

05:06

Redfern-Waterloo Authority

Annual Report



Faces and Places: open to the possibilities

05-06

01

Carol de Souza
redfern

"I love the cultural diversity of the residents. I think it's a vibrant and beautiful community."

02

Brian Smith
redfern

"I love it here. There's no reason to go anywhere else. I intend to stay as long as I can."

03

Bill Easterbrook
redfern

Bill was on the Steering Committee for the development of the local skate park. He was also instrumental in its design.

04

Sandra Soulos
waterloo

"I've noticed a drop in the crime rate and feel very safe in this area."

05

Michael Bremner
redfern

"Anything that increases the area's socio economic mix is a good thing".

06

Bradley Sly
redfern

"People are always saying hello when they pass by."

07

Marlene Newton
waterloo

"I'm particularly pleased with recent RWA initiatives like the range of community events."

08

Justin and Angela
darlington

"We enjoy living in the area and love that it's so close to everything and just a short walk to the train station."

09

Melinda Walker
waterloo

Melinda feels the RWA will generate growth and new jobs for the area.

10

Tommy Simpson
redfern

"I've always felt happy here and I'll be staying for a while yet."

11

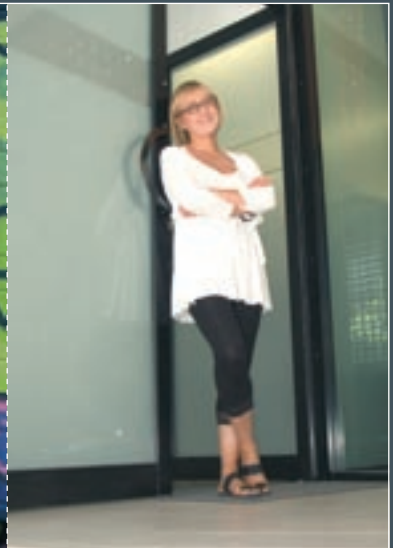
Anthony Ashby
redfern

"I've seen many changes for the better over the last few years in Redfern."

12

Peter Holmes à Court
redfern

"I believe Redfern and Waterloo will develop into an even better part of this great city."



contents

Coverage Map	05
Letter to the Minister	05
Statement from The Chairperson and Chief Executive officer	06
Principle Objectives	09
Overview	09
Function	11
Corporate Governance	12
Key Strategies	14
Built Environment	17
Human Services	19
Employment and Enterprise	21
State Significant Development	22
Board Member Profiles	26
RWA Sponsorship and Grants	30
Independent Audit Report	33
Director's Statement	34
Financials	36
Appendices	59
Contact Details	63
Index	64

Cover image:

Australian-born of Indian parents, Carol de Souza is an artist and educator who lives in Redfern and works in the city. As a member of the community based SQUAT SPACE, Carol helps conduct tours of the local area.

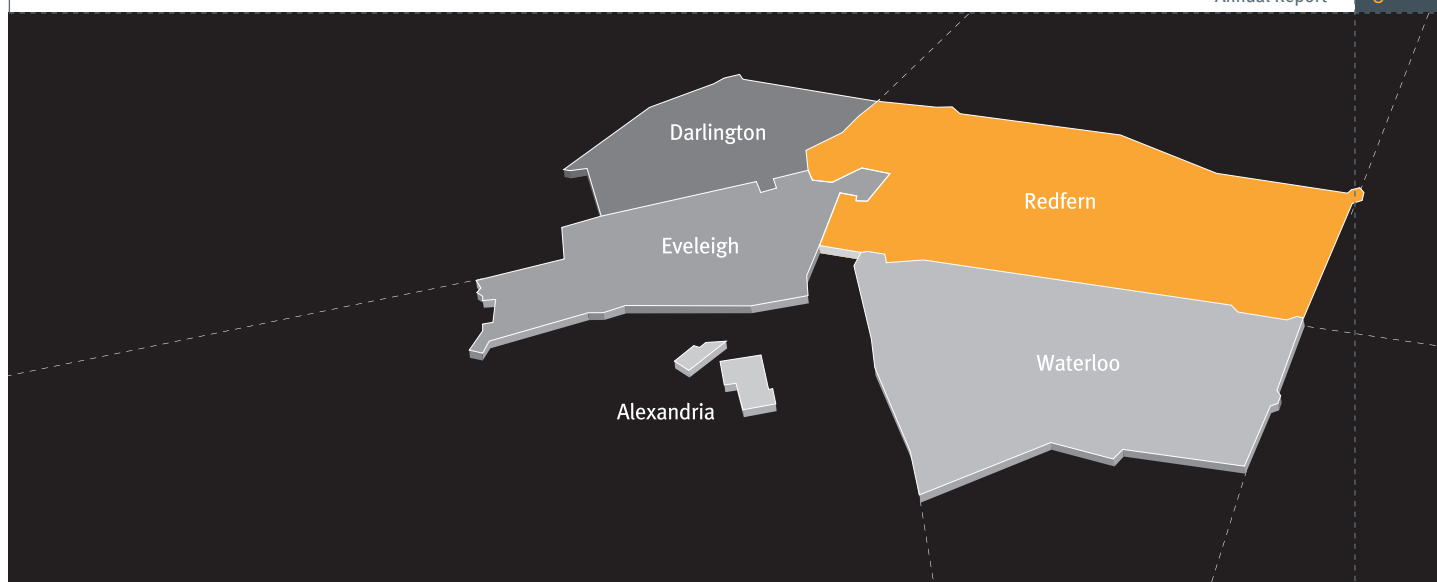
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Redfern-Waterloo: A diverse community

The traditional owners of Redfern-Waterloo are the Gadigal people of the Eora Nation. Today, the area is one of cultural and historical focus for Aboriginal people throughout NSW and Australia. People from many backgrounds live in Redfern-Waterloo and the most common languages spoken at home after English are Russian, Chinese, Greek, Arabic, Spanish and Vietnamese.

Vision

To establish Redfern-Waterloo as an active, vibrant and sustainable community by promoting and supporting greater social cohesion and community safety, respect for the cultural heritage and orderly development of the area in consideration of social, economic, ecological and other sustainable development.

Minister's Letter

The Hon. Frank Sartor MP
Minister for Redfern-Waterloo
Parliament House
Macquarie Street
Sydney

Dear Minister Sartor

It is with pleasure that I forward you the second Annual Report for the Redfern-Waterloo Authority for the year ending 30 June 2006.

This report has been prepared in accordance with NSW Annual Report legislation and the Redfern-Waterloo Act 2004 No 107.

Yours Sincerely

Robert Domm
Chief Executive Officer
Redfern-Waterloo Authority

Statement from the Chairperson and Chief Executive Officer

We have great pleasure in welcoming you to the second Annual Report for the Redfern-Waterloo Authority.

As part of the Government's 10-year vision for the revitalisation of the Redfern-Waterloo area, our first full year of operation has already yielded some exciting results.

Since opening its doors in January 2005, the energy and commitment of the Board and staff of the RWA in undertaking our charter has been unwavering. Many initiatives are well and truly underway, particularly in the area of promoting investment and related job creation schemes for local unemployed, with a particular emphasis on training and employment for the Indigenous community.

A highly visible community cooperation now exists that includes regular informative newsletters home delivered to residents, an interactive website, consultation on major issues, public forums, meetings, discussion groups and direct access to the RWA via phone, email and in person.

For the last six months of the reporting period, our efforts have been focused on finalising plans for the built environment and employment and enterprise, as well as driving and monitoring the implementation of Phase One of the Human Services Plan (HSP), which aims to improve outcomes for the most vulnerable and disadvantaged within our community.

The Human Services, Employment & Enterprise and Built Environment Plans are components of the overall Redfern-Waterloo Plan, which is currently being implemented as part of the Government's 10-year strategy.

The first stage of the RWA's Built Environment Plan is a key driver in the social and economic revitalisation of the area. Since the RWA's commencement in 2005, the NSW Government has directly facilitated the investment of nearly \$300 million towards infrastructure development in Redfern-Waterloo. Of this amount, more than \$76 million has been directly committed by the RWA.

The major investment includes a \$35 million Indigenous youth centre at the former Redfern Public School, a \$40 million contemporary performing arts space at the former North Eveleigh railyards, a \$10 million community health centre at the former Courthouse/Police Station, \$16 million for Aboriginal affordable housing, \$6 million for a pedestrian/cycle bridge linking the ATP with North Eveleigh and \$6 million for essential infrastructure works at the Australian Technology Park (ATP).

In June 2006, the RWA entered a landmark agreement with Sydney Broadcast Property Limited for the construction of a 43,500 sqm state-of-the-art media centre at the ATP. Under the agreement, the Seven Network and Pacific Magazines will relocate to Redfern within the next three years, along with other commercial tenants. This project represents the largest commercial development in Redfern for at least a decade and will deliver 600 construction jobs and 2000 permanent jobs. 60 of the construction jobs will be created for unemployed Aboriginal workers.

A further 600 permanent jobs will be created at the ATP with the RWA's current \$47 million construction of new premises for the National Information Communications Technology Australia (NICTA) and the Defence Science and Technology Organisation (DSTO). 26 Aboriginal jobs have also been created on this project, bringing the total to more than 120 construction jobs in the RWA's area of operation.

The RWA's job creation strategies are geared towards the local community being a major beneficiary of the urban renewal program, particularly the more disadvantaged sections of the community where unemployment and welfare dependency are major factors. The RWA's Employment & Enterprise Plan, released in May 2006, is a strategy designed to provide opportunities through meaningful training and employment, thereby addressing the root causes of social disadvantage.

Ministerial Advisory Committees have been established to advise the Minister for Redfern-Waterloo on matters relating to built environment, employment and enterprise and the delivery of human services in the area and a full list of current Committee members is included in this report.

While much has been achieved by the RWA in a short space of time, the Board and staff remain fully focussed on the difficult challenges ahead. We look forward with the confidence that momentum has been achieved towards building opportunities for the Redfern-Waterloo community.



David Richmond AO
Chairperson



Robert Domm
Chief Executive Officer

“I’ve already noticed a lot of changes, particularly since the RWA started.”

Brian Smith

Brian Smith has lived in Redfern for the last 8 years, loves the proximity to the city and says he’s looking forward to the RWA’s urban renewal of the area.

Brian says he’s here for the long haul. “I love it here. There’s no reason to go anywhere else. I intend to stay as long as I can.”

02



Bill was instrumental in the local skate park design.

Bill Easterbrook

15-year old Bill Easterbrook has lived in the Redfern area all his life and attends Alexandria Community School.

Through Shane Brown and South Sydney Youth Services, Bill was on the Steering Committee for the development of the local skate park. He was also instrumental in its design.

03



Principle Objectives

- To encourage the urban renewal of Redfern–Waterloo into an active, vibrant and sustainable community;
- To promote, support and respect the Aboriginal community in Redfern–Waterloo with regards to the importance of the area to the Aboriginal people;
- To promote the orderly development of Redfern–Waterloo whilst taking into consideration principles of social, economic, ecological and other sustainable development;
- To enable the establishment of public areas in Redfern–Waterloo; and
- To promote greater social cohesion and community safety in Redfern–Waterloo.

Overview

The Redfern-Waterloo Authority (RWA) was created by a NSW Government Act of Parliament in Oct 2004 (Redfern-Waterloo Authority Act 2004 No 107) and established on 17 January 2005.

The RWA is responsible for revitalising Redfern, Waterloo, Eveleigh and Darlington through strategic urban renewal, job creation and improved human services in consideration of social, economic, ecological and other sustainable development, public spaces, Aboriginal community needs, social cohesion and community safety.

The principle objectives of the RWA are being delivered as a result of the NSW Government's 10-year Redfern-Waterloo Plan, which is designed as a "whole of community" strategy to address the complex issues of, and the needs of people who live within, the Redfern-Waterloo community.

As it is intended to be a "living" document that builds upon its earlier priorities and strategies, The Plan is being developed in stages, with ongoing community input a major component.

“I’ve noticed a drop in the crime rate and feel very safe in this area.”

Sandra Soulos

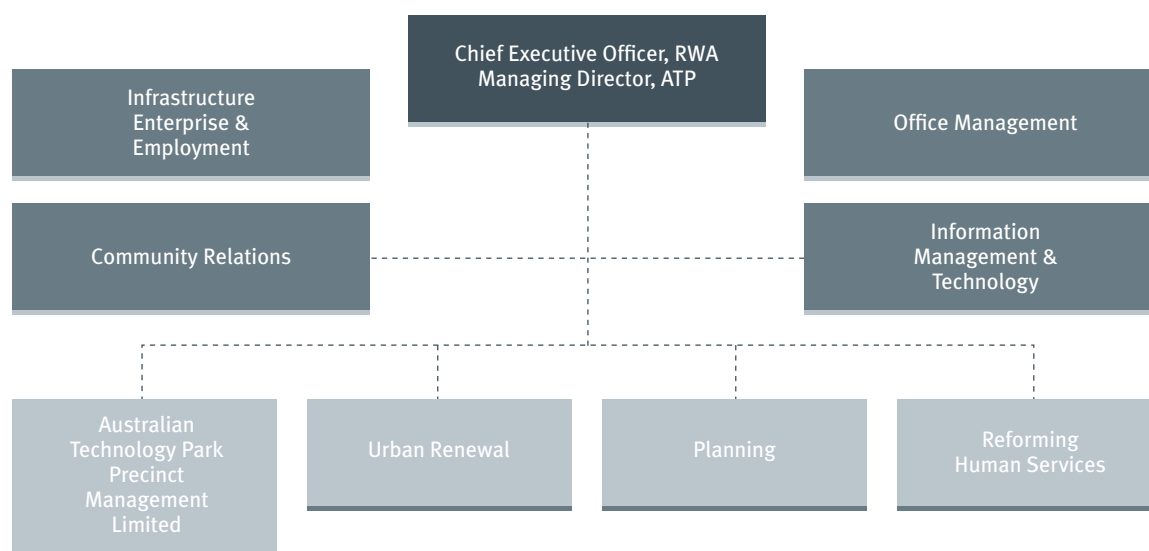
Sandra Soulos is a fashion designer and runs her label from a studio on Botany Road in Waterloo. Sandra's worked in the area for the last 14 years and loves the close proximity to transport which she needs to ship her garments around the country. Sandra is also as much a supporter of the Rabbitohs as she is of the RWA's plans for the area.

04



Function

Organisational Structure

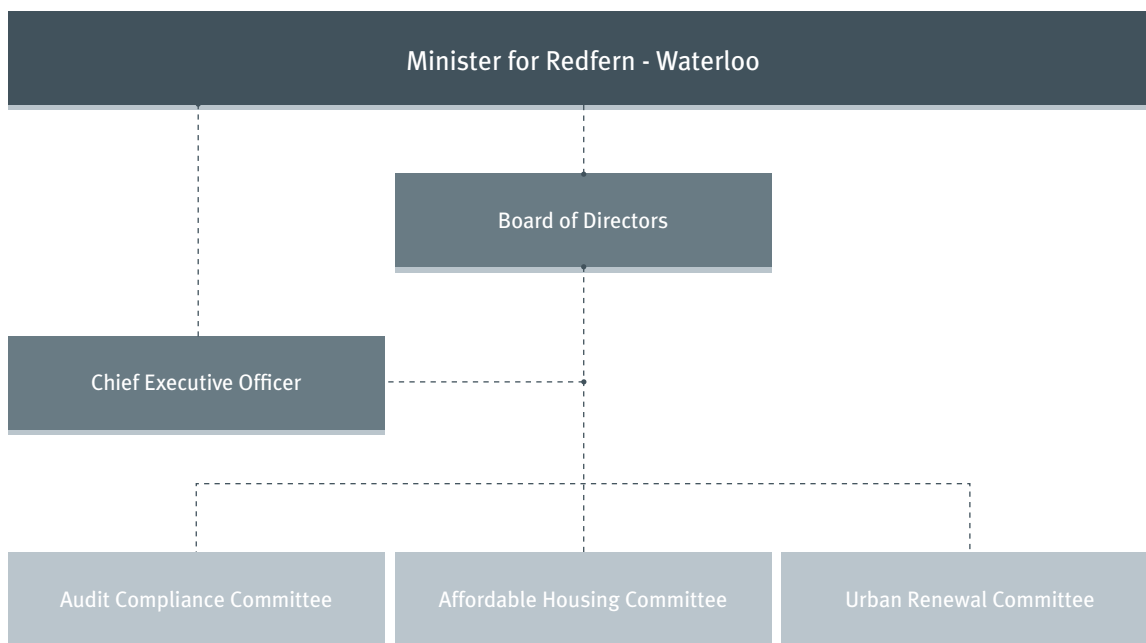


In order to achieve its vision, the RWA has undertaken to:

- Promote, facilitate, manage, undertake and secure the social, economic, ecological and other sustainable development and use of the operational area, including the development and management of land, the provision of infrastructure and the establishment of public areas;
- Provide and promote housing choices in the operational area (including for Aboriginal residents);
- Provide and promote employment opportunities for local residents, commercial opportunities for local businesses and cultural development (including the needs of the Aboriginal community) in the operational area;
- Enhance and manage public places in the operational area and to improve, maintain and regulate the use of those public places;
- Promote, co-ordinate, organise, manage, undertake, secure, provide and conduct cultural, educational, commercial, recreational, entertainment and transport activities and facilities in the operational area; and
- Do any other thing for the sustainable improvement of the operational area.

Corporate Governance

Governance Chart



The Minister for Redfern-Waterloo, the Hon. Mr Frank Sartor MP, is responsible for the control and direction of the RWA. The Minister has established a Board of Governance and, while the Board establish the policies and directions for the RWA, its day to day management is the responsibility of the Chief Executive Officer.

Three Board Committees were also established:

Audit and Compliance Committee

The Audit and Compliance Committee is the focal point for communication between the Board, the external auditors, the internal auditors and management, as their duties relate to the financial accounting, reporting and internal controls and compliance.

The Audit and Compliance Committee assists the Board in fulfilling its responsibilities as to accounting policies and reporting practices of the Redfern-Waterloo Authority. It is to be the Board's principal agent in assuring the independence of RWA auditors, the integrity of management and the adequacy of the disclosures to the public.

“Anything that increases the area’s socio economic mix is a good thing.”

Michael Bremner

Michael Bremner of Mackenzie Bremner Architects and Interior Design in Regent St Redfern has lived and worked in the area for 10 years. A member of the Redfern-Waterloo Chamber of Commerce, Michael believes there has been a significant decline in crime levels over the last couple of years. He’s an advocate of the RWA’s proposed urban renewal plans.

05



Corporate Governance

Affordable Housing Committee

The Affordable Housing Committee reviews the development and operation of an affordable housing program for Redfern-Waterloo and the operation of affordable housing developer agreements.

Urban Renewal Committee

The Urban Renewal Committee reviews the RWA's built environment strategies and plans, advises staff and makes recommendations to the Board.

Ministerial Advisory Committees

Following community consultation, the Minister for Redfern-Waterloo, the Hon. Frank Sartor MP invited Expressions of Interest from residents of Redfern, Waterloo, Eveleigh and Darlington to participate in any of three Ministerial Advisory Committees.

These Committees also consist of representatives from NSW government agencies and local Aboriginal communities and were set up to advise the Minister on matters relating to the development and implementation of the initiatives of the RWA.

Key Strategies

The NSW Government's 10-year Redfern-Waterloo Plan comprises three major components:

- **Built Environment Plan** - focusing on urban design, traffic, public access, public transport, land use, affordable housing, public housing, cultural heritage and urban renewal.
- **Employment and Enterprise Plan** - developing and implementing strategies to increase job and business opportunities in the area, including within the Indigenous community.
- **Human Services Plan** - reforming human services and health issues affecting residents of Redfern-Waterloo.

“People are always saying hello when they pass by.”

Bradley Sly

Bradley Sly has been a firefighter for 18 months, the last year at Redfern Fire Station.

A former high level representative junior Rugby League player for South Sydney, Bradley enjoys the friendliness of the locals.

06



“I’m particularly pleased with recent RWA initiatives like the range of community events.”

Marlene Newton

Along with her husband, Marlene has lived in Waterloo for almost 10 years. Representing Turanga on the Neighbourhood Advisory Board and serving as a committee member with CEDA (until its closure), PTC and the Redfern-Waterloo Drug Action Team, Marlene is regarded as a community stalwart by her peers. Marlene says that seeing people from a variety of cultures and backgrounds now living in harmony is one of her greatest joys.

07



Built Environment

The Draft Built Environment Plan (Stage One) was published in February 2006 and, along with the State Environmental Planning Policy (SEPP), is a landmark strategy providing a consistent set of controls relating to urban design, land use zoning or re-zoning and the carrying out of future development on eight RWA strategic sites:

- Redfern Railway Station, Gibbons and Regent Streets
- Australian Technology Park (ATP)
- North Eveleigh
- South Eveleigh
- Eveleigh Street
- Former Local Court House and Police Station
- Former Rachel Forster Hospital
- Former Redfern Public School

The Plan also identifies strategies for associated transport, traffic management, heritage protection, open space and public domain improvements, infrastructure provision, pedestrian and cycle access and guidelines for the achievement of safe and sustainable communities.

The key principle of the Plan involves the creation of an economic and civic centre around Redfern Station, along with pedestrian and cycleway links to business hubs at ATP, North Eveleigh, and Redfern and Regent Streets.

The final Built Environment Plan (Stage One) was released in August 2006 and included:

- Plans for a \$10m community health centre at the former Redfern Courthouse and Police Station
- A new Town Centre around an upgraded Redfern Station
- A \$6m pedestrian and cycle bridge to link Australian Technology Park with North Eveleigh
- The re-zoning of Marian Street Park for public recreation

Significant Achievements

- Invested \$47m in the construction of a six-storey building at ATP to be occupied by National ICT Australia (NICTA) and the Department of Defence, Science & Technology (DSTO) – the first building in an exciting new development phase for the Precinct
- Negotiated a landmark agreement with Sydney Broadcast Property for the construction of a \$120m media centre at Australian Technology Park that will create 600 construction and 2000 permanent jobs
- Negotiated with the Indigenous Land Corporation (ILC) for the purchase of the former Redfern Public School from the Department of Education and Training for refurbishment as a \$35m National Indigenous Development Centre
- Initiated a concept design study for the redevelopment of Redfern Railway Station and the creation of significant adjacent public space
- Began dealing directly with development applications on State Significant Sites with a capital investment value of less than \$5m
- Committed \$16m towards facilitating the provision of new dwellings over the next 10 years for affordable housing for Aboriginal residents

Built Environment

Future Key Tasks

- Finalise the draft Development Control Plan (DCP) for RWA's strategic sites, including one specifically for Australian Technology Park to reflect proposed new planning and design controls for the Site
- Finalise the draft Development Contributions Plan to enable the levying of contributions toward the provision of public amenities and services
- Finalise the draft Affordable Housing Contributions Plan and supporting Affordable Housing Program to provide a basis for levying contributions for the provision of affordable housing
- Finalise the draft Public Domain Improvement Plan to guide public improvements in Redfern-Waterloo and provide an overview of works to be facilitated over the next decade
- Establish a Stakeholder Partnership with the RTA, City of Sydney, Ministry of Transport, RailCorp and community representatives to facilitate improvements to local area traffic management.
- Conduct extensive research into the options for existing public housing and the possibilities to enhance the availability of affordable housing in partnership with the Department of Housing.

Public and affordable housing strategies form the basis of the proposed Built Environment Plan (Stage Two), which will focus primarily on the development of proposals to:

- Revitalise public housing stock
- Improve the associated public domain
- Reduce concentration of public housing
- Increase the local population to establish a more sustainable social mix
- Facilitate the provision of affordable housing, including a shared equity model of home ownership.

Built Environment Ministerial Advisory Committee

Mr David Richmond - Chair
 Professor Chris Johnson - Department of Planning
 Mr Warwick Glenn - Department of State and Regional Development
 Ms Kathy Roil - Department of Housing
 Superintendent Catherine Burn - NSW Police Service
 Mr Chris Ford - Roads and Traffic Authority
 Mr Richard Hemsworth - RailCorp
 Ms Catherine Hart - City of Sydney Council

Community Members:

Ms Jocelyn Jackson
 Mr Alex Kibble
 Mr Richard Pembroke
 Mr Shane Phillips
 Mr Jonathan Rez
 Mr Steve Tamas
 Mr Geoffrey Turnbull
 Ms Ann Weldon

Human Services

Following a review in 2004 of human services within the Redfern-Waterloo area, the RWA's Phase One Human Services Plan was published in December 2005 and sets out a framework for improving access to health, education, employment and other essential human services in the local community.

Phase One addresses services provided primarily for children and young families, young people and Aboriginal people and included:

- Improving the health and wellbeing of children
- Lifting local school numeracy and literacy levels, and school attendance and retention rates to at least the State average
- Improving support for vulnerable people
- Reducing the incidence of family violence
- Increasing participation and involvement of young people in the community
- Increasing numbers of young people accessing employment and training opportunities
- Reducing drug and alcohol misuse, and offending and recidivism
- Building community capacity

Significant Achievements

- Implementation and evaluation of the Human Services Plan
- Development of a human services reform strategy
- Establishment of three taskforces
 - Youth Services Reform
 - Community Capacity Building
 - Drug & Alcohol Taskforce
- Approval in principle for the setting up of a Redfern-Waterloo Fund (RWF) in partnership with the Sydney Community Foundation to attract corporate and individual financial or in-kind contributions
- Establishment of Aboriginal Women's and Men's community groups

Future Key Tasks

- Develop strategies specifically dealing with private and public housing
- Investigate the establishment of high and low care residential facilities for older people, including facilities specifically for Aboriginal people
- Address the need for more affordable housing and service gaps for homeless people
- Make multi-purpose spaces and community facilities more available
- Implement strategies to improve safety and perceptions of safety within the community

The strategies in Phase One are also of benefit to the aged, homeless people, people with disabilities and migrant communities, with the release of the Draft Phase 2 Human Services Plan in October 2006 involving the development of further improvements to services for all these groups.

The key priorities proposed in Phase Two include:

- Increased access to dementia support
- Improved service quality for migrants
- Better access to aged care and health services by Aboriginal people 45 years and older
- Reducing the negative impact of homelessness through early intervention and support
- Improving identification of need and access to services for people with disabilities
- Reducing social isolation
- Improving access to local and community transport for people who are transport disadvantaged
- Improving safety and amenity within the Redfern-Waterloo area

Human Services

Amongst its proposals, the Human Services Plan aims to consolidate some services for families, children and young people by forming three services precincts. The proposed precincts will be located in:

- Redfern East – initially focusing on the Police and Community Youth Club (PCYC) on Phillip Street
- Waterloo - focusing on the services currently provided by the South Sydney Youth Service at Waterloo Oval
- Redfern West - focusing around the Redfern Community Centre in Hugo Street

The Draft Phase Two Human Services Plan also contains strategies to strengthen the governance and day-to-day management of non-government service providers. Steps to achieve this include:

- Joint service planning
- Sharing of administrative resources
- Common reporting, monitoring and evaluation arrangements
- Physical and virtual co-location of services using modern communication technologies and out-sourcing arrangements
- Training and professional development of staff; and the improvement of facilities

Human Services Ministerial Advisory Committee

Mr Aldo Pennini - Co-Chair
 Mr Gary Moore - Co-Chair NCOSS
 Mr Ivan Simon - Department of Aboriginal Affairs
 Ms Anne-Maree Sabellico - Department of Community Services
 Dr Phil Lambert - Department of Education and Training
 Mr John Becker - Department of Housing
 Mr Greg Stewart - Sydney South West Area Health Service
 Superintendent Catherine Burn - NSW Police Service
 Mr Colin Kay - Office of Indigenous Policy Coordination (OIPC)
 Mr Paul Cramer - Department of Family and Community Services
 Ms Helen Campbell - Redfern Legal Centre
 Ms Monica Barone - City of Sydney Council

Community Members:

Ms Maybelle Chang
 Ms Jill Edwards
 Mr Howard Glenn
 Mr Dominic Grenot
 Ms Shirley Lomas
 Ms Lynette Stewart

Employment & Enterprise

Following a Draft version released in December 2005, the Employment & Enterprise Plan was published in May 2006 and is the first comprehensive training and employment strategy for the Redfern-Waterloo area. Its main aim is to deliver skilled job seekers to meet the specific employment needs of the market, to create educational opportunities and build on future growth potential.

The Plan initially focuses on:

- Increasing supply of employment opportunities, particularly through commercial and residential development
- Capitalising on the Research/Biomedical Innovation Zone
- Improving education and training including a dedicated vocational training centre
- Strengthening partnerships with local employers
- Industry based employment strategies
- Employment and enterprise strategies for Aboriginal people and youth
- Supporting local business

Significant Achievements

- The landmark Indigenous Employment Model created more than 120 jobs for indigenous workers under the Jobs Compact between the RWA and the CFMEU
- A \$750,000 commitment to establishing a cross-cultural construction and hospitality training centre at North Eveleigh Railyards
- Establishment of an Indigenous Enterprise Hub at the RWA's Redfern office to provide business support to Aboriginal business owners
- Koori Job Ready Course in Construction which, in conjunction with TAFE, trains Aboriginal people who want to work in the construction industry and then place them into jobs being created by the RWA in Redfern-Waterloo
- Other training initiatives

Future Key Tasks

- Building on previous strategies, such as the implementation of the construction training and job placement program for Aboriginals and the development of the North Eveleigh hospitality and training centre
- Targeting the employment opportunities emerging at Australian Technology Park and other RWA strategic sites
- Developing strategies for employment opportunities in the service industries
- Working with the local community to ensure opportunities for young Aboriginal people in the area are maximised through university based cadetships
- Expanding cultural industries through means such as design production, and realising export potential
- Strengthening connections to universities to encourage local children to move into tertiary education
- Facilitating the running of enterprise summer schools

Employment & Enterprise Ministerial Advisory Committee

Mr Robert Domm - Chair

Dr Phil Lambert - Department of Education and Training

Mr Jim Spinks - TAFE NSW

Ms Julie Scott - Department of State and Regional Development

Mr Steve Merritt - Department of Aboriginal Affairs

Ms Sharron Hawkins - Department of Employment and Workplace Relations

Mr Mark Spinks - Centrelink

Mr Les Tobler - CFMEU

M/s Catherine Hart - City of Sydney Council

Community Members:

Mr Michael Dalah

Ms Megan Gardiner

Mr Anthony John Larkings

Ms Bronwyn Penrith

Mr Dennis Weatherall

State Significant Development

The Redfern-Waterloo Authority Act provides for the RWA to be delegated as the authority for development within its area of operation declared to be State Significant. The Minister has delegated consent functions for developments with a capital investment value of less than \$5m.

Australian Technology Park (ATP) at the former railway workshops at Eveleigh falls under this jurisdiction. Formerly owned by the Sydney Harbour Foreshore Authority (SHFA), ATP is now a wholly-owned subsidiary of the RWA, with planned development on the site over the next two to three years expected to create more than 2,000 new jobs – a 20 percent employment increase for the Redfern-Waterloo area. Provision exists for six new sites and up to 14 additional buildings over the next decade.

The result of a \$47m investment by the RWA, a six-storey building currently under construction - to be occupied by National ICT Australia (NICTA) and the Department of Defence, Science & Technology (DSTO) - is the first in a new development phase for the ATP.

Designed by Cox Richardson Architects, the building is located on the eastern edge of the ATP with frontages to Garden Street and Mitchell Way. It occupies a site of around 3,000sqm and will provide just over 11,000sqm of floor space with 66 secure parking spaces. Construction is in accordance with the RWA Jobs Compact, employing local indigenous people and new apprentices as a key element.

In June 2006, Sydney Broadcast Property announced a \$120m investment to construct a 43,500sqm media centre at ATP primarily to house television production facilities and commercial offices for Channel 7 and their magazine publishing arm, Pacific Magazines. In a deal negotiated by the RWA, the project will create approx. 600 construction and 2000 permanent jobs. The largest commercial development in Redfern for over a decade, construction of the state-of-the-art media facility is expected to begin in early 2007 and completed by the end of 2008.

The RWA will also invest around \$6m in new roads and infrastructure and a further \$6m for a pedestrian and cycle link between ATP and North Eveleigh to facilitate access and future development. The Built Environment Plan proposes a second potential pedestrian/cycle bridge to the west of Redfern Station.



**“This is a significant milestone
in Australian Technology Park’s
development.”**

Robert Domm CEO





State Significant Development

Redfern Public School

The RWA helped negotiate the purchase of the former Redfern Public School from the Department of Education and Training for the Indigenous Land Corporation (ILC) to establish a new youth precinct and showcase of indigenous culture.

Up to \$35m is being invested by the ILC in the project and plans include a 25-metre heated swimming pool and sports field and construction of multi-purpose classrooms, accommodation and dining facilities for up to 100 people. The Centre will also accommodate a number of established programs, including the Exodus Foundation, which will set up a tutorial centre for children aged 10 -14; the National Aboriginal Sports Corporation Australia, which runs a number of sporting and life development programs for Indigenous people; and the Lloyd McDermott Rugby Development Team, which provides opportunities for indigenous youth to become involved in rugby union, netball and golf. The existing Murawina Childcare Centre and four original school buildings will be refurbished.

When fully operational, the NIDC is expected to help up to 5,000 kids a year. The redevelopment is expected to commence early in 2007 and be fully completed in 2009.

Community Health Centre

The RWA brokered an agreement with the Department of Health to establish a new \$10m Community Health Centre by way of adaptive reuse and refurbishment of the former Redfern Courthouse and Police Station. The venture is co-funded by NSW Health, RWA and proceeds from the sale of the surplus Rachel Forster Hospital (rezoned for residential use). Services will include: health assessments and education, early childhood and family support services, counselling, referral, perinatal and family drug health services, mental health services, rehabilitation, welfare support, screening for HIV/AIDS and hepatitis, sexual health services and other community health services.

RWA Training Centre, North Eveleigh

The former Canteen and Carpenters workshop building at North Eveleigh was identified as suitable for use as a training centre - initially for hospitality and construction.

Initiated and funded by the RWA, the centre will provide industry based training linked to emerging employment opportunities for the local area including the Aboriginal community. The Centre is due to commence training and operating as an Indigenous and modern Australian cuisine café in October 2006 and will be known as Yaama Dhinawan (or 'welcome emu').

The establishment of the RWA Training Centre at North Eveleigh is a central component of the RWA Employment and Enterprise Plan.

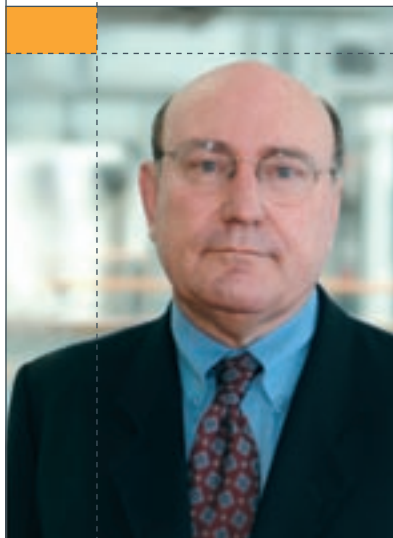
Marian Street Park

In response to community wishes, the area between Gibbons and Rosehill Streets in Redfern – commonly referred to as Marian Street Park – was zoned by the Government as “public recreation” with proposed landscaping poised to transform the site into a genuine park for future generations to enjoy. The RWA has proposed the open space be dedicated to the Council of the City of Sydney, subject to its commitment to upgrading.

Contemporary Performing Arts Centre

A \$40m transformation of the former Carriageworks building and Blacksmith's Workshop at the North Eveleigh Railyards into a new Contemporary Performing Arts Centre was undertaken by the Ministry for the Arts. With the support and assistance of the RWA, the adaptive reuse will generate significant new community and cultural activity and serve as a major impetus for renewal of the remaining areas of North Eveleigh. The Centre is due to open in conjunction with the Sydney Festival in January 2007.

Board Member Profiles



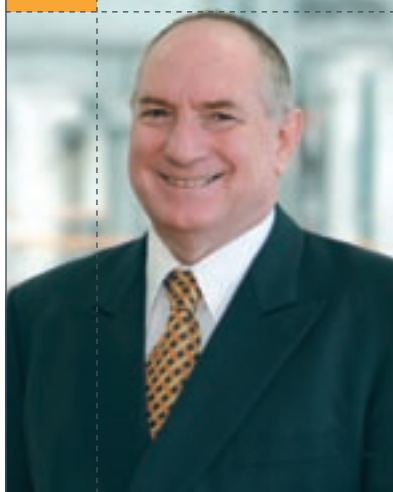
Chair – Professor David Richmond AO BEc MEd (Syd)

Professor David Richmond AO is current Chairperson of the Redfern-Waterloo Authority, the Australian Technology Park and the Sydney Olympic Park Authority. He also advises the NSW Premier on infrastructure planning and implementation. Professor Richmond has had a distinguished public service career, including as CEO of the NSW Department of Health and the Land Commission. He is the former Director-General of the Olympic Coordination Authority and SOCOG and held a number of other senior Olympic Games positions. He recently provided strategic advice to the President of the Athens 2004 Olympic Games and to senior managers of the Beijing Olympics. He is the inaugural Director and Professor of the University of Sydney's Graduate School of Government. Professor Richmond is the author of the Richmond Report to the NSW Government, and in 1990 earned the National Council for Intellectual Disability's Making the Difference Award. In 2002 he was made an Officer in the Order of Australia in recognition of his contribution to Public Administration, including the Sydney 2000 Olympic Games.



CEO – Mr Robert Domm BA LLB (Mon) MLLR (Syd) GDLP (ANU)

Robert Domm is Chief Executive Officer of the Redfern-Waterloo Authority and Managing Director of the Australian Technology Park. He previously spent four years at the City of Sydney where he was General Manager during a period of unprecedented growth and change, through Council boundary changes and amalgamation with South Sydney Council. He served for three years as a Director and Company Secretary of the Sydney Festival Limited. A qualified legal practitioner and former labour advocate, Mr Domm has also worked as an adviser to Government. He brings broad experience and a strong commitment to social justice to the workings of the Authority.



Mr Michael Collins

Michael Collins is Chair of the Heritage Council of NSW. He is also on the Boards of the Sydney Harbour Foreshore Authority and the Australian Technology Park. He is the Managing Director of Michael Collins & Associates Pty Limited, a property consultancy company which advises private and public sector clients and specialises in land economics, real estate valuations and feasibility studies. He served as National President of the Australian Property Institute from 2003 to 2004 and was NSW President from 1999 to 2001. Mr Collins played a key role in the redevelopment of Darling Harbour and the planning of Olympic Park, and served as chief property consultant to the NSW Government for the Sydney 2000 Games. He has served on many industry committees including the City of Sydney Development Advisory Committee and the City of Sydney Venues Management Board.

Board Member Profiles

Ms Marcia Ella-Duncan OAM (Resigned May 2006)

Marcia Ella-Duncan has held several senior positions in government, most recently in the Department of Aboriginal Affairs. Ms Ella-Duncan was formerly the Chairperson for the Sydney Regional Council of the Aboriginal and Torres Strait Islander Commission and has previously held several key Indigenous positions with the NSW Environment Protection Authority (EPA), the NSW Attorney-General's Aboriginal Justice Advisory Council and the Department of Juvenile Justice. A member of the La Perouse Local Aboriginal Land Council and active in numerous other Indigenous organisations, Ms Ella-Duncan represented Australia in netball from 1985-87 and was awarded the Order of Australia medal for services to the sport in 1988.



Dr Col Gellatly

Dr Col Gellatly was appointed Director-General of the Premier's Department in 1994. He has held a number of senior management positions within the NSW public service, including as Director General of the Department of Land and Water Conservation. He has been NSW representative on a wide range of State/Commonwealth Working Parties and Committees and has had three periods as a part-time Commissioner with the Industries Assistance Commission. He has also served on a diverse range of boards and committees. Dr Gellatly has a degree in Agricultural Economics from the University of New England, a Master of Commerce from the University of NSW and a PhD from North Carolina State University.



Mr Richard Johnson MBE

Richard Johnson is an award winning architect, Adjunct Professor of Architecture at the University of New South Wales and a Director of Johnson Pilton Walker Architects. He is an Associate of the Royal Australian Institute of Architects and the Japan Institute of Architects, and a Member of the Design Institute of Australia. Mr Johnson was involved in the design of the Australian embassies in Beijing and Tokyo. He is the Chief Architect for the Sydney Opera House and is also currently working on projects including the Australian War Memorial, the Hilton Hotel and the Asian wing of the Art Gallery of New South Wales. He also serves on the Board of the Australian Technology Park and the Australian Architects Association. Mr Johnson has a Bachelor of Architecture (1st Class Honours) from the University of NSW and a Master of Philosophy (Town Planning) from University College, London. In 1976 he was made a Member of the Order of the British Empire for services to Architecture.

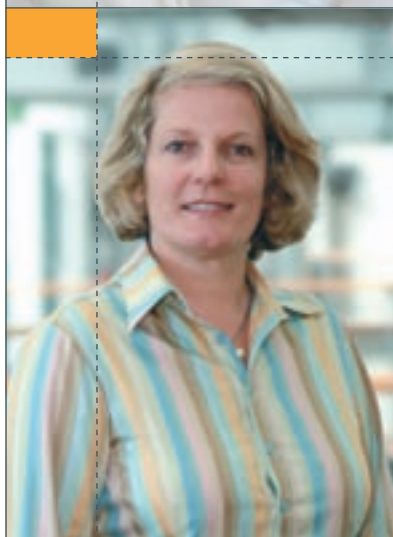


Board Member Profiles



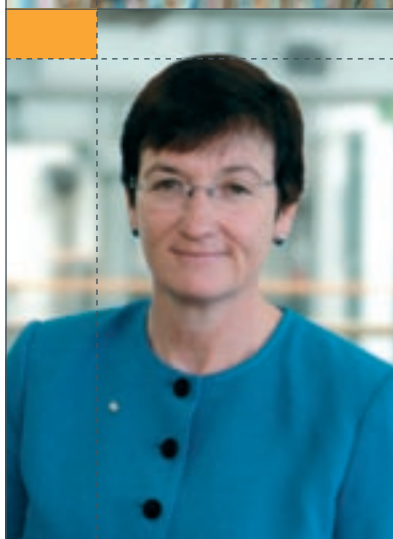
Ms Samantha Mostyn BA LLB

Sam Mostyn has an extensive background in law, management and politics. She is currently the Group Executive, Culture and Reputation at Insurance Australia Group (IAG), managing such areas as Human Resources, Corporate Affairs, Government Relations and Policy and Community Engagement. She is a qualified lawyer and served as a senior Policy Adviser to former Prime Minister Paul Keating. Ms Mostyn has also steered a pilot crime prevention strategy in the Redfern-Waterloo area, in partnership with NRMA Insurance, police and local business, focusing on crime reduction and community development. Ms Mostyn serves on the Academic Advisory Board of the Australian Institute of Management, is a Board member of the Sydney Festival, the Sydney Theatre Company and the Centenary Institute, and is a Trustee of the Australian Museum. She is a Director of the trustee company for the Insurance Australia Group and the NRMA Superannuation Plan and is also a member of the NSW Premier's Council for Active Living. She was recently appointed as the first female Commissioner of the Australian Football League.



Ms Lucy Turnbull LLB MBA

Lucy Turnbull was Lord Mayor of the City of Sydney from 2003 to 2004, Deputy Lord Mayor from 1999 to 2003 and has recently been appointed an Administrator of Tweed Shire Council. She has extensive experience in planning, business and investment banking. She currently chairs many companies, both private and public, including WebCentral Group Limited, Centrestone Wealth Management Pty Limited, and Pengana Holdings Limited. Former chair of the NSW Government's Ministerial Advisory Committee on Biotechnology, Ms Turnbull has also served on the NSW Government's Information Industry Business Advisory Board. She is the author of Sydney – Biography of a City (1999) and has assisted with several community based initiatives in the Redfern area. She also serves on the Board of the Australian Technology Park.



Ms Jennifer Westacott BA (Hons) FAICD FVIPA

Ms Westacott has had a distinguished senior management career in the public service of NSW and Victoria and was formerly the Deputy Director-General of the NSW Department of Housing and Secretary of the Department of Education and Training in Victoria and most recently held the position of the Director-General of the Department of Infrastructure, Planning and Natural Resources. Ms Westacott is also a member of the Board of Advice of the Faculty of Economics and Business at the University of Sydney and in 2003 was awarded the Centenary Medal for services to the community through public administration. Jennifer has also been appointed as the Adjunct Professor at the City Futures Research Centre, University of NSW.

Two new members were appointed to the RWA Board in August 2006.

Warren Mundine is CEO of NSW Native Title Services based in Redfern, and Chair of NSW Labor's Indigenous Policy Committee.

Ann Weldon has chaired the NSW Aboriginal Housing Board since 2000, is founding member of the Redfern Aboriginal Housing Company, the Redfern Aboriginal Legal Service, the Redfern Murrawina Child Care Centre and th Metropolitan Local Aboriginal Land Council, as well as a Redfern School ASSPA committee member.

“We enjoy living in the area and love that it’s so close to everything and just a short walk to the train station.”

Justin Moor and Angela Larkin

Justin Moor and Angela Larkin of Darlington both work in the IT industry and have lived in the area for 18mths. They get involved in local building and planning issues on an as-needs basis. They have both added a submission to the RWA's urban renewal plan and mentioned the development of the Performing Arts Centre as of particular interest.

08



RWA Sponsorships and Grants

Organisation	Purpose	Amount
The Factory Community Centre	Waterloo Community Garden Open Day & Buddhist New Year celebration	\$100
Alexandria Park Community School	Support for Multicultural Day event	\$500
Koori Unit of the AIDS Council of NSW	Assistance for the Koori Unit to participate in the annual Gay & Lesbian Mardi Gras Parade	\$500
Waterloo Neighbourhood Advisory Board	Support for multicultural day event	\$500
Gadigal Information Service Aboriginal Corporation	Information Stall at 4th Annual YABUN Concert	\$600
Connect Redfern	Support for the Early Literacy Program – Schools as Community Centres Program	\$800
Centrelink	Xmas Party for the kids on The Block	\$800
Essere (To Be)	Funding Living Skills & Self-Esteem Workshop – Miss Indigenous Program	\$825
Connect Redfern – Schools as Community Centres Program	Support for the Inner West Early Literacy program	\$1,000
Redfern-Waterloo Men's Group	Support Men's Group activities	\$1,459
Department of Sport & Recreation	Support of the Nuramani Sports Carnival	\$1,500
Tribal Warrior Association	Business names registration assistance	\$1,549
Aboriginal Mens Cultural Camp	Assistance with accommodation costs	\$1,920
Inner-City Domestic Violence Action Group	Support anti-violence community events for the "Black-Out Violence" Program	\$2,200
ATP	World Cup Soccer Replays	\$4,000
Wyanga Aged Care	Mother's Day Luncheon and other general support	\$4,025
Alexandria Park Community School	Purchase tools for the school's teaching program	\$5,000
Knockout Rugby League Inc.	Support youth activities/entertainment	\$5,000
Midnight Basketball Australia	Support the inaugural and second Midnight Basketball tournaments (\$5,000 per tournament)	\$5,000
Tribal Warrior Association	Sponsored the design and production of company banners and display kits	\$5,103
ICAMPA – Inter City NAIDOC Working Party	Sponsorship of NAIDOC Week activities	\$5,500
Total funding for 05/06 financial year:		\$47,381

Melinda feels the RWA will generate growth and new jobs for the area.

Melinda Walker

Originally from the NSW mid-north coast, Melinda Walker from the 'Tiara' Apartments in Waterloo is a young Aboriginal woman working as an Assistant Project Officer with the RWA.

09



“I’ve always felt happy here and I’ll be staying for a while yet.”

Tommy Simpson

Scotsman Tommy Simpson lives in Redfern with his wife Fiona and young daughter Jamie. “Redfern’s close to work for both of us and there’s great day care nearby for Jamie.”

Tommy believes Redfern is a great place already and says the success of his beloved Souths footy team will galvanise the area and create a greater sense of pride and belonging for residents.

10



Independent Audit Report



To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Redfern-Waterloo Authority (the Authority):

- presents fairly the Authority's and the consolidated entity's (defined below) financial position as at 30 June 2006 and their performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the Public Finance and Audit Act 1983 (the Act), and the Public Finance and Audit Regulation 2005.

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

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the balance sheets, income statements, statements of changes in equity, cash flow statements and accompanying notes to the financial statements for the Authority and consolidated entity, for the year ended 30 June 2006. The consolidated entity comprises the Authority and the entities it controlled during the year.

The members of the Board of the Authority are responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides reasonable assurance to Members of the New South Wales Parliament that the financial report is free of material misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Directors had not fulfilled their reporting obligations.

My opinion does not provide assurance:

- about the future viability of the Authority or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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

David Jones

Director, Financial Audit Services

SYDNEY, 20 October 2006

Directors' Statement



Statement by the Chairman and Chief Executive Officer on the adoption of the financial statements for the year ended 30 June 2006.

Certificate Under Section 41C (B) of the Public Finance and Audit Act 1983.

Pursuant to Section 41C (B) and 1 (C) of the Public Finance and Audit Act 1983 and in our capacity as Chairman, and Chief Executive Officer of the Redfern-Waterloo Authority, we declare that in our opinion:

The accompanying financial statements exhibit a true and fair view of the financial position of the Redfern-Waterloo Authority as at 30 June 2006 and transactions for the year ended on that date. The Statements have been prepared in accordance with the provisions of the Public Finance and Audit Regulation 2000 and the Treasurer's Directions.

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

A handwritten signature in black ink, appearing to read "David Richmond".

David Richmond AO
Chairperson
Redfern-Waterloo Authority

A handwritten signature in black ink, appearing to read "Robert Domm".

Robert Domm
Chief Executive Officer
Redfern-Waterloo Authority

Sydney,
dated this 20 October 2006

**“I’ve seen many changes
for the better over the last
few years.”**

Anthony Ashby

Based in Redfern’s Regent St., Anthony Ashby is Australia’s first indigenous chartered accountant. Originally from Coonabarabran, Anthony spent two years living in The Block as a teenager and attended Darlington Public School. “I’m very positive about the RWA’s urban renewal project and hopeful the area retains its uniqueness.”

11



Income Statement

for the financial year ending 30 june 2006

	Notes	Consolidated 2006 \$'000	Consolidated 2005 \$'000	RWA 2006 \$'000	RWA 2005 \$'000
Revenue					
Operating revenue	3(a)	11,465	2,617	767	204
Investment income	3(b)	1,434	300	566	93
Grants and contribution	3(c)	4,590	2,369	7,194	2,208
Other revenue	3(d)	681	263	217	-
Changes in fair value of investment property	3(d)	9,350	-	5,350	-
Total Revenue		27,520	5,549	14,094	2,505
Expenses					
Employee related expenses	3(e)	(3,936)	(1,002)	(1,866)	(577)
Personnel services		-	-	(706)	-
Administration expenses	3(f)	(4,002)	(465)	(1,910)	(453)
Termination of lease		-	(1,250)	-	-
Depreciation of Property, plant and equipment	10(b)	(617)	(170)	(22)	(6)
Property management expenses	3(f)	(3,802)	(1,044)	-	-
Finance costs		(30)	-	-	-
Profit for the year/period		15,133	1,618	9,590	1,469
Attributable to:					
Member of the parent entity		15,133	1,618	9,590	1,469

Balance Sheet

as at 30 june 2006

	Notes	Consolidated 2006 \$'000	Consolidated 2005 \$'000	RWA 2006 \$'000	RWA 2005 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	27,028	18,943	5,123	1,528
Receivables	6	1,147	502	188	147
Lease incentive asset	7	107	244	-	-
TOTAL CURRENT ASSETS		28,282	19,689	5,311	1,675
NON CURRENT ASSETS					
Lease receivables	8	-	-	5,278	4,284
Other financial assets	9	-	-	25,515	21,465
Investment Property	11	132,850	123,500	103,380	98,030
Property, plant and equipment	10	10,516	5,709	72	83
Lease incentive asset	7	86	137	-	-
TOTAL NON CURRENT ASSETS		143,452	129,346	134,245	123,862
TOTAL ASSETS		171,734	149,035	139,556	125,537
LIABILITIES					
CURRENT LIABILITIES					
Payables	12	6,864	3,552	947	281
Provisions	13	543	245	-	187
TOTAL CURRENT LIABILITIES		7,407	3,797	947	468
NON CURRENT LIABILITIES					
Provisions	13	51	145	-	100
Loans from T-Corp	14	4,050	-	4,050	-
TOTAL NON CURRENT LIABILITIES		4,101	145	4,050	100
TOTAL LIABILITIES		11,508	3,942	4,997	568
NET ASSETS		160,226	145,093	134,559	124,969
EQUITY					
Retained profits	15	160,226	145,093	134,559	124,969
TOTAL EQUITY		160,226	145,093	134,559	124,969

The accompanying notes form part of these statements

Statement of Changes in Equity

for the period ended 30 June 2006

		Consolidated	Consolidated	RWA	RWA
	Notes	2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
Balance at the beginning of year/period		145,093	-	124,969	-
Acquisition of net assets of ATP at 31 March 2005	16	-	112,656	-	-
Land transferred from SHFA		-	53,300	-	53,300
Recognition of heritage buildings as investment property		-	-	-	44,730
Investment in ATP		-	-	-	21,465
Recognition of finance lease receivable at inception		-	-	-	4,005
Adjustment of value of freehold building on consolidation		-	(22,481)	-	-
Net income recognised directly in equity		145,093	143,475	124,969	123,500
Profit for the period from continuing operations		15,133	1,618	9,590	1,469
Total recognised income and expense for the period		160,226	145,093	134,559	124,969
Attributable to:					
Equity holders of the parent		160,226	145,093	134,559	124,969
The accompanying notes form part of these statements					

Statement of Cash Flows

for the financial year ended 30 June 2006

	Notes	Consolidated 2006	Consolidated 2005	RWA 2006	RWA 2005
		\$'000 Inflow/ (Outflow)	\$'000 Inflow/ (Outflow)	\$'000 Inflow/ (Outflow)	\$'000 Inflow/ (Outflow)
Cash flows from Operating Activities					
Receipts from customers		12,829	2,998	367	-
Government grants received		7,194	3,458	7,194	2,208
Payments to suppliers and employees		(11,968)	(3,123)	(4,294)	(609)
Interest paid		(30)	-	-	-
Interest received		1,434	300	339	18
Net cash from operating activities	18 (b)	9,459	3,633	3,606	1,617
Cash flows from Investing Activities					
Payments for property, plant and equipment representing cash used in investing activities		(5,424)	(1,140)	(11)	(89)
Net cash from Investing Activities		(5,424)	(1,140)	(11)	(89)
Cash flows from Financing Activities					
Non-trade advances from parent entity		-	-	(4,050)	-
Proceeds of borrowing from Treasury		4,050	-	4,050	-
Net cash from Financing Activities		4,050	-	-	-
Net increase/(decrease) in cash held		8,085	2,493	3,595	1,528
Cash at the start of the financial year		18,943	16,450	1,528	-
Cash at the end of the financial year	18 (a)	27,028	18,943	5,123	1,528
The accompanying notes form part of these statements					

Financial Statements & Notes

1. STATEMENT OF PRINCIPAL ACTIVITY

The Redfern-Waterloo Authority (the “Authority” or “RWA”) was established on 17 January 2005 to promote the development of the Redfern-Waterloo area into an active, vibrant, and sustainable community. The Authority also seeks to promote, support and respect the Aboriginal community in Redfern-Waterloo and to establish greater social cohesion and community safety in the area.

The Authority, as a reporting entity, comprises all the entities under its control, including the commercial activities of the Australian Technology Park and the Office of Redfern-Waterloo Authority.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

Australian Technology Park Precinct Management Limited is wholly-owned subsidiary of the Authority and it operates a scientific and technological research and development park. The Authority through its subsidiary manages the commercial operations of the park which include property management and development, and the provision of convention and exhibition facilities. The Office of Redfern-Waterloo Authority is a wholly-owned subsidiary of the Authority which provides personnel services to the Authority.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general-purpose financial report which has been prepared on an accrual basis and in accordance with applicable Australian equivalents to International Financial Reporting Standards (“A-IFRS”), other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”), Urgent Issues Group (“UIG”) Interpretations, the requirements of the Public Finance and Audit Act 1983 (the “Act”) and Regulations, Financial Reporting Directions issued by the Treasurer under section 9(2)(n) of the Act. Compliance with the A-IFRS ensures that the financial statements and notes of the Authority comply with International Financial Reporting Standards.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Financial Statements & Notes

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June 2006.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Revenue is classified as rental revenue, revenue from conference centre activities and other. All revenue realised by the authority is from its operating activities.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(b) Grants

Government grants relating to income are recognised as income over the periods necessary to match them with the related costs. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognised as income in the period in which it becomes receivable.

The Authority is a 'Not for profit' entity. Grants have been recognised as revenue in the year of receipt. Since the subsidiary is a profit entity and currently also the dominant entity, the Authority's Grant revenue applicable to the future years has been eliminated on consolidation.

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries and annual leave expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. No liability is recognised when sick leave taken is less than the accrued sick leave in any reporting period.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Superannuation schemes to which most employees belong are fully funded, resulting in no liabilities to the Authority. Contributions are expensed when incurred. The superannuation of employees who are a part of the Defined benefits scheme are actuarially assessed

Financial Statements & Notes

(d) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term investments in NSW Treasury Corporation's "Hour-Glass" cash facilities.

(g) Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade and other receivables

Trade receivables, which generally have 15 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debt is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. The fair value is determined on the basis of an independent valuation at a maximum of every 3 years, prepared by external valuation experts, Colliers International Consultancy and Valuation Pty Ltd based on discounted cash flows or capitalisation of net income (as appropriate). The asset revaluation increment recorded during the period amounted to \$19.6m.

Gains or losses arising from changes in the fair value of investment property are included in the income statement in the period in which they arise.

The fair value of investment property is reviewed at the end of each reporting period to ensure that its carrying value is not materially different from its fair value. The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation, in accordance with Australian Valuation Standards.

Financial Statements & Notes

(i) Property, plant and equipment

Leasehold improvements, furniture and fittings, and plant and equipment are stated at cost less accumulated depreciation and impairment. The cost of leasehold improvements to or on leasehold properties includes the cost of all materials used in the construction, direct labour on the project, other consultancy and development costs. Art and artefacts are stated at cost.

Depreciation is provided on all property, plant and equipment excluding work-in-progress and Art and Artefacts. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

• Furniture and fittings	4-5 years
• Plant and equipment	3-4 years
• Leasehold improvements	**

** Shorter of the period of lease or useful life

(j) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition (see also assets transferred as a result of an administrative restructure as detailed in Note (u).

Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

(k) Capitalisation thresholds

Property, plant and equipment, and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Financial Statements & Notes

(l) Impairment of assets

At each reporting date, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Income tax

On 16 February 2005, a private ruling was made in favour of the Australian Technology Park, where it was deemed that Section 24AM of ITAA 1936 will apply to exempt the company's income from the imposition of income tax. The private rule will be in effect to the year ended 30 June 2007. This applies only to the Australian Technology Park and not to the Redfern-Waterloo Authority.

(n) Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments resulting from the purchase of goods and services. The average credit period is 30 days.

(o) Provisions

Provisions are recognised when the Authority has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. Provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

Financial Statements & Notes

Onerous contracts

An onerous contract is considered to exist where the Authority has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

(p) Borrowings and borrowing costs

Borrowings are recorded initially at fair value, net of transaction costs. Borrowing costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's indicative mandates to general government sector agencies.

(q) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Authority as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(r) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(s) Maintenance and repairs

The costs of day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(t) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/ functions and parts thereof between NSW public sector agencies are designated as a contribution by owners by NSWTC 01/11 and are recognised as an adjustment to Retained Earnings. This treatment is consistent with Urgent Issues Group Interpretation 1038 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(u) Comparative information

The financial statements cover the financial period from 1 July 2005 to 30 June 2006. The authority was incorporated on 17 January 2005 and the comparatives for the prior year include the authorities figures from the date of its incorporation and its controlled entity from the date of acquisition, 31 March 2005 to 30 June 2005.

Notes to Financial Statements

for the financial year ending 30 June 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
3. REVENUES				
(a) Operating Revenue				
Property management	8,623	2,137	767	204
Conferencing	2,842	480	-	-
	11,465	2,617	767	204
(b) Investment Income				
Interest income on bank balances	1,434	300	339	18
Unwinding of discount related to finance lease receivable from subsidiary	-	-	227	75
	1,434	300	566	93
(c) Grants and Contributions				
Government agencies	4,590	2,369	7,194	2,208
(d) Other Income				
Sundry Income	681	263	217	-
Changes in fair value of investment property measured at fair value through income statement	9,350	-	5,350	-
	10,031	263	5,567	-
(e) Profit for the year/period				
Profit has been arrived at after charging/(crediting) the following losses/(gains):				
Allowance/(Write-back of allowance) for doubtful debts	27	(165)	-	-
Auditors remuneration	93	31	41	18
Depreciation of property, plant and equipment	515	170	22	6
Employee benefit expenses				
Salaries and wages (including recreation leave)	3,631	935	1,671	527
Superannuation	195	32	70	32
Long service leave	110	35	125	18
	3,936	1,002	1,866	577
Recognition of operating lease incentive in accordance with UIG Interpretation 115	-	44	-	-
Termination of lease	-	1,250	-	-
Unwinding of discount related to finance lease receivable from subsidiary	-	-	(227)	(75)

4. INCOME TAX EXPENSE

On 16 February 2005, a private ruling was made in favour of the Australian Technology Park, where it was deemed that Section 24AM of ITAA 1936 will apply to exempt the company's income from the imposition of income tax. The private rule will be in effect to the year ended 30 June 2007. This applies only to the Australian Technology Park and not to the Redfern-Waterloo Authority.

Notes to Financial Statements

for the financial year ending 30 june 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
5. CASH AND CASH EQUIVALENTS				
Cash on hand and at bank	568	2,010	138	1,528
Demand deposits	485	485	-	-
Investment in NSW Treasury Corporation "Hour-Glass" cash facility	25,975	16,448	4,985	-
	27,028	18,943	5,123	1,528

The Authority has investments with the NSW Treasury Corporation's Hour-Glass facilities. The investment is represented by a number of units of a management investment pool with each particular pool having different horizons and being comprised of a mix of asset classes appropriate to that investment horizon. NSW Treasury Corporation appoints and monitors the application of appropriate investment guidelines.

The investment is generally able to be redeemed daily by 11am. The value of the investment held can decrease as well as increase depending on market conditions. The value of the above investment represents the company's share of the value of the underlying assets of the facility, and those assets as stated at net value. The weighted average rate of return on these investments during the year was 5.84% (2005: 5.74%).

6. RECEIVABLES				
Trade receivables	785	223	63	-
Other debtors	108	155	70	94
Goods and Services tax recoverable	272	126	37	35
Prepayments	31	21	18	18
	1,196	525	188	147
Allowance for doubtful debts	(49)	(23)	-	-
	1,147	502	188	147
Movement in allowance for doubtful debts during the period:				
Opening balance	23	276	-	-
Write-back of allowance for doubtful debts	27	(165)	-	-
Bad debts written off	(1)	(88)	-	-
Balance at end of financial period	49	23	-	-

7. LEASE INCENTIVE ASSET				
Current lease incentive asset				
Lease incentive granted to lessees	107	244	-	-
Non-current lease incentive asset				
Lease incentive granted to lessees	86	137	-	-

Notes to Financial Statements

for the financial year ending 30 June 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
8. LEASES				
Non-current lease receivables				
Finance lease receivables	-	-	4,307	4,080
Operating lease receivables	-	-	971	204
	-	-	5,278	4,284

Finance lease relates to the Bio-medical building with lease term of 99 years. ATP does not have the option to purchase the property at the conclusion of the lease agreement.

Finance lease receivables				
Minimum lease receivables, later than 5 years*	-	-	30,525	30,525
Less future finance charge	-	-	(26,218)	(26,445)
Present value of minimum lease receivables	-	-	4,307	4,080
Included in the financial statements as:				
Non-current finance lease receivable	-	-	4,307	4,080

* Minimum future lease receivables includes the aggregate of all lease payments and any guaranteed residual.

Disclosures for the consolidated entity/RWA as lessor - operating leases

Operating leases relate to the investment property owned by the consolidated entity/RWA referred to in Note 10 to the financial statements. Lease terms range between 3 and 5 years, with options to extend. All operating lease contracts contain market review clauses in the event that the consolidated entity/RWA exercise their option to renew. The lessees do not have the option to purchase the property at the expiry of the lease period.

Non-cancellable operating lease receivables				
Not longer than 1 year	6,466	7,083	-	86
Longer than 1 year and not longer than 5 years	8,573	8,450	-	1,209
Longer than 5 years	14,334	14,528	68,225	71,680
	29,373	30,061	68,225	72,975

Disclosures for the consolidated entity/RWA as lessee - operating leases

The consolidated entity/RWA have various operating lease agreements for equipment and other facilities. Most leases contain renewable options. All operating lease contracts contain market review clauses in the event that the consolidated entity/RWA exercise their option to renew. The consolidated entity/RWA do not have an option to purchase the leased assets at the expiry of the lease period.

Non-cancellable operating lease payments				
Not longer than 1 year	108	108	108	108
Longer than 1 year and not longer than 5 years	27	135	27	135
Longer than 5 years	-	-	-	-
	135	243	135	243

Notes to Financial Statements

for the financial year ending 30 june 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
9. OTHER FINANCIAL ASSETS				
Investment in Subsidiary (note 16)	-	-	21,465	21,465
Interest-bearing loan advanced to subsidiary *	-	-	4,050	-
	-	-	25,515	21,465

* Interest-bearing loan advanced to subsidiary is unsecured and bears interest at 6.04% (2005: NIL) per annum.

10. PROPERTY, PLANT AND EQUIPMENT

(a) Amounts shown in the balance sheet are derived as follows:

Leasehold improvements				
At cost	2,407	2,407	-	-
Accumulated amortisation	(1,484)	(1,407)	-	-
	923	1,000	-	-
Furniture & fittings				
At cost	888	903	-	-
Accumulated depreciation	(667)	(565)	-	-
	221	338	-	-
Plant and equipment				
At cost	1,884	1,803	89	89
Accumulated depreciation	(1,166)	(793)	(28)	(6)
	718	1,010	61	83
Art & Artefacts				
At cost	5	5	-	-
Work in progress				
At cost	8,649	3,356	11	-
Total property, plant and equipment				
At Cost	13,833	8,474	100	89
Accumulated depreciation	(3,317)	(2,765)	(28)	(6)
Total property, plant and equipment	10,516	5,709	72	83

Notes to Financial Statements

for the financial year ending 30 June 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)				
(b) Reconciliations				
Reconciliations of the carrying amounts of each class of property, plant and equipment during the financial period and at the end of the financial period are set out below.				
Leasehold improvements				
Opening balance	1,000	-	-	-
Arising from acquisition of net assets of ATP	-	1,088	-	-
Depreciation	(77)	(88)	-	-
Closing balance	923	1,000	-	-
Furniture and fittings				
Opening balance	338	-	-	-
Arising from acquisition of net assets of ATP	-	367	-	-
Depreciation	(117)	(29)	-	-
Closing balance	221	338	-	-
Plant and equipment				
Opening balance	1,010	-	83	-
Arising from acquisition of net assets of ATP	-	698	-	-
Additions (excluding additions arising from acquisition of net assets of ATP)	131	406	-	89
Depreciation	(423)	(94)	(22)	(6)
Closing balance	718	1,010	61	83
Art & Artefacts				
Opening balance	5	-	-	-
Arising from acquisition of net assets of ATP	-	5	-	-
Closing balance	5	5	-	-
Work in progress				
Opening balance	3,356	-	-	-
Arising from acquisition of net assets of ATP	-	2,622	-	-
Additions (excluding additions arising from acquisition of net assets of ATP)	5,293	1,056	11	-
Transfers out	-	(322)	-	-
Closing balance	8,649	3,356	11	-
Total property, plant and equipment				
Opening balance	5,709	-	83	-
Arising from acquisition of net assets of ATP	-	4,780	-	-
Additions (excluding additions arising from acquisition of net assets of ATP)	5,424	1,462	11	89
Transfers out	-	(322)	-	-
Depreciation	(617)	(211)	(22)	(6)
Closing balance	10,516	5,709	72	83

Notes to Financial Statements

for the financial year ending 30 June 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
11. INVESTMENT PROPERTY				
Balance at beginning of year/period	123,500	-	98,030	-
Arising from acquisition of net assets of ATP (Note 16)	-	92,681	-	-
Recognition of heritage buildings as investment property	-	-	-	44,730
Net gain from fair value adjustment	9,350	-	5,350	-
Land transferred from SHFA	-	53,300	-	53,300
Adjustment to value of freehold building on consolidation	-	(22,481)	-	-
Balance at the end of financial period	132,850	123,500	103,380	98,030

The fair value of the Authority's investment property at 30 June 2006 has been arrived at on the basis of a valuation carried out on 31 May 2006 by Messrs Colliers International Consultancy and Valuation Pty Limited, independent valuers not related to the Authority.

12. PAYABLES				
Accrued salaries, wages and on-costs	100	83	89	83
Trade Payables	2,037	1,436	858	185
Deferred grant income	3,693	1,089	-	-
Event and Tenant deposits	789	752	-	-
Other Payables	245	192	-	-
Payable to Subsidiary	-	-	-	13
	6,864	3,552	947	281

13. PROVISIONS				
Employee Benefits and Related On-Costs				
Current Provisions				
Recreation leave	339	217	-	159
Long Service leave	204	10	-	10
Superannuation liability	-	18	-	18
	543	245	-	187
Non-Current Provisions				
Long Service leave	51	145	-	100

Notes to Financial Statements

for the financial year ending 30 June 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
14. BORROWINGS				
Borrowings from Treasury	4,050	-	4,050	-

Borrowings from Treasury are unsecured and bears interest at 6.04 % (2005: NIL) per annum.

15. RETAINED EARNINGS				
Balance at the beginning of year/period	145,093	-	124,969	-
Profit for the period from continuing operations	15,133	1,618	9,590	1,469
Acquisition of net assets of ATP on 31 March 2005 (Note 16)	-	112,656	-	-
Land transferred from SHFA	-	53,300	-	53,300
Recognition of heritage buildings as investment property	-	-	-	44,730
Investment in ATP	-	-	-	21,465
Recognition of finance lease receivable at inception	-	-	-	4,005
Adjustment of value of freehold building on consolidation	-	(22,481)	-	-
Balance at end of financial period	160,226	145,093	134,559	124,969

16. ACQUISITION OF NET ASSETS OF ATP

At 31 March 2005, 100% of the net assets of Australian Technology Park Precinct Management Limited ("ATP") were transferred from Sydney Harbour Foreshore Authority ("SHFA") to the Authority pursuant to an administrative restructure. Australian Technology Park Precinct Management Limited then became a wholly-owned subsidiary of the Authority as of that date.

Increases in assets and liabilities and the cash inflow resulting from the acquisition of ATP were as follows:

Cash and cash equivalents	-	16,450	-	-
Receivables	-	168	-	-
Current lease incentive asset	-	259	-	-
Investment property	-	92,681	-	-
Property, plant and equipment	-	4,739	-	-
Non-current lease incentive asset	-	166	-	-
Payables	-	(1,706)	-	-
Current provisions	-	(73)	-	-
Non-Current provisions	-	(28)	-	-
Net assets acquired	-	112,656	-	-

17. SUBSIDIARY

Name of entity	Country of incorporation	2,006	2,005
		%	%
Australian Technology Park Precinct Management Limited	Australia, NSW	100	100
The Office of Redfern-Waterloo Authority	Australia, NSW	100	-

ATP is incorporated in Australia and is responsible for the day-to-day management of the Australian Technology Park located at Eveleigh in Sydney, NSW. The Office of Redfern-Waterloo Authority is incorporated in Australia and provides personnel services to the Authority.

Notes to Financial Statements

for the financial year ending 30 June 2006

	Consolidated	Consolidated	RWA	RWA
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000

18. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and liquid investment in NSW Treasury Corporation "Hour-Glass" cash facility. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents (Note 5)

27,028	18,943	5,123	1,528
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(b) Reconciliation of profit for the period to net cash from operating activities

Profit for the period from continuing operations	17,737	1,618	9,590	1,469
Amortisation of lease incentive asset	188	44	-	-
Depreciation of property, plant and equipment	617	170	22	6
Changes in fair value of investment property measured at fair value through income statement	-	-	(5,350)	-
Straight-line of operating lease income on land	-	-	(767)	(204)
Write-back of allowance for doubtful debts	26	(165)	-	-
Unwinding of discount related to finance lease receivable from subsidiary	-	-	(227)	(75)
Increase in receivables	(671)	(192)	(41)	(147)
Increase in payables and provisions	912	2,158	379	568
Revaluation of Investment Property	(9,350)	-	-	-
Net cash flows from operating activities	9,459	3,633	3,606	1,617

19. COMMITMENTS FOR EXPENDITURE

Capital Commitments

Aggregate capital expenditure for the acquisition of property, plant and equipment contracted for at balance date and not provided for:

Payable within one year (inclusive of GST)	28,710	1,125	-	-
Payable later than one and not later than 5 years	11,880	-	-	-

The above includes GST input tax of \$3.69m that is expected to be recoverable from the Australian Taxation Office. The capital expenditure commitments relate to the construction of the new building on the ATP site.

20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no known contingent assets or contingent liabilities as at 30 June 2006.

Notes to Financial Statements

for the financial year ending 30 June 2006

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Authority's principal financial instruments comprise finance leases, cash and short term deposits.

The main purpose of these financial instruments is to fund Authority's operations. The Authority has various other financial instruments such as debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the Authority's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Authority's financial instruments are interest rate risk, liquidity risk and credit risk. The executive reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest rate risk

The Authority has no significant interest rate risk during the financial year. Surplus cash held in NSW Treasury Corporation's "Hour-Glass" cash facilities earn interest at weighted average interest rate of 5.84% per annum.

(b) Credit risk

The credit risk on financial assets of the Authority which have been recognised in the balance sheet is generally the carrying amount, net of any impairment losses. The Authority trades with recognised, creditworthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is not significant.

(c) Net fair values of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their net fair values.

(d) Liquidity risk

The Authority's objective is to maintain a satisfactory level of liquidity. The Authority has no significant borrowings for the day to day operations. The Authority borrows money only for the purpose of capital projects which is undertaken by its subsidiary entity.

22. IMPACTS OF ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

RWA and the consolidated entity changed their accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards'.

The latest period in the most recent annual financial report of RWA was the period from its date of incorporation, 17 January 2005 to 30 June 2005. The subsidiary was acquired on 31 March 2005 and accordingly the latest period in the most recent annual financial report of the consolidated entity was the period from the date of acquisition, 31 March 2005 to 30 June 2005.

An explanation of how the transition from superseded policies (under Australian Generally Accepted Accounting Principles, 'previous A-GAAP') to A-IFRS has affected the financial position, financial performance and cash flows of the consolidated entity/RWA for the financial period ended 30 June 2005 is set out in the following tables and the notes that accompany the tables.

Notes to Financial Statements

for the financial year ending 30 June 2006

Effect of A-IFRS on the balance sheet as at 30 June 2005

Note	Consolidated			RWA		
	Previous A-GAAP* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	Previous A-GAAP* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000
Current assets						
Cash and cash equivalents	18,943	-	18,943	1,528	-	1,528
Trade and other receivables	502	-	502	147	-	147
Lease incentive assets	a 244	-	244	1,059	(1,059)	-
Total current assets	19,689	-	19,689	2,734	(1,059)	1,675
Non-current assets						
Lease receivables	b -	-	-	-	4,284	4,284
Other financial assets	b -	-	-	-	21,465	21,465
Property, plant and equipment	6,108	(399)	5,709	83	-	83
Investment property	b 143,300	(19,800)	123,500	53,300	44,730	98,030
Lease incentive asset	a 137	-	137	2,752	(2,752)	-
Total non-current assets	149,545	(20,199)	129,346	56,135	67,727	123,862
Total assets	169,234	(20,199)	149,035	58,869	66,668	125,537
Current liabilities						
Trade and other payables	3,552	-	3,552	281	-	281
Provisions	245	-	245	187	-	187
Lease incentive liability	a -	-	-	1,059	(1,059)	-
Total current liabilities	3,797	-	3,797	1,527	(1059)	468
Non-current liabilities						
Provisions	145	-	145	100	-	100
Lease incentive liability	b -	-	-	2,752	(2,752)	-
Total non-current liabilities	145	-	145	2852	(2,752)	100
Total liabilities	3,942	-	3,942	4,379	(3,811)	568
Net assets	165,292	(20,199)	145,093	54,490	70,479	124,969
Equity						
Retained earnings	c 165,292	(20,199)	145,093	54,490	70,479	124,969
Total equity	165,292	(20,199)	145,093	54,490	70,479	124,969

* Reported financial position as at 30 June 2005.

Notes to Financial Statements

for the financial year ending 30 June 2006

Effect of A-IFRS on the income statement for the financial period ended 30 June 2005

		Consolidated			RWA		
	Note	Previous A-GAAP* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	Previous A-GAAP* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000
Revenue							
Operating lease income	a	2,617	-	2,617	-	204	204
Investment income	b	300	-	300	18	75	93
Grants and contributions		2,369	-	2,369	2,208	-	2,208
Other revenue		263	-	263	-	-	-
Total revenue		5,549	-	5,549	2,226	279	2,505
Expenses							
Employee related expenses		(1,002)	-	(1,002)	(577)	-	(577)
Administration expenses		(465)	-	(465)	(453)	-	(453)
Termination of lease		(1,250)	-	(1,250)	(6)	-	(6)
Depreciation of property, plant and equipment		(170)	-	(170)	-	-	-
Property management expenses		(1,044)	-	(1,044)	-	-	-
Profit before income tax expense		1,618	-	1,618	1,190	279	1,469
Income tax expense		-	-	-	-	-	-
Profit for the period		1,618	-	1,618	1,190	279	1,469
Attributable to member of the parent entity		1,618	-	1,618	1,190	279	1,469

* Reported financial results for the financial period ended 30 June 2005.

Notes to Financial Statements

for the financial year ending 30 June 2006

NOTES TO THE TABLES ABOVE:

a Lease incentives

UIG 115 "Operating Leases - Incentives" requires incentives granted to lessees to be recognised as an integral part of the net consideration agreed for the use of the leased asset irrespective of the incentive's nature or form or timing of payment. The company granted incentives to its controlled entity, Australian Technology Park Precinct Management Limited in the form of rent-free periods. Consequently the aggregate cost of these incentives should be recognised as a reduction in rental income earned over the lease term on a straight line basis.

Under NSW Treasury Directives, a lease incentive asset and corresponding liability were recognised at 30 June 2005. The lease incentive asset and liability recognised under previous AGAAP represented the fair value of the lease incentive as determined by the Valuer General.

There is no impact to the consolidated financial statements at 30 June 2005 as the lease incentive asset and liability recorded under previous AGAAP are eliminated on consolidation. The operating lease receivable of the company is also eliminated on consolidation, being intercompany in nature.

b Investment property

The company leases certain land and buildings to its controlled entity under an operating lease arrangement. Under previous AGAAP, the fair value of certain heritage listed buildings were not recognised in the company's financial statements as investment property. The fair value of the property as at 30 June 2005 was \$44.7m. Under AIFRS, this is included in investment property and adjusted against retained profits under UIG Interpretation 1038 "Contributions by Owners Made to Wholly-Owned Public Sector Entities".

A finance lease receivable is recognised in the company's financial statements at 30 June 2005, based on the present value of anticipated future minimum lease payments taking into consideration the fair value of the leased land at the commencement of the lease.

Due to a significant difference between the interest rate implicit in the lease and the controlled entity's borrowing rate, a contribution between equity participants is recognised as the difference between the present value of the minimum lease payments determined based on the interest rate implicit in the lease and the present value of minimum lease payments determined based on the controlled entity's borrowing rate. The contribution is recognised as an increase in the company's investment in the controlled entity. The finance lease receivable is adjusted for the unwinding of finance charges from the inception of the lease to the end of each reporting period.

Notes to Financial Statements

for the financial year ending 30 June 2006

NOTES TO THE TABLES ABOVE:

c Retained earnings

The effects of the transition to A-IFRS on retained earnings are as follows:

(\$'000)	Note	Consolidated 30-Jun-05	RWA 30-Jun-05
Adjustment to fair value of investment property		(19,800)	-
Adjustment to ATP asset value at acquisition		(399)	-
Recognition of heritage buildings as investment property		-	44,730
Investment in ATP		-	21,465
Recognition of finance lease receivable at inception		-	4,005
Recognition of operating lease income from land on straight line basis		-	204
Unwinding of discount related to finance lease receivable from subsidiary		-	75
Total adjustment to retained earnings		(20,199)	70,479
Attributable to:			
Member of the parent entity		(20,199)	70,479

Explanation of material adjustments to the cash flow statement for the financial period ended 30 June 2005.

There are no material differences between the cash flow statement for the financial period ended 30 June 2005 presented under A-IFRS and the cash flow statement for the same period presented under previous A-GAAP.

END OF AUDITED FINANCIAL STATEMENTS

Appendices

Charter

The RWA is formed under the Redfern-Waterloo Authority Act 2004.

Chief and Senior Executive Officer

During 2005-06 Robert Domm was employed as Chief Executive Officer by the the RWA.

Staff Numbers by Employment Basis

	Permanent	Temporary	Full-Time	Part-Time	Casual
Staff	15	6	21	0	1
%	68%	27%	95%	0%	5%
Men	7	1	8	0	0
Women	8	5	13	0	1
Aboriginal Person or Torres Strait Islander	2	1	3	0	0
Person with a Disability	0	0	0	0	0
Person from a Racial, Ethnic or Ethno-Religious Minority Group	0	1	1	0	0
People whose first language was not English	4	1	5	0	0

Staff Numbers by Level

	Men	Women	Total
\$60,584 - \$78,345	1	5	6
\$78,346 - \$97,932	2	5	7
>\$97,932	4	4	8
>\$97,932 (SES)	1	-	1

Appendices

Legislative Changes

There were no changes to any legislation administered by RWA during the reporting year.

Overseas Travel and Corporate Credit Cards

No overseas travel fares for staff were incurred during the reporting year, and as at 30 June 2006, staff of RWA were not issued with any corporate credit cards.

Corporate Services

The Central Corporate Services Unit (CCSU) of the Department of Commerce provides a comprehensive range of corporate services. The finance and accounting and payroll services were provided to the end of September 2005. The information and technology services are ongoing and were provided to the end of June 2006.

Risk Management

RWA has a Business Risk Map of its operations. The primary objective of the Business Risk Map is to coordinate risk management activities within RWA to ensure that the activity is focused on areas of greatest risk and is also used by Business Audit to derive its strategic audit plan.

Contributions are made by the RWA to the Treasury Managed Fund for workers compensation, motor vehicle accidents, property loss, public liability and various other insurable risks.

Staff of the RWA have assigned wardens and participated in emergency evacuation drills. No occupational health and safety incidents have been raised.

Land Disposal

There were no land disposals for the year ended 30 June 2006.

Plans, Policies and Procedures

Code of Conduct

The RWA has its own Code of Conduct which has been developed in accordance with the principles of ethical and responsible decision-making and embodies the public sector values of respect for the law, the system of Government, the community and persons, integrity, diligence, economy and efficiency and accountability.

Freedom of Information Procedure

During the reporting period, one request was made to the RWA under the Freedom of Information Act. In the same period, no major issues arose, and there were no investigations or applications for review submitted.

Formal requests made under the Freedom of Information Act for access to documents held by the RWA should be accompanied by a \$30 application fee and directed to:

The FOI Coordinator
Redfern-Waterloo Authority
POBox 3332
Redfern NSW 2016

The contact number for all FOI inquiries is (02) 9202 9100

Appendices

Equal Employment Opportunity

The Redfern-Waterloo Authority is committed to the principles and practices of Equal Employment Opportunity (EEO). Through its policy, RWA will implement the following principles of the EEO:

- Fair practices in the workplace
- Management decisions made without bias
- Recognition of and respect for the social and cultural backgrounds of all staff and clients
- Employment practices which produce staff satisfaction, commitment to the job and the delivery of quality services to clients
- Improved productivity

Along with the EEO policy, RWA also has a policy for the Action plan for women and Aboriginal and Torres Strait Islander Employment Strategy.

Disability Plans

RWA complies with the NSW Government Disability framework through its Disability Access Policy. This policy provides a process for RWA in how to better meet the needs of staff and community in relation to those people with disabilities. RWA wants to ensure that all people have reasonable access to the resources and space governed by the Authority.

Ethnic Affairs Priority Statement

The RWA recognises and values the different linguistic, religious, racial and ethnic backgrounds of all the people of NSW and endorses the four principles of multiculturalism as set out in the Community Relations Commission and principles of the Multiculturalism Act 2000.

Towards this objective, RWA will develop and implement policies sensitive to the needs of all staff and clients and ensure that the Boards and Committees reflect the multiculturalism of the community.

NSW Government Action Plan for Women

The RWA supports the NSW Government Action Plan for Women and will promote workplaces that are equitable, safe and responsive to all aspects of women's lives. It will also promote the position of women in all areas of society as well as access to and successful outcomes for women in all parts of the education and training system.

Occupational Health & Safety

The RWA is committed to the occupational health, safety and welfare of all its employees, those contracted to perform work on its behalf and visitors to its premises. It is committed to regular consultation with staff and their representatives and where necessary with contractors and suppliers of equipment and services to ensure occupational health and safety management is of the highest standard.

Appendices

Waste Reduction and Purchasing Plan

During the 2005-2006 financial year, the RWA addressed a number of issues including the development of bulk waste management guidelines for construction and maintenance activities focusing on compliance and waste minimisation and the development of an office paper and printing toner policy.

The RWA is committed to the implementation of the Government's Waste Reduction and Purchasing Policy (WRAPP).

The full list of RWA Plans and Policies is as follows:

Risk Management Policy
Risk Management Plan
Risk Management Framework
Information Management & Technology Disaster Recovery Strategy
Internal Audit Plan
External Audit Plan
Staff Code of Conduct
Code of Conduct for Board members
Protected Disclosure Act Policy Statement
Equal Employment Opportunity Policy
OH&S Management Plan
Ethnic Affairs Priority Statement
Disability Access Policy
Action Plan for Women
Aboriginal Employment Strategy
Procurement Policy
Complaints Handling Policy
Business Ethics Statement
Privacy Management Plan
Corporate Credit Card Policy
Energy Management Policy
Fraud Corruption Control Strategy
Environmental Management Policy
New Starter Induction Program
Waste Reduction & Purchasing Policy

Appendices

Publications

Newsletters:
(16,000 copies per issue)
August 2005
September 2005
October 2005
November 2005
January 2006
February 2006

Plans:
Draft Phase One Human Services Plan (Oct 2005)
Phase One Human Services Plan (Dec 2005)
Draft Employment & Enterprise Plan (Dec 2005)
Employment & Enterprise Plan (May 2006)
Draft Built Environment Plan (Stage One) (Feb 2006)
Inaugural RWA Annual Report (Oct 2005)

Annual Report

The RWA Annual Report is available electronically at www.redfernwaterloo.com.au
The total cost of external production and printing was \$32,725

Contact Details

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Index

Appendices	59
Board Member Profiles	26
Built Environment	17
Contact Details	63
Corporate Governance	12
Coverage Map	05
Director's Statement	34
Employment and Enterprise	21
Financials	36
Function	11
Human Services	19
Independent Audit Report	33
Index	64
Key Strategies	14
Letter to the Minister	05
Overview	09
Principle Objectives	09
RWA Sponsorship and Grants	30
Statement from The Chairperson and Chief Executive officer	06
State Significant Development	22

**“I believe Redfern and Waterloo
will develop into an even better
part of this great city.”**

Peter Holmes à Court

“Redfern is both our corporate headquarters and the spiritual home to the South Sydney Rabbitohs. The area is steeped in history and tradition and it's where our club was founded in 1908. The Redfern Waterloo urban renewal program will see the area evolve into a prime strategic location for businesses to flourish in, whilst retaining the wonderfully rich cultural diversity of its residential population. Through South's Cares, the Rabbitohs are pleased to both instigate and participate in local community initiatives and work together with the RWA to assist our neighbours.”

12



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