CHAIR

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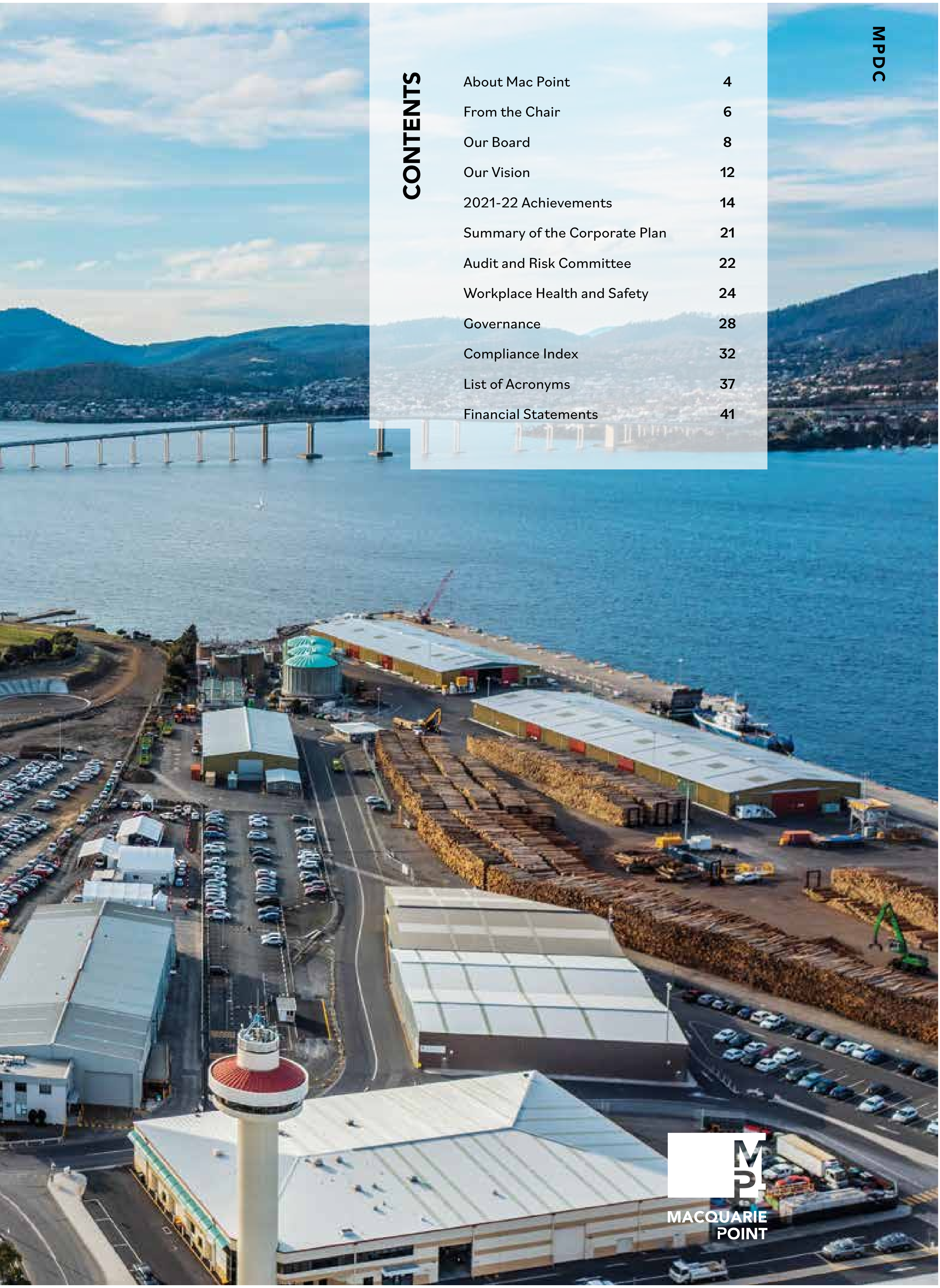


About Mac Point

Mac Point is an exciting 9.3-hectare site right next to Hobart's CBD and adjacent to the Port of Hobart.

The site has a long history: originally the home of the muwinina people, and over the past 200 years Mac Point has had many uses. The site now known as Mac Point has been a farm, an abattoir, a lumber yard, a gas works, cold store, goods storage, used for rubbish disposal, by the military, and for freight and rail. As a result, the site's soil and groundwater has been heavily polluted with a combination of fuels, heavy metals, and other contaminants.

The Macquarie Point Development Corporation was established to remediate the site, support development, and transition the site into a vibrant mixed-use precinct.

Remediation involves a range of activities to restore the land to its original state or to a standard that protects the environment and human health and is stable enough for structures to be built.

To date, this has seen approximately 67,000 tonnes of soil, almost a kilometre of historic oil and gas pipelines, redundant underground infrastructure including storage tanks and heavy vehicle mechanics pits, and 2.3 million litres of contaminated groundwater removed from the site.

By the end of 2021-22 financial year, the majority of the site has been remediated, with two areas remaining:

- a parcel in the south-east corner, where a historic diesel pipe and related contamination require removal.
- a parcel in the south-west corner of the site that was previously a gas works and cold store. This was added to the precinct in 2015 and as a result is outside of the scope of initial funding.

In addition to remediation, the Corporation has also undertaken archaeological digs and works to inform development and understand the site's history. The Corporation is also making the land development ready through the installation of public access infrastructure – including stairs, roads, walk and cycleways, and planning and laying utilities.

To support use, access, and offset operational costs, the Corporation has also supported interim developments and activation on the site. This included the construction of the LongHouse to create a space for social enterprises and other pop-ups; refurbishment of The Goods Shed as a live events venue; establishing Red Square and supporting community uses on site; leasing and maintaining buildings on site; establishing and maintaining our edible garden, which is regularly used by several community groups; and the provision of 450 above-ground car parks for Hobart commuters.

We pay our deepest respects to the traditional and original owners of this land, the muwinina peoples, and pay respect to those that have passed before us and acknowledge today's Tasmanian Aboriginal people, the palawa, their Elders, and their enduring custodianship of lutruwita/Tasmania.

Image: Nayri Niara

From the Chair

The past year has seen the Corporation continue to progress remediation and plan and prepare for development on site while also supporting ongoing access, events, and commercial and community activity.

Our remediation works in 2021-22 included completing the remediation of the former railyard roundhouse in April 2022.

More than 12,700 tonnes of contaminated soil was removed from the site, bringing the total amount of contaminated soil to be remediated and removed from Mac Point to 67,000 tonnes, or the equivalent of 18 Olympic swimming pools, and 2.3 million litres of contaminated groundwater removed.

Another key remediation project this year was commencing investigative work to determine the most effective way to remediate the former gasworks on the corner of Evans and Davey streets.

A pilot was undertaken to trial remediation technology, In-Situ Solidification. The former gasworks is the most complex remediation task on site, and the technique being trialled is the first of its kind in Tasmania.

The pilot involved removing a section of the concrete slab and mixing cement and additives through the soil, with the intent of stabilising and containing contaminants in the area and prevent their movement through the soil and groundwater.

We are currently working with the Independent Environmental Auditor and awaiting their advice to see if the trial was successful and to confirm if this approach can be used to remediate the rest of the area.

The past year also saw significant discoveries associated with the site's history, including Aboriginal Tasmanian artefacts and remnants from early European occupation of the site. This included some exciting discoveries including several glass and ceramic artefacts, which will be analysed to determine if they are examples of Tasmanian Aboriginal use of European materials during the early nineteenth century. We look forward to sharing the results of this analysis.

As part of our work to prepare the site for development, we advanced the installation of key infrastructure, including completion of the first stairs linking the site to the Cenotaph, progressed planning for a precinct-wide distribution system for hot and cold water and electricity, and commenced work to relocate the existing and ageing sewer main that runs through the site.

We also worked with potential future developers on site, including Milieu which was selected as the preferred developers for The Escarpment area, and Hobart Brewing Company which was successfully appointed as the tenant for the Good Shed, which is continuing to support events on site.

In parallel, the Tasmanian Government's work to explore the feasibility of a Tasmanian Arts, Entertainment, and Sports Precinct has also advanced. While penning my message for this Annual Report, it has been confirmed that Mac Point is the preferred location for that development.

The Corporation will work closely with the Department of State Growth, which is progressing the next stages of the feasibility and business case investigations for the stadium. In parallel we will continue our work to complete the remaining remediation required on site, manage interim activation of the site, progress enabling infrastructure and work with stakeholders and developers.

On behalf of the Corporation's Board and staff, I am pleased to present this year's Annual Report.

Brian Scullin
Chair

Our Board

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

Under the Act, the Corporation's Board is to consist of the Chairperson, Chief Executive Officer, and three to six Non-Executive Directors.

The Corporation's Chair and Non-Executive Directors are appointed by the Governor of Tasmania on the recommendation of the Minister for a maximum of three years per term.

The Board, in accordance with the Act, formally meets a minimum of six times during a financial year.

Brian Scullin
Chair

Brian's early career was working for the Australian Government. His executive career in superannuation and financial services between 1987 and 2002 saw him appointed inaugural Executive Director of the Association of Superannuation Funds of Australia. In September 1993, Brian was appointed Vice President, Business Strategy, Bankers Trust Australia Limited and subsequently Executive Vice President, Funds Management. This role involved responsibility for all non-investment functions, including legal, compliance, operations, technology, marketing and human resources. In November 1997, Brian was promoted to President, Japan Bankers Trust Company Limited, and, following a takeover by Deutsche Bank in 1999, Brian was made Regional Head of Asia/Pacific, Deutsche Asset Management. Brian retired from full-time employment in 2002 and since then has held a number of non-executive and industry positions, including with Spark Infrastructure, Dexus Property Group, BT Investment Management and Hastings Funds Management. Currently, he is also Chair of Propel Funeral Partners. ■

Mary Massina
CEO and Executive Director

Mary Massina has been the CEO and Director of Macquarie Point Development Corporation since 2017.

For more than 18 years, Mary has led an accomplished career in the public, private, not-for-profit, and political sectors, where she established herself as an influential business lobbyist. Mary has a significant understanding of both Tasmanian and Commonwealth political systems, having provided advice to the highest levels of government; and corporate operations, managing change within large and small organisations. Mary's achievements include driving nation-leading reform in planning, taxation, health, disability care and infrastructure.

In June 2022, Mary announced she would depart the Corporation in July 2022. ■

Debra Berkhout
Non-Executive Director

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 harbour front site at Pyrmont, and the internationally recognised Rouse Hill Town Centre. Later, at GPT she was responsible for sustainability and corporate social responsibility strategy, building key initiatives and partnerships and developing new approaches to impact measurement.

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

Debra's tenure as a Director concluded in October 2021. ■

Saul Eslake
Non-Executive Director

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

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

Kim Evans
Non-Executive Director

Kim has been a Head of Agency in Tasmania for more than 20 years and was appointed Secretary of the Department of State Growth in September 2014, where he works closely with the Office of the Coordinator-General and Infrastructure Tasmania. He represents 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
Non-Executive Director

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

Tim is the CEO of North Projects, an infrastructure and property advisory firm with offices in Melbourne, Adelaide, Sydney, Darwin, and Hobart. North reached a major milestone in growing the team to over 100 employees.

Tim has extensive experience in planning complex urban environments and specialises in providing project assurance and risk advice to major infrastructure redevelopments including commercial, retail and public projects. Over the course of his career, he has worked in the construction and property industry in Hobart, Melbourne, Hong Kong and Cairns. ■

Penelope (Penny) Morris AM
Non-Executive Director

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

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

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

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

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

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

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

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

Penny's tenure as a director concluded in June 2022. ■

Code of Conduct and Board Charter

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

Statement of Intent

In facilitating the redevelopment of Mac Point, the Corporation will assess all future development proposals in their capacity to:

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

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

BOARD OF DIRECTORS MEETINGS

NAME	HELD	ATTENDED
Chair B Scullin	8	8
D Berkhout	3	3
S Eslake	8	7
K Evans	8	8
T Hogg	8	8
P Morris	8	7
M Massina	8	6

AUDIT & RISK COMMITTEE MEETINGS

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

Our Vision

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

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

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

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

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

Macquarie Point Development Corporation values:

INTEGRITY

We are transparent, honest and respectful in all of 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.

2021-22 ACHIEVEMENTS

2021-22 Achievements

Permanent Development

THE ESCARPMENT

The Escarpment comprises 8,797m^2 of available land, with three building envelopes totalling 6,676m^2. The site falls under the *Sullivans Cove Planning Scheme 1997* and is zoned mixed-use. Permitted uses include residential, visitor accommodation, retail, and office accommodation.

Following a competitive process, the Corporation selected Milieu Property as the preferred developer for this land parcel.

Milieu's proposed development incorporated a range of uses, including apartments, retail, and hospitality.

The Corporation and Milieu are undertaking contract negotiations.

THE GOODS SHED

The Goods Shed comprises 2,500m^2 and is zoned mixed-use under the *Sullivans Cove Planning Scheme*. The Corporation is responsible for ensuring the 1914 heritage-listed venue is activated day and night throughout the week while maintaining the building's public ownership.

The Corporation commenced a marketing campaign in August 2021 to identify a long-term commercial leasing arrangement to see the venue develop into an attractor for visitation to Mac Point.

Hobart Brewing Company was selected as the successful proponent of developing The Goods Shed. Its proposal will see the venue developed into a food and beverage hub while maintaining its place as the home to some of Hobart's best music performances.

THE PARK

The Park will be a premier parkland that will be a place of truth-telling and healing for the palawa people and will create an inclusive place for all Tasmanians to come together.

In July 2021, the Corporation released its community survey, which allowed the Tasmanian public to have a say in what should and should not be included in the design of The Park. The Corporation received approximately 1,300 responses to the survey.

In August 2021, the Corporation held a community workshop on site with 50 attendees representing local and state governments, Aboriginal and wider Tasmanian community, and local businesses.

Key findings from the survey and workshop identified the need for further involvement of the Tasmanian Aboriginal community in the development and design of The Park. Subsequently, the Corporation is working with Tasmanian Aboriginal community leaders to progress a co-design of The Park, which continued during 2022.

THE PRECINCT

The Precinct is zoned Arts and Institutional under the *Sullivans Cove Planning Scheme*. The Precinct will house the proposed Antarctic and Science Precinct, which will see the development of a facility to house Australia's Antarctic and Southern Ocean scientific agencies, among other potential tenants.

To support the need for public interaction with the Antarctic and Science Precinct, the Corporation progressed a Register of Interest for Public Facing Elements. The register intended to identify science, cultural and tourism operators with complementary ideas that could be part of The Precinct or elsewhere at Mac Point.

Infrastructure

DISTRICT INFRASTRUCTURE SCHEME

To enable the most efficient and sustainable development to occur at Mac Point, the Corporation is progressing the construction of a District Infrastructure Scheme.

The intent of the District Infrustructure Scheme is to provide a centralised commercial energy network that includes renewable generation, storage, and centralised heating and cooling.

The Corporation concluded its Request for Proposal to identify a preferred proponent for the District Infrastructure Scheme in August 2021. The Corporation established a Memorandum of Understanding with the preferred proponent in December 2021, with detailed contract negotiations between the Corporation and the preferred proponent progressing during 2022 to work through the required commercial and design requirements.

CENOTAPH PEDESTRIAN STAIRLINK (STAGE 1)

Batchelor Construction Group were appointed to build the Stage 1 Cenotaph Pedestrian Stairlink – the first of two formal pedestrian linkages, which would provide access between Mac Point and the Hobart Cenotaph and replace informal tracks previously used by community.

Construction commenced in August 2021 and was completed in November 2021.

The development has enhanced the connection between the two sites and provides a valuable link to increase community access.

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

HOBART MAIN SEWER DIVERSION

To allow development to occur, the Corporation commenced the process to replace and divert the Hobart main sewer line that runs through the middle of the site.

Due to the sewer line currently intersecting the 9.3-hectare site, the 116-year-old pipe will be replaced and diverted. This is also a key piece of infrastructure to enable the decommissioning of the Macquarie Point Wastewater Treatment Plant.

Tenders for the diversion project closed in May 2022. The Corporation is currently working with the contractor to confirm when works will begin.

Image: Nayri Niara

2021-22 Achievements

Remediation

The Corporation continues to progress remediation on site.

Remediation involves a range of activities with the intent of restoring land to its original state, or to a standard that protects the environment, human health, and to be stable for structures that will be built.

To date, this has seen approximately 67,000 tonnes of soil, almost a kilometre of historic oil and gas pipelines, redundant underground infrastructure including storage tanks and heavy vehicle mechanics pits, and 2.3 million litres of contaminated ground water removed from the site.

All our remediation work is overseen and certified by an Independent Environmental Auditor.

FORMER GASWORKS REMEDIATION

The former Hobart gas works contains extensive sub-surface coal tar contamination, which is currently mobilised through the soil and ground water.

In August and November 2021, the Corporation conducted investigative drilling and trenching to determine the extent of the coal tar, contaminated soil and any infrastructure remaining in-situ in the former gasworks site.

Work commenced on a pilot trial to identify the most effective and efficient form of remediation in June 2022.

The technology trialled In-Situ Solidification, involved the removal of a section of the former gasworks and cold store concrete slab, and mixing cement and additives with the soil. This work was carried out at a depth of several metres, with the intent of creating an impermeable concrete monolith to capture and contain the contaminants and prevent movement through the soil and ground water.

The data from the work will be collected in the coming months to determine if the trial is successful and if In-Situ Solidification is the most appropriate technique to remediate the site.

ARCHAEOLOGICAL DIG

The Corporation completed the first stage of archaeological works in August 2021. The works investigated the surviving corner of the 1827 convict lumber yard, a nineteenth century roadway, and the 1914 railway turntable well.

During excavations in the original lumber yard, Aboriginal cutting tools were discovered within a setting that had previously been disturbed by historical development. The Corporation also uncovered several glass and ceramic artefacts which will be analysed to determine if they are also tools made by Aboriginal people, using European materials during the early nineteenth century.

Due to the highly unusual nature of these items, the Corporation held a public open day in September 2021, which approximately 150 community members attended.

The Corporation is continuing investigations and seeking permits for the next stage of archaeological works, which will continue in 2021-22.

Interim activation and tenants

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

The impact of COVID-19 pandemic meant many events were re-scheduled, which affected the number of events hosted on the site in 2021-22. However, a range of events were still hosted on site, including commercial events such as Ginuary, Mona Foma, and many more supporting the community, as listed on the following page.

The Corporation hosts a range of tenants on site, these include:

- Our Red Square tenants: Taco Taco, Eye Am Hair, Loaded Dog, Dino the Bread Guy, and Folk Sticks
- Events in The Goods Shed, LongHouse, and in Red Square
- Our permanent and semi-permanent buildings including:
  - The Red Shed – leased by Hobart Brewing Company
  - The LongHouse – home to Core Collective Architects and Nayri Niara
  - 8A Evans Street – leased by Matrix Management Group
- Storage and hardstand for community and commercial tenants
- And casual and longer term car parks on site.

2021-22 Achievements

Supporting the community

The Corporation has supported several community and not-for-profit organisations and events in the past year.

We do this by offering in-kind sponsorships to community and not-for-profit organisations which consists of discounted venue hire or support through other means.

Mac Point's Edible Precinct plays a big part in the Corporation's community support, with surplus fresh produce provided to community organisations, such as Migrant Resource Centre, Hobart Womens Shelter, and Bethlehem House Hobart. The Corporation's horticulturalist Sarah Clark plays a critical role in ensuring the Edible Precinct continues to be loved by the garden's countless users.

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

- **MONA** – use of The Goods Shed for Mona Foma festival
- **DarkLab** – space and storage for the build of Fire Blowers for the Winter Fest, hardstand for storage and an art installation in the SeaRoads Shed
- **The Mind Games** – access to The Goods Shed for filming and promoting the event for fundraising
- **Festival of Voices** – Big Sing Bonfire and Mac Point Motown Under the Stars event
- **COVID pop-up clinics and testing** – pop-up COVID-19 vaccination clinics were held in The Goods Shed and drive-through testing services
- **Tasmanian Symphony Orchestra** –access to The Goods Shed for chorus practice and public performance
- **Hobart City Mission and Men's Resources Tasmania** – Big Blokes Breakfast – use of The Goods Shed
- **Misha's Mates** – access to The Goods Shed and Red Square for assistance dog training for veterans and first responders
- **Comedy Club** – equipment provided for performances held at Red Square
- **Rotary Hobart** – storage for Rotary records
- **Rotary Lindisfarne** – storage for IT equipment to be sent to re-build schools in Fiji
- **She Shreds Australia** – storage of container and trailer
- **7HOFM** – access to The Goods Shed for a community event
- **SPEAK UP! Stay ChatTY** – access to The Goods Shed for filming.

In the past year, all contracts were awarded to Tasmanian-based contractors except:

- Wagstaff Piling, who was contracted to provide specialised expertise in undertaking the pilot study for remediating the former gasworks; and
- EPM Partners, who was contracted to provide specialised software development services for the Corporation's project management system.

Community consultation, stakeholder engagement and working groups

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

The Corporation has dedicated resources to foster community and stakeholder engagement, which will continue to grow with the development of Mac Point, ensuring our communities continue to have a say in the development of the site. Key engagements in 2021-22 included engagement on The Park. This included working with representatives of the Tasmanian Aboriginal community.

The Corporation values the history, culture, and strength of the palawa community, and their guidance and advice will be key to delivering The Park and to understanding the site's history.

Stakeholder Engagement

The Corporation is committed to keeping the community and stakeholders informed about works and events onsite.

Our engagement includes regular face-to-face meetings with stakeholders, participation on working groups and committees, and communicating Corporation activities through a monthly newsletter.

Image: Nayri Niara

Summary of the Corporate Plan

The Corporate Plan 2021-2024 identified the Corporation's priorities and focus for the next three years.

These were to deliver:

- Development ready land;
- Permanent and long-term development;
- Interim site activation;
- Effective partnerships with stakeholders and community;
- A corporation which is viable and fit for purpose; and
- Strong team values and culture.

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

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 meeting of the Board for consideration and adoption.

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

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

During the 2021-2022 Financial Year, the Committee met on four occasions to consider routine business, including:

- An Audit of compliance with Treasurer's Instructions and procurement processes;
- Procured a new 3 year contract for the Corporation's Internal Auditor function;
- Regular reviews of the Corporation's strategic risk profile;
- Regular reviews of the Corporation's insurances;
- Regular revies of the Corporation's investments;
- Regular reviews of the Corporation's Cash Flow position;
- Undertook a Post project review of the northern Access Road;
- Approved the Corporation's 2022-23 Budget and Capital Cash Flow;
- Reviewed the Corporation's Project Management manual;
- Reviewed the TAO's draft Financial Audit Strategy for 2022;
- Consideration of the Corporation's Financial Statements for 2021,;
- 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 Audit and Risk Charter; and
- A review of the Corporation's Delegation's Policy.

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

- Assessing the extent of compliance with statutory requirements and instructions;
- Reviewing whether the Corporation's resources are being 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 key operating activities and financial administrative systems;
- Provision of expert advice where required to support the Corporation's ongoing operations; and
- Monitoring fraud control, and prevention mechanisms.

Workplace Health and Safety

Introduction

As required by the Tasmanian Government's commitment to the *Australian Work Health and Safety Strategy 2012-22*, 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 2022-23

The Corporation's annual Work Health and Safety (WHS) Plan for 2022-23 has been prepared.

Policy and commitment

The Corporation conducts annual reviews of its existing WHS policy. In 2021 an audit was undertaken of the Corporation's Work Health and Safety Management System to enhance and reflect the changing uses on site. The Corporation's WHS Policy, and the Statement of Commitment were refined and amalgamated to ensure a consistent and simplified approach. This was reviewed against the Tasmanian Government's Work Health, Safety and Wellbeing Policy.

The Corporation undertakes a review of the Work Health and Safety Management System every 2 years. A gap analysis audit of the Work Health Safety Management System is scheduled for June 2023.

Compliance with *Workers' Rehabilitation and Compensation Act 1988*

The Corporation holds current certificates of workers' compensation insurance.

The Corporation was compliant with the *Workers' Rehabilitation and Compensation Act 1988*.

Reporting against key targets

The Corporation's WHS statistics for 2021-22 are summarised in the table below:

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 the 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	(i) 87.5% (ii) 100%	100%
Days of unplanned absences	zero	Variance over the previous 3 years
Separations (not retirement/redundancy)	4	Variance over the previous 3 years

MPDC WORK HEALTH AND SAFETY SCORE CARD – REPORTING PERIOD: 1 JULY 2021 – 30 JUNE 2022

Measurement criteria	Total
Team meetings (including WHS component)	48
WHS Committee Meetings	13
Site Hazard and Workplace inspections conducted	86
No. of hazards reported	36
No. of hazards closed out	35
Inductions completed	159

INCIDENT / INJURY CLASSIFICATION 2021-22

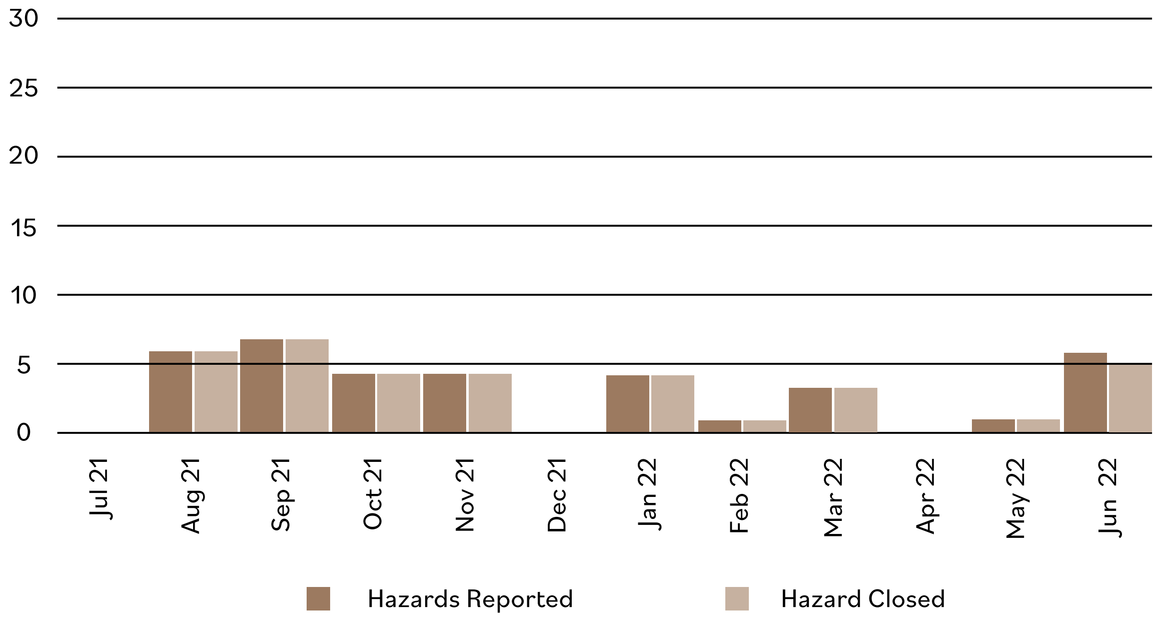
	MPDC	Contractor / Developer / Tenant / Public	Total
Incidents	4	17	21
Lost time injuries (LTI)	0	0	0
Near miss	0	0	0
All incidents have been investigated, actions completed and incidents closed out. Incidents closed out - 21 Incidents outstanding - 0			

HAZARDS STATISTICS

2021-22	Total
Total hazards reported	36
Total hazards closed-out	35
Total hazards outstanding for action	1
Total eliminated hazards	26
Total number of residual high risk hazards	0
Total number of residual significant risk hazards	0
Total number of residual moderate risk hazards	2
Total number of residual low risk hazards	7

- The outstanding hazard is scheduled to be completed but was outstanding at the time of this report. The hazard is rated as low risk and will continue to be monitored until complete.
- The seven residual low-risk hazards recorded have either been identified and mitigated to an acceptable level or have the potential to reoccur; therefore these risks will remain as residual low-risk hazards.

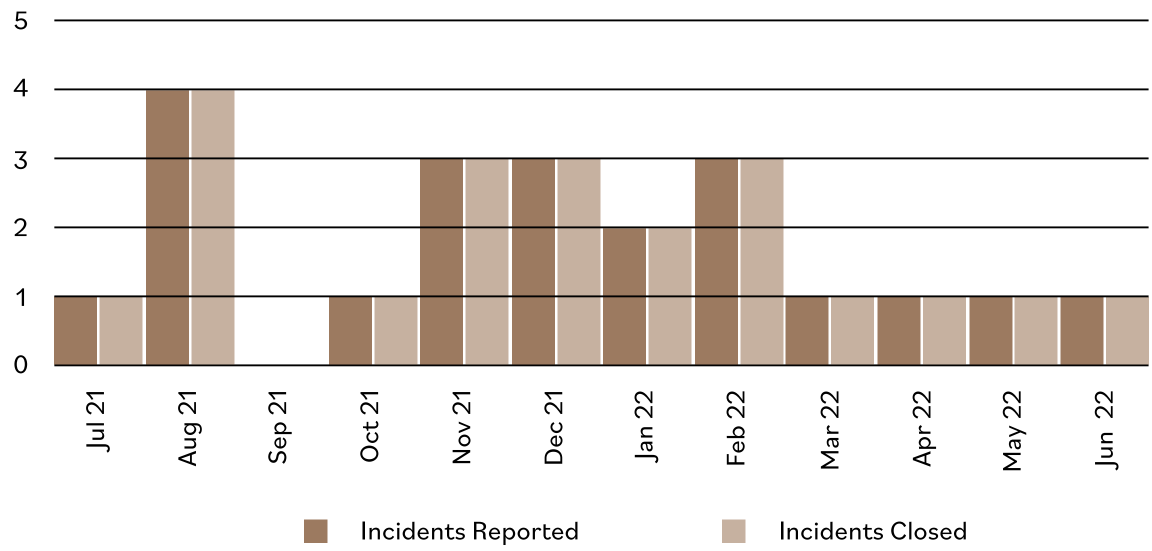
HAZARDS STATISTICS GRAPH



INCIDENT STATISTICS

2021-22	Total
Total Incidents reported	21
Total Incidents closed-out	21
Total Incidents outstanding for action	0
Total number of high risk incidents	0
Total number of significant risk incidents	3
Total number of moderate risk incidents	8
Total number of low risk incidents	10

INCIDENT REPORTS



Report on Key Performance Indicators

Key Performance Indicators were developed by the WHS Committee in February 2022. The following summary is what has been achieved in the five months to 30 June 2022.

Hazard Walks – *Average of six Hazard Works per staff member per year across the entire team.*

- This KPI has been achieved with 177 hazard walks undertaken in FY 2022

Lost time Injury – *Nil Lost time Injury in FY 2022*

- This KPI has been achieved

WHS Audits – Tenants – *one audit per year per tenant*

- This KPI has been achieved, one tenant declined to participate

WHS Audits – Projects – *two external projects per year*

- This KPI has not been achieved, one project audit has been undertaken.

Ergonomic Assessments – *one per person per year*

- This KPI has been achieved

Hazards to be closed out within 3 months

- This KPI has not been achieved in full. One hazard was partially completed but remained outstanding for five months due to contractor availability.

Governance

Macquarie Point Development Corporation is a statutory authority, established through the *Macquarie Point Development Corporation Act 2012*. The Act sets out the Corporation's objectives, functions and powers in sections 6, 7 and 8, respectively.

The Corporation is also an Agency within the meaning of the *State Service Act 2000*, with the Chief Executive Officer appointed by the Premier.

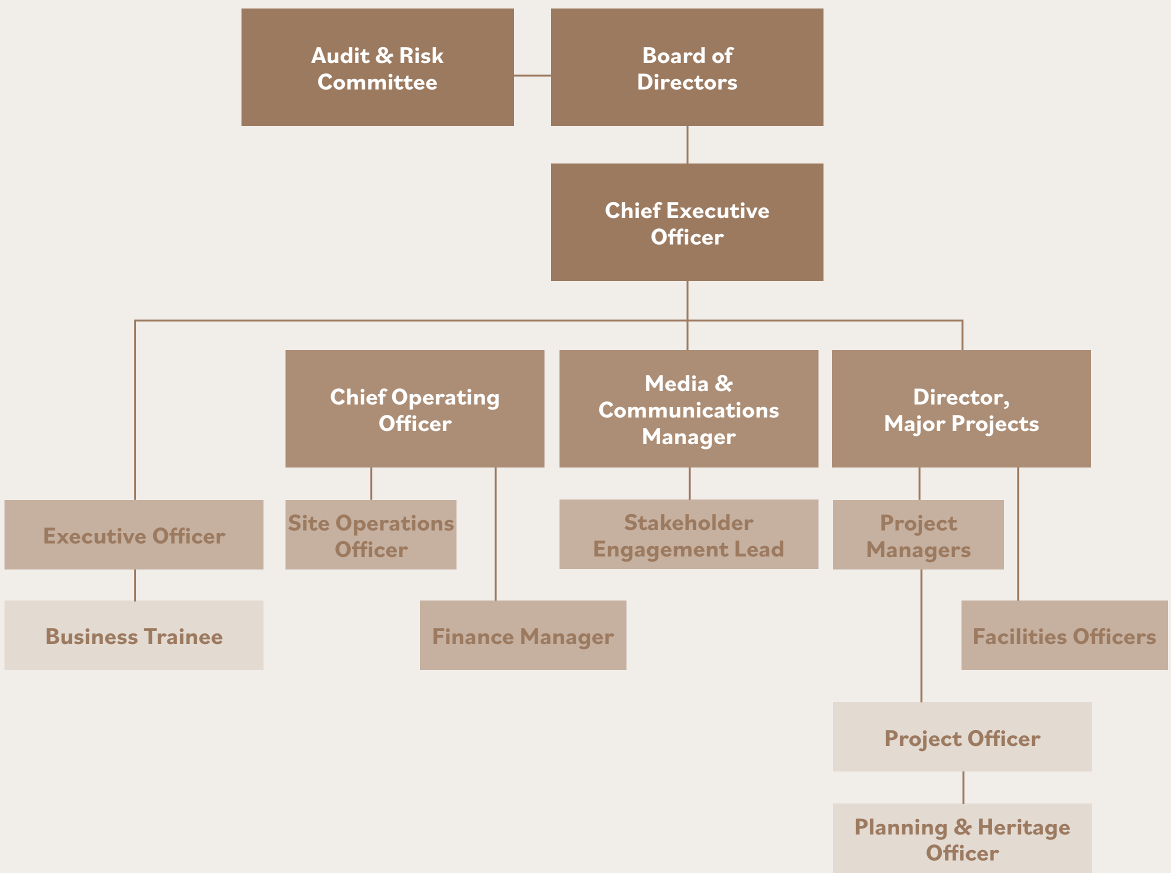
The Corporation sits within the State Development portfolio, which is led by the Hon Guy Barnett MP, in his capacity as the Minister for State Development, Construction and Housing.

The Corporation also has a Service Level Agreement with the Department of State Growth, which supports the Corporation's effective operations though the provision of business support services.

The people behind Mac Point

As at 30 June 2022, the Corporation had 14 employees, one of which was permanent, 11 on fixed-term contracts, and two Senior Executive Service positions. Of the staff, 13 were full time and one was part time. Nine staff were male and five staff were female. The Corporation's Board, including CEO, was comprised of four males and one female.

ORGANISATIONAL CHART



Diversity and Inclusion

Creating and fostering an inclusive workplace is how we empower our team to perform at their best. The Corporation has made big strides towards an inclusive workplace but understand there is always more room for improvement.

In 2021-22, the Corporation undertook a number of initiatives, such as continuing its Business Trainee Program that provides employment and training opportunities for the Aboriginal community; all staff completed cultural awareness training and attended Reconciliation Tasmania's Come Walk With Us program; and engaged in Speak Up Stay ChatTY's mental health awareness program.

Right to Information

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

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

During 2021-22, the Corporation received one application for assessed disclosure for information under the RTI Act. As the application was received in late June, a response to the RTI will be provided in the 2022-23 financial year.

Public disclosure

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

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

The Corporation has not received any disclosures either directly or indirectly referred via the Ombudsman in the year to 30 June 2022.

Personal Information Protection

Under the *Personal Information Protection Act 2004* (the PIP Act), Macquarie Point Development Corporation is the custodian of personal information related to its functions and activities.

We are committed to protecting each individual's privacy in the way we collect, use or disclose personal information. We also ensure that individuals have some control over their personal information.

We deal with personal information in accordance with the PIP Act. There were no requests in the reporting period under the PIP Act for people seeking access to, or update of, personal information held by us about them.

Integrity Commission

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

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

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

Websites

At 30 June 2021, the Corporation managed one website, supported by three domain names:

www.macquariepoint.com
www.macquariepoint.com.au
www.macpoint.com

Procurement

Number of Contracts awarded over $50K	7
Total to Tasmanian businesses	5
Total Value of Contracts	$1,653,626.00
Total Value awarded to Tasmanian businesses	$1,195,826.00
Total number of tenders called	4
Total number of bids received	12
Total bids from Tasmanian firms	11

Major Contracts for $50K and over

Contractor	Location	Description of Contract	Period of Contract	Total Value (inc GST)
City of Hobart	Hobart	McRobies Gully Waste Management Centre contaminated soil disposal	20 October 2021 – 20 April 2022	$500,000.00
Synergy Resources	Hobart	Remediation & bulk earthworks of the former Roundhouse	03 September 2021 – 03 March 2022	$440, 813.00
Wagstaff Piling	Victoria	Audit Area 6 pilot trial	29 April 2022 – 29 October 2022	$357,800.00
EPM Partners	New South Wales	Development of project management software	13 April 2022 - 13 June 2023	$100,000.00
KPMG	Hobart	Three-year annual internal audit reporting	25 August 2021 – 25 August 2024	$72,000.00
Elgin Associates	Hobart	Environmental sampling for the remediation of the former Roundhouse	28 September 2021 – 28 January 2022	$54,638.00
The20	Hobart	Development of a destination brand for the site	25 February 2022 – 25 August 2022	$54,545.00

Contracts awarded as a direct/Limited submission under TI PP2

Date	Consultant	Description of Contract	Contract Value (inc GST)
29 April 2022	Wagstaff Pty Ltd	Audit Area 6 pilot trial	$357,800.00

Exemptions to Disaggregation as defined under TI PF2

Date	Project	Value (inc GST)	Period of Contract
04 June 2021	Remediation & bulk earthworks of the former Roundhouse	$440,813.00	6 months
20 October 2021	McRobies Gully Waste Management Centre contaminated soil disposal	$500,000.00	6 months
25 November 2021	Audit Area 6 pilot trial	$357,800.00	6 months

Contract extended in accordance with TIPP6

Nil

Compliance Index

The compliance index has been compiled in response to the Auditor-General's Special Report No. 4 of May 1993, Standard of Annual Reporting by Government Departments. This index complies with the statutory disclosure requirements for annual reporting of the:

- *State Service Act 2000*
- *Right to Information Act 2009*
- *Public Interest Disclosure Act 2002*
- State Service Regulations 2001
- Various Treasurer's Instructions

The four columns in the index have the following meanings.

Section and compliance – these columns refer to the statutory disclosure requirements in Tasmanian public sector legislation.

Page – this states where in this Annual Report the requirement is satisfied. In some instances, the requirement is complied with by the report in its entirety.

Details – this is a brief statement of the instruction, clause, section or subsection of the corresponding statutory disclosure requirement.

KEY

ED	Employment Directions
MPDC	Macquarie Point Development Corporation Act 2012
PSSRA	Public Sector Superannuation Reform Act 2016
RTI	Right to Information Act 2009
SS	State Service Act 2000
SSR	State Service Regulations 2011
TI FR	Treasurer's Instructions Financial Reporting
TSS	Tasmanian State Service

Section	Compliance	Page	Details
General			
		3	Table of contents
		39	List of acronyms
Overview			
Strategic plan	SSR s9 (a)(i) MPDC s50(2)(c)	23	A summary of the Corporate Plan
Performance	SSR s36(l)(a) MPDC s50(2)(d)	14	A summary of the Corporation's performance
	MPDC s49(2)	41	The financial statements and the Auditor-General's report on those statements prepared in accordance with section 19 of the Audit Act 2008 are to be combined so as to form part of the annual report
Major initiatives	SSR s9(a)(v)	14	Details of major initiatives taken by the agency to develop and give effect to government policy
Major changes during the year	SSR s9(a)(iv)	N/A	Details of, and reasons for, any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the agency
Ministerial directions	MPDC s50(2)(g)	N/A	The details of any directions given by the Minister under s36 and any action taken by the Board in respect of those directions
Organisational structure			
Agency organisational chart	SSR s9(a)(ii)	30	An organisational chart illustrating the agency's administrative structure, including regional offices, showing officers of the agency
Why are we structured this way	SSR s9(a)(iii)	30	A description of the relationship between the organisational structure and the program management structure of the agency

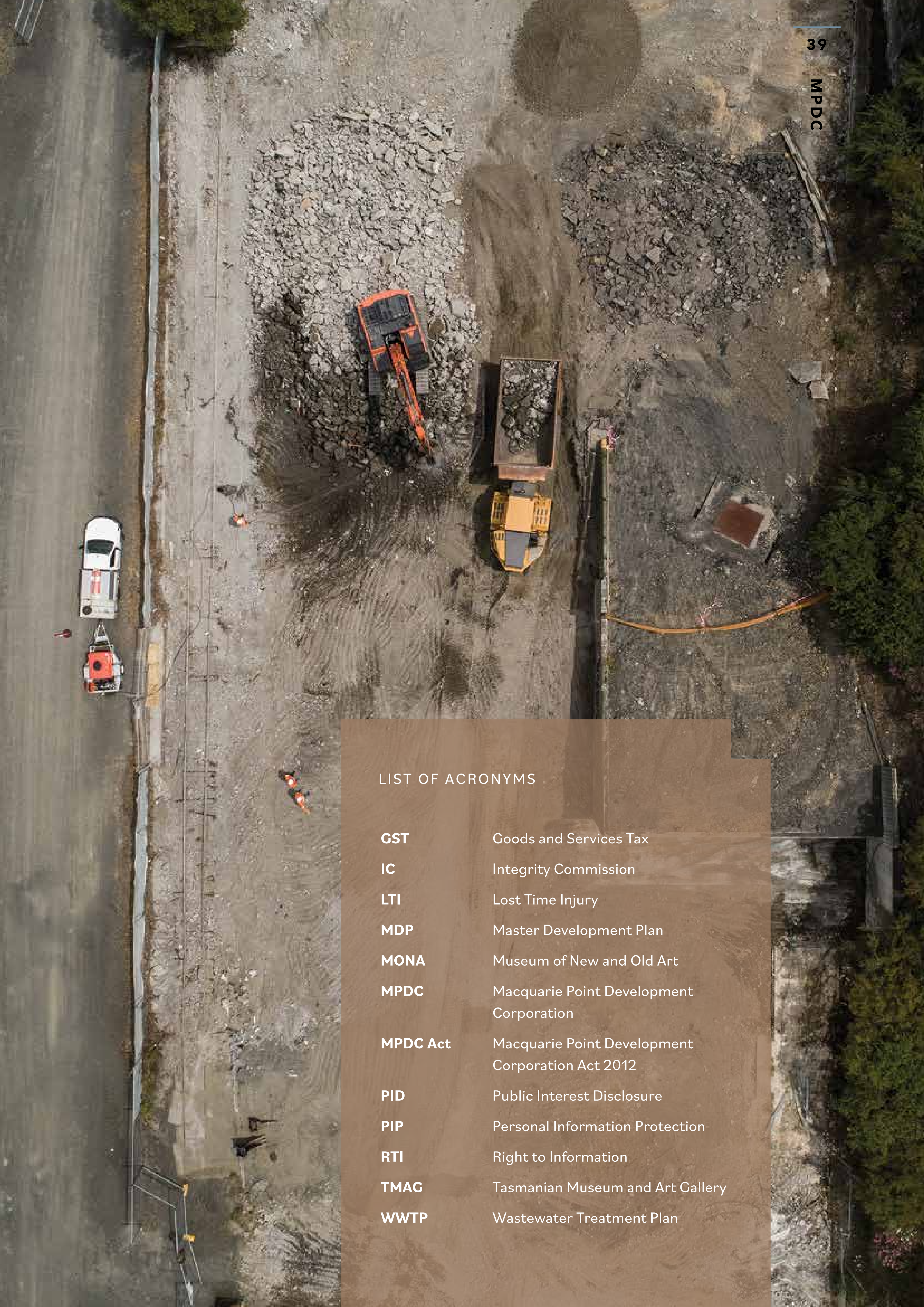
Section	Compliance	Page	Details
Performance measurement			
Performance summary	TI FR-4.1.1	44	A summary of significant financial outcomes for Agency programs or activities, and any Ministerial directives in relation to financing or investment activities
	TI FR-4.1.4	43	Information on the performance of the Agency in its achievement of Agency objectives and meeting of Agency responsibilities
Legislation administered and major documents published			
Legislation administered	SSR s9(d)	N/A	A list of legislation administered by the department
Public access and awareness of services provided			
Key contact	SSR s9(c)(ii)	83	List of contact officers and points of public access in relation to services provided by the department
Community awareness report	SSR s9(c)(i)	21	Details of activities undertaken to develop community awareness of the department and the services it provides
Agency publications	SSR s9(c)(i)	23	List of major documents published by any internal or external body of the department during the year
Right to Information	RTI s23	31	Right to Information details for 2021-22

Section	Compliance	Page	Details
Human resources management			
Workplace Diversity	TSS Diversity and Inclusion Policy and Framework	31	A description of the agency’s workplace diversity program
Work health safety and wellbeing	SSR s9(b)(vi) ED. 27 s.5(2) ED. 23	26	Employment policies and practices of the Agency in relation to work health safety and wellbeing
Asset management and risk management policies			
Infrastructure projects	TI FR-4.1.3	17	Information on infrastructure projects undertaken or being undertaken by the Agency
Asset management	TI FR-4.1.6	55	The Corporation's assets are monitored by the Audit and Risk Committee, and relevant items are reported in the financial statements
Other assets	TI FR-4.1.7	55	Details of public property, revenue and debts due to the State
Risk management	TI FR-4.1.5	69	A statement of risk management policies, and an outline of significant risk management activities and initiatives
Pricing policies	TI FR-4.1.2	N/A	Pricing policies for goods or services provided by the Agency, including reference to any applicable Gazette or other public document which contains pricing or rating information and details of cost recovery policies and their application as appropriate

Section	Compliance	Page	Details
Government procurement			

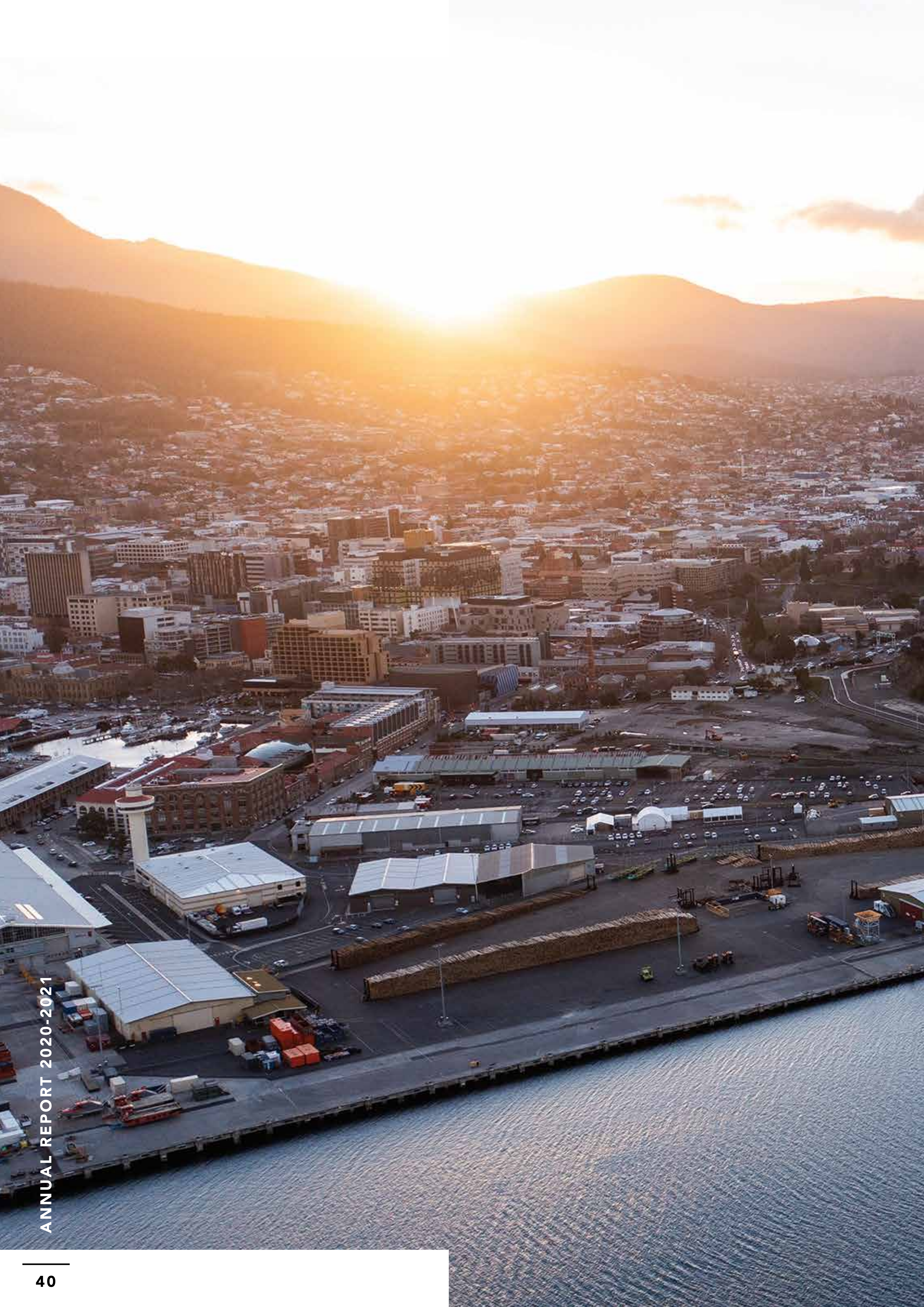
Contracts awarded during the year	TI FR-4.1.8	32	Information on procurement activities undertaken or being undertaken by the Agency including:
			• details of any contracts entered into by the Agency which contain confidentiality provisions;
			• statement regarding the Agency's support for Tasmanian businesses;
			• details of participation by Tasmanian businesses in procurement processes with a value of $50 000 or more, together with information on their level of success in relation to procurement contracts with a value of $50 000 or more;
			• procurement contracts awarded with a value of $50 000 or more, with consultancies separately listed;
			• details of procurement contracts where a disaggregation exemption was applied, and procurement contracts awarded as a result of limited tendering (excluding direct sourcing from other agencies);
			• details of contracts awarded as a result of a contract extension approved pursuant to the Treasurer's Instructions under the following circumstances:
			  • due to exceptional circumstances where the extension
			  • was required to enable a full procurement process to
			  • be properly undertaken; or
			  • where other exceptional circumstances justified an extension

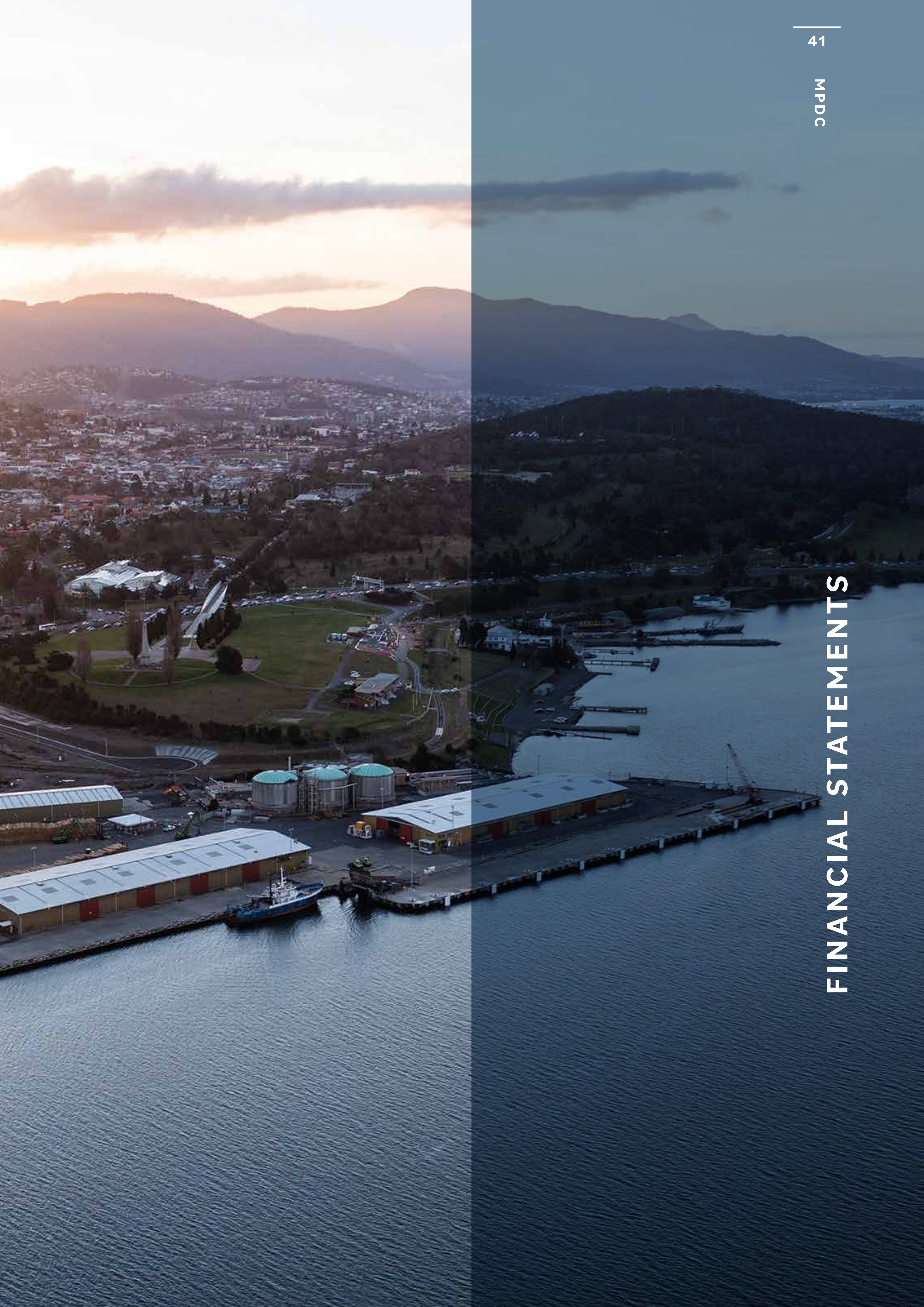
Other matters	TI FR-4.1.9	N/A	Any other matters deemed relevant by the Accountable Authority
Financial Statements			
Financial Statements	MPDC s49(2)	41	An accountable authority of an Agency, in respect of each financial year, is to prepare financial statements of the Agency in respect of that financial year
Audit opinion	MPDC s50 (2)(b)	79	The Auditor-General's report on the Agency's financial statements prepared in accordance with section 19 of the *Audit Act 2008* are to be combined so as to form part of the annual report



LIST OF ACRONYMS

GST	Goods and Services Tax
IC	Integrity Commission
LTI	Lost Time Injury
MDP	Master Development Plan
MONA	Museum of New and Old Art
MPDC	Macquarie Point Development Corporation
MPDC Act	Macquarie Point Development Corporation Act 2012
PID	Public Interest Disclosure
PIP	Personal Information Protection
RTI	Right to Information
TMAG	Tasmanian Museum and Art Gallery
WWTP	Wastewater Treatment Plan





FINANCIAL STATEMENTS

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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 2022 and its cash flows for the year then ended.

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

Brian Scullin
Chairman

28 September 2022

Anne Beach
Acting Chief Executive Officer

28 September 2022

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Notes	2022 ($'000's)	2021* ($'000's)
Continuing Operations			
Revenue and other income from transactions			
Sales of goods and services	1.1	1,614	1,142
Interest	1.2	110	59
Grants	1.3	3,500	5,245
Total revenue and other income from transactions		**5,224**	**6,446**
Expenses from transactions			
Employee benefits	2.1	1,487	1,039
Depreciation and amortisation	2.2	1,010	912
Supplies and consumables	2.3	2,238	2,442
Remediation Expense	2.4	13,788	-
Revaluation Decrement	2.5	-	5,859
Other expenses	2.6	46	32
Total expenses from transactions		**18,568**	**10,284**
Net result from transactions (net operating balance)		**(13,345)**	**(3,838)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets - impairment		(6,347)	573
Total other economic flows included in net result		**(6,347)**	**573**
Net result		**(19,692)**	**(3,265)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in physical asset revaluation reserve		5,239	1,187
Total other comprehensive income		**5,239**	**1,187**
Comprehensive result		**(14,453)**	**(2,078)**

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

* Certain numbers shown here do not correspond to the 2020/21 Financial Statements and reflect adjustments made as detailed in Note 8.

Statement of Financial Position for the year ended 30 June 2022

	Notes	2022 ($'000's)	2021* ($'000's)
Assets			
Financial assets			
Cash and deposits	6.1	9,419	6,186
Investments	3.1	20,000	-
Receivables	3.2	181	210
Non financial assets			
Inventories	3.3	24,471	27,137
Property Plant and Equipment	3.4	26,511	20,927
Intangibles	3.5	66	127
Other Assets	3.6	66	87
Total Assets		**80,713**	**54,674**
Liabilities			
Payables	4.1	95	745
Employee benefits	4.2	289	277
Provisions	4.3	13,788	-
Contract liabilities	4.4	-	24
Other liabilities	4.5	26	10
Total Liabilities		**14,198**	**1,056**
Net assets		**66,515**	**53,618**
Equity			
Accumulated Funds		32,536	52,228
Contributed Equity		27,350	-
Asset Revaluation Reserve		6,629	1,390
Total equity		**66,515**	**53,618**

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

* Certain numbers shown here do not correspond to the 2020/21 Financial Statements and reflect adjustments made as detailed in Note 8.

Statement of Cash Flows for the year ended 30 June 2022

	Notes	2022 ($'000's)	2021 ($'000's)
Cash flows from operating activities			
Cash inflows			
Grants		3,500	5,245
Sales of goods and services		1,624	1,051
Interest received		110	59
GST receipts		793	57
Total cash inflows		**6,027**	**6,412**
Cash outflows			
Employee benefits		(1,474)	(1,120)
Supplies and consumables		(2,866)	(5,306)
GST payments		(781)	116
Other cash payments		(49)	(32)
Total cash outflows		**(5,170)**	**(6,342)**
Net cash from (used by) operating activities	**6.2**	**857**	**70**
Cash flows from investing activities			
Cash outflows			
Payments for investments		(20,000)	-
Payments for acquisition of non-financial assets		(4,974)	(9,371)
Total cash outflows		**(24,974)**	**(9,371)**
Net cash from (used by) investing activities		**(24,974)**	**(9,371)**
Cash flows from financing activities			
Cash inflows			
Equity Contribution		27,350	-
Total cash inflows		**27,350**	**-**
Cash outflows			
Trust fund refunds		-	(4)
Total cash outflows		**-**	**(4)**
Net cash from (used by) financing activities		**27,350**	**(4)**
Net increase (decrease) in cash held and cash equivalents		**3,233**	**(9,305)**
Cash and deposits at the beginning of the reporting period		**6,186**	**15,491**
Cash and deposits at the end of the reporting period	**6.1**	**9,419**	**6,186**

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 2022

	Reserves	Contributed Equity	Accumulated Funds	Total Equity
Balance as at 1 July 2021	**1,390**	**-**	**52,228**	**53,618**
Net result	-	-	(19,692)	(19,692)
State Government Equity Contribution	-	27,350	-	27,350
Other comprehensive income	5239	-	-	5239
Total comprehensive result	**5239**	**27,350**	**(19,692)**	**12,897**
Balance as at 30 June 2022	**6629**	**27,350**	**32,536**	**66,515**
Balance as at 1 July 2020	**2,366**	**-**	**65,344**	**67,710**
2018/19 and 2019/20 Prior Period Adjustment	(2,163)	-	(9,851)	(12,014)
Restated Balance as at 1 July 2020	**203**	**-**	**55,493**	**55,696**
Net result	-	-	(3,265)	(3,265)
Other comprehensive income	1,187	-	-	1,187
Total comprehensive result	**1,187**	**-**	**(3,265)**	**(2,078)**
Balance as at 30 June 2021	**1,390**	**-**	**52,228**	**53,618**

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 2022

Note 1 Income from Transactions

Income is recognised in the Statement of Profit or Loss and Other 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	2021/22 ($'000's)	2020/21 ($'000's)
Leasing Revenue	976	559
Car Parking Revenue	638	583
Total	**1,614**	**1,142**

1.2 Interest

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

Details	2021/22 ($'000's)	2020/21 ($'000's)
Interest	110	59
Total	**110**	**59**

1.3 Grant revenue

Grants revenue without a sufficiently specific performance obligation is recognised when the Corporation gains control of the asset (typically Cash). In 2021/22 the Corporation received the first of three annual State Government Grants.

Details	2021/22 ($'000's)	2020/21 ($'000's)
Grants without sufficiently specific performance obligations	3,500	5,245
Total	**3,500**	**5,245**

Note 2 Expenses from Transactions

Expenses are recognised in the Statement of Proft or Loss and Other 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	2021/22 ($'000's)	2020/21 ($'000's)
Wages and Salaries	1,229	926
Superannuation – Defined Benefit Scheme	35	31
Superannuation – Contribution Schemes	100	66
Other Employee Expenses	123	16
Total	**1,487**	**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 (2021: 12.95 per cent) of salary.

Superannuation expenses relating to contribution schemes are paid directly to superannuation funds at a rate of 10.0 per cent (2021: 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 (2021: 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.

This meets the Corporations obligations under the Australian Government Superannuation Guarantee (Administration) Act 1992 and the Public Sector Superannuation Reform Act 2016, in respect of those employees who contribute to complying superannuation funds. The Corporation only makes employer superannuation contributions to complying superannuation funds (other than those established under the provisions of the Public Sector Superannuation Reform Act 2016).

b) Remuneration of key management personnel

2022	Position Held	Short Term Benefits		Long Term Benefits			Total
		Salary ($'000's)	Other Benefits ($'000's)	Super-annuation ($'000's)	Other Benefits & LSL ($'000's)	Termination Benefits ($'000's)	($'000's)
Executive Management							
Mary Massina	Chief Executive Officer	214	35	26	8	-	283
Greg Cooper	Chief Operating Officer	148	38	15	6	-	207
Directors							
Brian Scullin	Chair	44	-	4	-	-	48
Debra Berkhout	Director	7	-	2	-	-	9
Saul Eslake	Director	25	-	3	-	-	28
Kim Evans	Director	-	-	-	-	-	-
Tim Hogg	Director	25	-	3	-	-	28
Penny Morris	Director	25	-	3	-	-	28
		488	**73**	**56**	**14**	**-**	**631**

2021	Position Held	Short Term Benefits		Long Term Benefits			Total
		Salary ($'000's)	Other Benefits ($'000's)	Super-annuation ($'000's)	Other Benefits & LSL ($'000's)	Termination Benefits ($'000's)	($'000's)
Executive Management							
Mary Massina	Chief Executive Officer	217	32	24	7	-	280
Greg Cooper	Chief Operating Officer	134	38	14	3	-	189
Directors							
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**

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 2021-22 for Executive Management 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. Kim Evans receives remuneration for his role as the Secretary of the Department of State Growth and is disclosed in the Department's Financial Statements.

c) Related Party 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 2022.

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:

Asset Category	Useful Life (Years)
Buildings	100
Building improvements	5 - 20
Equipment	3 - 10
Car Park and Red Square Precinct	4.5
Heritage and Cultural Assets	15
Software	3
Road Infrastructure	40
Road Surfacing	15
Street Lighting	20

Details	2021/22 ($'000's)	2020/21 ($'000's)
Buildings	66	87
Equipment	38	34
Good Shed Improvements	85	79
Public Open Space	263	268
Heritage and Culture	1	1
Road	150	81
Other Infrastructure	346	326
Total	**949**	**876**

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	2021/22 ($'000's)	2020/21 ($'000's)
Intangible Assets	61	36
Total	**61**	**36**

2.3 Supplies and consumables

Details	2021/22 ($'000's)	2020/21 ($'000's)
Advertising and promotion	93	28
Audit fees	35	49
Communications	22	9
Consultants and Contracted Services	1,157	1,640
Information technology	83	56
Lease Expense	7	5
Maintenance	156	125
Operating lease	10	9
Property services	373	282
Rates and Insurance	235	209
Travel and transport	4	4
Other supplies and consumables	63	26
Total	**2,238**	**2,442**

2.4 Remediation Expense

In 2020/21 the Corporation reported a Contingent Liability of $18m for the estimated costs of remediating the former Cold Store site. This was treated as a note in the 2020/21 Annual Report due to the uncertainty of funding, timing of the works and cost.

Confirmation of funding for the Corporation's future Capital Works program, which included the remediation of the Cold Store site, was received from the State Government during 2021/22. This removed that uncertainty and triggered the need for these future expenses to be recognised as a Provision. After allowing for funds spent during 2021/22 a provision of $13.8m has been recorded.

2.5 Revaluation Decrement

The adjustments detailed in Note 8 include a decrement of $5.8m relating to the valuation of "Land" as at 30 June 2021. This has been reflected in the restated 2020/21 Statement of Financial Performance.

2.6 Other Expenses

Details	**2021/22 ($'000's)**	**2020/21 ($'000's)**
Salary Oncosts	40	15
Other Expenses	3	13
Licences and Permits	4	4
Total	**46**	**32**

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 Investments

Details	2021/22 ($'000's)	2020/21 ($'000's)
Term Deposits	20,000	-
Total	**20,000**	-
Settled within 12 Months	20,000	-
Settled in more than 12 Months	-	-
Total	**20,000**	-

3.2 Receivables

Receivables are recognised at face value.

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. At the reporting date the resultant expected credit loss is nil.

Details	2020/21 ($'000's)	2019/20 ($'000's)
Trade Receivables	61	45
Tax Assets	37	49
Accrued Interest Revenue	29	-
Accrued Car Parking Revenue	44	85
Accrued Rent Revenue	-	10
Deferred Rent – COVID-19 Support	10	21
Total	**181**	**210**
Settled within 12 Months	177	210
Settle in more than 12 months	4	-
Total	**181**	**210**

3.3 Inventories

Inventories comprise the Development Site, which includes work in progress (WIP) costs associated with inventory land, and the Cold Store site, which is classified as inventory on the basis it is being held for development for the purpose of either re-sale or held for lease.

Details	2021/22 ($'000's)	2020/21* ($'000's)
Macquarie Point Development Site	24,471	24,276
Cold Store Site	-	2,861
Total	**24,471**	**27,137**

* Certain numbers shown here do not correspond to the 2020/21 Financial Statements and reflect adjustments made as detailed in Note 8.

Reconciliation of movements

2022	Development Site ($'000's)	Cold Store Site ($'000's)	Total ($'000's)
Carrying Value at 1 July 2021	**24,276**	**2,861**	**27,137**
Additions	3,681	-	3,681
Revaluation recognised through profit and loss	(3,486)	(2,861)	(6,347)
Carrying Value at 30 June 2022	**24,471**	-	**24,471**

2021	Development Site ($'000's)	Cold Store Site ($'000's)	Total ($'000's)
Carrying Value at 1 July 2020	**32,936**	**2,861**	**35,797**
2018/19 and 2019/20 Prior Period Adjustment	(12,030)	-	(12,030)
Restated Carrying Value at 1 July 2020	**20,906**	**2,861**	**23,767**
Additions	8,175	-	8,175
Transfers	(4,232)	-	(4,232)
Impairment Expense	(573)	-	(573)
Carrying Value at 30 June 2021	**24,276**	**2,861**	**27,137**

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 assets as Inventory 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. The following notes are provided regarding the second point.

Development Site (Excluding Cold Store Site)

Effective 31 May 2019, the ownership of the Macquarie Point site was transferred to the Corporation. The fair value of the site, excluding the Cold Store site, has been determined by Knight Frank Tasmania as at 30 June 2022 at $48.9 million. $23.9 million has been classified as Inventory.

Cold Store Site

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.

A fair value of the Cold Store site was provided by Knight Frank Tasmania as at 30 June 2022 at $6.1 million. This compares to the Carrying Value of $2.9 million as at 30 June 2021. In 2020/21 the Corporation reported a Contingent Liability of $18m for the estimated future costs of remediating the site. This was treated as a note in the 2020/21 Annual Report. Confirmation of funding for the Corporation's future Capital Works program, which included the remediation of the Cold Store site, was received from the State Government during 2021/22. This triggered the need for these future expenses to be recorded as a Provision. The process of raising this provision included recognition that the site has zero value, as the proposed future costs exceed the carrying value of the lot.

3.4 Property, plant and equipment

Assets recognised as Property, Plant and Equipment (PPE) are tangible items that:

1. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
2. are expected to be used during more than one period.

In recognising assets as PPE transactions must comply with criteria defined by the Australian Accounting Standard *AASB 116*.

Valuation basis

Land

Effective 31 May 2019, the ownership of the Macquarie Point site was transferred to the Corporation. The fair value of the site, excluding the Cold Store site, has been determined by Knight Frank Tasmania as at 30 June 2022 at $48.9 million. $23.9 million has been classified as PPE. This figure is reported in the Corporation's Asset Register under the asset categories Land, Buildings, Building Improvements (Goods Shed), Road, Public Open Space, WIP Land Improvements Remediation and WIP Land Improvements Infrastructure.

Other Assets

Other assets classified as PPE 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.

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.

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.

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	2021/22 ($'000's)	2020/21* ($'000's)
PPE LAND		
Land		
At fair value 30 June	12,923	10,882
Total	**12,923**	**10,882**
Buildings		
At fair value 30 June	5,570	3,350
Total	**5,570**	**3,350**
Road		
At fair value 30 June	5,000	5,457
Less: Accumulated depreciation	-	(81)
Total	**5,000**	**5,376**
Public Open Space		
At fair value 30 June	407	1,706
Less: Accumulated depreciation	-	(1,240)
Total	**407**	**466**
SUBTOTAL PPE LAND - at fair value	**23,900**	**20,074**
PPE OTHER ASSETS		
Infrastructure		
At cost	3,618	1,476
Less: Accumulated depreciation	(1,099)	(754)
Total	**2,519**	**722**
Equipment		
At cost	231	231
Less: Accumulated depreciation	(155)	(117)
Total	**76**	**114**
Heritage and cultural assets		
At cost	20	20
Less: Accumulated depreciation	(4)	(3)
Total	**16**	**17**
SUBTOTAL PPE OTHER ASSETS - at cost	**2,611**	**853**
Total	**26,511**	**20,927**

* Certain numbers shown here do not correspond to the 2020/21 Financial Statements and reflect adjustments made as detailed in Note 8.

Reconciliation of Movements

2022	Land ($'000's)	Buildings ($'000's)	Road ($'000's)	Public Open Space ($'000's)	Infra-structure ($'000's)	Equipment ($'000's)	Heritage and cultural assets ($'000's)	Total ($'000's)
Carrying Value at 1 July 2021	**10,882**	**3,350**	**5,376**	**466**	**722**	**114**	**17**	**20,927**
Additions	277	-	11	64	941	-	-	1,293
Transfers	(1,201)	-	-	-	1,201	-	-	-
Revaluation recognised in other comprehensive income	2,965	2,371	(237)	140	-	-	-	5,239
Depreciation	-	(151)	(150)	(263)	(345)	(38)	(1)	(948)
Carrying Value at 30 June 2022	**12,923**	**5,570**	**5,000**	**407**	**2,518**	**76**	**16**	**26,511**

2021	Land ($'000's)	Buildings ($'000's)	Road ($'000's)	Public Open Space ($'000's)	Infra-structure ($'000's)	Equipment ($'000's)	Heritage and cultural assets ($'000's)	Total ($'000's)
Carrying Value at 1 July 2020	**15,589**	**2,400**	**-**	**707**	**1,047**	**130**	**19**	**19,892**
2018/19 and 2019/20 Prior Period Adjustment	15	-	-	-	-	-	-	15
Restated Carrying Value at 1 July 2020	**15,604**	**2,400**	**-**	**707**	**1,047**	**130**	**19**	**19,907**
Additions	-	-	1,287	27	-	18	-	1,332
Transfers	1,134	-	4,170	-	-	-	-	5,304
Revaluation Decrement	(5,856)	-	-	-	-	-	-	(5,856)
Revaluation recognised in other comprehensive income	-	1,116	-	-	-	-	-	1,116
Depreciation	-	(166)	(81)	(268)	(325)	(34)	(2)	(876)
Carrying Value at 30 June 2021	**10,882**	**3,350**	**5,376**	**466**	**722**	**114**	**17**	**20,927**

3.5 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	2021/22 ($'000's)	2020/21* ($'000's)
Intangible Assets		
At cost	184	184
Less: Accumulated amortisation	(118)	(57)
Total	**66**	**127**
Carrying Amount at 1 July	127	85
Prior Period Adjustment	-	77
Restated Carrying Amount at 1 July	**127**	**162**
Amortisation	(61)	(35)
Carrying Amount at 30 June	**66**	**127**

* Certain numbers shown here do not correspond to the 2020/21 Financial Statements and reflect adjustments made as detailed in Note 8.

3.6 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	2021/22 ($'000's)	2020/21 ($'000's)
Prepayments	66	77
Bond	-	10
Total	**66**	**87**
Settled within 12 Months	66	87
Total	**66**	**87**

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	2021/22 ($'000's)	2020/21 ($'000's)
Accrued Expenses	95	745
Total	**95**	**745**
Settled within 12 months	95	745
Total	**95**	**745**

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	2021/22 ($'000's)	2020/21 ($'000's)
Accrued Salaries	46	37
Annual Leave	87	132
Long Service Leave	156	108
Total	**289**	**277**
Settled within 12 months	227	169
Settled in more than 12 months	62	108
Total	**289**	**277**

4.3 Provision

In 2020/21 the Corporation reported a Contingent Liability of $18m for the estimated costs of remediating the former Cold Store site. This was treated as a note in the 2020/21 Annual Report due to the uncertainty of funding, timing of the works and cost.

Confirmation of funding for the Corporation's future Capital Works program, which included the remediation of the Cold Store site, was received from the State Government during 2021/22. This removed that uncertainty and triggered the need for these future expenses to be recognised as a Provision.

Details	2021/22 ($'000's)	2020/21 ($'000's)
Carrying amount at the beginning of year	-	-
Provision for Future Remediation of Audit Area 6	13,788	-
Carrying amount at the end of year	**13,788**	-

4.4 Contract liabilities

A Contract Liability relates to the Corporation's obligation to transfer goods or services to a customer for which the Corporation has received consideration in advance. The balance of contract liabilities was lease revenue received in advance. The contract liability balance has decreased significantly during the year due to the practice of raising lease revenue in advance ending.

2022	Revenue received in Advance ($'000's)
Balance at 1 July 2021	24
Less: Revenue recognised as Income	(24)
Balance at 30 June 2022	-

2021	Revenue received in Advance ($'000's)
Balance at 1 July 2020	6
Add: Revenue received in Advance	24
Less: Revenue recognised as Income	(6)
Balance at 30 June 2021	**24**

4.5 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	2021/22 ($'000's)	2020/21 ($'000's)
Money Held in Trust	26	10
Total	**26**	**10**

Settled within 12 months	19	10
Settled in more than 12 months	7	-
Total	**26**	**10**

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 be 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.

By Type	2021/22 ($'000's)	2020/21 ($'000's)
Capital Commitments		
Property Plant and Equipment	120	980
Inventories	79	435
Site Remediation	451	337
Total	**650**	**1,752**
Other Commitments		
Site Activation	94	77
Site Maintenance	147	53
Other Services	161	60
Total	**402**	**190**
Total	**1,052**	**1,942**

By Maturity	2021/22 ($'000's)	2020/21 ($'000's)
Capital Commitments		
One year or Less	517	1,752
From one to five years	133	-
Total	**650**	**1,752**
Other Commitments		
One year or Less	272	152
From one to five years	130	38
Total	**402**	**190**
Total	**1,052**	**1,942**

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.

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.

As at 30 June 2022 the Corporation's quantifiable contingencies were nil.

Unquantifiable contingencies

During the financial year it was announced that the CEO would cease employment with the Corporation, effective 16 July 2022. Payments relevant to her instrument of appointment will be outlined in the 2022-23 financial statements.

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	2021/22 ($'000's)	2020/21 ($'000's)
Cash at bank	9,419	6,186
Total Cash and Deposits	**9,419**	**6,186**

6.2 Reconciliation of Net Result to Net Cash from Operating Activities

Details	2021/22 ($'000's)	2020/21 ($'000's)
Net Result from Transactions	**(19,450)**	**(3,265)**
Remediation Provision	13,788	-
Revaluation Decrement	-	5,788
Depreciation and Amortisation	768	912
Net (Gain)/Loss on non-Financial Assets - Impairment	6,347	(502)
Decrease/(Increase) in Receivables	6	(64)
Decrease/(Increase) in Other Assets	21	30
Increase/(Decrease) in Other Liabilities	16	15
Increase/(Decrease) in Employee Benefits	12	(13)
Increase/(Decrease) in Payables	(651)	(2,831)
Net Cash used by Operating Activities	**857**	**70**

Note 7 Financial Instruments

7.1 Risk exposures

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.

a) 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 30 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 2022 are as follows.

Expected credit loss analysis or receivables as at 30 June 2022

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)	-	3	18	-	27	48
Expected credit loss (A x B)	-	-	-	-	-	-

Note, the "Past Due 91+ Days" balance relates to an administrative issue with a Government Department. This issue is expected to be resolved; hence no Expected Credit Loss is recorded.

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

b) 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:

2022

Details	1 Year ($'000's)	2 Years ($'000's)	3 Years ($'000's)	4 Years ($'000's)	5 Years ($'000's)	More than 5 Years ($'000's)	Undiscounted Total ($'000's)	Carrying Amount ($'000's)
Financial Liabilities Payables	95	-	-	-	-	-	95	95
Total	**95**	**-**	**-**	**-**	**-**	**-**	**95**	**95**

2021

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

c) 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	2021/22 ($'000's)	2020/21 ($'000's)
Fixed Rate Instrument		
Term Deposits	20,000	-
Total	**20,000**	**-**
Variable Rate Instrument		
Cash at bank	9,419	6,186
Total	**9,419**	**6,186**

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 2022				
Cash and Deposits	94	(94)	94	(94)
Total	**94**	**(94)**	**94**	**(94)**
30 June 2021				
Cash and Deposits	62	(62)	62	(62)
Total	**62**	**(62)**	**62**	**(62)**

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 (AASB9 Carrying amount)	2021/22 ($'000's)	2020/21 ($'000's)
Financial assets		
Amortised costs		
Cash and Deposits	9,419	6,186
Receivables	181	210
Total	**9,600**	**6,396**
Financial liabilities		
Financial liabilities measured at amortised cost		
Payables	95	745
Total	**95**	**745**

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

Details	Carrying Amount 2022 ($'000's)	Net fair Value 2022 ($'000's)	Carrying Amount 2021 ($'000's)	Net fair Value 2021 ($'000's)
Financial assets				
Cash at bank	9,419	9,419	6,186	6,186
Other financial assets				
Investments	20,000	20,000	-	-
Receivables	181	181	209	209
Total Financial Assets	**29,600**	**29,600**	**6,395**	**6,395**
Financial liabilities				
Payables	95	95	745	745
Total Financial liabilities	**95**	**95**	**745**	**745**

7.4 Net Fair Values of Financial Assets and Liabilities

2022

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	9,419	-	-	9,419
Term Deposits	20,000	-	-	20,000
Receivables	-	181	-	181
Total Financial Assets	**29,419**	**181**	**-**	**29,600**
Financial liabilities				
Payables	-	95	-	95
Total Financial liabilities	**-**	**95**	**-**	**95**

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
Term Deposits	-	-	-	-
Receivables	-	209	-	209
Total Financial Assets	**6,186**	**209**	-	**6,395**

Financial liabilities				
Payables	-	745	-	745
Total Financial liabilities	**-**	**745**	**-**	**745**

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

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

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

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

Note 8 Correction of Error

It was identified during 2021/22 that Work in Progress (WIP) had been overstated in previous years. The carrying value of WIP expenses were recorded in the Corporation's Financial Accounts in addition to the land value, as determined by independent valuer Knight Frank Tasmania. This was incorrect, these costs should have been reported as part of the land valuation not in addition to it.

It was also identified that all WIP had been recorded incorrectly as only Inventory.
A percentage of WIP expenses related to land classified as Property, Plant and Equipment.

Correction of these historical errors was processed during 2021/22 as a Prior Period Adjustment, resulting in a reduction of $18.4m in Net Assets.

The impact of the correction is as follows.

Details	2019/20			2020/21		
	Published Financial Statements ($'000's)	Correction of Error	Restated Actuals ($'000's)	Published Financial Statements ($'000's)	Correction of Error	Restated Actuals ($'000's)
Financial Statement line items affected						
Statement of Financial Position						
Inventories	19,892	15	19,907	39,740	(12,603)	27,137
Property, Plant and Equipment	35,797	(12,030)	23,767	26,769	(5,842)	20,927
Intangible Assets	-	-	-	49	78	127
Total	**55,689**	**(12,015)**	**43,674**	**66,558**	**(18,367)**	**48,191**
Accumulated surplus	65,344	(9,852)	55,492	67,294	(15,067)	52,227
Reserves	2,366	(2,163)	203	4,690	(3,300)	1,390
Total equity	**67,710**	**(12,015)**	**55,695**	**71,984**	**(18,367)**	**53,617**
Revaluation Decrement	-	-	-	-	(5,859)	(5,859)
Net gain/(loss) on non-financial assets - Impairment	-	-	-	(71)	644	573
Operating result for the year	**-**	**-**	**-**	**1,950**	**(5,215)**	**(3,265)**
Changes in physical asset revaluation reserve	-	-	-	2,324	(1,137)	1,187
Increase in Reserves	**-**	**-**	**-**	**2,324**	**(1,137)**	**1,187**
Total comprehensive income	**-**	**-**	**-**	**4,274**	**(6,351)**	**(2,078)**

Note 9 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 2022.

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

Note 10 Other Significant Accounting Policies and Judgements

10.1 Establishment and Objectives of the Organisation

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

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

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

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

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

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

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

- develop a revised development plan based on the Mona vision
- develop a detailed action plan for the first stage of the revised development plan
- develop a works plan for the decommissioning and removal of the Macquarie Point 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.

10.2 Basis of Accounting

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

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

The Financial Statements were submitted by the Corporation's Chief Operations Officer on 12 August 2022 and signed by the Board on 14 September 2022.

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

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

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

10.3 Functional and Presentation Currency

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

10.4 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.

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

In the current year, the Corporation has reviewed and assessed all the new accounting standards and interpretations that have been published, with future effective dates, and determined they are either not applicable to the Corporation's activities or would have no material impact.

10.5 Foreign Currency

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

10.6 Comparative Figures

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

10.7 Rounding

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

10.8 Taxation

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

10.9 Goods and Services Tax

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

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

Tasmanian Audit Office

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 2022 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the directors.

In my opinion, the accompanying financial statements:

(a) present fairly, in all material respects, the Corporation's financial position as at 30 June 2022 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Macquarie Point Development Corporation Act 2012*, the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

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
Property, plant and equipment and inventories *Refer to notes 3.3, 3.4 and 8*	
The Macquarie Point site comprises 9.3 hectares of land bordering Davey Street, Evans Street, the Hobart Cenotaph and Hobart's working port facilities. The site's industrial use for more than 150 years resulted in complex environmental legacy issues which the Corporation has been remediating. As at 30 June 2022, approximately 80 percent of the remediation had been completed and infrastructure works have commenced to prepare the site for further development. The site currently comprises 7 distinct development zones that include uses ranging from public open space, retail, community space, cultural space, commercial accommodation, and residential accommodation. The site is classified in the financial statements as either inventory, recognised at the lower of cost or net realisable value, or land and buildings recognised at fair value. Other improvements to the land such as roads and infrastructure are recognised at cost. The classification and measurement of inventory, land and buildings and other improvements to land is complex and involves significant judgement relating to: • the proportion of site recognised as inventory and land and buildings and other improvements and infrastructure	• Assessing the scope, expertise and independence of experts engaged to assist in valuations. • Evaluating the appropriateness of the valuation methodology applied to determine net realisable value and fair value. • Assessing assumptions and other key inputs in the valuation model. • Evaluating management's classification of site assets between inventory and land and buildings. • Evaluating management's assessment of estimated remediation costs. • Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register. • Evaluating management's assessment of the stage of completion for capital work in progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner. • Evaluating the adequacy of disclosures made in the financial statements, including those relating to the prior period error.

• the determination of the net realisable value of inventory, and whether this is less than cost • the determination of the fair value of land and buildings and other improvements and infrastructure • the impact of ongoing remediation and capital improvements to the site and the effect they have on the net realisable value of inventories and fair value of land and buildings and other improvements and infrastructure. As disclosed in note 8, a prior period error has been recognised due to errors in the classification of the site as inventory or land and the measurement of the net realisable value of inventory or fair value of land.	

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*, and Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes 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 has 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 the financial statements.

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

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

28 September 2022

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