



Annual Report 2019

For the period ended 30 June 2019



**Western
Sydney
Airport**

Connecting people,
places and opportunity



**Western
Sydney
Airport**

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**About Western
Sydney Airport**

01

The Australian Government established WSA Co Limited (Western Sydney Airport, WSA or the Company) on 7 August 2017 to deliver and operate Western Sydney International (Nancy-Bird Walton) Airport (Western Sydney International or the Airport).

WSA is a wholly-government owned Commonwealth company, incorporated under the *Corporations Act 2001*, with Shareholder Ministers representing the Finance and Urban Infrastructure portfolios. WSA operates under the *Public Governance, Performance and Accountability Act 2013* and at an arm's length from the Australian Government. In doing so, WSA has considerable discretion in its operational and commercial decisions, within the constraints of the abovementioned legislation.

WSA's mandate is to realise the Australian Government's vision for Western Sydney International as set out in the Western Sydney Airport Plan (the Airport Plan) published in December 2016. The Airport Plan provides authorisation for the construction and operation of Stage 1 of the Airport. In doing so, WSA 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 International as a national asset** including consideration of benefits the Airport will bring within and around Western Sydney, New South Wales (NSW) and Australia;
- **optimising the benefit of Western Sydney International for employment and investment in Western Sydney** by recognising that the Airport will be a major catalyst for growth and development in Western Sydney;



Pioneering pilot, Nancy-Bird Walton

- **effectively integrating with new and existing initiatives in the Western Sydney area** by ensuring that long-term planning considers the Airport's economic, social and environmental impacts 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 WSA.

Western Sydney International 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. The Airport will expand to service a capacity of 82 million annual passengers (MAP) by the early 2060s and this will correspond to a level of economic and social activity that is transformative for the Western Sydney region and Australia.

WSA has premises located on-site including the WSA Site Office and the Western Sydney International Airport Experience Centre (the Experience Centre), and in the nearby metropolitan centre of Liverpool.

Chair's Message



Paul O'Sullivan
Chair

Progress

More than 50 years after the Commonwealth Government first identified Badgerys Creek as a potential airport site, WSA Co was established, and in the two short years since, we have made significant progress on our vision to be the gateway to the world.

Early earthworks commenced in September 2018 and we have since moved over one million tonnes of earth, designed and constructed a state-of-the-art interactive Experience Centre, and signed more than 10 memoranda of understanding with global freight and logistics partners.

Design and construction

Following a highly competitive tender process we recently awarded the bulk earthworks contract which will see more than 24 million cubic metres of earth moved around the 1780-hectare site in readiness for the construction of the first runway and terminal. In June this year, five architectural teams were selected from more than 40 expressions of interest, for the design of the integrated domestic and international passenger terminal, a transport interchange, and a public plaza. The international design teams, which each have at least one participating practice based in Australia, will put forward their respective visions for Western Sydney International Airport in the coming months.

We have commenced development of concept designs for our 200-hectare on-airport business park with release of our concept designs scheduled for mid-2020, we are working with global logistics companies on the design

of our freight and logistics hub, and we recently sought registrations of interest for the construction of the terminal building.

People

In the past year, we exceeded workforce targets for local employees, diversity (including Indigenous employees) and learning workers. We implemented training development goals across the organisation and entered into a partnership with TAFE for on-site training.

Ensuring strong representation of Indigenous employees and businesses in the Airport development and operation, we have appointed an Indigenous business partner to assist in the development of an Aboriginal Engagement Masterplan and have also commenced development of our Reconciliation Action Plan.

Collaboration

The Australian and NSW Governments business case for investment in the North-South Metro rail link to the new airport is well advanced and planning for a rapid bus network is also underway with local councils.

The \$4.1 billion Western Sydney Infrastructure Plan, which includes construction of the M12 motorway, upgrades to The Northern and Bringelly roads, realignment of Badgerys Creek Road and local road upgrades is well underway, and will provide reliable and safe access to Western Sydney International.

Environment

As part of our commitment to making Sydney's new international Airport a showcase for sustainability, we are investing significantly in environmental management initiatives, including responsible use and protection of rare vegetation and an extensive planting program at the Australian Botanic Gardens at Mount Annan. We are also including highly-efficient water recycling and energy use in the new Airport design.

Community

Strong support from the local community is critical to the success of the Airport. We continued to engage extensively with local representatives and community leaders and have been delighted with the level of support

for the Airport and the jobs and local investment we are witnessing across the region as a direct result of the Airport construction.

Our new world-class Experience Centre, which has an exhibition area and viewing platform for visitors to watch construction first-hand, was officially opened in September 2019. The viewing area will be equipped with augmented reality, allowing locals and visitors to view how the terminal and runway will look and where they will be positioned. The centre features interactive digital videos including the history of the region, the importance of the Airport to Western Sydney and the massive economic benefits.

We also continued our active role in the Commonwealth Government's Forum for Western Sydney Airport (FOWSA), an initiative designed to encourage the exchange of ideas and information between Government, WSA and the community.

Safety

The safety of our people and the community remains our key priority, and through the establishment of extensive safety management and monitoring programs we are embedding a strong safety-focused culture across our organisation and partnering with our contractors to ensure safety is prioritised across all of our activities.

Much has been achieved over a remarkable two years, but there is more to come. On behalf of all the team at WSA, my sincere thanks go to the local community and to our Federal, state and local government partnerships. Thanks to your hard work and dedication, this new international airport in Western Sydney has become a reality and is set to be a world-class leader.

Paul O'Sullivan
Chair and Non-executive Director

Chief Executive Officer's Message



Graham Millett

Chief Executive Officer

Western Sydney is in the midst of the largest infrastructure and investment boom in its history. With Commonwealth and NSW Government investment of more than \$11 billion in road, rail and utilities already underway, the future of Australia's third largest economy and one of the fastest growing regions is indeed bright.

In March this year, the Prime Minister, the Hon. Scott Morrison MP, announced Western Sydney International (Nancy-Bird Walton) Airport as the official name of Australia's first new international airport in more than 50 years. Honouring one of Australia's greatest aviators and pioneers, the parallels between Nancy's journey to create new frontiers of aviation in Australia and our own mission to uplift Western Sydney's economy and forge new frontiers in technology and innovation are clear.

The past year saw a concerted focus on establishing the strategy and systems to support the safe construction of Western Sydney International. We focused on embedding a safety governance and assurance framework capable of supporting the construction phase of the project, as well as progressively accommodating aviation safety requirements ahead of operational readiness. In line with this approach, WSA's Safety Management System (SMS) was implemented in alignment with the requirements of ISO45001, while WSA's safety audit program was prioritised around high-risk construction activities undertaken on-site by Principal Contractors. These key safety activities were executed with the support of WSA's Delivery Partner, Bechtel, and provide the basis for our continued workplace health and safety (WHS) focus in the next financial year and onwards.

Having commenced early earthworks on six per cent of the Airport site

in 2018, we are now focused on the commencement of bulk earthworks, which will see activity expand significantly as the project becomes one of the largest earthmoving projects in the nation's history. It is incredible to see the Airport site transforming every week, and in June we reached the significant milestone of moving one million cubic metres of earth on the site.

The near completion of our Experience Centre and site office in September are also key milestones. We launched the international design competition for the terminal building, and signed MoUs with Qantas and Virgin Australia and a number of high profile international freight and logistics companies. It is encouraging that even at this early stage, Australia's biggest airlines recognise the potential and significance of Western Sydney International.

We are of course grateful to the traditional owners of the land who continue to play a significant role in the design and development of the Airport through our close engagement and development of our Aboriginal Engagement Masterplan. Our community and industry engagement programs have also ramped up. We participated in more than 150 local community events and meetings and launched our local school safety program in May 2019. In partnership with Liverpool City Council, we launched the Minecraft Airport Design Competition. These are just a handful of activities over the year.

Our work with the community is of paramount importance to us and we are committed to being responsible and conscientious neighbours. As we move to our second year of construction activity, I would like to extend my gratitude for the ongoing support of local residents and businesses with whom we interact on a daily basis. I express my thanks also to our team for the tremendous work they are doing both on-site and in the community to minimise the impacts of site activity and to keep our community informed and engaged with us.

It is pleasing to see the collaboration between our team and the many people from across government and the private sector who are involved in delivering the Airport. Importantly, we have a shared determination and passion to deliver the Airport with the safety of our workers, the community and the environment front and centre of every decision and action we take.

Across the organisation, so many of our people are themselves long-term local Western Sydney residents. We are all passionate about providing a meaningful legacy and that begins with delivering jobs and opportunities to the region as we work together to build Western Sydney International.

A handwritten signature in black ink, appearing to read 'Graham Millett'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Graham Millett

Chief Executive Officer

Our Purpose, Vision and Values

Purpose

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

WSA is a purpose-led organisation, meaning the Company's activities are directed at developing and operating Western Sydney International. 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, the 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. WSA's efforts are directed at providing best-in-class passenger and freight journeys, and a seamless travel experience for those choosing Western Sydney International as their destination or point of origin.

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

Culture

Empowered to deliver

Core values



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



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



Integrity: WSA holds self and others accountable to instil trust by operating with honesty, integrity and authenticity.



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



Inclusion: WSA fosters an inclusive and diverse working environment and recognises the value of different perspectives and cultures. Diverse teams working together positively impact the value and direction of WSA.



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

Enabling mindsets

WSA promotes four enabling mindsets to support a culture that is empowered to deliver. These are detailed below



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 and use and effective environmental management



Risk Management

Identify and proactively manage key risks



Early earthworks on-site

2018–19 Overview

WSA has achieved a number of significant milestones in the delivery of Western Sydney International.

The Australian Government announced the Airport's official name as Western Sydney International (Nancy-Bird Walton) Airport, honouring one of Australia's greatest aviation pioneers, and reflecting the vision of being the gateway of choice to Australia and the world.

WSA successfully transitioned the Delivery Partner and Project Management (Definition) teams which play key roles in the ongoing design and delivery of the Airport. Construction on-site began in September 2018 marking a significant milestone for the Airport and the Company. Over one million cubic metres of earth has since been moved on the site as part of the early earthworks contract.

Procurement of key technical services has commenced including Airport Planning services and Baggage Handling services. The Request for Tender (RFT) for the Terminal Precinct Architect and Interior Design Services (Design Competition) was released in May 2019 and is scheduled for award in the second half of 2019.

WSA has entered into MoUs with Qantas and Virgin Australia, and their subsidiaries Jetstar and Tigerair to assist in the planning and design of the Airport. We have also entered into MoUs with a range of global leaders in freight and logistics to assist in the development of the design of cargo and freight facilities at Western Sydney International.

Additionally, WSA has partnered with the NSW Wheelchair Rugby League, consulting with players and carers to assist in the design and accessibility elements of the Airport to ensure we provide all travellers with a seamless and enjoyable experience.

During the year we commenced development of an Aboriginal Engagement Master Plan, which provides an enabling mechanism for respectful, significant and sustainable engagement with the Aboriginal community across Western Sydney. Working with an Aboriginal Engagement partner to develop and implement the plan, WSA aims to optimise Aboriginal engagement across all aspects of the



Construction of the Experience Centre.



Top left: MoUs signed with Qantas and Virgin Australia, and their subsidiaries Jetstar and Tigerair; Top right: Toy drive at Liverpool Hospital; Bottom left: Engagement with the community at the Hawkesbury Show; Bottom right: Minecraft competition with Western Sydney primary schools.

Company including cultural heritage, employment, training, education, sustainability and reporting.

The Western Sydney International Airport Experience Centre (Experience Centre) and Site Office contract was awarded in October 2018. The Experience Centre opening in September 2019 provides a tangible and enduring mechanism by which WSA is able to engage with the community, schools, businesses and international visitors throughout the delivery of Western Sydney International. Office accommodation for over 100 employees on-site is also nearing completion.

Early earthworks and growing awareness and interest from the community and other stakeholders, prompted increased community engagement. We developed a range of new communication channels to provide information and respond to both local community stakeholders and the growing domestic and international enquiries regarding the vast opportunities stemming from the Airport. The Company also partnered with local councils in the rollout of a competition to develop STEM skills throughout primary schools in Western Sydney. The initiative encouraged students to design their vision of the Airport

using the popular digital platform, Minecraft, with finalists competing to win a share in \$40,000 worth of STEM equipment for their schools.

The launch of the Company's new brand mark in September 2018 included several new communication channels including the release of three social media channels to further support engagement activities. The brand launch, held in conjunction with the commencement of early earthworks, resulted in over 1,000 media mentions nationally.



**Operating Overview
and Sustainability**

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Operating Overview

In the 2018–19 Corporate Plan, WSA defined nine strategic domains. An outline of activities and performance of each is provided below.

Safety and Security

Domain Objective:

“Cultivation and reinforcement of a zero-harm, prevention and protection mindset and culture, and protecting the community as the project is delivered.”

Safety

As at 30 June 2019, the total recordable injury frequency rate (TRIFR) is 3.4, which includes two short-term reversible medical treatment injuries. Four significant incidents were also reported over the period. Each incident was investigated, and the lessons learned from all incidents have been taken forward. No serious injuries were sustained from these incidents.

Safety remains of upmost importance to WSA. The Company implemented the Health, Safety & Wellbeing (HSW) strategic plan, which is centred on the delivery of WSA's Health & Safety Management System (H&SMS) and the establishment of key HSW functions in relation to assurance and reporting.

WSA has successfully delivered and implemented the H&SMS. The system addresses the complexities involved in the construction of Western Sydney International as well as the long-term goal of being a globally competitive, full-service Airport business. To ensure a cohesive structure, the Company has made substantial effort to collaborate with the Delivery Partner (DP) to integrate HSW priorities and systems. The H&SMS has been structured to incorporate both WSA's and the DP's requirements, supporting the alignment and compliance of legal requirements.

During 2019–20, WSA will continue to cultivate and reinforce a safety-first culture supported by a zero-harm prevention and protection mindset throughout the Company and the extended workforce.

Security

The Company's ability to engage with key stakeholders and manage protective security risks is a key focus for WSA, with a corresponding significant level of emphasis on building a security-aware culture. To ensure best practice, WSA has aligned its security practices with the Australian Government Protective Security Policy Framework (PSPF).

The delivery of a comprehensive Security Management System has been informed by best practice and compliance drivers such as the PSPF and the *Aviation Transport Security Act 2004*. This approach ensures the ability to provide detailed 'Security by Design' advice and ensure compliance and risk requirements are built into the design upfront instead of implementing potentially costly solutions retrospectively.

To remain informed of changes in aviation security regulations, we regularly engaged with key stakeholders, including the Department of Home Affairs.



Workers on-site.

Planning and Design

Domain Objective:

“A Smart Airport — an operation that optimises the integration of technology, innovation, sustainability, and experience.”

We made significant progress in the planning and design of Western Sydney International to enable the delivery of a seamless user experience that is both operationally efficient and cost effective. WSA contracted Arup as the Airport Planning Consultant to support the Company in progressing the Airport Site Layout (ASL) and to identify areas of improvement in relation to operations, cost and user experience improvements.

To assist in the design and delivery of an innovative and efficient baggage handling system, we also appointed AvLogix. In addition, we

began to investigate other relevant airport technologies, supported by ongoing industry consultation.

WSA obtained multiple Works Permit approvals from the Airport Building Controller for the Early Earthworks and Visitor Centre. The Company is establishing processes for the granting of planning approvals in its capacity as the Airport Lessee Company (ALC).

To ensure an integrated approach for ground transport, WSA engages with a number of government departments and agencies including Transport for NSW (TfNSW) (and

the former Roads and Maritime Services), Sydney Metro and local councils. Additionally, WSA engages with the Greater Sydney Commission (GSC) and Western City & Aerotropolis Authority (WCAA) on a range of planning matters. Discussions with the Department of Home Affairs, Australian Federal Police, Airservices Australia and Civil Aviation Safety Authority (CASA) are also ongoing.

Procurement

Domain Objective:

“Deliver competitive, value-for-money procurements.”

WSA successfully completed several significant procurements. In July 2018, the Delivery Partner contract and the Project Management (Definition) contract were awarded to Bechtel Corporation (Bechtel). WSA also awarded the Early Earthworks contract to a joint venture between CPB Contractors and Lendlease (CPB/LL). The contract for the Experience Centre and Site Office was awarded in October 2018 to Watpac Limited.

Prior to issuing the Expression of Interest (EOI) documentation for the BEAC works, to ensure a competitive and value-for-money procurement, WSA undertook extensive market sounding to inform the best approach. The EOI process for BEAC Package 1A closed in September 2018 and the RFT was released in November 2018. The RFT closed in April 2019 and the contract is expected to be awarded in August 2019.

WSA started the procurement process for an Independent Certifier. The EOI process ended in April 2019 and WSA is anticipating an award date in August 2019.

Construction

Domain Objective:

“Delivery of the project on time, on budget, and to specification.”

WSA began early earthworks on-site on 24 September 2018. Site clearance and decontamination works were carried out within the early earthworks footprint, which allowed the establishment of site facilities and the commencement of cut-to-fill earthworks operations. As at 30 June 2019, approximately 1,132,000m³ of earth has been moved, with an estimated 700,000m³ remaining in early earthworks.

Road works are underway for the Badgerys Creek Road re-alignment, which runs through the Airport site. Construction on the Badgerys Creek Road bridge has commenced, which will be 49 metres wide and 39 metres long when completed.

The site fencing contract was awarded to JNC Group, an Indigenous-owned business. Works commenced in January 2019 and will continue through the different stages of construction.

The TransGrid high voltage overhead cable relocation was completed in May 2019, removing one of the key obstacles for construction of the first runway. The cables have been rerouted underground around the outskirts of the Airport site, which enabled the old transmission towers to be demolished.

With the Airport site now an active construction site, WSA has established and is monitoring compliance with policies relating to Safety, Environmental Management, and Sustainability. In establishing these policies, WSA has ensured that best practice is utilised and policies will be adhered to throughout the life of the project.

Environment

WSA has satisfied its 2018–19 target of meeting all relevant conditions in relation to environmental performance. This is evidenced through the environmental inspections and reviews completed by the Airport Environment Officer (AEO) who attended the Airport site regularly during the reporting period with no significant matters identified and nil notices issued.

Environmental conditions are inevitably impacted by an expansive infrastructure project such as this. WSA has identified environmental risk as inherently high within its risk profile and will continue to establish appropriate control frameworks for the proactive management of this risk.

The Site Environmental Management Framework (SEMF) is WSA's overarching environmental management document to support the implementation of the nine Construction Environmental Management Plans (CEMPs) and associated sub plans. The CEMPs were approved by the Department of Infrastructure, Transport, Cities and Regional Development (DITCRD) in September 2018 and amended to include the Experience Centre and Site Office.

Implementation of the Remediation Action Plan (RAP) began in August 2018 and continued during the reporting period. Asbestos and other contaminated material were identified within the Early Earthworks, Experience Centre and Site Office sites and managed in accordance with the RAP. Due to the unanticipated volume of asbestos

identified and the desire to achieve efficient environmental outcomes, we revised the RAP (2018) with learnings to be applied proactively in future contracts.

The Early Earthworks contractor conducted vegetation clearing to enable earthworks to begin. The clearing was completed in accordance with the Biodiversity CEMP including the recording of the quantity of threatened species impacted in accordance with the *Environment Protection and Biodiversity Conservation Act 1999* Part 13 Permit Requirements. The annual compliance report is available on the WSA website.

WSA is committed to continuous improvement through effective execution of CEMPs, and will continue to monitor, track and review the processes which form the SEMF. To prevent material harm to the environment during Airport construction, WSA took internal assurance measures. We also arranged independent environmental audits to assess the operational effectiveness of our controls.

Finance, Strategy, Business Development and Risk

Domain Objective:

“Embed a commercially-driven, cost-conscious approach, and understand and manage key risks by implementing strategic and innovative initiatives.”

We met our target of maintaining expenditure within budget and also began exploring revenue opportunities from aeronautical and non-aeronautical sources.

To help us understand requirements and preferred designs for the Airport’s facilities, we began engaging with potential airline partners.

Regular meetings have also commenced with the cargo and freight community, including freight forwarders and industry bodies, to establish a collaborative relationship and to share design and operational

parameters. We began engaging with ground handlers, catering, and maintenance, repair and overhaul (MRO) providers to understand their needs.

The majority of WSA’s landholding is reserved for Airport infrastructure as part of current and future stages of the project. With Architectus, we began planning a business park at the Airport rail station while preserving land for future works including terminal expansion and a second runway.

The Company’s Risk Management Framework provides the overarching

policy direction for the role of risk management within WSA. It outlines the foundation and organisational arrangements for implementing, monitoring, reviewing and continually improving risk management across the Company. We reviewed and updated the framework, taking into consideration best practice from across the industry and findings from internal audit.



Announcement for the start of early earthworks.

Stakeholder Engagement

Domain Objective:

“Establishment and maintenance of collaborative and productive relationships with stakeholders.”



Smoking Ceremony held with the Aboriginal community to ward off bad spirits, acknowledge ancestors and pay respect to the land and sea of country.

Establishing and maintaining positive and collaborative relationships with various stakeholders has been at the forefront of our approach to stakeholder engagement. This includes engagement with the community, various government departments and agencies and industry. WSA has satisfied its 2018–19 target of establishing a baseline in relation to community engagement following initial community feedback.

A major focus was preparing for the Experience Centre — WSA’s centrepiece for engagement with local schools and community groups.

We maintain a strong presence at local community events, with information stalls at shows, festivals and markets including the Luddenham and Hawkesbury shows.

WSA continued its strong and productive relationships with government and industry, conducting regular meetings with all three levels of government to ensure an integrated planning approach

is undertaken. WSA conducted quarterly Stakeholder Planning Forums to share information and optimise integration opportunities with key Commonwealth, State and local agencies and is actively working with the WCAA to coordinate the delivery of critical supporting infrastructure for the Airport and surrounding Aerotropolis. In addition, the Company contributed to the Commonwealth-led Forum on Western Sydney Airport.

Expansive infrastructure projects attract a significant amount of interest for not only the surrounding communities, but also for the large number of key stakeholders involved. A social licence to construct, commission and operate Western Sydney International refers to the level of acceptance or approval, by local communities and stakeholders. A failure to deliver on community, business and shareholder expectations could result in damage to brand, reputation and community sentiment, resulting in

potential impacts to the commercial viability and long-term value of the asset. WSA has an inherently high social (stakeholder and community) risk. A robust control framework, incorporating adaptive stakeholder and community programs, guides the management of this risk.

We are committed to engaging with our local communities and stakeholders and to making a respectful and positive contribution to the long-term socio-economic prosperity of Aboriginal and non-Indigenous communities and broader Western Sydney region. WSA maintains an interactive website, three social media channels and a 24/7 phone line for community members. We also conduct local doorknocks, letterbox drops and community information sessions to ensure our neighbours and broader community are kept informed of developments both on and around the Airport site.

Legal and Governance

Domain Objective:

“Establish robust governance practices with a focus on risk management and compliance.”

WSA is focused on the 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. In 2018–19, WSA embedded robust corporate governance practices within the Company, supported by quality

legal support, which it considers essential to the sustainability and performance of the Company and acting in the best interests of its shareholders. Active input from both internal and external legal advisers has underpinned work on each of WSA’s significant procurements during the reporting period, including Bulk Earthworks, the Experience Centre, the Design

Competition, and Independent Certifier. In FY2019–20, WSA will continue its commitment to robust governance policies and practices.

Detail relating to the Company’s Legal and Governance domain is provided in the Corporate Governance Statement on pages 40 to 50.

Technology

Domain Objective:

“Establishment of secure systems of control and management with emphasis on a high level of collaboration with delivery partners in working towards an internationally-leading airport in the digital age.”

We conducted several key activities around technology, including collaboratively working with our Delivery Partner to establish workflow and document management for all design and construction activities. In parallel,

information management systems were also established for corporate level information and records.

Cyber security defences continued to be matured to prevent malicious and illegal access to internal systems.

Design work on Airport technology commenced with a heavy emphasis on market consultation with leading suppliers of airport technology systems.

People and Culture

Domain Objective:

“Build and maintain an organisational culture that is empowered to deliver and be an employer of choice.”

WSA has a cultural charter to empower its people to deliver and champions a unified vision to become an employer of choice. We began developing a long-term workforce planning strategy to guide efforts in building, evolving and sustaining the right-size workforce with the necessary capabilities for the delivery of WSA objectives, from construction through to operations.

Together with government and industry agencies, we have established an Employment Skills Taskforce to support the investment of capability in vocational education and the training sector in Western Sydney.

WSA will collaborate with members of the taskforce to deliver vocational employment and opportunities for those in Western Sydney. Additionally, activities are underway to deliver a TAFE Skills Centre at the Airport site to train and develop workers in safety, and construction-related skills and programs.

We continue to build capability by continuing to attract and retain an experienced, high performing workforce, recruiting some of the best talent in the industry. The identification of talent continues to concentrate on experience and qualifications, potential for development and cultural fit.

Culturally, values are showcased through a performance framework promoting safety, integrity, inclusion, pioneering, courage and passion as fundamental success factors for driving the right behaviours and performance outcomes.

In 2019–20, WSA will continue to develop and maintain a targeted, engaged culture where WSA establishes itself as an employer of choice.



Early earthworks on-site

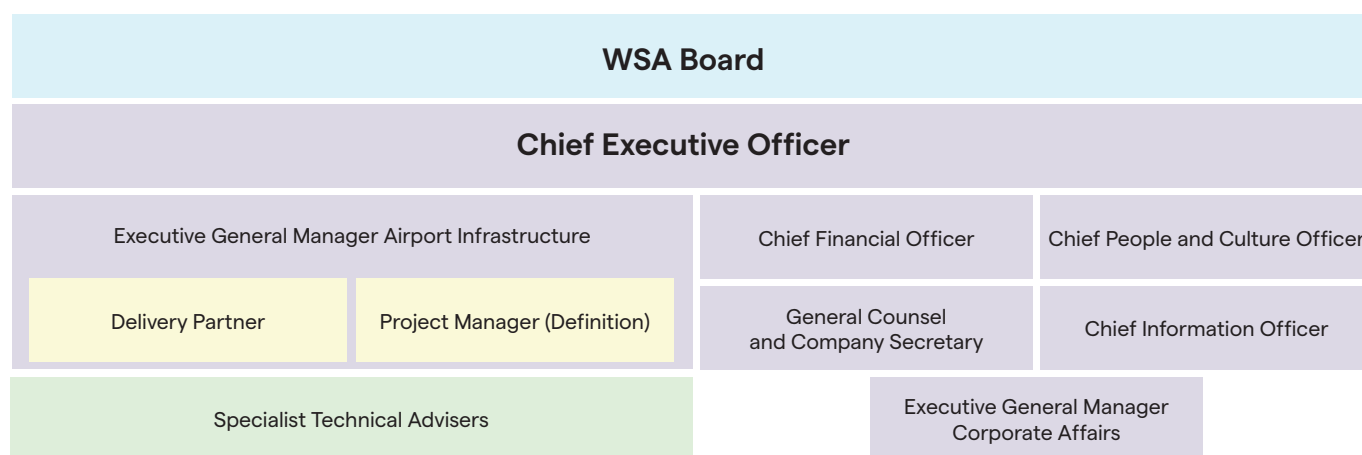
Organisational Structure

WSA has built a team of highly experienced individuals leading strategic and functional domains across the organisation. For the current phase of WSA's operation, the team is organised into two key business streams, project and corporate, to reflect delivery

of respective activities. WSA has continued to build capability and this includes Bechtel as the Delivery Partner and Project Manager (Definition). In addition, WSA's extended workforce includes specialist technical advisers within the project business stream and

is complemented with teams of experienced earth-moving and construction organisations.

WSA's organisational structure is depicted below.



As at 30 June 2019, WSA employed 78 people. This number reflects the employees who are employed directly by WSA. The composition of this workforce is as follows:

Employee Statistics	2018-19	2017-18
Ongoing employees		
Total	74	40
Full-time / Part-time	73 Full-time, 1 Part-time	40 Full-time
*Male / Female	41 Males, 33 Females	23 Males, 17 Females
Non-ongoing employees		
Total	4	1
Full-time / Part-time	4 Full-time	1 Full-time
*Male / Female	1 Male, 3 Females	1 Female
**Total employees	78	41

* No individuals identified themselves as gender-indeterminate throughout both reporting periods.

** All employees throughout both reporting periods were based in New South Wales.

As at 30 June 2019, the combined workforce (which includes direct employees of WSA, employees of Bechtel under Delivery Partner and Project Manager (Definition) arrangements, and workers on-site) is 618 people.

Diversity and Inclusion

WSA 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 continuing to develop a vibrant, diverse and inclusive workforce. In particular, WSA is committed to:

- Providing opportunities to Indigenous Australians;
- Supporting individuals from disadvantaged backgrounds;
- Fostering the recruitment and promotion of women in the workforce; and
- Encouraging flexible work arrangements for those who would benefit from it.

Diversity and inclusion targets

To enable WSA to achieve a diverse workforce, the following workforce targets have been set:

Category	Workforce Target <i>(currently includes direct employees of WSA, employees of Bechtel under Delivery Partner and Project Manager (Definition) arrangements, and workers on-site)</i>	FY2018-19 Progress Against Targets as at 30 June 2019
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).	54%
Diversity	10% by 2025 Covering Indigenous, women in non-traditional roles, women in leadership positions, economically and socially disadvantaged people, and people with a disability.	32% (including 3% Indigenous employees)
Learning Workers (including apprentices)	20% by 2025 Including trainees, apprenticeships and workers training to upgrade their qualifications and skills.	34%

Sustainability

Sustainability remains a key focus for WSA and the Company remains committed to delivering a sustainable Airport. Construction works are complying with the minimum Green Star and ISCA requirements. We also consulted with several stakeholders including the Green Building Council of Australia, the Infrastructure Sustainability Council of Australia, Qantas and Virgin Airlines.

WSA published its Sustainability Plan in March 2019, providing an overall framework to the incorporation of sustainability into the development of Western Sydney International. The Sustainability Plan addresses the minimum requirements for Stage 1 Development and will be updated annually to reflect increasing sustainability ambitions beyond this as the design develops. WSA will continue to collaborate with stakeholders, including airlines, to influence outcomes in areas outside of the Airport's operational control, and to demonstrate leadership in the aviation industry.

Several external sustainability drivers exist which influence WSA's decisions on sustainability for Western Sydney International. These include:

- Increasing frequency and rigour of application of the Infrastructure Sustainability (IS) and Green Star ratings to infrastructure projects, particularly in NSW;
- The *Modern Slavery Act 2018 (NSW)* and *Modern Slavery Act 2018 (Cth)* and the implications for workforce and supply chain management;
- Broad national commitments, including greenhouse gas emission targets aligned to the Paris Agreement;
- Desire to positively contribute towards global sustainability initiatives, such as the United Nations Sustainable Development Goals, in line with pro-active corporate citizenship;
- External stakeholder expectation for the Airport to demonstrate leadership; and
- Investor valuation of sustainable assets, as demonstrated by sustainability rating systems, such as Global Real Estate Sustainability Benchmark (GRESB).

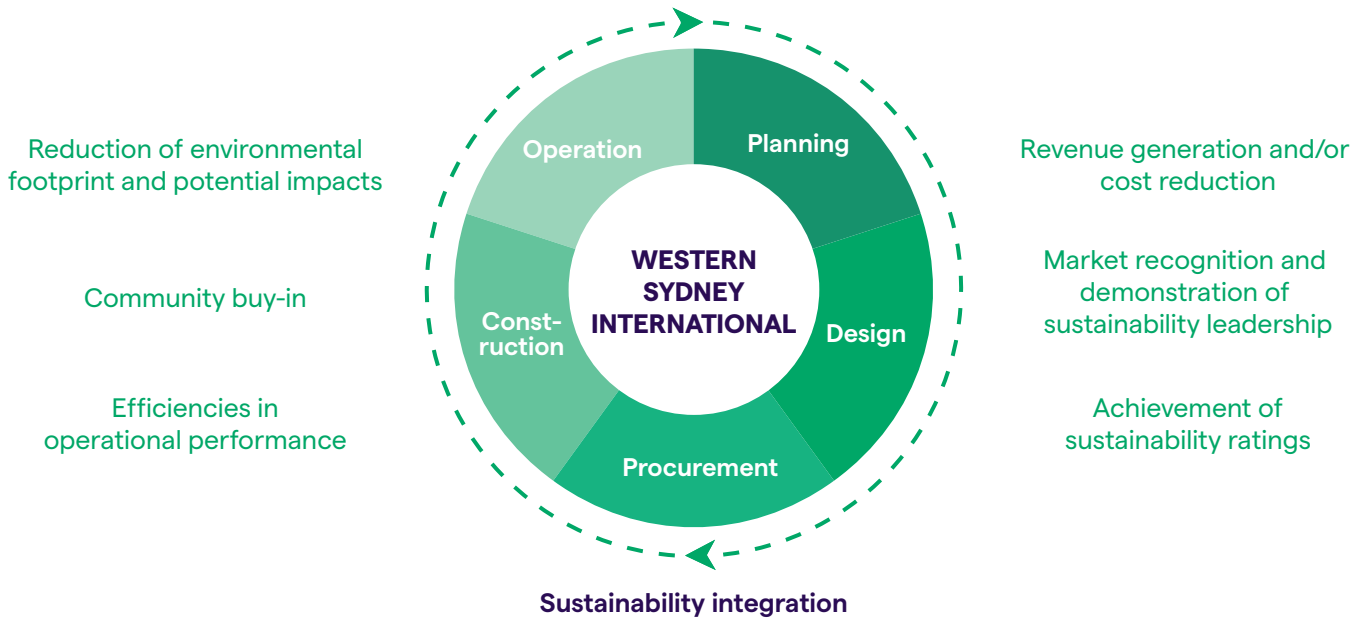
WSA reuses 500,000 tonnes of sandstone from Sydney Metro tunnelling

We are collaborating with Sydney Metro to reuse tunnel spoil material. More than 500,000 tonnes of sandstone will be transported from Sydney Metro tunnelling sites at Chatswood and Marrickville. The sandstone will be used as a high-strength foundation to support the construction of the runway, taxiways and roads on-site. This is a great sustainability initiative, achieving a positive outcome for both parties.

Integrated Sustainability

WSA aims to design, construct and operate Western Sydney International in accordance with leading practice sustainability principles. A consistent approach to sustainability, across packages of work and throughout various phases of the project, will be necessary for project-wide success. The adoption of an integrated approach that considers risks and opportunities, invites input from diverse disciplines and backgrounds, and embeds sustainability into practices, will realise multiple positive outcomes.

Sustainability requirements, objectives and guidance material



Sustainability Policy

WSA is a purpose-led business and sustainability is an enabling mindset to guide the Airport to make a positive impact over its lifetime. The Sustainability Policy sets out our commitment to create a safe, healthy, thriving and sustainable Airport for Western Sydney. The policy guides corporate behaviour, as well as the design, construction and operation of Airport facilities, associated precincts, and third-party developments within the Airport site.

Improvements for Future Generations

The Airport will bring employment, services, facilities and socio-economic benefit to Western Sydney. Planning for the Airport will prioritise the wise use of resources so that future generations have the same or better access to those environmental resources.

Cost Reduction

Doing more with less saves money. The design, build and operations of the Airport will factor in minimal use of water, electricity, other materials and consumables to be resource-efficient. Resource-efficient design is one approach that WSA is considering to minimise ongoing operational costs.

Improved Asset Value

Sustainability initiatives can be an indicator of quality, which contributes to increasing the value of the asset. The Airport will consider and seek to minimise climate change risks, use innovative technology and flexible design to be future-ready, and respond to sustainability rating systems and benchmarks to demonstrate leadership. These actions will result in improved asset value, and render the Airport an attractive proposition for potential investors.

Planning for the Future

A sustainable Airport will be able to adapt to changes in the market, technology and customer expectations. In helping the Airport to be flexible and resilient, sustainability initiatives are likely to be a key driver of value over the long term.

Meeting Stakeholder Expectations

In line with industry objectives globally, WSA's stakeholders, ranging from the Commonwealth Government to future users and local residents, expect the Company to design, build and operate a sustainable Airport.

For more information on WSA's Sustainability Plan, please visit westernsydney.com.au.



Financial Overview

03

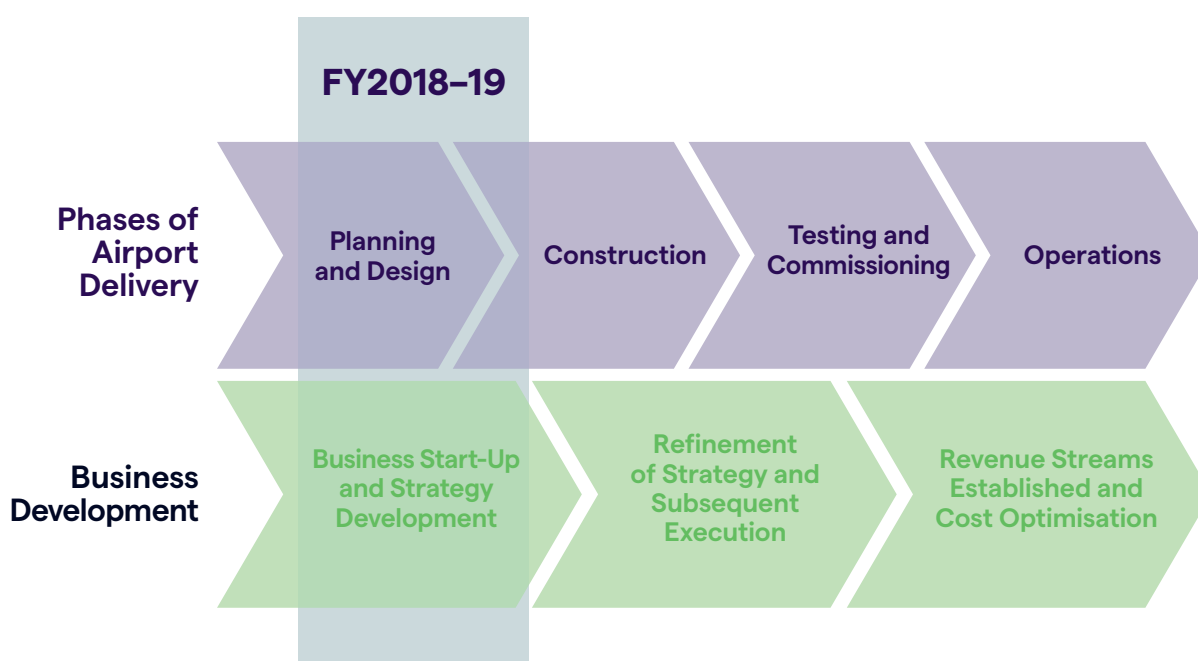


Financial Overview

Financial Snapshot

	2019 \$000	2018 \$000
Operational expenditure		
Site preparation	171,266	211,823
Design and project management	17,025	19,902
Decontamination	20,416	25,144
Employee benefits	21,286	6,035
Other	22,890	17,636
Total	252,883	280,540
Interest income	(892)	(573)
Operational loss	251,991	279,967
Capital expenditure	32,526	3,835

In May 2017, the Commonwealth of Australia committed up to \$5.3 billion in funding to the Company to construct and operate Western Sydney International. 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 and design phase

During FY2018–19, WSA continued the preliminary activities necessary for the construction of the Airport which involved the following major achievements:

- Commencement of early earthworks, including contamination remediation activities, with the first one million cubic metres of earth moved during the year;
- The Company made \$99.6 million (FY2017–18: \$146.1 million) of Commonwealth Preparatory Activities (CPA) payments to the Commonwealth for activities to be undertaken on behalf of WSA;
- Early completion of the relocation of the TransGrid 330kV power line from overhead to underground; and
- WSA's Delivery Partner and Project Manager (Definition) commenced project and design management activities.

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 year was \$252.9 million and reflects current activities related to the Planning and Design phase of Airport Delivery. This phase is characterised by significant site preparation activities including enabling works, early earthworks, and contamination remediation activities. Since these costs are incurred in the pre-development stage of construction, they are expensed as incurred.

Site preparation

Site preparation expenses that were incurred related to CPA activities, completion of the relocation of the TransGrid 330kV power line from overhead to underground, and early earthworks activities including site levelling, temporary road construction and other site establishment works.

Design and project management

Design and project management expenditure was primarily related to Delivery Partner and Project Manager (Definition) services, engineering works, and costing activities necessary to progress the planning stages of the project.

Decontamination

Decontamination expense recognised in FY2018–19 represents increased provisioning to remediate additional quantities of asbestos and unexpected finds, and further remediation of contaminated material, including management of material that has been temporarily stockpiled.

Employee benefits

During FY2018–19, WSA's second year since establishment, the Company continued to build a highly capable and skilled workforce.

Other expenses

This expense category comprises professional services and other operating costs, including community engagement activities, information technology and administration requirements.

Capital Expenditure

	2019	2018
	\$000	\$000
Capital expenditure		
Airport construction in progress	30,902	2,380
Plant and equipment	1,166	845
Right-of-use assets	458	610
Total	32,526	3,835

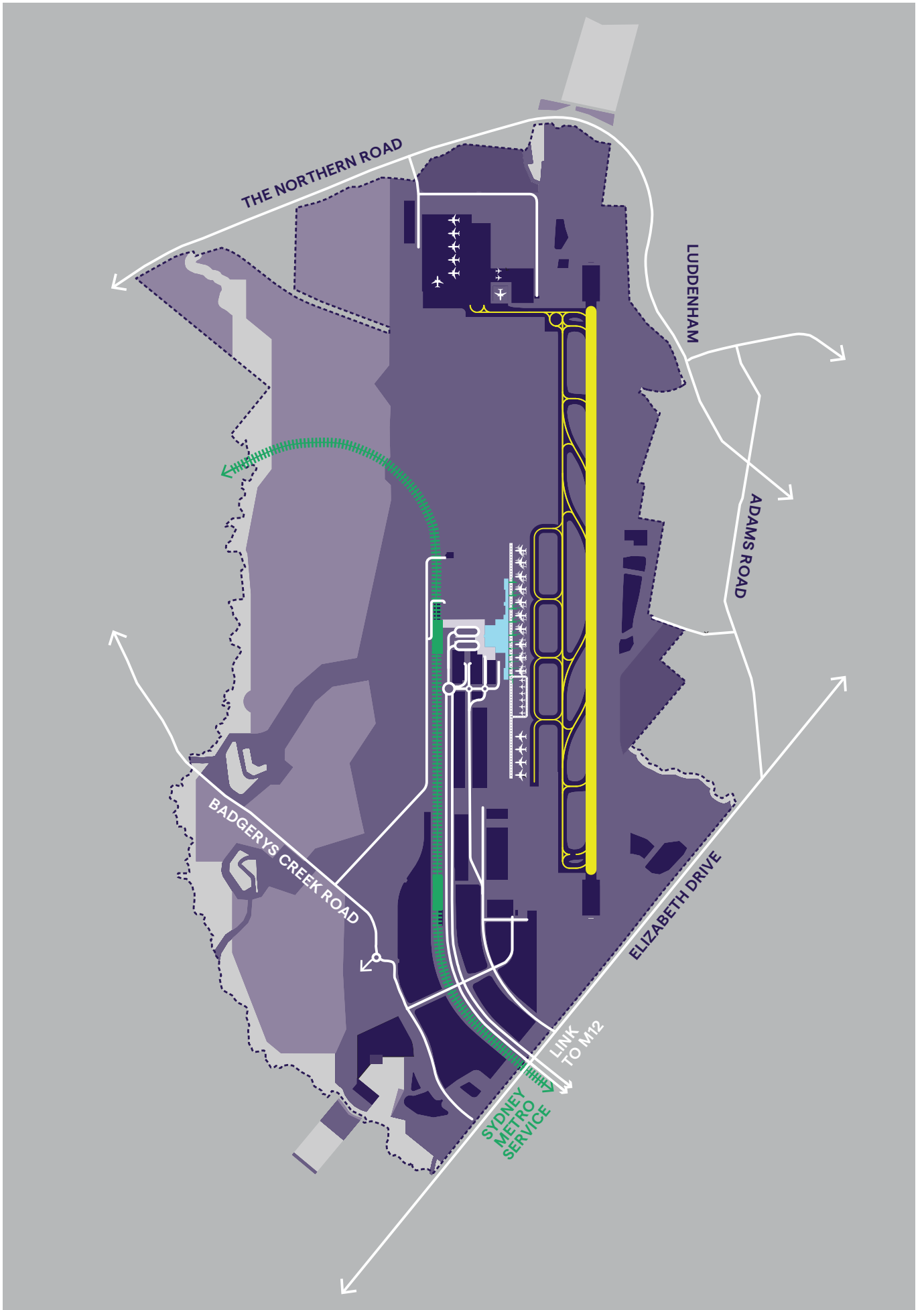
Capital expenditure for the year largely related to the carrying out of capital works (primarily the Experience Centre and Site Office), project management, installation, and design and engineering.

Capital Funding and Liquidity

On 5 October 2017, the Australian Government and the Company entered into an Equity Subscription Agreement (ESA) whereby the Australian Government will provide funding of up to \$5.3 billion to the Company to develop Western Sydney International. 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 2019, total equity of \$594.0 million had been provided to WSA.

In FY2018–19, WSA incurred a loss after tax of \$252.0 million and is in a net assets position of \$62.1 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 International can be executed as planned.



Layout of the Airport site



Directors' Report

04

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 year ended 30 June 2019, 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'Sullivan	9	9	9	8	4	4	6	4	4	4
F Balfour	9	9	9	9	4	4	6	6	-	-
T Eddy	9	9	-	-	4	4	6	6	-	-
V Graham AM	9	9	9	9	-	-	6	5	4	4
A Hammon	9	9	-	-	-	-	6	6	4	4
C Spring	9	9	9	9	-	-	-	-	-	-
J Weber	9	9	9	9	4	4	-	-	4	4

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 the Annual Report (pages 40 to 50). The Annual Report can also be accessed via WSA's website at www.westernsydney.com.au

Director Profiles



Mr Paul O'Sullivan
Chair and Non-executive Director

Paul is the inaugural Chair of WSA, appointed in August 2017. He is Chair of Singtel Optus Pty Ltd and was previously Chief Executive Officer (CEO) of Singtel Group (Consumer) from 2012–2014 where he was responsible for operations in both Singapore and Australia, as well as Singtel investments. Paul previously served as CEO of Optus from September 2004 to March 2012, and prior to this held a range of senior positions within Optus. Paul has also held management roles with the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and United Kingdom. Paul currently serves as a Director on several Boards including Coca-Cola Amatil Ltd, the National Disability Insurance Agency (NDIA) and HOOQ Digital Pte. Ltd.

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.



Mrs Fiona Balfour
Non-executive Director

Fiona has over 35 years' experience across aviation, information and telecommunication services, distribution and logistics and corporate governance. She spent 14 years with Qantas Airways Limited and served six years on the Executive Committee as Chief Information Officer. Fiona is currently an independent Non-executive Director with Aircservices Australia and Metcash Limited and is a nominee Director for PSPIB of Canada at Land Services South Australia Limited. Fiona is a former nominee Director of Société Internationale de Télécommunications Aéronautiques ('SITA-SC') Geneva, and former independent Non-executive Director of Salmat Limited, TAL (Dai-ichi Life) Australia, Australian Red Cross Blood Service 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.



Mr Tim Eddy
Non-executive Director

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 he has developed expertise in a range of areas including: global and national transformation and change; developing new service offerings; growth strategies for business operations; risk management and governance best practice and driving sound financial outcomes.

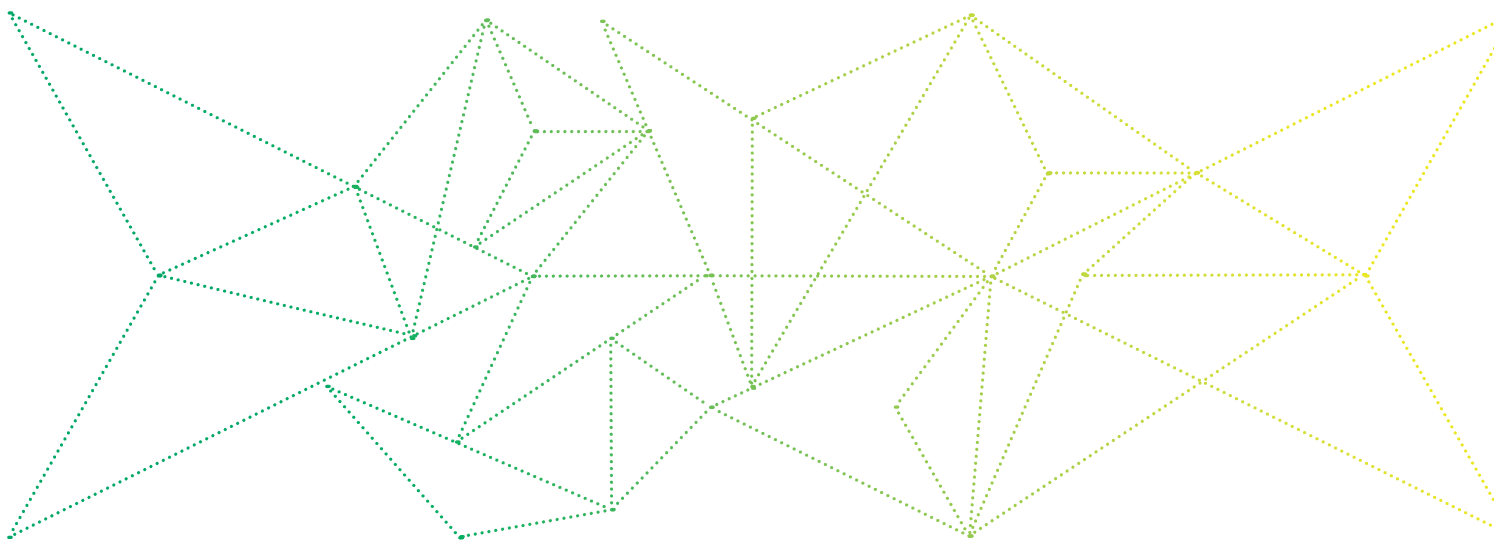
Tim holds a Bachelor of Commerce from the University of Melbourne, is a Fellow of the Chartered Accountants Australia and New Zealand, and a graduate of the Australian Institute of Company Directors. In addition, Tim has completed further study in Creating Value from Strategy at London Business School,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



Mr Vince Graham AM
Non-executive Director

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 CEO 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 and Western City & Aerotropolis Authority. A lifelong resident of Penrith, he brings to WSA 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.



Ms Anthea Hammon
Non-executive Director

Anthea is the Managing Director of Scenic World, a third-generation family business which has been operating in the Blue Mountains for more than 70 years. As head of Australia's most visited privately-owned tourist attraction, and a mechanical engineer, she has played a leading role in driving the company's strategy of investment and growth, and brings 15 years of knowledge and experience in the tourism industry. She is a Director of Scenic World's parent company Hammons Holdings, which also operates BridgeClimb on the Sydney Harbour Bridge. Anthea is also the Vice President of the Blue Mountains Accommodation and Tourism Association, Director of Blue Mountains Economic Enterprise and previously served as 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.



Ms Christine Spring
Non-executive Director

Christine is an expert in aviation infrastructure development and airport operations, as well as a civil engineer with approximately 20 years' experience. She has Australian and international experience in aviation infrastructure delivery, including 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. Christine is also a Director of Unison Networks Ltd, and Unison Contracting Services 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).



Mr John Weber
Non-executive Director

John is currently Chair of the Airservices Australia Board. In addition to being a Director on several Boards including Australian Maritime Systems Group and Dimeo Group, John 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.

Operations

Review of operations

The review of operations for WSA is contained in the messages from the Chair and Chief Executive Officer, and the Operating Overview (at page 11).

Principal activities

WSA's principal activities during the year are described in the Operating and Financial Overview on pages 11 to 24. There have been no significant changes in the nature of those activities during the year.

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 2019.

Events since the end of the financial year

On 30 August 2019, the following contracts were approved for award by the Board:

- Bulk Earthworks and Airside Civils (BEAC) package to level the Airport site and trunk drainage construction by moving over 20 million cubic metres of earth.
- Independent Certifier to perform review and certification of design and construction activities.

No other matters or circumstance have arisen since 30 June 2019 that have significantly affected the Company's operations, results or state of affairs or may do so in future years.

Likely developments and expected results of operations

Likely developments include procurement of contracts, design and engineering, construction works and commencement of bulk earthworks. Further information is provided in the Chair's Message, Chief Executive Officer's Message, and the Operating Overview. Refer to WSA Annual Report.

Dividend

No dividends have been paid or declared during the period.

Environmental regulation

WSA 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 as the site occupier of the Western Sydney International Airport site.

Indemnification of Officers

WSA has indemnified each of the Directors of the Company against legal proceedings, loss or liability that arises in their capacity as Directors of WSA. As at 30 June 2019, 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.



Mr Paul O'Sullivan
Chair of the Board



Mr Tim Eddy
Chair of the Audit and Risk Committee

Sydney
30 August 2019



Scrapers and bulldozers on-site.



Remuneration Report

05



Remuneration Report

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

On behalf of the WSA Board, I am pleased to present our FY2018-19 Remuneration Report, which summarises the achievements of the past year and the associated remuneration outcomes for the Company's Chief Executive Officer and Senior Executives. Board member fees are also presented.

The year in review

FY2018-19 is WSA's second year since inception. A key objective was to establish the Company as an employer of choice by focusing on delivering a positive employee value proposition and an engaged workforce.

To achieve this, the Company has continued to build capability by attracting and retaining key talent to create an experienced and high performing workforce. As part of this strategy, WSA welcomed an additional KMP to its leadership team — Tom McCormack as the Chief Information Officer, who complements and strengthens the Senior Executive team.

FY2018-19 has been a successful year for the Company with significant progress towards delivering Western Sydney Airport's business plan. Key achievements are:

- development of a safety-first culture, resulting in the achievement of the Company's safety KPI;
- significant progress with the enabling earth works;
- construction of the Experience Centre and site accommodation;

- recruitment of a total workforce comprising over 50% local employment, well over the target of 30% for the construction phase; and
- building a culture and engagement baseline and forward-plan to embed our cultural charter 'empowered to deliver'.

WSA remains focused on the generation of social and economic prosperity in the Western Sydney region, supporting the creation of thousands of jobs.

The Committee's work in FY2018-19

The role of the People, Remuneration and Nomination Committee is to ensure that Western Sydney Airport has the people management processes, and remuneration policies and frameworks in place to ensure we can attract and retain quality people, and reward their contributions.

During FY2018-19, the PRNC has focused on the oversight of key enabling initiatives for the Company, including:

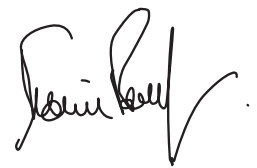
- cultivating and reinforcing our safety-first mindset;
- establishing the core people processes to enable sustainable growth; and
- embedding performance management throughout the Company.

The remuneration work of the Committee has focused on the execution of the remuneration strategy established for WSA. This has enabled our ability to attract

new talent to the Company. Our governance process has continued to focus on the application of rigorous and prudent decision making as it relates to executive remuneration, including performance-based pay.

During FY2018-19, the remuneration framework introduced a short-term incentive deferral for Senior Executives. The deferral aligns Senior Executives with the CEO by deferring 50% of their earned STI payment for 12 months.

We expect that we will continue to test and evolve our approach to remuneration as Western Sydney Airport continues to mature and the business plan is fully implemented.



Fiona Balfour
Chair People, Remuneration and Nomination Committee

30 August 2019

Remuneration Report

This report is in three parts. Key Management Personnel are reported in Part 1; the Executive remuneration policy and outcomes are presented in Part 2; and non-executive remuneration is presented in Part 3.

1. Key Management Personnel

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

Name	Title	KMP Term
Non-executive Directors		
Paul O'Sullivan	Chair	Full year
Fiona Balfour	Non-executive Director	Full year
Timothy Eddy	Non-executive Director	Full year
Christine Spring	Non-executive Director	Full year
Anthea Hammon	Non-executive Director	Full year
Vincent Graham AM	Non-executive Director	Full year
John Weber	Non-executive Director	Full year
Senior Executives		
Graham Millett	Chief Executive Officer	Full year
Shelley Cole	Chief Financial Officer	Full year
Maryanne Graham	Executive General Manager Corporate Affairs	Full year
Katherine Newton-John	General Counsel and Company Secretary	Full year
Jim Tragotsalos	Executive General Manager Airport Infrastructure	Full year
Joanne Vaughan	Chief People and Culture Officer	Full year
Tom McCormack ¹	Chief Information Officer	Part year

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 Company.

¹ Tom McCormack was appointed Chief Information Officer on 1 September 2018.

2. FY2018-19 Senior 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"> Approves WSA's remuneration approach, structure and outcomes. 	<ul style="list-style-type: none"> Makes recommendations to the Board in relation to Senior Executive remuneration policy, strategy, framework and outcomes. 	<ul style="list-style-type: none"> Prepares policy recommendations and information for the PRNC's consideration and approval.
<ul style="list-style-type: none"> Approves WSA's remuneration incentive and benefits policies, practices and arrangements. 	<ul style="list-style-type: none"> Reviews and makes recommendations to the Board on remuneration incentive and benefit policies, practices and arrangements (within the parameters of the guidelines or determinations 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"> Approves the remuneration of the CEO and Senior Executives. 	<ul style="list-style-type: none"> Reviews and recommends to the Board on remuneration of the CEO and Senior Executives, including short-term incentive targets and outcomes. 	<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"> Review and oversight of the Company's recruitment practices, learning and development approach and People & Culture initiatives. 	

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 relative to the agreed strategy; and
- Alignment of individual behaviours with the Company's vision and values.

Support from external advisers

During FY2018-19, WSA received external advice in relation to remuneration from KPMG. The advice included a review of its Remuneration and Benefits Policy and Short-term Incentive Policy, and benchmarking remuneration data which was used as an input to the annual review of Senior Executive remuneration. The advice provided by KPMG did not constitute a remuneration recommendation as defined in the *Corporations Act 2001 (Cth)*.

Remuneration Report

2.2 FY2018-19 Remuneration strategy and framework

The Company's remuneration strategy is aligned with the business plan and 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 deliver the business plan.

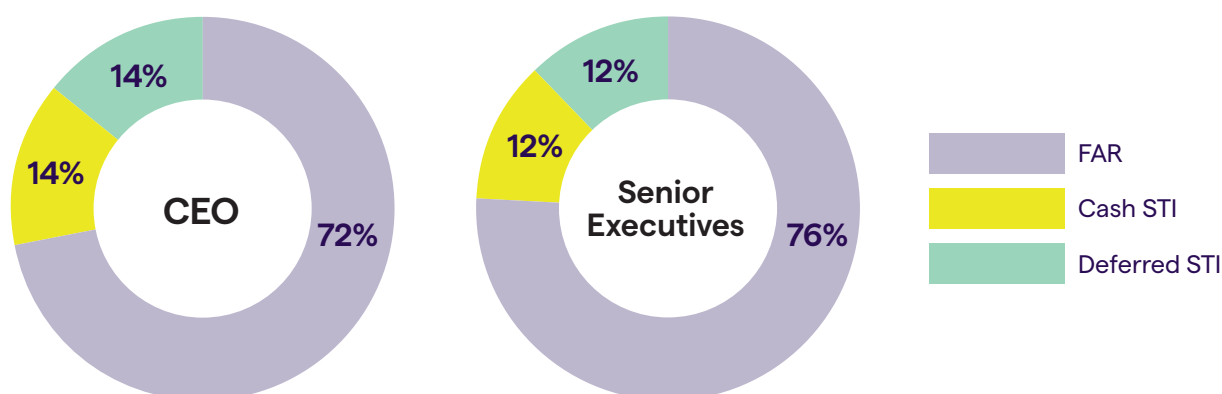
Remuneration Principles		
Market competitive	Performance oriented and equitable	Aligned with stakeholder and public interest

Remuneration Objectives			
Pay people competitively and reward contributions to WSA's long-term objectives	Consistency and equity in remuneration	Remuneration and benefits policies and practices which promote the judicious use of public money	Remuneration and benefits governance processes that are transparent and support financial soundness and prudent risk management

FY2018-19 Remuneration Framework

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

FAR	STI
<p>FAR includes base salary, superannuation contributions and appropriate benefits provided to Senior Executives.</p> <p>The FAR for the CEO is determined by the Tribunal and the role is classified as a Principal Executive Officer (PEO) Band E.</p> <p>FAR levels are set according to the nature and scope of the Senior Executive's role, as well as his/her performance and experience.</p> <p>WSA benchmarks its Senior Executive with reference to ASX-listed and unlisted companies of comparative size and complexity, as well as other Government Business Enterprises.</p>	<p>The STI plan is an annual performance-based incentive paid in cash, with 50% entitlement in the current year and 50% deferred for 12 months for the CEO and Senior Executives.</p> <p>The STI plan is an at-risk, cash-based component of total remuneration. Its purpose is to incentivise Senior Executives to deliver annual performance outcomes aligned to Shareholder Ministers' interests.</p> <p>The maximum STI opportunity for the CEO for FY2018-19 is 40% of FAR and for the Senior Executives, it is 30% of FAR. The Tribunal sets parameters for the CEO's performance pay, including the deferral requirement.</p> <p>The STI is linked to individual balanced scorecards of Key Performance Indicators (KPIs), and an assessment against overall results and alignment to the Company's values.</p> <p>KPIs are a mix of Company financial and non-financial measures (including safety, environment, community and people targets), and individual performance objectives directly related to the Senior Executive's core area of responsibility. The PRNC makes determinations of individual STI outcomes based on assessment of the KPI outcomes and application of overall discretion (as described above).</p>



Total potential remuneration

2.3 FY2018-19 Remuneration Table

This table presents the Chief Executive Officer's and Senior Executives' remuneration for FY2018-19 with a comparison against FY2017-18 and is shown on an accruals basis.

Name	Year	Short-term benefits				Post-employment Benefits	Other Long-term Benefits		Total Remuneration
		Base Salary ⁸	STI Cash - Actual	Other benefits	Annual Leave ⁹	Superannuation Contributions	STI Deferred - Actual	Long Service Leave	
		\$	\$	\$	\$	\$	\$	\$	\$
Graham Millett ¹	2019	703,669	123,114	-	54,128	20,531	123,114	3,266	1,027,822
	2018	415,559	67,098	-	35,277	16,707	67,098	714	602,453
Shelley Cole ²	2019	479,469	63,750	-	36,882	20,531	63,750	2,352	666,735
	2018	326,560	71,461	-	23,110	16,138	-	595	437,864
Maryanne Graham ³	2019	324,374	55,026	-	26,267	20,531	55,026	1,651	482,875
	2018	158,313	44,384	-	12,253	8,354	-	249	223,553
Katherine Newton-John ⁴	2019	379,469	51,000	-	29,190	20,531	51,000	1,745	532,935
	2018	195,230	55,923	-	14,019	12,653	-	359	278,184
Jim Tragotsalos ⁵	2019	442,995	66,300	-	35,789	20,531	66,300	1,788	633,703
	2018	37,689	-	-	2,958	3,580	-	56	44,283
Joanne Vaughan ⁶	2019	343,284	54,000	11,838	28,790	20,531	54,000	1,704	514,147
	2018	162,410	46,159	-	7,944	11,120	-	324	227,957
Tom McCormack ⁷	2019	316,224	44,828	-	29,190	17,110	44,827	1,763	453,942
	2018	-	-	-	-	-	-	-	-
Total	2019	2,989,482	458,018	11,838	240,236	140,298	458,018	14,269	4,312,160
	2018	1,295,761	285,025	-	95,561	68,552	67,098	2,297	1,814,294

¹ Graham Millett commenced as Executive General Manager Airport Infrastructure on 1 November 2017 (preceding this he was an independent contractor from 18 September 2017). On 23 February 2018 Mr Millett was appointed Chief Executive Officer.

² Shelley Cole commenced as General Manager Finance 18 September 2017 and subsequently, her position was expanded to Chief Financial Officer on 1 January 2018.

³ Maryanne Graham was appointed Executive General Manager Corporate Affairs on 1 February 2018.

⁴ Katherine Newton-John was appointed General Counsel and Company Secretary on 27 November 2017.

⁵ Jim Tragotsalos was appointed EGM Airport Infrastructure on 4 June 2018.

⁶ Joanne Vaughan was appointed Chief People & Culture Officer on 18 December 2017.

⁷ Tom McCormack was appointed Chief Information Officer on 1 September 2018.

⁸ Base salary comprises cash salary excluding annual leave accrued.

⁹ For FY2018-19 annual leave is the total amount of leave accrued for the period. For FY2017-18 the movement in annual leave provision is presented.

Remuneration Report

2.4 FY2018-19 STI outcomes for the CEO and the Executives

This table presents the Chief Executive Officer's and Senior Executives' Target and Awarded STI for FY2018-19.

Name	Target STI	Awarded STI	Awarded STI as % of Target	Forfeited STI	STI Cash	STI Deferred
	\$	\$		\$	\$	\$
Graham Millett	289,680	246,228	85%	43,452	123,114	123,114
Shelley Cole	150,000	127,500	85%	22,500	63,750	63,750
Maryanne Graham	122,280	110,052	90%	12,228	55,026	55,026
Katherine Newton-John	120,000	102,000	85%	18,000	51,000	51,000
Jim Tragotsalos	156,000	132,600	85%	23,400	66,300	66,300
Joanne Vaughan	120,000	108,000	90%	12,000	54,000	54,000
Tom McCormack	99,616	89,655	90%	9,961	44,827	44,827
Total	1,057,576	916,035	-	141,541	458,018	458,018

2.5 FY2018-19 STI scorecard outcomes for the CEO and Senior Executives

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

The Company's scorecard in FY2018-19 is detailed below:

Strategic Domain KPI	KPI Description	Performance Outcome
Safety Record	Measures WSA's success in cultivating and reinforcing a zero-harm, prevention and protection mindset amongst employees, contractors and consultants. TRIFR < 5.	Achieved TRIFR = 3.4
Employee Engagement	Measure agility, engaging leadership, talent focus, and commitment to roles. Baseline to be established following collection of initial employee feedback.	Achieved Baseline = 66%
Community Engagement	Measures the extent of community engagement undertaken by WSA and subsequent awareness of Western Sydney Airport. Baseline to be established following initial community feedback.	Achieved Baseline = 63%
Environmental Performance	Measures performance relating to environmental conditions imposed upon WSA during construction (as per the Airport Plan, Environmental Impact Statement, and associated Construction Environment Management Plans). Meet all relevant conditions.	Achieved
Financial Performance	Measure of actual expenditure relative to budgeted forecasts. Expenditure within budget.	Achieved

3. Non-executive Director Fees

All Non-executive Directors of WSA 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 which are inclusive of all activities undertaken by Non-executive Directors on behalf of the Company (that is, 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 FY2018–19.

Commencing from October 2018, the Remuneration Tribunal introduced fees for Committee Chairs and Members of the Audit and Risk Committee. These additional Committee fees are not applicable to the Chair and Deputy Chair of the Board, whose fee is all inclusive of their additional responsibilities. There was no Deputy Chair appointed to the Board in FY2018–19.

Board Position	FY2018-19 Entitlement (Excl. superannuation)
	\$
Chair	163,020
Deputy Chair	122,270
Non-executive Directors	81,510
Committee Chair	16,000
Audit & Risk Committee Member	8,000

The remuneration of Non-executive Directors is shown in the table below (accruals basis).

Name	Year	Short-Term Benefits (Director's Fees) ¹	Post-employment Benefit (Superannuation) Contribution	Total Remuneration
		\$	\$	\$
Paul O'Sullivan ²	2019	163,020	15,487	178,507
	2018	143,924	13,673	157,597
Fiona Balfour ²	2019	98,155	9,325	107,480
	2018	72,344	6,873	79,217
Timothy Eddy ²	2019	92,607	8,798	101,404
	2018	72,344	6,873	79,217
Vincent Graham ³ AM	2019	92,607	8,798	101,404
	2018	50,387	4,787	55,174
Anthea Hammon ³	2019	81,510	7,743	89,253
	2018	50,387	4,787	55,174
Christine Spring ²	2019	92,607	8,798	101,404
	2018	72,344	6,873	79,217
John Weber ³	2019	87,058	8,271	95,329
	2018	50,387	4,787	55,174

¹ Committee Chairs and Members of the Audit & Risk Committee are included in Director's fees.

² Appointed as an independent Non-executive Director on 7 August 2017.

³ Appointed as an independent Non-executive Director on 14 November 2017.



**Corporate Governance
Statement**

06



Corporate Governance Statement

This statement, which was approved by the Board on 30 August 2019, outlines WSA'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 Shareholders.

WSA has established a robust governance framework, including policies and procedures, to achieve compliance with legal and regulatory obligations, reflect best practice and to meet probity requirements. As a Government Business Enterprise (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.

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

- The *Public Governance, Performance and Accountability Act 2013 (Cth)* (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).
- The *Corporations Act 2001 (Cth)*.
- The *Department of Finance issued Resource Management Guides*.
- The Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition (ASX Principles) that WSA 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 apply to the Company.

As a GBE, WSA is wholly-owned by the Commonwealth of Australia, represented during the reporting period by the Minister for Finance, Senator the Hon Mathias Cormann, the then Minister for Urban Infrastructure and Cities, the Hon. Paul Fletcher MP (until 27 August 2018), and the Minister for Population, Cities and Urban Infrastructure, the Hon. Alan Tudge MP (from 28 August 2018).

WSA 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 WSA. 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 42 – 43) Board Committees (pages 45 – 46)
2 Structure the Board to be effective and add value	The Board (pages 42 – 43) Board Committees (pages 45 – 46)
3 Instil a culture of acting lawfully, ethically and responsibly	Lawful, Ethical and Responsible Behaviour (page 47)
4 Safeguard the integrity of corporate reports	Safeguard integrity in corporate reporting (page 48)
5 Make timely and balanced disclosure	Interaction with Shareholder Ministers (page 50)
6 Respect the rights of security holders	Interaction with Shareholder Ministers (page 50)
7 Recognise and manage risk	Risk Management (page 49)
8 Remunerate fairly and responsibly	Remunerate fairly and responsibly (page 47)

Corporate Governance Statement

1. WSA'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 27 to 30. 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 WSA, 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 WSA website at westernsydney.com.au.

2.3 Delegation and reservation of powers

To assist the Board in providing strategic guidance, the Board delegates 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;
- monitor 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.

In line with Resource Management Guidelines (RMG) 126 requirements an external, independent review of the Board's performance was completed in June 2019. A report was provided to WSA's Shareholder Ministers on 25 July 2019.

Induction of Directors and Professional Development

On appointment, Directors were provided with an induction program which included meeting with Senior Management, a tour of the Airport site and receipt from the Commonwealth of information pertaining to relevant legislative requirements. Ongoing education and information on relevant topics is provided through presentations and briefings to the Board and Board Committees.

The Company continues to roll out a program of education and training sessions to provide appropriate opportunities for Directors to develop and maintain the professional skills and knowledge needed to effectively perform their role. This training includes regular updates in relation to Directors' duties, WHS law, environmental and legal developments.

2.5 Board size, independence, composition and appointment

According to the Company's Constitution, the WSA Board must comprise of a minimum of three and a maximum of seven independent Non-executive Directors.

The Board and Shareholder Ministers 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 five 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 by the Australian Government. 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 WSA 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.

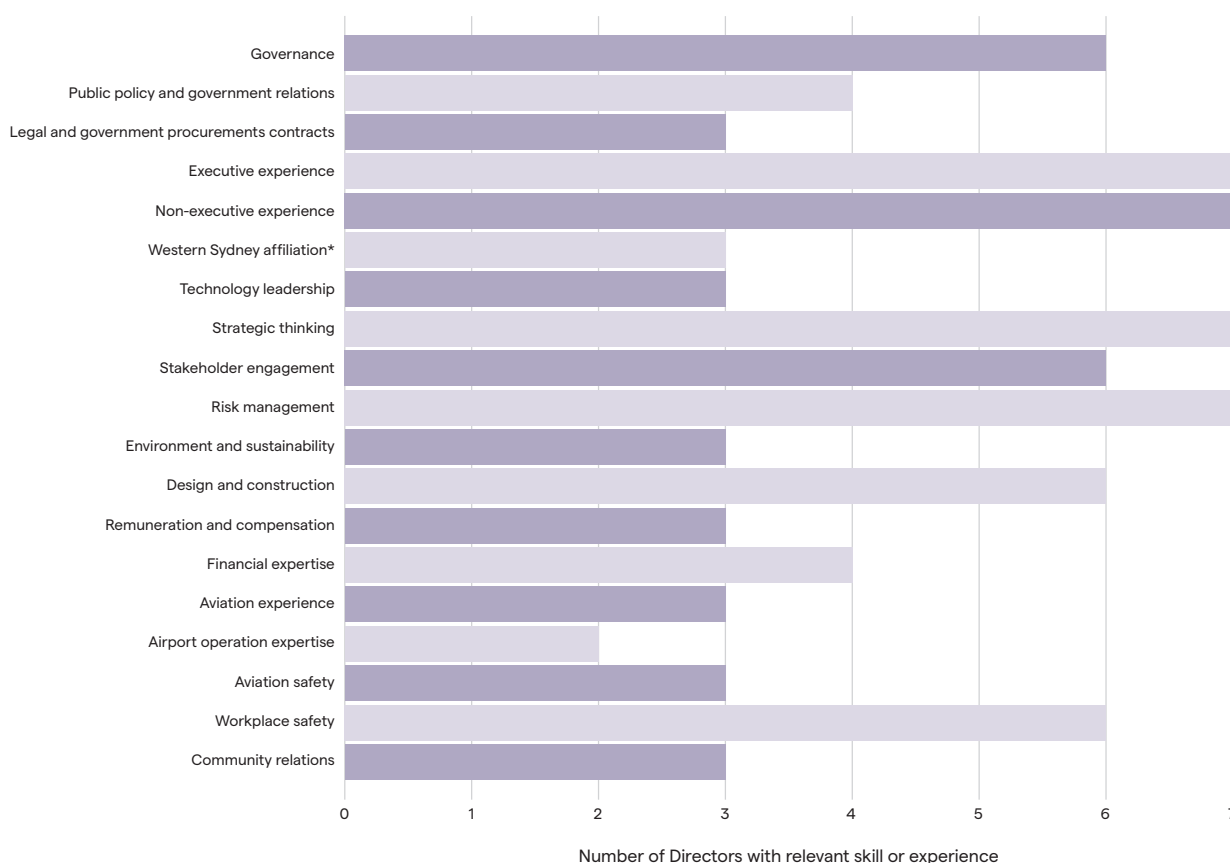
Where a Director has a declared material personal interest in a matter, or may have a potential material conflict of interest, the Director will not participate in any discussion or voting when the matter is being considered by the Board or relevant Board Committee.

Corporate Governance Statement

2.6 Board Skills Matrix

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

Board Skills and Experience



*Western Sydney affiliation refers to the number of Directors who work or have worked or reside in Western Sydney. This includes positions other than with WSA.

The current skills and experience set across the Board are appropriate for the current business phase. As the business evolves the skills and experience requirements of the Board will change, with commercial financing, commercial property, deep airline and airport operational experience becoming an increasing requirement.

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. Details of each Committee are outlined below:

Committee	Role and responsibilities	Membership requirements
Design and Construction Committee	The primary responsibility of the Committee is to oversee the core design, construction and delivery of projects associated with the development of Western Sydney International.	<p>The Committee must comprise:</p> <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.
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.	<p>The Committee must comprise:</p> <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.
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.	<p>The Committee must comprise:</p> <ul style="list-style-type: none"> • a majority of independent Non-executive Directors; and • at least three members.
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.	<p>The Committee must comprise:</p> <ul style="list-style-type: none"> • A majority of independent Non-executive Directors; and • At least three members.

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

Corporate Governance Statement

3.1 Board committee membership (as at 30 August 2019)

Director	Design and Construction Committee	Audit and Risk Committee	People, Remuneration and Nomination Committee	Safety, Health, Environment and Community Committee
Paul O'Sullivan	Yes	Yes	Yes	Yes
Fiona Balfour	Yes	Yes	Yes (Chair)	
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 27.

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 is responsible for appointing WSA'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 19 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 11 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 39.

5.2 Senior Executive performance and remuneration

WSA'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 FY2018-19 performance evaluation, and information about WSA's remuneration framework and policies for Senior Executive

Remuneration, are outlined in the Remuneration Report on pages 34 to 39.

The remuneration of Senior Executives is set by WSA'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 37.

6. Lawful, Ethical and Responsible Behaviour

WSA's purpose is to generate social and economic prosperity by working 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 organisational values used to cultivate a positive corporate culture that empowers people to deliver legally, ethically and responsibly.

6.1 Code of Conduct

WSA's Code of Conduct was first approved by the Board on 9 April 2018 and reviewed on 13 May 2019. The Code of Conduct 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; and
- Considering environmental and social impacts when making a business decision, and ensuring resources are used responsibly.

The Code of Conduct and supporting policies are available on the WSA website at westernsydney.com.au.

6.2 Conflict of Interest

Under the WSA Code of Conduct and the WSA Conflict of Interest

Policy, all staff are required to disclose any actual, perceived or potential conflicts of interest to their manager or to the WSA General Counsel and Company Secretary for evaluation and advice.

6.3 Privacy

WSA has a Privacy Policy and a People Privacy Policy that set out how the Company must manage personal information to comply with the requirements of the *Privacy Act 1988 (Cth)*. These policies will be reviewed regularly, and a copy of the policies is available on the WSA website at westernsydney.com.au.

Corporate Governance Statement

6.4 Whistleblower protection

WSA 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 WSA 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

WSA 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 public.

The portfolio of published 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 additional 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 the Company's Procurement Policy.

Prior to the release of any corporate reports to the public, 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.

WSA 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 two-year term. The Internal Auditor has a program of regular evaluation of the Company's risk management and control processes, and this program is reviewed and endorsed by the Audit and Risk Committee. Similarly, evaluation outcomes are 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 WSA, as well as compliance with the performance standards prescribed for GBEs. In addition, WSA'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 in relation to the adequacy and effectiveness of the Company's risk management framework and internal controls.

Based on the evaluation performed as at 30 June 2019, 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

WSA'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 International.

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 provide 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 WSA. *AS/NZS ISO 31000:2018 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; and
- Ensure control frameworks are incorporated into operational processes.

Corporate Governance Statement

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 WSA is committed to establishing and

maintaining the highest standards of risk management.

The Risk Management Framework was reviewed and updated in 2019 to align with both the requirements of *ISO3100:2018* and the current risk maturity of the Company. The updated Risk Management Framework was approved by the Audit and Risk Committee and the Board of Directors on 13 May 2019.

8.2 WSA's risk profile

WSA's risk profile is grouped into four main categories: Strategic, Financial,

Operational and Stakeholder. Across these four categories, the Company is managing risk in the following areas:

- Health, Safety and Wellbeing;
- Environment;
- Sustainability;
- Budget and Schedule;
- Procurement;
- Interface Management;
- Corporate Reputation;
- Cyber Infiltration; and
- People, Culture and Relationship Management.

9. Interactions with the Shareholder Ministers

9.1 Shareholder communications

WSA maintains regular communication with the Shareholder Ministers and Departments to inform these stakeholders of any significant development.

In compliance with the PGPA Act and the Commonwealth Government Business Enterprise - Governance and Oversight Guidelines, WSA provides information about the Company and its governance to Shareholder Ministers through the Annual Corporate Plan, Annual Report and regular Shareholder reports and meetings. In line with the

ASX Principles, the Company gives its Shareholder Ministers the option to receive communications from and send communications to the Company electronically.

The Company submitted its FY2019-20 Corporate Plan, for the reporting period of FY2019-20 to FY2022-23, to its Shareholder Ministers on 30 August 2019.

9.2 Disclosure obligations

WSA is obliged 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 WSA 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.



Construction of Experience Centre and Site Office.



Financial Report

07



Financial Report

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Statement of Comprehensive Income

For the year ended 30 June 2019

Continuing operations	Notes	Year ended 30 June 2019 \$000	For the period 7 August 2017 to 30 June 2018 \$000
Other income			
Interest income		892	573
Total income		892	573
Expenses			
Site preparation	B2	(171,266)	(211,823)
Design and project management		(17,025)	(19,902)
Decontamination	E2	(20,416)	(25,144)
Employee benefits	D2	(21,286)	(6,035)
Professional services		(10,753)	(11,066)
Depreciation and amortisation		(679)	(182)
Other		(11,458)	(6,389)
Total expenses		(252,883)	(280,540)
Loss before income tax		(251,991)	(279,967)
Income tax benefit	E3	-	-
Loss for the year/period		(251,991)	(279,967)
Other comprehensive loss			
Items forming part of other comprehensive loss		-	-
Total other comprehensive loss		-	-
Total comprehensive loss		(251,991)	(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 2019

	Notes	2019 \$000	2018 \$000
ASSETS			
Current assets			
Cash and cash equivalents	E1	50,131	41,097
Prepayments		3,775	1,512
Trade and other receivables		7,420	2,144
Total current assets		61,326	44,753
Non-current assets			
Property, plant and equipment	B3	35,499	3,653
Prepayments		21,072	9,975
Total non-current assets		56,571	13,628
Total assets		117,897	58,381
LIABILITIES			
Current liabilities			
Trade and other payables		27,063	31,657
Payment received in advance		-	5,000
Lease liabilities	E4	614	524
Employee benefit provisions	D1	2,580	287
Other provisions	E2	19,978	17,221
Total current liabilities		50,235	54,689
Non-current liabilities			
Employee benefit provisions	D1	910	6
Other provisions	E2	4,673	7,923
Total non-current liabilities		5,583	7,929
Total liabilities		55,818	62,618
Net assets / (liabilities)		62,079	(4,237)
Equity			
Share capital	C1	594,037	275,730
Accumulated losses		(531,958)	(279,967)
Total equity		62,079	(4,237)

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

Statement of Changes in Equity

For the year ended 30 June 2019

	Accumulated Losses \$000	Contributed Equity \$000	Total Equity \$000
Balance at 1 July 2018	(279,967)	275,730	(4,237)
Loss for the year	(251,991)	-	(251,991)
Other comprehensive loss	-	-	-
Total comprehensive loss	(246,837)	-	(251,991)
Transactions with owners of the Company:			
Contributions of equity	-	318,307	318,307
Total transactions with owners	-	318,307	318,307
Balance at 30 June 2019	(531,958)	594,037	62,079

For the period from 7 August 2017 to 30 June 2018

	Accumulated Losses \$000	Contributed Equity \$000	Total Equity \$000
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 year ended 30 June 2019

	Notes	Year ended 30 June 2019 \$000	For the period 7 August 2017 to 30 June 2018 \$000
Cash flows from operating activities			
Interest received		906	477
Payments to suppliers and employees		(174,182)	(90,667)
Net cash outflow from operating activities	E1	(173,277)	(90,190)
Cash flows from investing activities			
Proceeds from Government contribution		4,431	5,000
Payments for work in progress		(39,246)	(2,380)
Payments for property, plant and equipment	B3	(1,166)	(845)
Net cash outflow from investing activities		(35,981)	1,775
Cash flows from financing activities			
Equity injection for ordinary shares by the Commonwealth of Australia	C1	218,707	129,630
Payments for leases		(415)	(118)
Net cash inflow from financing activities		218,292	129,512
Net increase in cash and cash equivalents		9,034	41,097
Cash and cash equivalents at the beginning of the financial year		41,097	-
Cash and cash equivalents at the end of financial year / period		50,131	41,097

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

Notes to the Financial Statements

For the year ended 30 June 2019

A. About this Report

Introduction

WSA Co Limited (WSA, 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 is a Government Business Enterprise (GBE), incorporated under the *Corporations Act 2001 (Cth)* and operating under the *Public Governance, Performance and Accountability Act 2013 (Cth)*.

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

This Financial Report includes the financial statements and notes to the financial statements for the year ended 30 June 2019. WSA 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 30 August 2019.

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)*; and
- *Public Governance, Performance and Accountability Act 2013 (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.
- There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.
- Comparatives cover the period from the date of incorporation on 7 August 2017 to 30 June 2018

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 year ended 30 June 2019 of \$252.0m and is currently in a net assets position of \$62.1m. The Company has sufficient funds to meet its existing financial obligations at Statement of Financial Position 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 \$5.3b to construct the Airport's Functional Specifications. This primarily includes airside civil infrastructure, runways and taxiways, terminal and car park, which were identified by the Government as the minimum requirements to operate a functioning 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 and therefore this Financial Report has been prepared on a going concern basis.

WSA 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 has entered into key agreements with the Commonwealth of Australia, including the lease of the Western Sydney International 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's ability to achieve its short and long-term objectives.

Airport Lease Grant

On 17 May 2018, WSA 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, Transport, Cities and Regional Development. The airport lease gives WSA 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 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 is nil, no land asset has been recorded.

Notes to the Financial Statements

For the year ended 30 June 2019

B.1 Significant contractual arrangements and commitments

Commonwealth Preparatory Activities (CPA)

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

The Company adopted the accounting policy to expense CPA payments in the same period equity is issued 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 (GST exclusive):

Contracted Works and CPA

	2019 \$000	2018 \$000
Within one year	204,238	217,917
Later than one year but not later than five years	230,304	360,837
Later than five years	44,869	77,365
TOTAL	479,410	656,119

B.2 Site preparation activities

For the year ended 30 June 2019	2019 \$000	2018 \$000
Site preparation	71,666	65,723
CPA	99,600	146,100
TOTAL	171,266	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. Further information on WSA's capitalisation policy has been detailed at Note B3.

B.3 Property, plant and equipment

	Right-of-use Assets \$000	Plant and Equipment \$000	Airport Construction in Progress \$000	Total \$000
At 1 July 2018	462	811	2,380	3,653
Additions	458	1,166	30,902	32,526
Depreciation charge	(335)	(344)	-	(679)
Closing net book value as at 30 June 2019	585	1,633	33,282	35,499

	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 2019	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 assets are 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 and for motor vehicles used at the construction site by the Company personnel.

Recognition and measurement

Plant and equipment

Plant and equipment is initially recorded at 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 cumulatively greater than \$5,000).

Airport construction in progress

The costs incurred in building the Airport which are capital in nature are recognised at cost. Upon completion of the Airport 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 relating to procurement of contractors, preparatory works or are operating in nature are expensed as incurred.

Development stage costs incurred in building the airport are capitalised to the extent that future economic benefits are expected to flow to the Company. Where Management considers that the projected costs will exceed the anticipated future economic benefits, these costs will be expensed. Development stage costs include the carrying out of capital works, project management, installation, design and engineering.

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

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
Right-of-use assets	Lease term
Plant and equipment	5 to 8 years

Notes to the Financial Statements

For the year ended 30 June 2019

B.3 Property, plant and equipment

Current financial year

At 30 June 2019, Airport construction in progress predominantly includes project management, airport design, engineering and construction of the Experience Centre and Site Office. The balance is inclusive of contributions received from the Commonwealth relating to:

- design and construction of the Experience Centre (\$5m); and
- a novated contract from the Commonwealth for construction and installation of the Airport site perimeter fence (\$7.1m).

Pre-development costs are primarily recognised as site preparation expenses (refer note B.2) in the Statement of Comprehensive Income, including:

- CPA undertaken on behalf of WSA;
- relocation of the TransGrid 330kV power line from overhead to underground; and
- early earthworks.

Impairment

All assets were assessed for impairment at 30 June 2019 and there were no indications of impairment identified by Management.

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

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.

Capitalisation of development stage costs

Costs incurred in the development of the Airport are capitalised to the extent future economic benefits are expected to flow to the Company. Future benefits are judgemental and based on discounted future cash flows.

C. Capital 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
Opening balance as at 1 July	275,730,000	275,730
Shares issued	318,307,000	318,307
Closing balance as at 30 June	594,037,000	594,037

On 5 October 2017, the Commonwealth of Australia and WSA entered into an Equity Subscription Agreement, whereby the Commonwealth of Australia will provide funding up to \$5.3b to the Company.

As at 30 June 2019, total equity of \$594.0m had been provided.

	\$000
Balance at 1 July 2018	275,730
Non-cash equity contributions	99,600
Cash-settled equity contributions	218,707
Balance at 30 June 2019	594,037

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

(c) Dividends declared

No dividends were declared or paid during the financial year.

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.

Notes to the Financial Statements

For the year ended 30 June 2019

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 Equity Subscription Agreement with the Commonwealth of Australia (refer to note A) by drawing down sufficient funding with a forward looking two-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 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

	2019 \$000	2018 \$000
Short term incentives	2,753	-
Annual leave	680	287
Long service leave	57	6
Total	3,490	293
<i>Current</i>	<i>2,580</i>	<i>287</i>
<i>Non-current</i>	<i>910</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

	2019 \$000	2018 \$000
Wages and salaries	16,195	4,161
Seconded costs	606	497
Director fees	752	468
Superannuation	1,190	299
Leave entitlements	1,182	287
Payroll tax	1,021	202
Other	340	121
Total	21,286	6,035

D.3 Key management personnel compensation

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

KMP compensation included in "employee benefit expense" in note D2 is as follows:

	2019 \$	2018 \$
Short-term employee benefits	4,407,138	2,143,946
Other long-term benefits	472,287	69,395
Post-employment benefits	207,516	112,974
Total	5,086,941	2,326,315

Notes to the Financial Statements

For the year ended 30 June 2019

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 Events after the reporting date

E.1 Notes to Statement of Cash Flows

(a) Cash and cash equivalents

	2019 \$000	2018 \$000
Cash on hand	50,131	41,097
Total	50,131	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

	2019 \$000	2018 \$000
Loss for the period	(251,991)	(279,967)
<i>Adjustments for non-cash items:</i>		
Depreciation and amortisation	679	182
CPA	99,600	146,100
Finance costs	48	31
<i>Change in operating assets and liabilities:</i>		
Accrued interest	14	(97)
Prepayments	(13,360)	(11,486)
Provisions	(493)	25,143
Trade and other payables	(11,254)	29,611
Employee liabilities	3,481	293
Net cash used in operating activities	(173,277)	(90,190)

E.2 Other provisions

	2019 \$000	2018 \$000
Decontamination provision		
Carrying amount at start of year	25,144	-
Charged to profit and loss	20,416	25,144
Amounts used during the year	(20,910)	-
Carrying amount at end of year	24,650	25,144
<i>Current</i>	19,978	17,221
<i>Non-current</i>	4,672	7,923

The decontamination provision represents costs to be incurred in the removal of contaminated materials, primarily asbestos, decontamination of the Airport site, as well as management and remediation of contaminated materials that have been temporarily stockpiled.

During the year, additional site surveys have been completed which have provided more information that has been used to inform the estimates required for the remaining remediation activities. As earthworks progress, the estimate of costs 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 using external advice obtained in the course of meeting the Company's remediation obligations. If they need to be modified, any adjustment to the provision will be charged to profit and loss.

Such revisions are generally required when more accurate information becomes available including the total quantity, types of contamination and method of management for remediation activities which may eventuate in the course of significant earthworks on the site.

Notes to the Financial Statements

For the year ended 30 June 2019

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:

	2019 \$000	2018 \$000
Loss from continuing operations	(251,991)	(279,967)
Tax at the Australian tax rate of 30.0%	(75,597)	(83,990)
Non-temporary differences	2	2
Current year tax losses not recognised	-	-
Temporary difference not recognised	75,595	83,988
Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-

(b) Tax losses not brought to account

	2019 \$000	2018 \$000
Unused tax losses for which no deferred tax asset has been recognised	135,190	-
Potential tax benefit @ 30%	40,557	-

Subsequent to lodgment of the Company's 2018 tax return, \$51.0m of tax losses has been brought forward and included in the 2019 balance of unrecognised tax losses.

The cumulative amount of unrecognised tax losses of \$135.2m 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

	2019 \$000	2018 \$000
Deferred tax assets/(liabilities):		
Tax losses	40,557	-
Revenue received in advance	-	1,500
Expenses to be capitalised for tax	106,674	82,469
Other	12,354	19
Net deferred tax assets/liabilities	159,585	83,988

Effective tax rate

The non-recognition of deferred tax assets for deductible temporary differences and tax losses has led to WSA 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'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's Management continues to assess the adoption of the voluntary tax transparency code 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.

During the current financial year, the Company in its capacity as lessee has entered into a non-cancellable lease for two motor vehicles.

The minimum lease payments under these leases are as follows:

	2019 \$000	2018 \$000
Within 1 year	430	210
Between 1 to 5 years	184	314
More than 5 years	-	-
Total lease commitments	614	524

Recognition and Measurement

AASB 16 Leases has been adopted early by WSA 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'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 Limited.

	2019	2018
Australian National Audit Office		
Audit of annual financial statements	97,000	65,000
Total amount paid or payable to auditors	97,000	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, Transport, Cities and Regional Development (Department of Infrastructure), Department of Finance, Portfolio Ministers and other Australian Government entities.

The following transactions occurred with related parties:

	2019 \$000	2018 \$000
Equity injections by the Commonwealth of Australia	318,307	275,730
Receipt of contributions for visitors centre from Department of Infrastructure	-	5,500
Receipt of contributions for fencing from Department of Infrastructure	7,823	-
Purchases of various goods and services from the Commonwealth of Australia	2,298	6,166

On 17 May 2018, WSA 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 have taken the responsibility to develop and construct the Functional Specifications of Western Sydney International Airport. Refer to Note A.

E.7 Events after the reporting period

On 30 August 2019, the following contracts were approved for award by the Board:

- Bulk Earthworks and Airside Civils (BEAC) package to level the Airport site and trunk drainage construction by moving over 20 million cubic metres of earth.
- Independent Certifier to perform review and certification of design and construction activities.

No other matters or circumstance have arisen since 30 June 2019 that have significantly affected the Company's operations, results or state of affairs or may do so in future years.

Directors' Declaration

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements and notes set out on pages 54 to 69 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 2019 and of its performance for the financial year 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
30 August 2019

Auditor's Independence Declaration



Mr Paul O'Sullivan
Chair
WSA Co Limited

Level 3
45 Scott Street
Liverpool NSW 2170

WSA CO LIMITED FINANCIAL REPORT 2018-19 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of WSA Co Limited for the year ended 30 June 2019, 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

A handwritten signature in blue ink, appearing to read 'Scott Sharp'.

Scott Sharp
Executive Director

Delegate of the Auditor-General

Canberra

30 August 2019

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

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the members of WSA Co Limited

Opinion

In my opinion, the financial report of WSA Co Limited ('the Company') for the year ended 30 June 2019 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 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 the Company, which I have audited, comprises the following statements as at 30 June 2019 and for the year then ended:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- 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 the Company in accordance with the auditor independence requirements of 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 believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibility for the financial report

The directors of the Company 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 the ability of the Company 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

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Independent Auditor's Report

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

Australian National Audit Office



Scott Sharp
Executive Director
Delegate of the Auditor-General

Canberra
30 August 2019



Regulatory Report

08



Regulatory Report

WSA 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 WSA'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 pages 77 to 80 shows where the relevant information can be found in this Annual Report.

Ownership and structure

WSA is a GBE wholly-owned by the Commonwealth of Australia.

Corporate Plan

WSA Co Limited, now known as Western Sydney Airport or WSA, published the Corporate Plan 2019–20 in August 2019.

Commonwealth Government Policies

The Company's objectives are set by its Shareholder Ministers in the Statement of Expectations (SOE) issued on 13 September 2017, as updated from time to time to reflect policy decisions, and supplemented by Policy Directions and correspondence. The current SOE for WSA 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. WSA 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 International by the Commonwealth.

In delivering Western Sydney International, 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 Western Sydney International 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 International for 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 impacts 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 WSA.

Regulatory Report

Parliamentary Oversight

Responsible Minister

The responsible Ministers during the reporting period were the Minister for Finance, Senator the Hon. Mathias Cormann, the then Minister for Urban Infrastructure and Cities, the Hon. Paul Fletcher MP (until 27 August 2018), and the Minister for Population, Cities and Urban Infrastructure, the Hon. Alan Tudge (from 28 August 2018).

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 FY2018-19.

Other Commonwealth Government obligations

Airports Act 1996 (Cth)

As the Airport Lessee Company for Western Sydney International, 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 the environmental and building control standards

specified by the Airports Act and regulations. The Department manages the ABC and AEO and has responsibility for enforcing the Airports Act and regulations. Audit and reporting requirements exist to ensure activity at airports is monitored for compliance with the Airports Act and 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 WSA 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.

The Australian National Audit Office (ANAO) commenced a performance audit of WSA's procurement activities in February 2019. The objective of the audit is to examine whether WSA's procurement framework and procurement activities are achieving value for money. The ANAO's audit report is scheduled to be tabled in Parliament in November 2019.

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 year ended 30 June 2019

Public Governance, Performance and Accountability Act 2013 (PGPA Act)

Section	Subject	Location	Pages
s 97	Financial Report	Financial Report	52–69
	Directors' Report	Directors' Report	26–30
	Auditor's Report	Independent Auditor's Report	72–73

Corporations Act 2001

Section	Subject	Location	Pages
ss. 295-296	Financial Statements	Financial Report	54–57
	Notes to the Financial Statement	Financial Report	57–69
	Directors' Declaration	Directors' Declaration	70
ss. 298-300	Directors' Report	Directors' Report	27–30
ss. 301-308	Audit of Annual Report and Auditor's Report	Independent Auditor's Report	72–73

Regulatory Reporting Requirements Index

Public Governance, Performance and Accountability Amendment (Commonwealth Company Annual Reporting) Rules 2014

PGPA Rule Reference	Part of Report (location and pages)	Description	Requirement
28E	Contents of Annual Report		
28E (a)	About Western Sydney Airport, page 6	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E (b)	Regulatory Report, page 76	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E (c)	Regulatory Report, page 76	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E (d)	Regulatory Report, page 76	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E (e)	Not applicable	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E (f)	Directors' Report, pages 28-30	Information on each director of the company during the reporting period	Mandatory
28E (g)	Operating Overview and Sustainability, page 18	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E (ga)	Operating Overview and Sustainability, page 18	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
28E (h)	Operating Overview and Sustainability, pages 11-16	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E (i)	Corporate Governance Statement, pages 40-51	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory

Regulatory Reporting Requirements Index

PGPA Rule Reference	Part of Report (location and pages)	Description	Requirement
28E(j), 28E(k)	Not applicable	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
28E(l)	Operating Overview and Sustainability, pages 11–16	Any significant activities or changes that affected the operations or structure of the company during the reporting period	If applicable, mandatory
28E(m)	Regulatory Report, page 76	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	If applicable, mandatory
28E(n)	Financial Report, pages 72–73 and Regulatory Report, page 76	Particulars of any reports on the company given by: (a) the Auditor-General, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission	If applicable, mandatory
28E(o)	Not applicable	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	If applicable, mandatory
28E(oa)	Remuneration Report, pages 37–39	Information about executive remuneration	Mandatory
28F	Disclosure requirements for government business enterprises		
28F(1)(a)(i)	Directors' Report, page 30	An assessment of significant changes in the company's overall financial structure and financial conditions	If applicable, mandatory
28F(1)(a)(ii)	Directors' Report, page 30	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	If applicable, Mandatory
28F(1)(b)	Directors' Report, page 30	Information on dividends paid or recommended	If applicable, Mandatory

Regulatory Reporting Requirements Index

Public Governance, Performance and Accountability Amendment (Commonwealth Company Annual Reporting) Rules 2014

PGPA Rule Reference	Part of Report (location and pages)	Description	Requirement
28F(1)(c)	Regulatory Report, page 76	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, Mandatory
28F(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

Commonwealth GBE Governance and Oversight Guidelines 2018

Section	Subject	Location	Pages
2.2	Effective Governance Framework	Corporate Governance Statement	42
3.16(c)	Performance against financial and non-financial expectations	Operating Overview and Financial Overview	10–24
3.17	Key governance practices	Corporate Governance Statement	40–51
3.18	Financial Statements are audited by or reported on by the Auditor General	Independent Auditors Report	72–73
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]	49
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]	69
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	37
3.23	Use of the Remuneration Disclosure template.	Remuneration Report	37



Smoking ceremony held with the Aboriginal community to celebrate the significant cultural heritage of the Airport site.



Glossary and Abbreviations

09

Glossary

Airport Plan	The Western Sydney Airport Plan (2016), which outlines the approach to the Airport's design and development
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".
The Commonwealth	The Commonwealth of Australia
Department of Infrastructure	Department of Infrastructure, Transport, Cities and Regional Development
Delivery Partner	The organisation contracted by WSA to support project delivery aspects. This is performed by Bechtel Corporation
Experience Centre	The Western Sydney International Airport Experience Centre
GBE Guidelines	Resource Management Guide No. 126: Commonwealth Government Business Enterprises – Governance and Oversight Guidelines (January 2018) published by the Department of Finance (Cth)
Project Manager (Definition)	The organisation contracted by WSA to undertake a project management role with a focus on the design development of the Airport. This is performed by Bechtel Corporation
Shareholder Departments	Department of Finance and Department of Infrastructure, Transport, Cities and Regional Development
Statement of Expectations	Statement of Expectations for WSA Co Limited issued by Senator the Hon. Mathias Cormann and the Hon. Paul Fletcher MP on 13 September 2017
Western Sydney International	Western Sydney International (Nancy-Bird Walton) Airport

Abbreviations

AEO	Airport Environment Officer
ALC	Airport Lessee Company
ANAO	Australian National Audit Office
ARC	Audit and Risk Committee (Board Committee)
ASIC	Australian Securities and Investments Commission
ASL	Airport Site Layout
BEAC	Bulk Earthworks Airside Civils
CASA	Civil Aviation Safety Authority
CEMP	Construction Environment Management Plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPA	Commonwealth Preparatory Activities
CBP/LL	CPB Contractors and Lendlease
DCC	Design and Construction Committee (Board Committee)
DITCRD	Department of Infrastructure, Transport, Cities and Regional Development

DP	Delivery Partner
DRC	Depreciable replacement cost
EIS	Environmental Impact Statement
EOI	Expression of interest
ESA	Equity Subscription Agreement
ETR	Effective tax rate
FAR	Fixed Annual Remuneration
FOWSA	Forum on Western Sydney Airport
GBE	Government Business Enterprise
GRESB	Global Real Estate Sustainability Benchmark
GSC	Greater Sydney Commission (NSW Government agency)
HSW	Health, safety and wellbeing
H&SMS	Health and Safety Management System
IS	Infrastructure Sustainability
KMP	Key management personnel
KPI	Key performance indicator
MAP	Million annual passengers
MoU	Memorandum of understanding
MRO	Maintenance, repair and overhaul
PEO	Principal Executive Officer
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>
PRNC	People, Remuneration and Nomination Committee (Board Committee)
PSPF	Protective Security Policy Framework
RAP	Remediation Action Plan
RFT	Request for tender
RMG	Resource Management Guide
SEMF	Site Environmental Management Framework
SHECC	Safety, Health, Environment and Community Committee (Board Committee)
SMS	Safety management system
SOE	Statement of Expectations
STEM	Science, technology, engineering and mathematics
STI	Short-term incentive
TfNSW	Transport for New South Wales
TRIFR	Total recordable injury frequency rate
WCAA	Western City & Aerotropolis Authority
WHS	Work, health and safety



Construction and early earthworks on-site.



**Western
Sydney
Airport**



WSA Co Limited
ACN 618 989 272

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