



Annual Report 2018



**Western
Sydney
Airport**

WSA Co Limited

ACN 618 989 272

For the period ended
30 June 2018

wsaco.com.au

Connecting people, places and opportunity



**Western
Sydney
Airport**

Contents

01 Introduction	02	06 Financial Report	46
Chair's Message	03	Financial Statements	48
Chief Executive Officer's Message	04	Notes to the Financial Statements	52
About Western Sydney Airport	05	Directors' Declaration	63
Benefits of Western Sydney Airport	06	Auditor's Independence Declaration	64
Market Overview	08	Independent Auditor's Report	65
Purpose, Vision, Culture Statement and Core Values	09	07 Regulatory Report	68
Strategy on a Page	10	Regulatory Report	69
		Regulatory Reporting Requirements Index	71
02 Operating & Financial Overview	12	08 Glossary	75
Operating Overview	13		
Financial Overview	18		
Organisational Structure	20		
03 Directors' Report	21		
04 FY18 Remuneration Report	26		
05 Corporate Governance Statement	34		





Introduction

01

Chair's Message



Our inaugural financial year has been one of significant progress for WSA Co. I am pleased to report that we have taken several important steps towards building a world-class airport that will transform the Western Sydney landscape. The vision for a new airport in Western Sydney is now a reality and the associated socio-economic benefits for the region are coming to fruition.

In August 2017, the Australian Government established WSA Co, and subsequently prescribed it as a Government Business Enterprise (GBE) tasked with the planning, construction and operation of Western Sydney Airport. Our first year has seen a focus on establishment, planning and engagement with our stakeholders and the community. Since that time, we have launched our new corporate identity as Western Sydney Airport.

Significant milestones in the early establishment phase have included the appointment of a highly-skilled Board of Directors with a diverse range of expertise, and the appointment of Graham Millett as Chief Executive Officer in February 2018. I am confident this exceptional leadership group, many of whom have their roots in the Western Sydney region, will continue to provide our organisation with a clear and strategic vision.

Under their direction, a great deal has already been achieved. With the granting of the airport lease by the Commonwealth in May 2018, we have forged ahead with appointing contractors to complete the Early Earthworks which will enable major works to commence in 2019. Our Delivery Partner, Bechtel, was appointed in June 2018 and the organisation is well-equipped to commence work on site before the end of 2018.

In addition to the physical progress on site, there is a great deal of planning underway behind the scenes to ensure we not only build a world-class airport, but also establish a successful airport business that will bring broad socio-economic benefits to Western Sydney.

Our vision is to create an airport precinct that connects people, places and opportunity. Not only will we bring essential aviation capacity to the Sydney basin and improve access to aviation services for Western Sydney, we see an opportunity for a multitude of industries to congregate in a world-class precinct that gives them access to both domestic and export markets like never before. The flow-on effects for Western Sydney will be substantial.

Critical to the success of this project is the tri-level government support and coordination. We look forward to continuing strong relationships with local, state and federal governments and agencies in an unprecedented coordination effort to create a world-class aerotropolis precinct for the future.

Our Board has a very clear goal - to deliver a world-class airport that is a source of local pride: a symbol of the innovation and dynamism of Western Sydney. We are fully committed and passionate in our resolve to meet that goal.



Paul O'Sullivan
Chair

Chief Executive Officer's Message



The delivery of one of Australia's most anticipated infrastructure projects, a new airport for the Sydney basin, is now underway with the establishment of WSA Co in 2017. In our short history, we have set solid foundations with a strong team, and thorough processes to bring about a disciplined approach to planning, building and operating a world-class airport.

Following the establishment of WSA Co in August 2017, we were delighted to open our offices in Liverpool in November. Our first ten months have focussed on recruiting a team with exceptional experience across both the infrastructure and aviation industries. Equally important to our success is the establishment of the necessary structure, governance and strategy to enable our vision to come to fruition. An element of this progress has been the launch of our new corporate identity as Western Sydney Airport, clearly identifying the purpose of our organisation.

Our focus on engaging the right partners with clearly defined roles has enabled us to progress quickly. In June 2018 we appointed the Early Earthworks contractor, a CPB Contractors and Lendlease Joint Venture, and Bechtel was appointed as our Delivery Partner and Project Manager (Definition).

These appointments are significant with the commencement of on site works sending a clear and positive signal to the local community, businesses and investors.

As we look forward to the 2018/19 financial year, the team will focus on the procurement of the bulk earthworks and airside civils packages. Following approval of the site layout in July 2018 we are progressing the next stage of airport design. We will also deliver a state-of-the-art Visitor Information Centre on site, which will enable local communities, schools, investors and other stakeholders to view the progress first hand, as well as gain a greater understanding of the Airport and its contribution to the Western Sydney region.

Engagement with our broad array of stakeholders will continue as a key priority to ensure everyone is

kept well-informed of our progress and to ensure we continue to gain valuable insights from their feedback and involvement in the delivery of the Airport. We will continue to work closely with all levels of government to maximise the opportunities within the Aerotropolis and broader Western Sydney region.

I am inspired to see the people of Western Sydney showing their support for the Airport, in particular the growing interest from the health, education, agribusiness and aerospace sectors. New jobs are already being created in Western Sydney as a result of the Airport, and this will continue as Western Sydney Airport provides the catalyst for economic change, creating and attracting new businesses to the region.

Having grown up in Western Sydney, I understand the real benefit that a successful airport business will bring to local communities, and I am privileged to be championing this vision. As we progress from planning to construction, I am reminded that in building a world-class airport we are also creating new and exciting opportunities for the people of Western Sydney.



Graham Millett
Chief Executive Officer

About Western Sydney Airport



The Australian Government established WSA Co Limited (WSA Co or the Company) on 7 August 2017, to deliver and operate Western Sydney Airport (the Airport) by 2026 and committed up to \$5.3 billion to the Company in the May 2017/18 Budget. At the same time, four Directors were appointed to the Board, with another three appointed in November 2017, and the Company was subsequently prescribed as a Government Business Enterprise (GBE).

In September 2018, WSA Co launched its new corporate identity as Western Sydney Airport. The Company is a wholly-owned Commonwealth company, incorporated under the *Corporations Act 2001 (Cth)*, with Shareholder Ministers representing the Finance and Infrastructure, Regional Development & Cities portfolios. Western Sydney Airport operates under the *Public Governance, Performance and Accountability Act 2013 (Cth) (PGPA Act)* and at arm's length from Government. In doing so, the Company has considerable discretion in its operational and commercial decisions, within the constraints of the abovementioned legislation.

The Company's mandate is to realise the Australian Government's vision for Western Sydney Airport as set out in the Western Sydney Airport Plan (the Airport Plan) published in December 2016, which provides authorisation for the construction and operation of Stage 1 of the Airport. In doing so, Western Sydney Airport will deliver on the following objectives that are enshrined in its constitution:

- **improving access to aviation services in Western Sydney** by providing a broad range of passenger and freight services;
- **resolving the long-term aviation capacity issue in the Sydney basin** by maximising the aviation capacity of the site, noting the constraints at Sydney (Kingsford Smith) Airport;
- **maximising the value of Western Sydney Airport as a national asset** including consideration of benefits the Airport will bring within and around Western Sydney, NSW and Australia;
- **optimising the benefit of Western Sydney Airport on employment and investment in Western Sydney** by recognising that the Airport will be a major catalyst for growth and development in Western Sydney;
- **effectively integrating with new and existing initiatives in the Western Sydney area** by ensuring long-term planning considers the Airport's economic, social and environmental impact in Western Sydney; and
- **operating on commercially sound principles having regard to the Australian Government's intention to preserve its options with respect to ownership and governance arrangements** by applying private sector discipline in the management of Western Sydney Airport.



Artist's Impression of Western Sydney Airport in the long-term

Benefits of Western Sydney Airport



The Australian and NSW governments were presented with the Joint Study on aviation capacity in the Sydney region by an independent Steering Committee of Government in 2012. It highlighted that, by 2035, it would be unlikely there would be capacity for new aviation services at Sydney (Kingsford Smith) Airport, and there would be a need to service demand with a new airport in the Sydney basin. After further analysis, the Australian Government announced in April 2014 that Badgerys Creek would be the site for a new airport for Western Sydney.

As Sydney's only full-service, curfew-free Airport, it will have 24-hour operations. Stage 1 of the Airport will initially have a single 3.7-kilometre runway and facilities to handle up to 10 million annual passengers (MAP). The future Airport has a large and growing passenger catchment area and is expected to serve three million people soon after opening. It will offer a full range of domestic, international and freight air services and will be able to handle the full range of aircraft, including the Airbus A380. Upon opening, the Airport will be Australia's first metropolitan greenfield airport in the digital age serving both low-cost carriers and full-service airlines.

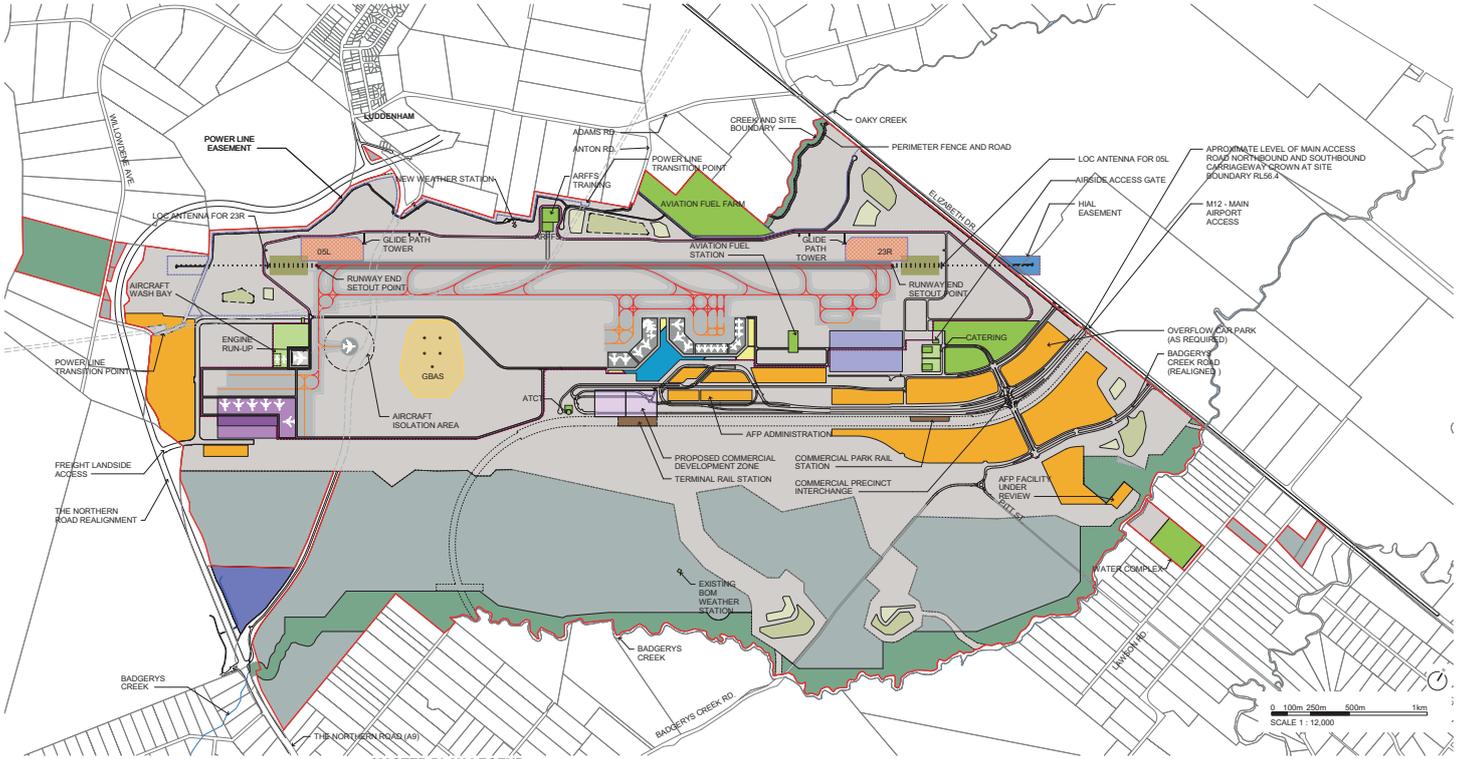
The Airport is a nationally significant infrastructure project that will generate economic activity both locally and nationally, provide employment opportunities, particularly for Western Sydney residents, and meet Sydney's growing aviation needs. Western Sydney Airport will expand over time to service a capacity of 82 MAP by the early 2060s and this will correspond to a level of economic and social activity that is transformative for Australia. The Airport will successfully integrate with the surrounding Western Parklands City to form a metropolitan sub-region;

the infrastructure, land use and economy of which are centred on Western Sydney Airport. The Western Sydney City Deal, announced on 4 March 2018, builds on Western Sydney Airport as a catalyst to encourage investment and create job opportunities. In developing a thriving airport precinct, the Company will continue close engagement with all levels of Government, including the Greater Sydney Commission (GSC) and the NSW Department of Planning and Environment, regarding land use planning around, and transport (road and rail) connectivity to, the Airport in order to maximise the benefits to Western Sydney.

In providing employment opportunities closer to home for people in the Western Sydney region, Western Sydney Airport will pursue local employment targets including a minimum 30 percent employment from Western Sydney throughout the construction phase, and at least 50 percent of Western Sydney-based employees from operation commencing in 2026. Careful workforce planning, in addition to strategic business planning, will allow Western Sydney Airport to achieve these targets. The Airport is expected to support up to 11,000 jobs during its construction and up to 28,000 jobs in 2031, five years after opening.

The Airport Site Layout (ASL) is presented to the right. The Company will continue to review the ASL in light of opportunities to enhance the design and layout of the Airport in a way that maximises process flow, enhances customer and passenger experiences, and which will ultimately underpin efficient and sustainable operations. Hence, the ASL is subject to change and in accordance with the processes set out in the *Airports Act 1996 (Cth)* with market needs over time. The Company is also preparing to engage Airport Planning services to progress the next level of detail and review for the Airport Plan.

Western Sydney Airport Site Layout



10 MAP - AIRPORT LAYOUT PLAN

MASTER PLAN LEGEND

GSE STORAGE	TAXIWAY	CONSTRUCTION IMPACT ZONE	RESA
COMMERCIAL PARK / PARKING	TAXILANE	DETENTION BASIN	GLIDE PATH CRITICAL AREA
WALKOUT GATES	RUNWAY	BIO-RETENTION BASIN	ROADS
PASSENGER TERMINAL	MIXED-USE AVIATION	PROPOSED COMMONWEALTH ACQUISITION	CURRENT INFRASTRUCTURE
GTC / PARKING / COMMERCIAL	CARGO	PROPOSED OFF-SITE EASEMENT	RAIL EASEMENT
RAIL STATION	SUPPORT	SITE BOUNDARY	PERIMETER FENCE
APRON	AIRCRAFT MAINTENANCE	AIRSIDE FENCE	HIAL
AIRCRAFT STAND	EC1 ENVIRONMENTAL ZONE		

Market Overview



The relative importance of aspects of Western Sydney Airport's operating environment will vary over time, with immediate attention given to construction activities and the corresponding infrastructure market. This will combine with an increasing focus on the aviation market as the Airport moves closer to operations in 2026.

Nonetheless, Western Sydney Airport has identified and is considering trends, opportunities and challenges in aviation and airport design, specifically the application of sustainability and digital capabilities to create a "Smart Airport". The Company will contribute to the successful integration of the Airport with the surrounding precinct through consideration of an "Airport City" concept, underpinned by effective stakeholder engagement, planning and consultation.

Construction Market Overview

The Australian infrastructure market is undergoing a period of heightened activity.¹ Nonetheless, a project with a high-profile nature such as Western Sydney Airport generates strong interest from construction and community perspectives. This was evident in the strong market responses for works and services already let and continues to be present in ongoing market feedback in relation to upcoming construction packages for the Airport.

There are also emerging construction technologies offering productivity increases through predictive analytics, 3D scanning and printing, Building Information Management, prefabrication and modular construction, and Western Sydney Airport is working with contractors to assess the utility of these opportunities and implement the technologies where applicable.

Aviation Market Overview

According to the International Air Transport Association (IATA), the number of annual airline passengers worldwide is expected to reach almost eight billion within a decade of Western Sydney Airport opening in 2026. This is almost double the four billion travellers recorded in 2017. Furthermore, IATA forecasts the biggest driver of aviation demand will be the Asia-Pacific region, providing more than half of new passengers over the next two decades. In 2022, China is expected to overtake the United States as the world's largest aviation market², and Western Sydney Airport is geographically well positioned to take advantage of this opportunity.

Several other factors are driving increased demand for aviation services in the Sydney region. A combination of population growth and economic expansion in Western Sydney and the broader Sydney region, paired with increased airline competition through low-cost carrier penetration, rising international tourism, and trends in e-commerce and air freight, mean that Western Sydney Airport is essential in order to meet growing aviation demand in the Sydney basin.

Smart Airport and Digital Capabilities

The aviation industry is increasingly focused on cost and innovation, and technological advances are providing opportunities to reshape passenger and aircraft processes to improve the passenger experience and lower costs. Digital airports require technology be combined with the most up-to-date network capabilities, with a flexible design to allow rapid integration of subsequent digital capabilities. Smart airports will maximise the opportunities afforded by innovation, technology and sustainability. These elements will remain fundamental considerations throughout the Company's journey of delivering Western Sydney Airport.

Airport Cities

The Airports Council International (ACI) highlights that business precincts have begun to appear around airports in the formation of Airport Cities.³ Airports increasingly act as catalysts for economic and commercial activity and Western Sydney Airport's planning activities have taken this trend into account.

A successful Airport City must provide for passengers to connect to other forms of transport and such integration increasingly supports the value that airports offer passengers and customers. This is reflected in the consideration of airports as transport hubs, which connect passengers (and freight) seamlessly to various forms of transport on arrival and departure. In order to ensure airport functionality as a transport hub, Western Sydney Airport has continued a collaborative planning approach with various levels of Government and associated agencies. This includes the NSW Department of Planning and Environment, the GSC, Roads and Maritime Services, and Transport for NSW; all of which are critical partners in the delivery of integrated road, rail and air networks.

¹ Macromonitor March 2017 (BIS Oxford Economics, 2017).

² 2017 IATA Press Release No.:55 – 2036 Forecast Reveals Air Passengers Will Nearly Double to 7.8 Billion.

³ Airports Council International World Report, October 2017.

Purpose, Vision, Culture Statement and Core Values

PURPOSE

To generate social and economic prosperity by working together to safely deliver a thriving airport precinct in Western Sydney

Western Sydney Airport is a purpose-led organisation, meaning the Company's activities are directed at developing and operating the Airport. This, in turn, will generate social and economic prosperity for Western Sydney by improving access to aviation services, resolving

Sydney's long-term aviation capacity issues, integrating with initiatives in the area, and operating on commercially sound principles to maximise the Airport as a national asset. Ultimately, Western Sydney Airport will be a major catalyst for growth and development in the region.

VISION

To be the gateway of choice to Australia and the world – connecting people, places and opportunity

The Company's vision is clear – to be the gateway of choice to Australia and the world for both passenger and freight journeys – which means to provide customers, both passengers and airlines, with best-in-class service and a seamless travel experience for those choosing Western Sydney Airport as their destination or point of origin.

Western Sydney Airport's culture and core values underpin the behaviours and actions that drive the strategy by which the Company will achieve its purpose.

CULTURE STATEMENT

Empowered to Deliver

CORE VALUES



Safety: Western Sydney Airport is relentless in applying the highest physical and psychological safety standards for the continuous health and well-being of its people.



Integrity: Western Sydney Airport holds itself and others accountable to instil trust by operating with honesty, integrity and authenticity.



Inclusion: Western Sydney Airport fosters an inclusive and diverse working environment and recognises the value of different perspectives and cultures. Diverse teams working together positively impacts the value and direction of Western Sydney Airport.



Pioneering: Western Sydney Airport is nimble and always actively learning through experimentation to forge forward, continuously creating new and better ways for the Company to be successful.



Courage: Western Sydney Airport acts with courage to address difficult issues and make quality decisions to keep the Company moving forward.



Passion: Western Sydney Airport is committed to driving the Company's vision, strategy, and purpose by creating a climate where everyone is motivated to do their best.

Strategy on a Page



Western Sydney Airport has embarked on two integrated workstreams: a substantial and complex airport construction project; and the development of a globally competitive, full-service airport business. To ensure success, the Company is working towards four strategic outcomes, which broadly combine the objectives, as set out in the Company Constitution, and Shareholder expectations of the Company (as outlined in the Shareholder Ministers' Statement of Expectations for the Company). In working towards these outcomes,

the Company focuses on eight strategic domains, underpinned by strong foundational values, mindsets and culture.

Western Sydney Airport has defined a number of initiatives or 'guiding principles' necessary to ensure the Company's strategic outcomes are successfully achieved. The key initiatives stem from an ethos of serving all stakeholders and are grouped under eight Strategic Domains.

STRATEGIC DOMAIN	INITIATIVES
Safety	Cultivation and reinforcement of a zero-harm prevention and protection mindset.
Sustainability	Sustainable resource choice and use, and effective and responsible environmental management.
Infrastructure Design & Delivery	A smart airport, optimising technology, innovation and experience, and delivery on-time, on-budget and to specification.
People & Culture	Develop and maintain a target culture where Western Sydney Airport is an employer of choice.
Stakeholder Engagement	Establishment and maintenance of collaborative and productive relationships with stakeholders.
Governance	Robust governance policies and practices and a focus on compliance.
Finance, Commercial & Risk	Embedding a cost-conscious program and developing competitive customer value propositions, while effectively managing risks.
Information Technology & Security Systems	Integration of Corporate IT with Project IT and effective data and systems security.

PURPOSE

To generate social and economic prosperity by working together to safely deliver a thriving airport precinct in Western Sydney.

VISION

Gateway of choice to Australia and the world – connecting people, places and opportunity.

STRATEGIC OUTCOMES



Deliver a world-class airport business that delivers on Shareholder objectives.



Embedded in our community by being a catalyst for Western Sydney's socio-economic development



Delight aeronautical and non-aeronautical customers



Innovative business, revenue & cost models

STRATEGIC DOMAINS

Safety

Sustainability

Infrastructure Design & Delivery

People & Culture

Stakeholder Engagement

Governance

Finance, Commercial & Risk

Information Technology & Security Systems

ENABLING MINDSETS

LEADERSHIP

Ability to drive effective change in organisations to address internal and external dynamics.

INNOVATION

Develop a smart airport that optimises the integration of technology, creativity and experience.

SUSTAINABILITY

Ensure sustainable resource choice, use and effective environmental management.

RISK MANAGEMENT

Identify and proactively manage key risks.

CULTURE STATEMENT Empowered to Deliver

VALUES

SAFETY

INTEGRITY

INCLUSION

PIONEERING

COURAGE

PASSION



Operating & Financial Overview

02

Operating Overview



In less than a year, significant progress has been made during the establishment of Western Sydney Airport. The Company's key activities, progress, and milestones since being incorporated on 7 August 2017 and up until 30 June 2018 (the reporting period) are categorised

according to the eight strategic domains outlined in the FY18 Corporate Plan (see below). This operating overview outlines the Company's performance against the outcomes originally planned in the FY18 Corporate Plan.

STRATEGIC DOMAIN	PERFORMANCE OUTCOME
Safety	Contemporary and compliant Health and Safety Management System (H&SMS) in place and working effectively, and reasonably foreseeable safety hazards and risks arising from the Company's activities identified, mitigated and monitored.
Sustainability	Effective Environmental Management System (EMS) implemented and approved; Sustainability Strategy and Plan in place, ensuring integrated sustainable design is undertaken.
Infrastructure Design & Delivery	Effective tender competition achieved through successful engagement, probity and governance; project delivery in accordance with contracts (to scope, to cost and to program); embedding an innovation mindset in the Company's culture.
People & Culture	Effective leadership, successful onboarding and recruitment, and training for growth and development in order to ensure optimal workforce performance.
Stakeholder Engagement	Establishment and maintenance of effective consultation channels (forums, information exchange and feedback systems), stakeholder relationships (community, business, media, government), and workforce communication and engagement channels.
Governance	Implementation of an effective governance framework, including policies and procedures, to achieve compliance with legal and regulatory obligations, and to reflect best practice corporate governance processes.
Finance, Commercial & Risk	Leverage sound commercial acumen to achieve optimal results through diversification of revenue streams to maximise value capture; achieve competitive advantages by utilising modern technologies and methods to manage costs; understand customers and industry participants in order to be an effective partner.
Information Technology & Security Systems	Delivery and governance of flexible IT and secure Information Communication Technology (ICT) that can easily and quickly respond to change and support emerging technologies.

Safety Domain

“Contemporary and compliant Health and Safety Management System (H&SMS) in place and working effectively, and reasonably foreseeable safety hazards and risks arising from the Company’s activities identified, mitigated and monitored.”

Safety is of utmost importance to Western Sydney Airport. During the reporting period, strong progress was made with the development of the Company’s H&SMS. The primary focus has been on designing a flexible safety management system that caters for a complex airport construction project, as well as the development of a globally competitive, full-service airport business. The priority has been on establishing a “construction-ready” H&SMS to support the commencement of construction works in September 2018. As part of this process, the Company has developed Critical Risk Protocols addressing reasonably foreseeable safety hazards on site. These protocols identify mandatory requirements for these hazards and provide the basis for the Company’s assurance processes as construction activities commence. The continued development of a contemporary and compliant H&SMS for Western Sydney Airport will progress further in FY19.

Other key achievements over the reporting period have included establishing the foundations of the Company’s safety culture, introducing a health and wellbeing program within the business, establishing a forum to consult with employees on health and safety matters, and building effective working relationships with safety regulators and local emergency agencies.

During FY19, the Safety domain will continue to cultivate and reinforce a zero-harm, prevention and protection mindset throughout the extended Western Sydney Airport workforce.

The Company’s Work Health & Safety (WHS) Policy is available on the Western Sydney Airport website at www.wsaco.com.au.

Sustainability Domain

“Effective Environmental Management System (EMS) implemented and approved; Sustainability Strategy and Plan in place, ensuring integrated sustainable design is undertaken.”

In order to develop a comprehensive environmental management framework that minimises and manages environmental impacts during the construction of the Airport, the Company has been working to develop the Site Environmental Management Framework and aspect-specific Construction Environment Management Plans as required by the Airport Plan. Western Sydney Airport expects these to be approved in mid-September 2018, prior to construction commencing on site as part of the Early Earthworks.

Several environmental works were conducted during the reporting period and are outlined below.

- Preparation of a biodiversity offset delivery plan to manage the vegetation clearing on site and ensure appropriate revegetation occurs on land that will not be cleared at a later date.
- Aspects relating to biodiversity are undertaken by the Department of Infrastructure, Regional Development and Cities (Department of Infrastructure), including collaboration with the Botanical Gardens regarding the translocation of threatened species from areas of impact prior to the commencement of construction.
- Environmental surveys, undertaken by the Department of Infrastructure are in progress including the identification and salvage of Indigenous heritage items in consultation with the local Indigenous groups.

Sustainability is a core component of the Company’s strategic approach. Western Sydney Airport aspires to develop and operate a world leading airport in all aspects of environmental and social responsibility throughout design, construction and operational phases. Specific areas of focus include the journey towards carbon neutrality, material selection and waste management, and social benefit and wellbeing.

The Company is committed to creating a sustainable airport as it aligns with efficient operations, optimal resource choice and use so as to reduce waste, which culminates in reduced environmental impact and responsible contribution to the future urban amenity of the Western Parkland City. As such, the Company has prepared a draft Sustainability Plan and the following high-level sustainability reports which will inform strategic decision-making:

- International Ratings Scheme Alignment.
- Sustainability Opportunities for Third Party Development.
- Initial Climate Risk and Adaptation Report.
- High Level Sustainability Opportunities.
- High Level Carbon Adaptation Report.
- Energy Storage Position Report.
- Ecologically Sustainable Development Initiatives Assessment.
- International Airport Benchmarking Study.
- Sustainability Rating Pathways.

In FY19, the Company intends to continue to champion sustainable resource choice and use, and effective and responsible environmental management throughout Western Sydney Airport’s design and construction activities.

Infrastructure Design & Delivery Domain

“Effective tender competition achieved through successful engagement, probity and governance; project delivery in accordance with contracts (to scope, to cost and to program); embedding an innovation mindset in the Company’s culture.”

As part of preliminary design activities undertaken during the reporting period, the Company has prepared an ASL in compliance with the Functional Specifications as agreed with the Commonwealth, and the planning authority set out in the Airport Plan. The ASL is a critical planning tool to support the design and infrastructure delivery of Western Sydney Airport and its development has involved extensive engagement with a number of stakeholders, including Commonwealth agencies, in determining their facility requirements on the Airport site. This is in addition to engagement with State and Local Government agencies (including NSW Department of Planning and Environment, Transport for NSW, and Roads and Maritime Services) in regard to general planning, interfaces, transport connections, and integrating with planning for Western Parkland City off site. The ASL was approved by the Commonwealth in July 2018 and is open to alteration subject to Commonwealth approval.

The Company’s first year has involved the undertaking of Enabling Works, the initial physical activities at the site before the Early Earthworks and Main Works Airport construction begins. This has included completion of geotechnical investigations and land survey services, in addition to the commencement of the relocation of a 330-kilovolt high-voltage TransGrid transmission line from overhead to an underground cable route. This relocation is scheduled for completion in mid-2019.

On 17 May 2018, WSA Co, now known as Western Sydney Airport, was granted a 99-year lease (a 50-year lease with a 49-year option to extend) of the Airport site from the Commonwealth, marking a significant milestone in the Company’s history. This means that the Company has taken responsibility for the management of the site from the Department of Infrastructure. The grant of the lease allows the Company to commence on site construction activities as the Airport Lessee Company for Western Sydney Airport.

Western Sydney Airport’s construction procurement activities culminated in the award of the project’s first major piece of work, the Early Earthworks package, on 29 June 2018. This package involves the movement of 1.8 million cubic metres of earth, including the preparation of stockpiling locations for the first of the Main Works packages.

The Company made an early decision to separate the Main Works Design and Construction activities for Western Sydney Airport

from a single package into multiple packages in order to achieve value for money – namely, the Bulk Earthworks and Airside Civils (BEAC) works package; the Terminal & Specialty Works package; and the Landside Civil & Building Works package - and this has been supported by significant market sounding noting the importance of competition, the Company has determined that a revised procurement approach be adopted, effectively splitting the initial BEAC works package into three separate packages as follows:

- Two earthworks packages of roughly equal size, one in the northern portion of the construction impact zone and one in the south. The first earthworks contractor will design the master grading of the site.
- One package covering the airside pavements.

The Expression of Interest process for the first of these Earthworks Packages commenced in mid-August 2018 with the Request For Tender due to be issued by late 2018. The Company has scheduled the award of this package of works for mid-2019.

Design, procurement, and construction activities will intensify in FY19 and beyond as the Company progresses its plans to develop and operate a smart airport; an airport that optimises technology, innovation and experience, and is delivered on-time, on-budget and to specification.

People & Culture Domain

“Effective leadership, successful onboarding and recruitment, and training for growth and development in order to ensure optimal workforce performance.”

Western Sydney Airport has made significant progress in creating a target culture where the Company is an employer of choice, primarily by developing a strong, capable and agile internal workforce that lives the values of Safety, Integrity, Inclusion, Pioneering, Courage and Passion.

In addition to the internal workforce, the Company has engaged an indirect workforce via the Early Earthworks contract awarded to the Lendlease / CPB Joint Venture, which is expected to employ 180 people. Western Sydney Airport has also awarded the Delivery Partner and Project Manager (Definition) contracts to Bechtel, and these contracts will employ upward of 70 roles by September 2018. In engaging Bechtel to bring the relevant skills, knowledge and experience to support the Company in relation to the construction of the Airport, Western Sydney Airport has secured established and necessary skills and resources across the eight-year procurement, delivery, and Operational Readiness and Airport Transfer period. Western Sydney Airport’s indirect workforce will continue to grow over time in line with future works packages.

In the context of the broader organisational structure, an important consideration for the Company will be to ensure that the corporate culture and behavioural interfaces are aligned and managed effectively, facilitating productive and positive employment relations between the Company and its partnering organisations.

The Company is committed to ensuring that Western Sydney Airport generates appropriate economic and social benefits for the greater Western Sydney region through workforce initiatives that:

- utilise local suppliers and employ local resources where possible and cost effective.
- create opportunities for learning workers, including job opportunities for apprentices and trainees.
- encourage a diverse workforce, including participation of priority jobseekers and under-represented groups in the industry including women, Indigenous Australians, economic and socially disadvantaged groups, and people with a disability.

The Company has made formal commitments to workforce targets on each of these measures and continues to work with construction contractors and the education industry to develop innovative programs to achieve these targets.

As at 30 June 2018, the Company directly employed 48 people. In FY19, the Company will continue to develop and maintain a target culture where Western Sydney Airport is an employer of choice.

Stakeholder Engagement Domain

“Establishment and maintenance of effective consultation channels (forums, information exchange and feedback systems), stakeholder relationships (community, business, media, government), and workforce communication and engagement channels.”

Western Sydney Airport has worked closely with the Department of Infrastructure to ensure a seamless transition of key communication and engagement responsibilities during the past six months. Whilst the Department will maintain accountability for community consultation on airspace design (flight paths), noise amelioration and biodiversity, the Company has now established a range of consultation and engagement channels to ensure its broad stakeholder base has access to the Company’s employees, project information, feedback mechanisms and consultation opportunities.

Following the granting of the airport lease in May this year, the Company accepted membership of the Forum On Western Sydney Airport (FOWSA), providing another key channel for engagement with stakeholders from across the business, community, government and education sectors.

Western Sydney Airport intends to continue to build its capacity in this area to ensure the community, stakeholders and its shareholders are provided with opportunities to engage, consult and collaborate with the Company during the planning, construction and operation of the Airport.

Key achievements during FY18 include:

- Presentations to more than 40 local, state and national community and business forums to provide project updates, engage with stakeholders and encourage feedback.
- Participation in community consultation and feedback sessions across Western Sydney as part of the FOWSA engagement program.
- Establishment of working relationships with key advocacy groups including Western Sydney Business Chamber, Western Sydney First, Western Sydney Leadership Dialogue, Blue Mountains Business Chamber, Property Council of Australia, and Roads Australia.
- Establishment of working relationships with key local, state and federal government departments and agencies including: Department of Infrastructure, Department of Finance, GSC, Department of Premier and Cabinet, Western Sydney Investment Attraction Office, NSW Department of Planning and Environment, NSW Department of Primary Industries, Sydney Water, Transport for NSW, Roads and Maritime Services, and local councils.
- Transition of the Aboriginal Stakeholder Forum from the Department of Infrastructure, and development of an Aboriginal Stakeholder Engagement Plan.
- Generation of significant local, metropolitan and national media, profiling the Western Sydney Aerotropolis and progress on the Airport, including the Western Sydney Aerotropolis held in May 2018.
- Established initial workforce communication and engagement channels which will be further developed during FY19.
- Early development of key digital communication and engagement channels including website, intranet, social media and consultation tools, which will be further developed during FY19.
- Broad research program to inform ongoing customer, community, business and engagement activities.

In FY18, preliminary planning also commenced for a Western Sydney Airport Visitor Information Centre, following the Australian Government’s contribution of \$5 million for the construction of the Centre, to be matched by Western Sydney Airport. This Centre will allow the community to actively engage in airport development on site and will be utilised for educational and business development activities. The Centre will include informative visual displays and exhibitions as well as viewing platforms to enable the public to see the airport development in progress. The Centre is scheduled to be completed by June 2019.

In FY19, Western Sydney Airport will focus on growing existing stakeholder relationships and further developing its local community programs.

Governance Domain

"Implementation of an effective governance framework, including policies and procedures, to achieve compliance with legal and regulatory obligations, and to reflect best practice corporate governance processes."

Western Sydney Airport is committed to maintaining high standards of corporate governance which it considers essential to the sustainability and performance of the Company and to acting in the best interests of its shareholders. Detail relating to the Company's Governance Domain is provided in the Corporate Governance Statement on page 35.

In FY19, Western Sydney Airport will continue its commitment to robust governance policies and practices.

Finance, Commercial & Risk Domain

The Financial Overview on page 18 outlines financial considerations in relation to the Company's performance.

"Leverage sound commercial acumen to achieve optimal results through diversification of revenue streams to maximise value capture; achieve competitive advantages by utilising modern technologies and methods to manage costs; understand customers and industry participants in order to be an effective partner."

Part of Western Sydney Airport's establishment activities during the reporting period included the development of a preliminary Commercial Strategy. This involved the identification of a mix of traditional and non-traditional revenue streams that cover both aeronautical and non-aeronautical components. In doing so, the Company is working towards identifying diverse revenue streams to maximise value capture.

In an effort to ensure that Western Sydney Airport responds appropriately to uncertainties and changes in the operating environment, and that such risks are mitigated proactively, the Company has established and implemented a Risk Management Framework. Within this framework, the Company has developed a risk management policy and invested efforts in embedding a risk management mindset throughout. The policies, systems and procedures which underpin Western Sydney Airport's Risk Management Framework are designed to enable the Company to monitor, review, and mitigate trending risk movements, and regularly communicate risks to relevant stakeholders.

Through the Finance, Commercial and Risk domain, Western Sydney Airport intends to continue to embed a cost-conscious program and develop competitive customer value propositions, whilst effectively managing risks throughout FY19 and beyond.

Information Technology & Security Systems Domain

"Delivery and governance of flexible IT and secure Information Communication Technology (ICT) that can easily and quickly respond to change and support emerging technologies."

A fundamental and important consideration for Western Sydney Airport during its establishment period when the organisation was growing at a rapid pace, was the planning, evolution and implementation of its Information Technology (IT) strategy and framework. This involved the implementation of initial information management systems for immediate Corporate and Project needs, in addition to making use of secure, cloud-based, scalable platforms.

Future systems are proposed to leverage the initial cloud-architected systems with effective, secure integration points for information exchange between systems, including those of the Company's partners. As Western Sydney Airport moves from finalising the implementation of these foundational systems, the Company intends to shift towards innovative technology in design and operations, with explicit consideration given to the IT backbone and interoperability with digital opportunities including enhanced network connectivity, artificial intelligence, augmented and virtual realities, and sensor technology / building information management systems.

In FY19, Western Sydney Airport intends to further refine the integration of Corporate IT with Project IT and effective data and systems security.

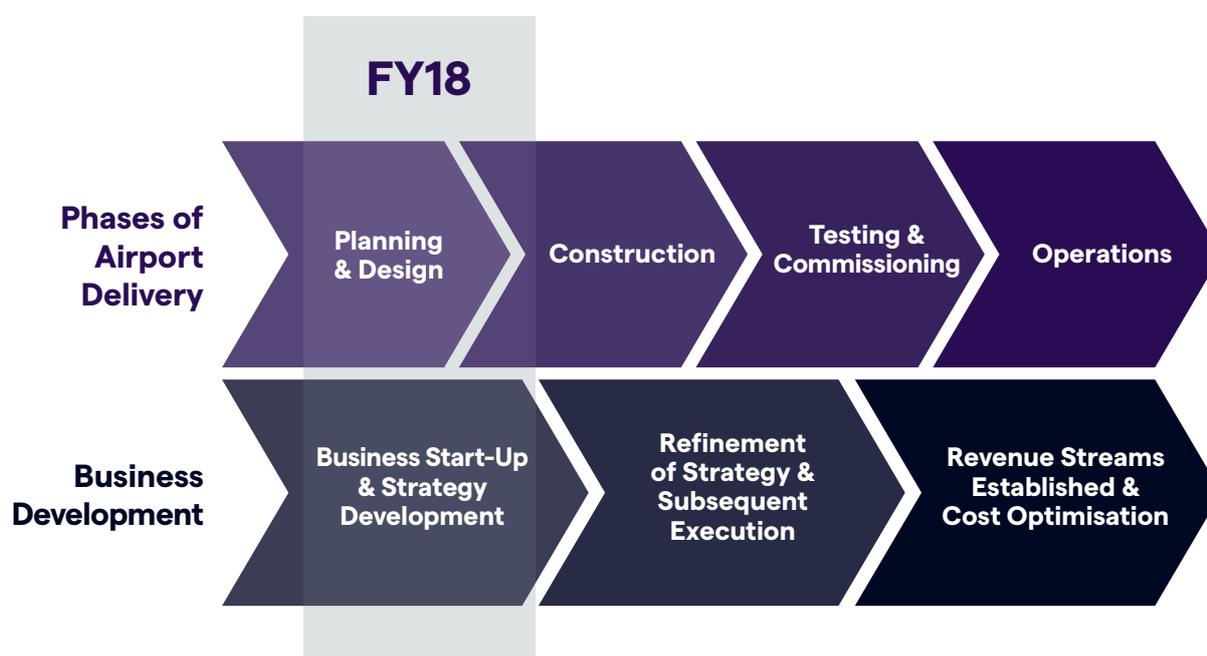
Financial Overview



Financial Snapshot

	2018 \$000
Operational expenditure	
Site preparation	211,823
Design and project management	19,902
Decontamination	25,144
Other	23,671
Total	280,540
Interest income	(573)
Operational loss	279,967
Capital expenditure	3,835

In May 2017, the Australian Government committed up to \$5.3 billion in funding to the Company to construct and operate Western Sydney Airport. This funding will support two parallel streams of activity up until 2026 as represented in the diagram below: the phases of Airport Infrastructure Delivery as well as Development of the Business.



Phases of Airport Delivery

Planning & design phase

During FY18, the Company commenced the activities necessary for the construction of the Airport which involved the following principal achievements:

- entered into a 50-year Airport site lease with a 49-year option, which gives the Company the right to develop land in accordance with Shareholder objectives;
- made \$146.1 million of Commonwealth Preparatory Activities (CPA) payments to the Commonwealth for activities (including relocation of cemeteries, fuel report, surface water monitoring, and preliminary TransGrid activities) to be undertaken on behalf of Western Sydney Airport;
- appointed Bechtel as Delivery Partner and Project Manager (Definition); and
- Early Earthworks package of works awarded to the CPB Contractors and Lend Lease Joint Venture.

These milestones are intended to enable the Airport site to be developed in accordance with the Airport Plan.

Operational Expenditure

Total operating expenditure for the period was \$280.5 million and reflects current Company activities related to the Planning and Design phase of Airport Delivery. This phase is characterised by significant enabling works to prepare the site before the Main Works Packages for construction of the Airport can begin. Since these costs are incurred in the pre-development stage of construction, they are expensed as incurred.

Site preparation

During the period, site preparation expenses that were incurred related to CPA activities, relocation of the TransGrid 330kV power line from overhead to underground, and geotechnical investigations and land surveys in preparation for levelling of the site to enable construction of Airport infrastructure.

Design and project management

Design and project management expenditure was primarily related to technical services such as engineering, architectural design, and costing activities necessary to progress early planning stages of the project.

Decontamination

The decontamination expenses recognised in FY18 relate to the costs expected to be incurred in the treatment and/or removal of asbestos, hydrocarbons and chemicals identified on site as part of earthworks activities. A decontamination provision has therefore been raised for this expense.

Other expenses

Other expenses not directly associated with planning and design, site preparation, and project management account for amounts paid to employees and interim professional services. As at 30 June 2018, the Company directly employed 48 people, and this number is expected to grow in FY19 as a number of key roles remain to be filled. Contractors have been temporarily engaged to address short-term skill gaps whilst professional service firms were engaged to assist the Company in developing strong and robust business frameworks, processes and controls throughout the establishment phase.

Capital Expenditure

	2018
	\$000
Capital expenditure	
Airport construction in progress	2,380
Plant and equipment	845
Right-of-use assets – corporate office lease	610
Total	3,835

Capital Funding and Liquidity

On 5 October 2017, the Commonwealth of Australia and WSA Co entered into an Equity Subscription Agreement (ESA) whereby the Commonwealth of Australia will provide funding of up to \$5.3 billion to the Company to develop Western Sydney Airport. The majority of funding will be allocated to the construction of core airport infrastructure including airside civils, runways and taxiways, terminal buildings and car parks which are required to operate a fully-functioning international airport.

As at 30 June 2018, total equity of \$275.7 million had been provided to the Company.

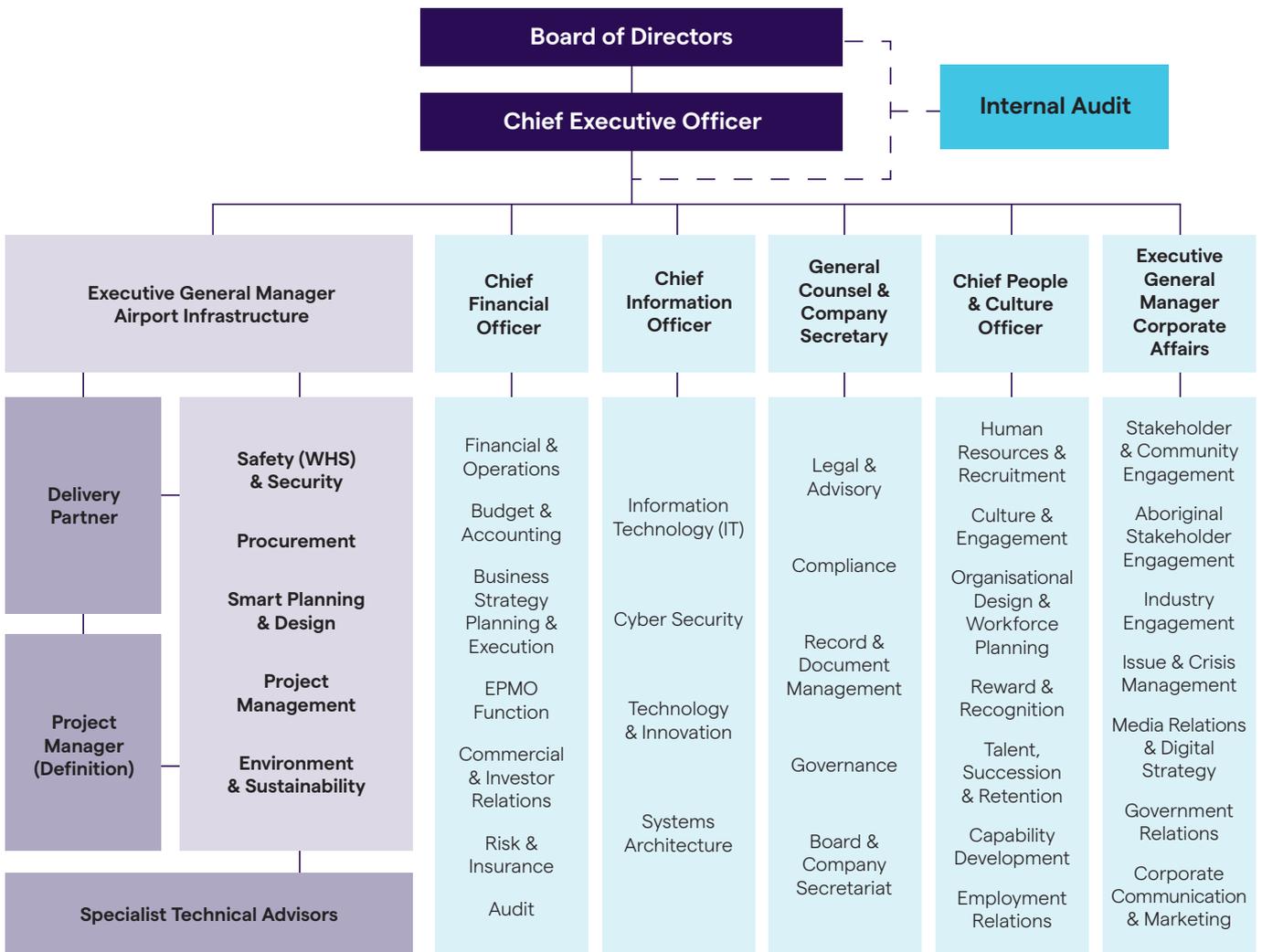
In FY18, the Company incurred a loss after tax of \$280.0 million and is currently in a net liability position of \$4.2 million. The Company has sufficient funds to meet its existing financial obligations at Statement of Financial Position date, and the Australian Government has committed to make ongoing equity funding available to ensure that the development of Western Sydney Airport can be executed as planned.

Organisational Structure



Western Sydney Airport has built a team of highly experienced individuals leading strategic and functional domains across the organisation. This includes Safety and Security; Procurement; Airport Design and Planning; Environment and Sustainability; Construction; Finance, Strategy, Business Development and Risk; People & Culture; Stakeholder Engagement; Legal & Governance; and Technology.

For the current phase of Western Sydney Airport’s operation, the team is organised into two key business streams, project and corporate, to reflect delivery of respective activities. The extended organisational structure includes Bechtel as the *Delivery Partner and Project Manager (Definition)*, and specialist technical advisers within the project business stream. The Company’s broader organisational structure is depicted below.





2023

Directors' Report

The Board of Directors

The following persons were Directors of the Company up to the date of this Annual Report.

Name	Role	Period of directorship
Paul O'Sullivan	Chair, Independent Non-executive Director	Appointed 7 August 2017 (5-year term)
Fiona Balfour	Independent Non-executive Director	Appointed 7 August 2017 (3-year term)
Tim Eddy	Independent Non-executive Director	Appointed 7 August 2017 (3-year term)
Vince Graham AM	Independent Non-executive Director	Appointed 14 November 2017 (4-year term)
Anthea Hammon	Independent Non-executive Director	Appointed 14 November 2017 (5-year term)
Christine Spring	Independent Non-executive Director	Appointed 7 August 2017 (4-year term)
John Weber	Independent Non-executive Director	Appointed 14 November 2017 (3-year term)

Meetings of Directors

The number of meetings of the Company's Board of Directors and Board Committees held during the period ended 30 June 2018, along with the corresponding attendance by each Director, are shown in the table below.

	Board		Design and Construction Committee		Audit and Risk Committee		People, Remuneration and Nomination Committee		Safety, Health, Environment and Community Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
P O'Sullivan⁷	11	11	9	9	3	3	4	4	1	1
F Balfour	11	11	9	8	3	3	4	4	-	-
T Eddy¹	11	11	5	5	3	3	4	4	-	-
V Graham AM^{2,3,4}	8	8	7	7	-	-	2	2	1	1
A Hammon^{5,6}	8	8	-	-	-	-	3	3	1	1
C Spring^{8,9}	11	11	9	9	3	3	2	2	-	-
J Weber^{10,11,12}	8	7	4	4	2	2	-	-	1	0

Details relating to the Board skills matrix, the independence of Directors and the Code of Conduct applicable to the Board are included in the Corporate Governance Statement, which forms part of this Annual Report (see pages 35 to 45). The Annual Report can also be accessed via WSA Co's website at www.wsaco.com.au.

¹ Retired as a member of the Design and Construction Committee effective 5 March 2018.

² Appointed as a member of the People, Remuneration and Nomination Committee effective 5 March 2018.

³ Appointed as a member of the Design and Construction Committee effective 29 January 2018.

⁴ Appointed as Chair of the Safety, Health, Environment and Community Committee effective 12 June 2018.

⁵ Appointed as a member of the People, Remuneration and Nomination Committee effective 12 February 2018.

⁶ Appointed as a member of the Safety, Health, Environment and Community Committee effective 12 June 2018.

⁷ Appointed as a member of the Safety, Health, Environment and Community Committee effective 12 June 2018.

⁸ Retired as a member of the People, Remuneration and Nomination Committee effective 5 March 2018.

⁹ Retired as a member of the Audit and Risk Committee effective 12 June 2018.

¹⁰ Appointed as a member of the Safety, Health, Environment and Community Committee effective 12 June 2018.

¹¹ Appointed as a member of the Audit and Risk Committee effective 5 March 2018.

¹² Appointed as a member of the Design and Construction Committee effective 5 March 2018.

Director Profiles



Paul O'Sullivan

Paul has been Chair of Optus since October 2014. In addition to being a Director on the Boards of Coca-Cola Amatil, Healthscope and HOOQ Pte Ltd, he is a Board Member of the Board of Commissioners of Telkomsel, the National Disability Insurance Agency (NDIA), and The St George and Sutherland Medical Research Foundation.

Paul was previously Chief Executive Officer of Singtel Group Consumer between 2012 and 2014, and Chief Executive Officer of Optus from 2004 to 2012. Paul holds a Bachelor of Arts in Modern Economics (First Class) from Trinity College, Dublin, and has completed the Advanced Management Program from Harvard Business School.



Fiona Balfour

Fiona has over 35 years' experience across aviation, information and telecommunication services, distribution and logistics, and corporate governance which includes 14 years with Qantas Airways Limited with six of these years served on the Executive Committee as Chief Information Officer.

Fiona currently sits on several boards including Airservices Australia, Metcash, and Australian Red Cross Blood Service. In addition to being a nominee Director for Public Sector Pension Investment Board (PSPIB) of Canada in Land Services South Australia Limited, Fiona is a former Director of Société Internationale de Télécommunications Aéronautiques ('SITA-SC') Geneva, TAL (Dai-ichi Life) Australia, and a number of not-for-profit organisations.

Fiona holds a Bachelor of Arts (Hons) from Monash University; a Graduate Diploma in Information Management from the University of NSW; and a Master of Business Administration from the Royal Melbourne Institute of Technology. Fiona is also a Fellow of Monash University, and Fellow of the Australian Institute of Company Directors.



Tim Eddy

Tim has over 30 years' experience leading and managing in a professional services environment, including most recently as Managing Partner Operations, Oceania at Ernst & Young. Throughout his career, Tim has developed specific expertise in a range of areas including: global and national transformation and change; developing new service offerings; growth strategies for business operations; and driving sound financial outcomes.

Tim holds a Bachelor of Commerce from the University of Melbourne, is a Fellow of the Chartered Accountants Australia & New Zealand, and a graduate of the Australian Institute of Company Directors. In addition, Tim has completed further study in Creating Value from Strategy at London Business School, and in Leading Professional Services Firms at Harvard Business School.



Vince Graham AM

Vince brings over 30 years' experience in senior and Chief Executive roles in infrastructure and public transport across the public sector. He has considerable knowledge of infrastructure projects in NSW, having been Chief Executive Officer of Networks NSW and RailCorp NSW, where he had responsibility for the \$30 billion public private partnership Waratah train project. Vince also sits on the Board of the Australian Rail Track Corporation (ARTC), and as a lifelong resident of Penrith, he brings a strong connection to Western Sydney.

Vince holds a Bachelor of Engineering (Civil), a Graduate Diploma in Management, and is a Fellow of the Australian Institute of Company Directors.

Director Profiles



Anthea Hammon

Anthea qualified as a mechanical engineer and is the Managing Director of Scenic World, a third-generation family business which has been operating in the Blue Mountains for over 70 years. As head of Australia's most visited privately owned tourist attraction, she has played a leading role in the company's strategy of investment and growth, and brings 15 years of knowledge and experience in the tourism industry. Anthea is also the Vice President of the Blue Mountains Accommodation and Tourism Association, Director of Blue Mountains Economic Enterprise, and was previously a Director of the Australian Amusement Leisure and Recreation Association.

Anthea holds a Bachelor in Engineering (Mechanical) (Hons) and is a Member of the Australian Institute of Company Directors.



John Weber

John is currently Chair of the Airservices Australia Board and is also on the Global Advisory Board of Elevate Services, a global technology and consulting company. He was Chief Executive of Minter Ellison and later a Managing Partner and member of the international executive of DLA Piper. John has worked extensively in industry and government across a diverse range of sectors, including transport, defence, infrastructure and financial services. He brings considerable Board experience from his roles in a number of public, private and not-for-profit organisations.

John holds a Bachelor of Laws from the Australian National University.



Christine Spring

With origins in civil engineering, Christine is an expert in aviation infrastructure development and airport operations with approximately 20 years' experience. She has Australian and international experience in aviation infrastructure delivery in New Zealand, the United Arab Emirates, Asia and the Pacific Islands. Christine is currently on the Board of Auckland International Airport, where her experience in aviation infrastructure and executive management is contributing to implementing its 30-year vision for the airport of the future. In addition, Christine is a Director of Unison Networks Ltd.

Christine holds a Bachelor of Engineering (Civil) from the University of Auckland; a Master of Science (Engineering) from the University of Texas, USA; a Master of Business Administration from Melbourne Business School; and is a Chartered Member of the Institute of Directors (New Zealand).

Operations

Review of operations

The review of operations for WSA Co is contained in the messages from the Chair and Chief Executive Officer, and the Operating Overview (at page 13).

Principal activities

WSA Co's principal activities during the period are described in the Operating and Financial Overview on pages 13 to 19. There have been no significant changes in the nature of those activities during the period.

Significant changes in the state of affairs

Other than the information set out in the Operating Overview, there were no significant changes in the state of affairs during the financial period ended 30 June 2018.

Significant events after the balance sheet date

The Directors are not aware of any matters or circumstances that have arisen since 1 July 2018 which have significantly affected, or may significantly affect:

- WSA Co's operations in future financial years;
- The results of those operations in future financial years; and
- WSA Co's state of affairs in future financial years.

Likely developments and expected results of operations

At this initial stage, likely developments include the assembly of tendering packages, procurement of contracts, and commencement of construction works, including the commencement of Early Earthworks on site. Further information is provided in the Chair's Message, Chief Executive Officer's Message and the Operating Overview.

Dividend

No dividends have been paid or declared since the Company was established in August 2017.

Environmental regulation

WSA Co is subject to significant environmental regulation in respect of its land development and construction activities. The Western Sydney Airport Plan imposes conditions for the design, construction and operation of the Stage 1 development and includes strict environmental standards and implementation of mitigation measures identified in the Environmental Impact Statement. Most of the conditions must be met by WSA Co as the site occupier of the Western Sydney Airport site.

Indemnification of officers

WSA Co has indemnified each of the Directors of the Company against legal proceedings, loss or liability that arises in their capacity as Directors of WSA Co. As at 30 June 2018, no material claims have been made.

Non-audit services

No non-audit services have been provided by the Auditor-General or the Australian National Audit Office.

Auditor's Independence Declaration

The Directors received an Independence Declaration from the Auditor-General. A copy of this declaration has been included with the Financial Report.

Signed in accordance with a resolution of the Directors.



Paul O'Sullivan
Chair of the Board



Tim Eddy
Chair of the Audit
and Risk Committee

27 August 2018

A child wearing aviator goggles and a striped shirt stands with arms outstretched. In the foreground, a man smiles. The background features a large, stylized star graphic composed of green and yellow triangles.

FY18 Remuneration Report

04

FY18

Remuneration Report



Letter from the Chair of the People, Remuneration and Nomination Committee

FY18 has been a significant start-up year for the Board and employees of Western Sydney Airport and for the Greater Western Sydney community as the Company started on the development of this transformational, infrastructure project that will shape the development of Western Sydney's future, adding much needed aviation capacity to Sydney and providing jobs closer to where people live.

Since its inception in August 2017, the Company has achieved a number of significant outcomes, including:

- Establishment of key Governance principles and requirements.
- Establishment of financial protocols and value for money principles.
- Becoming the Airport Lessee Company.
- Delivering the Draft ASL.
- Appointing the Delivery Partner, Project Manager Definition and Early Earthworks contractor.

In FY18, the Company defined its **Purpose**, "to generate social and economic prosperity by working together to safely deliver a thriving airport precinct in Western Sydney", its **Vision**, "to be the gateway of choice to Australia and around the world – connecting people, places and opportunity", its **Values** and its **Strategic Objectives**.

The Board is committed to ensuring that the Company's purpose and vision are supported by its remuneration policies and practices. The Board therefore established a remuneration strategy to underpin all remuneration policies and practices. Our remuneration strategy

aims to deliver superior performance and sustainable growth in the interests of the Greater Western Sydney community. It is designed to attract, grow and retain the quality of people required to achieve our Company objectives now and beyond 2026.

The remuneration strategy defines Western Sydney Airport's reward principles and reward objectives which:

- Promote judicious use of public money.
- Pay people competitively and reward contributions to the Company's long-term objectives.
- Deliver consistency and equity in remuneration.
- Embed governance processes that facilitate transparency, financial soundness and prudent risk management.

As the business evolves to be fully operational, the Board will adjust the remuneration strategy and framework to meet the Company's needs, within the established principles.

On behalf of the Western Sydney Airport Board of Directors, I am pleased to present our 2018 Remuneration Report.



Fiona Balfour
Chair People, Remuneration
and Nomination Committee

27 August 2018



FY18 Remuneration Report

1. Key Management Personnel

The Key Management Personnel (KMP) whose remuneration is disclosed in this year's report are:

Name	Title	Appointment Date
Non-executive Directors		
Paul O'Sullivan	Chair	7 August 2017
Fiona Balfour	Non-executive Director	7 August 2017
Timothy Eddy	Non-executive Director	7 August 2017
Christine Spring	Non-executive Director	7 August 2017
Anthea Hammon	Non-executive Director	14 November 2017
Vincent Graham AM	Non-executive Director	14 November 2017
John Weber	Non-executive Director	14 November 2017
Senior Executives		
Graham Millett ⁴	Chief Executive Officer	23 February 2018
Shelley Cole	Chief Financial Officer	18 September 2017
Maryanne Graham	Executive General Manager Corporate Affairs	1 February 2018
Katherine Newton-John	General Counsel & Company Secretary	27 November 2017
Jim Tragotsalos	Executive General Manager Airport Infrastructure	4 June 2018
Joanne Vaughan	Chief People & Culture Officer	18 December 2017

For the purposes of this disclosure, the Company has defined KMP as the Board Directors, the Chief Executive Officer (CEO) and Senior Executives who have authority and responsibility for planning, directing and controlling the activities of the organisation.

⁴ Graham Millett commenced his role as CEO on 23 February 2018. Prior to this, he held the role of Executive General Manager Airport Infrastructure from 1 November 2017. Preceding this he was an independent contractor from 18 September 2017.

2. Executive Remuneration

2.1 Remuneration governance at Western Sydney Airport

The role of the People, Remuneration and Nomination Committee (PRNC) is to assist the Board to fulfil its governance responsibilities in relation to people management and remuneration policies.

The table below sets out the roles and responsibilities of the Board, the PRNC and Management in relation to Executive remuneration.

The Board	PRNC	Management
<ul style="list-style-type: none"> Has accountability for the remuneration approach, structure and outcomes. 	<p>Makes recommendations to the Board on Executive remuneration including:</p>	<ul style="list-style-type: none"> Prepares recommendations and information for the PRNC's consideration and approval.
<ul style="list-style-type: none"> Approves Executive remuneration strategy, framework and outcomes. 	<ul style="list-style-type: none"> Remuneration of Executives including short-term incentive targets and outcomes (within the parameters of the guidelines set by the Commonwealth Remuneration Tribunal (the Tribunal) where applicable); 	<ul style="list-style-type: none"> Oversees the implementation of approved remuneration policies and processes.
	<ul style="list-style-type: none"> Employment contracts of Executives (within the parameters of the guidelines set by the Remuneration Tribunal where applicable); 	<ul style="list-style-type: none"> Monitors key employee data (including turnover, hiring rates and engagement) and Board reporting, enabling remuneration and benefits to support the Company's ability to attract and retain talented people.
	<ul style="list-style-type: none"> Termination payments of Key Management Personnel; 	
	<ul style="list-style-type: none"> The consistency of the Company's remuneration policies, recruitment practices, training and development process with strategic goals and People & Culture initiatives; and 	
	<ul style="list-style-type: none"> Terms and conditions of appointment of Directors (within the parameters of the Determination set by the Tribunal where applicable). 	

Overarching Board discretion

The Board retains overall discretion to adjust remuneration outcomes upwards or downwards. In applying this judgement, the Board will consider a range of factors, including, but not limited to:

- Safety outcomes, including the delivery of priorities, plus lead and lag indicators.
- Overall financial outcomes of the Company.
- Unanticipated political and/or economic events.
- The quality of the outcome in regard to adherence to the agreed strategy.
- Alignment of individual behaviours with the Company's vision and values.

FY18 Remuneration Report

Support from external advisors

During FY18, Western Sydney Airport received external advice in relation to remuneration from KPMG. The advice included market practice, current and emerging trends in executive remuneration design, and remuneration data used as inputs to the annual review of Senior Executive remuneration. KPMG undertook independent benchmarking of the Company's Executive roles and that analysis was used to inform the level and way in which Executive Remuneration should be set as the Company moves out of start-up to build phase. Once-off adjustments were applied for some executives where KPMG's benchmarking identified

anomalies and/or the executive's accountabilities, or scope of their role had significantly changed since their initial recruitment. The advice provided by KPMG did not constitute a remuneration recommendation as defined in the *Corporations Act 2001 (Cth)*.

2.2 Remuneration strategy and framework

Western Sydney Airport's reward strategy aims to deliver superior performance and sustainable growth in the interests of the Greater Western Sydney community. It is designed to attract, grow and retain the quality of people required to achieve our Company objectives now and beyond 2026.

Reward Principles

Market competitive	Performance orientated and equitable	Aligned with stakeholder public interest
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Reward Objectives

Pay people competitively and reward contributions to Western Sydney Airport's long-term objectives	Consistency and equity in remuneration	Remuneration & benefits policies and practices which promote judicious use of public money	Remuneration & benefits governance processes are transparent and support financial soundness and prudent risk management
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Reward Framework

The reward framework comprises of Fixed Annual Remuneration (FAR) and Short-Term Incentives (STI) and is designed to support the Reward Strategy.

<p>FAR</p> <p>FAR includes base salary, superannuation contributions and benefits appropriate to Executives.</p> <p>Where appropriate, FAR takes into account parameters established by the Tribunal (e.g. for the CEO).</p>	<p>STI</p> <p>The STI plan is an annual performance-based incentive linked to individual balanced scorecards of Key Performance Indicators (KPIs) and assessment against overall results and alignment to the Company's values. Where appropriate the STI also takes into account parameters established by the Tribunal (e.g. for the CEO).</p> <p>KPIs are a mix of financial and non-financial, safety, sustainability and people targets) and individual performance objectives directly related to the Executive's core area of responsibility. All amounts awarded under the STI are paid in cash. The Company does not currently defer any portion of the payments, with the exception of the CEO's STI which is partly deferred for 12 months. From the next reporting period, the Board intends to introduce a deferral period for a portion of the awarded STI for Executives.</p>
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With reference to the reward framework above, in FY19 the Company will continue to refine the remuneration framework, particularly the short-term incentives for Executives.

2.3 Remuneration Table

Remuneration for Senior Executives for FY18 is shown in the table below.

Name	Short-term benefits			Post-employment Benefit	Other Long-Term Benefit		Total Remuneration
	Base Salary	STI	Annual Leave	Superannuation Contributions	STI Deferral	Long Service Leave	
	\$	\$	\$	\$	\$	\$	\$
Graham Millett ¹	415,559	67,098	35,277	16,707	67,098	714	602,453
Shelley Cole ²	326,560	71,461	23,110	16,138	-	595	437,864
Maryanne Graham ³	158,313	44,384	12,253	8,354	-	249	223,553
Katherine Newton-John ⁴	195,230	55,923	14,019	12,653	-	359	278,184
Jim Tragotsalos ⁵	37,689	-	2,958	3,580	-	56	44,283
Joanne Vaughan ⁶	162,410	46,159	7,944	11,120	-	324	227,957
Total	1,295,761	285,025	95,561	68,552	67,098	2,297	1,814,294

¹ Graham Millett was appointed Executive General Manager Airport Infrastructure on 1 November 2017 with a potential STI of 30%. (Preceding this Mr Millett was an independent contractor from 18 September 2017 and was one of two Senior Executives within the Company who undertook all necessary functions to get the Company established). On 23 February 2018, Mr Millett was appointed Chief Executive Officer (CEO), with a potential STI of 40%.

² Shelley Cole was appointed General Manager Finance on 18 September 2017. The scope of her role changed significantly during the first twelve months. Initially, Ms Cole was one of two Senior Executives at the Company and undertook all necessary functions

to get the Company established. In January 2018, Ms Cole's accountabilities were formally expanded by the Board and her title upgraded to Chief Financial Officer. The Board undertook to review all accountabilities for all executives once the CEO was appointed (February 2018) and the organisational structure and accountabilities were subsequently reviewed and confirmed by the CEO in April 2018. The position was sized and benchmarked in May 2018 and reviewed and approved by the Board in June 2018. Ms Cole has a potential STI of 30%.

³ Maryanne Graham was appointed Executive General Manager Corporate Affairs on 1 February 2018. Ms Graham has a potential STI of 30%.

⁴ Katherine Newton-John was appointed General Counsel and Company Secretary on 27 November 2017. Ms Newton-John has a potential STI of 30%.

⁵ Jim Tragotsalos was appointed Executive General Manager Airport Infrastructure on 4 June 2018. Mr Tragotsalos has a potential STI of 30%.

⁶ Joanne Vaughan was appointed Chief People and Culture Officer on 18 December 2017. Ms Vaughan has a potential STI of 30%.



FY18 Remuneration Report

2.4 FY18 performance outcomes

The CEO and Senior Executive scorecards contain a range of financial and non-financial KPIs that are aligned to the strategy/strategic priorities of Western Sydney Airport.

The organisation's scorecard in FY18 is detailed below:

Strategic Domain	KPI Description	Performance Outcome
Safety Record	Safe personnel work practices leadership.	Achieved
Relative Cost Structure	Capital expenditure forecast to December 2026 remains within the \$5.3 billion government funding limit at 30 June 2018.	Achieved
Relative Cost Structure	The FY18 Budget does not exceed \$324.7 million, including CPA.	Achieved
Relative Cost Structure	\$300 million of contracts are entered into.	Achieved
People & Culture	Develop the Company's culture aspirations, including values and behaviours.	Achieved
Design & Planning	Appoint the Delivery Partner, Project Manager Definition and Early Earthworks contractors and quality procurement documentation is approved in relation to these contractors.	Achieved

Based on the progress made by the Company and the significant achievements in FY18, the Board determined that the CEO should receive an STI award of 90% of the maximum potential STI.

Senior Executives were awarded an average of 91% of the maximum potential STI.

3. Non-executive Director Fees

All Non-executive Directors of Western Sydney Airport are appointed by the Commonwealth of Australia through the Shareholder Ministers.

Fees for Non-executive Directors are set through the determinations of the Remuneration Tribunal, an independent statutory body overseeing the remuneration of key Commonwealth officers. The Company is regulated to comply with the Remuneration Tribunal's determinations which are prescribed independently.

The Remuneration Tribunal sets annual Chair, Deputy Chair and Board fees (exclusive of statutory superannuation contributions) which are inclusive of all activities undertaken by Non-executive Directors on behalf of the Company (i.e. inclusive of Committee participation). Fee packaging may be made available to

Non-executive Directors within the fees specified. Statutory superannuation is paid in addition to the fees set by the Remuneration Tribunal.

The following table sets out the Non-executive Director fees (excluding superannuation) as directed by the Remuneration Tribunal for FY18. There was no Deputy Chair appointed to the Board in FY18.

Board Position	FY18 Entitlement
Chair	\$159,820
Deputy Chair	\$119,870
Non-executive Directors	\$79,910

The remuneration of Non-executive Directors for FY18 is shown in the table below.

Name	Short-Term benefits (Director's fees)	Post-employment benefit (Superannuation contribution)	Total Remuneration	Appointment date
	\$	\$	\$	
P O'Sullivan	143,924	13,673	157,597	7 August 2017
F Balfour	72,344	6,873	79,217	7 August 2017
T Eddy	72,344	6,873	79,217	7 August 2017
V Graham AM	50,387	4,787	55,174	14 November 2017
A Hammon	50,387	4,787	55,174	14 November 2017
C Spring	72,344	6,873	79,217	7 August 2017
J Weber	50,387	4,787	55,174	14 November 2017



**Corporate Governance
Statement**

05

Corporate Governance Statement



This statement, which was approved by the Board on 27 August 2018, outlines Western Sydney Airport's corporate governance framework and practices.

The Company is committed to maintaining high standards of corporate governance which it considers essential to the integrity, sustainability and performance of the Company and to acting in the best interests of its Shareholder.

Western Sydney Airport has established a robust governance framework, including policies and procedures, to achieve compliance with legal and regulatory obligations, reflect best practice and to meet requirements of probity. As a GBE, the Company is also subject to Parliamentary scrutiny and is required to keep Shareholder Ministers informed of activities, issues and decisions affecting the Company.

Western Sydney Airport's corporate governance framework has been developed with consideration given to government, regulatory and legislative requirements, as well as best market practice, including:

- The PGPA Act and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).
- *The Corporations Act 2001 (Cth)*.
- *The Commonwealth Government Business Enterprise Governance and Oversight Guidelines August 2015* (GBE Guidelines).

- The Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles & Recommendations, 3rd Edition (ASX Principles) that Western Sydney Airport considers relevant to the Company.
- The Company's Commercial Freedoms Framework, as approved by the Shareholder Ministers.
- Other resource management guides issued by the Department of Finance that are applicable to the Company.

As a GBE, Western Sydney Airport is wholly-owned by the Commonwealth of Australia, and was represented during the reporting period by Ministers in two Shareholder portfolios, being Urban Infrastructure and Cities (the Responsible Minister) and Finance.

Western Sydney Airport is a public company limited by shares and incorporated in Australia. As the Company is wholly-owned by the Commonwealth of Australia, pursuant to Section 250N (4) of the *Corporations Act 2001 (Cth)*, it is not required to hold an Annual General Meeting.

The Company's corporate governance framework voluntarily reflects the eight principles detailed in the ASX Principles, as relevant to Western Sydney Airport. The following table outlines where each ASX Principle is considered in this Corporate Governance Statement.

ASX Principle	Reference within this Corporate Governance Statement
1 Lay solid foundations for management and oversight	The Board (pages 36 - 37) Board Committees (pages 39 - 40)
2 Structure the Board to add value	The Board (pages 36 - 37) Board Committees (pages 39 - 40)
3 Act ethically and responsibly	Ethical and Responsible Behaviour (pages 41 - 42)
4 Safeguard integrity in financial reporting	Safeguard integrity in financial reporting (page 43)
5 Make timely and balanced disclosure	Interaction with Shareholder Ministers (page 45)
6 Respect the rights of security holders	Interaction with Shareholder Ministers (page 45)
7 Recognise and manage risk	Risk Management (page 44)
8 Remunerate fairly and responsibly	Remunerate fairly and responsibly (page 41)

Corporate Governance Statement

1. Western Sydney Airport's Corporate Governance Framework



2. The Board

2.1 Board members

The Board comprises seven independent Non-executive Directors, the biographical information and appointment details of whom are outlined in the Directors' Report on pages 22 to 25. The Board comprises four males and three females.

2.2 Role and responsibilities of the Board

The Board is ultimately responsible for the performance of Western Sydney Airport, including meeting its accountability obligations to the Commonwealth. The role of the Board is to provide strategic guidance for the Company and effective oversight of Management. The key responsibilities of the Board are:

- appointing and reviewing the performance of the CEO, subject to consultation with the Shareholder Ministers;
- ensuring that each year a Corporate Plan is prepared and submitted, and monitoring Management in the implementation of the Corporate Plan and the strategic direction of the Company;
- determining the risk appetite of the Company and monitoring significant business risks and the adequacy, appropriateness and operation of risk management, and associated internal controls and frameworks;
- establishing, reviewing and overseeing a Code of Conduct for Directors, Senior Executives and other employees; and
- monitoring and overseeing compliance with all legal and regulatory requirements, ethical standards and policies.

Further details of the responsibilities of the Board, including matters that are specifically reserved for the Board are set out in the Board Charter.

The Board Charter is reviewed annually, and a copy is available on the Western Sydney Airport website at www.wsaco.com.au.

2.3 Delegation and reservation of powers

To assist the Board in providing strategic guidance, the Board may delegate some of its powers to the CEO and Management. These matters are set out in the Company's Delegation of Authority Policy. This policy clarifies the respective roles and responsibilities of the Board and Senior Management to facilitate accountability and transparency in decision-making processes.

The major matters specifically reserved for the Board are:

- the appointment and removal of the CEO following consultation with the Commonwealth and evaluation of the CEO's performance;
- the establishment of Board Committees, their membership and delegated powers;
- the appointment, re-appointment or removal of the Company's external auditors;
- the recommendation of dividends, following consultation with the Shareholder Ministers;
- review and ratification of systems of risk management, accountability, internal compliance and control, and legal compliance to ensure that appropriate compliance frameworks and controls are in place;

- review and oversight of the implementation of a Code of Conduct for Directors, Senior Management and all other employees;
- monitor and oversee compliance with best practice governance requirements;
- oversight of the physical and technological security posture for the Company;
- monitoring performance of Senior Management, including its ability to deliver the Company's milestones; and
- the approval of Financial Statements, the Annual Report and Corporate Plan.

2.4 Performance of the Board

The performance of the Board as a whole, and the Chair of the Board, is assessed annually. In line with GBE requirements, the Chair of the Board provides Shareholder Ministers with written confirmation that this review has occurred and advises of any areas of concern.

Given the limited operating period of the Company, an internal evaluation process was conducted by the Board in June 2018. An external review of the Board will be conducted in 2019.

Induction of Directors and professional development

Western Sydney Airport carried out an induction program for all Directors, which will be reviewed periodically by the Company Secretary. The program included meeting with Senior Management, a tour of the Airport site and receipt from the Commonwealth of information pertaining to legislative requirements. Education and information on relevant topics is provided through presentations and briefings to the Board and Board Committees.

The Company is developing an ongoing program of education and training to provide appropriate opportunities for Directors to develop and maintain the professional skills and knowledge needed to effectively perform their role. This training includes updates in relation to WHS, environmental and legal developments.

2.5 Board size, independence, composition and appointment

According to the Company's Constitution, the Western Sydney Airport Board must comprise of a minimum of 3 and a maximum of 7 independent Non-executive Directors.

The Board will regularly review the composition of the Board to ensure it comprises the optimum number of Directors and that the Directors have an appropriate mix of skills.

Appointment of Directors

Directors are appointed by the Australian Government by way of a formal letter of appointment setting out the key terms and conditions. The maximum term of office of a Director is 5 years. At the end of this period, the Director will retire but be eligible for re-appointment.

Independence of Directors

At the time of appointment to the Board, each Director's independence was assessed. At the time of appointment and through to the date of this statement, the Board considers all Directors to be independent.

Conflicts of interest

All Directors of Western Sydney Airport are required to disclose to the Company any interests or other Directorships held, and to update the information provided in a timely manner. A Register of Interests is maintained by the Company to manage any potential conflicts of interest and this is tabled at each Board meeting.

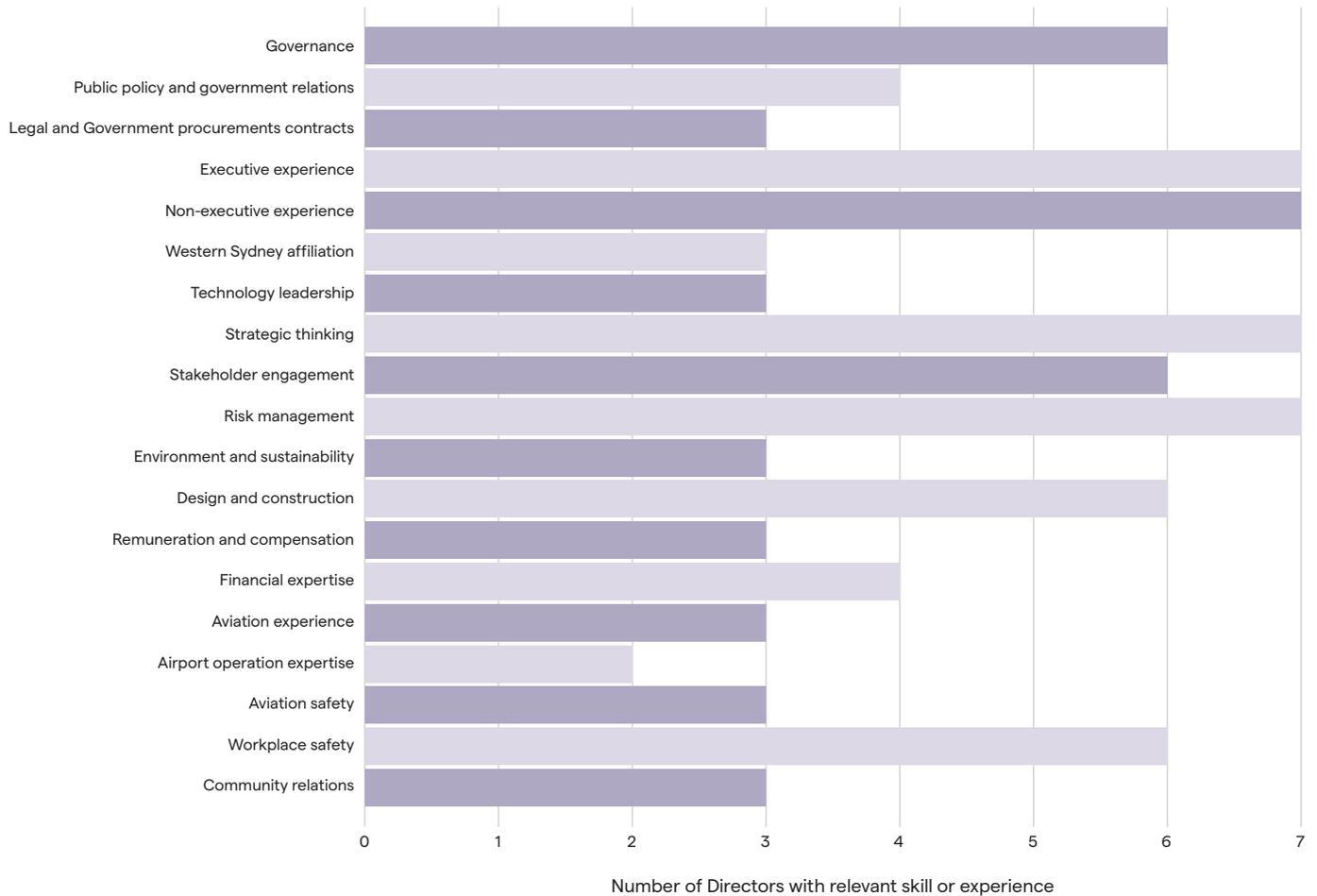
Where a Director has a declared material personal interest in a matter, or may have a potential material conflict of interest, the Director will not participate in any discussion or voting when the matter is being considered by the Board or relevant Board Committee.

Each year, Directors will be requested to complete a declaration of personal interests which is subject to review by the Company's People, Remuneration and Nomination Committee, and subsequently the Board.

2.6 Board skills matrix

The following table sets out the skills that the Western Sydney Airport Board is seeking in its membership, together with the details of those skills that the Directors contribute to the Board.

Board Skills and Experience



3. Board Committees

To assist the Board in its performance of its responsibilities, the Board has established four Board Committees.

Each Committee is governed by its own Charter, detailing the Committee's role and responsibilities, membership requirements and frequency of meetings. Each Charter is reviewed annually and revised as appropriate.

Committee	Role and responsibilities	Membership requirements	Frequency of meetings
Audit and Risk Committee	The primary responsibility of the Committee is to assist the Board to discharge its responsibilities in respect of financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.	The Committee must comprise: <ul style="list-style-type: none"> • A majority of independent Non-executive Directors; • At least three members all of whom are financially literate; • At least one member who has accounting or related financial expertise; and • At least one member who has the necessary technical knowledge and understanding of the industry in which the Company operates. 	At least four times per year.
People, Remuneration and Nomination Committee	The primary responsibility of the Committee is to assist the Board in fulfilling its responsibilities in respect of people management and remuneration policies, including nominations to the Board, the performance of Directors, overseeing the remuneration strategy and to make recommendations to the Board regarding remuneration of the CEO and Senior Executives.	The Committee must comprise: <ul style="list-style-type: none"> • A majority of independent Non-executive Directors; and • At least three members. 	At least four times per year.
Design and Construction Committee	The primary responsibility of the Committee is to oversee the core design, construction and delivery projects associated with the development of Western Sydney Airport.	The Committee must comprise <ul style="list-style-type: none"> • At least two members of the Board. In addition, the CEO will be invited to attend each Committee meeting; and • At least one member who has an understanding of construction and/or airport infrastructure so as to be able to assist the Committee to effectively discharge its duties. 	As required.
Safety, Health, Environment and Community Committee	The primary responsibility of the Committee is to assist the Board in its oversight of health, safety and environment matters arising out of the Company's activities as they may affect employees, contractors and local communities.	The Committee must comprise: <ul style="list-style-type: none"> • A majority of independent Non-executive Directors; and • At least three members. 	At least four times per year.

A copy of each Committee Charter is available on the Western Sydney Airport website at www.wsaco.com.au.



Corporate Governance Statement

3.1 Board committee membership (as at 27 August 2018)

Director	Audit and Risk Committee	People, Remuneration and Nomination Committee	Design and Construction Committee	Safety, Health, Environment and Community Committee
Paul O'Sullivan	Yes	Yes	Yes	Yes
Fiona Balfour	Yes	Yes (Chair)	Yes	
Tim Eddy	Yes (Chair)	Yes		
Vince Graham AM		Yes	Yes	Yes (Chair)
Anthea Hammon		Yes		Yes
Christine Spring			Yes (Chair)	
John Weber	Yes		Yes	Yes

Further information on the number of times the Board and Board Committees met during the period, as well as the attendance at each meeting, is provided on page 22.

4. Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with proper functioning of the Board.

The Board Charter states that the Company Secretary will:

- Circulate agendas for, and minutes of, meetings to all Directors;
- Take minutes of all meetings of the Board and Committees; and
- Maintain and hold a record of all approvals and recommendations made by the Board at each meeting.

The Board is responsible for appointing Western Sydney Airport's Company Secretary. Katherine Newton-John was appointed to the role of General Counsel and Company Secretary, effective 27 November 2017. Melanie Burnicle, was appointed as a second Company Secretary effective 8 May 2018.

Katherine Newton-John

Katherine is a lawyer and governance professional with over 18 years' experience, both in the UK and Australia, in private practice and in-house roles, including the ASX listed environment and government sector. She also holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia and is a graduate of the Australian Institute of Company Directors.

Melanie Burnicle

Melanie is a lawyer and governance professional with over 10 years' experience in both private practice and in-house roles. She holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

5. Remunerate Fairly and Responsibly

5.1 Directors' remuneration

The Remuneration Tribunal determines the remuneration and travel allowances payable to Non-executive Directors. Full details of Directors' remuneration are included in the Remuneration Report on page 33.

5.2 Senior Executive performance and remuneration

Western Sydney Airport's People, Remuneration and Nomination Committee assists the Board in designing executive remuneration to attract, retain and motivate high quality Senior Executives and to align their interests with the creation of long-term value.

The performance of Senior Executives is reviewed annually by the People, Remuneration and Nomination Committee. The outcome of the FY18 performance evaluation, and information about Western Sydney Airport's remuneration framework and policies for Senior Executive Remuneration, are outlined in the Remuneration report on pages 27 to 33.

The remuneration of Senior Executives is set by Western Sydney Airport's People, Remuneration and Nomination Committee on behalf of the Board. Full details of the Senior Executives' remuneration are included in the Remuneration Report on page 31.

6. Ethical and Responsible Behaviour

Western Sydney Airport is committed to achieving the highest levels of safety, integrity, sustainability and performance in all its activities.

The Company's purpose is to generate social and economic prosperity by working together to safely deliver a thriving airport precinct in Western Sydney. The Company is committed to

achieving this whilst maintaining the highest levels of safety integrity, sustainability and performance.

Underpinning the realisation of this purpose is a set of core values used to cultivate a positive corporate culture that empowers people to deliver ethically and responsibly.

Core values

Safety	Western Sydney Airport is relentless in applying the highest physical and psychological safety standards for the continuous health and well-being of its people.
Integrity	Western Sydney Airport holds self and others accountable to instil trust by operating with honesty, integrity and authenticity.
Inclusion	Western Sydney Airport fosters an inclusive and diverse working environment and recognises the value of different perspectives and cultures. Diverse teams working together positively impacts the value and direction of the Company.
Pioneering	Western Sydney Airport is nimble and always actively learning through experimentation to forge forward, continuously creating new and better ways for the Company to be successful.
Courage	Western Sydney Airport acts with courage to address difficult issues and make quality decisions to keep the Company moving forward.
Passion	Western Sydney Airport is committed to driving the Company's vision, strategy, and purpose by creating a climate where everyone is motivated to do their best.



Corporate Governance Statement

6.1 Code of Conduct

Western Sydney Airport's Code of Conduct was approved by the Board on 9 April 2018 and applies to Directors, Senior Executives and other employees. The Code provides information about the behaviours that the Company expects and which will foster a culture where ethical conduct is valued and demonstrated in day-to-day business.

All employees, consultants and contractors are required to demonstrate key behaviours consistent with the following standards:

- Maintaining high standards of transparency, honesty and fairness.
- Respecting difference and embracing different ways of thinking.
- Refusing to tolerate bullying, harassment or discrimination.
- Working collaboratively and openly with each other.
- Considering environmental and social impacts when making a business decision, and ensuring resources are used responsibly.

The Code of Conduct is supported by the following detailed policies:

- Equal Opportunity, Diversity and Inclusion Policy.
- Confidentiality Policy.
- Gifts and Benefits Policy.
- Fraud and Corruption Control Policy.
- Delegation of Authority Policy.
- Risk Management Policy.
- Whistleblower Policy.

The Code of Conduct is available on the Western Sydney Airport website at www.wsaco.com.au.

6.2 Privacy

Western Sydney Airport has a Privacy Policy that sets out how the Company must manage personal information to comply with the requirements of the *Privacy Act 1988 (Cth)*. The Privacy Policy will be reviewed regularly, and a copy of the Policy is available on the Western Sydney Airport website at www.wsaco.com.au.

6.3 Whistleblower protection

Western Sydney Airport recognises the importance of providing a safe, supportive and confidential environment where people feel confident about reporting wrongdoing without fear of retaliation and are supported and protected throughout the process. The Whistleblower Policy provides a framework for the escalation of 'reportable or disclosable conduct'. This includes conduct that is illegal, improper, unethical or in breach of the Company's corporate policies.

The Whistleblower Policy applies to all Western Sydney Airport Directors, officers, employees, suppliers of goods or services (or their employees), which includes secondees and contractors, and covers disclosures under both the *Corporations Act 2001 (Cth)* and the *Public Interest Disclosure Act 2013 (Cth)*.

A whistleblower may make a disclosure under the Whistleblower Policy to their immediate manager, a designated Senior Executive, or through an independently managed Whistleblower Hotline, which is managed by KPMG.

No public interest disclosures or reports pursuant to the *Corporations Act 2001 (Cth)* were received in the reporting period.

7. Safeguard Integrity in Corporate Reporting

Western Sydney Airport has developed formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting. This includes the annual Directors' Report and other reports in the Company's corporate reports portfolio released to the market.

The portfolio of corporate reports currently comprises the Company's:

- Corporate Plan; and
- Annual Report, including the Directors' Report, Remuneration Report, Corporate Governance Statement, Financial Report and Regulatory Report.

7.1 Internal controls

During the reporting period, the Company implemented a number of internal controls to ensure the integrity of corporate reporting systems, including the accuracy of financial reporting. These internal controls take the form of appropriate financial delegations, financial planning and reporting, and compliance with appropriate procurement standards.

Prior to the release of any corporate reports to the market, the reports are reviewed by Management, the Audit and Risk Committee, and ultimately approved by the Board. This process helps to ensure that corporate reports are accurate, compliant and comprehensible, and provide Shareholder Ministers with appropriate information to make informed decisions.

Western Sydney Airport will continually seek to improve the effectiveness of its risk management and control processes. In June of 2018, the Board approved the appointment of Deloitte as the Company's Internal Audit provider for an initial 2-year term. The Internal Auditor will implement a program of regular evaluation of the Company's risk management and control processes, and this program will be reviewed and endorsed by the Audit and Risk Committee. Similarly, evaluation outcomes will be regularly reported to the Audit and Risk Committee.

7.2 External audit

Pursuant to Section 98 of the PGPA Act, the Auditor-General is responsible for auditing the Financial Statements of Western Sydney Airport, as well as compliance with the performance standards prescribed for GBEs. In addition, Western Sydney Airport's Annual Report is tabled in Parliament and the Company's Financial Report is lodged with the Australian Securities and Investments Commission (ASIC).

In addition to annual Financial Statement audits, the Auditor-General is also responsible for auditing compliance with the performance standards prescribed for GBE's, in the circumstances outlined in the *Auditor General Act 1997 (Cth)*.

7.3 Declaration by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

Prior to the approval of the Annual Financial Statements by the Board, the CEO and CFO provide confirmation in writing that the financial records of the entity have been properly maintained and that the financial statements give a true and fair view of the financial position and performance of the Company.

They also make representations over the adequacy and effectiveness of the Company's risk management framework and internal controls.

Based on the evaluation performed as at 30 June 2018, the CEO and CFO concluded that, as of the evaluation date, such risk management, internal compliance and control systems were reasonably designed, that the Financial Statements and notes of the Company are in accordance with the PGPA Act and the *Corporations Act 2001 (Cth)*, and that there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due.

8. Commitment to Risk Management

Western Sydney Airport's Board of Directors and Management are committed to implementing a robust risk management framework and processes as part of strategic and operational planning as a GBE, across its business domains and as the owner of project delivery for the design, construction and operation of Western Sydney Airport.

The organisation aims to foster a strong, positive risk culture based on shared values and behaviours, in order to promote an open and proactive approach to managing risk that considers both threat and opportunity and is one where risk is appropriately identified, assessed, communicated and managed across the Company.

8.1 Approach to risk management

The Risk Management Policy, Framework and the Audit and Risk Committee Charter provides the mandate from the Board and Management for how the Company will undertake the management of risk.

The Risk Management Framework is the overarching policy statement and process for the role of risk management within Western Sydney Airport. 'AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines on implementation' is the international benchmark for risk management and provides the Standard by which the Company manages risk. It outlines the foundation and organisational arrangements for implementing, monitoring, reviewing and continually improving risk management across the business.

Through consistent and comprehensive application of the framework the Company will:

- Increase the likelihood of achieving strategic and business objectives.
- Encourage a high standard of accountability.
- Support effective decision making through increased understanding of risk exposures and opportunities.
- Meet compliance and governance requirements.
- Ensure risks are identified, assessed and treated on a priority basis and in a consistent manner across the business.
- Ensure control frameworks are incorporated into operational processes.

This framework also details the accountabilities and responsibilities of management, employees, contractors and sub-contractors, as well as the governance, processes and communication requirements. It allows foreseeable risks to be identified and understood so that sound business decisions can be made despite uncertainty.

The effective management of risk is essential to the success of any organisation and successful delivery of any project, and Western Sydney Airport is committed to establishing and maintaining the highest standards of risk management.

8.2 Western Sydney Airport's risk profile

Western Sydney Airport's risk profile is grouped into four main categories: Strategic, Financial, Operational and Stakeholder. Across these four categories, the Company is managing risk across the following risk areas:

- Workplace Health and Safety.
- Heritage and Environment.
- Legal / Regulatory.
- Financial.
- Program.
- Service Delivery and Continuity.
- Information Management.
- Resources.
- Security.

9. Diversity and Inclusion

Western Sydney Airport believes strongly in equal opportunity, diversity and inclusion in communities and in workplaces, and values the contribution of all its people. The Company recognises that diverse experiences and backgrounds will help it grow as an ethical and productive business. Diversity within the workplace will enable the Company to leverage the unique perspective of all its people to best serve customers, the community, the business and each other.

The Company is actively looking for ways to develop a vibrant, diverse and inclusive work force. In particular, Western Sydney Airport is committed to:

- Providing opportunities to Indigenous Australians.
- Supporting individuals from disadvantaged backgrounds.
- Fostering the recruitment and promotion of women in the workforce.
- Supporting members of the Western Sydney community through employment, apprenticeships, training and other related opportunities.
- Using innovation and practising flexibility to support flexible work arrangements for those who would benefit from it.

9.1 Diversity and inclusion targets

To help Western Sydney Airport achieve a diverse workforce, the following workforce targets have been set:

Category	Workforce Target	Progress Against Targets
Local Employment	30% during construction from the Western Sydney catchment (Western Sydney City Deal Local Government Areas - Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly - as well as Parramatta, Auburn, Bankstown, Blacktown, Holroyd, and the Hills District).	Work is underway to establish a baseline
Diversity	10% by 2025 Covering Indigenous, women in non-traditional roles, women in leadership positions, economically and socially disadvantaged groups, and people with a disability.	Work is underway to establish a baseline
Learning Workers (including apprentices)	20% by 2025 Including trainees, apprenticeships and workers training to upgrade their qualifications and skills.	Work is underway to establish a baseline

10. Interactions with the Shareholder Ministers

10.1 Shareholder communications

Western Sydney Airport maintains regular communication with the Shareholder Ministers and Departments on an ongoing basis to inform these stakeholders of any significant development.

In compliance with the PGPA Act and the GBE Governance and Oversight Guidelines, Western Sydney Airport provides information about the Company and its governance to Shareholder Ministers through the Annual Corporate Plan, Annual Report and regular Shareholder reports and meetings. The Company submitted its FY19 Corporate Plan, for the reporting period of FY19 to FY22, to its Shareholder Ministers on the 27 August 2018.

10.2 Disclosure obligations

Western Sydney Airport has statutory obligations to keep the Shareholder Ministers informed of its activities which are similar to the continuous disclosure requirements applicable to ASX listed entities. As soon as Western Sydney Airport becomes aware of any significant issues or information that may affect the Company, this information is required to be communicated on a confidential basis to Shareholder Ministers. This may include significant changes to the business environment and any associated risks which may impact on the delivery of the Airport, and/or future revenue projections.

Financial Report

06

Financial Report

Contents

Financial statements	48	E. Other Information	59
Statement of Comprehensive Income	48	E.1 Notes to Statement of Cash Flows	59
Statement of Financial Position	49	E.2 Provisions	59
Statement of Changes in Equity	50	E.3 Income tax expense	60
Statement of Cash Flows	51	E.4 Lease commitments	61
Notes to the financial statements	52	E.5 Remuneration of auditors	61
A. About this Report	52	E.6 Related party disclosures	61
B. Building the Airport	53	E.7 New standards and interpretations early adopted	62
B.1 Significant contractual arrangements and commitments	53	E.8 Events after the reporting period	62
B.2 Site preparation activities	54	Directors' Declaration	63
B.3 Property, plant and equipment	55	Auditor's Independence Declaration	64
C. Capital and Financial Risk Management	56	Independent Auditor's Report	65
C.1 Share capital	56		
C.2 Financial risk management	57		
D. Our People	58		
D.1 Employee benefits provisions	58		
D.2 Employee benefits expense	58		
D.3 Key management personnel compensation	58		





Statement of Comprehensive Income

For the period from 7 August 2017 to 30 June 2018

	Notes	2018 \$000
Other income		
Interest income		573
Total income		573
Expenses		
Site preparation	B2	(211,823)
Design and project management		(19,902)
Decontamination	E2	(25,144)
Employee benefits	D2	(6,035)
Professional services		(11,066)
Depreciation and amortisation		(182)
Other		(6,389)
Total expenses		(280,540)
Loss before income tax		(279,967)
Income tax benefit	E3	-
Loss for the period		(279,967)
Other comprehensive loss		
Items forming part of other comprehensive loss		-
Total other comprehensive loss		-
Total comprehensive loss		(279,967)

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



Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$000
ASSETS		
Current assets		
Cash and cash equivalents	E1	41,097
Prepayments		1,512
Trade and other receivables		2,144
Total current assets		44,753
Non-current assets		
Property, plant and equipment	B3	3,653
Prepayments		9,975
Total non-current assets		13,628
Total assets		58,381
LIABILITIES		
Current liabilities		
Trade and other payables		31,657
Payment received in advance		5,000
Lease liabilities	E4	524
Employee benefit provisions	D1	287
Other provisions	E2	17,221
Total current liabilities		54,689
Non-current liabilities		
Employee benefit provisions	D1	6
Other provisions	E2	7,923
Total non-current liabilities		7,929
Total liabilities		62,618
Net liability		(4,237)
Equity		
Share capital	C1	275,730
Accumulated losses		(279,967)
Total equity		(4,237)

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



Statement of Changes in Equity

For the period from 7 August 2017 to 30 June 2018

	Accumulated Losses \$000	Contributed Equity \$000	Total Equity \$000
2018			
Loss for the period	(279,967)	-	(279,967)
Other comprehensive loss	-	-	-
Total comprehensive loss	(279,967)	-	(279,967)
Transactions with owners of the Company:			
Contributions of equity	-	275,730	275,730
Total transactions with owners	-	275,730	275,730
Balance at 30 June 2018	(279,967)	275,730	(4,237)

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



Statement of Cash Flows

For the period from 7 August 2017 to 30 June 2018

	Notes	2018 \$000
Cash flows from operating activities		
Interest received		477
Payments to suppliers and employees		(90,667)
Net cash from operating activities		(90,190)
Cash flows from investing activities		
Proceeds from Government contribution		5,000
Payments for work in progress	B3	(2,380)
Payments for property, plant and equipment	B3	(845)
Net cash from investing activities		1,775
Cash flows from financing activities		
Equity injection for ordinary shares by the Commonwealth of Australia	C1	129,630
Payments for leases		(118)
Net cash from financing activities		129,512
Net increase in cash and cash equivalents		41,097
Cash and cash equivalents at the beginning of the financial year		-
Cash and cash equivalents at end of period		41,097

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

Notes to the Financial Statements



For the period from 7 August 2017 to 30 June 2018

A. About this Report

Introduction

WSA Co Limited (WSA Co, the Company) is an unlisted public company incorporated and domiciled in Australia. It is a company limited by shares and is wholly-owned by the Commonwealth of Australia.

WSA Co is a Government Business Enterprise (GBE), incorporated under the *Corporations Act 2001 (Cth)* and operating under the PGPA Act.

WSA Co was established to develop and operate Western Sydney Airport. The planned project completion date is 24 December 2026.

This Financial Report is the first financial report for the Company and includes the financial statements and notes to the financial statements, from the date of incorporation on 7 August 2017 to 30 June 2018. WSA Co is a for-profit entity for the purpose of preparing the Financial Report.

The Financial Report was authorised for issue by the Board of Directors on 27 August 2018.

Statement of Compliance

This Financial Report is a general-purpose financial report which has been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).
- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).
- *Corporations Act 2001 (Cth)*.
- PGPA Act.

Basis of preparation

The Financial Report:

- Has been prepared on a historical cost basis.
- Has been prepared on a going concern basis.
- Is presented in Australian dollars, the functional currency of the Company.
- Is presented with values rounded to the nearest thousand dollars (\$000), unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.
- The Company was incorporated during the current financial year therefore no comparatives are provided.

New accounting standards and interpretations early adopted by the Company are detailed in note E7 and significant accounting policies are contained in the notes to the financial statements to which they relate.

Significant accounting estimates and judgments

In the process of applying the Company's accounting policies, Management has made a number of judgments and applied estimates and assumptions to future events. Estimates and judgments that are material, or have the potential to be material to the financial report, are found in the following notes:

Accounting estimate or judgment	Note
Determination of useful lives of property, plant and equipment	B3
Decontamination provision	E2

Capital funding and liquidity

The Company has incurred a loss after tax for the period ended 30 June 2018 of \$279.9 million and is currently in a net liability position of \$4.2 million. The Company has sufficient funds to meet its existing financial obligations at balance sheet date.

The Company has entered into an Equity Subscription Agreement (ESA) with its Shareholder, the Commonwealth Government, which provides access to funding of up to \$5.3 billion to construct the Airport's Functional Specifications. This primarily includes airside civil infrastructure, runways and taxiways, and terminal and car park, which were identified by the Government as the minimum requirements to operate a functioning passenger airport.

The Shareholder is committed to make equity funding available as needed to ensure the project can be executed as planned.

Directors believe that the ESA will enable the Company to meet its financial obligations as and when they fall due.

WSA Co has the option to develop additional infrastructure it considers desirable for the Airport, and to consider the means by which these additional facilities will be funded. Once operational, the Directors anticipate that the business will no longer be dependent on Shareholder funding.

B. Building the Airport

This section includes information relating to the capital project spend, including significant contractual arrangements, site preparation expenses, the property, plant and equipment the Company has already purchased or leased, and the capitalisation of costs incurred in constructing the Airport.

- B.1 Significant contractual arrangements and commitments
 - B.2 Site preparation expense
 - B.3 Property, plant and equipment
-

B.1 Significant contractual arrangements and commitments

WSA Co has entered into key fundamental agreements with the Commonwealth of Australia, including the lease of the Western Sydney Airport site and execution of preparatory activities.

In addition, the Company has entered into a number of contractual arrangements with various third-party contractors to execute the build of the Airport.

These agreements are essential to WSA Co's ability to achieve its short and long-term objectives.

Airport Lease Grant

On 17 May 2018, WSA Co became the Airport Lessee Company by entering into a lease with the Commonwealth of Australia for 50 years with an additional 49-year option. The lease is administered by the Department of Infrastructure, Regional Development and Cities (Department of Infrastructure). The airport lease gives WSA Co the right to use the designated land at Badgerys Creek as the site for the Airport. The terms of the lease require nil cash consideration, although significant obligations in the lease require WSA Co to design and develop the Airport to meet functional specifications determined by the Commonwealth of Australia.

On the basis that the cost of the lease to WSA Co is nil, no land asset has been recorded by the Company.

Notes to the Financial Statements

B.1 Significant contractual arrangements and commitments

Commonwealth Preparatory Activities (CPA)

CPA relates to activities that will be undertaken by the Commonwealth on behalf of WSA Co. The activities primarily relate to biodiversity offsets, noise amelioration, relocation of pre-existing cemeteries and land acquisitions. WSA Co has agreed to a payment schedule of funding to the Commonwealth for these activities.

The Company adopted the accounting policy to expense CPA payments, as the amounts are remitted to the Commonwealth.

Contracted works and expenditure

Contractual commitments for agreements relating to the construction of the Airport as at Statement of Financial Position date include:

Contracted Works	Committed Spend (\$000)		
	< 12 months	1 – 5 years	> 5 years
Delivery Partner and Project Manager (Definition)	35,445	135,690	77,364
Enabling Activities	82,872	25,947	-
CPA	99,600	199,200	-
TOTAL	217,917	360,837	77,365

B.2 Site preparation activities

For the period from 7 August 2017 to 30 June 2018	2018 \$000
Site preparation	65,723
CPA	146,100
Total	211,823

Site preparation expenses relate to costs incurred during the pre-development stage of construction. These include costs relating to procurement of contractors and preparatory works

such as formation activities to level the site in preparation for the Airport infrastructure, such as the runway and airside civil infrastructure.

B.3 Property, plant and equipment

	Right-of-use Assets \$000	Plant and Equipment \$000	Airport Construction in Progress \$000	Total \$000
2018				
Additions	610	845	2,380	3,835
Depreciation charge	(148)	(34)	-	(182)
Closing net book value as at 30 June	462	811	2,380	3,653

Property, plant and equipment comprises owned assets (plant and equipment and the costs capitalised in the construction of the Airport) as well as leased assets which the Company has the right to use.

The right-of-use asset is for the lease of office space at 45-47 Scott Street, Liverpool, where the day-to-day operations and management of the Company take place.

Recognition and measurement

Plant and equipment

Plant and equipment is initially recorded as cost and subsequently measured as the cost of the asset less accumulated depreciation and impairment.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Airport construction in progress

The costs incurred in building the Airport which are capital in nature are recognised at cost. Upon completion and when the Airport is ready for use, the Airport will be subsequently measured at cost less accumulated depreciation and impairment.

In order to determine if a cost is capital in nature, the Company determines if the cost is in relation to the pre-development stage of construction or the development stage. Costs which relate to the pre-development stage, including the cost of relating to procurement of contractors, preparatory works or are operating in nature are generally expensed as incurred, for example earthworks relating to the site preparation.

Development stage costs including the payment to contractors for the carrying out of capital works and installation costs are capitalised. During the period costs primarily relating to engineering, project management and architecture services have been capitalised.

As the Airport is still under construction and not yet ready for use, no depreciation is charged on these assets.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives using the straight-line method of depreciation.

The expected useful lives are summarised below:

Asset Class	Useful Life
Plant and equipment	5 to 8 years

Impairment

All assets were assessed for impairment at 30 June 2018 and there were no indications of impairment identified by Management.

Where indications of impairment exist, the asset's recoverable amount would be estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its depreciable replacement cost (DRC) of the assets. DRC is an estimate of what it would cost to acquire or construct a substitute Airport, on a like for like basis, to the stage of current completion. In determining the DRC, the Company considers the cost incurred to date by the project to date.

Key estimate and judgment

Determination of useful lives of property, plant and equipment

The estimations of useful lives and residual values of assets are reviewed

at each reporting date. If they need to be modified, the depreciation expense is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future periods).

Such revisions are generally required when there are changes in economic circumstances, business plans, expected level of usage and future technological developments impacting specific assets or groups of assets.

C. Capital and Financial Risk Management

This section provides information relating to the Company's capital structure and its exposure to financial risks, how they affect the Company's financial position and performance and how the risks are managed.

- C.1 Share capital
- C.2 Financial risk management

C.1 Share capital

a) Capital management

The Company's objectives when managing capital are to safeguard the ability of the Company to continue as a going concern while maximising the return to the Commonwealth of Australia and maintaining an optimal capital structure.

The capital structure of the Company consists of cash disclosed in Note E1 and contributed equity.

b) Movements in share capital

	Number of Shares	\$000
Shares issued	275,730,000	275,730
Closing balance as at 30 June	275,730,000	275,730

On 5 October 2017, the Commonwealth of Australia and WSA Co entered into an ESA, whereby the Commonwealth of Australia will provide funding up to \$5.3 billion to the Company.

As at 30 June 2018, total equity of \$275.7 million had been provided.

	\$000
Non-cash equity contributions	146,100
Cash-settled equity contributions	129,630
Total	275,730

Non-cash equity contributions wholly relate to CPA, refer to note B1.

c) Dividends declared

No dividends were declared or paid during the period.

Recognition and measurement

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Transactions with the Commonwealth, as owner, that are designated as equity injections for the financial period, are recognised directly in contributed equity and do not form part of comprehensive income in that financial period.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number and amounts paid on the shares held. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

C.2 Financial risk management

The Company's risk management policy is to identify, assess and manage risks which are likely to adversely affect the Company's financial performance, continued growth and ability to continue as a going concern. The Company takes an approach to minimise risk in a cost effective way.

The Company's financial instruments comprise of cash and trade and other payables.

The risks arising from the Company's financial instruments and the Company's assessment of the impact of the risk are summarised below.

Risk	Potential Impact
Interest rate risk	<p>The Company is exposed to interest rate risk due to changes in market interest rates associated with interest-bearing cash and cash equivalents.</p> <p>Given the nature and quantum of interest-bearing instruments any possible movements in interest rates would have an immaterial impact on profit or loss.</p>
Liquidity risk	<p>Liquidity risk refers to the risk of encountering difficulties in meeting obligations associated with financial liabilities.</p> <p>The Company is exposed to liquidity risk through its trade and other payables liabilities. The Company manages this exposure by ensuring sufficient funds are available to meet financial commitments in a timely manner and plans for unforeseen events which may curtail cash flows and cause pressure on liquidity. This is achieved through the ESA with the Commonwealth of Australia (refer to note A) by drawing down sufficient funding with a forward looking 2-month expenditure profile.</p> <p>At year-end, all trade and other payables are classified as current and due for payment in the next 12 months.</p>

The Company does not have any material exposure to credit risk or other market risks such as foreign currency risks.

D. Our People

This section provides a breakdown on the various programs WSA Co uses to reward and recognise employees, including key management personnel.

- D.1 Employee benefits provisions
- D.2 Employee benefits expense
- D.3 Key management personnel compensation

D.1 Employee benefits provision

	2018 \$000
Annual leave	287
Long service leave	6
Total	293
<i>Current</i>	<i>287</i>
<i>Non-current</i>	<i>6</i>

Recognition and measurement

The employee benefits provision represents accrued annual leave and long service leave entitlements and other incentives recognised in respect of employees' services up to the end of the reporting period.

These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers compensation insurance, superannuation and payroll tax.

D.2 Employee benefit expense

	2018 \$000
Wages and salaries	4,161
Seconded costs	497
Director fees	468
Superannuation	299
Leave entitlements	287
Payroll tax	202
Other	121
Total	6,035

D.3 Key management personnel compensation

For the purposes of this disclosure, WSA Co has defined Key Management Personnel as the CEO and senior executives who have authority and responsibility for planning, directing and controlling the activities of the organisation.

The key management personnel compensation included in "employee benefit expense" in note D2 is as follows:

	2018 \$
Short-term employee benefits	2,143,946
Other long-term benefits	69,395
Post-employment benefits	112,974
Total	2,326,315

E. Other Information

This section provides details on other required disclosures relating to the Company to comply with the accounting standards and other pronouncements.

- E.1 Notes to Statement of cash flows
- E.2 Provisions
- E.3 Income tax expense
- E.4 Lease commitments
- E.5 Remuneration of auditors
- E.6 Related party disclosures
- E.7 New standards and interpretations early adopted
- E.8 Events after the reporting date

E.1 Notes to Statement of Cash Flows

a) Cash and cash equivalents

	2018 \$000
Cash on hand	41,097
Total	41,097

Cash and cash equivalents include cash on hand held at call with financial institutions.

b) Reconciliation of net profit to net cash provided by operating activities

	2018 \$000
Loss for the period	(279,967)
<i>Adjustments for non-cash items:</i>	
Depreciation and amortisation	182
CPA	146,100
Finance costs	31
<i>Change in operating assets and liabilities:</i>	
Accrued interest	(97)
Prepayments	(11,486)
Provisions	25,143
Trade and other payables	29,611
Employee liabilities	293
Net cash from / (used in) operating activities	(90,190)

E.2 Provisions

	2018 \$000
Decontamination provision	25,144
Total	25,144
<i>Current</i>	17,221
<i>Non-current</i>	7,923

The decontamination provision represents expenses to be incurred in the removal of asbestos, hydrocarbons and the decontamination of the Airport site. There is uncertainty in the decontamination provision as comprehensive site surveys are yet to be completed. As the site audit progresses, the estimate of expenses required for remediation will become more accurate as specific amounts and types of contamination are identified.

Recognition and measurement

Provisions are recognised when:

- There is a present legal or constructive obligation to make a future sacrifice of economic benefits, as a result of past transactions or events;
- It is probable that a future sacrifice of economic benefits will arise; and
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Key estimate and judgment

Determination of provisions

The estimations of the expenditure required to settle the present

obligation are reviewed at each reporting date. If they need to be modified, any adjustment to the provision will be recorded against site preparation expense.

Such revisions are generally required when more accurate information becomes available about the total quantity and types of contamination that will require remediation activities.

Notes to the Financial Statements

E.3 Income tax expense

a) Reconciliation of income tax expense

The prima facie income tax expense on profit before income tax reconciles to the income tax expense in the financial statements as follows:

	2018 \$000
Loss from continuing operations	(279,967)
Tax at the Australian tax rate of 30.0%	(83,990)
Non-temporary differences	2
Current year tax losses not recognised	-
Temporary difference not recognised	83,988
Income tax expense	-
Current tax	-
Deferred tax	-

b) Tax losses not brought to account

	2018 \$000
Unused tax losses for which no deferred tax asset has been recognised	-
Potential tax benefit @ 30%	-

The cumulative amount of unrecognised tax losses of \$Nil may be available to offset against future income tax assessments when the Company generates taxable income.

c) Unrecognised temporary differences

The movements in deferred tax balances for the Company shown in the table below

	2018 \$000
Deferred tax assets/(liabilities):	
Revenue received in advance	1,500
Expenses to be capitalised for tax	82,469
Other	19
Net deferred tax assets/liabilities	83,988

Effective tax rate

The non-recognition of deferred tax assets for deductible temporary differences and tax losses has led to WSA Co having an Australian accounting effective tax rate (ETR) of "0" per cent. If deferred tax assets had been fully recognised for deductible temporary differences and tax losses, WSA Co's Australian ETR would have been 30 per cent. The above ETR has been calculated on the basis of income tax expense divided by accounting profit, in accordance with the requirements of the Board of Taxation's Tax Transparency Code.

Recognition and measurement

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax expense or benefit is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Voluntary Tax Transparency Code

WSA Co's Management is currently considering adopting the voluntary tax transparency code over the next 12 months in line with the establishment of associated policies and Company maturity.

E.4 Lease commitments

The Company in its capacity as lessee has entered into a non-cancellable lease for office space at 45-47 Scott Street, Liverpool, where the day-to-day operations and management of the Company take place.

The minimum lease payments under this lease are as follows:

	2018 \$000
Within 1 year	210
Between 1 to 5 years	314
More than 5 years	-
Total operating lease commitments	524

Recognition and Measurement

AASB 16 Leases has been adopted early by WSA Co and implemented on the date of incorporation.

At the time of adoption there were no lease arrangements in place. Subsequent to incorporation the above lease arrangements were entered into which resulted in the recognition of lease liabilities and right-of-use assets.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using WSA Co's incremental borrowing rate at the time of entering into the lease arrangement.

E.5 Remuneration of auditors

Under Section 98 of the PGPA Act, the Auditor-General is responsible for auditing the financial statements of WSA Co Limited.

	2018 \$
Australian National Audit Office	
Audit of annual financial statements	65,000
Total amount paid or payable to auditors	65,000

E.6 Related party disclosures

The entity is a Government Business Enterprise (GBE) which is controlled by the Australian Government. Related parties to this entity are Directors, Department of Infrastructure, Department of Finance, Portfolio Ministers and other Australian Government entities.

The following transactions occurred with related parties:

	2018 \$000
Equity injections by the Commonwealth of Australia	275,730
Receipt of contributions for visitors centre from Department of Infrastructure	5,500
Purchases of various goods and services from the Commonwealth of Australia	6,166

On 17 May 2018, WSA Co was formally granted a 99-year lease (a 50-year lease with a 49-year option to extend) of the Airport site by the Australian Government. As part of the lease grant conditions, WSA Co has taken the responsibility to develop and construct the Functional Specifications of Western Sydney Airport. Refer to Note A.

E.7 New standards and interpretations early adopted

AASB 9 Financial Instruments

(effective date 1 January 2018)

The AASB has issued the complete AASB 9. The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements previously published. It supersedes AASB 9 (issued in December 2009 – as amended) and AASB 9 (issued in December 2010 – as amended).

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

WSA Co has decided to early adopt AASB 9 as at the incorporation date being 7 August 2017. The new standard has had no impact to date on WSA Co and is unlikely to have a material impact in the future as the Company will not expect to use financial instruments.

AASB 15 Revenue from contracts with customers

(effective date 1 January 2018)

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

WSA Co has decided to early adopt AASB 15 as at the incorporation date being 7 August 2017. The standard has had no impact to date and will only affect once the Company starts to earn revenue.

AASB 16 Leases

(effective date 1 January 2019)

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee – effectively treating all leases as finance leases.

Short-term leases (less than 12 months) and leases of low value assets (such as personal computers) are exempt from the lease accounting requirements.

There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals.

Lessor accounting remains similar to the current practice – i.e. lessors continue to classify leases as finance and operating leases.

The office lease entered into by WSA Co during the period that will be accounted for in accordance with the new standard.

WSA Co has decided to early adopt AASB 16 as at the incorporation date being 7 August 2017.

E.8 Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 to the date of signing of this report that has significantly affected, or may affect:

- The Company's operations in future financial years;
- The results of those operations in future years; and
- The Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements and notes set out on pages 48 to 62 are in accordance with the *Corporations Act 2001 (Cth)*, including:
- giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial period ended on that date; and
 - complying with Australian Accounting Standards and the *Corporations Regulations 2001 (Cth)*.
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note A confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.



Mr Paul O'Sullivan
Chair of the Board



Mr Tim Eddy
Chair of the Audit and Risk Committee

Sydney
27 August 2018

Auditor's Independence Declaration



27 August 2018

Mr Paul O'Sullivan
Chair
WSA Co Limited
PO Box 397
LIVERPOOL NSW 1871

WSA CO LIMITED FINANCIAL REPORT 2017-18 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the WSA Co Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Lesa Craswell
Executive Director

Delegate of the Auditor-General

Canberra

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777



INDEPENDENT AUDITOR'S REPORT

To the members of WSA Co Limited

Opinion

In my opinion, the financial report of WSA Co Limited for the year ended 30 June 2018 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of WSA Co Limited's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report of WSA Co Limited, which I have audited, comprises the following statements as at 30 June 2018 and for the year then ended:

- Statement of comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Statement of cash flows;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information; and
- Directors' Declaration.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of WSA Co Limited in accordance with the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of WSA Co Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

I draw your attention to note B.1 in the financial report, which states the nature of the lease arrangement WSA Co Limited as entered into with the Department of Infrastructure, Regional Development and Cities. My opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the director's report for the year ended 30 June 2018 but does not include the financial statements and my auditor's report thereon.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Independent Auditor's Report

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of WSA Co Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing WSA Co Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

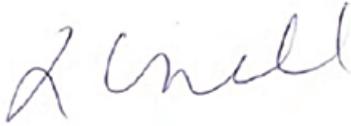
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material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

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

Independent Auditor's Report

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Australian National Audit Office



Lesa Craswell
Executive Director

Delegate of the Auditor-General

Canberra
28 August 2018



Regulatory Report

07

Regulatory Report



Western Sydney Airport is subject to various legislative requirements including (but not limited to) under the:

- *Corporations Act 2001 (Cth)*;
- PGPA Act;
- PGPA Rule; and
- *Airports Act 1996 (Cth)*.

The Regulatory report provides information on Western Sydney Airport's compliance with the applicable laws and regulations. A number of matters are disclosed in the main body of the annual report. Other matters are disclosed in this Regulatory Report. The Regulatory Reporting Requirements Index on page 71 shows where the relevant information can be found in this Annual Report.

Ownership and structure

Western Sydney Airport is a GBE wholly-owned by the Commonwealth of Australia.

Corporate Plan

WSA Co, now known as Western Sydney Airport, published the Corporate Plan 2018-19 in August 2018.

Commonwealth Government Policies

The Company's objectives are set by its Shareholder Ministers in the Statement of Expectations issued on 13 September 2017, as updated from time to time to reflect policy decisions, and supplemented by Policy Directions and correspondence (the SOE). The current Western Sydney Airport SOE outlines the Australian Government's clear objective to deliver an operational airport that will provide greater equality in accessing air services for business and leisure, and to stimulate economic growth in Western Sydney.

The Commonwealth expects that the Company will operate in a commercial manner, and at arm's length from Government. Western Sydney Airport has flexibility and discretion in its operation and commercial decisions within the parameters of applicable legislation, subordinate legislation and the Government's policy objectives.

Objective

The Company is required to develop and operate Western Sydney Airport by the Commonwealth.

In delivering Western Sydney Airport, the Company's objectives are:

- **improving access to aviation services in Western Sydney** by providing a broad range of passenger and freight services;
- **resolving the long-term aviation capacity issue in the Sydney basin** by maximising the aviation capacity of the site, noting the constraints at Sydney (Kingsford Smith) Airport;
- **maximising the value of a Western Sydney Airport as a national asset** including consideration of benefits the Airport will bring within and around Western Sydney, NSW and Australia;
- **optimising the benefit of Western Sydney Airport on employment and investment in Western Sydney** by recognising the Airport will be a major catalyst for growth and development in Western Sydney;
- **effectively integrating with new and existing initiatives in the Western Sydney area** by ensuring long-term planning considers the Airport's economic, social and environmental impact in Western Sydney; and
- **operating on commercially sound principles having regard to the Australian Government's intention to preserve its options with respect to ownership and governance arrangements** by applying private sector discipline in the management of Western Sydney Airport.

Parliamentary Oversight

Responsible Minister

The responsible Ministers during the reporting period were the Minister for Finance, Senator the Hon Mathias Cormann and the then Minister for Urban Infrastructure and Cities, the Hon Paul Fletcher MP.

Reporting requirements and transparency

As part of regular reporting to the Commonwealth Government and Parliament, the Company provides regular reports to its Shareholder Ministers in accordance with the Government's requirement for a high degree of transparency of the project. This includes quarterly reports to Shareholder Ministers and briefings of stakeholders.

Parliamentary and other Committees

No Ministerial directions or policy orders were received by the Company during FY18.

Other Commonwealth Government obligations

Airports Act 1996 (Cth)

As the Airport Lessee Company for Western Sydney Airport, the Company is subject to the *Airports Act 1996 (Cth)* (*Airports Act*) and regulations.

The *Airports Act* provides the regulatory framework for the development and operation of the Airport site.

The Department of Infrastructure has appointed an Airport Environment Officer (AEO) and Airport Building Controller (ABC)

for the Airport site to exercise statutory powers under the *Airports Act* and regulations. The AEO and ABC are responsible for day-to-day administration of environmental and building control standards. The Department manages the ABC and AEO and has responsibility for enforcing the regulations. Audit and reporting requirements exist to ensure activity at airports is monitored for compliance with regulations.

The Company was in compliance with all requirements of the *Airports Act* and regulations during the reporting period.

Other Matters

Reports

No reports on Western Sydney Airport were given by any of the following:

- the Auditor-General; or
- a Committee of either House, or of both Houses, of the Parliament; or
- the Commonwealth Ombudsman; or
- the Office of the Australian Information Commissioner; or
- the Australian Securities and Investments Commission.

Judicial and Administrative Decisions

No judicial decisions or decisions of administrative tribunals have been made during the period that have had, or may have, a significant effect on the operations of the Company.

Community Service Obligations

The Company was not required to carry out any community service obligations during the reporting period.

Regulatory Reporting Requirements Index



For the period ended 30 June 2018

PGPA Act

Section	Subject	Location	Pages
S 97	Financial Report	Financial Report	46-62
	Directors' Report	Directors' Report	21-25
	Auditor's Report	Independent Auditor's Report	65-67

Corporations Act 2001

Section	Subject	Location	Pages
S 295 – S 296	Financial Statements	Financial Report	48-51
	Notes to the Financial Statement	Financial Report	52-62
	Directors' Declaration	Directors' Declaration	63
S 298 – S 300	Directors' Report	Directors' Report	21-25
S 301 and S 308	Audit of Annual Report and Auditor's Report	Independent Auditor's Report	65-67

Regulatory Reporting Requirements Index

PGPA Rule

Section	Subject	Location	Pages
28E	Contents of Annual Report	Contents	1
28E (a)	The purposes of the Company as included in the Company's Corporate Plan for the period	Introduction	5
28E (b)	The names of the persons holding the position of responsible Minister or responsible Ministers during the period, and the titles of those responsible Ministers	Regulatory Report	70
28E (c)	Any directions given to the entity by a Minister under the Company's constitution, an Act or an instrument during the period	Regulatory Report	70
28E (d)	Any government policy orders that applied in relation to the Company during the period under section 93 of the Act	Regulatory Report	70
28E (e)	If, during the period, the Company has not complied with a direction or order referred to in paragraph (c) or (d) — particulars of the non-compliance	Not Applicable	
28E (f)	Information on each Director of the Company during the period, including: <ul style="list-style-type: none"> i) the name of the director; and ii) the qualifications of the director; and iii) the experience of the Director; and iv) the number of meetings of the Board of the Company attended by the Director during the period; and v) whether the Director is an Executive Director or Non-executive Director 	Directors' Report	22-25
28E (g)	An outline of the organisational structure of the Company (including any subsidiaries of the Company)	Organisational Structure	20
28E (h)	An outline of the location (whether or not in Australia) of major activities or facilities of the Company	Operating Overview	13-17
28E (i)	Information in relation to the main corporate governance practices used by the Company during the period	Corporate Governance Statement	34-45
28E (j)	The decision-making process undertaken by the Directors of the Company for making a decision if: <ul style="list-style-type: none"> i) the decision is to approve the Company paying for a good or service from a Commonwealth entity or a Company, or providing a grant to a Commonwealth entity or a Company; and ii) the Company, and the Commonwealth entity or the Company, are related entities; and iii) the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10 000 (GST inclusive) 	Not Applicable	

Regulatory Reporting Requirements Index

Section	Subject	Location	Pages
28E (k)	If the Annual Report includes information under paragraph (j): i) if there is only one transaction—the value of the transaction; and ii) if there is more than one transaction—the number of transactions and the aggregate of value of the transactions	Not Applicable	
28E (l)	Any significant activities and changes that affected the operations or structure of the Company during the period	Operating Overview Directors' Report	13-17, 25
28E (m)	Particulars of judicial decisions or decisions of administrative tribunals made during the period that have had, or may have, a significant effect on the operations of the Company	Regulatory Report	70
28E (n)	Particulars of any report on the Company given during the period by: i) the Auditor-General; or ii) a Committee of either House, or of both Houses, of the Parliament; or iii) the Commonwealth Ombudsman; or iv) the Office of the Australian Information Commissioner; or v) the Australian Securities and Investments Commission	Independent Auditor's Report	65
		Regulatory Report	70
28E (o)	If the Directors have been unable to obtain information from a subsidiary of the Company that is required to be included in the annual report—an explanation of the information that was not obtained and the effect of not having the information on the Annual Report	Not Applicable	
28E (p)	An index identifying where the requirements of this section and Section 28F (if applicable) are to be found	Regulatory Reporting Requirements Index	71-74
28F	Disclosure requirements for Government Business Enterprises	Corporate Governance Statement (Disclosure Obligations)	45

Regulatory Reporting Requirements Index

Section	Subject	Location	Pages
28F (1)	Changes in financial conditions and community service obligations	Operating Overview	13-17
	The Annual Report for a reporting period for a Government Business Enterprise that is a Commonwealth Company must include the following information:		
	<ul style="list-style-type: none"> a) an assessment of: <ul style="list-style-type: none"> i) significant changes in the Company's overall financial structure and financial condition during the reporting period; and ii) any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition; b) dividends paid or recommended in relation to the reporting period; c) details of any community service obligations the government business enterprise has, including: <ul style="list-style-type: none"> i) an outline of actions the government business enterprise has taken to fulfil those obligations; and ii) an assessment of the cost of fulfilling those obligations 	Directors Report Regulatory Report	25 70
28F (2)	However, information may be excluded if the Directors of the Government Business Enterprise believe, on reasonable grounds, that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the Government Business Enterprise. The Annual Report must state whether such information has been excluded.	Not Applicable	

Commonwealth GBE Governance and Oversight Guidelines 2018

Section	Subject	Location	Pages
2.2	Effective Governance Framework	Corporate Governance Statement	36
3.16(c)	Performance against finance and non-financial expectations	Operating Overview	13-17
3.17	Key governance practices	Corporate Governance Statement	35-45
3.18	Financial Statements are audited by or reported on by the Auditor General	Independent Auditors Report	65-67
3.19	Note that the Auditor-General is able to conduct a performance audit of an entity GBE or a company GBE, or any of its subsidiaries, in the circumstances outlined in the <i>Auditor-General Act 1997 (Cth)</i> .	Corporate Governance Statement (Safeguard Integrity in Corporate Reporting 7.2)	43
3.20	GBEs are also expected to include in their Annual Reports the minimum standards outlined in the Voluntary Tax Transparency Code, which has been developed by the Board of Taxation to promote more transparency in tax reporting by medium and large businesses.	Notes to the Financial Statements (Income tax expense)	60
3.21	GBEs are expected to report all relevant information relating to the remuneration packages of all individuals who constitute the executive management of the GBE on a disaggregated basis. As a minimum, this is to include the CEO and their direct reports.	Remuneration Report	31
3.23	Use of the Remuneration Disclosure template.	Remuneration Report	31



08

Glossary

Glossary



AASB	Australian Accounting Standards Board
ABC	Airport Building Controller
ACI	Airports Council International
AEO	Airport Environment Officer
Airport Plan	The Western Sydney Airport Plan (2016), which outlines the approach to the Airport's design and development
ASIC	Australian Securities and Investments Commission
ASL	Airport Site Layout
ASX	Australian Securities Exchange
ASX Principles	Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles & Recommendations, 3rd Edition
BEAC	Bulk Earthworks and Airside Civil works
CEO	Chief Executive Officer
CFO	Chief Financial Officer
The Commonwealth	The Commonwealth of Australia
CPA	Commonwealth Preparatory Activities
Cth	The Commonwealth of Australia
Department of Infrastructure	The Department of Infrastructure, Regional Development & Cities
DRC	Depreciable Replacement Cost
EMS	Environmental Management System
EPMO	Enterprise Project Management Office
ESA	Equity Subscription Agreement
ETR	Effective Tax Rate
FAR	Fixed Annual Remuneration
FOWSA	Forum On Western Sydney Airport
FY	Financial Year
GBE	Government Business Enterprise: a Commonwealth entity or company that is prescribed by the rules (s8 of the PGPA Act)

GBE Guidelines	Resource Management Guide No. 126: Commonwealth Government Business Enterprises – Governance and Oversight Guidelines (January 2018 edition) – published by the Department of Finance (Cth)
GSC	Greater Sydney Commission (NSW Government agency)
H&SMS	Health & Safety Management System
IASB	International Accounting Standards Board
IATA	International Air Transport Association
ICT	Information Communication Technology
IFRS	International Financial Reporting Standards
IT	Information Technology
Joint Study	The Joint Study on aviation capacity in the Sydney region presented to the Australian and NSW Governments in 2012
KMP	Key Management Personnel
KPI	Key Performance Indicator
MAP	Million Annual Passengers
PGPA Act	The Public Governance, Performance & Accountability Act 2013 (Cth)
PGPA Rule	The Public Governance, Performance & Accountability Rule 2014
PRNC	People, Remuneration and Nomination Committee (Board committee)
Responsible Minister	Minister for Urban Infrastructure and Cities
Shareholder	The Commonwealth
Shareholder Ministers	Minister for Finance; Minister for Urban Infrastructure and Cities; and Assistant Minister for Finance
SOE	Statement of Expectations
STI	Short-Term Incentive
Western Sydney City Deal	The Western Sydney City Deal: The City Deal is a 20-year agreement between the three levels of government to deliver a once-in-a-generation transformation of Sydney's outer west – creating the 'Western Parkland City'.
WHS	Work Health and Safety



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**Western
Sydney
Airport**