

Annual Report

2020

For the year ended 30 June 2020



**Western
Sydney
Airport**

westernsydney.com.au



An artist impression of Western Sydney International when it can service 82 million passengers a year.

Contents

Year in review	4	06 Corporate governance statement	46
Chair and CEO message	6	07 Risk management	58
Our purpose, vision and values	8	08 Financial report	62
01 Operating overview	10	Financial statements	63
Operating overview	11	Notes to the financial statements	68
Our people	14	Directors' declaration	80
02 Sustainability	18	Auditor's independence declaration	81
		Independent auditor's report	82
03 Financial overview	22	09 Regulatory report	84
04 Directors' report	28	10 Glossary and abbreviations	92
05 Remuneration report	34		

Year in review

Key achievements



Earthworks

Moved 3.17 million m³ of earth to date.



Construction

Awarded the bulk earthworks contract to CPB Contractors and Lendlease.

Deputy Prime Minister, the Hon. Michael McCormack MP officially launched the construction phase in March 2020.



Design

Awarded the design contract to London-based Zaha Hadid Architects and Australian firm Cox Architecture.



Engagement

Prime Minister, the Hon. Scott Morrison MP opened the Western Sydney International Experience Centre in September 2019.



Industry

Launched Western Sydney International at World Routes 2019 event, Adelaide, engaging with international airline and tourism industries.

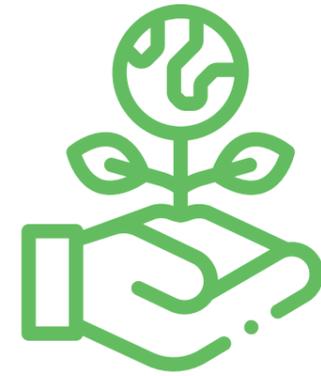


Partners

Signed 14 Memorandums of Understanding (MoUs) with a range of airlines, cargo, catering and ground handling companies.

4,000

Over 4,000 man hours spent by ecologists carrying out inspections and surveys to care for our wildlife



14

MoUs signed



1,000+

phone calls from the community answered



6,400

visitors to the Experience Centre since opening



6 + 704

schools + 704 students visited as part of the schools' safety program



51%

of our workforce are local residents



51

airport shuttle tours on site



71%

employee engagement score



32%

of our workforce are learning workers



4.5

Total Recordable Injury Frequency Rate



\$400+

million expenditure



Chair and CEO message



Paul O'Sullivan
Chair



Simon Hickey
CEO



We are building one of the world's first digitally enabled international airports to service the rapid growth of Sydney, NSW and Australia.



Just two years from start-up, 2019-20 marked a step change in pace and achievement for Western Sydney Airport.

As we reflect on our performance over the past financial year, what strikes us most is the extraordinary momentum the project has gained.

Our people are enabled by our culture charter – 'Empowered to Deliver'.

Despite the context of uncertainty created by a global health and economic crisis caused by COVID-19, our people demonstrated their commitment to that culture in earnest.

The financial year saw us continue to make strong progress against an ambitious program. Our priorities this year focused on:

- safety: ensuring the highest standard of workplace safety
- airport design and construction: building momentum and progressing our build
- commercial development: developing opportunities for new revenues
- community: partnering with our local communities to maximise the positive effects of our project
- COVID-19: taking into account the impact of the pandemic in our activities and planning.

Safety

At Western Sydney Airport, safety is everyone's responsibility and we have worked proactively to ensure this highest of priorities resonates through everything we think, say and do.

From our leadership team's on site safety walks to our construction safety visits to local schools and our extensive frameworks to monitor safety compliance and performances, we do everything possible to prioritise the health and wellbeing of our team, our contractors and the community.

Airport design and construction

We are building one of the world's first digitally enabled international airports to service the rapid growth of Sydney, NSW and Australia.

The airport site is vast, approximately twice the area occupied by Kingsford Smith Airport in Sydney's east, with a master plan that caters for growth well into the next century.

Throughout the year, our early earthworks project was underway. This phase involved moving 1.8 million m³ of earth on about 6% of the 1,780-hectare site. For many projects this would be a headline

achievement, but for a project the size of ours, it was only the beginning.

The next phase of site preparation is earthworks across the remaining footprint of the stage one airport. This is one of the largest earthmoving projects in Australian history.

On 11 March, we welcomed Deputy Prime Minister Michael McCormack to our site. We were also joined by representatives from all three levels of government and the region's business and community leaders. The Deputy Prime Minister climbed aboard a giant earthmoving machine to signal the beginning of major earthworks.

That moment also signalled the start of the project's escalation toward peak construction. To hit our targets, we must now move about 1 million m³ of earth every month.

During the year, we also began planning for a world-class airline and passenger experience. A global competition for the terminal design attracted over 50 architectural firms. A key requirement for any successful submission was the involvement of an Australian architectural firm and university students with a link to Western Sydney. In late 2019, we announced

the winning submission and showcased the winning terminal designs.

The release of these initial concept designs marked another significant milestone for the project. They anchor our vision and make it tangible to our local community and future customers.

At last, our promise to build the people of Western Sydney an airport they will be proud of is coming to life. In addition, the release of the concept designs showed the aviation industry globally that Western Sydney Airport means business. Our design leverages 21st century technology and building design to improve passenger experience and lower airline operating costs.

Commercial development

In September, our commercial development team attended the World Routes conference in Adelaide, engaging the world's airlines with our simple message – 'A New Approach to Sydney'.

Equipped with this clear and compelling value proposition, we met with people from more than 60 airlines. Each was enthusiastic to learn how Western Sydney International (Nancy-Bird Walton) Airport will disrupt the market with new levels of efficiency, connectivity and of course, the transformative business opportunities that our 24/7 operation will deliver. We have also signed MoUs with two airlines.

Unrestricted operations also drove our equally compelling air cargo proposition. In 2019-20, we signed MoUs with the biggest air cargo industry leaders.

Under these MoUs, our team is gaining the air cargo industry's insights into the design of the airport's cargo precinct. Coupled with MoUs with major airlines and aviation service providers, we are getting robust input into the design of the passenger terminal and the complete airport operation.

These opportunities for industry-leading engagement are among the advantages of designing a

major airport from the ground up. Our MoUs mean our future airline and cargo customers will have played a role in shaping an airport that will be optimised to support our mutual success.

During the year, we also worked collaboratively with the NSW Government, which has committed to develop Sydney's newest city, the Western Parkland City, with an Aerotropolis precinct surrounding Western Sydney International.

We are strong supporters of this initiative and we are working closely with the NSW Premier's office, the Western City and Aerotropolis Authority, Sydney Metro, Transport for NSW and the NSW Department of Planning, Industry and Environment, as well as a number of other federal and state entities to help make the Western Sydney Aerotropolis vision a reality.

Community

The momentum we have gained building the airport and the business is encouraging, but our team has never lost sight of the fact we are also building trust. Creating jobs and benefits for Western Sydney in a sustainable and socially responsible manner underpins every decision we make.

Working closely with the eight local councils that are partners in the Western Sydney City Deal, we are constantly identifying new opportunities that will be created by the airport for our local communities.

We understand that because this is a large infrastructure project, it is natural for community members to have questions about how we are delivering the airport and what it will mean for them.

The physical expression of our commitment to the community is the Western Sydney International Experience Centre, which Prime Minister Scott Morrison opened in September. The Centre gives the community opportunities to ask questions about the airport, to provide feedback and to learn about what it will mean for their future and their children's future.

In its first six months, we welcomed more than 6,000 people. This surpassed our expectations and highlights the significance of the project to the diverse range of visitors, from curious locals to international business leaders.

Another highlight of our community engagement was the Western Sydney Airport Minecraft Competition, which saw year 5 and 6 students from more than 40 schools across the region bring their own vision of the airport to life using the popular digital building game.

Our own airport planning team was amazed by the ingenuity and imagination that went into the final 10 designs, particularly the winning design from McCallums Hill Public School.

Project context

In times like these, as we are reminded of the urgency of the COVID-19 crisis every day, the importance of nationally significant projects, such as ours only becomes more acute.

We are indebted to the many dedicated members of the Australian Public Service and the NSW State Public Service who are working with us to make the benefits of Western Sydney International a reality. They often work behind the scenes, and their commitment and support to the project is a key ingredient in its success to date.

We are pleased to report that work to build Western Sydney International (Nancy-Bird Walton) Airport is progressing well and we are on track to deliver on our promise to be a catalyst for jobs and opportunities across Western Sydney.

Paul O'Sullivan
Chair

Simon Hickey
CEO

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

As a purpose-led organisation, we are focused on developing and operating Western Sydney International to generate social and economic prosperity for Western Sydney. This new airport precinct will improve access to aviation services, resolve Sydney's long-term aviation capacity

issues, integrate with initiatives in the area, and operate on commercially sound principles to maximise its purpose 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

Our vision is clear. We will provide best-in-class passenger and cargo journeys, and a seamless travel experience for those choosing to fly through Western Sydney International. Our culture and core values underpin the behaviours and actions

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

Culture

Empowered to Deliver

Core values



Safety: we are relentless in applying the highest physical and psychological safety standards for the continuous health and well-being of our people.



Pioneering: we are nimble and always actively learning through experimentation to forge forward, continuously creating new and better ways for us to be successful.



Integrity: we hold ourselves and others accountable to instil trust by operating with honesty, integrity and authenticity.



Courage: we act with courage to address difficult issues and make quality decisions to keep us moving forward.



Inclusion: we foster an inclusive and diverse working environment and recognise the value of different perspectives and cultures. Diverse teams working together positively impact our value and direction.



Passion: we are committed to driving our vision, strategy, and purpose by creating a climate where everyone is motivated to do their best.

Enabling mindsets



Leadership

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



Innovation

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



Sustainability

Ensure sustainable resource choice and use, and effective environmental management



Risk Management

Identify and proactively manage key risks



The realigned Badgerys Creek road opened to motorists in February 2020.

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Operating overview

Operating overview

Our 2019-20 Corporate Plan set out our strategic priorities for this financial year. We focused on three areas: infrastructure delivery, community engagement and planning.

Infrastructure delivery

Safety

We are committed to safely delivering the construction of Western Sydney International across all aspects of the project.

The 2019-20 financial year saw positive safety results for the company across a range of lead and lag indicators. Year-end results for lead indicators confirmed a consistent and high level of communication and engagement on safety matters. Lag indicators also demonstrated a strong safety performance. This included a year-end Total Recordable Injury Frequency Rate (TRIFR) of 4.5 against a benchmark of 5.

When incidents do occur on site they serve as important opportunities to capture learnings as the project develops, which can be considered and addressed in future stages of work.

Construction

We began work on one of the largest earthmoving projects in Australia. In August, we awarded this project contract to a joint venture of CPB Contractors and Lendlease Engineers (CPBLL). To support the delivery of this project and other construction initiatives, we opened an office at the airport site on Eaton Road in September.

The contractors began preparing the site in December. Major earthworks started in March. This was just the start of a project that will see us moving more than 23 million m³ of earth over the next two years.

In February, we cut the ribbon on the first piece of civil infrastructure built on our site - the 49-metre wide bridge that forms part of the realignment of 1.2 kilometres of Badgerys Creek Road.

In May, we finished our early earthworks project, moving about 1.8 million m³ of earth and covering about 6% of our site.



Working closely with schools to educate students about the airport and future opportunities.

Environment

We welcome our responsibility to care for the environment. Throughout the year, we monitored our site for noise, air, water quality and biodiversity, in accordance with our Construction Environmental Management Plans (CEMPs), ensuring compliance.

During 2019-20, we recycled over 900,000 tonnes of sandstone destined for landfill to provide high strength material for construction on-site. This initiative removed over 50,000 truck movements from our roads.

Design

The airport's design is key to its success. In October, we awarded the design competition contract to London-based Zaha Hadid Architects and Australian firm Cox Architecture. The winning design announcement attracted widespread coverage in both national media and international aviation industry media.

We awarded the terminal engineer contract to Aurecon in November and the landside engineer contract to GHD in January.

Technology

Technology will be an important part of how we will give our customers a seamless experience. In February, we awarded the technology architecture and planning contract to Accenture, who will help us plan and deliver this goal with a focus on quality outcomes.

Procurement

Bringing the best partners on board to deliver Western Sydney International is paramount. We have started procurement processes for the remaining main work packages, including contractors to deliver the terminal package, our baggage

handling system and the pavements package.

Community

Experience Centre

In September, Prime Minister Scott Morrison officially opened our newly built Experience Centre – the centrepiece of our commitment to be accessible to the community. Since it opened, it has welcomed over 6,400 locals, school groups and international visitors.



Tours and events

We launched our airport shuttle tour in July to give groups the chance to look around our airport site. We have hosted over 50 tours, showing more than 1,200 guests around the airport construction site.

We also started our schools safety program in late June 2019. Since then, members of our team have visited six local primary schools and spoken to over 700 students about the importance of safety, such as fencing and road sense, on and around what is now a major construction site.

We also attended local events, including the Moon Festival, Hawkesbury Show, Jacaranda Festival and the Luddenham Show.

These all gave us the chance to speak to locals and answer questions about the project.

Minecraft competition

More than 40 local primary schools entered a competition to bring their own visions of the airport to life on the popular digital building game, Minecraft. The ingenuity and imagination of the final 10 designs, particularly McCallums Hill Public School's winning design, impressed our planning team.

Careers

During December, we held information sessions for people interested in working on the project. As we transitioned to major earthworks, we put out a call for local tradespeople to apply for jobs. In February, we attended the Penrith Jobs Fair with the CPBLL team in the search for talented plant operators from the local community to join the project. We received interest from over 140 people who stopped by the stall.



Minecraft competition winners, McCallums Hill Public School, impressed our airport planning team with their winning design.



Industry leaders were enthusiastic to learn more about Western Sydney International at World Routes Adelaide.

Planning

In September 2019, we launched Western Sydney International at the World Routes conference in Adelaide. During the event, we met with more than 60 airlines to let them know there's 'A New Approach to Sydney'. We have also signed MoUs with two Australian airlines.

In addition to airlines, to ensure the design of the airport suits every aspect of the aviation industry, we are working collaboratively with cargo, catering and ground handling companies under MoUs.

We are also working closely with our shareholders departments – the Department of Infrastructure, Transport, Regional Development and Communications and the Department of Finance – as well as a range of agencies and departments including:

- Airservices Australia (AsA)
- Civil Aviation Safety Authority (CASA)
- other Commonwealth Agencies such as Border Force, Home Affairs and Customs
- the NSW transport cluster
- Western City and Aerotropolis Authority (WCAA)
- Liverpool City Council.

While most of our landholding is reserved for airport infrastructure, there are opportunities to develop the remaining land to promote economic and job growth in the Western Sydney region. We have begun preliminary planning for these areas.

“

Bringing the best partners on board to deliver Western Sydney International is paramount.

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Our people

Organisational structure

We have built a team of experienced, capable people who embrace our cultural guiding principle of 'Empowered to Deliver'. Our strong and compelling vision energises our team while fostering a shared mindset. Our collective success is dependent on our ethos of 'leadership, innovation, sustainability and risk management'.

During the start-up phase, we focused our corporate structure on the need for key personnel to deliver project outcomes. The collaboration and strength of the partnership between our Delivery Partner and our Project Management (Definition)

teams drove rapid success. These distinct functions are now working as a single team, with a common, well-defined approach to delivering agreed project milestones.

As our organisation matured, and we began the peak design and construction phase, we reviewed our workforce to ensure our current capabilities and expertise were aligned to our strategic priorities. We also critically reviewed our future capability needs to determine the technical expertise we will need. This included evaluating the commercial viability necessary for the long-term success of the organisation.

Our team and culture are key to our ability to pivot and embrace the changing landscape. In response to emerging markets, we established a new role within the executive leadership team. The position of Executive General Manager Commercial and Strategy will lead the development and execution of our strategic commercial position and future proof our long-term viability.

For the recruitment of executive roles, we conduct background screening checks for preferred candidates. The appointments are also endorsed by the Board through an interview process before they are made.



Employee numbers

Employee Statistics	2019-20	2018-19
Ongoing	74	74
Full-time / Part-time	71 full-time, 3 part-time	73 full-time, 1 part-time
*Gender	41 males, 33 females	41 males, 33 females
Non-ongoing	9	4
Full-time / Part-time	7 full-time, 2 part-time	4 full-time
Gender	5 males, 4 females	1 male, 3 females
**Total employees	83	78

* No one identified as gender-indeterminate throughout both reporting periods.
 ** All employees throughout both reporting periods were based in New South Wales.
 As at 30 June 2020, the combined workforce, which includes direct employees, employees of Bechtel under the Delivery Partner and Project Management (Definition) arrangements, and workers on site, is 708.

Diversity and inclusion

WSA is focused on creating an inclusive culture that values differences and promotes opportunities for our people. Our commitment to supporting economic growth and prosperity for Western Sydney remains a key focus with programs designed to include:

- local employment opportunities for Western Sydney residents and Indigenous communities
- increased awareness of inclusivity and bias, whilst considering the perspectives of diverse groups

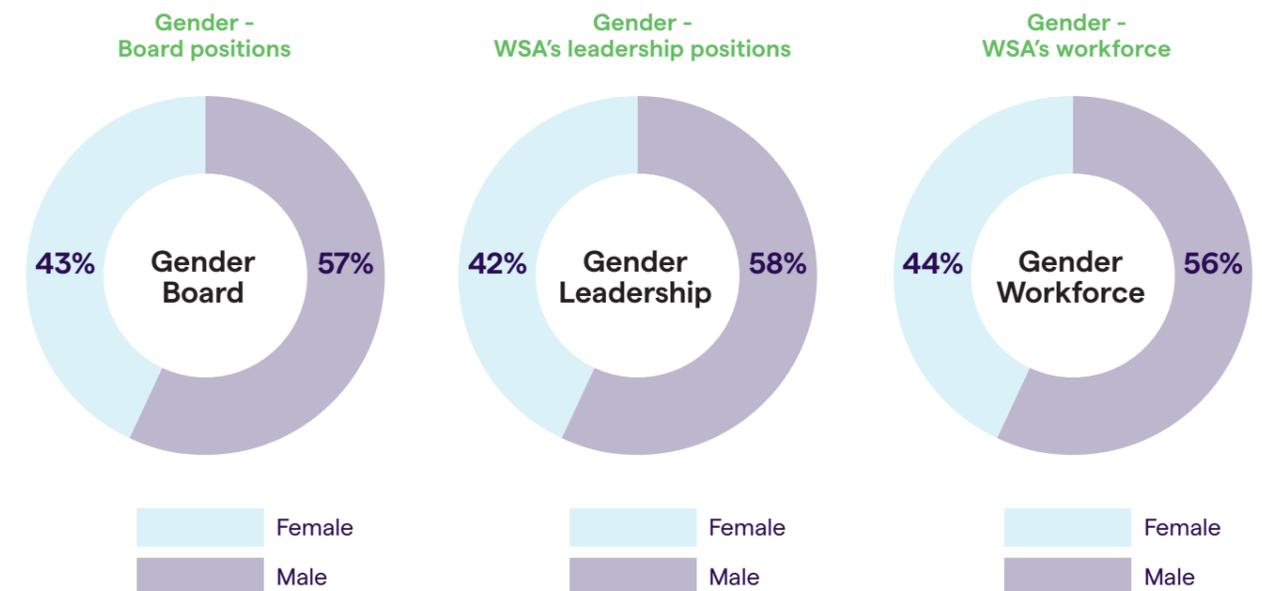
- gender diversity and equality measured by representation of women in the workforce and women in leadership roles
- flexible work practices by providing an environment that encourages and fosters flexibility
- wellbeing fostered by an environment of support and care to enable our people to flourish.

WSA believes strongly in equal opportunity, diversity and inclusion in the workplace. Our Equal Opportunity, Diversity & Inclusion

policy promotes this commitment. We are growing as an inclusive and productive business. This is largely attributed to the diverse experiences and backgrounds of our people.

WSA's diversity and inclusion agenda flows through all levels of our organisation. Gender diversity is led from the top, demonstrated by female representation as follows:

- 43% of Board positions
- 42% of WSA's leadership positions
- 44% of WSA's workforce.



Diversity and inclusion targets

Our diversity and inclusion targets are clearly defined and based on our growth strategy. We have developed tailored programs to support cultural inclusion and comply with regulations. These are designed to positively impact employee engagement and community commitment.

Categories	Workforce targets and progress		
	Target	Progress as at 30 June 2020	Highlights
Learning Workers Including apprenticeships	20% by 2025 Including trainees, apprenticeships and workers training to upgrade their qualifications and skills.	32%	<ul style="list-style-type: none"> Our commitment to developing our workforce has delivered a strong result, with targets being exceeded. TAFE NSW has played a pivotal role with the development of the workforce specifically during the early earthworks phase. Locals have taken part in meaningful intern programs to help with their academic studies.
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).	51%	<ul style="list-style-type: none"> Our commitment to Western Sydney has seen a strong result where local people are employed on the project. We have exceeded our commitment to achieve 30% of local talent. Our recruitment strategy specifically focuses on the attraction of local talent. We are committed to identifying local talent for the project through Western Sydney recruitment agencies. More than 450 locals attended our careers expo at the Experience Centre. We joined with CPBLL to showcase local career opportunities at the Department of Education, Skills and Employment’s Jobs Fair in Penrith.
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.	48% (including 13% Indigenous employees)	<ul style="list-style-type: none"> We joined with Bechtel to celebrate International Women’s Day with lunch and guest speaker, Assistant Commissioner, Leanne McCusker from NSW Police. The Australian Supply Chain Institute acknowledged our diversity and inclusion efforts. We won the award for Excellence in Diversity and Inclusion, receiving a complementary 6-month membership to the National Association of Women in Operations (NAWO). Our commitment to diversity is represented through our commitment to gender balance, women in leadership roles and mentoring opportunities provided to women to support their development. Women make up 41% of our workforce, including: <ul style="list-style-type: none"> o 15 in leadership positions o 2 in non-traditional roles Indigenous <ul style="list-style-type: none"> We are committed to ensuring that a minimum of 3% of the businesses engaged throughout construction are Indigenous businesses. We have engaged local Aboriginal people to conduct an artefact search of the site.

Gender diversity and equality

Our commitment to gender equality gives all employees a fair opportunity for recruitment and promotion. It allows everyone to thrive in an environment that has a compelling vision and is supported by our corporate values.

We are transparent and accountable to gender diversity and equality at all levels of the organisation.

Flexible work

We understand that many full-time and part-time employees may need flexibility in their work. Our Flexible Work Arrangements Policy extends beyond statutory requirements to foster diversity and inclusion, health and wellbeing and productivity.

Our policy recognises the mutual benefits and increasing importance of a flexible workforce in which we can apply our best skills and perspectives to the needs of our stakeholders, customers and each other. This policy allowed us to be agile to quickly respond to COVID-19 and maintain the momentum of the project.

Wellbeing

We recognise that employees spend a significant portion of their time at work, so maintaining wellbeing in the workplace is important. The right environment provides a positive sense of community and connection. Wellbeing can also build self-awareness, resilience and confidence and foster productivity. Our Health and Wellbeing policy advocates this.



51 percent of our workforce is made up of local residents.



Sustainability

Sustainability

We are committed to sustainable operations across our business. As we build Australia's newest airport, we have an opportunity to build a new, efficient facility that uses modern technology and is highly resource-efficient. We believe that by doing so, we can create positive and long-term benefits, not only for the airport but also for the people of Western Sydney.

Environmental initiatives

We take our responsibility for the environment seriously and are investing significantly in environmental management initiatives, from construction to the design of the airport.

With earthworks, we are pleased to report that our independent environmental audit showed robust compliance. We received no environmental-based complaints and enjoyed ongoing positive feedback from the Commonwealth Environment Regulator.

We appreciate that the major earthworks package represents the largest environmental risk for the entire project. With the Commonwealth Government, we have developed nine comprehensive CEMPs to address this risk. We internally audit our contractors against both these plans and the Airport Plan.

The early earthworks project achieved:

- site-wide remediation of asbestos contamination
- at least 98% diversion of waste from landfill.

We also completed a nest box installation and monitoring program to ensure birds in the area had a place to nest. Additionally, we have started, and will continue, the process of protecting important flora through relocation to the Environment Conservation zone of Willowdene, south west of the airport site.

During the year, we delivered several environmental management initiatives relating to earthworks and construction packages, including:

- an extensive archaeological salvage program
- an Environmental Protection Biodiversity and Conservation survey of threatened flora and fauna
- a pre-clearance survey
- effective site management during the extreme rainfall and flooding event in March 2020
- reporting to the Commonwealth on how we are managing threatened species
- effective erosion and sediment controls works for all packages.

We regularly conduct comprehensive environmental inspections and surveillance programs across all packages.

Incorporating sustainability

Our Sustainability Plan, released during the previous reporting year, provides the framework for incorporating sustainability into the airport development. It covers the design, procurement, construction and operation phases of Stage 1 development.

Our Development Control Plan for the Business Park also includes sustainability requirements.

During the year, we met all the targets in our Sustainability Plan, exceeding several. We also set up processes to help us continue to drive sustainable practices in the short, medium and long terms.

For example, we developed a materials roadmap that outlines a process to ensure we optimise recycled material in concrete and

asphalt. As part of this process, we have met with representatives from peak bodies, supply chain organisations and other infrastructure projects, such as Sydney Metro, to discuss potential collaborations.

The winning concept design from London-based Zaha Hadid Architects and Australian firm Cox Architecture incorporated resource efficiency, daylight, solar panels, shading and sustainable material selection. We are refining the details of these and will include them in the reference design, which will go out to tender later in 2020.

Every part of the airport's design considers present and future aspects of climate change. We are looking at issues such as temperatures, drought, bushfires, storms, hail and flooding in the short, medium and long term, up to 2090.

For example, the airport has been designed to withstand the Probable Maximum Flood level, which is equivalent to a one in 10,000 year flood.

We invited representatives from other large infrastructure projects and community members representing the Forum of Western Sydney Airport, Liverpool Council and Women in Western Sydney to review and provide feedback on our climate change initiatives.

Climate change	Identified considerations for climate change mitigation during design, construction and operation
Precipitation change	Airfield flooding, disruption to ground transport, effect on reliability of utilities, inundation of critical electrical infrastructure, increased stormwater runoff
Increasing temperatures	Reduced airport productivity, compromised equipment performance and energy efficiency, health, safety and comfort of passengers and staff, peak load impacts to the network, urban heat island effect, impact on landscaping
Extreme events	Disruption to operations, disturbance to ground transport access, utilities reliability impeded, damage to infrastructure, power and telecommunications outages, reduced air quality and visibility, delays and supply shortages, water restrictions, health and safety impacts to staff and passengers
Changes in wind	Operational disruption, changes to noise impacts on neighbours, damage to infrastructure, safety impacts

Working with the Australian airlines has helped us to understand how we can design the airport to support them so they too can achieve better sustainability outcomes. These include improving recycling rates, and potentially using electric ground support vehicles.

We also joined the Sustainable Aviation Fuel Alliance of Australia and New Zealand, an advocacy group for sustainable aviation fuels, supporting the aviation industry transition to a low-carbon future.

For the construction of our Experience Centre and site office, we used:

- 100% non-potable water from rainwater captured on site
- asphalt containing 15% recycled content.

Wastewater from our Experience Centre and site office is processed on site using a biological treatment process called 'BioDisc'. This system uses colonies of live natural micro-organisms to break down pollutants in the sewage. After the wastewater is treated, it is recycled, polished to a higher degree of purity and used for irrigation on the landscaping.

More information on our Sustainability Plan can be found on our website westernsydney.com.au.

Corporate social responsibility

During the year, we started rolling out our Community Investment

and Social Impact (CI&SI) strategy, which supports our Community and Stakeholder Engagement Plan. Both ensure we contribute to the social fabric of the communities that are fundamental to our success.

We set up three community partnerships that align with our CI&SI strategy's three focus areas:

Empowering people

Our partnership with the Australian Business and Community Network (ABCN) connects our employees as mentors with school students from disadvantaged schools in Western Sydney. As part of the network's Future Thinkers program, our employees have provided one-on-one mentoring to girls from Miller Technology High School on design thinking.

Making place

We partner with Conservation Volunteers Australia to support environmental rehabilitation activities in Western Sydney's unique natural environment. Our employees have worked alongside the community on rehabilitation activities in the Penrith local area.

Awakening opportunity

Our partnership with Settlement Services International (SSI) sees team members support its employment and enterprise services programs, including taking part in one-on-one mentoring with SSI clients on job-readiness activities.

We also partnered with Liverpool City Council to improve bushland

in the local community. Since the project began, we have helped plant more than 700 bushes, trees, grasses and flowers at Overette Reserve, 15 minutes from the airport site.

Aboriginal engagement

We have developed an industry-leading Aboriginal Engagement Master Plan. This plan ensures strategic coordination of Aboriginal engagement across all aspects of the project and focuses on participation targets. It covers cultural heritage, employment, training, education, sustainability and reporting.

Our engagement with local Aboriginal peoples includes direct employment as well as business opportunities through site survey and salvage work.

We also consulted with local Aboriginal community members about design principles for the terminal precinct.



Partnering with Conservation Volunteers Australia to deliver environmental rehabilitation activities.

OSB

Financial overview

Financial overview

Financial snapshot

	2020 \$000	2019 \$000
Operational expenditure		
Site preparation	257,459	166,986
Design and project management	20,121	16,144
Decontamination	36,982	24,696
Employee benefits	24,043	21,286
Other	25,740	23,771
Total	364,345	252,883
Interest income	(893)	(892)
Operational loss	363,452	251,991
Capital expenditure	145,749	32,526

In May 2017, the Commonwealth Government committed up to \$5.3 billion to build and operate Western Sydney International. This funding supports two parallel streams of activity up until 2026, the phases of Airport Infrastructure Delivery as well as Development of the Business. These are shown in the figure below.



During 2019–20, we continued to concentrate on early construction, activities, airport design development and business activities needed to build the airport. This included several major achievements:

- practical completion of early earthworks
- the start of major earthworks activities primarily master grading design and site levelling in preparation of the runway and terminal construction
- awarded multiple technical service providers' contracts, including master architect, master engineer and master technologist.

These milestones are key in enabling the airport site to be developed in accordance with the Airport Plan.

Operational expenditure

Total operating expenditure for the year was \$364.3 million. This reflects activities related to the planning, design and early construction of the airport, characterised by significant site preparation activities including enabling works, master grading design and early and major earthworks. A portion of these costs which relates to pre-development stage of construction is expensed as incurred.

Site preparation

Site preparation expenses related to Commonwealth Preparatory Activities (activities undertaken by the Commonwealth on behalf of our organisation) master grading design, early and major earthworks activities including site levelling, clearing, temporary road construction and other site establishment works.

Design and project management

Design and project management expenditure primarily related to Delivery Partner and Project Management (Definition) services, master architect and master engineering design predominantly relating to the terminal, and other activities needed to progress the planning stages of the project.

Decontamination

Decontamination expenses represent increased provisioning to remediate additional quantities of asbestos general buried waste and unexpected finds in line with strong health and environmental protection standards. There was also further remediation of contaminated material, including managing material that has been temporarily stockpiled.

Employee benefits

Employee benefits relate to salary and wages expense and associated on-costs.

Other expenses

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

Capital Expenditure

Capital expenditure	2020 \$000	2019 \$000
Airport construction in progress	145,371	30,902
Plant and equipment	307	1,166
Right-of-use assets	71	458
Total	145,749	32,526

Capital expenditure for the year related to the carrying out of capital works (primarily site development and completion of the experience centre and site office), project management, and design and engineering.

Capital funding and liquidity

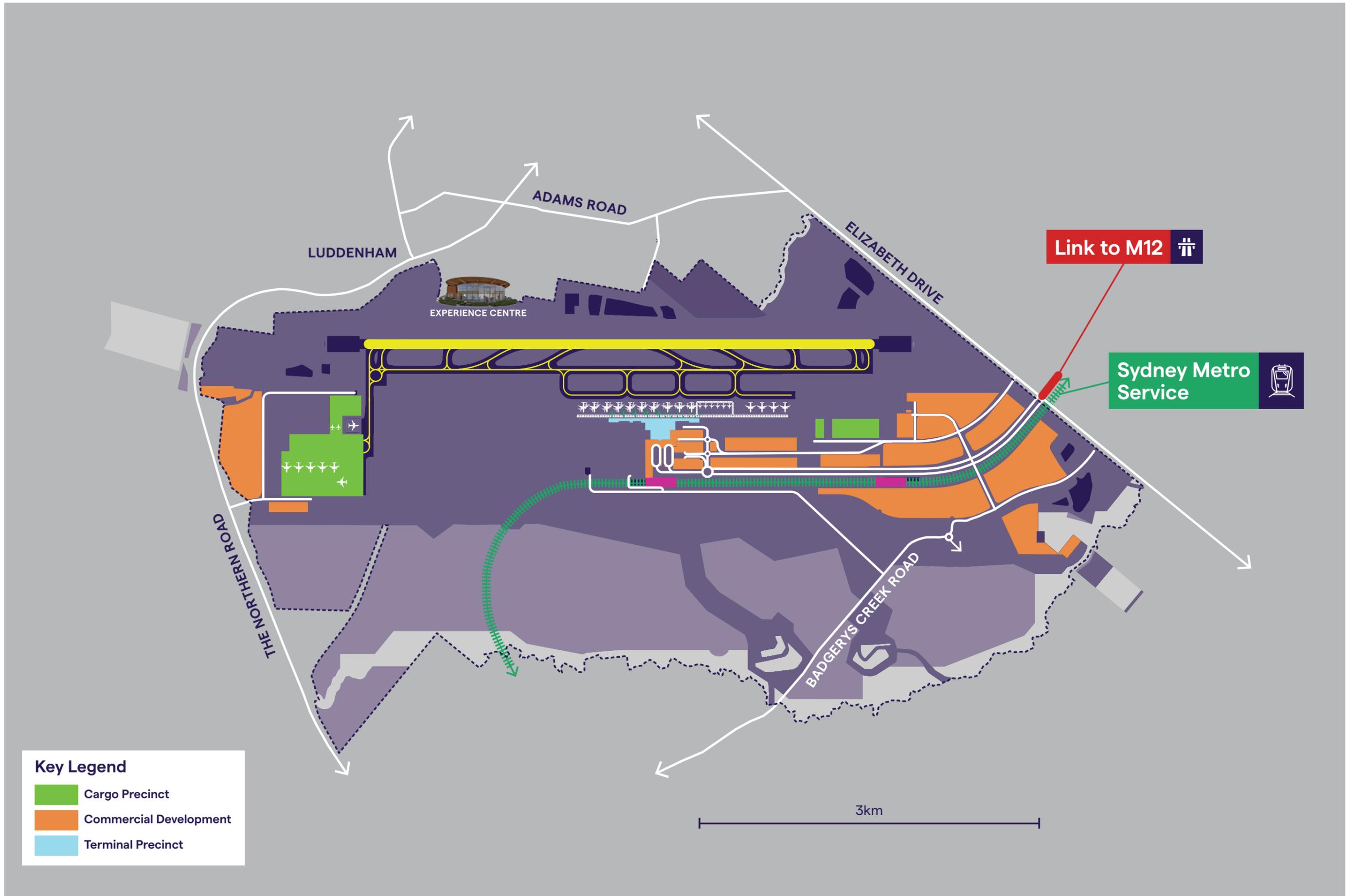
On 5 October 2017, we entered into an Equity Subscription Agreement (ESA) with the Commonwealth Government. This sees the Commonwealth Government provide us with funds of up to \$5.3 billion to develop Western Sydney International. Most of the funds will be allocated to core airport infrastructure construction, including airside civil works, runway and taxiways, terminal buildings and car parks.

The Commonwealth Government contributed \$505.1 million in equity during 2019-20 (2018-19: \$318.3 million) bringing the total equity contributions at 30 June 2020 to \$1.1 billion.

In 2019–20, we incurred a loss after tax of \$363.5 million with a net assets position of \$203.8 million. We have sufficient funds to meet our existing financial obligations at Statement of Financial Position date, and the Commonwealth Government has committed to make ongoing equity funding available to ensure that we can execute the development of Western Sydney International as planned.



Major earthworks will see us moving up to 1 million cubic metres of earth a month.



Key Legend

- Cargo Precinct
- Commercial Development
- Terminal Precinct

Layout of the airport site

4

Director's report

Directors' report

Name	Role	Period of directorship
Mr Paul O'Sullivan	Chair, Independent Non-executive Director	Appointed 7 August 2017 (5-year term)
Mrs Fiona Balfour	Independent Non-executive Director	Appointed 7 August 2017 Reappointed 7 August 2020 (3-year term)
Mr Tim Eddy	Independent Non-executive Director	Appointed 7 August 2017 Reappointed 7 August 2020 (3-year term)
Mr Vince Graham AM	Independent Non-executive Director	Appointed 14 November 2017 (4-year term)
Ms Anthea Hammon	Independent Non-executive Director	Appointed 14 November 2017 (5-year term)
Ms Christine Spring	Independent Non-executive Director	Appointed 7 August 2017 (4-year term)
Mr John Weber	Independent Non-executive Director	Appointed 14 November 2017 (3-year term)

Meetings of Directors

Meetings of the company's Board of Directors and Board Committees held during the period ended 30 June 2020, and each Director's attendance.

	Board		Design and Construction Committee		Audit and Risk Committee		People, Remuneration and Nomination Committee		Safety, Health, Environment and Community Committee		Technology Committee ⁴		Investment Committee ⁵	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
P O'Sullivan	13	13	7	7	4	4	5	5	4	4	1	1	1	1
F Balfour	13	13	7	7	4	4	5	5	-	-	1	1	1	1
T Eddy³	13	12	-	-	4	4	5	5	-	-	1	1	1	1
V Graham AM	13	13	7	7	-	-	5	4	4	3	-	-	-	-
A Hammon	13	13	-	-	-	-	5	5	4	4	1	1	-	-
C Spring¹	13	13	7	7	2	2	-	-	-	-	1	1	1	1
J Weber²	13	13	7	7	4	4	-	-	4	4	-	-	1	1

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 46 to 56). The Annual Report can also be accessed via WSA's website at westernsydney.com.au.

¹ Appointed as a member of the Audit and Risk Committee effective 18 November 2019.

² Appointed as a member of the People, Remuneration and Nomination Committee effective 20 May 2020.

³ Resigned as a member of the People, Remuneration and Nomination Committee effective 20 May 2020.

⁴ Committee established 20 May 2020.

⁵ Committee established 20 May 2020.

Director profiles



Paul O'Sullivan
Chair and Non-executive Director

Mr Paul O'Sullivan
Chair and Non-executive Director

Paul is the first Chair of WSA Co Limited. He was appointed in August 2017, and is also the Chair of Singtel Optus Pty Ltd. Before joining us, Paul was the CEO of Singtel Group (Consumer) from 2012-14, and the CEO of Optus before that. Before those roles he worked in a range of senior positions within Optus and in management roles with the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia

and the United Kingdom. Paul is also a Director on several Boards including Coca-Cola Amatil Ltd, the National Disability Insurance Agency, ANZ, St Vincent's Health Australia and St George & Sutherland Medical Research Foundation.



Mrs Fiona Balfour
Non-executive Director
(appointed August 2017)

Fiona's executive career was in aviation, information and telecommunication services, distribution and logistics. She is an independent Non-executive Director for Western Sydney Airport and Airservices Australia. She is also a Nominee Director for the Public Sector Investment Board of Canada at both Land Services South Australia and Airtrunk Limited.

Fiona is a Member of Chief Executive Women, and a Fellow of the Australian Institute of Company Directors, Monash University, and of the Royal Aeronautical Society. In 2006 she was awarded the National Pearcey Medal for 'Lifetime Achievement to the Information Technology Industry'.



Mr Tim Eddy
Non-executive Director
(appointed August 2017)

Tim has over 30 years' experience in leading and managing in professional services environments, including most recently as Managing Partner Operations, Oceania at Ernst & Young.

Throughout his career, he has developed expertise in a range of areas. These include 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 several Non-executive Board roles. He is a Fellow of the Chartered Accountants Australia and New Zealand, and a graduate of the Australian Institute of Company Directors.



Mr Vince Graham AM
Non-executive Director
(appointed November 2017)

Vince brings over 30 years of experience in senior and chief executive roles in infrastructure and public transport. He has considerable knowledge of infrastructure projects in NSW, having been CEO of Networks NSW and RailCorp NSW. At the latter, he was responsible 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 his strong connection to Western Sydney to our organisation.



Ms Anthea Hammon
Non-executive Director
(appointed November 2017)

Anthea is the Managing Director of Scenic World, a third-generation family business that has operated in the Blue Mountains for over 70 years.

As head of Australia's most visited privately-owned tourist attraction, and as a mechanical engineer, she has played a leading role in driving the company's strategy of investment and growth. She also brings 15 years of knowledge and experience in the tourism industry with her.

Anthea is also a Director of Scenic World's parent company, Hammons Holdings, which operates BridgeClimb on the Sydney Harbour Bridge. Beyond this, Anthea is the Vice President of the Blue Mountains Accommodation and Tourism Association, Director of Blue Mountains Economic Enterprise, and she previously served as Director of the Australian Amusement, Leisure and Recreation Association.



Ms Christine Spring
Non-executive Director
(appointed August 2017)

Christine is an expert in aviation infrastructure development and airport operations, as well as a civil engineer with over 20 years of experience.

She has both Australian and international experience in aviation infrastructure delivery, including in New Zealand, the United Arab Emirates, Asia and the Pacific Islands. Christine is also a Director of Auckland International Airport, Unison Networks Ltd and Unison Contracting Services Ltd. In December 2019, she also became Chair of Isthmus Group Ltd.

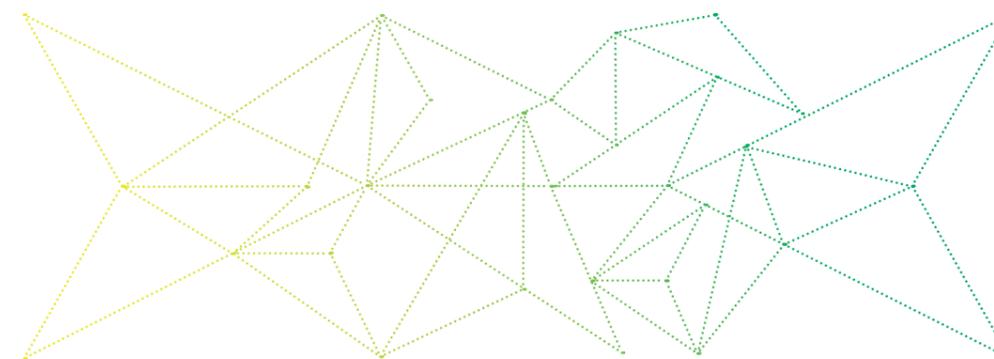


Mr John Weber
Non-executive Director
(appointed November 2017)

John is Chair of Airservices Australia, as well as a Director on several Boards. These include Australian Maritime Systems Group and Dimeo Group.

John is also on the Global Advisory Board of Elevate Services, a global technology and consulting company, and on the Advisory Board of RedEye Apps, a digital technology business. 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 several public, private and not-for-profit organisations.

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



Operations

Review of operations

The foreword from the Chair and Chief Executive Officer (pages 6 to 7), and the Operating overview (pages 11 to 13) both provide a review of the company's operations.

Principal activities

The company's main activities during the period are covered in the Operating overview and Financial overview on pages 11 to 13, and 23 to 24. There have been no significant changes in the nature of those activities during the period.

Significant changes in the state of affairs

Other than the information set out in the Operating overview, there were no significant changes in the state of affairs during the reporting year.

Events since the end of the financial year

The Directors are not aware of any matters or circumstances since 30 June 2020 which have significantly affected, or may significantly affect:

- the company's operations in future financial years
- the results of those operations in future financial years
- the company's state of affairs in future financial years.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected the company's operations, results or state of affairs or may do so in future financial years.

Likely developments and expected results of operations

Likely developments include procurement of contracts, design

and engineering and construction works. The Chair and CEO message and Operating overview provide more information.

Dividend

No dividends have been paid or declared during the period.

Environmental regulation

The company is subject to significant environmental regulation in respect of our 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. The company is committed to managing its activities in an environmentally responsible manner to meet its legal, social and ethical obligations.

Indemnification of officers

As an organisation, we have indemnified each of the Directors and officers of the company against legal proceedings, loss or liability that arises in their capacity as a Director or officer. As at 30 June 2020, no claims have been made.

Non-audit services

Neither the Auditor-General nor the Australian National Audit Office have provided non-audit services

Auditor's Independence Declaration

The Directors received an Independence Declaration from the Auditor-General. A copy of this declaration is 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
24 August 2020



We are moving enough earth to fill around 10,000 Olympic swimming pools.

05

Remuneration report

Remuneration report

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

On behalf of the Board, I am pleased to present our 2019–20 Remuneration report, summarising the achievements of the past year and the associated remuneration outcomes for our Chief Executive Officer and senior executives. The fee arrangements for Board members are also detailed.

Year in review

Establishing ourselves as an employer of choice was a key business objective by focusing on delivering a positive employee value proposition and an engaged workforce.

To achieve this, we have continued to build capability by attracting and developing key talent to create an experienced, engaged and high-performing workforce.

As part of our people strategy, we held an independent strategic workforce review to align our organisational structure with the key phase of building the airport business. As a result, we introduced a new senior executive role of Executive General Manager Commercial and Strategy to our Executive Leadership Team. We also expanded the Chief Information Officer role to a Chief Technology Officer, encompassing information, innovation and technology.

Mr Graham Millett, Chief Executive Officer (CEO), resigned in December 2019, effective 30 June 2020. Mr Millett acted in an advisory capacity from March 2020 and an Interim CEO was appointed to ensure a smooth transition and continuity of leadership. The Board sincerely thanks Mr Millett for his significant contribution in establishing the airport and the associated program of work.

We also thank Mr Jim Tragotsalos for taking on the role of Interim CEO, while the Board worked with an international search firm to source a new CEO.

The Board welcomed Mr Simon Hickey, who started as CEO on 15 July 2020. Mr Hickey will take on a broader scope, specifically in developing the airport business and maximising the value of the airport as a national asset.

This year, we have made significant progress towards delivering the airport design and construction program.

Key people achievements include:

- 49% local employment, exceeding our target of 30% for the construction phase
- maximising flexible work practices to ensure continuous project delivery in response to the COVID-19 pandemic
- achieving a direct workforce gender mix of 44% female 56% male
- exceeding diversity and learning worker workforce targets
- delivering a culture and engagement program to support our cultural charter 'Empowered to Deliver', resulting in an employee engagement increase from 66% to 71%, against the annual target of 69%.

Key project achievements include awarding contracts for:

- bulk earthworks
- master architect
- independent certifier
- terminal master engineer
- landside master engineer
- master technologist.

We also opened our Experience Centre, implemented enterprise resource planning (ERP) software, signed Memoranda of Understanding (MoUs) with 12 cargo companies and completed enabling early earthworks.

The Committee's work in 2019-20

The role of the People, Remuneration and Nomination Committee is to ensure that our company has the people management processes, remuneration policies and frameworks in place so we can attract and retain quality people. During 2019–20, the Committee has continued to oversee key enabling initiatives for our company, including:

- cultivating and reinforcing our safety-first mindset
- cultivating engaging and flexible work practices
- embedding core people systems and processes to enable sustainable growth

- maturing people processes regarding attraction and selection, learning and development, and employment relations
- leveraging the ERP software to measure organisational performance
- enhancing our outcomes-based performance approach.

The Committee's remuneration work has continued to focus on executing our remuneration strategy.

We were identified as an essential service during the COVID-19 pandemic and have been described as a significant infrastructure project in the nation's economic recovery. In consideration of the broader economy, all Non-executive Directors chose to decrease their base pay by 20% for the months April to June 2020. In determining financial year remuneration outcomes, the Committee considered the outstanding organisational performance, in parallel with the negative effect COVID-19 has had on the broader economy.

As the economic realities of COVID-19 play out, senior executive fixed remuneration has been frozen for 2020-21 whilst the Board has exercised discretion to reduce the STI pool to 80% of target STI.

We expect that we will continue to test and evolve our approach to remuneration as our company continues to mature, and as the airport business grows.



Mrs Fiona Balfour
Chair People, Remuneration and Nomination Committee

24 August 2020

Remuneration report

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 – appointed 7 August 2017
Fiona Balfour	Non-executive Director	Full year – appointed 7 August 2017
Timothy Eddy	Non-executive Director	Full year – appointed 7 August 2017
Vincent Graham AM	Non-executive Director	Full year – appointed 14 November 2017
Anthea Hammon	Non-executive Director	Full year – appointed 14 November 2017
Christine Spring	Non-executive Director	Full year – appointed 7 August 2017
John Weber	Non-executive Director	Full year – appointed 14 November 2017
Senior Executives		
Graham Millett ¹	Chief Executive Officer	Full year – appointed on 23 February 2018
Jim Tragotsalos ²	Interim Chief Executive Officer and Executive General Manager Airport Infrastructure	Full year – appointed on 4 June 2018
Maryanne Graham ³	Executive General Manager Corporate Affairs	Part year – to 15 February 2020
Scott MacKillop ⁴	Chief Corporate Affairs Officer	Full year – appointed on 18 May 2020
Steve Mann ⁵	Executive General Manager Commercial and Strategy (Contractor)	Part year – appointed 2 December 2019
Tom McCormack ⁶	Chief Technology Officer	Full year – appointed on 1 September 2018
Katherine Newton-John ⁷	General Counsel and Company Secretary	Part year – to 20 September 2019
Shelley Turner (nee Cole)	Chief Financial Officer	Full year – appointed on 1 January 2018
Joanne Vaughan	Chief People and Culture Officer	Full year – appointed on 18 December 2017

For the purposes of this disclosure, the company has defined KMP as the Board Directors, CEO and senior executives who have authority and responsibility for planning, directing and controlling the activities of the company.

¹ Mr Millett resigned as CEO in December 2019, effective 30 June 2020.

² Mr Tragotsalos performed his role of EGM Airport Infrastructure until 16 March 2020. Mr Tragotsalos agreed to act in the role of Interim CEO from 16 March 2020 to cover the transition from Mr Millett's resignation until the appointment of the new CEO.

³ Ms Graham resigned effective 15 February 2020.

⁴ Mr MacKillop was appointed effective 18 May 2020.

⁵ Mr Mann has been engaged on a contractor basis until 30 November 2020. Mr Mann's primary objective is to build the Commercial & Strategy team and establish their and the EGM's role whilst an international search is being conducted for a permanent senior executive.

⁶ Mr McCormack's portfolio was expanded as an outcome of the strategic workforce review, effective 20 November 2019.

⁷ Ms Newton-John resigned effective 20 September 2019. WSA has split the legal and company secretarial functions effective 20 November 2019 as a result of the strategic workforce review. WSA has engaged an executive search firm to support the appointment of a Chief Legal Officer.

2019-20 Senior executive remuneration

Remuneration governance at Western Sydney Airport

The role of the People, Remuneration and Nomination Committee (PRNC) is to help 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
	Approves our remuneration strategy, including remuneration reviews, remuneration levels, incentive policies and remuneration practices.	Prepares remuneration strategy, policy recommendations and information for the PRNC's consideration and approval.
Approves CEO remuneration in line with the Remuneration Tribunal's determinations.	Approves remuneration incentive and benefit policies, practices and arrangements, within the parameters of the guidelines or determinations set by the Remuneration Tribunal where applicable.	Oversees the implementation of approved remuneration policies and processes.
Approves senior executive remuneration outcomes.	Reviews and recommends senior executive remuneration, including short-term incentive targets outcomes, to the Board.	Prepares recommendations and information for the PRNC's consideration. Monitors key employee data enabling remuneration and benefits to support the company's ability to attract, retain and reward talented people.
	Reviews and oversees the company's recruitment practice, learning and development approach, engagement program and people practices.	Reports workforce metrics and practices to the PRNC. Develops and implements the company's recruitment practices, learning and development approach, engagement program and people practices. Monitors key employee data including workforce targets, employee engagement, turnover and hiring information.

Overarching Board discretion

The Board retains overall discretion to adjust enterprise-wide 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
- our overall financial outcomes
- unanticipated political or economic events
- the quality of the outcome relative to the agreed strategy
- alignment of individual behaviours with our vision and values.

Support from external advisers

During 2019-20 KPMG advised our organisation in relation to remuneration. The advice included:

- a review of the Remuneration and Benefits and Short-term Incentives policies
- benchmarking remuneration data used to review senior executive remuneration
- remuneration market trends analysis as a result of the COVID-19 pandemic
- providing data to support correspondence with the Remuneration Tribunal.

The advice from KPMG did not constitute a remuneration recommendation as defined in the *Corporations Act 2001 (Cth)*.

Remuneration report

2019-20 Remuneration strategy and framework

Our remuneration strategy is aligned with the business plan. It 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 airport.

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

2019-20 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

FAR includes base salary, superannuation contributions and appropriate benefits provided to senior executives.

The FAR for the CEO is determined by the Remuneration Tribunal and the role is classified as a Principal Executive Officer (PEO) Band E.

FAR levels are set according to the nature and scope of the Senior Executive's role, as well as his/her performance and experience.

We benchmark senior executives with reference to ASX-listed and unlisted companies of comparative size and complexity, as well as other Government Business Enterprises.

STI

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.

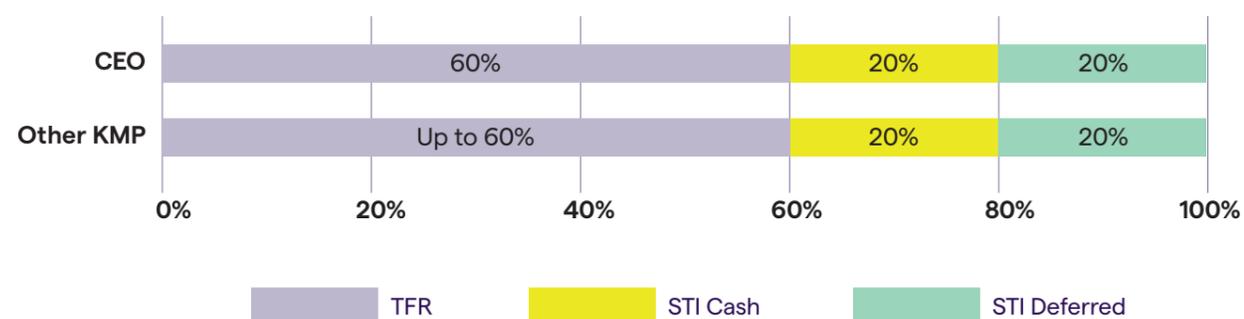
The STI plan is an at-risk component of total remuneration. Its purpose is to incentivise senior executives to deliver annual performance outcomes aligned to shareholder ministers' interests.

The maximum STI opportunity for the interim CEO for 2019-20 is 40% of FAR and for the other senior executives, it is between 30% and 40% of FAR. The tribunal sets parameters for the CEO's performance pay, including the deferral requirement.

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.

KPIs are a mix of financial and non-financial measures, including safety, environment, infrastructure, 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.

Total target mix



Total potential remuneration

Interim CEO's remuneration arrangements

During 2019-20, Mr Tragotsalos accepted an acting role as Interim CEO following the resignation of the CEO Graham Millett. Mr Tragotsalos resumed his role as Executive General Manager Airport Infrastructure upon appointment of Mr Hickey as CEO, effective 15 July 2020.

As this is a Principal Executive Office (PEO) role, the parameters for Mr Tragotsalos' remuneration levels were set by the Remuneration Tribunal. Based on the Remuneration Tribunal's guidance, Mr Tragotsalos' remuneration arrangements while performing the interim CEO role were pro-rated from 16 March 2020 and determined as follows:

- total fixed remuneration \$730,368 per annum (including base salary and superannuation)
- target Short Term Incentive \$292,147 per annum (40% of Total Fixed Remuneration).



To date, we have moved 3.17 million cubic metres of earth

2019-20 current senior executive remuneration table

The below table presents the total remuneration of current senior executives for 2019-20.

Name	Year	Short-term benefits			Post-employment Benefits	Other Long-term Benefits		Total Remuneration
		Base Salary ⁸	STI	Salary Packaging	Superannuation Contributions	STI Deferred	Long Service Leave	
		\$	\$	\$	\$	\$	\$	\$
Jim Tragotsalos	2020	566,348	89,245	-	21,003	89,245	5,571	771,412
	2019	452,664	66,300	-	20,531	66,300	1,788	607,583
Scott MacKillop	2020	45,872	5,255	-	2,716	5,255	335	59,433
	2019	-	-	-	-	-	-	-
Steve Mann	2020	438,311	-	-	-	-	-	438,311
	2019	-	-	-	-	-	-	-
Tom McCormack	2020	412,071	52,968	-	21,003	52,968	3,230	542,240
	2019	317,490	44,828	-	17,110	44,828	1,763	426,019
Shelley Turner	2020	430,119	59,288	-	21,003	59,288	4,557	574,255
	2019	473,186	63,750	-	20,531	63,750	2,352	623,569
Joanne Vaughan	2020	314,777	46,286	21,605	21,003	46,286	2,319	452,276
	2019	327,858	54,000	11,838	20,531	54,000	1,704	469,931
Total Current Senior Executives	2020	2,207,498	253,042	21,605	86,728	253,042	16,012	2,837,927
	2019	1,571,198	228,878	11,838	78,703	228,878	7,607	2,127,102

⁸ Base salary comprises cash salary, annual leave paid and movement in the annual leave provision during the period calculated in accordance with AASB 119 Employee Benefits.

- On 16 March 2020, Mr Tragotsalos was appointed to Interim CEO and therefore his base salary and STI entitlements have been pro-rated for the period in which he served as Executive General Manager Airport Infrastructure, and as Interim CEO.
- Mr MacKillop was appointed to the role of Chief Corporate Affairs Officer on 18 May 2020 with a total fixed remuneration of \$375,000.
- On 2 December 2019, Mr Mann was engaged on a contractor basis until 30 November 2020. Mr Mann's primary objective is to build the Commercial & Strategy team and establish their and the EGM's role whilst an international search is being conducted for a permanent senior executive.
- Mr McCormack's portfolio expanded effective 20 November 2019, resulting in a fixed remuneration increase to \$440,000 per annum.
- Ms Turner took a five week period of unpaid leave during 2019-20.
- Ms Vaughan elected to reduce her work hours to 80% of full time equivalent from 18 May 2020. The salary packaging relates to a reportable fringe benefit of a vehicle.

2019-20 former senior executive Remuneration table

The below table presents the total remuneration paid to members of the senior executive team who have left the business during 2019-20.

Name	Year	Short-term benefits			Other	Post-employment Benefits	Other Long-term Benefits		Total Remuneration
		Base Salary ⁹	STI	Contract Cessation Payments	Superannuation Contributions	STI Deferred	Long Service Leave		
		\$	\$	\$	\$	\$	\$	\$	
Graham Millett	2020	749,488	228,992	369,342	21,003	-	(3,980)	1,364,845	
	2019	735,495	123,114	-	20,531	123,114	3,266	1,005,520	
Maryanne Graham	2020	227,931	-	-	14,894	(55,026)	(1,900)	185,899	
	2019	318,190	55,026	-	20,531	55,026	1,651	450,424	
Katherine Newton-John	2020	69,003	-	277,749	10,501	(51,000)	(2,104)	304,149	
	2019	381,573	51,000	-	20,531	51,000	1,745	505,849	
Total Former Senior Executives	2020	1,046,422	228,992	647,091	46,398	(106,026)	(7,984)	1,854,893	
	2019	1,435,258	229,140	-	61,593	229,140	6,662	1,961,793	

⁹ Base salary comprises cash salary, annual leave paid and movement in the annual leave provision during the period calculated in accordance with AASB 119 Employee Benefits.

- Mr Millett resigned in December 2019 effective on 30 June 2020. Mr Millett's contract cessation payment was made for retention of employment and post-employment restraints.
- Ms Graham resigned effective 15 February 2020. The deferred component of her 2018-19 STI award was forfeited.
- Ms Newton-John resigned effective 20 September 2019. Ms Newton-John's contract cessation payment was made for post-employment restraints.

2019-20 STI outcomes for current senior executives

The below table presents the target and awarded STI for 2019-20 for the members of the senior executive team employed as at 30 June 2020.

Name	Target STI	Awarded STI	Awarded STI as % of Target	Forfeited STI	STI Cash	STI Deferred
	\$	\$		\$	\$	\$
Jim Tragotsalos	216,350	178,490	82.50%	37,861	89,245	89,245
Scott MacKillop	13,562	10,510	77.50%	3,051	5,255	5,255
Tom McCormack	128,407	105,936	82.50%	22,471	52,968	52,968
Shelley Turner	153,000	118,576	77.50%	34,425	59,288	59,288
Joanne Vaughan	119,449	92,573	77.50%	26,876	46,286	46,286
Total	630,768	506,085		124,684	253,042	253,042

2019-20 STI outcomes for former senior executives

The below table presents the target and awarded STI for 2019-20 for the members of the senior executive team who have resigned during 2019-20.

Name	Target STI	Awarded STI	Awarded STI as % of Target	Forfeited STI	STI Cash	STI Deferred
	\$	\$		\$	\$	\$
Graham Millett ¹⁰	295,474	228,992	77.50%	59,095	228,992	-
Maryanne Graham ¹¹	124,726	-	-	124,726	-	-
Katherine Newton-John ¹²	122,400	-	-	122,400	-	-
Total	542,600	228,992		306,221	228,992	-

¹⁰ Mr Millett resigned in December 2019, effective 30 June 2020. As such, his 2020 STI will be wholly paid in cash without any deferral.

¹¹ Ms Graham resigned as Executive General Manager Corporate Affairs effective 15 February 2020.

¹² Ms Newton-John resigned as General Counsel and Company Secretary effective 20 September 2019.

2019-20 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 2019-20* is detailed below:

Strategic Domain KPI	KPI Description	Performance Outcome
Safety Record	Measures the company's success in cultivating and reinforcing a zero-harm, prevention and protection mindset amongst employees, contractors and consultants. TRIFR < 5.	Achieved TRIFR = 4.53
Infrastructure Delivery	Measures the achievement of key project milestones established as per the Corporate Plan as follows: <ul style="list-style-type: none"> • master architect contract award by Q2 • BEC package preparatory work commences by Q2 • early earthworks practical completion by Q4 • Main Works Package 2 EOI market release by Q3 • Main Works Package 3 ROI market release by Q4 	All key project milestones have been achieved
Environmental Performance	Measures the effective execution of Construction Environmental Management Plans (CEMPs) throughout delivery phases of the airport. Nil Environmental Protection (Breach) Orders issued by the Airport Environment Officer.	Achieved. No environmental incidents resulting in material harm during and no Environmental Protection Orders issued by the AEO
Community Engagement	Measures the extent of community engagement undertaken by WSA and subsequent awareness and support of Western Sydney International (Nancy-Bird Walton) Airport. Minimum uplift to 66% in the community engagement index.	Not achieved. CEI - 65.4%
Financial Performance	Measure of actual expenditure relative to budgeted forecasts. Expenditure within budget.	Achieved

* Employee Engagement was not included for the purposes of STIs.

Non-executive Director fees

The Commonwealth of Australia, through the shareholder ministers, appoints all our company's Non-executive Directors.

The Remuneration Tribunal, an independent statutory body overseeing the remuneration of key Commonwealth officers, sets fees for Non-executive Directors. We comply with the Remuneration Tribunal's determinations, which are prescribed independently.

The tribunal sets annual Chair, Deputy Chair and Board fees, as well as fees to recognise relevant committee work. Fee packaging may be made available to Non-executive Directors within the fees specified. Statutory superannuation is paid on top of fees set by the tribunal.

The following table sets out the Non-executive Director fees, excluding superannuation, as directed by the tribunal for 2019–20. No extra committee fees are 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 2019–20.

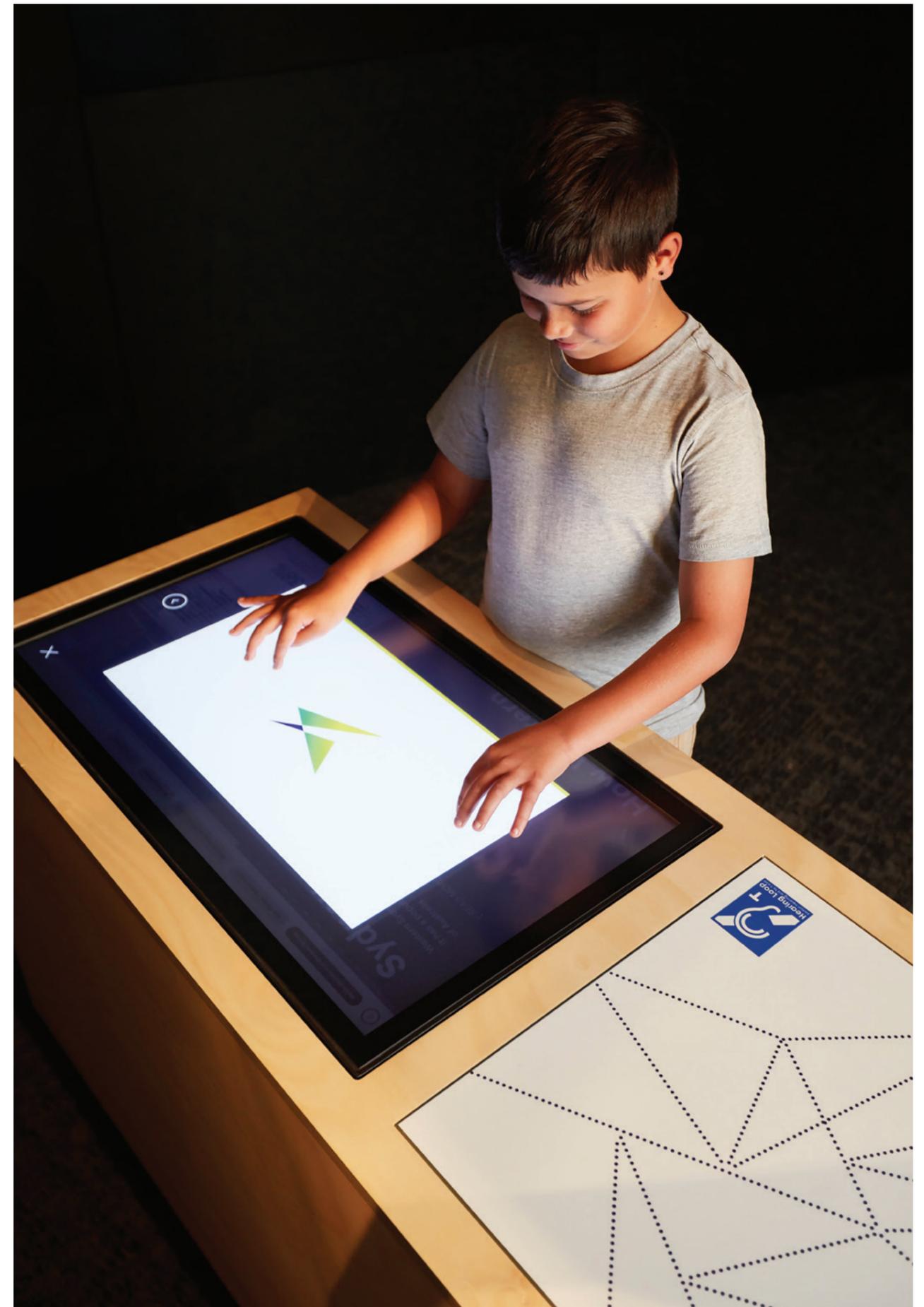
However, in consideration of the broader economy, all Non-executive Directors elected to forgo 20% of their base pay for the months April to June 2020.

Board Position	2019-20 Entitlement (Excl. superannuation)
	\$
Chair	166,290
Deputy Chair	124,720
Non-executive Directors	83,150
Committee Chair	16,320
Audit & Risk Committee Member	8,160

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

Name	Year	Short-Term Benefits (Director's Fees) ¹	Post-employment Benefit (Superannuation Contribution)	Total Remuneration
		\$	\$	\$
Paul O'Sullivan	2020	157,976	15,008	172,983
	2019	163,020	15,487	178,507
Fiona Balfour	2020	103,473	9,830	113,302
	2019	98,155	9,325	107,480
Timothy Eddy	2020	95,313	9,055	104,367
	2019	92,607	8,798	101,404
Vincent Graham AM	2020	95,313	9,055	104,367
	2019	92,607	8,798	101,404
Anthea Hammon	2020	78,993	7,504	86,497
	2019	81,510	7,743	89,253
Christine Spring	2020	95,313	9,055	104,367
	2019	92,607	8,798	101,404
John Weber	2020	87,153	8,279	95,432
	2019	87,058	8,271	95,329

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



The community can get first-hand information about Sydney's new airport at the Western Sydney International Airport.



Corporate governance statement

This statement, which the Board approved on 24 August 2020, outlines our corporate governance framework and practices.

We are committed to maintaining high standards of corporate governance, which is essential to the integrity, sustainability and performance of our company and in the best interests of our shareholders.

We have established a robust governance framework that includes policies and procedures to comply with our legal and regulatory obligations, as well as reflect best practice and meet probity requirements. As a Government Business Enterprise (GBE), we are also subject to parliamentary scrutiny and are required to keep shareholder ministers informed of activities, issues and decisions affecting our company.

Our corporate governance framework considers 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 Resource Management Guides*
- our Commercial Freedoms Framework, approved by our shareholder ministers
- 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.

We are wholly owned by the Commonwealth of Australia, represented by the Minister for Finance, Senator the Hon. Mathias Cormann and the Minister for Population, Cities and Urban Infrastructure, the Hon. Alan Tudge MP.

We are a public company limited by shares and incorporated in Australia. As we are wholly owned by the Commonwealth of Australia, we are not required to hold an annual general meeting pursuant to Section 250N(4) of the *Corporations Act 2001 (Cth)*.

Our corporate governance framework voluntarily reflects the eight ASX Principles. The following table shows where this statement considers each principle.

ASX Principle	Reference within this Corporate Governance Statement
1 Lay solid foundations for management and oversight	The Board (pages 48–49) Board Committees (pages 51–52)
2 Structure the Board to be effective and add value	The Board (pages 48–49) Board Committees (pages 51–52)
3 Instil a culture of acting lawfully, ethically and responsibly	Lawful, ethical and responsible behaviour (page 53)
4 Safeguard the integrity of corporate reports	Safeguard integrity in corporate reporting (pages 54–55)
5 Make timely and balanced disclosure	Interactions with shareholder ministers (page 56)
6 Respect the rights of security holders	Interactions with shareholder ministers (page 56)
7 Recognise and manage risk	Commitment to risk management (page 55)
8 Remunerate fairly and responsibly	Remunerate fairly and responsibly (page 53)

Corporate governance statement

Corporate governance statement

Our corporate governance framework



The Board

Board members

The Board is made up of seven independent Non-executive Directors, four males and three females. The Directors' report on pages 29 to 32 outlines their biographies and appointment details

Role and responsibilities of the Board

The Board is ultimately responsible for our performance, including meeting our accountability obligations to the Commonwealth. Its role is to provide strategic guidance for the company and effective oversight of management. Its key responsibilities are:

- appointing and reviewing the performance of the CEO, subject to consultation with the shareholder ministers
- ensuring the Corporate Plan is prepared and submitted each year

- monitoring management in the implementation of the Corporate Plan and the strategic direction of our company
- determining the risk appetite of the company
- 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
- monitoring and overseeing compliance with all legal and regulatory requirements, ethical standards and policies.

The Board Charter sets out further details of the responsibilities of the Board, including matters that are specifically reserved for the Board. It is reviewed annually, and a copy is available on our website westernsydney.com.au.

Delegation and reservation of powers

To help provide strategic guidance, the Board delegates some of its powers to the CEO and management. These matters are set out in our Delegation of Authority Policy, which clarifies the roles and responsibilities of the Board and senior management to support accountability and transparency in decision making.

The Board is specifically responsible for:

- appointing, evaluating performance of, and – if necessary – removing the CEO following consultation with the Commonwealth Board committees, their membership and delegated powers
- appointing, re-appointing or removing the company's external auditors

- recommending dividends, following consultation with the shareholder ministers
- reviewing and ratifying risk management, accountability, internal compliance and control, and legal compliance systems to ensure that appropriate compliance frameworks and controls are in place
- monitoring and overseeing compliance with best practice governance requirements
- overseeing the physical and technological security of the company
- monitoring senior management performance including its ability to deliver on milestones
- approving Financial Statements, the Annual Report and Corporate Plan.

Performance of the Board

The performance of the Board, and of the Board Chair, is reviewed annually. In line with GBE requirements, the Board Chair gives shareholder ministers written confirmation of this review and advises of any areas of concern.

In 2020, the Board reviewed its performance internally. In line with Resource Management Guidelines (RMG) 126 requirements, there will be an external independent review of the Board's performance in 2021.

Induction and professional development of Directors

Our induction program for Directors includes meeting with senior management, a tour of the airport site and information about relevant legislative requirements. We provide ongoing education and information on relevant topics through presentations and briefings to the Board and its committees.

Our program of education and training sessions gives Directors the chance to develop and maintain the professional skills and knowledge needed to effectively perform their role. This training includes regular

updates in relation to their duties, Work Health and Safety legislation and environmental and legal developments.

Board size, independence, composition and appointment

According to our Constitution, the Board must have 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 contains the ideal number of Directors and that the Directors have an appropriate mix of skills.

Director appointments

The Australian Government appoints Directors through a formal letter of appointment that sets out 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.

Directors' independence

At the time of their appointment, the Commonwealth Government assessed each Director's independence. The Board considers all Directors to be independent.

Conflicts of interest

All Directors are required to disclose any interests or other directorships held, and to regularly update the information they provide. We maintain a Register of Interests to manage any potential conflicts of interest. 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 take part in voting when the Board or committee considers the issue.

Corporate governance statement

Board skills matrix

The following table sets out the skills our Board looks for, together with the details of those skills that the Directors contribute to the Board.



*Western Sydney affiliation refers to the number of Directors who work or have worked or reside in Western Sydney, including other companies. 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 increasing requirements.

Board committees

To help the Board with its responsibilities, it has established six committees. Each committee is governed by its own charter, which details its role and responsibilities, membership requirements and frequency of meetings. Each charter is reviewed annually and revised as appropriate.

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.	The committee must include: <ul style="list-style-type: none"> at least two members of the Board at least one member who understands construction or airport infrastructure to help the committee effectively discharge its duties. The CEO will be invited to each meeting.
Audit and Risk Committee	The primary responsibility of the committee is to help the Board with its responsibilities regarding financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.	The committee must include: <ul style="list-style-type: none"> a majority of independent Non-executive Directors at least three financially literate members at least one member with accounting or related financial expertise at least one member with the necessary technical knowledge and understanding of our industry.
People, Remuneration and Nomination Committee	The primary responsibility of the committee is to help the Board with its responsibilities regarding people management and remuneration policies. This includes Board nominations and Director performance, as well as overseeing our remuneration strategy and making recommendations to the Board regarding remuneration of the CEO and senior executives.	The committee must include: <ul style="list-style-type: none"> a majority of independent Non-executive Directors at least three members.
Safety, Health, Environment and Community Committee	The primary responsibility of the committee is to help the Board in its oversight of health, safety and environment matters that may affect employees, contractors and local communities.	The committee must include: <ul style="list-style-type: none"> a majority of independent Non-executive Directors at least three members.
Technology Committee	The primary responsibilities of the committee are to assist the Board in its oversight of the core technology design and technology delivery projects associated with the development of Western Sydney International Airport.	The committee must include: <ul style="list-style-type: none"> at least two members of the Board in addition, the Chief Executive Officer, Chief Technology Officer, Chief Financial Officer, EGM Commercial and Strategy and the EGM Airport Infrastructure or their delegate will be invited to attend each Committee meeting at least one member who has an understanding of airport technology design and implementation so as to be able to assist the Committee to effectively discharge its duties.
Investment Committee	The responsibilities of the committee are to: <ul style="list-style-type: none"> assess and review the Corporate Plan assess and review the Business Plan and Corporate Financial Model review recommendations made by management and provide advice to the Board about the value of major discretionary investment and divestment proposals. 	The committee must include: <ul style="list-style-type: none"> at least three members, all of whom are financially literate. at least one member who has: <ul style="list-style-type: none"> accounting or related financial expertise the necessary technical knowledge and understanding of the industry in which the company operates so as to be able to assist the Committee to effectively discharge its duties.

Copies of committee charters are available on our website westernsydney.com.au.

Corporate governance statement

Board committee membership (as at 30 August 2020)

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

More information on the number of Board and committee meetings, as well as the attendance at each meeting, is in the Directors' report on page 29.

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 appoints our Company Secretary.

Katherine Newton-John was the General Counsel and Company Secretary, effective 27 November 2017 to 19 September 2019.

Melanie Burnicle was appointed as Company Secretary, effective 8 May 2018.

Katherine Newton-John

Katherine is a lawyer and governance professional with more than 20 years' experience in both the UK and Australia. She has worked 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 more than 15 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.

Remunerate fairly and responsibly

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 44.

Senior executive performance and remuneration

Our People, Remuneration and Nomination Committee helps the

Board design executive remuneration to attract, retain and motivate high-quality senior executives, while aligning their interests with the creation of long-term value.

The People, Remuneration and Nomination Committee sets and reviews the remuneration of senior executives. The Remuneration report on pages 37 to 43 gives full details of the senior executive remuneration, including the outcome of the 2019-20 performance evaluation.

It also gives more information about our remuneration framework and policies for senior executive remuneration.

Lawful, ethical and responsible behaviour

Our purpose is to generate social and economic prosperity by working to safely deliver a thriving airport precinct in Western Sydney.

We are committed to achieving this while maintaining the highest levels of safety, integrity, sustainability and performance.

Underpinning this is a set of core organisational values that cultivate a positive corporate culture to empower people to deliver legally, ethically and responsibly.

Code of Conduct

Our Code of Conduct applies to directors, senior executives and other employees. It provides information about the behaviours we expect and that 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:

- maintain high standards of transparency, honesty and fairness
- respect difference and embrace different ways of thinking
- refuse to tolerate bullying, harassment or discrimination
- work collaboratively and openly with each other
- consider environmental and social impacts when making a business decision, and ensure resources are used responsibly.

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

Conflict of interest

Under our Code of Conduct and Conflict of Interest Policy, all employees must disclose any actual, perceived or potential conflicts of interest to their manager or to our General Counsel and Company Secretary for evaluation and advice.

Privacy

Our Privacy Policy and People Privacy

Policy set out how we must manage personal information to comply with the *Privacy Act 1988 (Cth)*. We review the policies regularly, and copies are available on our website at westernsydney.com.au.

Corporate governance statement

Whistleblower protection

We recognise 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.

Our 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 our company's corporate policies.

The policy applies to all Directors, officers, employees and suppliers of goods or services (or their employees). It includes secondees and contractors and covers disclosures under the *Corporations Act 2001 (Cth)*, *Tax Administration Act 1953 (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 a whistleblower hotline, independently managed by KPMG.

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

Safeguard integrity in corporate reporting

We have developed formal and rigorous processes to independently verify and safeguard the integrity of our corporate reporting. This includes the annual Directors' report and other reports released to the public.

Our published corporate reports are our:

- Corporate Plan
- Annual Report, including the Directors' report, Remuneration report, Corporate governance statement, Financial report and Regulatory report.

Internal controls

During the reporting period, we implemented internal controls to ensure the integrity of corporate reporting systems, including the accuracy of financial reporting. These internal controls include appropriate financial delegations, financial planning and reporting, and compliance with our Procurement Policy. The Audit and Risk Committee reviews corporate reports, which are then approved by the Board before public release.

This process ensures the reports are accurate, compliant and comprehensible, and that they provide shareholder ministers with appropriate information to make informed decisions.

We continually seek to improve the effectiveness of our risk management and control processes. Deloitte acts as our internal auditor. The internal auditor regularly evaluates our risk management and control processes and reports to the Audit and Risk Committee. The committee reviews and endorses the audit program.

External audit

Pursuant to Section 98 of the *PGPA Act*, the Auditor-General is responsible for auditing our Financial Statements. Our Annual Report is tabled in Parliament and our Financial Report is lodged with the Australian Securities and Investments Commission (ASIC).

In addition to annual Financial Statement audits, the Auditor-General is responsible for auditing compliance with the performance standards prescribed for GBEs, in

the circumstances outlined in the *Auditor General Act 1997 (Cth)*.

Declaration by the CEO and CFO

Before the Board approves our Annual Financial Statements, the CEO and CFO provide confirmation in writing that the financial records of the company have been properly maintained and that the financial statements give a true and fair view of our financial position and performance.

They also make representations in relation to the adequacy and effectiveness of our risk management framework and internal controls.

Based on the evaluation performed as at 30 June 2020, the Interim CEO and CFO concluded that as of the evaluation date:

- such risk management, internal compliance and control systems were reasonably designed
- the Financial Statements and notes are in accordance with the *PGPA Act* and the *Corporations Act 2001 (Cth)*
- there are reasonable grounds to believe we will be able to pay our debts as and when they fall due.

Commitment to risk management

Our Board of Directors is 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.

Approach to risk management

Our Risk Management Policy, Framework and the Audit and Risk Committee Charter provide the mandate from the Board and management for how we manage risk.

The effective management of risk is essential to the success of

any organisation and successful delivery of any project, and we are 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 our current risk maturity.

More information can be found in the Risk Management section of this report, on pages 59 to 61.



The major earthworks phase of construction officially began on 11 March 2020.

Corporate governance statement

Interactions with the shareholder ministers

Shareholder communications

We regularly communicate with our shareholder ministers and departments to inform them of any significant development.

In compliance with the PGPA Act and the Commonwealth Government Business Enterprise - Governance and Oversight Guidelines, we provide information about our company and its governance through the annual Corporate Plan, Annual Report and regular shareholder reports and meetings. In line with the ASX Principles, we give our shareholder ministers the option to receive

and send our communications electronically.

We submitted our 2020-21 Corporate Plan, for the reporting period of 2020-21 to 2023-24, to our shareholder ministers on 31 August 2020.

Company disclosure obligations

We are obliged to keep shareholder ministers informed of activities. This obligation is similar to the continuous disclosure requirements applicable to ASX-listed entities. As soon as we become aware of any significant issues or information that may affect

our company, we are required to confidentially communicate the information to shareholder ministers. This may include significant changes to the business environment and any associated risks that may affect the delivery of the airport, or future revenue projections.



The Experience Centre has welcomed more than 6,400 visitors since its opening in September 2019.



Risk management

Risk management

We foster a strong, positive risk culture based on shared values and behaviours. Our Board of Directors and management are committed to implementing a robust risk management framework. This satisfies both our strategic and operational planning as a Government Business Enterprise (GBE) and as the owner of project delivery for the design, construction and operation of Western Sydney International.

This positive risk culture promotes an open and proactive approach to managing risk. It considers both threat and opportunity, and allows us to appropriately identify, assess and manage risk across the company. It also aligns with our commitment to a culture that prioritises and values safety across all aspects of delivery and operation.

The COVID-19 pandemic has severely disrupted the aviation industry as well as the economy and society more generally. The uncertainty looks set to continue for some time to come. Whilst the domestic path to recovery is becoming clearer, the international path to recovery and the impact on the future operations of airlines remain cloudy. In response to COVID-19, we developed a business continuity plan which seeks to maintain the momentum of the project whilst safeguarding the safety of our employees, partners, contractors and the general public. We will continue to capture and assess information and adjust our plans, both in terms of project delivery and ensuring the airport design accommodates changing requirements.

Approach

The Risk Management Policy, Framework and the Charter of the Audit and Risk Committee provide the mandate from the Board and management for how we manage risk.

To ensure we meet the highest standards, we hold ourselves to the international benchmark for risk management – AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines on implementation. It outlines the foundation and organisational arrangements for



Western Sydney International initial earthworks covered only six percent of the 1,780-hectare site.

implementing, monitoring, reviewing and continually improving risk management across the business.

We continually seek to improve the effectiveness of our risk management and control processes. Through consistent and comprehensive application of the framework, we 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 we identify, assess and treat risks on a priority basis and consistently across the business
- ensure we incorporate control frameworks into operational processes.

This framework also details the accountabilities and responsibilities of management, employees, contractors and subcontractors, as well as governance, processes and communication requirements. It allows us to identify and understand foreseeable risks so we can make sound business decisions despite uncertainty. Effective risk management is essential to the success of any organisation and the successful delivery of any project, and we are committed to establishing and maintaining the highest standards of risk management.

Risk profile

We manage a robust risk profile and have established control frameworks for material risk areas that have the potential to affect the company's performance. Management assess these risks regularly and report to the Board and its committees. Material risk areas are listed over the page.

Material risk areas	Description	Approach
Health, safety and wellness	Risks that threaten the health, safety and wellness of our employees, contractors and the communities in which we operate.	We are committed to the wellness of employees, and the prevention of workplace illness and injury. We aim to provide a safe place of work and to continuously assist in the management of employee wellbeing, as well as our work, health and safety management system and performance. We have an expectation to comply with legal requirements while delivering the project on time, within budget and to specification.
Environment	Risks related to activities that could negatively impact the environment.	We are committed to managing environmental impacts, preventing pollution and conducting operations consistent with the principles of environmentally sustainable development. Environmental management aims to comply with legal requirements while delivering the project on time, within budget and to specification.
Sustainability	Risks that threaten the organisation's ability to achieve its sustainability objectives.	Thorough understanding, analysis and implementation of value-adding sustainability initiatives is essential. It allows us to operate with optimal cost, maximise asset value, meet stakeholder expectation, and earn our social licence to operate.
Governance, legal and compliance	Risks related to following internal governance processes, fraudulent and corruptive behaviour and meeting legal, regulatory compliance and obligation requirements.	We place significant importance on identifying and establishing robust legal and governance processes, which align with key internal policies and external regulatory obligations. We do not tolerate any material legal, regulatory or obligation breach or bypassing of governance.
Strategic	Risks that can affect the delivery of our strategy and the overall success of the business.	Our strategic outcomes and objectives are set out in our strategy. We acknowledge that such activities may carry a higher degree of risk by virtue of unknowns spanning a planning timeframe until 2026. These risks and opportunities therefore require agility, flexibility and increased resource to be optimally managed.
Financial	Risks related to a loss of shareholder value and the overall financial stability and stability of the project or business.	We aim to ensure that the project is delivered within the allocated budget while also recognising that achieving strategic outcomes is vital in sustaining long-term financial viability. We acknowledge we will need to accept the risks associated with meeting key stakeholder expectations, inclusive of assessing the viability and feasibility of potential ideas and enhancements.
Commercial	Risks related to a loss of, or inability to generate revenue and maximise the value of the business and the asset.	Given the competitive environment in the commercial space, our commercial activities will be quantifiable and will centre around market research supporting the growth of the airport and surrounding lands.
People, culture and relationship management	Risks that relate to talent attraction and retention, and employee capability and capacity to meet operational requirements.	The attraction and retention of talent, as well as the productivity, engagement, capability and development of our workforce is essential for us to achieve strategic outcomes. We are driven by our values and committed to developing a high-performance culture.

Material risk areas	Description	Approach
Stakeholder and reputation	Risks affecting community and stakeholder expectations and the ability to build the good will of the organisation.	We consider community and stakeholder support to be fundamental to successfully delivering our mandate to develop a thriving airport precinct that benefits the region. Our reputation is a function of how we meet stakeholder expectations and is critical to our ability to deliver on all objectives and to the future success of the airport.
Physical security	Risks related to physical security management and business resilience.	We are committed to delivering a secure operating environment for our employees, contractors and passengers. In recognising the nature of security threats, our tolerance of security risk is determined by achieving a level of risk as low as is reasonably practicable in our given operating environment.
Cyber security	Risks relating to exposure to harm or loss resulting from breaches of, or attacks on, information systems.	We recognise the need for a mature cyber security capability to mitigate cyber risk and respond to potential and emerging threats. We are committed to continually improving our cyber security operations program in order to achieve and maintain the highest levels of policy adherence, cyber defences, employee awareness and technical preventative measures.
Technology	Risks that threaten, or are as a result of, the technology environment.	Our investment in technology is critical to ensuring our organisation has competitive advantage, and meets and exceeds the needs of our customers, employees, partners and providers. The investment, implementation and operation of new technologies that offer strategic and operational advantage are risk assessed against cost (investment, operations and avoidance), the potential for disruption, cyber security, integration and human interface.
Design and delivery	Risks that threaten the delivery of the project within scope, on time and within budget.	We aim to ensure that the project is delivered within the scope specified by the functional specifications, project deed and Airport Plan, as well as within time and budget.
Operations	Risks that threaten continual operations inclusive of both external and internal interfaces.	We seek to continually improve in everything we do and implement and maintain systems and processes to run our business in an efficient, effective, safe, resilient and financially responsible manner. Strong, collaborative relationships with surrounding infrastructure, agencies, industry and market are a primary focus to achieve excellence in design, productivity and commercial outcomes.

In undertaking audit and assurance activity, we adopt a 'three lines of defence' model to help us assess and test key control frameworks across the organisation. The lines of defence are designed to be more independent at the third line, as opposed to the first line. This helps clarify and segregate essential roles and duties. It provides senior executives and the Board with a level of independence on the effectiveness of the control frameworks in place, as well as a verification for key areas of improvement.

- first line – Management controls and internal control measures, such as those key requirements specified in the organisation's policies and procedures.
- second line – Risk control and compliance oversight functions, such as risk management, financial control and quality control.
- third line – Independent internal audit activity.

We aim to treat or control all risks and are committed to establishing and maintaining the highest standard of risk management. Where residual risk ratings are deemed to be not within the risk appetite of the organisation, we are committed to developing and applying targeted risk management plans.



Financial report

Financial report

Statement of comprehensive income

For the year ended 30 June 2020

Continuing operations	Notes	Year ended 30 June 2020 \$000	Year ended 30 June 2019 \$000
Other income			
Interest income		893	892
Total income		893	892
Expenses			
Site preparation	B2	(257,459)	(166,986)
Design and project management		(20,121)	(16,144)
Decontamination	E2	(36,982)	(24,696)
Employee benefits	D2	(24,043)	(21,286)
Professional services		(8,262)	(11,859)
Depreciation and amortisation		(2,486)	(679)
Other		(14,992)	(11,233)
Total expenses		(364,345)	(252,883)
Loss before income tax		(363,452)	(251,991)
Income tax benefit	E3	-	-
Loss for the year		(363,452)	(251,991)
Other comprehensive loss			
Items forming part of other comprehensive loss		-	-
Total other comprehensive loss		-	-
Total comprehensive loss		(363,452)	(251,991)

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

Statement of financial position

As at 30 June 2020

	Notes	2020 \$000	2019 \$000
ASSETS			
Current assets			
Cash and cash equivalents	E1	88,656	50,131
Prepayments		3,892	3,775
Trade and other receivables		6,440	7,420
Total current assets		98,988	61,326
Non-current assets			
Property, plant and equipment	B3	178,768	35,499
Prepayments		17,725	21,072
Total non-current assets		196,493	56,571
Total assets		295,481	117,897
LIABILITIES			
Current liabilities			
Trade and other payables		30,499	24,857
Lease liabilities	E4	205	614
Employee benefit provisions	D1	3,947	2,580
Other provisions	E2	50,335	19,978
Total current liabilities		84,986	48,029
Non-current liabilities			
Employee benefit provisions	D1	663	910
Other provisions	E2	6,077	6,879
Total non-current liabilities		6,740	7,789
Total liabilities		91,726	55,818
Net assets		203,755	62,079
Equity			
Share capital	C1	1,099,165	594,037
Accumulated losses		(895,410)	(531,958)
Total equity		203,755	62,079

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 2020

	Accumulated Losses \$000	Contributed Equity \$000	Total Equity \$000
Balance at 1 July 2019	(531,958)	594,037	62,079
Loss for the year	(363,452)	-	(363,452)
Other comprehensive loss	-	-	-
Total comprehensive loss	(363,452)	-	(363,452)
Transactions with owners of the company:			
Contributions of equity	-	505,128	505,128
Total transactions with owners	-	505,128	505,128
Balance at 30 June 2020	(895,410)	1,099,165	203,755

For the year ended 30 June 2019

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

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 2020

	Notes	30 June 2020 \$000	30 June 2019 \$000
Cash flows from operating activities			
Interest received		929	906
Payments to suppliers and employees		(268,909)	(192,444)
Net GST received		30,973	18,262
Net cash outflow from operating activities	E1	(237,007)	(173,276)
Cash flows from investing activities			
Proceeds from Government contribution		7,781	4,431
Payments for work in progress		(136,956)	(39,246)
Payments for property, plant and equipment	B3	(307)	(1,166)
Net cash outflow from investing activities		(129,482)	(35,981)
Cash flows from financing activities			
Equity injection for ordinary shares by the Commonwealth of Australia	C1	405,528	218,707
Payments for leases		(514)	(415)
Net cash inflow from financing activities		405,014	218,292
Net increase in cash and cash equivalents		38,525	9,034
Cash and cash equivalents at the beginning of the financial year		50,131	41,097
Cash and cash equivalents at the end of financial year / the end of the period		88,656	50,131

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



We have signed MoUs with the largest air cargo industry leaders.

Notes to the financial statements

For the year ended 30 June 2020

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.

The company 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)*.

The company 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 2020. The company 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 24 August 2020.

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)*
- *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.

The company has made certain reclassifications to the comparative figures in the financial statements in order to ensure consistency with the current year presentation. These reclassifications are not material either individually or in aggregate.

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 2020 of \$363.5m and is currently in a net assets position of \$203.8m. 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, runway and taxiways, terminal, landside road networks and car parks, 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.

The company 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

The company 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.

Airport lease grant

On 17 May 2018, the company became the Airport Lessee Company by entering 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, Regional Development and Communications (Department of Infrastructure). The airport lease gives the company 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 the company 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 the company was nil on the date of execution of the lease, no land asset has been recorded in the Statement of Financial Position.

Notes to the financial statements

For the year ended 30 June 2020

B.1 Significant contractual arrangements and commitments

Commonwealth Preparatory Activities (CPA)

CPA relates to activities undertaken by the Commonwealth on behalf of the company. The activities primarily relate to biodiversity offsets, noise amelioration, relocation of pre-existing cemeteries and land acquisitions. The company 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

	2020 \$000	2019 \$000
Within one year	454,677	204,238
Later than one year but not later than five years	393,090	230,304
Later than five years	44,513	44,869
TOTAL	892,280	479,410

B.2 Site preparation activities

For the year ended 30 June 2020	2020 \$000	2019 \$000
Site preparation	157,859	67,386
CPA	99,600	99,600
TOTAL	257,459	166,986

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 the company'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 2019	585	1,633	33,282	35,499
Additions	71	307	145,371	145,749
Transfers	-	15,866	(15,866)	-
Depreciation charge	(470)	(2,011)	-	(2,481)
Closing net book value as at 30 June 2020	186	15,795	162,787	178,768

	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

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 are 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 2020

B.3 Property, plant and equipment

Current financial year

At 30 June 2020, airport construction in progress predominantly includes project management, airport design and engineering, and bulk earthworks development activities including costs directly attributable to future assets such as trunk drainage and site preparation for future key structures (e.g. terminal and runway).

The balance above is net of \$4.0m contributions received from the Commonwealth during the year relating to the novated contract for construction and installation of the airport site perimeter fence (total contributions: \$11.1m).

Plant and equipment predominately include the completed Experience Centre and site office temporary structures.

Pre-development costs are primarily recognised as site preparation expenses (refer note B.2) in the Statement of Comprehensive Income, including earthworks and CPA undertaken on behalf of the Company.

Impairment

All assets were assessed for impairment at 30 June 2020 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.

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.

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,

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	594,037,000	594,037
Shares issued	505,128,000	505,128
Closing balance as at 30 June	1,099,165,000	1,099,165

On 5 October 2017, the Commonwealth of Australia and the company 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 2020, total equity of \$1,099.2m had been provided.

	\$000
Total equity at 1 July 2019	594,037
Non-cash equity contributions	99,600
Cash-settled equity contributions	405,528
Total equity at 30 June 2020	1,099,165

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 2020

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 the company 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

	2020 \$000	2019 \$000
Short term incentives	3,318	2,753
Annual leave	1,147	680
Long service leave	145	57
Total	4,610	3,490
<i>Current</i>	3,947	2,580
<i>Non-current</i>	663	910

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

	2020 \$000	2019 \$000
Wages and salaries	19,848	16,195
Secoedee costs	158	606
Director fees	707	752
Superannuation	1,380	1,190
Leave entitlements	554	1,182
Payroll tax	1,068	1,021
Other	328	340
Total	24,043	21,286

In consideration of the broader economy, all Non-executive Directors elected to forgo 20% of their base pay for the months April to June 2020.

D.3 Key Management Personnel compensation

For the purposes of this disclosure, the company has defined Key Management Personnel (KMP) as the Board, the Chief Executive Officer and senior executives that are direct reports to the CEO and 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:

	2020 \$	2019 \$
Short-term employee benefits	4,471,089	4,183,876
Other long-term benefits	155,043	472,287
Post-employment benefits	200,911	207,516
Contract cessation payments	647,091	-
Total	5,474,134	4,863,679

Notes to the financial statements

For the year ended 30 June 2020

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

	2020 \$000	2019 \$000
Cash on hand	88,656	50,131
Total	88,656	50,131

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

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

	2020 \$000	2019 \$000
Loss for the period	(363,452)	(251,991)
<i>Adjustments for non-cash items:</i>		
Depreciation and amortisation	2,481	679
CPA	99,600	99,600
Finance costs	33	48
<i>Change in operating assets and liabilities:</i>		
Trade and other receivables	(2,411)	14
Prepayments	3,230	(13,360)
Other provisions	31,762	(2,699)
Trade and other payables	(9,369)	(9,049)
Employee benefits provisions	1,119	3,481
Net cash used in operating activities	(237,007)	(173,277)

E.2 Other provisions

	Decontamination Provision \$000	Contractors Provision \$000	Total \$000
Carrying amount at 30 June 2018	25,144	-	25,144
Reassessments and additions	24,696	2,206	26,902
Amounts used during the year	(25,190)	-	(25,190)
Carrying amount at 30 June 2019	24,650	2,206	26,856
• Current provision	19,978	-	19,978
• Non-current provision	4,672	2,206	6,878
Reassessments and additions	36,982	3,871	40,853
Amounts used during the year	(11,297)	-	(11,297)
Carrying amount at 30 June 2020	50,335	6,077	56,412
• Current provision	50,335	-	50,335
• Non-current provision	-	6,077	6,077

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.

It is expected that the remaining remediation activities will be completed in the next financial year as major earthworks activities progress.

The contractors provision represents contractual obligations that are likely to be met.

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
- 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, considering the risks and uncertainties surrounding the obligation.

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 the Statement of Comprehensive Income.

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 as major earthworks activities process on the site.

Notes to the financial statements

For the year ended 30 June 2020

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:

	2020 \$000	2019 \$000
Loss from continuing operations	(363,452)	(251,991)
Tax at the Australian tax rate of 30%	(109,036)	(75,597)
Non-temporary differences	6	2
Current year tax losses not recognised	-	-
Temporary difference not recognised	109,030	75,595
Income tax expense	-	-
Current tax	-	-
Deferred tax	-	-

(b) Tax losses not brought to account

	2020 \$000	2019 \$000
Unused tax losses for which no deferred tax asset has been recognised	224,042	135,190
Potential tax benefit @ 30%	67,213	40,557

Subsequent to lodgment of the company's 2019 tax return, \$134.6m of tax losses has been brought forward and included in the 2020 balance of unrecognised tax losses.

The cumulative amount of unrecognised tax losses of \$224.0m 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

	2020 \$000	2019 \$000
Deferred tax assets/(liabilities)		
Tax losses	67,213	40,557
Property, Plant and Equipment	2,115	-
Expenses to be capitalised for tax	166,208	106,674
Other	18,797	12,354
Net deferred tax assets/liabilities	254,332	159,585

Effective tax rate

The non-recognition of deferred tax assets for deductible temporary differences and tax losses has led to the company having an Australian accounting effective tax rate (ETR) of "0%". If deferred tax assets had been fully recognised for deductible temporary differences and tax losses, the company's Australian ETR would have been 30%.

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.

Tax Transparency Code

The company has registered with the Board of Taxation to adopt the Tax Transparency Code.

E.4 Lease commitments

The company in its capacity as lessee has the following non-cancellable lease commitments:

- office space at 45–47 Scott Street, Liverpool, where the day-to-day operations and management of the company take place
- two motor vehicles.

The minimum lease payments under these leases are as follows:

	2020 \$000	2019 \$000
Within 1 year	195	430
Between 1 to 5 years	10	184
More than 5 years	-	-
Total lease commitments	205	614

Recognition and measurement

AASB 16 Leases has been adopted early by the company 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 the company'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 the company.

	2020 \$	2019 \$
Australian National Audit Office		
Audit of annual financial statements	100,000	97,000
Total amount paid or payable to auditors	100,000	97,000

E.6 Related party disclosures

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

The following transactions occurred with related parties:

	2020 \$000	2019 \$000
Equity injections by the Commonwealth of Australia	505,128	318,307
Receipt of contributions for technical services from Department of Infrastructure	400	-
Receipt of contributions for fencing from Department of Infrastructure	4,029	7,823
Purchases of various goods and services from the Commonwealth of Australia	33	2,298

On 17 May 2018, the company 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, the company has 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

No other matters or circumstance have arisen since 30 June 2020 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 opinion of the Directors of WSA Co Limited:

- a) The financial statements and notes set out on pages 63 to 79 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 2020 and of its performance for the financial year ended on that date, and
 - complying with Accounting Standards and the *Corporations Regulations 2001 (Cth)* and other mandatory reporting requirements.
- 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.

The Directors draw attention to the statement of compliance with International Financial Reporting Standards set out in Note A, page 68.

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
24 August 2020

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 2019–20 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of WSA Co Limited for the year ended 30 June 2020, 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



Scott Sharp
Executive Director
Assurance Audit Services Group

Delegate of the Auditor-General

Canberra
24 August 2020

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 2020 is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2020 and for the year then ended:

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

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the director's report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

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

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

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

Directors' responsibility for the financial report

The directors of 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.

Independent auditor's report



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 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
24 August 2020



Regulatory report

Regulatory report

Western Sydney Airport, as an organisation, is subject to various legislative requirements including, but not limited to, the:

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

The Regulatory report provides information on the company's compliance with the applicable laws and regulations. Several 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 87 to 90 shows where the relevant information can be found in this report.

Ownership and structure

WSA is a Government Business Enterprise wholly owned by the Commonwealth of Australia.

Corporate Plan

WSA Co Limited, now known as Western Sydney Airport or WSA, published the Corporate Plan 2020–21 in August 2020.

Commonwealth government policies

The company's objectives are set by its shareholder ministers in the Statement of Expectations (SOE) issued on 13 September 2017, updated from time to time to reflect policy decisions and supplemented by policy directions and correspondence. The current SOE for WSA outlines the Commonwealth 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 the government. WSA has flexibility and discretion in its operation and commercial decisions within the parameters of applicable legislation, subordinate legislation and the 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 cargo 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
- 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 ministers

The responsible ministers during the reporting period were the Minister for Finance, Senator the Hon. Mathias Cormann and the Minister for Population, Cities and Urban Infrastructure, the Hon. Alan Tudge MP.

Reporting requirements and transparency

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

Parliamentary and other Committees

No ministerial directions or policy orders were received by the company during 2019-20.

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.

Other matters

Performance Audit

The Australian National Audit Office (ANAO) completed a performance audit of the company's procurement activities, with the audit report tabled in Parliament in November 2019. The report highlighted mostly positive findings in relation to the commercial approach and governance of procurement activities undertaken by the company since incorporation in August 2017. WSA Board and management are committed to continuous improvement and whilst the report had no recommendations for WSA, it highlighted opportunities in record-keeping and transparency of procurement outcomes, which have all been addressed.

The report can be found at <https://www.anao.gov.au/work/performance-audit/western-sydney-airport-procurement-activities>.

Reports

Other than as specified, no reports on WSA were given by any of the following:

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

Judicial and administrative decisions

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

Community service obligations

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

Regulatory reporting requirements index

For the year ended 30 June 2020

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

Section	Subject	Location	Pages
s 97	Financial report	Financial report	62-79
	Directors' report	Directors' report	28-32
	Auditor's report	Independent auditor's report	82-83

Corporations Act 2001

Section	Subject	Location	Pages
ss. 295-296	Financial statements	Financial report	63-66
	Notes to the financial statement	Financial report	68-79
	Directors' declaration	Directors' declaration	90
ss. 298-300	Directors' report	Directors' report	28-32
ss. 301-308	Audit of Annual Report and Auditor's report	Independent auditor's report	82-83

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)	Our purpose, vision and values, page 8	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(aa)	Remuneration report, page 43 and Operating overview, pages 11-13	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	Mandatory
28E (b)	Regulatory report, page 86	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 86	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 86	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 30-31	Information on each director of the company during the reporting period	Mandatory
28E (g)	Operating overview page 14	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E (ga)	Operating overview page 14	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 pages 11-13	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 47-56	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 pages 11-17	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 86	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 82-83 and Regulatory report, page 86	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 37-43	Information about executive remuneration	Mandatory
28E(ob)	Directors' report, pages 29-32, Corporate governance statement, pages 47-56 and Remuneration report, page 43	The following information about the audit committee for the company: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
28F	Disclosure requirements for government business enterprises		
28F(1)(a)(i)	Directors' report, page 32	An assessment of significant changes in the company's overall financial structure and financial conditions	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)(a)(ii)	Directors' report, page 32	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 32	Information on dividends paid or recommended	If applicable, Mandatory
28F(1)(c)	Regulatory report, page 86	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	48
3.16(c)	Performance against financial and non-financial expectations	Operating overview and Financial overview	11-25
3.17	Key governance practices	Corporate governance statement	47-56
3.18	Financial Statements are audited by or reported on by the Auditor General	Independent auditors report	82-83
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 Auditor-General Act 1997 (Cth).	Corporate governance statement [Safeguard Integrity in Corporate Reporting 7.2]	54
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]	78
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	40-42
3.23	Use of the Remuneration Disclosure template.	Remuneration report	40-42



More than 200 earthmoving machines will begin the next phase of work on one of the largest earthmoving challenges in Australian history.

10

Glossary and abbreviations

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, Regional Development and Communications
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, Regional Development and Communications
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

AASB	Australian Accounting Standards Board
ABC	Airport Building Controller
ABCN	Australian Business and Community Network
AEO	Airport Environment Officer
ANAO	Australian National Audit Office
AsA	Airservices Australia
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CASA	Civil Aviation Safety Authority
CEO	Chief Executive Officer
CEMPs	Construction Environmental Management Plans
CFO	Chief Financial Officer
CI&SI	Community Investment and Social Impact
CIO	Chief Information Officer
Cth	Commonwealth

CPA	Commonwealth Preparatory Activities
CPBLL	CPB Contractors and Lendlease JV
CTO	Chief Technology Officer
DRC	Depreciable replacement cost
EGM	Executive General Manager
ERP	Enterprise resource planning
ESA	Equity Subscription Agreement
FAR	Fixed Annual Remuneration
GBE	Government Business Enterprise
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
KMP	Key Management Personnel
MoUs	Memorandums of Understanding
NAWO	National Association of Women in Operations
PEO	Principal Executive Officer
PRNC	People, Remuneration and Nomination Committee
RMG	Resource Management Guidelines
SOE	<i>Statement of Expectations</i>
SSI	Settlement Services International
STI	Short-Term Incentives
TRIFR	Total recordable injury frequency rate
WCAA	Western City and Aerotropolis Authority
WSA	Western Sydney Airport

